News Insight & Recap

July 2025

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GRANT THORNTON INSIGHTS

Vietnam's economy continues to demonstrate robust momentum in the first seven months of 2025, building on a strong start to the year with GDP growth reaching 7.52%, the fastest pace in 15 years. Foreign direct investment (FDI) remained strong during this 7-month period, attracting USD24.09 billion, a 27.3% year-on-year increase, primarily directed toward manufacturing and real estate. Trade turnover reached USD514.7 billion, with Vietnam sustaining a trade surplus of USD10.18 billion despite rising imports. These results continue to reflect the economy's resilience amid global uncertainties.

Yet the trajectory ahead is shaped by both opportunity and risk. The U.S. government's finalization of tariffs at 20% on Vietnamese exports, down from the previously announced 46%, represents a significant easing of trade tension, but it also maintains a higher baseline than previous levels, creating new pressures for exporters. Sectors such as garments and textiles, electronics, and wood products are particularly threatened with slowing orders. Vietnam's challenge is to convert these temporary headwinds into an incentive for structural adjustment. Policy measures will be decisive in this period. Accelerated public investment, targeted tax relief, and streamlined administrative procedures need to be accelerated to sustain consumption, investment, and export growth. At the same time, long-term initiatives, including the development of international financial centers in Ho Chi Minh City and Danang, are designed to deepen capital markets, attract high-quality FDI, and enhance productivity. Success will depend on the ability to integrate these reforms with market dynamics, ensuring that near-term growth momentum translates into sustainable structural gains.

Looking ahead, the remaining months will be critical: how Vietnam balances short-term stimulus with structural transformation will likely define its economic trajectory for the remainder of the year and beyond.

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1. VIETNAM TAKES STEPS TO REALIZE 2025 GROWTH TARGET OF 8.3–8.5%

Vietnam is actively pursuing its GDP growth target of 8.3–8.5% for 2025 through a mix of policy measures and strategic initiatives. In the first half of 2025, the economy expanded by 7.52%, the highest first-half growth in 15 years, supported by strong foreign investment inflows and stable macroeconomic conditions. To achieve the ambitious target, the government is focusing on key growth drivers: investment, consumption, and exports, while implementing more tax relief and accelerating public investment disbursement. In support of these efforts, ministries and localities have been urged to remove institutional bottlenecks, improve policy execution, and negotiate trade agreements, particularly with the U.S., to ease export pressures. Prime Minister Pham Minh Chinh noted that the growth target is "not impossible" and should be pursued with determination, viewing it as a necessary step toward long-term development.

(Source: VietnamPlus)

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2. U.S. OFFICIALLY LOWERS TARIFFS ON VIETNAMESE IMPORTS TO 20%

On August 1, the U.S. announced an official tariff rate of 20% on Vietnamese imports, a reduction from the previously announced 46%, under an Executive Order signed by President Donald J. Trump. This adjustment is part of a broader revision of trade terms affecting 69 countries and territories. Vietnam's Ministry of Industry and Trade (MoIT) confirmed that both sides are continuing negotiations toward a reciprocal trade agreement, aiming to strengthen economic, trade, and investment ties under the U.S.-Vietnam Comprehensive Strategic Partnership. Since April, Vietnam and the U.S. have been actively engaged in a series of trade discussions, ranging from technical-level exchanges to high-level ministerial negotiations aimed at advancing bilateral. In the first seven months, bilateral trade reached USD95.6 billion, with Vietnam exporting USD85.1 billion and importing USD10.5 billion.

(Source: Vietnam Economic Times)

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3. AMRO RAISES VIETNAM'S 2025 GROWTH FORECAST AFTER STRONG H1 RESULTS

The ASEAN+3 Macroeconomic Research Office (AMRO) has revised Vietnam's 2025 GDP growth forecast upward from 6.5% to 7%, reflecting the country's stronger-than-expected economic performance in the first half of the year. Vietnam posted 7.52% growth in H1 2025, driven by steady domestic consumption, resilient export activity, and continued growth in manufacturing and services. The rationale for the forecast is the ongoing structural reforms, particularly those aimed at improving the investment climate and infrastructure efficiency. These efforts are helping to boost productivity and attract capital, contributing to sustained economic resilience. AMRO also notes that deeper regional integration could further enhance Vietnam's appeal to foreign investors and support long-term growth. Vietnam's stability and competitiveness amid global uncertainties are key to its growth momentum.

(Source: Vietnam Economic Times)

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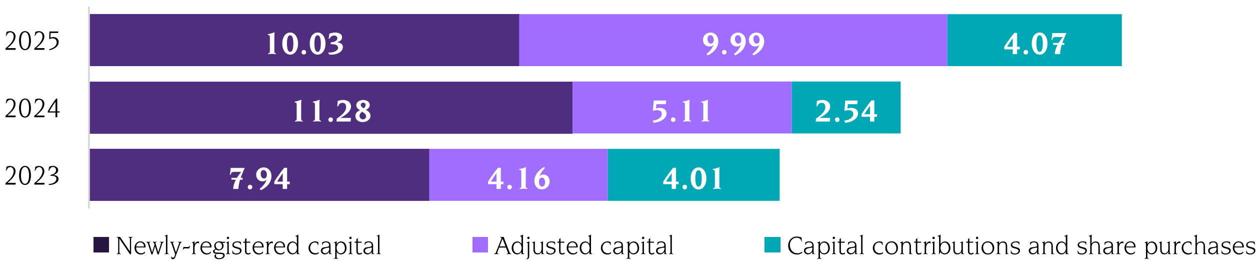
4. VIETNAM MAINTAINS STRONG FDI MOMENTUM THROUGH JULY 2025

Vietnam attracted USD24.09 billion in foreign direct investment (FDI) from January to July 2025, marking a 27.3% increase year-on-year. Disbursed capital reached USD13.6 billion, up 8.4%, the highest seven-month figure in five years. Of the total registered capital, USD10.03 billion came from 2,254 newly licensed projects, up 15.2% in number but down 11.1% in value, while adjusted capital surged 95.3% to USD9.99 billion. Capital contributions and share purchases also rose 61% to USD4.07 billion across 1,982 transactions.

Breakdown of 7-month FDI capital into Vietnam from 2023-2025 (USD billion)



(Source: VietnamPlus)

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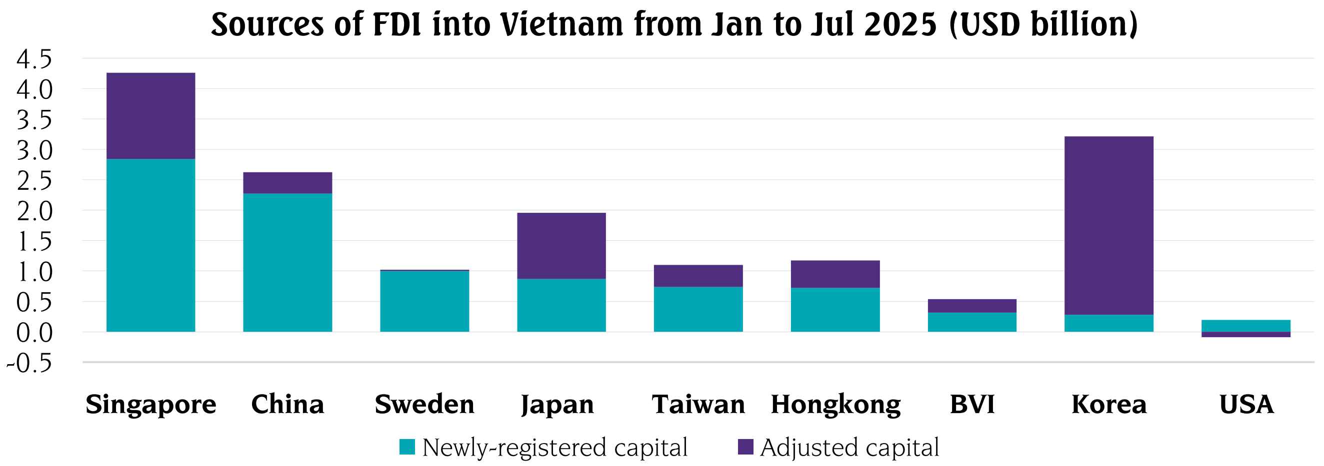
4. VIETNAM MAINTAINS STRONG FDI MOMENTUM THROUGH JULY 2025 (CONT.)

FDI flowed into 18 out of 21 economic sectors of Vietnam, with manufacturing and processing leading at USD12.12 billion (60.6%), followed by real estate at USD4.95 billion (24.7%). In the first seven months of 2025, 74 countries and territories registered new projects. Singapore topped the list with USD2.84 billion, followed by China (USD2.27 billion), Sweden (USD1.0 billion), Japan, Taiwan, and Hong Kong.



(Source: VietnamPlus)

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5. VIETNAM SUSTAINS TRADE SURPLUS DESPITE IMPORT SURGE

According to the National Statistics Office (NSO), Vietnam's trade turnover in the first seven months of 2025 reached USD514.7 billion, up 16.3% year-on-year. Exports rose 14.8% to USD262.44 billion, and imports increased 17.9% to USD252.26 billion, resulting in a USD10.18 billion surplus. Processed industrial goods made up 88.6% of exports, while production materials accounted for 93.8% of imports. Vietnam continued to record trade surpluses with the U.S., EU, and Japan, but trade deficits with China, South Korea, and ASEAN.

Exports
USD262.44 billion

Total trade volume
USD514.7 billion
USD10.18 bil in trade surplus

Imports
USD252.26 billion

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(Source: TheInvestor)

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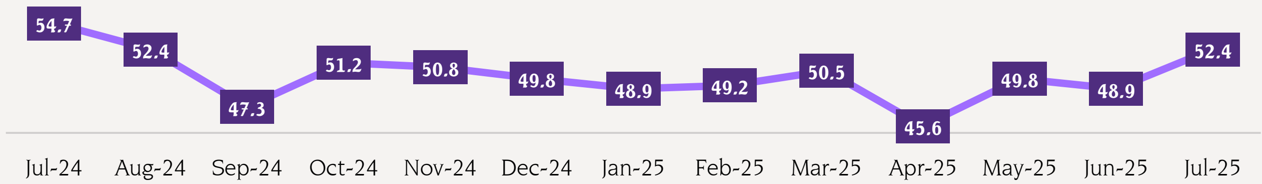
6. VIETNAM MANUFACTURING REBOUNDS IN JULY BUT TARIFFS WEIGH ON OUTLOOK

Vietnam's manufacturing sector shows signs of recovery in July, with the S&P Global's Purchasing Managers' Index (PMI) rising to 52.4 from 48.9 in June. Renewed domestic demand drove the first increase in new orders in four months, which boosted production and purchasing activity, though export orders continued to decline due to the U.S. tariffs. Firms faced raw material shortages, leading to delivery delays and the fastest rise in input costs so far in 2025, which prompted slight increases in selling prices. Although firms remained optimistic about future output, confidence dropped to a three-month low over tariff concerns.

Vietnam's Purchasing Managers' Index (PMI)



(Source: S&P Global)

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7. VIETNAM'S FINANCIAL CENTERS SET TO LAUNCH BY LATE 2025

Vietnam plans to open international financial centers in Ho Chi Minh City and Danang by late 2025, following a decision recently signed by Prime Minister Pham Minh Chinh. The plan aims to create a platform for long-term capital mobilization and attracting overseas funds, technology and expertise. It also calls for regulatory upgrade and development of both physical and digital infrastructure, from transport and logistics networks to 5G connectivity and smart city systems. Ho Chi Minh City will allocate 793 hectares for the financial center along with soft infrastructure such as 5G networks and smart city systems, while Danang will focus on developing digital infrastructure and blockchain-based services. Priority actions in the plan include piloting a fintech regulatory sandbox, upgrading the commodities market, and building a skilled workforce, in line with the National Assembly's Resolution 222/2025/QH15.

(Source: Vietnamnews)

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8. VIETNAM-EU TRADE REACHES USD300 BILLION AFTER FIVE YEARS OF EVFTA

Five years after the EU-Vietnam Free Trade Agreement (EVFTA) came into effect, two-way trade between Vietnam and the EU has reached nearly USD300 billion. The agreement has positioned Vietnam as the EU's top trading partner in ASEAN and its 16th largest globally. Since its implementation, over 70% of tariffs have been eliminated, with reductions expected to reach up to 99% in the coming years. Beyond tariff liberalization, the EVFTA has improved market access, enhanced regulatory transparency, and strengthened intellectual property protection. It has also supported Vietnam's export growth in key sectors such as electronics, textiles, furniture, and agri-food, while facilitating imports of high-tech machinery, pharmaceuticals, and green technologies from Europe. This milestone underscores the EVFTA's role in promoting stable trade ties and deepening Vietnam's integration into the EU market.

(Source: Vietnamnews)

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9. **VIETNAM BECOMES** WORLD'S SECOND-LARGEST RICE EXPORTER

Vietnam has officially surpassed Thailand to rank second among the world's top rice exporters in the first half of 2025, behind only India. Between January and June, Vietnam shipped 4.72 million tons of rice (up 3.5% year-on-year), while Thailand saw a sharp 27.3% drop to 3.73 million tons. In July alone, exports reached 750,000 tons worth USD366.1 million. Over the first seven months of 2025, Vietnam exported 5.5 million tons of rice, up 3.1% year-on-year, but revenue dropped 15.9% to USD2.81 billion due to falling prices. The Philippines remained the top buyer, accounting for 42.6% of total export value. Exports to African markets surged, with Ghana up 53.5% and Ivory Coast nearly doubling. Bangladesh saw the most dramatic growth, export value jumped over 188 times, while Malaysia recorded the steepest decline at 58.5%.

(Source: Vietnam Economic Times)

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10. VIETNAM'S EXPORTS TO THE U.S. LIKELY TO SLOW IN COMING MONTHS

Experts are expecting Vietnam's exports of wooden products and textiles to the U.S. to slow from late 2025 into early 2026, following strong growth in the first half of the year. Vu Ba Phu, Director of the Trade Promotion Agency, said shipments of wooden furniture, textiles, and food surged ahead of a 20% reciprocal tariff imposed by the U.S. on August 1, pushing total exports to USD70.91 billion, up 28.6% year-over-year. He warned that high inventories and rising costs could slow exports in the coming months and emphasized the need for new trade models to reduce risks and support small and medium-sized firms. Tran Nhu Tung of Thanh Cong Textile-Investment-Trading JSC noted that many buyers had front-loaded orders before the tariff, leading to weaker demand expected in Q3. The U.S. accounted for USD17.5 billion of Vietnam's USD21.8 billion global textile and garment exports in H1, up 17% year-over-year.

(Source: TheInvestor)

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Contact

仁科 仁
Jin Nishina
Director / CPA

T +84 906 719 178
E Nishina.jin@vn.gt.com

谷口 雅宣
Masanobu Taniguchi
Director / CPA

T +84 358 177 966
E masanobu.taniguchi@vn.gt.com