VIETNAM INVESTORS SERVICE

VIETNAM BONDS & CREDIT FORUM



## Vietnam Credit Outlook H2 2025

# Stable outlook anchored by reform momentum as global headwinds persist

On June 5, 2025, we hosted our quarterly webinar, *"Vietnam Credit Conditions in H2 2025: Will Vietnam Find the Silver Lining Through These Turbulent Times?"*, featuring insights from Marcus Yiu (Analyst, Sovereign Risk Group, Moody's Ratings), Nguyen Duc Hung Linh (Deputy CEO, JB Securities Vietnam; Co-founder, Think Future Consultancy), and Do Thi Thuy Huong (Executive Board Director, Vietnam Electronics Industries Association). The panel shared perspectives on Vietnam's economic performance in the first half of 2025 and their outlook for the second half of 2025. This report presents our credit outlook for the remainder of the year, along with key takeaways from the discussion.

**We expect credit conditions in Vietnam to remain stable in the second half of 2025, supported by proactive fiscal measures and ongoing institutional reforms that help buffer rising global risks.** The government's planned increase in public infrastructure spending will stimulate domestic business activities and reinforce the momentum of reform, thereby bolstering investor confidence. Key reforms – such as administrative streamlining, consolidation of provincial authorities, and simplification of bureaucratic procedures - are improving resource allocation to the private sector and easing structural bottlenecks across industries.

Persistent external uncertainties—particularly evolving U.S. trade policy and geopolitical tensions such as the Israel-Iran conflict—pose downside risks to Vietnam's growth outlook over the next 12 to 18 months. A prolonged escalation of the conflict could trigger oil price spikes, straining energy supply, driving up logistics and production costs, and fueling short-term inflation. The ultimate impact, however, will hinge on the scale and duration of the conflict.

**The resumption of U.S. reciprocal tariffs after July 9 will weigh on Vietnam's short-term growth, disrupt global trade flows, and accelerate the shift toward domestic capacity-building and export diversification.** Vietnam's position as a global manufacturing hub will weaken as multinationals recalibrate their supply chains and redirect long-term investments.

In response, exporters are pivoting toward the EU, ASEAN, and other markets, while the government is enhancing trade compliance through stricter origin checks, anti-counterfeit enforcement, and broader trade partnerships.

These measures, alongside reduced reliance on FDI, are reinforcing Vietnam's structural resilience and reform momentum amid persistent global uncertainties.

**Vietnam's streamlined administrative structure and accommodative policy stance will accelerate infrastructure development and support sustained economic momentum.** From August 15, 2025, the merger of provincial governments into larger units will streamline decision-making and enhance resource allocation between government entities. At the central level, a mandated 30% cut in administrative procedures will lead to quicker execution and resolve legal delays across industry sectors.

The release of Politburo Resolutions No. 57, 59, 66, and 68 in May signals a strategic pivot—empowering the private sector, promoting green and tech industries, and strengthening the legal foundation for long-term growth. Implementation measures include targeted funding, tax incentives, increased infrastructure spending, and a regulatory sandbox for tech innovation.

**We expect infrastructure, residential real estate, power, and technology sectors to lead growth in 2H 2025, while export-dependent sectors such as manufacturing, seaports, and industrial parks will face mounting pressure.** The infrastructure and civil engineering sectors will benefit directly from expanded public investment in infrastructure. The residential real estate and power sectors are gaining business momentum, supported by faster approval and administrative processes.

In contrast, renewed U.S. tariffs are dampening external demand, weighing on export-oriented industries. As a result, manufacturing, logistics, and industrial parks are likely to see slower growth, reflecting broader trade headwinds and a recalibration of Vietnam's export competitiveness.

CONTACTS US

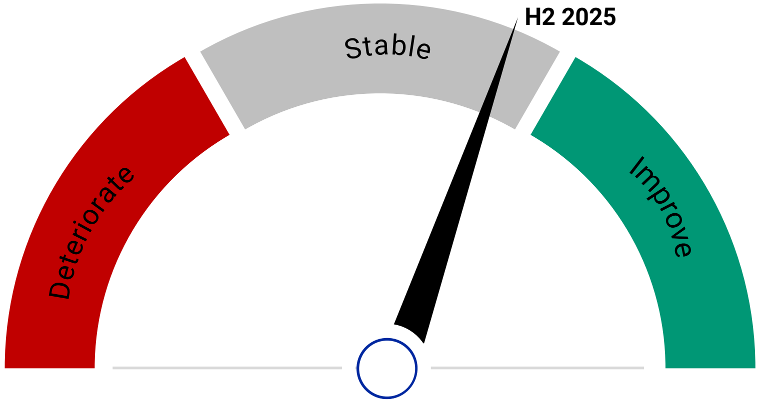
**Nguyen Dinh Duy, CFA**
*Director – Senior Analyst*
duy.nguyen@visrating.com

**Nguyen Ly Thanh Luong, CFA, ACCA, FMVA**
*Lead Analyst*
luong.nguyen@visrating.com

**Simon Chen, CFA**
*Head of Ratings and Research*
simon.chen@visrating.com

https://visrating.com

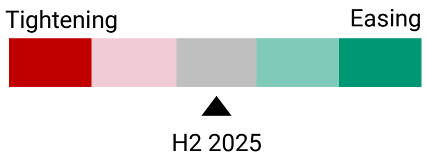
## Exhibit 1: H2 2025 Credit Outlook




### Policy measures

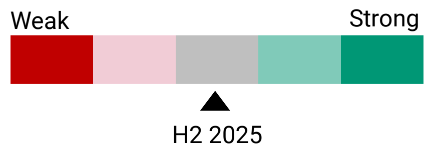

- Enhanced policy efficiency under cut in administrative procedures and provincial consolidation
- Strategic policy pivot via Politburo Resolutions
- Accelerate public investment

### Financing conditions



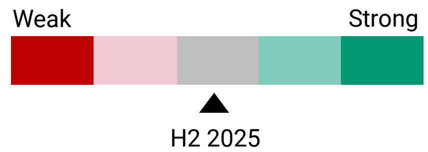

- Stronger bank credit growth to support financing for corporates.
- The corporate bond market to rebound
- Heightened FX risk from tariff resumption risk and geopolitical conflicts create upward pressure on Vietnam's interest rate level

### Business conditions




- Weak external demand due to global trade uncertainties
- Solid domestic demand under expansionary fiscal policies

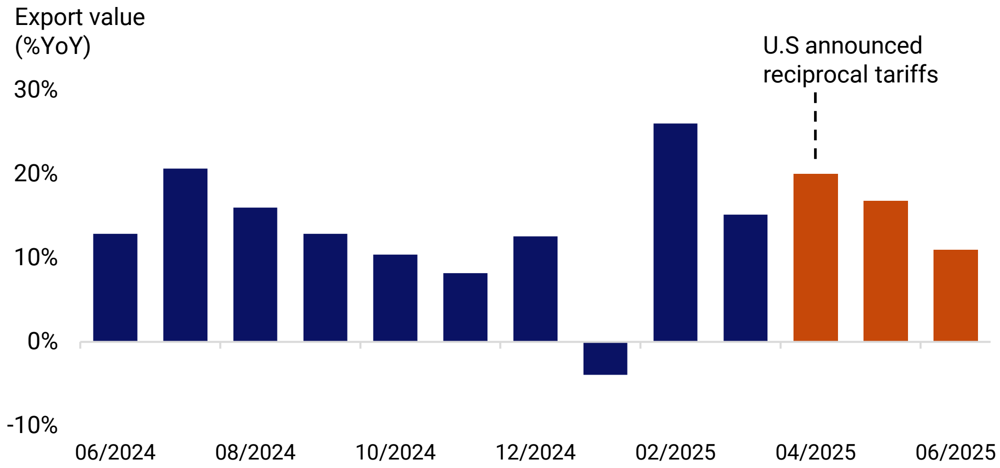
### Financial strength




- Infrastructure, power, and technology sectors benefiting from policy support.
- Export-dependent sectors experiencing cash flow timing mismatches from trade disruptions.

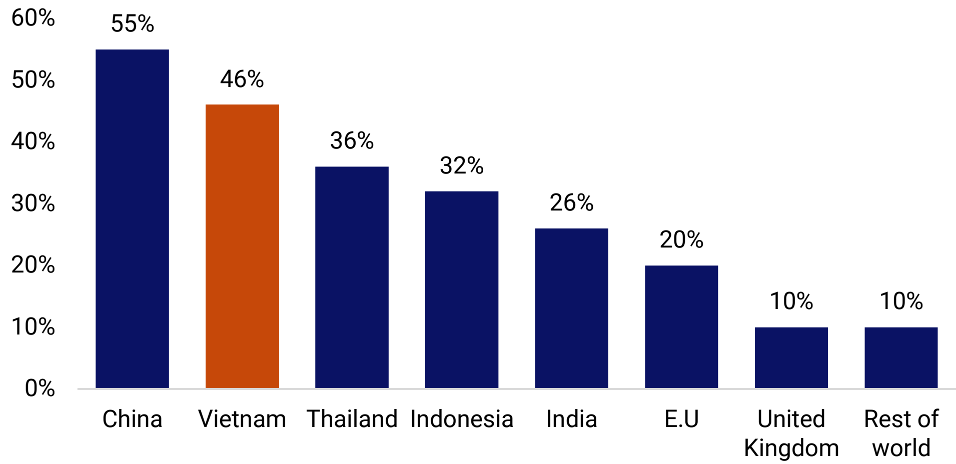
*Source: VIS Rating*

**Exhibit 2: Export activities faded out as reciprocal tariff deadline looms**



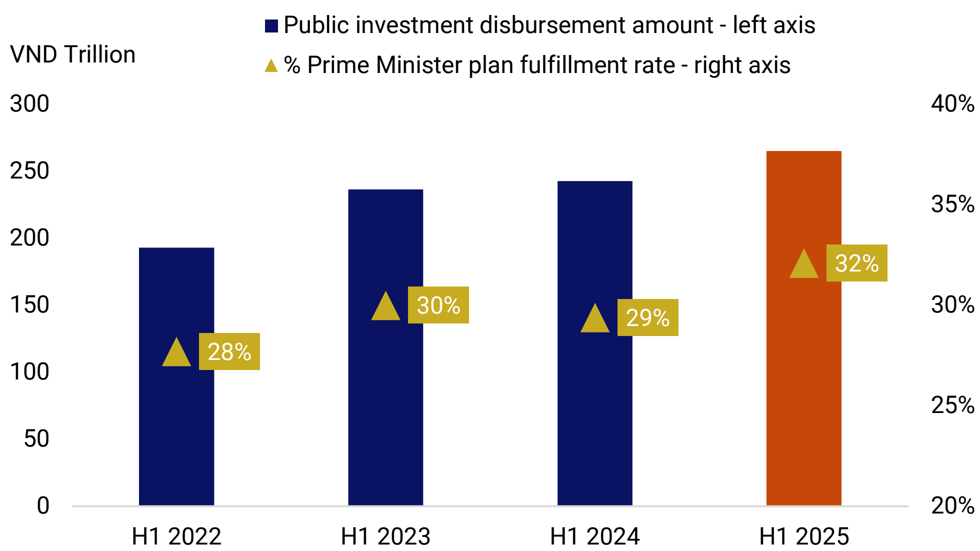

Source: Vietnam Customs Department, VIS Rating

**Exhibit 3: If reciprocal tariffs resume on July 9, multinationals will recalibrate their supply chains to other countries to avoid high tariffs from the U.S**



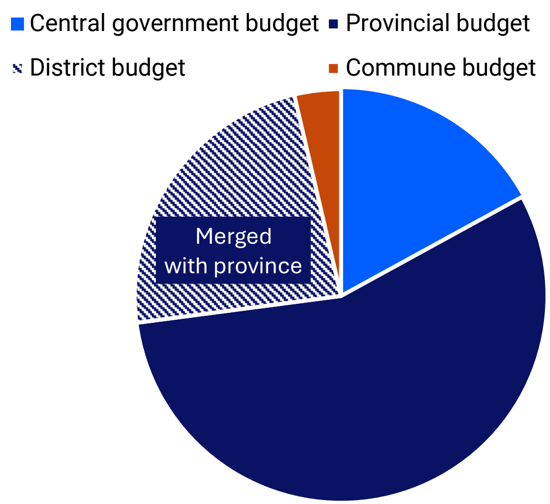

Source: United States Trade Representative

**Exhibit 4: Public investment accelerated under more streamlined administrative structure**




Source: Ministry of Finance, VIS Rating

**Exhibit 5: Consolidation on the provincial level will allow for better resource allocation**




Source: Ministry of Finance, VIS Rating

**Exhibit 6: Summary of important Politburo resolutions**

| Framework | Vision | Execution |
|---|---|---|
| **Resolution 57/NQ-TW** | » By 2045 the digital economy must exceed 50 % of GDP and place Vietnam in the world's top 30 countries for innovation. | » Offer strong tax, credit, and land incentives so SMEs invest in digitalisation, R&D, and smart manufacturing.<br>» Launch nationwide start-up schemes and preferential policies that fuel tech entrepreneurship.<br>» Push digital consumption so that online products and services reach ≥70 % of the digital economy across key sectors. |
| **Resolution 59/NQ-TW** | » By 2050 Vietnam to become a high-income and developed nation by leveraging global ties on four pillars: economy, politics, innovation, and social | » Deepen economic integration with different countries to drive restructuring, digital transition, and growth.<br>» Accelerate the integration scheme and pivot to adopting regional science-tech-innovation to raise national competitiveness<br>» Broaden political ties to keep a stable, peaceful environment |
| **Resolution 66/NQ-TW** | » By 2030, Vietnam will rank in ASEAN's top three countries for investment climate with a clear, consistent legal system<br>» By 2045, the legal framework should meet advanced global standards and support a high-income, modern state | » Earmark ≥0.5 % of the annual state budget for law-making and move to performance-based funding<br>» Digitise the whole legislative cycle with AI, big-data tools, and modern IT infrastructure<br>» Intensify international legal cooperation and align domestic rules with global treaties |
| **Resolution 68/NQ-TW** | » By 2030, Vietnam to have two million firms, at least 20 large corporate groups in global value chains<br>» By 2030, the private sector will account for 55–58 % GDP and contribute 35–40 % of state revenue. | » Reform laws to guarantee property rights, free competition and a low-cost, transparent business environment<br>» Expand PPP models and incentivize 1000 leading innovation firms and create a Go Global export programme.<br>» Strengthen SME finance: credit-guarantee funds, fintech sandboxes, green credit, and unsecured lending.<br>» Allow 200 % tax deduction on R&D, let firms retain 20 % of taxable income for tech-innovation funds, and give CIT/PIT breaks to start-ups. |

*Source: Resolution 57/NQ-TW, Resolution 59/NQ-TW, Resolution 66/NQ-TW, Resolution 68/NQ-TW, VIS Rating*

# APPENDIX

## Credit Outlook: Definition and Assessment Framework

Our Credit Outlook reflects our view of credit conditions in Vietnam over the next 12 months. It captures our view of credit trends and the direction of expected changes in creditworthiness or credit quality of corporate businesses operating in key industry sectors in Vietnam. It also reflects our forward-looking assessment of the abilities of corporate businesses in Vietnam to service and meet their debt obligations.

We denote our credit outlook using three distinct categories, namely ‘Deteriorate’, ‘Improve’ and ‘Stable’.

Our assessment framework is centered around the four key pillars as explained below.

**Financial Strength: This aspect is critical to determine the ability of a company to service its debts. Financial strength is typically measured by financial ratios, which can include metrics on leverage and coverage, profitability, liquidity, etc.**

A strong financial strength profile is characterized by low leverage, strong and stable profitability, well-matched asset and liability structure, and sufficient cash resources to cover maturing debt repayments.

**Business Conditions: We assess business conditions by considering multiple factors that will impact a company’s ability to conduct its business activities, generate sales and cash flow and stay viable.**

The factors include the economic outlook, supply and demand dynamics of a company’s product and services, external competition, market sentiment, etc. Strong business conditions will likely enhance the operating prospects of a company, which will bode well on its ability to generate cash flow to meet debt obligations on time.

**Policy Measures: We consider how companies will be affected by the government’s policy measures, for example monetary easing, fiscal spending, changes in laws and regulations, etc. We analyze the policy intention and direction, as well as the extent of aid and/or disruption to industry sectors and companies.**

Policy measures tend to have a strong influence on both business and financing conditions. Policy measures that are easing in nature are generally positive for business growth. For example, the roll-out of fiscal stimulus, subsidies, changes in laws and regulations may promote business activity.

**Financing Conditions: This relates to a company’s ability to access and secure new financing for its business needs or to refinance its outstanding debt.** We assess the availability and accessibility of financing, focusing on factors such as overall market cash flow movement, interest rate trends, credit availability, and borrowing conditions.

Easing financing conditions are typically marked by a low interest rate environment, ample liquidity headroom in the banking sector to support lending, good liquidity

VIETNAM BONDS & CREDIT FORUM

## OUR ESTEEMED GUEST SPEAKERS

We extend our sincere appreciation to our distinguished speakers who participated in our webinar. Your insights enriched our discussion and delivered meaningful perspectives for our audience.

**Mr. MARCUS YIU**
Analyst, Sovereign Risk Group, Moody's Ratings

Mr. Marcus Yiu is an Analyst with Moody's Sovereign Risk Group. Based in Singapore, he supports lead analysts in covering a portfolio of sovereign credits in the Asia Pacific and Central Asia regions.

Marcus joined Moody's in January 2020, after working at J.P. Morgan Asset Management as a Market Analyst based in Hong Kong. There, he performed macroeconomic and market research with a focus on Asia and took part in generating asset allocation ideas for clients.

Marcus graduated with a Bachelor of Science in Economics from the University of Warwick.

**Mr. NGUYỄN ĐỨC HÙNG LINH**
Deputy CEO, JB Securities Vietnam
Co-founder, Think Future Consultancy

Mr. Nguyễn Đức Hùng Linh is Deputy General Director at JB Securities Vietnam. Based in Vietnam, he is a renowned financial and securities expert with extensive experience in investment advisory, asset management, and economic consulting across major financial institutions.

As the founder of Think Future Consultancy, he is dedicated to fostering financial literacy and strategic thinking in Vietnam's investment community. In The Investors talk show, Mr. Linh plays a pivotal role as host and moderator, guiding insightful conversations with prominent guests and uncovering valuable lessons from their investment journeys.

**Ms. ĐỖ THỊ THÚY HƯƠNG**
Vice President, Vietnam Association for Supporting Industries (VASI)
Executive Board Director, Vietnam Electronic Industries Association (VEIA)

Ms. Đỗ Thị Thúy Hương is an Executive Board Member of VEIA and Vice President of VASI, she works closely with manufacturers, policymakers, and stakeholders to foster industry growth amid global shifts toward Industry 4.0 and digital transformation.

She is also Editor-in-Chief of Vietnet24h, a leading online publication focused on electronics and technology.

Ms. Hương holds degrees in electrical automation and economic law and earned a Master's in Economics and Public Policy from the Korea Development Institute. She has also completed advanced training in business and public administration in Japan, Germany, and Thailand.

VIETNAM INVESTORS SERVICE

Empowering Better Decisions