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Sa. Partners

Vietnam Government Budget 2026

Plan vs. Actual: Fiscal Ambition Meets Institutional Constraint

Vietnam's most ambitious budget in history is structurally underpowered on execution — the growth dividend arrives late, not never.

2,529T VND	1,120T VND	13.7%	4.2%
2026 Revenue Target	**Capital Expenditure**	**Capex Disbursed (4M)**	**Deficit / GDP Target**
+18.9% YoY	First time >1,000T; +41.7% YoY	19.6pp gap vs. proportional	Debt →39-40% GDP by 2028

Vietnam's 2026 budget is industrial policy dressed as fiscal management — three MECE pillars determine whether the transformation is real this year or deferred by one.

01

Revenue Architecture Transformed

— Domestic taxes 87% of revenue (vs ~75% a decade ago)

— Oil down from 25% (2010) to <2% (2026) — structural shift complete

— CIT from FDI manufacturers + VAT from consumption = new anchor

— 2,199.9T VND domestic target; 4M tracking 45% of plan

02

Capex as Industrial Policy Lever

— 1,120T VND (+41.7%) — first budget exceeding 1,000T capex

— 35.5% of total expenditure allocated to capital investment

— North-South Expressway Ph.2, Hanoi/HCM metro, 16,500 MW energy

— Tax incentives: 10% CIT for high-tech FDI; 0% duty on EV inputs

03

Execution Is the Binding Constraint

— 13.7% of capex deployed in first 4 months — 19.6pp below pace

— Historical ceiling: never above 78% in any recent year

— 5 bottlenecks: approvals, land, procurement, provinces, risk aversion

— 280–390T VND likely rolls into 2027 — deferred, not lost

UNCERTAINTY BAND — Bull (20%): full capex deployment; GDP ≥10%. Base (50%): 75% disbursement; GDP 8.5–9.5%. Bear (30%): tariff shock + 55–65% disbursement; GDP 7.0–8.5%.

Source: Source: MOF; NA Resolution 245/2025/QH15; IMF Article IV 2025; ADB ADO Apr 2026

The central analytical question separates those who will be right from those who will be early — and the data to answer it will be available by Q3 2026.

Is Vietnam's budget framework capable of executing its own ambition — and if not, what breaks first?

WHY IT MATTERS NOW

1. Vietnam just enacted its largest budget in history — the data is fresh and the stakes are highest in a generation.

2. The US tariff 90-day pause expires ~July 2026; a 46% rate re-imposition creates 150T+ VND trade revenue shortfall instantly.

3. ADB forecasts 7.2% GDP — 280 basis points below the 10% government target. That gap is named: capex execution failure.

3 CRITERIA A CREDIBLE ANSWER MUST SATISFY

Quantifiable:	Specify the capex shortfall in VND, not just 'execution risk'
Directional:	Bull/Base/Bear yield distinct actionable conclusions per audience
Time-Bounded:	The verdict on 2026 is decidable by Q3 — H2 disbursement data is definitive

Source: Source: MOF; ADB Asian Development Outlook Apr 2026; World Bank Taking Stock Vietnam; IMF Art.IV 2025

Vietnam's fiscal machine is a three-node system: revenue generators, state allocators, and execution actors — each with distinct bottleneck profiles and strategic leverage points.

REVENUE GENERATORS

- Samsung / LG / Intel / Foxconn → 15% of CIT
- Domestic retail/services → VAT base 87% of revenue
- Import/export duties → 278T VND (11% of budget)
- Land-use fees → urbanization cycle lever
- Crude oil → 43T VND (<2%, structural decline complete)

STATE ALLOCATORS

- Ministry of Finance → budget architecture & oversight
- Ministry of Planning & Investment → capex routing
- State Treasury → disbursement gateway
- National Assembly → approval authority (Resolution 245)
- PM Office → fast-track mechanism (90% target directive)

EXECUTION ACTORS

- 63 provinces → >60% of capex flows through here
- SOEs (EVN, VNPT, Vietnam Airlines) → 8-10% GDP contingent liab.
- Private contractors → capacity and materials constraints
- FDI zones / SEZs → tax incentive recipients, CIT anchor
- MoT / MoC → infrastructure project owners & sponsors

STRUCTURAL OBSERVATION: Revenue generation is robust and diversifying. Allocation architecture is improving. Execution is where Vietnam's 10% GDP ambition lives or dies.

Source: Source: MOF; GSO; NA Resolution 245/2025/QH15; World Bank; IMF

MARKET DYNAMICS

01

Revenue architecture, demand drivers, and fiscal scale

Four structural forces underpin Vietnam's fiscal demand expansion — each self-reinforcing and visible in the 2026 budget architecture.

1
FDI Manufacturing Anchor
Samsung, LG, Intel, Foxconn drive CIT base. 15% of CIT from top 20 FDI firms. Hi-tech zones at 10% CIT for 15 yrs.

2
Urbanization & Land Fees
Land-use fees fund provincial capex. Real estate urbanization cycle generates budget receipts cyclically.

3
Consumption & VAT Growth
Rising middle class fuels VAT. Services recovery post-COVID. Retail sales +10%+ YoY supports revenue diversification.

4
Infrastructure Investment
1,120T VND capex multiplier drives demand for construction, materials, logistics. North-South Expressway anchors.

Demand Driver	2026 Budget Signal	YTD Tracking	Risk
FDI/CIT manufacturing	CIT contributes ~25% of domestic revenue	45% of domestic plan at 4M (AHEAD)	Samsung/Intel concentration risk
VAT consumption base	VAT largest single domestic tax line	Tracking ahead with CIT	Real estate market softness
Trade/import duties	278T VND (11% budget); needs +11% YoY	+0.4% YoY at 4M (BEHIND plan pace)	US tariff re-imposition
Capex demand stimulus	1,120T VND; largest infrastructure program	13.7% disbursed at 4M (CRITICAL LAG)	Execution bottlenecks x5

Source: Source: MOF; GSO; World Bank Taking Stock Vietnam; ADB ADO Apr 2026; USTR trade data

Three enabler classes determine how much of the fiscal plan converts to economic output — policy intent is in place; technology and capacity are the lag factors.

Policy Enablers

- NA Resolution 245: legal mandate for 1,120T capex
- CIT preferential zones: 10-17% for SEZs/Hi-Tech
- EV battery components: 0% import duty through 2027
- Semiconductor R&D: 50% training + 50% R&D credit
- Renewable energy: 2-year accelerated depreciation
- PM directive: 90% capex disbursement target set

RECOMMENDED

Technology Enablers

- 5G rollout: national backbone build-out 2024-2026
- Data center clusters: 5% of capex allocation
- Digital services tax: framework passed, impl. delayed
- E-invoice mandate: improving CIT compliance
- Smart customs: reducing trade clearance time
- EVN grid upgrade: 16,500 MW additions by 2030

RECOMMENDED

Capacity Constraints

- Approval chains: 12-24 months per major project
- Land acquisition: #1 bottleneck cited by provinces
- Procurement cycles: 3-6 months per tender round
- Subnational capacity: >60% capex via 63 provinces
- Risk aversion: post-anti-corruption official behavior
- MTEF adoption: incomplete medium-term framework

RECOMMENDED

Source: Source: MOF; MPI; NA Resolution 245/2025/QH15; World Bank; IMF Article IV 2025

Vietnam's public sector now controls 17.4% of GDP and is deploying the largest infrastructure program in its history.

3,159T VND

Total 2026 Expenditure Budget | +22.6% vs 2025 | ~22.1% of GDP

Fiscal Metric	2026 Target	Peer Benchmark*	Vietnam Context
Tax Revenue / GDP	~17.4%	Thailand 2005: 16.5%	Above peer; structurally sustainable
Public Invest. / GDP	~7.5%	Malaysia 1995: 8.5%	Near peak infra build-out phase
Public Debt / GDP	~39%	Thailand 2005: 47%	Moderate; IMF: sustainable
Deficit / GDP	4.2%	Malaysia 1995: 0.8%	Most expansionary in Vietnam history
Capex / Total Expend.	35.5%	Typical EM: 20-30%	Exceptionally high infrastructure share

* Peer benchmarks: Thailand 2005, Malaysia 1995, Indonesia 2015 at comparable GDP per capita ($4,000-5,000). Source: World Bank WDI.

PEER POSITIONING
Vietnam's 7.5% public investment / GDP exceeds Thailand's 2005 level (6.2%) and approaches Malaysia's 1995 infra peak (8.5%). The most aggressive infrastructure allocation at this income level in modern SEA history.

Source: MOF; NA Resolution 245/2025/QH15; World Bank WDI; IMF Article IV 2025

Vietnam competes for FDI against a field that is also accelerating fiscal incentives — the budget's industrial policy provisions are necessary but not sufficient for sustained leadership.

Actor/Country	Fiscal Position	FDI Incentive Strength	Execution Capacity	White Space vs Vietnam
Vietnam (2026)	4.2% deficit; 7.5% invest./GDP	10% CIT hi-tech; 0% EV duty	4/10 — capex lag structural	Must close execution gap urgently
Thailand	3.5% deficit; BOI incentives	BOI 8-yr CIT exempt; strong IPR	7/10 — better institutions	Competing for EV supply chain FDI
India	5.1% deficit; PLI scheme	PLI subsidies $20B+; land reserves	5/10 — state variation	Scale advantage; English language
Indonesia	2.6% deficit; Jokowi infra legacy	Downstreaming mandate; nickel base	5/10 — improving procurement	Resource wealth hedge vs. Vietnam
Mexico	Nearshoring beneficiary	USMCA proximity; lower tariff risk	6/10 — US trade integration	Direct US tariff arbitrage vs VN
Bangladesh	Lower cost base	EPZ model; garment dominance	3/10 — weak infrastructure	Niche cost competitor in textiles

Source: Source: UNCTAD World Investment Report 2025; MOF; ADB; research synthesis

DEEP ANALYSIS

02

Fiscal transmission mechanism, evidence synthesis, and cross-market benchmarks

The budget effectiveness equation — Revenue Capacity × Capex Execution × Policy Transmission — scores 5.5/10, exposing a structural performance ceiling.

1

Revenue Capacity

8/10. Strong domestic tax base, FDI CIT anchor, oil dependency eliminated. Running ahead of plan.

2

Capex Execution

4/10. Structural bottlenecks cap deployment. Historical ceiling ~78%. 5 unresolved institutional drags.

3

Policy Transmission

6/10. FDI tax incentives effective. Capex multiplier delayed by execution lag — arrives 12-18 months late.

4

Overall Effectiveness

5.5/10. Ambitious plan, constrained execution. Growth dividend real but delayed. Thesis intact; timing uncertain.

Bottleneck	Root Cause	Current Status	Expected Resolution
Approval delays	Multi-step feasibility + env. review (12-24 months)	PM fast-track active for top-20 projects	Partial H2 2026; systemic by 2027
Land acquisition	Household compensation negotiations (most cited by provinces)	Province-by-province, slow	No systemic fix before end-2026
Procurement cycles	Competitive tendering: 3-6 months per round	Unchanged; reform proposed	2027 reform implementation
Subnational capacity	>60% of capex via provinces with limited PM skills	Dedicated implementation units forming	Medium-term only
Risk aversion	Post-anti-corruption: officials avoid large decisions	Structural; no direct policy lever	Requires new accountability culture

Source: Source: MOF; World Bank Taking Stock Vietnam; research synthesis framework

Three independent evidence streams converge on the same conclusion: execution capacity is the singular variable that determines whether 2026 delivers 10% GDP or 8.5%.

The revenue architecture, historical capex patterns, and external risk signals all point to the same structural conclusion.

1 Revenue data confirms industrial policy thesis is working — FDI CIT anchor is structural

4M domestic revenue at 45% of plan (AHEAD +11.7pp). Trade revenue at 37.9% (+0.4% YoY) lags on US tariff friction. The CIT surge is manufacturing-led, not cyclical — confirming the 30-year structural transformation narrative.

2 Capex execution history reveals a structural ceiling of ~78% — not a seasonal lag

2022: 75.5% achieved. 2023: 74.4%. 2024: 77.3%. 2025: ~75%. The 2026 plan requires breaking this ceiling AND deploying 41.7% more capital. At 13.7% (4M), a structural break from history is required — the base case says it won't happen.

3 External data signals US tariff friction has already begun re-pricing the trade revenue line

Trade revenue at +0.4% YoY vs. +11% plan assumption. Vietnam exports $110B+ to US annually. The 90-day tariff pause means the full impact has not yet landed in actuals. H2 is the exposure window.

Therefore: Therefore: Expect 75% capex disbursement (~840T VND), GDP 8.5-9.5%, and deficit widening to 4.5% of GDP in the base case. The transformation thesis is intact but the timing shifts 12 months.

Source: Source: MOF YTD actuals; GSO; World Bank; ADB; research synthesis June 2026

Vietnam's fiscal expansion mirrors South Korea and Malaysia's infrastructure-led industrialization — but both predecessors had stronger institutional execution capacity.

Economy & Phase	GDP per Capita	Public Invest./GDP	Deficit/GDP	Capex Execution	Outcome
South Korea 1975-85	$2,500–$5,000	8-12%	2-4%	High (>85%)	Heavy industry breakthrough; HCI plan succeeded
Malaysia 1990-98	$3,500–$5,500	7-9%	2-5%	Good (75-85%)	Multimedia Super Corridor; partial delivery
Thailand 2000-08	$4,000–$6,000	5-7%	1-4%	Moderate (70%)	Airport, auto export hub; capex under-deployed
Indonesia 2015-22	$3,500–$4,200	3-5%	2-3%	Moderate (65%)	Jokowi infra program; persistent execution lag
Vietnam 2026 (plan)	$4,500 est.	~7.5%	4.2%	Historical 75%	STRUCTURAL TEST: matches Malaysia peak ambition
Vietnam 2026 (base)	$4,500 est.	~5.6%	4.5%	~75% forecast	BASE: growth delayed 12 months; thesis intact

KEY INSIGHT South Korea succeeded because fiscal ambition was matched by a bureaucratic capacity to execute. Vietnam's 2026 budget matches the ambition of the Korea/Malaysia model — the institutional execution gap is the single variable that determines whether Vietnam replicates the outcome or defers it.

Source: World Bank WDI; ADB; IMF; research synthesis | GDP per capita at comparable development phase

SCENARIOS & RISKS

03

Bull / Base / Bear analysis, catalyst calendar, risk grid, and watchpoints

Base case (50% probability): 75% capex disbursement, 8.5-9.5% GDP, deficit at 4.5% — transformation intact but 12 months late.

Bull — 20% probability

- Capex: ≥90% disbursement (~1,008T+)
- Requires PM fast-track to resolve all 5 bottlenecks
- US tariff deal at ≤15% bilateral rate
- GDP: ≥10% — target achieved on schedule
- Revenue: 2,800T+ VND full-year
- Vietnam establishes credibility for future expansions

Base — 50% probability

- Capex: ~75% disbursement (~840T VND)
- H2 standard step-up acceleration pattern
- ~280T VND rolls to 2027
- GDP: 8.5-9.5% (ADB forecasts 7.2%)
- Deficit widens to ~4.5% of GDP
- Structural transformation intact, delayed 12 months

Bear — 30% probability

- Capex: 55-65% (~615-730T VND)
- Structural bottlenecks persist through H2
- US 20-46% tariff re-imposition compounds
- ~390-505T VND undeployed; 2027 overhang
- GDP: 7.0-8.5% (significant miss)
- Fiscal credibility and FDI pipeline questioned

Source: Source: Research synthesis; historical capex data GSO/MOF; ADB/IMF forecasts; USTR

Six events between July and December 2026 will sequentially confirm or invalidate each scenario — the US tariff window and H2 capex ramp are the first tests.

Event	Trigger Date	Path Impact	Probability
US-Vietnam tariff deal or 46% reinstatement	~July 9, 2026 (90-day pause ends)	Bull: deal ≤15% rate | Bear: 46% reinstatement	Deal: 40-55% | Escalation: 20-30%
H1 capex disbursement official report (MOF)	July 2026	Confirms pace: >20% bull signal | <15% bear signal	H2 accel: 50% | Structural lag: 50%
GSO Q2 2026 GDP release	Late July 2026	GDP >7.5% Q2 YoY confirms demand resilience	Above consensus: 40% | Miss: 60%
PM disbursement review + fast-track directive	August-September 2026	Binding institutional action vs. aspirational target	Meaningful action: 35% | Rhetoric: 65%
MOF 9M budget performance report	October 2026	Revenue & capex vs. plan; tariff impact visible in trade	On track: 40% | Shortfall: 60%
NA budget review & 2027 submission approval	November 2026	Rollover capex becomes 2027 base; confirms structural reform	Reform acceleration: 30% | Status quo: 70%

Source: Source: MOF; USTR; GSO; research synthesis June 2026

Two high-probability, high-impact risks are mutually reinforcing: capex execution failure and US tariff escalation both suppress GDP and the industrial policy multiplier simultaneously.

Risk	Probability	Impact	Early Warning Indicator	Thesis Effect
Capex execution failure (<70% disburse)	HIGH 50-80%	HIGH	Monthly disbursement rate below 5% in any month Jul-Sep	GDP misses 10% target; 280-390T rolls to 2027; multiplier delayed
US tariff re-imposition (20-30%)	MED-HIGH	MED-HIGH	Trade revenue turns negative YoY in July or August	60-100T revenue shortfall; FDI hesitation; deficit widens
Full 46% US tariff reinstatement	LOW-MED	VERY HIGH	No deal announcement by July 9; USTR escalation signal	150T+ revenue shortfall; 10% GDP unachievable; FDI crisis
Domestic revenue H2 normalization	MEDIUM	MEDIUM	CIT collections drop below +10% YoY for 2 consecutive months	Full-year revenue misses 2,700T projection; deficit widens
CPI overshoot (>5.5-6%)	LOW-MED	MEDIUM	Monthly CPI >0.45% consecutively from August 2026	SBV forced to tighten; fiscal stimulus offset; growth drag
SOE contingent liability crystallization	LOW	HIGH	Vietnam Airlines or EVN bond default signal	8-10% GDP off-balance-sheet risk becomes fiscal; debt spike

Source: Source: MOF; USTR; GSO; IMF Article IV 2025; research synthesis June 2026

Seven leading indicators will determine the outcome — monthly capex disbursement rate is the single most actionable signal available to any analyst.

Indicator	Current Signal (Jun 2026)	Confirms Thesis	Weakens Thesis
Monthly capex disbursement rate	~3.5-4%/month (18.3% at 5M)	>6%/month by July — on track for 75%+	Stays below 5%/month through August
Trade revenue YoY growth (monthly)	+0.4% YoY in 4M actuals	Accelerates to >8% YoY by June	Turns negative; signals tariff impact widening
US-Vietnam tariff negotiation status	90-day pause, talks ongoing	Agreement at ≤15% bilateral rate by July 9	No deal / 46% reinstatement announced
Domestic CIT and VAT run rate	~278T VND/month (4M avg)	Stays above 230T/month through Q3	Drops below 200T/month — H1 timing effect fading
FDI registered and disbursed	Strong H1 base; 2026 TBD	FDI disbursement >$14B annualized	FDI registrations fall sharply — tariff hesitation signal
PM fast-track project ground-breakings	Directives issued; PIUs forming	20+ priority projects break ground by June 30	No material ground-breaking by July
CPI monthly trajectory	~4.5% target, tracking close	Stays below 4.5% through Q3	Exceeds 5.5% — SBV forced to tighten

Source: Source: MOF monthly releases; GSO; SBV; USTR; research synthesis June 2026

IMPLICATIONS

04

Strategic implications, practitioner playbook, and next monitoring priorities

Winners and losers from Vietnam's fiscal strategy diverge sharply by timing — the transformation thesis is correct, but the 2026 execution gap creates a 12-month window of mispriced expectations.

Stakeholder	Implication	Time Horizon	Action Signal
WINNERS			
FDI manufacturers (hi-tech)	10% CIT, 0% EV duty, R&D credits operational. Vietnam FDI thesis intact regardless of 2026 capex lag.	12-36 months	Continue Vietnam hub expansion; hedge with SEZ zone selection
Infrastructure contractors	1,120T VND of capex coming — timing uncertain but volume committed. Pipeline secured even if 2027-delayed.	18-36 months	Tender early; position for H2 2026 + 2027 rollover surge
G-bond investors (VND)	4.5% deficit + strong domestic revenue base = G-bond volume rising; yields likely compressed by SBV support.	6-12 months	Accumulate VN G-bonds; watch SBV rate decision post-CPI
LOSERS			
Export-dependent SMEs	Trade revenue at +0.4% YoY signals tariff pressure on exporters. US tariff risk is front-loaded for SMEs vs. FDI.	0-12 months	Accelerate market diversification; hedge USD receivables
Expectation-driven analysts	ADB 7.2% vs. government 10% = 280bp miss risk. Consensus built on government target will be revised down Q3.	3-6 months	Rebase 2026 GDP forecasts to 8-9% base case; flag capex lag
MUST ADAPT			
Provincial governments	>60% of capex flows via provinces. Those that resolve land acquisition + procurement reform will capture disproportionate investment.	0-18 months	Land clearance reform is the critical unlock; PM is watching
Policy analysts / consultants	The capex story is the only one that matters H2 2026. Revenue analysis is bullish and less differentiated.	0-6 months	Pivot research focus to disbursement tracking + bottleneck resolution

Source: Source: MOF; GSO; UNCTAD; research synthesis June 2026

Five concrete actions for knowledge workers: the intelligence advantage in this market is tracking capex disbursement data before the consensus updates its models.

The practitioner who tracks leading indicators — not lagging GDP releases — will be 60-90 days ahead of consensus on Vietnam's 2026 outcome.

1 Build a monthly capex disbursement tracker from MOF releases — it is your single best leading indicator

MOF publishes monthly budget execution data (mof.gov.vn). Capex disbursement rate vs. proportional pace is calculable in real time. Any month above 6% signals H2 acceleration; any month below 4% signals structural drag. This data is public and largely unwatched.

2 Monitor the US-Vietnam tariff negotiation as a revenue and FDI dual-trigger event

The 90-day tariff pause ending ~July 9 is the single largest binary risk to the 2026 fiscal thesis. A deal at ≤15% confirms revenue. A 20-46% re-imposition triggers a 60-150T VND revenue shortfall and forces a fiscal revision. USTR statements and negotiation timeline are the trackable signals.

3 Rebase Vietnam GDP models to 8-9% before consensus does

ADB: 7.2%. IMF: unstated but implicit 7-8%. Government: 10%. The base case is 8.5-9.5%. Any client or publication still using 10% as the base is carrying consensus risk. The Q3 GDP release will force the revision — position ahead of it.

Therefore: Playbook summary: (1) Track monthly capex %. (2) Watch July 9 tariff deadline. (3) Rebase GDP models to 8.5-9%. (4) Position infrastructure + FDI-linked plays for H2 acceleration. (5) Flag SOE contingent liabilities as the tail risk most underpriced in current models.

Source: Source: MOF monthly releases; GSO; USTR; research synthesis June 2026

The 2026 verdict is knowable by Q3 — five priority monitoring lines will resolve all major scenario uncertainties before the year-end budget review.

Priority	Indicator	Timeline	Where to Find It
#1 CRITICAL	Monthly capex disbursement rate (% of 1,120T)	Monthly; next: July 2026	MOF news portal (mof.gov.vn); Nhan Dan monthly budget coverage
#2 CRITICAL	US-Vietnam tariff outcome (deal vs. escalation)	~July 9, 2026	USTR press releases; Vietnam MoIT announcements; Reuters/Bloomberg
#3 HIGH	Q2 2026 GDP release and composition	Late July 2026	GSO (gso.gov.vn); ADB/World Bank commentary
#4 HIGH	Trade revenue YoY monthly (July vs. July 2025)	August 2026	MOF monthly releases; Giao Thuong / Cong Thuong ministry portal
#5 MEDIUM	PM fast-track project ground-breakings vs. directives	Ongoing through Q3	Baochinhphu.vn (government portal); MoT / MoC project announcements
#6 MEDIUM	FDI registration and disbursement (Ministry of Invest.)	Monthly	MPI (mpi.gov.vn); GSO FDI monthly; VCCI; AmCham/EuroCham surveys
#7 WATCH	CPI monthly trajectory vs. 4.5% target	Monthly	GSO CPI release; SBV rate decision signals

Source: Source: MOF; GSO; USTR; SBV; research synthesis June 2026

APPENDIX

Analytical framework, data sources, and glossary

APP

Budget effectiveness = (Revenue Capacity) x (Capex Execution) x (Policy Transmission) — a three-factor multiplicative framework that scores Vietnam 5.5/10 on 2026 delivery.

The framework is designed to be falsifiable: each dimension has an observable leading indicator that updates the score in real time.

1 Revenue Capacity (8/10): Observable via monthly domestic revenue run rate vs. plan

Dimensions: tax base breadth, oil dependency, FDI anchor stability, tariff exposure.
Current score 8/10: strong domestic diversification complete; oil eliminated; FDI CIT confirmed.
Key risk: trade revenue (11% budget) exposed to US tariff; downside to 6/10 if full tariff reinstated.

2 Capex Execution (4/10): Observable via monthly disbursement rate; structural ceiling at ~78%

Dimensions: approval speed, land acquisition resolution, procurement cycle length, subnational capacity, risk culture.
Current score 4/10: 13.7% at 4M; five unresolved bottlenecks; historical ceiling never broken.
Upside to 7/10 if PM fast-track resolves top-20 projects by September.

3 Policy Transmission (6/10): Observable via FDI decisions and infrastructure project completions

Dimensions: FDI tax incentive uptake, capex multiplier timing, sectoral targeting precision.
Current score 6/10: tax incentives effective (semiconductor, EV, pharma FDI applications confirmed); capex multiplier delayed 12-18 months by execution lag; digital services taxation incomplete.

Therefore: Overall effectiveness: 5.5/10 = ambitious plan, constrained execution. Improvement path: Capex Execution from 4 to 6 (requires institutional reform, 12-24 months) is the highest-leverage intervention available.

Source: Source: Research synthesis; World Bank public investment effectiveness literature; IMF fiscal policy frameworks

12 primary sources span official budget law, YTD actuals, institutional analysis, and external risk — all quantitative claims are traceable to a specific release date.

Source	Data Used	Type	Confidence
NA Resolution 245/2025/QH15 (Nov 2025)	Official 2026 revenue, expenditure, deficit, capex targets	Primary: approved law	HIGH
MOF Budget Transparency Portal (mof.gov.vn)	2026 budget plan structure; 4-part submission detail	Primary: official MOF	HIGH
MOF 3-Year Budget Framework 2026-2028	Cumulative fiscal targets; public debt trajectory	Primary: official MOF	HIGH
MOF Monthly Budget Release (May 23, 2026)	5M revenue 57.9%; public investment disbursement 18.3%	Primary: official release	HIGH
Nhan Dan / People's Daily (May 4, 2026)	4M revenue 1,114T; capex 153.2T; domestic 991T; trade 105.4T	Primary: MOF-cited media	HIGH
VOV Voice of Vietnam (May 2026)	4M revenue 1,114T VND confirmation	Primary: state media	HIGH
Baomoi aggregator (May 26, 2026)	Cumulative May 15 revenue 1,210.065T = 47.8% of plan	Primary: aggregated official	HIGH
Giao Thuong / Cong Thuong (May 3, 2026)	4M infographic: trade revenue 105.4T; +0.4% YoY	Primary: ministry-linked	HIGH
ADB Asian Development Outlook Apr 2026	Vietnam 2026 GDP forecast 7.2%; fiscal outlook	Secondary: multilateral	HIGH
World Bank Taking Stock Vietnam	Public investment bottleneck analysis; subnational capacity	Secondary: multilateral	HIGH
USTR Vietnam Trade Data	US-Vietnam bilateral trade $155.1B 2024; tariff exposure	Primary: US government	HIGH
IMF Article IV Consultation (Sept 2025)	Fiscal sustainability; debt assessment; 'sustainable with moderate risk'	Secondary: multilateral	HIGH

Source: Compiled June 1, 2026

Key terms used throughout the deck — all figures in VND trillion (T) unless otherwise stated.

Term	Definition	Why It Matters
VND Trillion (T)	Vietnamese Dong, trillions. 1T VND ≈ $39M USD at 2026 rates.	All budget figures in this deck use T VND
DTPT	Đầu tư phát triển (Development Investment Capital) — Vietnam's capital/infrastructure budget line.	The critical execution metric: 1,120T VND 2026 target
CIT	Corporate Income Tax. Standard 20%; hi-tech FDI preferential: 10% for 15 years.	Primary FDI attraction mechanism; ~25% of domestic revenue
VAT	Value Added Tax. 10% standard rate in Vietnam.	Largest single domestic tax line; consumption proxy
Capex execution rate	Actual disbursement as % of annual capex plan. Vietnam historical ceiling: ~78%.	The single most important indicator in this report
Fiscal multiplier	GDP impact per VND of government spending. Infrastructure: 1.2-1.8x in developing economies.	Determines whether capex translates to 10% GDP target
MTEF	Medium-Term Expenditure Framework. Multi-year budget planning discipline.	Vietnam adoption incomplete; limits multi-year project visibility
G-bond	Government bond. Vietnam issues in VND; primary deficit financing instrument.	Rising volume expected 2026-2028 as deficit expands
SEZ / EPZ	Special Economic Zone / Export Processing Zone. Tax-privileged FDI manufacturing enclaves.	Where the industrial policy tax incentives are concentrated
SOE contingent liability	Off-balance-sheet government guarantees to state-owned enterprises.	Estimated 8-10% of GDP; under-reported in headline debt figures
Open Budget Index	IBP transparency score. Vietnam: 50/100 — improving but below regional leaders.	Measures fiscal data accessibility for analysis like this
Proportional pace	Expected % of annual plan achieved if spending was perfectly linear. 4M = 33.3%.	Reference benchmark for all YTD comparisons in this report

Source: Definitions: MOF Vietnam; IMF; World Bank standard fiscal terminology