

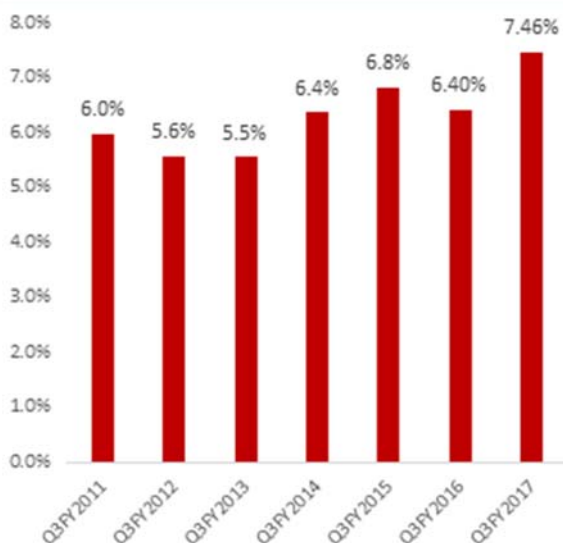
### ROBUST GDP GROWTH RATE IN Q3 2017

GDP posted significant growth at 7.46% quarter-on-quarter in Q3 2017. This has been the strongest growth rate in the third quarter since 2011. Good growth in the third quarter has pushed GDP growth rate for the first nine months of 2017 to 6.41% YOY, approaching the government target of 6.7% growth for the whole of 2017. In Q3, GDP figures showed the correctness of the Government on the impact of manufacturing activity on GDP growth at the end of the year (increasing Samsung's manufacturing activities, Fomorsa...). In 7.46% Q3 growth, production and construction and services accounted for 3.5% whilst agriculture, forestry and fisheries contributed 0.5%. Manufacturing and services sectors are the main driver of GDP growth in the second half of 2017. This will continue in the fourth quarter with forecasts for arrivals to Vietnam 10 million people in the second year in a row (the target for 2017 is to welcome 13 million visitors) and production is continuing to expand. Macro indicators are showing that Q4 GDP growth may not be much different from Q3 2017, while HSBC has revised its GDP forecast for the whole of 2017 to 6.6% (the previous forecast is 6.4%).

### OPERATIONAL ACTIVITIES ARE EXPANDING IN 4TH QUARTER

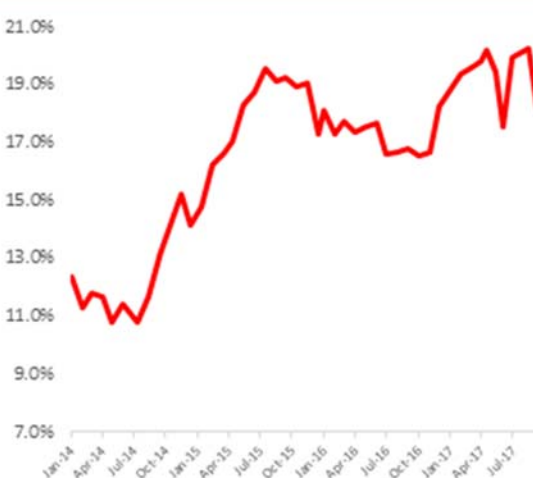
The production, construction and service sectors have achieved high growth rates in the third quarter of 2017 with a growth rate of 9.5% and 7.9% compared to the previous quarter. % (Agriculture-forestry-fishing group increased by 3%). Manufacturing activities experienced a high growth rate in Q3 2017, with 16.6% YOY while electricity and water supply, and construction sectors posted growth rates of 8% and 7.5% YOY respectively. Manufacturing activity increased sharply and boosted import and export activities (export increased by 19.8%, import increased by 23.1% against same period last year). Manufacturing and construction activities that account for a substantial proportion (39%) of Vietnam's gross domestic product (GDP), is projected to continue to grow well in the fourth quarter of 2017. Markit PMI indicator in September is 53.3 points, the highest in the past 5 months and clearly shows that production is expanding. The detailed analysis of the items of the index shows that inventories have fallen steadily for 3 months with the addition of new orders and output. Given the current trend, production will continue to expand in Q4 2017 and continue to be a key contributor to GDP growth.

### GDP GROWTH RATE IN 3RD QUARTER IN PERIOD 2011-2017 (%)



Source: GSO

### MONTHLY PMI FROM 2014 TO 2017



Source: SBV/VFM

### OBJECTIVES FOR ECONOMIC DEVELOPMENT IN 2018 TOWARDS TO GDP GROWTH RATE OF 6.7% FOR THE 2016-2020 PERIOD.

The Government has set the development targets for 2018 before submitting to the National Assembly for approval in November 2017. The targets are assessed to be consistent with the current economic growth rate and the new overall target for the period 2016-2020 (average GDP growth of 6.7% per year in the case of basic). Social investment is set to grow higher than in 2017, reflecting the Government's intention to increase investment in infrastructure to achieve higher growth rates in the period. 2021-2025 (average GDP growth target of 8.2% per year). In addition, lowering the budget deficit is also an unambiguous indication of the government's direction of reducing spending. From the planning data, it is possible to see that FDI attraction and export growth are still major activities that have an important impact on economic growth in 2018.

### ECONOMIC PLAN FOR 2018

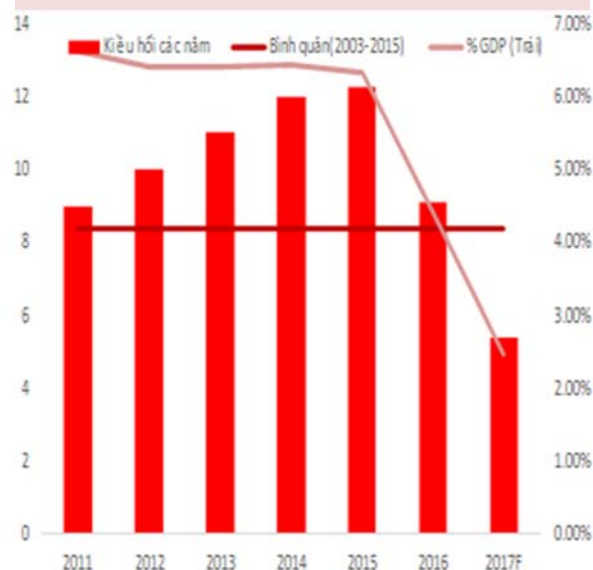
TARGET	UNIT	PLAN 2018
GDP	Bil USD	241
GDP growth rate	%	6,4-6,8
Export	Bil USD	219
Export growth rate	%	9-10
Trade deficit	% export	3
Total social investment	% GDP	33,5-35
Budget revenue	Bil USD	59
Budget spending	Bil USD	67,4
Budget deficit	% GDP	3,5
FDI Disbursement	Bil USD	16,5
ODA Disbursement	Bil USD	4,5

Nguồn: GSO

### THE POSSIBILITY OF CHANGING POLICIES SUPPORTING ECONOMIC DEVELOPMENT IN 2018

The government has expressed its determination to increase credit to the economy to boost GDP growth in Q4 2017. In fact, the government has effectively used monetary policy to boost economic growth in the 9th month of 2017. The Q3 2017 GDP growth slowed down the pressure on credit growth target (21% -22% for 2017), which would create inflation risk in the next economic phrases. As the downward pressure on growth is expected, there will be adjustments to monetary policies in the coming quarters. Specifically, there is a possibility that the government will switch strong fiscal policies from monetary policies in early 2018 when disbursements for public investment have clearly shown delays in the first nine months of the year, and no signs of momentous change in the fourth quarter of 2017. Besides, cash flow from IPO and SOE operations will be very strong in 2018, generating capital for investment. These activities are consistent with the objective of maintaining macroeconomic stability and controlling inflation rate at less than 4% for 2018.

### MONTHLY CREDIT GROWTH COMPARED TO PREVIOUS YEAR IN PERIOD 2014-2017 (%)



Source: SBV/FM