



TECHNICAL ASSISTANCE REPORT

VIETNAM

Building Capacity in Macroeconomic Analysis and Forecasting

May 2026

Prepared By Tubagus Feridhanusetyawan, David Corvino, Nuntanid Thongsri

Authoring Department

Institute for Capacity Development

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Acronyms and Abbreviations

APD	Asia and Pacific Department of the IMF
BOP	Balance of Payments
CD	Capacity Development
CDOT	Capacity Development Office in Thailand
CIEM	Central Institute for Economic Management
CWG	Core Working Group
DDT	Public Debt Dynamics Tool
FAD	Fiscal Affairs Department of the IMF
FID	Financial Institutions Department
FMD	Financial and Monetary Department
FPAS	Forecasting and Policy Analysis System
FPP	Financial Programming and Policies
GFS	Government Finance Statistics
GSO	General Statistics Office
ICD	Institute for Capacity Development of the IMF
ICDMF	ICD General Macro and Fiscal Division
ICDMM	ICD Macro-Modelling and Monetary Division
IMF	International Monetary Fund
MFT	Macroframework Foundations Tool
MOF	Ministry of Finance
MOIT	Ministry of Industry and Trade
MPD	Monetary Policy Department
MPI	Ministry of Planning and Investment
MPT	Macroeconomic Projection Tool
NIEF	National Institute for Economic and Finance
NSO	National Statistics Office
SBD	State Budget Department
SBV	State Bank of Vietnam
SEDP	Socio-Economic Development Plan
TA	Technical Assistance
TFP	Total Factor Productivity
VIDS	Vietnam Institute of Development Strategy
WEO	World Economic Outlook

Preface

This report discusses the implementation of the IMF Technical Assistance (TA) project to build capacity in macroeconomic analysis and forecasting within the Ministry of Planning and Investment (MPI), which merged with the Ministry of Finance (MOF) in early 2025 as part of broader government restructuring. This 3-year project (May 2023 – April 2026) was financed by the government of Japan through the IMF Capacity Development Office in Thailand (CDOT). The TA was delivered by staff of the IMF Institute for Capacity Development (ICD) and CDOT to support the authorities' Core Working Group (CWG) in developing and operating macroeconomic projection tools and presenting the projection results in policy discussions in the government.

The TA activities were implemented through nine in-person missions and in-between-mission work, focusing on supporting analytical team, building projection tools, and presenting the projection results in policy discussions. The TA team consisted of Tubagus Feridhanusetyawan (Mission Chief, ICD), David Corvino (Macroeconomic Advisor, CDOT), and Nuntanid Thongsri (Economist, CDOT). The main counterparts were the Financial and Monetary Department (FMD) of the MPI during 2023-24, and the Financial Institutions Department (FID) of the MOF during 2025-26.

This report is based on the implementation of TA project during May 2023 – April 2026, and the findings and recommendations in the report represent the views and advice of the IMF TA team and do not necessarily reflect those of the authorities. The TA mission presented this report to senior management of the MOF and CWG during the final mission of the TA project in March 2026 for their input and comment. The TA team helped the CWG analyze the impact of macroeconomic policies envisaged by the authorities, but it did not provide policy recommendations because policy discussions between the authorities and the IMF are conducted in the context of surveillance.

The TA team would like to express its sincere appreciation to the authorities for their continued support to the TA project and the CWG, including during the period of major government restructuring. More specifically, the TA team would like to thank Vice Minister Tran Quoc Phuong (MPI and MOF), Vice Minister Nguyen Duc Chi (MOF), Mr. Nguyen The Ngan (Director General (DG), MPI), Ms. Hoang Thi Hong (Deputy DG, MPI and MOF), Mr. Vu Duc Hoi (DG, MOF) for their continued support to the TA project. Their involvement has been instrumental in supporting the CWG and sustaining the TA implementation in MPI and later in MOF. The team would also thank the authorities for their excellent organization and logistical support throughout the mission, particularly Ms. Nguyen Thi Minh Thoa (MPI and MOF) and Ms. Bui Thi Kim Ngan (MPI and MOF).

The TA mission received full support from Ms. Eteri Kvintradze (CDOT Director) from the start of the project, and from Mr. Paulo Medas and Mr. Martin Sommer (IMF Vietnam Mission Chiefs) and APD Vietnam team. The TA team has benefited from productive collaboration and assistance by Mr. Jochen Schmittman (IMF Resident Representative (RR)), Ms. Nguyen Van Anh, Ms. Nga Ha, Ms. Hoang Hai (IMF RR Office in Vietnam) and interpretation support from our interpreters. Mr. Supphakon Damrongkitkanwong (CDOT) and Mr. Von Allena (ICD) provided excellent administrative support. The TA team has maintained close coordination with other IMF TA Teams, including from the Fiscal Affairs Department (FAD) and the ICD Macro- Modeling and Monetary (ICDMM) Division.

Executive Summary

This report discusses the implementation of the IMF Technical Assistance (TA) project to build capacity in macroeconomic analysis and forecasting in the Ministry of Planning and Investment (MPI) that merged with the Ministry of Finance (MOF) in early 2025 as part of broader government restructuring. This 3-year (May 2023 – April 2026) project was financed by the government of Japan through the IMF Capacity Development Office in Thailand (CDOT). The TA supported the Core Working Group (CWG) in developing and operating macroeconomic projection tools and presenting the projection results in policy discussions in the government. The CWG is a multi-agency team, including staff from the MPI, MOF, State Bank of Vietnam (SBV) and the Ministry of Trade and Investment (MOIT). The CWG was supervised by the Financial and Monetary Department (FMD) of the MPI during 2023-24 and by the Financial Institutions Department (FID) of the MOF during 2025-26. The TA team comprised staff from the IMF Institute for Capacity Development (ICD) Department and CDOT. The TA activities included nine in-person missions and in-between-mission work and achieved the following objectives.

Team: Supporting the CWG

The TA team supported the CWG to carry out macroeconomic analysis and provide inputs to the 1317 policy working group led by the MPI. The policy working group was established in 2013 by the Prime Minister's decision No. 1317 (hereafter the 1317 policy working group) to discuss and coordinate macroeconomic policies across ministries that included MPI, MOF, SBV, and MOIT and to provide policy recommendations to the government. The CWG was supervised by the Director General of FMD and was assigned to produce macroeconomic analysis and present the results to policymakers. Based on TA recommendations, the authorities formed the CWG by including staff from ministries involved in the 1317 policy group and clarified the CWG's roles and responsibilities. This multi-agency team was a groundbreaking initiative because most economic analysis in the past was performed by separate ministries using different methodologies and data. The inclusion of staff from relevant ministries in the CWG has also improved TA implementation by facilitating data collection and discussions of policies across ministries. The MPI's strong support for the CWG played an important role in sustaining TA ownership. For example, the CWG was asked to provide regular updates and inputs to the MPI Vice Minister, and this contributed to rapid progress in TA implementation. After the CWG moved from the MPI to MOF in early 2025, the MOF management preserved the CWG and confirmed that the TA project should continue despite the ongoing government restructuring.

Tool: Building Macroeconomic Projection Tools

The TA team assisted the CWG in building projection tools based on the Macroframework Foundations Tool (MFT) and the Public Debt Dynamics Tool (DDT), both developed and published by the ICD General Macro-Fiscal Division (ICDMF) of the IMF. These tools were selected based on the authorities' forecasting needs, the absorptive capacity of the CWG, and the availability of data. Supported by the TA team, the CWG developed and customized the MFT and DDT to fit the Vietnamese economy and made rapid progress in operating the tools. By the second mission in October 2023, the CWG could compile input data, and by the third mission in March 2024, the CWG could calibrate the MFT equations and generate initial projections. The fourth mission in June 2024 focused on developing projection scenarios and analyzing the results. During the fifth mission in October 2024, the CWG produced complete macroeconomic and debt projections and presented the results to policymakers. The TA team also

helped the CWG perform supplementary analysis including the estimation of potential GDP and the impact of global trade tensions.

The development of macroeconomic projection tools using the MFT and DDT marked a major milestone for several reasons. Previously, there was no comprehensive multi-sector macroeconomic framework for forecasting. Additionally, having staff from multiple ministries involved in developing the MFT and DDT improved inter-ministry coordination and expanded capacity development opportunities. The CWG also produced a user manual in both English and Vietnamese to train new staff and sustain capacity building. To ensure transparency and accountability, the CWG maintained an open filing system where all files—including tools, databases, user manuals, and presentations—were available to everyone involved from the ministries.

Policy: Presenting the Projection Results in Policy Discussions

The CWG used the customized MFT and DDT to produce macroeconomic and debt projections under the baseline and alternative scenarios by incorporating external shocks or policy changes. The CWG also prepared a clear and well-structured report and presentation of macroeconomic analysis to inform policymakers in policy discussions. With the TA support, the CWG presented its macroeconomic analysis and projections to the 1317 policy working group chaired by the MPI Vice Minister. The MPI Vice Minister and the 1317 policy group welcomed the CWG's presentation, highlighted the quality of the analysis, and appreciated the TA achievement. The TA team helped the CWG analyze the impact of policies envisaged by the authorities, but it did not provide policy recommendations. Regular presentations by the CWG to policymakers will help the authorities formulate their macroeconomic policies and strengthen policy dialogue with the IMF in the context of surveillance.

Rebuilding the CWG after the Government Restructuring

The government restructuring and merger between the MPI and MOF in early 2025 changed the institutional arrangement for the CWG and led to major staff turnover, but the authorities' continued support helped sustain TA implementation. More than half of the CWG members—mostly senior staff—left the team due to job reassignments. The former MPI's FMD, which merged into the FID in the new MOF, continued to provide full support to the TA project by assigning new CWG members from the MOF and SBV. Meanwhile, the process of government restructuring, including the reorganization and staff turnover in the MOF, continued throughout 2025. In view of this, the TA team and the authorities agreed to refocus TA priorities on rebuilding the CWG and bringing new members up to speed in operating the MFT and DDT. TA activities during 2025 concentrated on strengthening internal coordination and helping new CWG members operate the tools and prepare presentations. These objectives were achieved by early 2026.

Moving forward, the priority of the CWG is to reestablish clear arrangement for providing regular analytical inputs to inform policymakers. The CWG's presentation in the 1317 policy working group marked an important milestone in contributing to the policy formulation process, and this policy channel needs to be reestablished after the government restructuring. The government established the Macroeconomic Steering Committee chaired by the Prime Minister in December 2025 and the Macroeconomic Coordination Group chaired by the Ministry of Finance in March 2026 to formulate and implement multi-disciplinary macroeconomic policies. The establishment of the Macroeconomic Coordination Group led by the MOF will create an opportunity to further strengthen the role of the CWG and enhance its contribution

to providing analytical inputs for policy discussions in the government. Therefore, it is important to link the CWG with the Macroeconomic Coordination Group so that the CWG's output can be used to inform policymakers.

TA Recommendations

Supporting the team. With the TA support, the authorities established the CWG by incorporating staff from ministries involved in the 1317 policy working group, formalized its roles and responsibilities, organized it into three functional sub-groups, and assigned coordinators to manage the work during the projection cycle. The government restructuring in early 2025 changed the institutional arrangement of the CWG, led to staff turnover, and posed transition challenges. However, the authorities preserved the CWG, assigned new members, and continued to support the TA project. Going forward, the TA team recommended preserving the multi-agency structure of the CWG, clarifying its roles and responsibilities in the MOF, assigning CWG coordinators to manage workflows, establishing internal training, and prioritizing staff with backgrounds in macroeconomic analysis or from policy departments when assigning new CWG members.

Operating the projection tools. With the TA support, the CWG built and operated macroeconomic projection tools customized for Vietnam, developed centralized database following the international standards for macroeconomic statistics, maintained an open filing system accessible to CWG members from different institutions, and completed a user manual to operate the tools. The CWG also ensured the consistency of historical data before making projections and analyzed the realism and consistency of projection results in line with TA recommendations. Moving forward, the TA team recommended establishing a clear projection cycle in the MOF, meeting regularly to maintain internal coordination, updating input database and policy assumptions based on the projection calendar, and performing ex-post evaluation of projection results.

Presenting the projection results in policy discussions. With the TA support, the MPI management and the CWG used the analytical outputs to inform policy discussions of the 1317 policy working group. Going forward, the priority is to establish a mechanism in which the CWG could channel its output to inform policy discussions in the MOF and the Macroeconomic Coordination Group. In the meantime, the CWG should continue to write reports and make presentations in policy discussions in the MOF. The MOF management should also continue asking the CWG to produce macroeconomic analysis to sustain the CWG and the capacity building efforts.

I. Background

This section presents the macroeconomic context of Vietnam, capacity development priorities, and the integration of this TA project into surveillance priorities.

A. The Macroeconomic Context of Vietnam¹

1. Vietnam has experienced strong economic performance in recent years, driven by robust exports, investment, and accommodative macroeconomic policies. During 2023-25, real GDP grew by 5-8 percent annually, while average inflation remained low at around 3.3-3.6 percent. Despite the recent trade tensions, exports continued to grow rapidly, and the current account recorded a surplus of around 6.4-6.7 percent of GDP during the past three years. The government increased fiscal expenditures to support growth while containing the fiscal deficit and the public debt remained low at around 30 percent of GDP. The monetary policy stance remained accommodative, contributing to strong private sector credit growth. Despite this strong performance, the 2025 IMF Article IV Consultation indicated that the main risks included uncertainty over global trade developments, tightening global financial conditions, and inflationary pressures from geopolitical risks.

2. Given these uncertainties, the 2025 IMF Article IV Consultation recommended that policies should focus on maintaining economic resilience and financial stability, while promoting reforms to sustain robust, diversified, and stable medium-term growth. Given available fiscal space, fiscal policy could take the lead in prudently supporting economic activity if growth slows down markedly, including accelerating public investment implementation and further strengthening social safety nets. Strengthening the medium-term fiscal framework is crucial for reaping the growth dividends from the planned large public investment while safeguarding debt sustainability. The room to ease monetary policy is limited, and therefore inflation and FX risks should be closely monitored. Greater exchange rate flexibility is critical to facilitate the adjustment to external shocks and accelerating the modernization of the monetary policy framework is a priority. Building bank liquidity and capital buffers is important to increase resilience against shocks, including by improving the prudential toolkit. Strengthening the crisis preparedness and resolution framework will also help preserve financial sector stability. Accelerating structural reforms to raise productivity and improve infrastructure, together with further trade diversification, can help rebalance the growth model and reduce external vulnerabilities.

3. The IMF has maintained an active capacity development (CD) relationship with the authorities. High-quality CD is critical for helping implement IMF policy recommendations and strengthening collaboration with the authorities, and CD activities have been integrated with IMF surveillance to support Vietnam's reform agenda. The CD activities cover a wide range of topics, including fiscal revenue administration, macroeconomic framework, monetary policy framework, financial sector stress testing, regulation and supervision, and macroeconomic statistics.

¹ This section draws primarily from the IMF 2025 Article IV Consultation Staff Report, see IMF (2025a).

B. TA Implementation and Integration to Surveillance Priorities

4. The MPI recognized the need for building capacity in macroeconomic analysis and requested the IMF TA support in early 2023. The authorities indicated their plan to establish the CWG to carry out macroeconomic analysis and forecasting and provide inputs for policy discussions within the government. They asked for IMF assistance to build the analytical capacity of the CWG, develop a modern macroeconomic framework as a basis for analytical work, maintain a fully integrated database for analytical needs, and provide practical examples from other countries. The TA scoping mission in June–July 2023 worked with the authorities to assess the TA needs and develop a TA workplan.² The TA delivery schedule is presented in Annex I while the logical framework is presented in Annex VII.

5. The TA workplan has been implemented with strong support and ownership from the authorities. The 3-year TA (2023–26) included nine in-person missions and virtual meetings between missions, focusing on developing and operating the macroeconomic projection tools to produce macroeconomic analysis and forecasting. During 2023–24, the TA helped the CWG build and operate the MFT and DDT to generate projections and integrate the results in the policy-making process. The CWG participated in the quarterly meetings of the 1317 working group chaired by the MPI Vice Minister and presented its macroeconomic projections. The government restructuring in early 2025 led to excessive staff turnover, but the authorities continued to maintain a strong commitment to the TA project by preserving the CWG and assigning new staff. Because most new members were junior staff with a limited economic background, the TA team and the authorities agreed to refocus the TA priorities on rebuilding the CWG and training new staff. The primary goal is to ensure that, by the completion of the TA project in April 2026, the CWG would be able to operate the projection tools independently and deliver presentations to MOF management.

6. This TA project helped the authorities build capacity in macroeconomic analysis to formulate sound macroeconomic policies and strengthen coordination across different agencies. Improved analytical capacity will help the authorities assess the economic outlook and associated risks, formulate appropriate policies, monitor their implementation, and respond effectively to changes in the macroeconomic environment. The fact that the analytical tools are accessible to various ministries involved in the TA project has promoted transparency and accountability, facilitated dialogue across ministries, and strengthened policy coordination. The complete documentation of the tools, including the user manual, will support the training of new cohorts of staff and help ensure the sustainability of capacity development. Working on a macroeconomic framework and methodology consistent with those used by the IMF has also strengthened engagement with the IMF and supported the effective implementation of IMF policy recommendations.

7. The TA team has consulted frequently with the IMF country team and TA teams from other departments in designing and implementing the TA project. The country team and the IMF Resident Representative Office in Hanoi have provided valuable inputs in designing and implementing this TA project. The TA team has also coordinated with TA teams from other TA departments to improve synergy, build collaboration, and ensure consistency.

² The TA Report of the scoping mission was published, see Feridhanusetyawan and Corvino (2023).

II. Supporting the Core Working Group (CWG)

This section describes the establishment and evolution of Vietnam's Core Working Group (CWG) as a multi-agency team to strengthen macroeconomic analysis, coordination, and policy formulation. It outlines how the CWG was formed, how its roles and responsibilities were clarified over time, and how it adapted through major government restructuring.

A. The Role of the MPI and the Establishment of the CWG

8. The MPI was in charge of state management of development strategy, planning, and investment, and played a critical role in various economic decision-making processes in Vietnam.³

It provided advice on macroeconomic policies and management to the government, formulated development strategies and plans, and formulated domestic and foreign investment policies. The MPI also served as the coordinator of the 1317 policy working group comprising of the MPI, SBV, MOF, and MOIT that was established by Prime Minister's decision No. 1317 on August 6, 2013.⁴ The 1317 policy group met quarterly and on an ad hoc basis to discuss relevant economic issues and formulate policies for the government. The MPI recognized the importance of sound macroeconomic analysis in formulating policies, but the economic analysis was performed by various departments using different methodologies and data, and the results were not always publicly available. Meanwhile, the coordination across different institutions on macroeconomic analysis and data was also limited. Therefore, the MPI saw the need to build capacity in macroeconomic analysis and forecasting, create a mechanism to share and coordinate macroeconomic statistics, and strengthen policy coordination.

9. Against this background, the MPI established the CWG to support policy discussions and formulation within the MPI and across ministries. The MPI started forming the CWG in June 2023 with staff from various departments within the MPI, including the Financial and Monetary Department (FMD), the Central Institute for Economic Management (CIEM), the Vietnam Institute for Development Studies

³ The MPI produced and monitored the implementation of socio-economic development plans (SEDPs) and served as the focal point in facilitating discussions of macroeconomic policies among various ministries. It also formulated strategies for mobilizing resources for development, including investment policies, public procurement, special economic zones, external development assistance, small and medium enterprises, and others. The MPI's mandate also covered statistics, overseeing the compilation and dissemination of a wide range of official statistics.

⁴ The scope of the "1317" policy coordination includes: 1) Coordinating in formulating and proposing orientations for annual, medium- and long-term macroeconomic targets and administering the implementation of targets; 2) Coordinating, consulting, collecting opinions, sharing information in drafting, implementing, monitoring, evaluating, and explaining developments in investment and resource allocation, currency and credit, fiscal, domestic trade, import-export, and consumption; 3) Collaborating in improving the capacity to analyze, evaluate, and forecast the impact of policies on investment and development, currency, credit, fiscal, trade and prices, and macroeconomic targets; 4) Coordinating in providing information and data for the preparation, monitoring, and statistics of national and financial accounts, international balance of payments, economic sectors and fields; 5) Collaborating in analyzing, evaluating, and proposing scenarios and solutions to address unexpected problems and unusual fluctuations of the world economy affecting Vietnam's economy.

(VIDS), and the General Statistics Office (GSO).⁵ The authorities selected the CWG members from two groups: 1) senior staff who have more experience in economic analysis and exposure to the 1317 working group and are expected to lead in customizing the tools and analyzing policy issues, and 2) junior staff who are expected to work on technical aspects of the analytical tools and play a critical role to carry the work in the future to ensure continuity.

10. The TA team recommended that the CWG should include staff from various ministries involved in the 1317 policy working group and specify the roles and responsibilities of the CWG.

- The inclusion of staff from MPI, SBV, MOF, and MOIT would help resolve fragmented data collection and strengthen discussions and coordination across different ministries. This multi-agency approach would also facilitate the development of macroeconomic analysis that incorporates all sectors (real, external, fiscal, monetary) and multi-disciplinary macroeconomic policies (fiscal, monetary, investment, trade, and others) formulated by various ministries. The MPI agreed with this advice and formally established the CWG as a multi-agency analytical group in October 2023.⁶ The inclusion of staff from SBV, MOF, and MOIT was a ground-breaking decision considering that economic analysis was usually performed by each ministry separately with limited coordination and data sharing. The CWG was placed in the Financial and Monetary Department in the MPI and was supervised by the Director General (DG) Nguyen The Ngan and the Deputy DG Hoang Thi Hong.
- The TA team emphasized the importance of clarifying the roles and responsibilities of the CWG in developing and operating the projection tools with concrete deliverables and timeframes. The mission recommended establishing direct linkages between the CWG and the MPI management as well as the mechanism to contribute to the 1317 policy working group. On internal organization, the TA team advised organizing the CWG into three sub-groups: 1) Input sub-group, for compiling data inputs, 2) Analytical sub-group, for developing and operating the analytical tools, and 3) Policy sub-group, for formulating policy scenarios and presenting the results to policymakers. The MPI agreed with the mission's recommendations and reaffirmed the authorities' commitment to integrate the CWG into the policymaking process.

B. Assigning the Roles and Responsibilities of the CWG

11. In March 2024, the MPI issued an official notification to formalize the CWG's roles and responsibilities in operating the macroeconomic projection tools and contributing to policy discussions.⁷

⁵ The FMD was the focal point for the TA project and oversaw the coordination of macroeconomic policies with other ministries. The CIEM was a research department that provided assessments on macroeconomic developments and policies. The VIDS was a research department in charge of developing long-term national development plans. The GSO was responsible for compiling and publishing a wide range of statistics.

⁶ The MPI issued official decisions: No. 6929, August 28, 2023, to announce the establishment of the CWG and invite participation of staff from SBV, MOF, and MOIT, and No. 8261-62 dated October 5, 2023, to formally establish the CWG to support the 1317 Policy Working Group and to include staff from MPI, SBV, MOF, and MOIT.

⁷ MPI decision No. 1628, on March 6, 2024.

- **Duties of the CWG:** 1) Collect and build an input database for macroeconomic analysis; 2) Develop and operate the analytical tools for macroeconomic analysis and forecasting under the guidance of the IMF TA team; 3) Based on the results, provide assessments of macroeconomic development and forecasts, including macroeconomic management policies. 4) Prepare output report and its applicability; 5) Draft user manual to ensure continuity and sustainability of the CWG's operation and minimize rotation risks among officers.
- **Working rules of the CWG:** 1) The CWG members are responsible for fully participating in all TA and training activities (virtual or in-person) organized by the IMF TA team; 2) The CWG is divided into 3 sub-groups (input, analytical, policy), and each sub-group should select 3-4 members to serve as focal points to monitor, update progress, and urge team members to carry out the work items assigned to them. The sub-group leaders are in charge of the overall team's performance, while members designated in each sub-group shall agree among themselves on specific contents to implement the assigned tasks. The sub-group leaders are also responsible for producing reports on progress and results of the assigned tasks. 3) The CWG shall coordinate regularly through in-person meetings or via shared-drive, social media platforms, and other modes. 4) The FMD of the MPI serves as the Secretariat of the CWG.
- **Relationship between the CWG and the 1317 Policy Working Group:** 1) The CWG is responsible for coordinating inputs on macroeconomic developments and indicators, engaging in analysis, reporting projection results, and discussing macroeconomic coordination with the 1317 Policy Working Group; 2) The CWG is expected to present its reports and provide comments during the quarterly meetings in the 1317 policy group.

12. The formal assignment of CWG's roles and responsibilities improved coordination and strengthened TA implementation and ownership. Organizing the CWG into input, analytical, and policy sub-groups facilitated work distribution and improved the efficiency and effectiveness of the TA implementation. By working in parallel, the three sub-groups were able to complete their tasks within a short period of time. The fact that the CWG was able to compile input data, build-customize-operate macroeconomic projection tool, and present the results to policy makers within nine months from its establishment was a remarkable achievement.

13. During 2024 the CWG made substantial progress in operating the projection tools and presenting the results to policymakers. The CWG was able to develop a baseline scenario using the MFT, update the DDT template, and produce a presentation on recent macroeconomic developments, medium-term outlook, and public debt analysis. The CWG delivered the presentation during the 1317 policy meeting, chaired by the MPI Vice Minister Mr. Tran Quoc Phuong. It was the second time that the CWG delivered its end-of-mission presentation to the MPI Vice Minister, reflecting the MPI's strong ownership in the TA project and the growing contribution of the CWG to the government policy discussions. The MPI management and the 1317 policy group appreciated the TA progress, welcomed the CWG's presentation, and highlighted the quality and comprehensiveness of the analysis.

14. The authorities also broadened the recipients of capacity development. About ten new staff were added to the CWG to account for staff turnover during 2024. Several staff members of the SBV's Monetary Policy Department (MPD) who are also members of the IMF Forecasting and Policy Analysis System (FPAS) TA project joined the CWG, strengthening coordination across different TA projects. More members from SBV and MOF were also added to strengthen coordination across different ministries,

particularly in collecting data inputs. The list of CWG members including their affiliation and assignment in each sub-group, as of December 2024 is presented in Annex II.

C. Preserving the CWG after the Government Restructuring

15. In early 2025, Vietnam implemented government restructuring including by merging the MPI with the MOF that led to major staff turnover of the CWG.⁸ The CWG and relevant MPI departments that were involved in forming the CWG also moved to the MOF, and the CWG was placed under the newly formed Financial Institutions Department (FID) of the MOF.⁹ The merger between the MPI and MOF and the internal restructuring within the MOF changed the institutional arrangement for the CWG and led to substantial changes in the positions and responsibilities of all MPI and MOF staff. More than half of the CWG members, mostly the senior staff who could operate the tools and make presentations, left the CWG due to job reassignment. Other members who stayed in the CWG were also assigned to new departments with new responsibilities in the MOF. This posed new challenges to the TA project because the CWG needed to be rebuilt by recruiting and training new members to bring them up to speed.¹⁰

16. Despite the government restructuring, the authorities remain committed to providing their full support to the CWG. Soon after the MPI and MOF merger took place, the authorities reaffirmed their commitment to continue implementing the TA project as planned. They assigned new CWG members from MOF and SBV so that the size of the CWG has remained broadly unchanged at around 25 effective members. The fact that new CWG members were from various departments in the MOF and SBV continued to facilitate better coordination across departments. However, most new members had limited background in macroeconomics, calling for extensive refresher training. The list of CWG members after the government restructuring is presented in Annex III.

17. Against this background, the authorities and the TA team agreed that the activities during 2025-26 focused on rebuilding the CWG and training new members, with the following objectives

- **Ensuring that the new CWG members could operate the MFT and DDT.** The missions allocated substantial time to provide refresher training on FPP, MFT, and DDT and practice using these tools to

⁸ The cabinet restructuring reduced the number of ministries and agencies from 30 to 22 and merged several ministries, including merging the MPI into the MOF. The restructuring plan was announced in December 2024, approved by the National Assembly in February 2025, and implemented starting in March 2025. As a result of the merger, the MOF's roles and mandates were broadened to cover fiscal, debt, development planning, foreign and domestic investments, statistics, and others, and the reorganization within the MOF continued throughout 2025.

⁹ The FID's mandates include the coordination of macroeconomic policies across different ministries, and the FID has assumed the role of the former MPI in coordinating macroeconomic discussions across different ministries. The authorities confirmed that the CWG's roles and responsibilities in producing and presenting macroeconomic projection to MOF managements remain unchanged, and the CWG continued to participate in the inter-ministerial quarterly meetings on macroeconomic policies.

¹⁰ Members of the CWG from the CIEM, VIDS, GSO, MOF, and MOIT moved to different departments across ministries. The GSO under the MPI became the National Statistics Office (NSO) in the MOF, while the VIDS under the MPI joined the National Institute for Economic of Finance (NIEF) in the MOF. Meanwhile, the CIEM, a research department under the MPI, did not join the MOF. The CWG members from the MOF and MOIT also changed because their departments were also reorganized.

generate projection. The CWG's original members also helped introduce the MFT to new members, although the process was challenging since the new members had limited experience working with macroeconomic framework.

- **Helping the CWG analyze the projection results and prepare presentations to MOF management.** The TA team helped the CWG update its macroeconomic projections for its reports and presentation to MOF management and analyze the economic consistency.
- **Strengthening the internal organization of the CWG.** The mission helped the CWG assign all new members into the subgroups (input, analytical, and policy) and clarify the roles and responsibilities of each member in the CWG. The missions also discussed the mechanism to organize internal workflows to update input files, operate the tools, and draft the presentation.
- **Expediting the writing of the user manual.** The TA team and the CWG expedited the writing of the user manual for operating the tools to help bringing new members up to speed.

D. TA Recommendations and Implementation

The following table presents the list of TA recommendations and implementation focusing on the development of CWG as a multi-agency analytical team for macroeconomic forecasting.

Team: Supporting the Core Working Group (CWG)	
Recommendation	Implementation
Establish the Core Working Group by including staff from all ministries in the 1317 policy working group to improve data sharing and coordination.	The MPI established a Core Working Group (CWG) by incorporating staff from MPI, SBV, MOF, and MOIT (October 2023)
Assign clear roles and responsibilities to the CWG in developing and operating the analytical tools and presenting the results to policymakers.	The MPI formalized the roles and responsibilities of the CWG in developing the tools and presenting the results (March 2024)
Organize the CWG into three sub-groups (input, analytical, policy) to facilitate internal coordination during each step of the projection cycle.	The CWG has operated through three functional sub-groups since October 2023 to streamline each stage of the projection cycle.
Preserve the CWG and assign new members to mitigate the impact of staff turnover.	The authorities have preserved the CWG even after the government restructuring.
Participate in IMF trainings either online or in person in the IMF training centers.	Several CWG members have participated in IMF trainings although language barriers have hampered the participation of other members.
Designate CWG coordinators to oversee the projection cycle, consolidate inputs across sub-groups, and ensure timely delivery of outputs.	Senior members served as CWG coordinators during 2023-24. New coordinators have been assigned after the CWG moved to MOF in 2025.

III. Building Macroeconomic Projection Tools

This section describes how the TA team and the CWG developed and customized macroeconomic projection tools. It outlines the development of the input database, calibration of the MFT equations, use of additional analytical tools, formulation of assumptions on policy and exogenous variables, integration of debt projection, and development of the user manual to sustain capacity development.

A. Selecting Macroeconomic Projection Tools

18. During the TA scoping mission in 2023, the TA team and the authorities agreed to start developing macroeconomic projection tools using the MFT and DDT.¹¹ The MFT is a macroeconomic projection tool based on the four-sector (real, external, fiscal, and monetary) macroeconomic framework of the Financial Programming and Policies (FPP) developed and used by the IMF staff. The MFT uses an Excel worksheet and is designed to be a simple but rich framework for producing macroeconomic projections. Different from the standard accounting-based FPP framework, the MFT relies on behavioral equations for generating projections and incorporates feedback loops across sectors to ensure that the projections are consistent from both accounting and economic perspectives. The MFT could analyze the impact of external shocks or changes in fiscal and monetary policies on macroeconomic projections (see Annex IV). The DDT is an Excel-based tool that can produce debt projections and stress tests based on baseline and alternative scenarios by incorporating external shocks or policy changes.

19. The selection of MFT and DDT would meet the authorities' forecasting needs, the absorptive capacity of the newly established CWG, and the availability of data. The authorities were fully aware of the need to build capacity in macroeconomic analysis using the FPP-based framework, while recognizing that technical capacity and data availability remained limited. The plan was to develop the tools in two stages: 1) using the standard versions of MFT and DDT during 2023–24, and 2) extending the tools to incorporate more features during 2025–26. This step-by-step approach was expected to help the newly established CWG develop coordinating mechanisms and data sharing across agencies, as well as reap synergies with the analytical tools used by various agencies. After the government restructuring, the TA refocused its priorities on ensuring that the CWG could operate the tools that have been developed, rather than enhancing the tools to incorporate more features.

20. Supported by the TA team, the CWG developed the MFT and DDT and customized them to fit the Vietnamese economy. More specifically, the projection tools were tailored to the Vietnam context in the following ways:

- The Input database was developed based on Vietnam's data, including a specific calendar and formatting for easy updating and consistency checks. The CWG also created bridging tables to convert data from the Vietnam-specific format to the standard international presentation for economic statistics.

¹¹ The MFT and DDT are publicly available on the IMF website. See Feridhanusetyawan et al. (2025), Acosta Ormaechea, et al. (2021, 2025).

- The MFT's behavioral equations and parameters for forecasting were calibrated and tailored to reflect the Vietnamese economy.
- Separate satellite tools were developed to analyze specific aspects of the Vietnamese economy. These included the estimation of potential GDP, the impact of trade tensions, the calculation of real effective exchange rates, and the derivation of variables related to Vietnam's trading partners.
- Policy assumptions for generating projections were formulated based on concrete policies envisaged by the authorities.
- The output of the projection tools, such as selected indicators, sectoral tables, and charts, was formatted to fit the authorities' needs and reporting requirements.

B. Building Input Database and Filing System

21. The TA team helped the CWG collect Vietnam's historical data and address various data issues. The main objective was to ensure the quality and consistency of historical data across sectors for assessing recent macroeconomic developments and providing solid foundation for generating projections. Although Vietnam's macroeconomic data were generally available, data management was spread over various agencies, and some data were published with long lags and subject to frequent revisions. To address these data challenges, the TA mission provided the following recommendations:

- The CWG should use historical data published by relevant government institutions, and if some data are not yet available, the CWG should produce its own preliminary estimates. Using published data is important because the CWG maintains an open database and filing system that can be accessed by all CWG members from different ministries. When the data are incomplete or published with long delays, the CWG should produce its own preliminary estimates to ensure the completeness of the MFT's data input (i.e., no missing values). The CWG's preliminary estimates should be refined further depending on data updates and should eventually be replaced with the final data when they become available. The fact that the CWG members include staff from various ministries has facilitated internal discussions in producing the estimates.
- The CWG should present the MFT's input data by following the international standards of definition and presentation for macroeconomic statistics. Presenting input data in the standard format would help incorporate these data correctly in the MFT template. Moreover, the standard presentation would produce internationally comparable macroeconomic indicators.
- The CWG should perform data checks within and across sectors in every data update. Simple consistency checks could be done by making sure the numbers or the tables add up and the headline economic indicators (such as economic growth, inflation, exports, imports, fiscal indicators) are consistent with publicly available data from different sources. Comparing the historical data with those published in the IMF Article IV Consultation Staff Reports would also be useful for checking the accuracy and consistency of input data across sectors.
- The CWG should maintain an open database and filing system that can be accessed by all CWG members from different ministries. This open system would promote transparency and accountability and resolve data inconsistencies across different sources. The approaches and methodologies in producing estimates should also be discussed openly among the CWG members.

22. The CWG made good progress in compiling data from different sources and was able to build complete Vietnam data. Data on the national accounts and prices were readily available, and the CWG was able to put together complete data for the real sector during the scoping mission in June-July 2023. By the second mission in October 2023, the CWG managed to compile all input data for the

external and monetary sectors, although a few data series from the latest year were unavailable and required estimation. The CWG needed more time to build fiscal sector data because the data published by the MOF had different a format and classification from those required by the MFT. After resolving these format and classification issues, by end-2023 (6 months after the TA project started), the CWG was able to complete all input data up to 2022. Based on the authorities' request, the CWG ensured that the data used as inputs to the projection tools were officially published by relevant ministries and agencies in compliance with data regulations.

23. The CWG developed the database for global economic indicators and trading partners mostly from the WEO database. The CWG created a special template that can be updated easily to download these data and convert them into the standard template for the MFT. Trading partners' data include prices, exchange rates, economic growth, bilateral trade flows, and these data are used to calculate external variables that are needed for the MFT.

24. The CWG built an open database and filing system that is accessible to all CWG members from different institutions. The CWG stored the input files in sectoral directories (real, external, fiscal, and monetary) including the process for generating input data for the MFT. By maintaining an open file system, the analytical tools and database developed by the CWG could be shared with all ministries involved in the CWG. In addition, maintaining a transparent process in collecting data from various sources would avoid potential problems related to confidentiality and data sharing across different institutions.

C. Customizing MFT Equations

25. The TA team helped the CWG formulate the MFT equations based on economic theory and specific characteristics of the Vietnamese economy (see Annex V). The CWG prioritized economic theory and judgment to ensure that the equations produced realistic projections suitable for policy analysis and forecasting. Therefore, the equations were specified using a calibration approach rather than being econometrically estimated based on historical data. Regression analysis was used only as a supporting tool for comparison because Vietnam's historical data were limited and had structural breaks, and regression results produced coefficients that contradicted economic intuition or led to unstable forecasts. The coefficients were calibrated through an iterative process, assessing whether the equations generated plausible dynamics and stable long-run behavior with coherent interactions across different blocks of the macroeconomic framework.

26. Constraints were imposed on selected equations and coefficients to improve the projections' stability and realism. These constraints prevented counterintuitive responses, avoided unstable dynamics, and helped anchor key macroeconomic ratios to reasonable long-run levels. Error correction mechanisms were also introduced where needed to guide variables toward their long-run paths, reinforcing the structural integrity of the model and improving the robustness of medium-term projections.

27. Going forward, the CWG should continue strengthening internal documentation of the economic rationale behind each calibrated parameter and constraint. This is important to ensure that future updates remain consistent, transparent, and easy to transfer across teams. The specification of the equations could be improved by adding explanatory variables, but the CWG should be aware that adding

endogenous variables to the right-hand side of the equations would require additional iterations to solve the framework. The CWG should preserve the structural integrity of the model, its adherence to economic principles and intuitions, and its simplicity.

D. Performing Complementary Analysis

28. *Estimating potential GDP.* The MFT requires an exogenous assumption of potential GDP, and the TA team helped the CWG develop a template for estimating potential GDP based on a statistical filtering approach and a structural production function methodology. The results from these two approaches were compared to provide a consistent and transparent assessment of Vietnam's potential output. The template used official data published by the Vietnamese authorities, the IMF WEO, and the external sources such as the Penn World Table for factor inputs to fill data gaps.

- The statistical filtering approach used the standard Hodrick-Prescott (HP) filter to decompose actual GDP into trend (potential output) and cyclical components. The HP filter smoothed short-term fluctuations while preserving medium- to long-term movements in output. As with most purely statistical filters, the estimated trend was sensitive to end-point bias and to the choice of the smoothing parameter, which can affect the level and growth rate of potential output, particularly near the end of the sample. To reduce these limitations, the HP filter was implemented as a two-sided filter using both historical data and medium-term GDP projections through 2030, substantially reducing end-point bias.
- A production function approach using Cobb-Douglas specification was used to estimate the potential output by decomposing it into contributions from capital, labor, human capital, and total factor productivity (TFP).¹² Potential GDP was estimated by replacing the actual inputs with their trend components while realizing that this approach would also be subject to forecast error bias.¹³ Actual capital stock was assumed to reflect potential capital, while potential labor input was derived by applying an HP filter to remove cyclical fluctuations and produce a series consistent with the natural rate of unemployment. Human capital was approximated using a linear trend to capture its gradual structural evolution. TFP was smoothed using an HP filter to extract its trend component, thereby removing cyclical variations, including those associated with changes in capacity utilization. Medium-term values of key variables (GDP, employment, capital stock) were assumed and incorporated in the estimation process to mitigate the end-point bias associated with the HP filter. Medium-term assumptions of the factor inputs were used to project a range of potential growth, and then decide on the value that was incorporated as an exogenous assumption for the MFT. Data were drawn from the Penn World Table, the United Nations population database, and the NSO. Moving forward, the CWG should periodically review the key forward-looking assumptions to ensure that potential output remains consistent with the macroeconomic framework and reflects emerging structural changes.

29. *Analyzing the impact of trade tensions.* During the height of trade tensions in July 2025, the mission helped the CWG analyze the impact of global trade tensions on Vietnam. This exercise was

¹² The methodology follows the potential GDP estimation presented in the background paper for the IMF 2018 Article IV consultation with Vietnam (see IMF, 2018).

¹³ There could be distortions that may lead to capital misallocation, in which capital stock is not the same as potential capital (see IMF, 2025b)

intended as a supplemental and illustrative analysis for comparison with the macroeconomic projection tools. An assumed tariff increase was translated into an estimated decline in exports using assumptions on demand elasticities and trade diversion. This export shock was then mapped into the domestic economy using Vietnam's input-output table to trace direct and indirect spillovers across sectors and approximate the associated change in GDP.

E. Formulating Assumptions on Policies and Exogenous Variables

30. The TA team helped the CWG formulate assumptions on government policies during the projection period before running the framework to generate projections. The baseline scenario incorporates macroeconomic policies that will be implemented by the authorities and reflects the most likely economic outcome over the medium-term. The alternative scenario reflects the deviations from the baseline by incorporating alternative policies, such as larger increase in fiscal spending, or external shocks, such as changes in global oil or food prices. The TA team recommended that preliminary discussions with policymakers (MPI or MOF management) are important to understand the government's policy intention and translate the specific measures into policy variables in the MFT and DDT. The CWG should also be aware of any changes in fiscal and monetary policies that are announced by the government to make sure that the policy assumptions for the MFT and DDT are formulated accurately.

31. On fiscal policies, the CWG specified revenue and expenditure measures. On revenue, the CWG could select one or two simple tax models available in the MFT: 1) assuming a unitary tax elasticity with respect to GDP, implying an unchanged tax/GDP ratio, or 2) incorporating a full-employment tax ratio but adjusted by the output gap to capture the tendency of tax ratios to be procyclical. The nontax revenue is determined by assumptions, and grants are also set exogenously based on assumptions in the BOP. On the spending side, the CWG set the growth of noninterest expenses (part of current spending) and the acquisition of nonfinancial assets (capital spending) during the projection years based on government policies. On the financing side, the CWG set the amount of external fiscal financing exogenously and left the domestic financing as residual.

32. On monetary policies, the main instruments in the MFT are the interest rate and exchange rate. The CWG set the interest rate and exchange rate to reflect the authorities' current policy stance over the near term while ensuring that the path of interest rate and exchange rate over the medium term would be in line with the steady-state policies over the long term. The exchange rate could be determined by incorporating the policies envisaged by the authorities over the near and medium term. When the policy stance is not announced, the exchange rate could be assumed based on inflation differentials with trading partners to maintain a stable real effective exchange rate. Alternatively, the CWG could also assume a certain rate of real exchange rate depreciation or appreciation over time based on the expected changes in productivity and competitiveness. The policy interest rate can be set in line with the central bank's policy rate in the near term and then converge to a rate that is consistent with the (explicit or implicit) inflation target over the long term.

33. The TA team helped the CWG formulate assumptions on several exogenous variables to reflect the expected outcome during the projection period. In specifying these exogenous variables, the CWG considered the medium-term steady-state values of these variables to help ensure convergence to steady-state projections over time. To ensure consistency of the macroeconomic framework, export and import projections in the balance of payments are taken from the projections for GDP components

while government flows are taken from the fiscal projection. The other remaining components, such as primary and secondary incomes, foreign direct investment, and private capital flows, are projected exogenously based on assumptions. The CWG could make assumptions on these variables based on recent trends and other available information, including the investment plan by the private sector. The projections for external environment variables and trading partners' outlooks are taken from the IMF WEO publication that are updated regularly.

34. The TA team helped the CWG prepare the necessary steps to formulate the baseline scenario and generate the projection result. First, the MFT equations and their coefficients should be well specified to reflect the Vietnamese economy while ensuring convergence to steady-state equilibrium over the long run. Second, assumptions on exogenous variables (such as potential GDP growth, balance of payments flows, trading partner indicators, global economic indicators) during the projection period should be consistent with the likely outcome and converge to stable path. Third, assumptions on policy variables should reflect the authorities' actual or likely policies that will materialize. It is possible that formulating and calibrating the baseline scenario may require multiple iterations. This is to ensure that the MFT equations, policy assumptions, and exogenous variables reflect the most likely outcome during the projection period and converge to a steady-state equilibrium over the long term.

35. The CWG could develop alternative scenarios by changing the assumptions on policy or exogenous variables during the projection years. To capture the impact of policy changes on macroeconomic projections, the CWG could change the assumptions on fiscal and monetary policies (such as taxes, expenditures, interest rates, and exchange rates) relative to the baseline. The CWG could also develop alternative scenarios to capture external shocks, for example by changing assumptions on global interest rates, oil prices, and other exogenous factors.

F. Analyzing Projection Results

36. The TA team helped the CWG analyze the projection results after the projection run was completed. The projection result shows the economic outlook based on the policies and exogenous variables that the CWG input into the MFT, and the CWG should review the selected economic indicators tables and charts to assess realism and develop the narrative. This exercise required some experience working with the macroeconomic framework and became more challenging after the senior CWG members left following the government restructuring. To address this challenge, the TA team worked with the CWG to analyze the projection results by checking several indicators, for example: (1) whether the projection deviates significantly from recent trends; (2) whether the effects of fiscal and monetary policies look consistent with expectations; and (3) whether the projection shows signs of convergence toward the steady state over the long term, such as a narrowing output gap. The TA team also recommended analyzing various indicators across all sectors—for example, whether GDP, inflation, the current account balance, FX reserves, the fiscal balance, public debt, broad money, and credit growth are internally consistent and converge to a stable path over the medium term.

37. The TA team also helped the CWG verify how well the framework responds to sensitivity analysis. The main purpose was to check whether the impact of policy changes on GDP, prices, and other variables falls within the range that might be expected based on either in-country research or cross-country studies. If the simulation results seem out of line, the CWG should trace the transmission through the framework to diagnose the possible cause, including, for example, revisiting the equation parameters.

Examples of sensitivity tests include changing government spending by 1 percent of GDP, changing the policy interest rate or the exchange rate by 1 percentage point, and others.

38. Comparing the results with the authorities' official documents or the IMF's projections in the WEO is also important to gauge the realism of the CWG's projections. The goal is not to replicate these projections but to identify any differences and analyze the potential reasons. This is important because the projection results depend on various factors, including input data, behavioral equations, policies, and assumptions, and users need to incorporate all these into consideration. Ultimately, the CWG needs to make a judgment about whether its projection is realistic or whether further revision is needed.

G. Using DDT for Debt Analysis and Projection

39. The TA team assisted the CWG in integrating the DDT into the MFT as a downstream projection tool using the MFT's output as DDT's inputs. The first step was to make sure that the dedicated DDT input sheet in the MFT incorporated the MFT's projections for growth, inflation, fiscal balances, interest rates, and exchange rates into the standardized DDT format. These projections were then used by the DDT to generate debt projections, ensuring full consistency with the macroeconomic framework underpinning the MFT.

40. The DDT produced debt projections, fiscal adjustment paths, and standardized outputs based on an accounting-based debt dynamics framework. The TA team helped the CWG verify whether the baseline debt projection produced by the MFT and DDT was consistent before analyzing the debt paths under different scenarios. Then, stress test scenarios and fan charts were conducted in a standalone DDT template, as these analyses required additional assumptions on shocks and historical volatility. In this way, the DDT complemented the MFT by providing a structured assessment of debt projections under alternative scenarios, while preserving the integrity of the baseline macroeconomic projections produced by the MFT. As a good practice, the CWG should systematically cross-check that the MFT's baseline projections transferred to the DDT as input are finalized before running debt stress tests or policy adjustment scenarios using the DDT to ensure consistency between the MFT and DDT.

41. The CWG used the DDT to analyze the sensitivity of public debt projection over the medium term. The CWG analyzed the impact of several factors, such as changes in the primary fiscal balance, interest rate, and exchange rate, on Vietnam's debt projections. By comparing the debt projections between the baseline and alternative scenarios, the CWG explored the sensitivity of Vietnam's debt projection. For example, the DDT revealed that the Vietnam's debt projection is sensitive to the changes in the primary fiscal balance, indicating that maintaining prudent fiscal policy is critical.

H. Writing the User Manual to Operate the Projection Tools

42. The TA team assisted the CWG in writing a user manual to customize the projection tools to the Vietnamese context and to operate the tools. The user manual was prepared through close collaboration between the CWG and the TA team, particularly from the fifth to eighth missions. The manual followed a practical, session-by-session approach in which each section was drafted immediately after the corresponding hands-on session was completed. For example, after the CWG finalized the update of input data for a specific sector, the instructions on how to update that data in the MFT were

written right away. This ensured that the manual accurately reflected the actual workflow, file structure, and data practices used by the CWG, and reduced the risk of inconsistencies between the tool and its documentation. The TA team provided ongoing guidance, helped structure the content, and ensured consistency across sections, while the CWG contributed the detailed and country-specific operational knowledge. The user manual was written in Vietnamese and English versions. The Vietnamese version is useful for technical staff to use it comfortably in day-to-day operations, while the English version is useful for communication with external partners, including future TA engagements. The authorities welcomed the manual as an important milestone to sustain capacity development.

43. The user manual elaborates on the process for building the database using Vietnam data and customizing the tool to the Vietnamese economy (see the content in Annex VI). For example, the first half of the manual discusses how the CWG collected data from various institutions, checked their consistency, and converted them into MFT inputs. The other parts show the calibration of the MFT equations, estimation of potential GDP, and operation of the tools. Going forward, the CWG should consider assigning a designated focal point to maintain and update the user manual after each major data revision or model enhancement, to ensure that the documentation remains fully aligned with evolving practices and tool refinements

I. TA Recommendations and Implementation

The following table presents the list of TA recommendations and implementation focusing on the development of macroeconomic projection tools for policy analysis.

Tool: Building Macroeconomic Projection Tools	
Recommendation	Implementation
Develop macroeconomic projection tools based on forecasting needs, data availability, and absorptive capacity, and customize them to reflect the Vietnamese economy and specific policy requirements.	The TA team and the authorities agreed to develop the MFT and DDT. Both tools were customized to reflect Vietnam specific economic structures and policy questions, with additional features incorporated as capacity improved.
Maintain an open filing system that is accessible to all CWG members from different institutions.	A shared filing system was established to provide CWG members with cross-institutional access.
Develop and maintain a comprehensive and centralized macroeconomic database, incorporating official data from domestic sources, trading partners, and the WEO. Produce CWG estimates when necessary to address data gaps, and ensure consistency with international standards for macroeconomic statistics.	The CWG compiled a database using publicly available domestic data, officially published trading partners' data, and the WEO. Estimates were generated to address data gaps, and input data were compiled in line with international standards for macroeconomic statistics.
Ensure the consistency of historical data and recent economic developments before making projections.	The CWG performed a consistency check of historical data and discussed the realism and consistency of recent economic developments.
Calibrate the MFT equations and assumptions for projection based on economic theory and characteristics of the Vietnamese economy.	The CWG formulated the MFT equations and assumptions based on TA recommendations.
Analyze the realism and consistency of the projection results, conduct ex post evaluations to assess forecast performance, and refine projections as needed.	After each projection round, the CWG assessed the realism and consistency of results, compared forecasts with actual outturns, and reran projections when necessary.
Write a user manual for operating the tools to train new members and sustain capacity development.	The CWG completed the user manual in English and Vietnamese.

IV. Presenting the Projection Results in Policy Discussions

This chapter describes how the CWG presents the projection results in Vietnam's policy discussions by translating government policies into baseline and alternative projection scenarios, preparing presentations for policymakers, and embedding its analysis and projections into decision-making processes.

A. Incorporating Policies Envisaged by the Government

44. Incorporating macroeconomic policies envisaged by the government is an important step in producing projections and presenting them to policymakers. The government issues various policy documents, including the Prime Minister's Circular No. 1 early in the year, socio-economic development plans, the state budget, ministerial decisions, and other official documents. In addition, the government announces specific policies through various ministerial decisions and press releases. These documents specify the government's priorities and targets for economic development, including economic growth, inflation, fiscal balance, public debt, and other objectives to be achieved, as well as specific policies to be implemented. The challenge for the CWG is to summarize these targets and policies, express them as specific policy measures, and incorporate them into the MFT and DDT. To address this challenge, the TA team recommended the following:

- Distinguish between economic performance targets (such as economic growth, export growth, fiscal balance, and the stock of public debt) and the policies that will be implemented to achieve those targets. By using the MFT framework, the CWG can determine whether these policies or targets should be considered endogenous variables projected by the model (such as GDP and inflation) or exogenous variables determined by assumptions or policies.
- Clarify which policies can be considered baseline policies—namely, those that will be implemented during the projection period. In certain cases, the CWG must exercise judgment to determine whether such policies should be categorized as baseline or alternative scenarios.
- Classify the policies aimed at achieving development targets into macroeconomic policies and other policies, such as structural reforms and sectoral policies (for example, policies on agriculture, rural development, industrial promotion, trade and investment, and other specific policies).
- For macroeconomic policies, focus on monetary and fiscal policies, and identify specific measures (for example, increases in government spending, tax incentives to promote business activity, changes in the central bank's policy interest rate) that should be incorporated into the MFT.
- For other policies expected to have a substantial macroeconomic impact, the CWG should capture those by making assumptions about exogenous variables. For example, investment deregulation could increase FDI, so the CWG could make assumptions about the expected increase in FDI inflows over the medium term and incorporate these increases into the MFT.

45. On fiscal policies, the CWG incorporated the baseline policies specified in the annual state budget or the SEDP. The state budget provided the basis for the policy stance in the current or next fiscal year, while the SEDP provided policy guidance over the medium term. Because these official documents use formats different from the GFS presentation used in the MFT, the CWG had to convert the official budget numbers into the appropriate format for the MFT. In several cases, the CWG also had to

interpret and translate the policies intended by the government into specific measures that could be incorporated in the MFT. The CWG also made several assumptions, for example, regarding the split between domestic and foreign financing of the budget deficit based on the general direction of the government.

46. Regarding monetary policies, the CWG established baseline assumptions based on the general direction set by the government and the central bank. The CWG made assumptions on key interest rates for the MFT, including the central bank's policy rate, market rates, and lending rates, drawing from the central bank's policy direction and market observations. Additionally, the CWG analyzed assumptions related to money velocity, interest rate sensitivity, broad money growth, and credit to the private sector to ensure consistency, particularly since the central bank is also targeting credit growth. As there is no official policy announcement on exchange rates, the CWG developed assumptions based on recent trends and by interpreting various documents issued by the government and the central bank. The inclusion of staff from the central bank within the CWG has proven useful for discussing monetary policy variables to be incorporated into the MFT to generate macroeconomic projections.

47. The CWG also prepared alternative scenarios to simulate the impact of policy changes or external shocks. Experience from TA implementation over the past three years suggests that distinguishing between baseline policy (i.e., specific measures that will be implemented) and alternative policy (i.e., aspirations that may or may not be implemented) often requires some judgment. In view of this, regular consultation between the CWG and policymakers should continue to clarify the policies intended by the government and the specific measures that will be implemented.

B. Preparing Presentations to Policymakers

48. Preparing a good presentation to policymakers is critical for providing inputs to policy discussions. The TA team assisted the CWG in preparing the presentations by discussing the outline, identifying the topic priorities depending on specific needs, and assigning CWG members to draft and present the presentations. These preparatory steps also provided a valuable opportunity to review the tools, check for any errors, and develop the storyline for the projections. The TA team emphasized that managing the internal workflows to prepare for the presentation is also important. The input sub-group should confirm whether all data are updated based on the latest outturns. The analytical sub-group should start running the scenarios and prepare the tables and charts for the presentation. The policy-sub group should discuss with management to confirm the policy assumptions for projections, interpret the projection results, and develop the narrative for the presentation. The CWG should also discuss and confirm who would deliver the presentation well in advance.

49. The TA team and CWG discussed and identified important components that should be included in the presentation as follows:

- **Introducing the CWG.** The CWG is a new initiative, and presenting a brief introduction—including its composition, roles and responsibilities, and work program—would provide useful context for the audience. It is important to show that the CWG consists of staff from different ministries and fosters good collaboration in collecting data, building analytical tools, and preparing policies for simulation.
- **Describing the projection tools.** Presenting several slides to introduce the MFT and DDT would help the audience understand the methodology used by the CWG in forecasting. Macroeconomic forecasting and policy simulation using a multi-sector macroeconomic framework is a new approach

in Vietnam; therefore, providing some background on how the framework is used for analysis would be useful. Emphasizing that the tools (MFT and DDT) developed for Vietnam are open and accessible to all staff of the ministries involved in the CWG would promote transparency and accountability.

- **Discussing recent economic developments.** Presenting recent macroeconomic developments, particularly during the year immediately preceding the first year of projection, is important to provide context for the projections. Recent economic developments serve as the foundation for projections, and understanding the economic situation based on actual outcomes or estimates will help ensure that the projections rest on a solid basis. The CWG could usefully compare recent macroeconomic indicators from its database with those published by the government or by the IMF.
- **Clarifying assumptions.** The MFT's projections depend on assumptions regarding policy and exogenous variables during the projection years. The exogenous variables include projections for global indicators (such as oil prices, global interest rates) and trading partners' indicators (such as economic growth, inflation). The policy assumptions include the monetary and fiscal policies that will be implemented over the projection period.
- **Presenting multiple scenarios.** Presenting projections for several scenarios based on different assumptions about policies and exogenous variables will enrich the analysis and demonstrate the capability of the MFT and DDT in generating projections. The first projection is usually the baseline, which reflects policies and assumptions that are likely to materialize over the medium term. Then, by changing assumptions about policies or exogenous variables, the CWG can run alternative scenarios.
- **Discussing policy implications.** Policymakers would be interested in the impact of policy measures on macroeconomic projections, and the CWG should summarize these policy implications at the end of its presentation. One of the advantages of using the MFT is its ability to show the transmission from policies to economic projections based on sound economic theory and a consistent macroeconomic framework.

C. Presenting the Projection Results in Policy Discussions

50. Before the government restructuring, the process for presenting the CWG's output in policy discussions involved several steps. First, there should be a demand for the team's analytical output by policymakers; for the CWG, its output was expected to contribute to policy discussions of the 1317 policy working group coordinated by the MPI. Second, there should be a forecasting calendar for the team to update its forecasts to incorporate changes in economic developments and policies, as well as the needs of the policymakers. For the CWG, the projection was updated on a quarterly basis in line with the quarterly meeting of the 1317 policy working group, with the June and September updates serving as inputs for formulating government policies for the following year. Third, there should be concrete modes of delivery, either in the form of reports or presentations to policymakers. For the CWG, the team was expected to make presentations to the 1317 policy working group.

51. The CWG began presenting to policymakers during the third TA mission in March 2024. The event took place at the MPI at the end of the TA mission and was chaired by the MPI Vice Minister. Although the meeting was intended as an internal MPI session, not a formal 1317 policy working group meeting, it was attended by staff from the SBV and other ministries. Following the recommendation of the TA team, the CWG presented three sections: 1) an update on the CWG's status and work plan; 2) a description of the tools (MFT) developed by the CWG with assistance from the TA team; and 3) a presentation of recent economic developments up to 2023, the projection results for 2024–2025, and the policy implications. There were two scenarios: the baseline projection, which assumes a continuation of

current fiscal and monetary policies, and alternative scenarios featuring increased fiscal spending and a more relaxed monetary stance. The results were consistent with economic expectations in the Vietnamese context; for example, fiscal and monetary expansions would increase GDP growth, inflation, the fiscal deficit, and public debt, while lowering the current account balance and foreign exchange reserves. The MPI Vice Minister welcomed the progress made by the CWG, supported by the TA team, and suggested that future presentations should incorporate concrete policies envisaged by the government.

52. The CWG continued to make good progress in presenting its macroeconomic analysis and projections in government policy discussions. During the fifth mission in October 2024, the CWG presented its analysis and forecast at the 1317 policy group meeting, which was attended by representatives from various ministries and chaired by Vice Minister Tran Quoc Phuong. This was the second time the CWG delivered its end-of-mission presentation to the MPI Vice Minister, reflecting the MPI's strong ownership of the TA project and the CWG's growing contribution to government policy discussions.

- The CWG translated policy documents into numerical parameters for the MFT and updated all sectors based on recent macroeconomic developments and policies. The CWG also incorporated the latest projections for economic indicators from Vietnam's trading partners and the WEO.
- The CWG developed a baseline scenario in which real GDP growth improved during 2024–2025, supported by external demand and accommodative macroeconomic policies, and converged back toward its potential GDP in the medium term. The CWG then updated the DDT template by incorporating the projections produced by the MFT, discussed recent macroeconomic developments up to 2023, presented the projections for the medium term, and used the DDT to show the impact of various shocks on the projected debt paths. The CWG also presented alternative policy scenarios that reflect more accommodative fiscal and monetary policies. As expected, these accommodative policies would increase real GDP growth compared to the baseline, while at the same time raising inflation beyond the inflation target.
- The Vice Minister and the 1317 policy group appreciated the progress made by the TA team, welcomed the CWG's presentation, and highlighted the quality and comprehensiveness of the analysis. Comments focused mainly on: 1) the differences between the MOF and IMF fiscal presentations and the techniques developed by the CWG to convert the MOF format into the GFS format; and 2) the CWG's medium-term potential output estimate, which is lower than the government target under the 2026–30 SEDP. Several members of the 1317 group encouraged the CWG to continue sharing their honest views of Vietnam's outlook, even when these differ from the government targets.

53. The government restructuring in early 2025 changed the institutional arrangement for the CWG and the TA project refocused its priorities on rebuilding the CWG. After the MPI and MOF merger and the CWG moved to the MOF, the mechanism for presenting the CWG's output in policy discussions needs to be reestablished under the new institutional arrangement. Moreover, because of substantial staff turnover, TA activities in 2025 concentrated on retraining CWG members, bringing new staff up to speed on operating the projection tools, and strengthening the CWG's internal organization. Although the CWG had become more familiar with operating the MFT and DDT, it still required assistance in developing policy scenarios and interpreting the results. The mission helped the CWG update its macroeconomic projections, analyze results to ensure economic consistency, and prepare presentations for MOF management. During the missions in 2025–26, the CWG's presentations focused on the realism and macroeconomic implications of various growth scenarios envisaged by the authorities. The

presentations were well received, and the authorities praised the team, noting that despite extensive turnover, the CWG managed to present macroeconomic analysis and forecasts with greater depth. The meetings were well attended by staff from various MOF departments, and the discussions were lively. MOF management indicated that the CWG's presentations would be taken into consideration in preparing the medium-term development strategy.

D. TA Recommendations and Implementation

The following table presents the list of TA recommendations and implementation focusing on presenting the CWG's output in policy discussions.

Policy: Presenting the Results in Policy Discussions	
Recommendation	Implementation
Establish a concrete mechanism to present the CWG's output in the policymaking process.	The CWG provided analytical input to the 1317 inter-ministerial policy working group.
Establish a forecasting calendar and projection cycle for the CWG to update its projection and present its output.	The CWG updated its projection and report on a quarterly basis to provide inputs to the quarterly meeting of the 1317 policy working group.
Incorporate macroeconomic policies envisaged by the government by expressing them in specific policy measures for the MFT and DDT.	Government policies were translated into quantitative assumptions within the MFT and DDT
Discuss policy scenarios with management in advance to reflect concrete policies envisaged by the government.	The CWG incorporated concrete policies envisaged by the authorities when generating projections.
Prepare the CWG's report and presentation by including a brief introduction of the CWG's work and the tools used, assumptions on policies and exogenous variables, scenarios for projection, and discussion of policy implications.	The CWG prepared its report and presentation by following the IMF TA recommendations.
Establish post-presentation discussion with management to capture lessons learned and feedback for future work.	Post-presentation feedback has been obtained on an ad hoc basis.

V. Lessons Learned and Moving Forward

This chapter discusses various lessons learned during the implementation of the TA project and presents recommendations to sustain capacity development going forward.

A. Lessons Learned

54. Strong engagement by senior management increased the CWG's motivation and strengthened TA ownership. The senior management of the MPI and MOF closely followed the TA progress and set specific targets for the CWG to achieve. In each TA mission during 2023-24, senior MPI management, including the Vice Minister, met with the TA team to discuss the TA implementation and provide feedback. After the CWG moved to the MOF in early 2025, the MOF management preserved the CWG and confirmed that the TA project should continue despite the government restructuring. Without this strong support and ownership, the implementation of the TA project would have been delayed after the government restructuring. In the meantime, the internal reorganization of the MOF continued throughout 2025. Therefore, clarifying the CWG's mandate, reporting lines, and roles in policy formulation in the MOF is the top priority to sustain momentum and ensure continuity going forward.

55. The inclusion of staff from various ministries in the CWG resolved fragmented data issues and strengthened coordination across ministries. This multi-agency approach facilitated macroeconomic analysis that included all sectors (real, external, fiscal, monetary) and incorporated multi-disciplinary macroeconomic policies (fiscal, monetary, investment, trade, and others) formulated by various ministries. More importantly, the participation of staff from the MOF and SBV in the team enriched the discussion on the synergy between fiscal and monetary policies. Furthermore, ensuring balanced representation from key ministries also helped avoid duplication of work and strengthened inter-agency trust. The fact that this multi-agency nature has been preserved after the MPI and MOF merger also facilitated the efforts to rebuild the CWG in 2025 after a major staff turnover.

56. Assigning staff with a strong macroeconomic background or from departments involved in macroeconomic policy making would strengthen TA implementation. The presence of several senior staff with a strong macroeconomic background during the early part of the TA project in 2023-24 contributed to the CWG's rapid progress in building and operating the projection tools. These staff were familiar with the macroeconomic framework and involved in discussing government policies, making it easier for them to operate the MFT and DDT, analyze the results, and discuss policy implications. After the government restructuring, these experienced staff left the team due to job reassignments and the CWG's capacity had to be rebuilt. The new members had limited exposure to macroeconomic analysis and, therefore, multiple training sessions in macroeconomic framework were needed to bring them up to speed. Moving forward, greater participation of staff from departments directly involved in fiscal and monetary policy formulation would strengthen the CWG's analytical capacity and enhance the policy relevance of its output.

57. Formulating the CWG's clear roles and responsibilities improved coordination and strengthened accountability for delivering results. The MPI issued ministerial decisions on the CWG's roles and responsibilities in developing projection tools, producing macroeconomic analysis and forecasting, and presenting the results to policymakers. These official decisions clarified the status of the

CWG, set the expectations for its tasks and deliverables, and established the mechanism for channeling the CWG's output to policymakers. The CWG continued to adopt these rules and responsibilities after it moved to the MOF, but the implementation was challenging because the functions and coordination across departments within the MOF were being reorganized. In practice, the CWG continued its roles in operating the tools, producing projections, and presenting the results to MOF management.

58. Assigning CWG coordinators to manage workflows during each projection cycle played an important role in enhancing internal coordination. The coordinators of the sub-groups (input, analytical, and policy) played active roles in making sure that the process from updating the database to producing projections and preparing presentations ran effectively. In addition, regular internal meetings within the CWG improved coordination across sub-groups and enhanced the quality of projections. The CWG had to rebuild this process after the senior members left the team due to government restructuring.

59. Against this background, minimizing staff turnovers is essential to sustain capacity development. The composition of the CWG was broadly preserved during 2023-24, partly because the MPI established the CWG with a large membership and ensured that new members were assigned to replace any who left the team. The assignment of both senior and junior staff to the CWG also helped ensure continuity of work and the transfer of knowledge from senior to junior staff. The cabinet restructuring and merger between the MPI and the MOF led to substantial staff turnover in early 2025, but these changes were part of broader government policy that was not foreseen when the TA project was designed in 2023. Nonetheless, the authorities maintained a strong commitment to preserving the CWG after moving to the MOF, assigned new staff to replace those who left, and ensured that the TA project would continue. This decision was commendable considering the organizational challenges associated with the CWG's move from MPI to MOF and the subsequent internal reorganization of the MOF after the merger. The authorities also showed flexibility in setting priorities for the TA project, for example, by ensuring that the new CWG members could catch up on operating the projection tools that had been developed, rather than extending the tools to incorporate more features.

60. Incorporating policies envisaged by the government and presenting the results using the authorities' format would facilitate effective discussion with policymakers. The CWG continued to incorporate government policies in formulating projection scenarios, and early discussion of policy assumptions with management improved the realism and acceptance of projection results. The main challenge was to distinguish between macroeconomic and other policies, and to translate the policies into specific policy variables for the MFT. Presenting the projection results following the specific format used by the government would avoid confusion and misunderstanding during the discussion. For example, converting the fiscal table from the MFT into the MOF format would facilitate the fiscal policy discussion with MOF management.

61. The preparatory steps before generating projections and the review of the results afterwards played important roles in ensuring credible projections. Performing a consistency check of historical data across real, fiscal, external, and monetary sectors was important for analyzing recent macroeconomic developments and providing context before discussing the economic outlook. Assessing the realism and consistency of projection results would help develop the narrative when preparing the presentation. The sensitivity analysis was useful for testing how well the macroeconomic projection responded to changes in policy assumptions. Comparing the results with the authorities' official documents and the IMF's projections could help review the realism of the CWG's projections.

62. Establishing a concrete mechanism for the CWG to present its analysis to policymakers by following a specific forecasting calendar would help integrate the CWG's output into policy formulation. Providing opportunities for CWG members to present directly to management also increased ownership and confidence. This mechanism was well established during 2023-24 when the CWG presented its analytical work in the quarterly meeting of the 1317 policy working group. After moving to the MOF and experiencing major staff turnover in early 2025, the CWG had to refocus its priorities on internal development by rebuilding its capacity and strengthening internal coordination. In the meantime, the mechanism for policy coordination across departments in the MOF is being worked out in the aftermath of government restructuring. Moving forward, the channels through which the CWG could integrate its output into the formulation of policies in the MOF need to be reestablished. While the CWG continues to produce analytical outputs, the systematic integration of macroeconomic analysis into policy discussions within the MOF is being developed as part of the overall reorganization. The recent establishment of the Macroeconomic Coordination Group chaired by the Minister of Finance provides new opportunity for the CWG to provide inputs to policy discussions in the government. Strengthening the demand for such analytical inputs would further enhance the policy relevance of the CWG's work. Aligning the projection cycle with the government's policy calendar would also strengthen the relevance of CWG outputs, facilitate the internal review process, and avoid last minute revisions.

63. Drafting a user manual and documenting the tool from the early stage of the TA project helped train new members and minimized the adverse impact of staff turnover. The CWG started drafting the manual early during the process of building the MFT's input data that were sourced from different ministries and required multiple steps in converting from different formats into a unified format for the MFT. By end-2024, more than half of the user manual was completed, and the drafting of the manual was expedited throughout 2025 to mitigate the impact of staff turnover.

B. Mitigating Risks

64. The TA scoping mission in June-July 2023 identified several risks to TA implementation and their mitigation measures. These risks include: staff resource constraints and turnover, insufficient inter-agency coordination, lack of engagement, and integration into policy formulation. Over the past three years, the TA team and the authorities have adopted mitigation measures to manage these risks.

65. Staff resource constraints and turnover continued to be the main risk to the TA project, although the authorities have implemented various mitigation measures. They established the CWG with a large membership comprising both senior and junior staff to ensure continuity of work and replaced the CWG members who left the team after the government restructuring. The completion of the user manual for operating the projection tools also minimized the adverse impact of staff turnover.

66. The risks associated with insufficient inter-agency coordination and data issues have receded. The TA scoping mission identified that limited inter-agency interactions, inefficient processes for sharing information, frequent data revisions, and data inconsistencies could hamper analytical work. However, the authorities' decision to include staff from various ministries (MPI, MOF, SBV, MOIT) has mitigated these risks by strengthening inter-agency coordination and improving data quality. The issuance of a ministerial decision to ensure that relevant ministries are involved in establishing the CWG is commendable because economic analysis was previously performed with limited coordination across different ministries. The direct linkages between the CWG and the 1317 policy working group have also helped improve information-sharing processes between agencies. Sharing and coordinating the analytical

work across different institutions that participate in the CWG has also strengthened inter-agency coordination.

67. The risks associated with a lack of engagement during missions have been mitigated.

Language barriers continued to be a challenge, but simultaneous interpretation during all meetings (in-person and virtual) has helped ensure effective communication. The English-speaking members of the CWG have also served as interpreters, particularly during technical meetings. In addition, each in-person mission has included refresher training sessions or workshops to address possible lack of engagement due to communication issues. All CWG members have remained active in raising questions and expressing their views during the missions.

68. The risk related to the integration of the CWG's output into policy formulation continued to remain moderate. Because of the government restructuring and the ongoing internal reorganization of the MOF, the linkage between the CWG and the government's policy decision-making process is being reformulated. The TA team and the authorities agreed that the CWG should continue producing high-quality economic analysis and presenting the results to MOF management, which in turn will facilitate the integration of the CWG's output into policy formulation. The experience during 2023-24 in the MPI showed that strong demand by policymakers for sound macroeconomic analysis played an important role in integrating the CWG's output into policy formulation. Moving forward, the priority is to create a mechanism in which policymakers in the MOF could consider the CWG's input in formulating MOF policies.

C. Moving Forward

69. Moving forward, the priority of the CWG is to reestablish clear arrangement for providing regular analytical inputs to inform policy discussions. The government established the Macroeconomic Steering Committee in December 2025 chaired by the Prime Minister and the Macroeconomic Coordination Group in March 2026 chaired by the Ministry of Finance. The establishment of the Macroeconomic Coordination Group in the MOF will create an opportunity to further strengthen the role of the CWG and enhance its contribution in providing analytical inputs for policy discussions. Therefore, it is important to link the CWG with the Macroeconomic Coordination Group so that the CWG's output can be used to inform policymakers. In this context, the TA team recommended the authorities to preserve the current structure of the CWG, and clarify the status, roles, and responsibilities in the MOF, including by establishing a mechanism in which the CWG could channel its output into policy formulation. The TA team provided the forward-looking recommendations as follows.

Recommendation	Responsibility	Timeframe
Team: Supporting the CWG		
Preserve the CWG as a multi-agency team and minimize staff turnover.	MOF management	Continued
Clarify the CWG's status, roles, and responsibilities in the MOF, including the expected deliverables and the types of analysis to be covered.	MOF management	May/June 2026
Continue assigning CWG coordinators to manage the CWG's work and maintain interactions with MOF management.	CWG and MOF management	May/June 2026
Prioritize staff with background in macroeconomic analysis or from policy departments in assigning new CWG members and establish a program to train new staff.	CWG	August 2026
Tool: Updating Projections		
Establish a clear projection cycle in the MOF, including data updates, policy formulation, and presentation to MOF management to align with the government policy calendar.	CWG and MOF management	August/September 2026
Formulate a schedule for internal coordination meetings to strengthen internal collaboration and update the projections.	CWG	August/September 2026
Perform ex-post evaluation of projections at the end of the projection cycle to assess forecast performance and identify areas for improvement.	CWG	September 2026
Policy: Presenting the Projection Results in Policy Discussions		
Continue assigning the CWG to write a report and make a presentation to MOF management and the Macroeconomic Coordination Group.	MOF management	The timeline depends on the process for establishing new arrangement for the CWG in coordination with the Macroeconomic Coordination Group.
Establish a mechanism in which the CWG could channel its output into policy discussions in the MOF and the Macroeconomic Coordination Group.	MOF management	

D. The Authorities' View

70. The authorities broadly agreed with the assessment and recommendations in the TA report. They believed that the TA report has comprehensively reflected the achievements of the TA program, particularly in establishing the team (CWG) and developing macroeconomic and debt forecasting tools tailored to the Vietnamese context.

71. The authorities considered that the TA achievement has been remarkable despite staff turnover and other challenges due to the government restructuring. After the merger between the MOF and the MPI, most senior members of the CWG left the team. Despite staff turnover, and the fact that many CWG members are new and relatively young, the authorities were encouraged to see the

substantial progress that the CWG has made. An important outcome of the project is that CWG members have been equipped with the necessary knowledge and skills to use the framework and tools for macroeconomic analysis.

72. Regarding the recommendations for presenting the projection results in policy discussions, the authorities suggested refraining from setting a fixed deadline at this stage because they are still preparing the new institutional arrangement for the CWG. These include clarifying the positions, roles, and responsibilities of the CWG within the MOF, defining its expected analytical workstreams and outputs, and assigning coordinators to oversee CWG activities and maintain engagement with the MOF leadership. Looking ahead, the operation of the Macroeconomic Coordination Group within the MOF, established to support the Government's Macroeconomic Steering Committee, will create an opportunity to further strengthen the role of the CWG and enhance its contribution in providing analytical inputs for policy discussions in the government. Therefore, the integration into policy discussion depends on the ongoing process for establishing the new arrangement for the CWG in coordination with the Macroeconomic Coordination Group. The authorities have recently requested further TA support to further strengthen capacity in macroeconomic analysis and forecasting, and assigned the National Institute for Economic and Finance (NIEF) to implement the new TA program.

73. Regarding the future direction of the TA program, the authorities noted that future support could focus on strengthening and integrating the use of forecasting tools within regular policy processes, while fostering closer integration between the analytical outputs of the CWG and macroeconomic policy discussions. They also suggested that the next TA project expands the coverage of policy analysis, including public investment policy and specific tax and expenditure policies, while continuing to review and refine forecasting and analytical models to remain aligned with evolving policy needs. On the future development of the projection tools, the authorities suggested to further refine the representation of monetary policy transmissions in the framework, including by analyzing the importance of credit channel in the economy.

74. The authorities noted that now they have the analytical tools for Vietnam that can be used for policy simulation by changing the policies and assumptions. The accuracy of the projections depends on the quality of the underlying assumptions. The more accurate the assumptions are, the more reliable the projections will be. The authorities also highly valued the completion of the user manual to operate the projection tools. The user manual is an important milestone to help train new staff and sustain the capacity building moving forward.

75. Given the data challenges encountered during the project, it is important to reiterate the intention when the authorities and the TA team developed the TA workplan, which was to focus on the use of publicly available data and include staff from different ministries. In this context, the authorities reiterated that the data used as inputs to the projection tools are officially published by relevant ministries and agencies, in compliance with regulations on the protection of state secrets.

76. Finally, the authorities would like to thank the IMF, CDOT, and the IMF TA team for providing technical assistance on the macroeconomic framework over the past three years. The successful TA implementation has also been driven by close collaboration between the IMF TA team and the management of the former MPI and the MOF.

Annex I. Technical Assistance (TA) Delivery Schedule

Table 1. Project Delivery Schedule	
Key Outputs	Exp. Timing
Phase 1.1. Scoping, Project Action Plan, and Training	
Mission 1: Scoping mission: * Assessing the current policy analysis and forecasting systems. * Reaching agreement ad-referendum on TA action plan. * Making presentation, workshop, refresher training on macroeconomic framework. * Discussing the Core Working Group (CWG): status, role, and coordination.	June-July 2023
In-between mission work: * Completing the formation of CWG, including its roles, responsibilities, and tasks. * Collecting and compiling local data for main accounts and other essential data. * CWG taking in-person or online FPP/MDS training depending on knowledge gaps.	
Phase 1.2. Completing Data Inputs	
Mission 2: * Compiling macroeconomic database and customization of input sheets. * Checking data consistency, identifying issues and solutions. * Conducting one-week training on FPP using simplified modules to ensure that all CWG members are familiar with the Fund macroeconomic framework.	October 2023
In-between mission work: * CWG members continue taking FPP/MDS training as needed. * Customizing input data and sector output tables. Continue resolving data issues.	
Phase 1.3. Producing Macroeconomic Projection using MFT	
Mission 3: * Finalizing data inputs including checking for consistency and resolving data issues. * Customizing the MFT, estimating and testing the behavioral equations. * Formulating assumptions on monetary and fiscal policy for making projections. * Practice operating the MFT and tracing interlinkages across all sectors. * Start operating MFT to produce initial projections. * Presenting the preliminary results to policy makers.	March 2024
In-between mission work: * Updating data input to incorporate the latest estimates of the 2023 outturn. * Continue improving the behavioral equations. * Formulating policy assumptions based on real policies envisaged by the authorities. * Preparing the groundwork for contributing to the policy making process * Start developing user manuals and associated material.	
Mission 4: * Producing full-scale projections under the baseline and alternative policy scenarios. * Analyze the basic properties displayed by the model and interpret the results. * Assessing realism and the adjustments needed and identifying the differences. * Testing for glitches and errors in producing projections. * Developing a standard format for presentation to policy makers on a regular basis. * Presenting the projection results to policy makers and seeking their feedback. * Updating user manual and associated material.	June 2024
In-between mission work: * Starting the groundwork for incorporating a debt module based on the DDT. * Continue testing for errors, cleaning of tool to incorporate all changes to date. * Continue updating the user manual and associated material.	
Phase 1.4. Introducing Debt Analysis and Presenting Projection Results in Policy Discussions	
Mission 5: * Refresher training on debt projection using DDT. * Producing macroeconomic projections using MFT to be used as inputs for DDT.	October 2024

* Start operating the DDT to make debt analysis and projection and analyze the results. * Producing macroeconomic and debt projections using MFT and DDT . * Presenting the projections in the quarterly meeting of the 1317 policy working group. * Discussing options for extending the tools.	
<i>In-between mission work:</i> * Updating input data to incorporate the 2024 outturn and the latest external environment. * Exploring the impact of government restructuring on the CWG. * Continue updating the user manual and associated material.	
Phase 2.1. Rebuilding the CWG after Government Restructuring¹⁴	
<u>Mission 6:</u> * Supporting the authorities in preserving the CWG after government restructuring. * Discussing the status, roles, and responsibilities of the CWG after the MPI and MOF merger. * Providing trainings to help new members operate the MFT. * Updating projections to incorporate the 2024 outturn, 2025 state budget, and SEDP. * Meeting with the MOF management to discuss work priorities in FY2026.	March 2025
<i>In-between mission work:</i> * Updating projections to incorporate the 2024 outturn and alternative scenarios. * Continue updating User Manual and associated material	
<u>Mission 7:</u> * Reintroducing the DDT to new CWG members to help them operate MFT and DDT. * Discussing and formalizing the roles of the CWG in presenting the projection results in policy discussion. * Evaluating the CWG's workflows, particularly incorporating the roles of new members. * Supporting the CWG in presenting the projection results to MOF management.	July 2025
<i>In-between mission work:</i> * Start using the user manual for training of new staff. * Exploring policies envisaged by MOF and SBV for the 2026 budget and SEDP.	
Phase 2.2. Preserving the CWG and Sustaining Capacity Development	
<u>Mission 8:</u> * Continue training new CWG members to operate the projection tools. * Assisting the CWG in making presentations to MOF management. * Completing the user manual and using it to train new members. * Discussing the prospect for TA extension to facilitate integration into policy discussion.	December 2025
<i>In-between mission work:</i> * Updating the projections to incorporate the 2025 outturns and the 2026 state budget. * Taking stock for presenting the projection results in policy discussions.	
<u>Mission 9: Concluding Mission:</u> * Ensuring that the CWG could operate the projection tools independently. * Reviewing analysis, forecasting, presentation, and report to meet the policy needs. * Reviewing TA implementation, discussing draft TA report, and incorporating feedback. * Discussing the plan to preserve the CWG and sustain capacity development. * Discussing the prospect for follow-up TA.	March 2026

Sources: IMF staff and the Vietnamese authorities.

¹⁴ The government restructuring and merger between the MPI and MOF led to excessive staff turnover, but the authorities continued to provide strong support to the TA project by preserving the CWG and assigning new staff. The TA team and the authorities agreed that the TA priorities during 2025-26 are rebuilding the CWG and ensuring that the new members could operate the projection tools independently and make presentation to MOF management.

Annex II. The List of the Core Working Group as of December 2024

Vietnam: The Core Working Group for Macroeconomic Analysis, December 2024

No.	Name	Input	Analytical	Policy	Office
1	Nguyen Thi Minh Thoa			x	MPI
2	Pham Thi Van Anh	x			MPI
3	Vu Duc Viet		x		MPI
4	Bui Thi Kim Ngan	x			MPI
5	Vo Nhat Nam	x			MPI
6	Nguyen Thi Ngan	x			MPI
7	Nghiêm Thi Van	x			MPI
8	Dinh Thi Thuy	x			MPI
9	Pho Thi Kim Chi			x	MPI
10	Do Van Lam			x	MPI
11	Pham Phu Minh		x		MPI
12	Hoang Thi Minh Ha		x		MPI
13	Do Thu Trang			x	MPI
14	Nguyen Thi My Hanh			x	MPI
15	Doan Thi Thuy Duong			x	MPI
16	Cao Thi Thuong			x	SBV
17	Nguyen Thi Ngoc Linh		x		SBV
18	Nguyen Thi Giang	x			SBV
19	Pham Van Hung	x			SBV
20	Tran Hong Minh			x	SBV
21	Truong Thanh Tung	x			MOF
22	Vu Thi Huyen Trang			x	MOF
23	Nguyen Thi Hai Duyen	x			GDT
24	Pham Thi Huyen Trang		x		MOF
25	Nguyen Van Hai		x		GDT
26	Nguyen Mau Thai		x		GDT
27	Do Van Hoan		x		GDT
28	Le Thi Thu Thuy		x		GDT
29	Pham Nguyen Ha Ly	x			GDT
30	Le Thi Minh Nhat		x		GDT
31	Vu Thi Loc			x	MOIT
Supervisors					
1	Nguyen The Ngan	Director General			MPI
2	Hoang Thi Hong	Deputy Director General			MPI

Source: The Vietnamese authorities

Notes:

MPI = Ministry of Planning and Investment; MOF = Ministry of Finance;

MOIT = Ministry of Industry and Trade; SBV = State Bank of Vietnam;

GDT = General Department of Taxation

Annex III. The List of the Core Working Group as of March 2026

Vietnam: The Core Working Group for Macroeconomic Analysis, March 2026

No.	Name	Input	Analytical	Policy	Institution
1	Bùi Thị Kim Ngân	x			MOF
2	Nguyễn Thị Ngân	x			MOF
3	Nghiêm Thị Vân			x	MOF
4	Đoàn Thị Thùy Dương		x		MOF
5	Vũ Thị Huyền Trang			x	MOF
6	Trương Thanh Tùng	x			MOF
7	Cao Thị Thương			x	SBV
8	Nguyễn Thị Giang		x		SBV
9	Phạm Văn Hùng		x		SBV
10	Nguyễn Thị Hải Duyên	x			MOF
11	Nguyễn Mậu Thái	x			MOF
12	Nguyễn Văn Hải		x		MOF
13	Phạm Thị Huyền Trang			x	MOF
14	Nguyễn Thị Ngọc Linh		x		SBV
15	Nguyễn Anh Tú		x		MOF
16	Ngô Thị Ngọc Anh		x		MOF
17	Nguyễn Đoan Trang			x	MOF
18	Nguyễn Thị Ngọc Hà	x			MOF
19	Đoàn Trần Nam		x		MOF
20	Vương Thu Phương			x	MOF
21	Trịnh Thị Thơm	x			SBV
22	Nguyễn Hà Phương		x		SBV
23	Đinh Phan Anh		x		MOF
24	Nguyễn Kim Chinh			x	MOIT
25	Nguyễn Thị Minh Ánh		x		MOF
26	Nguyễn Quỳnh Chi			x	SBV
27	Trần Bích Thủy			x	SBV
28	Nguyễn Hoàng Anh				MOF
Supervisors					
1	Vu Duc Hoi		Director General		MOF
2	Hoang Thi Hong		Deputy Director General		MOF
3	Ho Viet Huong		Division Director		MOF

Source: The Vietnamese authorities

Notes:

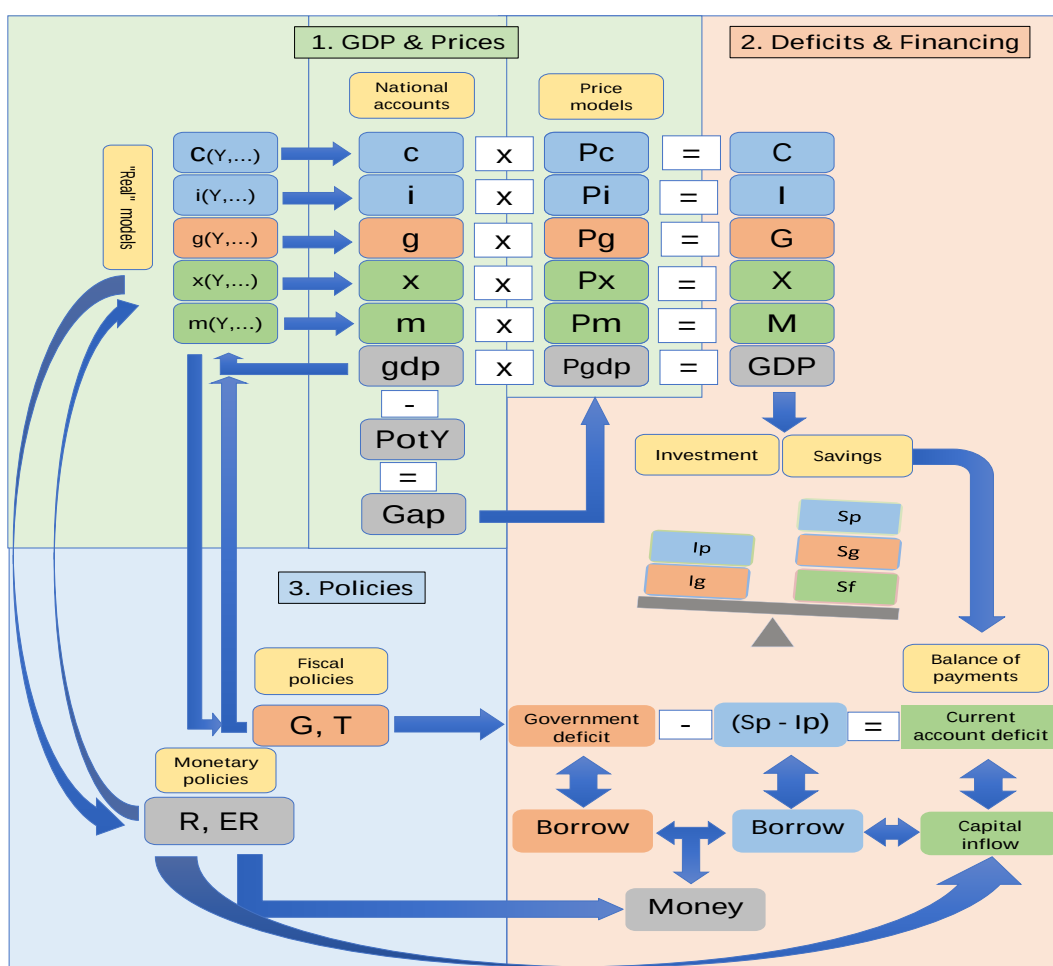
MOF = Ministry of Finance; SBV = State Bank of Vietnam;

MOIT = Ministry of Industry and Trade

Annex IV. Summary of the Macroframework Foundations Tool (MFT)

The MFT is a macroeconomic projection framework that produces forecasts based on accounting consistency and economic models or behavioral equations that reflect relationships among variables.¹⁵ It is designed to be a simple but rich framework for producing a macroeconomic projection using country data, behavioral equations, exogenous variables, policy assumptions, intersectoral consistency, and standard macroeconomic identities. The MFT projections are consistent from an accounting perspective as all four sectors (real, external, fiscal, and monetary) are interlinked to satisfy macroeconomic identities. The projections are also consistent from an economic perspective because they are based on sound economic principles expressed in a system of behavioral equations. The MFT generates short- to medium-term projections based on MFT equations, policy assumptions, and exogenous variables that include country data and external environment.

The macroeconomic framework and feedback loops of the MFT is illustrated in the chart below.



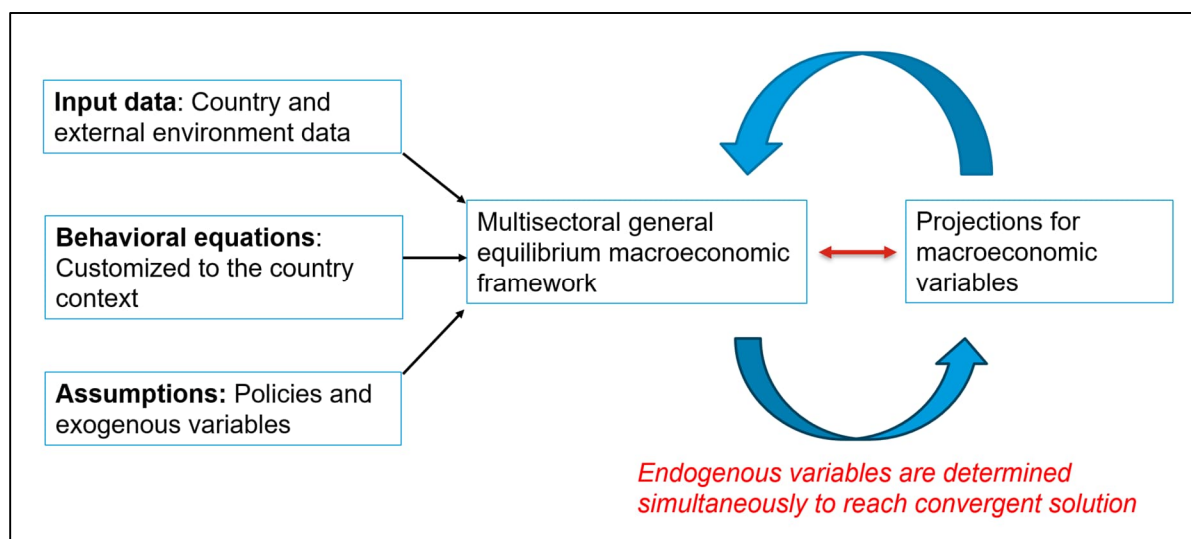
¹⁵ This summary of the MFT draws from Feridhanusetyawan et.al. (2025).

The MFT's key design features are its simplicity, consistency, and flexibility. The MFT adopts a simple structure with minimal data requirements, making it easy to build and operate for producing macroeconomic projections. It employs an intuitive Excel template that has six worksheets and requires minimal input data of about 60 variables that cover country-specific and external environment data. Despite its simplicity, the MFT is a powerful tool for producing consistent macroeconomic projections. The projections are consistent from accounting and economic perspectives because all macroeconomic sectors are interlinked to satisfy macroeconomic identities and the relationships among variables are based on sound economic principles expressed in behavioral equations. The MFT also provides flexibility for users and policymakers to customize the framework and accommodate different objectives and country-specific needs. It could be extended to incorporate a longer projection horizon, greater sectoral details, and a different policy environment. The coverage of sectoral details could be expanded to enable specific policy analysis or present detailed projections. By end 2025, the MFT has been used in IMF TA projects to build capacity in macroeconomic forecasting in 15 countries.

The MFT uses five behavioral equations (private consumption, private investment, exports, imports, and inflation) to project real GDP components and inflation. These equations are the main driving forces in generating projections for macroeconomic variables, which in turn feed back to the real economy and prices. The entire system is then solved iteratively to achieve internal macroeconomic consistency. These five behavioral equations are calibrated and customized to fit the Vietnamese economic (see Annex V).

Based on the structure and design, the MFT projection requires the following inputs: country and external environment data, well-specified behavioral equations, and assumptions on policy and exogenous variables. Users should prepare these inputs and incorporate them into a multisectoral general equilibrium framework to produce MFT projections. The recommended six-step process to operate the MFT is as follows: collecting input data, performing consistency checks, customizing behavioral equations, verifying policy and exogenous variables, solving the framework to generate projections, and analyzing projection results and building scenarios.

The process for operating the MFT is illustrated by the chart below.



Annex V. Vietnam: Customizing the MFT Equations

The MFT equations are customized to the Vietnam context as follows:

1. Real Private Consumption

Real private consumption growth is specified as a partial adjustment model linking consumption dynamics to disposable income and real interest rates:

$$C_t = 0.30C_{t-1} + 0.70yd_t - 0.15(rr_t - rr_{t-1})$$

where C_t is real private consumption, yd_t is real private disposable income, and rr_t is the real interest rate. The coefficients on lagged consumption and disposable income sum to one, ensuring that consumption and income grow in line in the long run.

For the outer projection years $t + 2$ to $t + 5$, an error correction term is added to anchor private consumption to a long run share of potential GDP:

$$ECT_t = -\frac{1}{5} \left(\frac{C_t}{Y_t^p} - 0.58 \right)$$

where y_t^p is potential GDP and 0.58 corresponds to the historical average consumption share of potential GDP.

This customization shows that Vietnam's private consumption is driven more by income rather than real interest rate, consistent with limited household borrowing for consumption and weak monetary transmission through consumer credit.

2. Real Private Investment

Private investment growth follows an accelerator type specification augmented by financing conditions:

$$I_t = 1.00(y_t - y_{t-1}) + 1.00y_t^p - 0.50(rr_t - rr_{t-1})$$

where I_t is real private investment, y_t is real GDP, y_t^p is potential GDP, and rr_t is the real interest rate.

An error correction mechanism is also applied in the medium term to guide investment toward a long run level of 30 percent of potential GDP, with a five-year adjustment horizon.

This specification indicates that Vietnam's private investment responds strongly to changes in economic activities and financing costs, highlighting the sensitivity of capital formation to short-term growth dynamics and lending rates.

3. Real Exports

Exports are modeled as a function of external demand dynamics and price competitiveness, with additional inertia to improve short run fit:

$$x_t = 0.90x_{t-1} + 0.74m_t^* - 0.62m_{t-1}^* - 0.10REER_t$$

where x_t is real exports, m_t^* is trading partners' real imports, and $REER_t$ is the real effective exchange rate. The relatively small REER elasticity reflects Vietnam's deep integration into global value chains and the predominance of USD denominated manufacturing contracts.

This export equation shows that Vietnam's exports are dominated by external demand, while the modest exchange rate elasticity reflects Vietnam's deep integration into global value chains, where exports are largely invoiced in foreign currency and short term exchange rate movements have limited pass through to export prices.

An additional specification is used to provide supplementary information for forecast judgment:

$$x_t = 0.14m_t^* + 0.57(m_t^* - m_{t-1}^*) - 0.10REER_t + 3.90k_t^{stock} - 0.24$$

where k_t^{stock} is real capital stock growth. While this equation yields a lower forecast error, the large capital stock coefficient weakens the role of demand and price variables. This equation is not embedded in the core model and only used for comparison so that the CWG could make better forecast judgment.

4. Real Imports

Imports depend on domestic activity and relative prices:

$$m_t = 1.41y_t + 0.31REER_t$$

where m_t is real imports, y_t is real GDP, and $REER_t$ is the real effective exchange rate. The elasticity of imports with respect to GDP exceeding one captures rising import penetration associated with Vietnam's open production structure.

A supplementary specification is using expenditure components as demand proxies:

$$m_t = 0.10C_t + 0.96x_t + 0.10REER_t$$

where C_t is real private consumption and x_t real exports. Although this equation improves the fit, it is not used in the core model to preserve the direct linkage between GDP and imports. In general, Vietnam's imports depends on income and exports because a large share of imports are used for export production.

5. Inflation

Inflation is modeled using a short-term expectation augmented Phillips Curve:

$$p_t = 0.81p_{t-1} + 0.19p^{target} + 0.08ygap_t + 0.30(p_t^m - p_t^{m,ss})$$

where p_t is CPI inflation, p^{target} is the SBV inflation objective, $ygap_t$ is the output gap, and p_t^m denotes import price inflation in domestic currency, defined as:

$$p_t^m = (1 + \pi_t^*)(1 + \Delta ER_t) - 1$$

with π_t^* denoting trading partners' inflation and ΔER_t the nominal exchange rate change. Import prices enter the equation in deviation from their steady state $p_t^{m,ss}$, defined as a 5 year moving average, ensuring convergence to the inflation objective when the output gap closes.

Vietnam's inflation dynamics are largely backward looking and driven by import prices with limited impact of output gap. This is broadly consistent the high share of imported goods in the CPI basket.

Sổ tay hướng dẫn xây dựng và vận hành Công cụ Nền tảng Khung Kinh tế Vĩ mô (MFT) và Công cụ Phân tích Động lực Nợ Công (DDT) tại Việt Nam

**(User Manuals for Building and Operating Macroframework
Foundations Tool (MFT) and Public Debt Dynamics Tool (DDT)
in Vietnam)**

Biên soạn bởi

Nhóm Công tác Nòng cốt (CWG) về Phân tích và Dự báo Kinh tế Vĩ mô,

Bộ Tài chính Việt Nam

Với sự hỗ trợ của

Hỗ trợ Kỹ thuật của IMF/CDOT về Khung Kinh tế Vĩ mô

(Prepared by

The Core Working Group (CWG) for Macroeconomic Analysis and Forecasting,

Ministry of Finance (MOF) of Vietnam

Supported by

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MỤC LỤC

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Annex VII. The Logical Framework

Objective: Develop capacity in macroeconomic forecasting and policy analysis to support policy decision making and communications - MFR			
Outcome: Authorities have a baseline understanding of their existing forecasting and analytical capabilities and opportunities for improvement			
Annual Assessment Rating: 4 Fully Achieved			
Annual Assessment Narrative: The IMF TA mission and the authorities agreed on the scope, priorities, and workplan of the TA project, and the TA Report from the scoping mission has been published on the IMF Website.			
Outcome Rating Date: 5/9/2024			
Outcome Indicator	Baseline Value	Target Value	Current Assessment Value
Diagnostic/scoping produced an overview of existing (baseline) capacities and opportunities for improvement supported by an action plan and agreed upon key outcomes and deliverables	There is a limited documentation of the authorities' existing capabilities and the coordination among relevant agencies.	Report of existing forecasting and analytical capabilities has been produced.	Overview of existing capacities and opportunities for improvement was produced in July 2023 as of 1/28/2026
Milestone Name	Target Completion Date	Milestone Actual Completion Date	Milestone Rating
Aide Memoire detailing findings from the scoping mission is produced	7/6/2023	7/6/2023	4 Fully Achieved as of 6/21/2024
Detailed TA action plan is agreed by the authorities	7/6/2023	7/6/2023	4 Fully Achieved as of 6/21/2024
Outcome: Improved analytical skills, and better macroeconomic forecasting and policy analysis capacity			
Annual Assessment Rating: 4 Fully Achieved			
Annual Assessment Narrative: The Core Working Group has completed trainings on Financial Programming and Policy, developed macroeconomic projection tools, produced projections, and presented the results to the policy makers.			

Outcome Rating Date: 3/18/2026			
Outcome Indicator	Baseline Value	Target Value	Current Assessment Value
Relevant staff have successfully completed agreed training delivered via various modalities (online, classroom courses, workshops)	No baseline	80 percent of staff in the CWG have taken FPP/MDS/DDT training.	All CWG staff have taken IMF FPP/MFT/DDT training in July 2025 as of 1/28/2026
Analytical framework centered around the MPT is used to produce medium-term forecasts, scenarios as well as risk and policy analysis	No MPT is used to produce forecasts and policy analysis	MPT is completed by the CWG and used to produce medium-term forecasts and policy analysis	The CWG started making projections using MFT in March 2024 as of 1/28/2026
Relevant staff demonstrates the capability to independently operate the MPT and other auxiliary analytical models and tools	The CWG has not used the MPT	The CWG independently operates the MPT	More than 10 CWG members could operate the MPT in June 2024 as of 1/28/2026
Roles and responsibilities identified/streamlined/clarified within the core forecasting team	Roles are not clear and not well documented	Roles and responsibilities of the CWG are clear and documented	The MPI formally issued guidance on the CWG's roles and responsibilities in March 2024 as of 1/28/2026
Milestone Name	Target Completion Date	Milestone Actual Completion Date	Milestone Rating
40 percent of CWG members have taken either in-person or online FPP/MDS course	10/31/2023	10/31/2023	4 Fully Achieved as of 1/11/2024
Clear roles and responsibilities within the CWG on analysis and forecasting are agreed and established	10/31/2023	3/4/2024	4 Fully Achieved as of 4/22/2025
CWG successfully provides data input for the MPT, conducts consistency checks, and identifies data issues	11/30/2023	12/31/2023	4 Fully Achieved as of 6/21/2024
60 percent of CWG members have taken either in-person or online FPP/MDS course	12/31/2023	10/31/2023	4 Fully Achieved as of 1/11/2024
80 percent of CWG members have taken either in-person or online FPP/MDS/DDT course	6/30/2024	10/31/2023	4 Fully Achieved as of 6/21/2024

CWG successfully runs the baseline scenario for projection and interprets the results	6/30/2024	3/26/2024	4 Fully Achieved as of 4/10/2025
CWG successfully designs and runs the risks and policy scenarios including debt projection, and interprets the results	10/31/2024	3/15/2026	4 Fully Achieved as of 3/18/2026
One year passed with the CWG members and participation maintained or replaced with equivalent numbers of members	10/31/2024	10/31/2024	4 Fully Achieved as of 12/17/2025
Outcome: Analytical models and forecasting tools are developed and operational			
Annual Assessment Rating: 4 Fully Achieved			
Annual Assessment Narrative: The Core working Group (CWG) has developed macroeconomic projection tools and produced projections. The CWG has completed the user manuals.			
Outcome Rating Date: 12/19/2025			
Outcome Indicator	Baseline Value	Target Value	Current Assessment Value
Macroeconomic Projection Tool (MPT) is developed in the form of an Excel-based macroeconomic framework for forecasting and policy analysis, respecting accounting relationships	No MPT is developed	The MPT is developed with all key features	The CWG has developed Macro-Foundation Tool (MFT) and started operating it to make projections in March 2024 as of 1/28/2026
A user manual on MPT and other auxiliary models and tools is prepared, and is readily available to all staff	No user manuals exist	User manuals have been prepared and available	The CWG completed the user manual in December 2025 as of 1/28/2026
Milestone Name	Target Completion Date	Milestone Actual Completion Date	Milestone Rating
The CWG has fully customized the tool for the Vietnamese economy to run baseline, policy, and debt scenarios	10/31/2024	10/31/2024	4 Fully Achieved as of 12/17/2025
Initial draft of user manual is developed	10/31/2024	10/31/2024	4 Fully Achieved as of 12/17/2025

User manual is finalized	10/31/2025	12/12/2025	4 Fully Achieved as of 12/17/2025
Outcome: Decision-making process is well-structured, streamlined, and documented, and associated roles and responsibilities are well-defined.			
Annual Assessment Rating: 4 Fully Achieved			
Annual Assessment Narrative: The Core Working Group (CWG) and its roles and responsibilities in developing and using the macroeconomic projection tool to produce macroeconomic projections have been established.			
Outcome Rating Date: 3/18/2026			
Outcome Indicator	Baseline Value	Target Value	Current Assessment Value
Modelling Unit is set up and made solely responsible for operating the MPT	The CWG working on MPT has not been set up	The CWG is established with well-specified responsibilities	The CWG was established in October 2023 as of 1/28/2026
Projection Coordinator assumes official responsibility for coordinating and leading the forecasting activities	The projection coordinator has not been assigned	Well-defined roles of the CWG in coordination with the policy group and other relevant agencies	Roles and responsibilities of CWG members have been well-defined by CWG regulation issued in March 2024 as of 1/28/2026
Milestone Name	Target Completion Date	Milestone Actual Completion Date	Milestone Rating
Formal appointment of the CWG with its members, roles, responsibilities, and tasks	9/30/2023	10/5/2023	4 Fully Achieved as of 12/17/2025
Discussion and reconciliation of inputs into MPT	11/30/2023	12/31/2023	4 Fully Achieved as of 12/17/2025
Agreement on roles, responsibilities, and output between the CWG and policy decision group in relation to the analytical tool	12/31/2023	3/8/2024	4 Fully Achieved as of 12/17/2025
Discussion and reconciliation of baseline projection results	6/30/2024	3/26/2024	4 Fully Achieved as of 12/17/2025

Discussion and reconciliation of risk and policy scenarios as well as debt projection results	10/31/2024	12/17/2025	4 Fully Achieved as of 3/18/2026
Outcome: Decisionmakers understand the structure and function of the Macroeconomic Projection Tool (MPT), and use staff's MPT-based analysis and forecast in the policy formulation process			
Annual Assessment Rating: 4 Fully Achieved			
Annual Assessment Narrative: The Core Working Group (CWG) meets regularly with the policy makers and started participating in the quarterly meeting of the inter-ministerial policy working group.			
Outcome Rating Date: 3/18/2026			
Outcome Indicator	Baseline Value	Target Value	Current Assessment Value
Forecasting team regularly interacts with policymakers	The forecasting team has not been established	The CWG meets regularly with the inter-ministerial working group on policies	The CWG started participating in the quarterly meeting of the 1317 inter-ministerial policy working group in March 2024 as of 1/28/2026
Milestone Name	Target Completion Date	Milestone Actual Completion Date	Milestone Rating
CWG produces report/presentation on the baseline scenario	6/30/2024	3/26/2024	4 Fully Achieved as of 6/21/2024
CWG makes presentation on the baseline scenario results to policy makers	10/31/2024	3/26/2024	4 Fully Achieved as of 6/21/2024
CWG produces report/presentation on the risk and policy scenarios including debt projection	10/31/2024	12/31/2024	4 Fully Achieved as of 12/17/2025
CWG makes presentation on the risk and policy scenarios including debt projection to policy makers	2/28/2025	3/15/2026	4 Fully Achieved as of 3/18/2026

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