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IMPACT OF INTEREST RATE POLICY CHANGES OF THE STATE BANK TO CONSUMERS IN VIETNAM

Dinh The Hung[1], Giao Vinh Khang[2] and Nguyen Tri Nghia[3]

[1]National Economics University
[2]Tran Dai Nghia High School for the Gifted
[3]Nam Sai Gon High School

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ABSTRACT

Given a volatile global economy and the inner challenges of the Vietnamese economy, monetary policy by the State Bank of Vietnam has turned out to be an important measure to ensure macroeconomic stability and boost economic growth. Interest rate policies and credit supply changes do not only affect business activities and the financial system but directly impact consumers. Therefore, this paper is focused on studying the State Bank of Vietnam policies' impacts on consumers in the period from 2020 to 2024. Based on this, there will be recommendations set out by the research group to help the State Bank of Vietnam make interest rate management policies that are of reasonable interest and have positive impacts on consumers in Vietnam.

KEYWORDS: - State Bank, consumers, monetary policy, market.

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1. INTRODUCTION

With the world economy's setbacks and inside tests of the Vietnamese economy, the State Bank of Vietnam's (SBV) monetary policy has been important to pursuing order for the macroeconomic environment and fostering economic development. Changes in interest rate policies and credit supply not only affect the activities of businesses and the financial system but also have direct impacts on consumers.

In 2023, the SBV undertook several major monetary policy adjustments regarding cuts in policy rates and adjustments in credit growth to catalyze the recovery process of the economy from the COVID-19 pandemic and restrain rising inflation. These changes are expected to lessen borrowing costs, improve access to credit, and boost consumer spending. Yet, under the key global factors - the rise of inflation and the escalation of geopolitical risks - these dynamics do not offer much clarity in respect to actual impact on consumer behavior.

Intense competition in business activities requires the need for the banking industry to adjust business strategies by focusing on personal customer segments, adjusting the income structure, and risk control to achieve safety and efficiency. To make business decisions, the banking industry needs to understand consumers, including factors determining the consumption behavior of personal financial services. This paper aims to study the impacts of SBV's policies on consumers between 2020 and 2024.

2. LITERATURE REVIEW

Consumer Behavior

Consumer behavior can be summarized as follows: Consumer behavior reflects the total decisions of consumers regarding the acquisition, consumption, and disposal of goods, including products, services, activities, and ideas, by decision-making units (individuals) over time.

Today's digital technology has put consumer's center stage. The ability to communicate and share opinions and reviews with others not only changes the shopping experience but also significantly impacts the reputation of businesses. The internet empowers consumers to evaluate, share their views, complaints, dissatisfaction, and satisfaction. Therefore, influencers become the driving force of consumption. This explains the importance of selecting brand ambassadors and representatives in advertising and brand communication programs/campaigns.

According to statistics in the 2019 White Paper on E-commerce in Vietnam (Department of E-commerce and Digital Economy - Ministry of Industry and Trade), consumer concerns when shopping online mainly focus on the quality of goods and services (86%), price (82%), and seller's reputation (70%). The value of individual online shopping has significantly increased, with the spending rate per individual above 5 million VND, increasing from 24% in 2017 to 35% in 2018. The rate of consumers continuing to shop online remains high at 98%. The main reasons for choosing websites/apps for shopping are influenced by online comments and reviews (63%), friends' and family's recommendations (54%), and advertisements (TV/electronic newspapers/print newspapers) (38%). However, online shopping still faces many obstacles due to concerns about product quality being lower than advertised (83%).

Phung Viet Ha (2021) pointed out that competition in business activities forces commercial banks (CBs) to adjust strategies, focus on personal customers, adjust income structures, and control risks. CBs need to understand customers and the factors determining personal financial service consumption behavior. The research shows that income, social influence, and service products affect customers' decisions to use financial services, with service products having the greatest impact.

Nguyen Hoang Tien (2022) researched post-COVID-19 consumer behavior in Vietnam, emphasizing the opportunities and challenges businesses face. The results show that despite new opportunities for reconstruction and development after the pandemic, businesses also face significant challenges such as changes in consumer behavior and the ability to restructure internally to adapt. The study proposes several solutions to help businesses cope and seize opportunities during difficult times.

Nguyen Thi Thu Trang (2024) pointed out that post-COVID-19, Vietnamese consumer shopping behavior has changed significantly, with an increase in online shopping and a preference for "green, clean" products. This presents an important requirement for the state and businesses to adjust trade strategies, protect consumers, and exploit new business opportunities.

Impact of SBV Policies on Consumers

William R. Keeton (2001) pointed out that banks made adjustments such as mergers, the development of EBanking, and the integration of financial services. This leads to strong competition as mergers are often not local, large banks may charge higher fees, but consumers still have choices from smaller banks. EBanking facilitates more convenient transactions, and the integration of financial services does not bring clear benefits as corporations do not provide cheaper services, and the internet offers alternative ways to use combined services.

Vietnam Finance (2018) stated that reducing lending rates aims to help businesses access capital more easily and promote economic growth. However, this raises concerns about bad debts, high operating costs, and low-interest rate margins. Broad-based interest rate reductions in the short and medium term are difficult and depend on various factors such as customer information, credit risk, and inflation. The new interest rate calculation method based on a 365-day formula benefits borrowers but disadvantages depositors.

Rashid et al. (2022); Valla and Muguet (2022) pointed out that by supplying large amounts of liquidity (through massive bond purchases), major central banks significantly contributed to increased risk acceptance (underestimating risks), inflating asset prices; this situation can cause increasing disconnection between financial markets and the real economy: In such a situation, credit and investment decisions are likely distorted. This clearly increased the risk to financial stability and macroeconomic stability in the subsequent years. Therefore, adjusting central bank credit policies to focus capital on production and business sectors is appropriate not only to promote the role and efficiency of bank credit capital, meeting the demand for economic recovery after the pandemic but also in the medium and long term contributing to the sustainable growth and development of financial and real estate markets.

Quang Thang (2022) pointed out that shortly after the Fed raised interest rates by 0.75 percentage points to 3.25% per year, the SBV also raised a series of policy rates, including rates for non-term deposits and deposits under six months, rediscount rates, refinancing rates, and overnight interbank rates, each increasing from 0.3 to 1 percentage point. This was the first time the SBV raised rates in two years, aiming to control inflation and stabilize the macroeconomy, leading to unlikely further credit limit expansions for CBs, and increasing pressure on the VND/USD exchange rate. Experts forecast that deposit and lending rates will continue to rise; however, loan interest rates will have a delay and a lower increase.

The study by Kilci Esra and Yilanci Veli (2022) focused on the measures taken by the FED to mitigate financial losses due to the COVID-19 pandemic and the impact of these measures on consumer behavior.

Thuy Linh (2022) stated that in 2022, the SBV flexibly managed credit policies to support businesses despite the negative impact of COVID-19 on credit supply and demand. The SBV reformed loan procedures, expanded services, organized dialogues with businesses, and enhanced the competitiveness of the banking system. The SBV's monetary policy helped stabilize the macroeconomy, control inflation, maintain low-interest rates, and support GDP growth estimated at 8%.

Nguyen Le Duc Do and Le Vu Thanh Tam (2022) pointed out that before December 2016, Vietnam did not have a specific legal framework for consumer finance until the SBV issued Circular No. 39/2016/TT-NHNN and Circular No. 43/2016/TT-NHNN on December 30, 2016. The consumer finance market includes commercial banks, large financial companies, Fintech companies, and informal credit systems. To develop this field, legal improvements, technical infrastructure support, personal financial literacy enhancement, and investment in technology are needed.

Economic and Forecast Magazine (2023) analyzed that in 2022, the global economy experienced strong fluctuations with rising energy prices and inflation, leading more than 100 central banks, including the FED, ECB, BOE, to raise interest rates, significantly impacting the Vietnamese economy. The SBV raised refinancing and rediscount rates, adjusted the VND/USD exchange rate band, intervened in foreign exchange, and flexibly managed credit. At the beginning of 2023, the SBV recommended reducing interest rates, removing credit limits for some banks, and increasing foreign exchange reserves to stabilize exchange rates.

Linh Phuong (2023) pointed out that monetary policy to support economic recovery includes reducing interest rates, supplying credit capital, and maintaining stable exchange rates, along with supporting measures such as restructuring debt repayment terms and social housing credit packages. The central exchange rate increased by 1.28% and USD at Vietcombank increased by 2.7% compared to the end of 2022, strengthening confidence in the Vietnamese dong. In 2024, managing monetary policy faces significant challenges from the complex international situation and economic difficulties.

3. THEORETICAL BASIS

3.1. The State Bank and the Role of the State Bank in Policy Making

The SBV is a ministerial-level agency of the Government, performing state management functions in currency and banking activities, foreign exchange, simultaneously functioning as the Central Bank to develop and carry out monetary policy. The proper meaning and content of monetary policy are all the measures adopted by SBV that influence changes in money supply and interest rates, hence affecting growth, inflation, and employment. Therefore, monetary policy is essential for macroeconomic stability, with monetary stability as the core, laying the foundation for overall development.

Le Cong Dat and Nguyen Huong Ly (2022) summarize that the SBV is a financial institution granted the privilege of controlling the production and distribution of money and credit in Vietnam. Established in 1951, the SBV performs tasks such as stabilizing the currency's value, managing the money market, and ensuring the safety of banking operations. The SBV plays a crucial role in macroeconomic stability and ensuring the safety of the banking system through inspections, examinations, and supervision of banks.

Under the Law of the State Bank of Vietnam, the SBV has a centralized and unified organizational model, directly including its headquarters, branches, representative offices, and affiliated units. The Government stipulates the organization and apparatus of the SBV. The SBV is headed and directed by the Governor, who is a Member of the Government and is responsible to the Prime Minister and the National Assembly for state management in the field of currency and banking activities. The Governor shall organize and direct the implementation of the tasks of the SBV as prescribed by law. The officials and public servants of the SBV are state officials but have recruitment and utilization mechanisms suitable for the SBV's operations.

Under the Law on the State Bank of Vietnam, it is organized as a ministerial-level agency of the Government and Central Bank of Vietnam. Its principal functions include refinancing, interest rate adjustments, changes in the exchange rate, mandatory reserve instruments, open market operations, issuance of currency, and inspections.

3.2. Consumer Behavior

According to the textbook "Overview of Customer Behavior and Marketing Strategy" by Foreign Trade University, customer behavior includes observable behaviors such as the quantity of purchases, when they were made, with whom, and how the purchased products were used; and unobservable behaviors such as customer values, personal needs and perceptions, the information consumers remember, how they collect and process information, how they evaluate solutions, and how they feel about the ownership and use of various types of products.

According to the American Marketing Association, consumer behavior encompasses the thoughts, feelings, and actions that customers perform during the consumption process. Factors such as opinions from other consumers, advertisements, price information, packaging, and product appearance can all affect customers' perceptions, thoughts, and shopping behaviors.

Consumer purchasing behavior is strongly influenced by cultural, social, personal, and psychological factors. For managers, these factors cannot be controlled but need to be carefully analyzed and considered for their impacts on buyer behavior.

According to Kotler & Levy (1969), consumer behavior refers to the specific actions of individuals when making shopping decisions, using, and disposing of products or services. Identifying consumer behavior involves:

- **First:** The thoughts and feelings of people during the shopping and consumption process.
- **Second:** Consumer behavior is dynamic and interactive as it is influenced by external environmental factors and has reciprocal effects on that environment.

- **Third:** Consumer behavior includes activities such as shopping, using, and handling products and services.

3.3. The Impact of State Bank of Vietnam Policies to Consumers

When the SBV changes the operating interest rates, CBs are the first to be affected. Banks will have to adjust their deposit and lending rates and business orientation to follow regulations and ensure effective operations. Subsequently, changes in CBs interest rates directly impact the production and business activities of organizations, enterprises, and households. Moreover, this also affects investment, consumption, and savings activities of the public.

According to the University of Economics Ho Chi Minh City, SBV's tools can include refinancing, interest rates, exchange rates, mandatory reserve instruments, open market operations, currency issuance, credit activities, foreign exchange management, and inspections. The tools and activities of the SBV affect consumers as follows:
- How refinancing affects consumers: Refinancing provides credit institutions with additional capital to lend and offer other financial products. This can help individuals and businesses access loans more easily, boosting consumption and investment activities.
- How interest rates affect consumers: Interest rates set by the SBV significantly impact the borrowing costs for consumers and businesses. Low-interest rates can stimulate consumer spending and investment, while high-interest rates can reduce consumer spending and investment.
- How exchange rates affect consumers: Exchange rates directly impact the prices of imported and exported goods, which can change consumer prices. This can affect consumer purchasing power and production costs for businesses.

4. THE STATE BANK OF VIETNAM'S INTEREST RATE POLICY IN THE PERIOD 2020-2024

●In 2020, the SBV adjusted interest rates a total of three times:

March 16th, 2020: Reduced refinancing rate from 6.0%/year to 5.0%/year; rediscount rate from 4.0%/year to 3.5%/year; overnight lending rate in interbank electronic payment and lending to cover capital shortages in the SBV's clearing payment with banks from 7.0%/year to 6.0%/year.

May 13th, 2020: Reduced refinancing rate from 5.0%/year to 4.5%/year; rediscount rate from 3.5%/year to 3.0%/year; overnight lending rate in interbank electronic payment and lending to cover capital shortages in the SBV's clearing payment with banks from 6.0%/year to 5.5%/year.

October 1st, 2020: Reduced refinancing rate from 4.5%/year to 4.0%/year; rediscount rate from 3.0%/year to 2.5%/year; overnight lending rate in interbank electronic payment and lending to cover capital shortages in the SBV's clearing payment with banks from 5.5%/year to 5.0%/year.

● In 2021, the SBV kept the refinancing rate at 4%, the rediscount rate at 2.5%, and the overnight lending rate at 5%.

● In 2022, the SBV adjusted interest rates twice:

September 23rd, 2022: Increased the refinancing rate from 4.0%/year to 5.0%/year; rediscount rate from 2.5%/year to 3.5%/year; overnight lending rate in interbank electronic payment and lending to cover capital shortages in the SBV's clearing payment with credit institutions from 5.0%/year to 6.0%/year.

October 24th, 2022: Increased the refinancing rate from 5.0%/year to 6.0%/year; rediscount rate from 3.5%/year to 4.5%/year; overnight lending rate in interbank electronic payment and lending to cover capital shortages in the SBV's clearing payment with credit institutions from 6.0%/year to 7.0%/year.

● In 2023, the SBV adjusted interest rates a total of four times:

March 15th, 2023: Rediscount rate decreased from 4.5%/year to 3.5%/year. Overnight lending rate in interbank electronic payment and lending to cover capital shortages in the SBV's clearing payment with credit institutions decreased from 7.0%/year to 6.0%/year. Refinancing rate remained at 6%/year.

April 3rd, 2023: Refinancing rate decreased from 6%/year to 5.5%/year. Rediscount rate remained at 3.5%/year. Overnight lending rate in interbank electronic payment and lending to cover capital shortages in the SBV's clearing payment with credit institutions remained at 6%/year. Maximum interest rate applicable to demand deposits and deposits with terms of less than 1 month decreased from 1.0%/year to 0.5%/year. Maximum interest rate applicable to deposits with terms from 1 month to less than 6 months decreased from 6.0%/year to 5.5%/year.

May 25th, 2023: Overnight lending rate in interbank electronic payment and lending to cover capital shortages in the SBV's clearing payment with credit institutions decreased from 6.0%/year to 5.5%/year. Refinancing rate decreased from 5.5%/year to 5.0%/year. Rediscount rate remained at 3.5%/year. Maximum interest rate applicable to demand deposits and deposits with terms of less than 1 month remained at 0.5%/year. Maximum interest rate applicable to deposits with terms from 1 month to less than 6 months decreased from 5.5%/year to 5.0%/year.

June 19th, 2023: Overnight lending rate in interbank electronic payment and lending to cover capital shortages in the SBV's clearing payment with credit institutions decreased from 5.5%/year to 5%/year. Refinancing rate decreased from 5.0%/year to 4.5%/year. Rediscount rate decreased from 3.5%/year to 3.0%/year. Maximum interest rate applicable to demand deposits and deposits with terms of less than 1 month remained at 0.5%/year. Maximum interest rate applicable to deposits with terms from 1 month to less than 6 months decreased from 5.0%/year to 4.75%/year. Maximum interest rate for VND deposits at people's credit funds and microfinance institutions decreased from 5.5%/year to 5.25%/year.

- **In 2024, the State Bank is maintaining the current interest rates.**

5. DISCUSSION

- During the Covid-19 pandemic (2020-2022)

The interest rate adjustments from 2020 to 2022 in Vietnam reflect a series of financial policy measures aimed at supporting economic recovery and controlling inflation. The interest rate cuts in the early stages (from March 2020 to October 2020) were intended to stimulate consumption and investment, reduce borrowing costs, and increase financial liquidity. This supported the stability of the economy during the COVID-19 pandemic and promoted economic development.

During the 2020-2022 period, Vietnamese consumers experienced fluctuations in inflation and the cost of living, this is closely linked to the SBV's interest rate adjustment decisions. In 2020, low-interest rates helped reduce the financial burden on borrowers and stimulate spending. However, the consumer price index (CPI) still increased slightly by 3.23%, reflecting the impact of the COVID-19 pandemic on the economy.

In 2021, the CPI continued to increase at a rate of 1.84%, partly due to the high prices of global goods and the recovery of consumer demand. However, this increase was well controlled through SBV's flexible monetary policy.

The year 2022 witnessed a strong increase in inflationary pressure, with the CPI increasing by 3.15%. This caused consumers to face high prices for many essential goods, from food and energy to medical and educational services. To curb inflation, the SBV raised interest rates, but this also increased borrowing costs, making it difficult for borrowers to buy houses, cars, and other consumer loans. However, the increase in interest rates aimed at controlling inflation and stabilizing finance had the opposite effect, limiting the growth rate of credit and investment, and increasing borrowing costs for individuals and businesses. The purpose of this adjustment is to ensure price and financial stability, and prepare for potential inflation risks in the future.

Nguyen Duc Lenh (2022) analyzed that the adjustment of the SBV's credit policies to focus capital on the production and business sector is appropriate, not only promoting the role and effectiveness of bank credit capital, meeting the requirements of economic recovery and growth after the pandemic, but also contributing importantly to the sustainable growth and development of the financial and real estate markets in the medium and long term. Besides, commercial banks continue to maintain and implement well specialized credit programs: such as lending for buying and leasing social housing; housing loans; housing project programs for workers, low-income workers, and policy credit programs for housing... contributing importantly to ensure social security as well as sustainable development of the real estate market with a reasonable structure and market share, limiting speculation and potential risks when the market fluctuates.

In general, during the 2020-2022 period, Vietnamese consumers experienced ups and downs in inflation and the cost of living. Although low-interest rates in the early stages helped stimulate consumption and support economic recovery, the increasing inflationary pressure in 2022 posed significant challenges for consumers. The SBV's interest rate adjustment decisions in the following period will continue to have a significant impact on people's wallets and lives.

- During the post-Covid-19 period (2023-2024)

The year 2023 marked a reversal of monetary policy, as the SBV continuously reduced operating interest rates to support the economic recovery after the pandemic. This created conditions for consumers to access loans at lower costs, stimulating consumption and investment demand. However, the downside of lowering interest rates is increased inflationary pressure. The CPI in

2023 increased by 3.32%, higher than the previous year, causing people to clearly feel the price increase of many essential goods.

The SBV's interest rate adjustments in 2023 aim to support economic recovery and maintain financial stability in the overall context of the economy. On March 15, 2023, the reduction of the rediscount rate and overnight lending rate aimed to stimulate financial liquidity and support borrowing activities in the economy. This helps reduce borrowing costs for individuals and businesses, thereby promoting investment and consumption.

With further adjustments in April and May 2023, the SBV continued its supportive policy by reducing overnight lending rates and other interest rates, while the refinancing rate decreased slightly. This demonstrates the flexibility of monetary policy, aimed at stabilizing finance and facilitating sustainable economic development. Finally, maintaining stable interest rates in 2024 emphasizes consistency and predictability in monetary policy, providing a stable foundation for economic and financial activities soon.

After the SBV continued to reduce some operating interest rates by 0.5%, representatives of CBs affirmed that they are closely following the directives and will urgently implement the interest rate reduction to ensure that the needs of the economy and the people are met, and to better support overall development. In the context of rising inflation, but with a slowing trend, and the economy still facing many difficulties, to reduce lending interest rates and implement measures to remove difficulties for the economy, supporting growth recovery under the direction of the Government and the Prime Minister, in 2023, the SBV adjusted and reduced operating interest rates three times with a total reduction of 0.5-1.5%/year.

VIB (2023) explained that the interest rate is the percentage that borrowers have to pay to use a unit of borrowed capital for a certain period (usually 1 month or 1 year). This is a special type of price determined by value of use. Interest rates are expressed as a percentage and are also considered the rate of return that the owner receives from the loaned capital.

Le Quang Vinh(2023), Deputy General Director of Vietcombank, affirmed: The bank always closely follows the directives on monetary policy of the SBV. Regarding this interest rate reduction, Vietcombank's representative assessed that this is a correct and timely decision.

Dao Minh Tu (2023), Deputy Governor of the SBV, analyzed that since the beginning of 2023, the SBV has been operating monetary policy with a gradual easing trend in line with the requirements of controlling inflation and stabilizing the macroeconomy by adjusting and reducing operating interest rates four times with a decrease of 0.5-2.0%/year to orient and create conditions for credit institutions to reduce lending interest rates, contributing to increasing social investment, supporting production, economic growth, and job creation. In 2023, VND lending interest rates have decreased by an average of about 1.5-2.0%/year compared to the end of 2022 and are expected to continue to decrease in the coming time due to the impact of policy lag after the SBV's adjustments to reduce operating interest rates. At the beginning of 2023, it was only expected to decrease by 1.5%, but by October 2023, it had decreased by 1.5-2% and continued to decrease until the end of the year. At the same time, flexibly and proactively manage the money market and exchange rates to create a stable and favorable environment for production and business activities, import and export of enterprises. Foreign currency and exchange rates fluctuate but remain within the framework of achieving the goal of controlling inflation below 4.5%, as this is an important political task.

Dao Minh Tu (2024) assessed that the economy in general and the banking industry in particular have experienced a difficult and challenging year 2023 in the context of slow global economic growth, high inflation, and central banks in many countries continuing to hold operating interest rates at high levels... Domestically, the driving forces of export growth, investment, and consumption all faced challenges due to low global demand; businesses faced many difficulties due to declining orders and markets.

Entering 2024, the SBV has signaled that it will keep operating interest rates unchanged in the context of inflation still posing many risks. Although this helps stabilize lending interest rates, consumers still face high pressure of increasing living costs. Besides, the sharp increase in the price of gold, real estate, and foreign currencies also caused many people to shift their investments, creating new fluctuations in the financial market.

Nguyen Duc Lenh (2024) also pointed out that for banking activities, to fulfill its tasks, throughout the past time, the SBV has used policy mechanisms as an important resource to support businesses and people to overcome difficulties, recover and grow, during the most difficult times of the economy, such as: the impact of the global economic crisis (2008-2013), the historic COVID-19 pandemic and economic recession, high inflation in some major economies and economic regions (2020-2022)... The SBV has effectively used credit policies to contribute to the successful implementation of the dual task: ensuring macroeconomic stability and supporting economic growth throughout the past time. Many separate credit policy mechanisms have been applied to develop priority sectors and fields that are the driving force of economic growth as well as implement direct and shared credit solutions to support businesses in difficult contexts such as crises, natural disasters, epidemics; economic difficulties..., through the application of debt restructuring mechanisms, maintaining debt groups; exemption and reduction of lending interest rates.

In general, the 2023-2024 period is a volatile period for Vietnamese consumers. Although low-interest rates have created favorable conditions for borrowing and consumption, inflationary pressure and fluctuations in commodity prices remain significant challenges. Consumers need to be cautious in managing personal finances, choosing appropriate investment forms, and proactively adapting to market changes.

6. RECOMMENDATIONS

Based on the interest rate adjustments during the 2020-2023 period, it can be seen that the reduction of the refinancing rate, rediscount rate, and overnight lending rate played a crucial role in supporting the Vietnamese economy through the difficulties of the COVID-19 pandemic. These measures stimulated consumption, investment, and improved financial liquidity, thereby helping the economy recover quickly.

However, the interest rate hikes in 2022 to control inflation increased borrowing costs and limited credit growth. This was a necessary measure to ensure financial stability and prevent the risk of inflation. In the future, it is necessary to continue maintaining a balance between supporting economic growth and controlling inflation.

In 2024, the SBV's maintenance of stable interest rates is a correct step, creating conditions for a stable and sustainable economy. However, there needs to be flexibility in monetary policy to promptly respond to economic fluctuations. Continuing to monitor and adjust interest rates appropriately will help maintain financial stability and support long-term economic development. In addition, it is necessary to strengthen financial support measures for small and medium-sized enterprises, helping them overcome difficulties and contribute positively to the economy.

At the same time, developing training programs and capacity building for businesses is also very important. These programs will help businesses better adapt to market fluctuations and optimize business efficiency. Besides, it is necessary to promote the application of technology and digitalization in business management and operation to improve productivity and minimize risks.
Finally, it is necessary to establish mechanisms to monitor and evaluate the effectiveness of monetary policy to ensure that interest rate adjustment measures achieve their goals. This will help the SBV have a more comprehensive and accurate view of the economic situation, thereby making timely and effective decisions.

7. CONCLUSION

In the context of economic fluctuations and the inherent challenges of the Vietnamese economy, this study has clarified the impact of changes in the policies of the State Bank of Vietnam on consumers. By analyzing changes in interest rate policy and credit supply during the 2020-2024 period, the study has demonstrated that these adjustments have a profound impact on consumer behavior and psychology.

The results show that the reduction of interest rates and adjustment of credit growth have contributed to reducing borrowing costs, increasing access to credit, and stimulating consumer spending. However, in the context of global inflation and escalating geopolitical conflicts, these impacts also depend on many other factors, such as the recovery of the global economy and support measures from the Government.

The study also points out that, to optimize the effectiveness of monetary policies, the SBV needs to continue monitoring and flexibly adjusting macroeconomic measures, while also needing other support policies to promote consumption and protect consumers from market fluctuations. Improving the business environment, raising financial awareness, and supporting technology development are also important factors to enhance the effectiveness of monetary policies in the future.

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