

Textile & Garment

Non-rated

Upward ended in Sep

Textile and garment export ended the upward trend in Sep

- Based on the General Department of Customs, the export turnover of Vietnam's textile and garment ended the upward trend in September as falling 31.9% mom (though up 18.6% yoy) to USD2.72bn.
- In September 2022, the export to the US (the largest textile and garment export market of Vietnam) saw a decline of -10.2% yoy/-43.5% mom, accounting for 36.1% of Vietnam's total textile and garment export value. Other main export markets all witnessed a drop on a month-over-month basis in export value, specifically the EU, Japan, Korea, and China recorded USD345mn (+86.5% yoy/-19.2% yoy), USD385mn (+88.5% yoy/-19.5% mom), USD378mn (+18.7% yoy/-17.9% mom), and USD103mn (+12.1% yoy/-36.1% mom), respectively.
- According to the General Statistics Office, Vietnam's garment production volume in September posted 482.2mn pieces, up 35.6% yoy but down 1.0% mom.

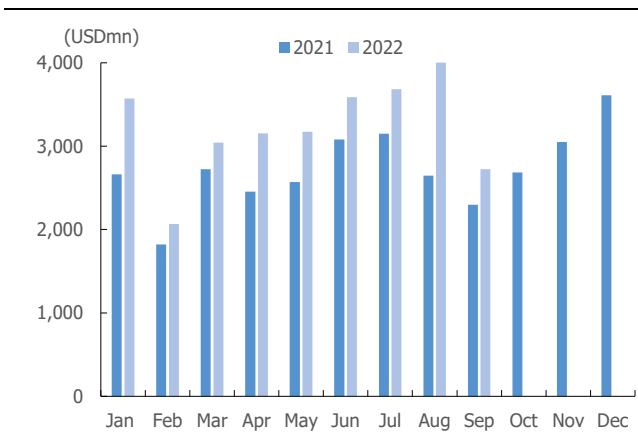
Fiber and yarn export continued to slide

- Vietnam's fiber and yarn export value dropped 28.6% yoy and 8.8% mom to USD323mn in September.
- China, the largest fiber and yarn importer of Vietnam, accounted for USD149mn (-34.8% yoy/-7.0% mom), making up 46.2% of Vietnam's total fiber and yarn export value. The export to US, EU, Japan and Korea in September posted 10mn (-11.9% yoy/-11.7% mom), USD4.5mn (+23.3% yoy/-19.7% mom), USD8.6mn (+1.8% yoy/-12.6% mom) and USD32.2mn (-31.8% yoy/-1.0% mom), respectively.
- The average export price of Vietnam's fiber and yarn continued the downward trend as dropping by 10.9% yoy and 2.0% mom in September to USD2,788/tonne.

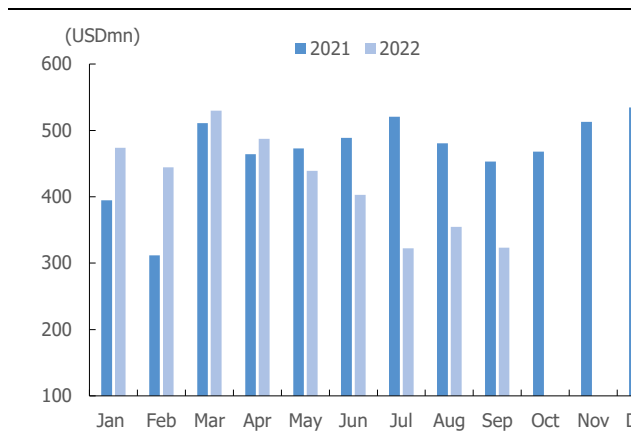
Unfavorable 4Q22F outlook for the industry

- Overall, in 9M22, Vietnam's textile and garment export turnover lifted 23.9% yoy to nearly USD29bn. Meanwhile, fiber and yarn export in 9M22 recorded negative growth of -7.8% yoy, down to USD3.8bn.
- According to the Vietnam Textile and Apparel Association (VITAS), customers in main export markets such as the US and EU, have shortened the pre-order period from 6 months to 3 months due to high inventory levels and inflationary pressures. We expect an unfavorable 4Q22F outlook for the industry as we believe export will continue to be negatively affected by inflation concerns at least until 1H23.

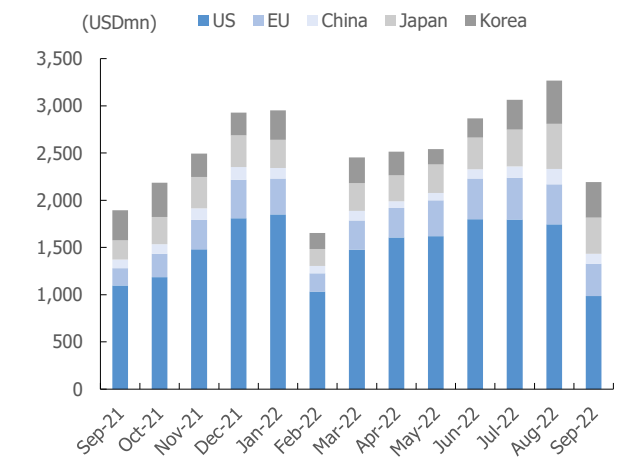
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Figure 1. Vietnam's textile and garment export value

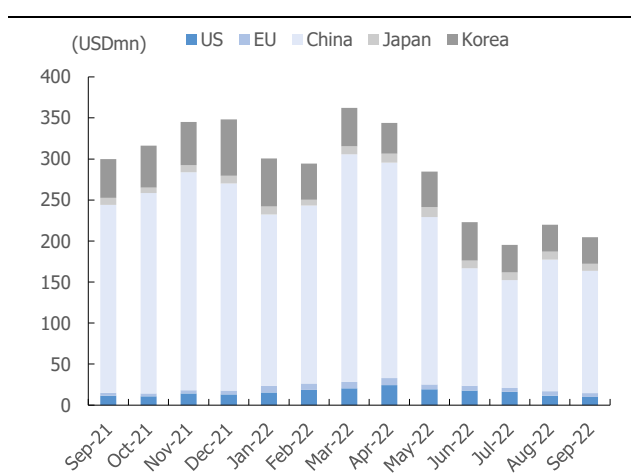
Source: General Department of Customs, KIS Vietnam

Figure 2. Vietnam's fiber and yarn export value

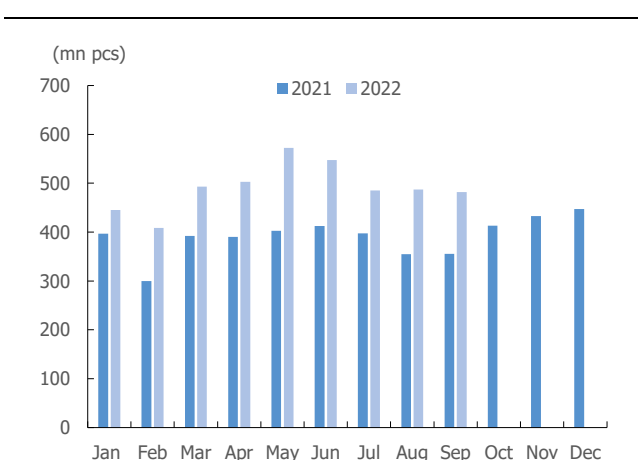
Source: General Department of Customs, KIS Vietnam

Figure 3. Vietnam's textile and garment export by country

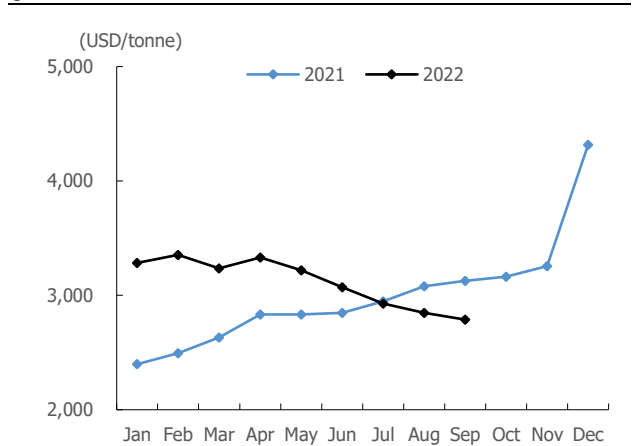
Source: General Department of Customs, KIS Vietnam

Figure 4. Vietnam's fiber and yarn export by country

Source: General Department of Customs, KIS Vietnam

Figure 5. Vietnam's garment production volume

Source: General Statistics Office, KIS Vietnam

Figure 6. Average export price of Vietnam's fiber and yarn

Source: General Department of Customs, KIS Vietnam

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