

Textile & Garment

Non-rated

An uphill battle

T&G export continued to record negative growth in January

- Based on the General Department of Customs, the prelim export turnover of Vietnam's textile and garment dropped 37% yoy and 22.4% mom to USD2.3bn in Jan.
- In Jan, the export to the US (the largest textile and garment export market of Vietnam) fell 46.4% yoy and 21.5% mom to USD992mn, making up 44.1% of Vietnam's total textile and garment export value.
- Other main export markets including EU, Japan, Korea and China all witnessed negative growth, respectively recording USD284mn (-24.8% yoy/-18.3% mom), USD249mn (-16.5% yoy/-34.4% mom), USD245mn (-22.2% yoy/-5.3% mom), and USD55mn (-51% yoy/-36.4% mom).

Fiber and yarn export saw a substantial drop

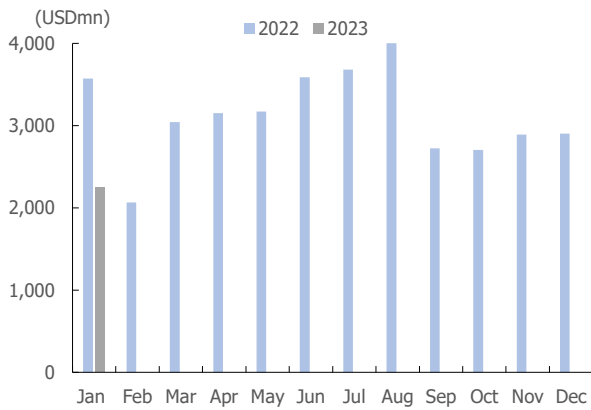
- Vietnam's fiber and yarn export value slid 52.4% yoy and 30.7% mom to USD226mn in January.
- China, the largest fiber and yarn importer of Vietnam, recorded USD87mn (-58.5% yoy/-38.9% mom), making up 38.4% of Vietnam's total fiber and yarn export value.
- The export to the US, EU, Japan, and Korea in December posted USD7.3mn (-52.5% yoy/-32.9% mom), USD5.6mn (-33.4% yoy/+37.7% mom), USD5.6mn (-41.2% yoy/-38.9% mom) and USD29.7mn (-49.4% yoy/-21.9% mom), respectively.
- The average export price of Vietnam's fiber and yarn declined 22.1% yoy but rose 4.7% mom in January to USD2,559/tonne.

A difficult year begins

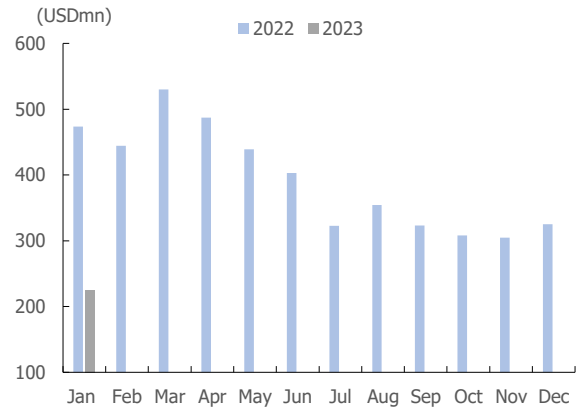
- The textile and garment industry is likely to experience significant challenges in the first quarter of 2023 due to declining demand for clothing products and high levels of inventory at major overseas retailers like Nike and Adidas. These retailers reported yearly increases of 43% and 72.4% in inventory levels in their recent quarterly reports. The Vietnam Textile and Apparel Association (VITAS) stated that advanced orders for 1Q23 have decreased by 25-27% yoy. Furthermore, Vinatex, a major player in the industry, predicts a 25% yoy decline in orders for 2023. Also, other garment companies reported that order value is under downward pressure from foreign retailers due to low negotiating power, especially during periods of weak consumer demand.

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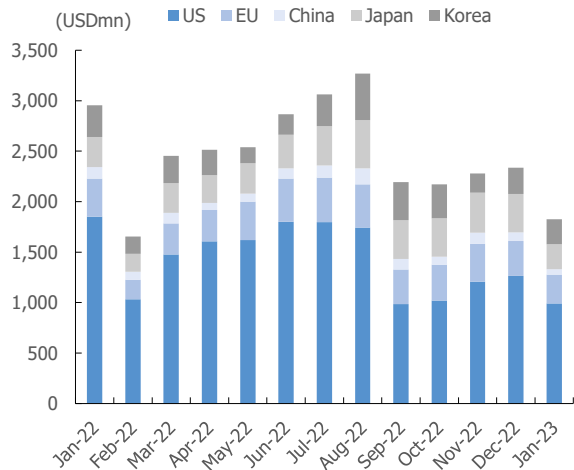
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Figure 1. Vietnam's textile and garment export value

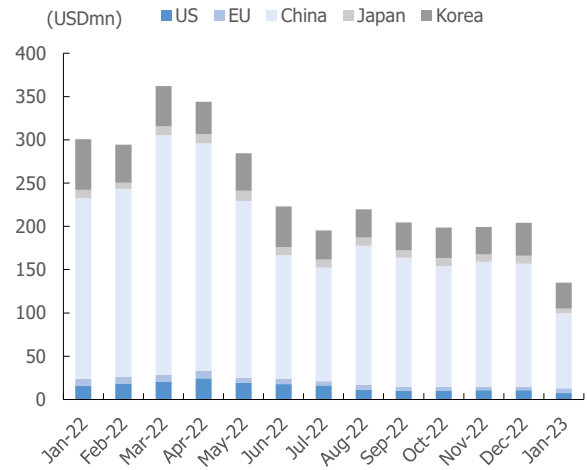
Source: General Department of Customs, KIS Vietnam

Figure 2. Vietnam's fiber and yarn export value

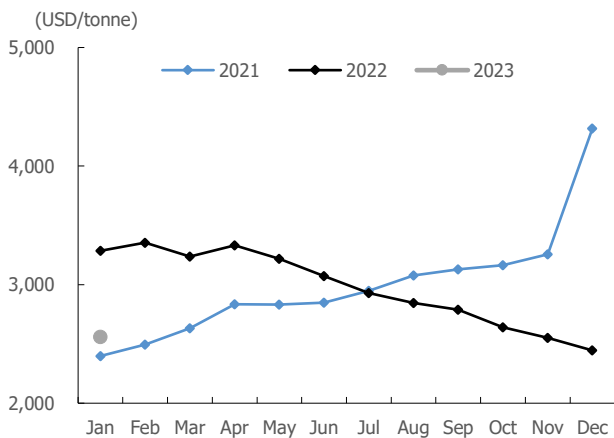
Source: General Department of Customs, KIS Vietnam

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

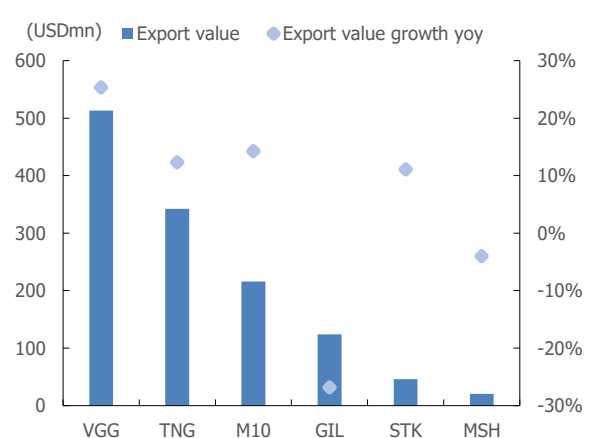
Source: General Department of Customs, KIS Vietnam

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

Source: General Department of Customs, KIS Vietnam

Figure 5. Average export price of Vietnam's fiber and yarn

Source: General Statistics Office, KIS Vietnam

Figure 6. Export value of major listed companies in 2022

Source: Tendata, KIS Vietnam

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