

Textile & Garment

Non-rated

In a pickle

T&G export slightly improved yoy in Feb - 2023

- Based on the General Department of Customs, the prelim export turnover of Vietnam's textile and garment slightly increased 11.1% yoy and 1.9% mom to USD2.3bn in February.
- In February, the export to the US (the largest textile and garment export market of Vietnam) fell 6.7% yoy and 2.8% mom to USD964mn, making up 42% of Vietnam's total textile and garment export value.
- Japan, Korea and China witnessed positive growth compared to mom/yoy base, respectively recording USD288mn (+61.6% yoy/+15.6% mom), USD261mn (+52.8% yoy/+6.9% mom), and USD83mn (+6.2% yoy/+52.5% mom). However, the export to EU fell on mom base to USD210mn (+7.5% yoy/ -26.3% mom).

Fiber and yarn export saw a substantial reduction in Feb-2023

- Vietnam's fiber and yarn export value remarkably slid 23.7% yoy but strongly spiked 50.3% mom to USD339mn in February.
- China, the largest fiber and yarn importer of Vietnam sharply plunged 27.3% yoy but splendidly revived 82.3% mom (USD158mn), making up 46.6% of Vietnam's total fiber and yarn export value.
- Korea, the second largest export market, stayed resilient at USD41.6mn (-5.1% yoy/+40.2% mom).
- The remainders diverged, of which export to the US, EU, Japan, posted USD10.1mn (-45.2% yoy/+38.3% mom), USD7.3mn (-5.6% yoy/+31.2% mom), USD8mn (+12.6% yoy/+42.2% mom) in December, respectively.
- The average export price of Vietnam's fiber and yarn declined 6.8% yoy but rose 22.1% mom in February to USD3,125/ton.

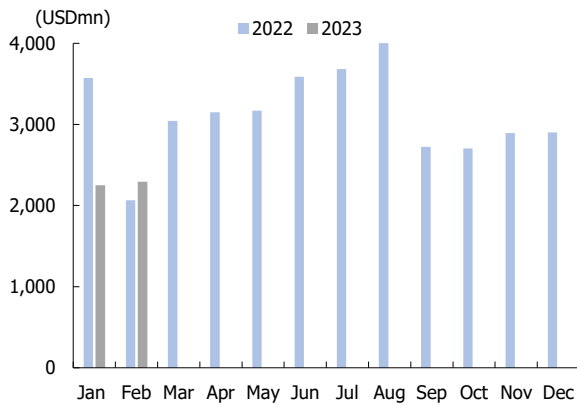
A tough quarter

- The Jan export revenue of Viettien Garment (VGG VN Equity, Non-rated) dropped 25% yoy to USD33mn, followed by Thai Nguyen Textile (TNG VN Equity, Non-rated) with -25% yoy to USD20.4mn and 10 Garment (M10 VN Equity, Non-rated) with 27% yoy to USD27.0mn.
- While seeking the Feb export revenue of those companies, we anticipate they could deliver a solid yoy growth in tandem with the rosy industry performance in February.
- In conclusion, we think 1Q23F is full of difficulties for the textile industry when it could suffer a dip in apparel demand, especially in the US market. However, we expect that the outlook will be brighter thanks to the recovery of orders in 2Q23F.

Research Dept

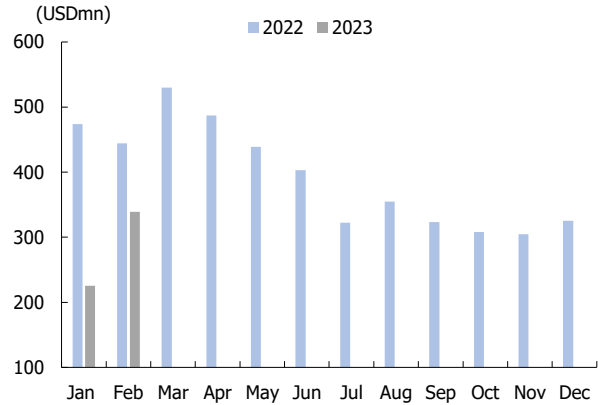
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Figure 1. Vietnam's textile and garment export value



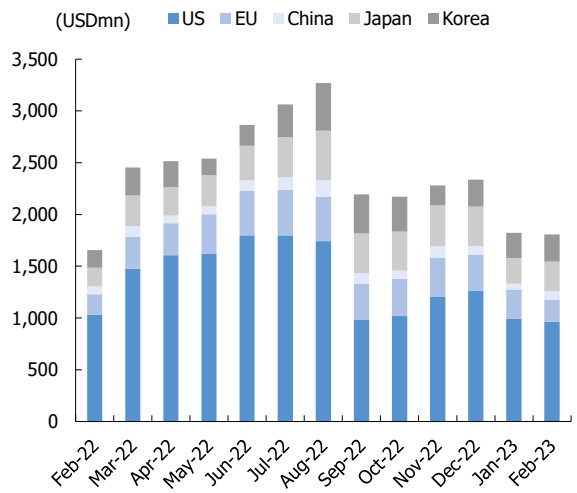
Source: General Department of Customs, KIS Vietnam

Figure 2. Vietnam's fiber and yarn export value



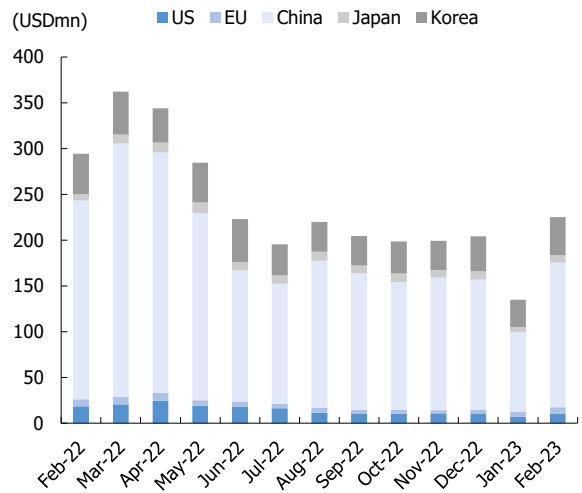
Source: General Department of Customs, KIS Vietnam

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



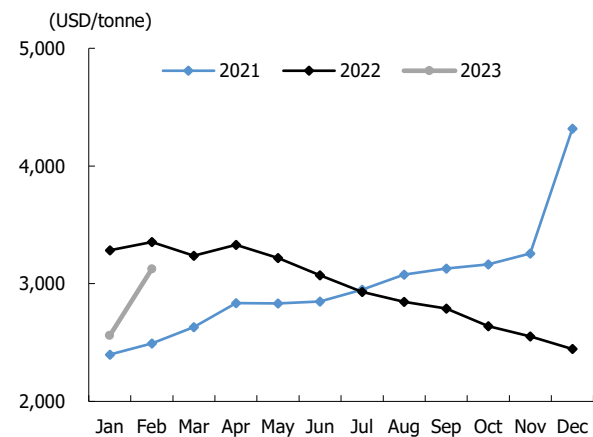
Source: General Department of Customs, KIS Vietnam

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



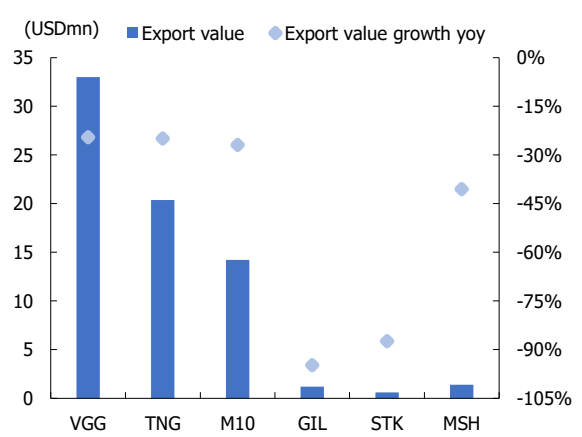
Source: General Department of Customs, KIS Vietnam

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 Jan - 2023



Source: Tendata, KIS Vietnam

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