

11 Apr 2023

# Textile & Garment

**Non-rated**

## A doubtful recovery signal

### T&G export revived in Mar - 2023

- Based on the General Department of Customs, the prelim export turnover of Vietnam's textile and garment (T&G) slightly decreased 13.7% yoy but +14.5% mom to USD2.63bn in Mar.
- Mar export value of Vietnam's T&G improved on a monthly basis largely based on the recovery in US market. In detail, US imported USD1,094bn (+13.6% mom but -25.9% yoy, contributed to 42% of Vietnam T&A market.
- Most of the remaining exporting markets witnessed monthly positive growth. EU, Japan, and Korea posted USD275mn (+31.0% mom, -11.1% yoy), USD324mn (+12.7% mom, +9.8% yoy), and USD292mn (+11.7% mom, +8.5% yoy). However, the export to China fell on mom/yoy base to USD83mn (-0.9% mom, -18.6% yoy).
- This was the 2<sup>nd</sup> consecutive month recording positive growth, implying the gradual recovery of this industry.
- Nonetheless, the Mar and Feb decent performance could not enlighten the 1Q23 tepid outcome with USD7.2bn, -17.4% yoy. The 1Q22 export value saw a positive growth of USD8.6bn, +20.4% yoy.

### Mar fiber and yarn export also improved on a monthly basis

- Vietnam's fiber and yarn (F&Y) export value remarkably slid 29.0% yoy but rose 11.0% mom to USD376mn in Mar.
- Import value to China, the largest importer of Vietnam sharply plunged 27.3% yoy but splendidly revived 17.4% mom (USD185mn), making up 49.3% of Vietnam's total fiber and yarn export value.
- Korea, the second largest export market, recorded USD34.3mn (-17.7% mom, -26.8% yoy).
- The remainder all witnessed monthly positive growth. In particular, the US, EU, and Japan, posted USD12.4mn (+22.8% mom, -39.7% yoy), USD7.4mn (+1.3% mom, -5.5% yoy), USD10.3mn (+29.3% mom, 6.1% yoy) in Mar, respectively.
- The average export price of Vietnam's fiber and yarn significantly declined -20.4% mom and 23.1% yoy in Mar to USD2,488/ton.
- In conclusion, the accumulated F&Y export in 1Q23 still fell by 35.0% yoy to USD941mn while the 1Q22 earned a 18.9% yoy growth to USD1.19bn.

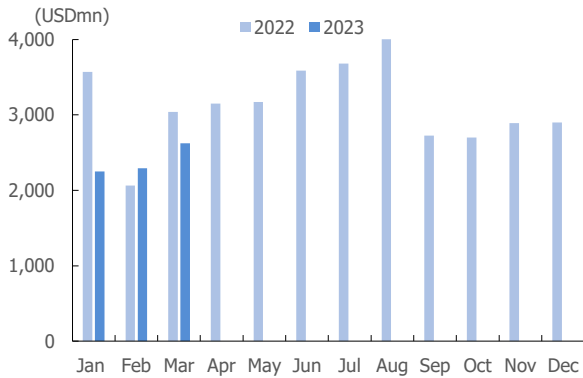
### The companies trailed the industry

- Following Feb's solid industry growth, the Feb export revenue of most listed companies was favorable. Export revenue of Viet Tien Garment (VGG VN Equity, Non-rated) recorded 31% yoy to USD33.97mn, followed by Thai Nguyen Textile (TNG VN Equity, Non-rated) with 20% yoy to 21.45mn, 10 Garment (M10 VN Equity, Non-rated) with 50% yoy and USD13.88mn and May Song Hong (MSH VN Equity, Non-rated) with 93% yoy to USD2.08mn.
- Despite the Feb robust turnaround, the accrued 2M23 export value of those players was weak with VGG's -3.9% yoy, TNG's -7.1% yoy, M10's -2.2% yoy, GIL's -92% yoy, STK's -69.5% yoy.

**Research Dept**

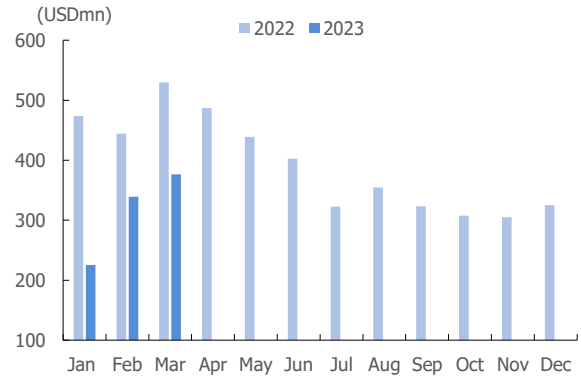
researchdept@kisvn.vn

**Figure 1. T&G export by month: the mom growth of Feb and Mar was optimistic.**



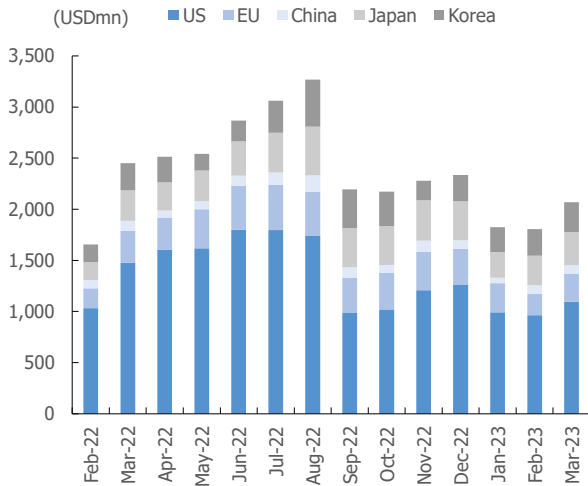
Source: General Department of Customs, KIS Vietnam

**Figure 2. F&Y export by month: The mom growth of Feb and Mar revived**



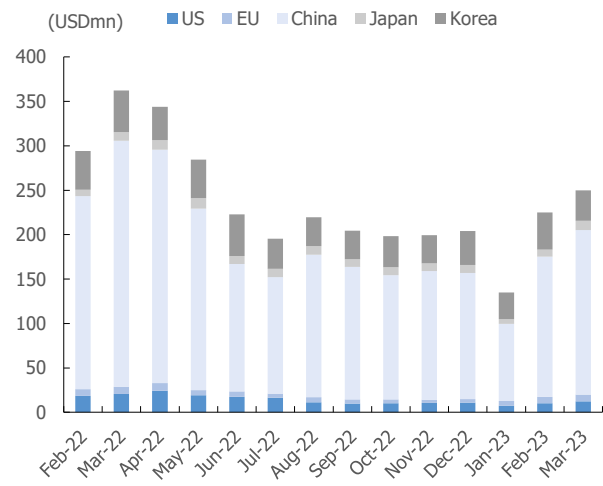
Source: General Department of Customs, KIS Vietnam

**Figure 3. T&G export by country: US drove the industry mom growth in Mar**



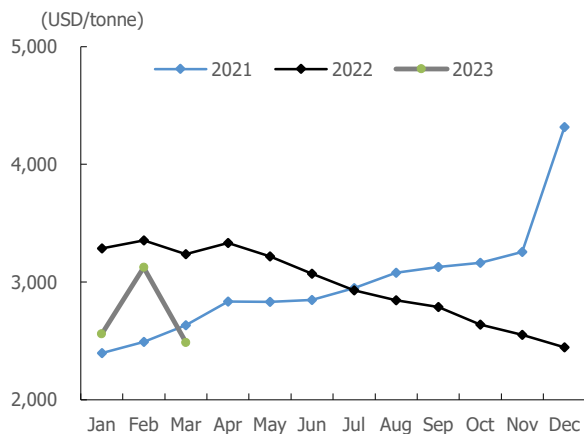
Source: General Department of Customs, KIS Vietnam

**Figure 4. F&Y export by country: China dipped the industry mom growth in Mar**



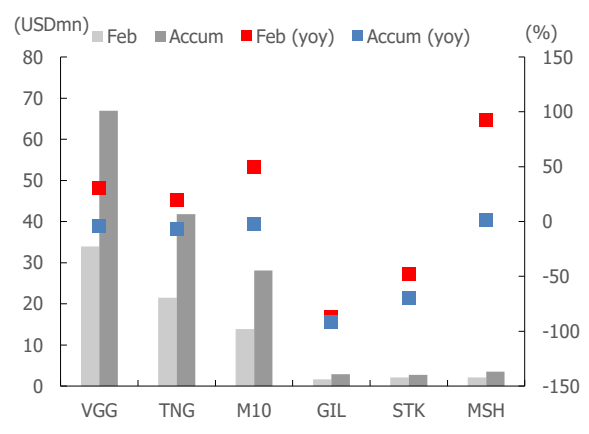
Source: General Department of Customs, KIS Vietnam

**Figure 5. Average export price of F&Y: the 2023 price was lower than 2022-2021**



Source: General Statistics Office, KIS Vietnam

**Figure 6. Export of listed companies: Feb was robust but 2M23 was weak**



Source: Tendata, KIS Vietnam

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