

## Lower tariffs in EU on Vietnamese apparel with ROK fabrics

**09**

Feb '21



Apparel items manufactured in Vietnam with fabrics made in South Korea will now enjoy lower tariffs in the European Union (EU), Vietnam's ministry of trade, industry and energy recently said. Clothes needed to be made with locally-produced fabrics earlier to enjoy benefits of the Vietnam-EU Free Trade Agreement. Vietnam relies on imports for four-fifths of its textile demand.

"With South Korea being the second-largest supplier of fabric in Vietnam, the latest policy will lead to stronger demand for South Korean products, compared with other rivals such as China and Taiwan," the ministry said in a statement.

In 2019, China accounted for 55 per cent of Vietnam's imports of fabrics, trailed by South Korea and Taiwan with 16 per cent and 12 per cent respectively. Japan accounted for 6 per cent, a news agency reported.

Last year, South Korea's shipments of fabrics to Vietnam were worth \$2.35 billion, down by 18.4 per cent year on year.