

Vietnam's textile-garment exports may face challenges in H2 2022

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Vietnam's textile-garment exports are expected to witness several challenges in market and supply chain in the second half this year despite positive results in the first, a recent seminar in Ho Chi Minh City was told. Vietnam Textile and Apparel Association (VITAS) chairman Vu Duc Giang said such exports in the first six months this year were estimated at \$22 billion, up by 23 per cent year on year (YoY).

The seminar on sustainable cotton supplies was jointly held by VITAS and Cotton USA.

Giang attributed the results to the utilisation of free trade agreements, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) that has boosted the domestic industry over the past five years with its regulations on product origin.

Vietnam has emerged from a yarn importer to exporter, shipping abroad \$5.6 billion worth of yarn last year, and some \$3 billion in the first half of this year, he continued, noting that the shift was thanks to investments in technology and digital management.

The sector has also shifted towards green energy and water resources, thus better meeting international standards and winning confidence of customers.

Giang, however, said escalating inflation in the US and Europe would affect orders in the third and fourth quarters of the year, a news agency reported.

Meanwhile, the ongoing Russia-Ukraine conflict, along with surging oil and gas prices and transportation costs, would push up production prices.

Domestic enterprises said they have kept a close watch on the market to adjust their production plans, diversified material supplies and are seeking new clients to maintain production.