

## Vietnam textile and apparel exports hit record high in first half

Southeast Asian country's trade pacts contribute to 23% on-year increase



Vietnam is the world's second-largest clothing exporter after China. © AFP/Jiji  
**TOMOYA ONISHI, Nikkei staff writer** June 24, 2022 18:57 JST

HANOI -- Vietnam's exports of textiles and apparel products are expected to hit all-time high of \$22 billion in the first six months of 2022, up 23% from a year earlier, multiple local media reported, citing the chairman of the Vietnam Textile & Apparel Association.

Although procurement of certain materials slowed due to lengthy coronavirus lockdowns in Shanghai, China, exports increased thanks to a boost from Vietnam's numerous free trade agreements, including with European Union, according to the reports.

Vietnam is the world's second-largest clothing exporter after China. The country's membership of the Comprehensive and Progressive Agreement

for Trans-Pacific Partnership also contributed to the record-setting growth of exports.

The international trade agreements have pushed up the growth of Vietnam's textile industry over the past five years, the reports quoted Vu Duc Giang, the chairman of the association as saying.

With the spread of COVID-19 infections slowing, demand for clothing items in the U.S. and Europe, the principal export markets for Vietnamese manufacturers, continues to pick up.

Although procurement of fabric from China under its strict anti-infection policy stagnated, many manufacturers have hastily secured inventories and minimized the adverse effects of reduced procurement on production, industry officials said.

Exports of thread used to produce clothing are also increasing and are forecast to total \$3 billion in the January-June period, compared with \$5.6 billion in 2021.

Rising prices for resources accompanied by Russia's invasion of Ukraine are a headache for Vietnamese textile and apparel makers, with Giang linking these factors to increasing production costs. The company said that orders from the U.S. and Europe will be affected in the third and fourth quarters of 2022.

The trade war between the U.S. and China has made Vietnam a key destination for manufacturers moving away from China. Producing in Vietnam can thus avoid the cost increases arising from the additional U.S. tariffs on clothing items shipped from China.