

May 2023

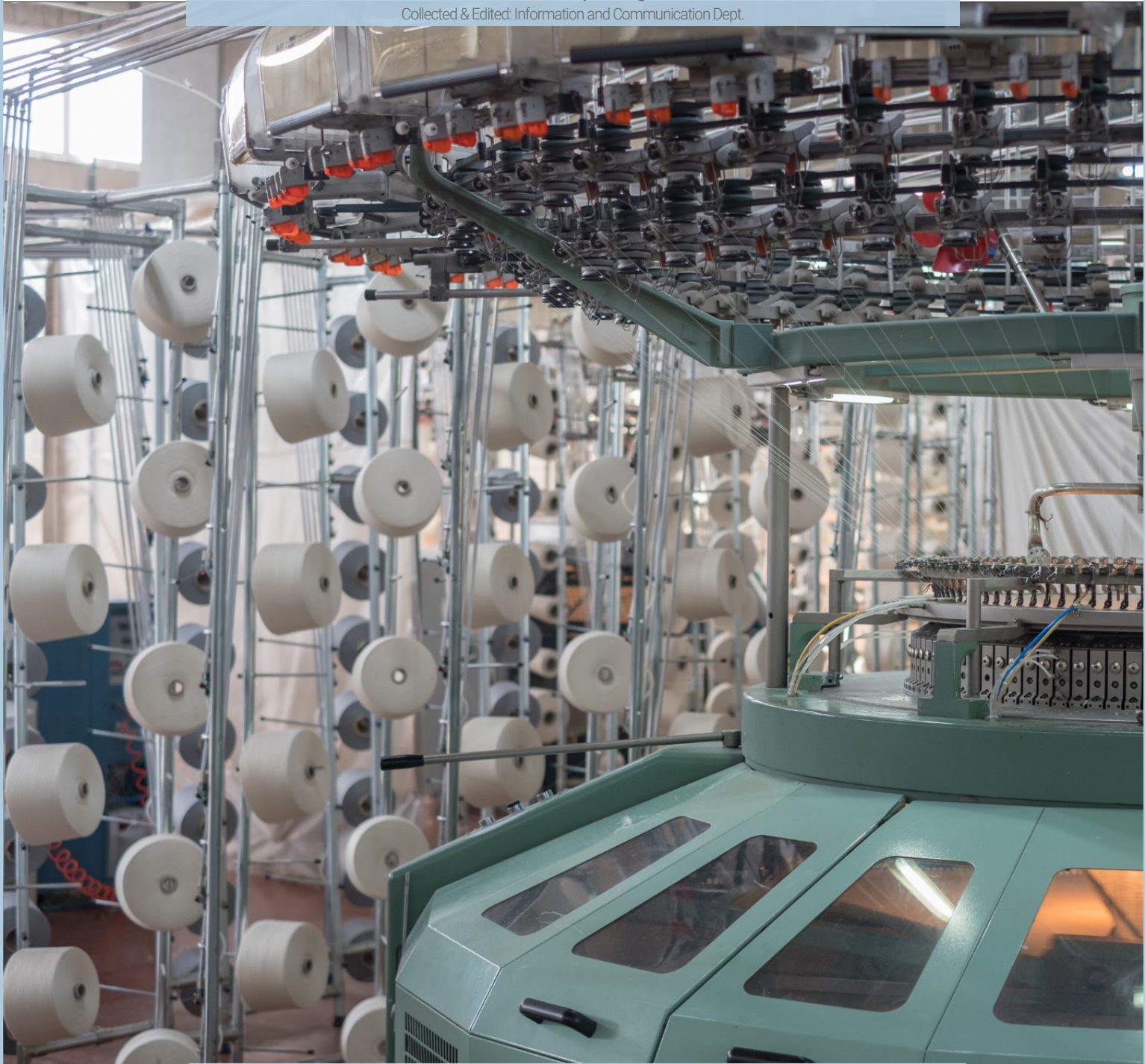
VCOSA

MONTHLY REPORT

Cotton and Yarn Statistic

Vietnam Cotton and Spinning Association

Collected & Edited: Information and Communication Dept.





REMARKABLE INFORMATION

International news

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- ◆ Cotton prices slump despite production setbacks in many regions
- ◆ India faces imminent cotton catastrophe, as production shortfall sparks global concerns
- ◆ Around 2.50 lakh cotton bales from Australia to boost Gujarat's textile industry
- ◆ Global cotton prices movement mixed over past month: Cotton Inc
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National news

- ◆ The import price of cotton may rise a little more
- ◆ It is forecasted that the price of imported fiber will adjust upwards in the near future
- ◆ Yarn imports will remain low next month
- ◆ Fiber and yarn exports may stay low for the next few months
- ◆ Vietnam ranks high in digitalisation: research
- ◆ The textile industry is facing many challenges in Q2 2023
- ◆ Import and export dropped by 40 billion USD, worse than the COVID-19 lockdown

INTERNATIONAL NEWS

Around 2.50 lakh cotton bales from Australia to boost Gujarat's textile industry

The domestic market for cotton is seeing fewer arrivals, which is causing a rise in the demand for imported cotton in the textile industry. Sources claim that 2.50 lakh duty-free bales from Australia have been ordered by Indian spinners. In three months, this cargo is anticipated to arrive in India.

In addition to Australia, many participants intend to purchase cotton from Africa because the federal government has implemented a programme that will waive half of the import duty for imports from developing nations.

Australian cotton has a low moisture content, which allows spinners to produce yarns with greater realisation. Australian cotton yarn is also more expensive for spinners since it is free of contamination. Industry experts predict that a significant chunk of the Australian cotton will go to Gujarat-based spinning factories.

In 2022, India imported US \$ 283 million worth of cotton from Australia, more than four times the amount imported the year before. The amount of cotton imported by the Indian textile sector last year was approximately 4.75 lakh bales, more than 2.5 times the amount imported the year before.

Source: Apparel Resources



Image Courtesy: <https://economictimes.indiatimes.com/>

BGMEA calls on USA to allow duty-free market access on apparel made from US cotton



Mr. Faruque Hassan, BGMEA' Chairman.
Image Courtesy: www.textiletoday.com.bd

Bangladesh's apex garment makers' body, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), has once again called upon the US Government, to provide duty-free market access to apparel made from US cotton even as it underlined such a move will benefit both the US cotton growers as well as apparel makers in Bangladesh.

Reports underlined this while adding BGMEA President made this call during his recent meeting with the US Ambassador to Bangladesh Peter Haas.

The BGMEA President also reportedly sought cooperation from the US towards making the process of importing cotton from the US easier even as he reportedly informed the US envoy about the BGMEA's initiative of organising the Bangladesh Apparel Summit in the US in October later this year even as he requested him to extend his support to this end.

Source: Apparel Resources

THE RIGHT SPINDLE TO MAKE THE DIFFERENCE

Spindles are at the core of spinning machines and play a crucial role in their performance. With an impact on productivity, quality, energy saving or work environment, selecting the right spindle for an application is key. Thanks to Novibra's wide range of spindles, finding the perfect spindle is child's play.

As the leader in spindle technology, Novibra offers a great selection of innovative and high-performance spindles (Fig. 1).

First-ever spindle to run at 30 000 rpm – NASA HPS 68

Famous for extending service periods, reducing noise level and ensuring maximum durability, Novibra's flagship and best-seller NASA HPS 68 (Fig. 2), already convinced premium machine manufacturers such as Rieter, Toyota or top-class Chinese producers.

Installations in the optimum range for NASA HPS 68 – at medium to fine yarn counts and 20 000 to 30 000 rpm speed – represent a completely different type of load on the spindle than coarse yarn count applications. Smaller repeated loads at high frequency occur causing micro vibrations. Therefore, a chamber filled with lifetime grease was introduced as a second damping system. Noise is thus significantly reduced, making the spinning mill a better place to work.

Reliable solution for medium and fine yarn counts – HPS 68

Novibra's second best-selling spindle, HPS 68, has been a technical revolution in the switch from conical types to spindles with a flat tip. Its unrivalled spindle insert constitutes a base for all Novibra spindles of younger generations. HPS 68 is the right spindle to spin standard short-staple fibers to medium and fine yarn counts.

Although higher speeds are possible, the spindle outperforms at speeds up to 20 000 rpm with favorable noise levels and long lifetime. It also makes operators' lives easier with substantially longer oil exchange periods.

The right choice for coarse yarn counts – L HPS 68

When spinning coarse yarn counts, L HPS 68 is the right spindle. Its unique wharve diameter of 18.5 mm ensures optimized energy consumption and load on the machine driving elements. In most applications, a full cop and high tension of the yarn put a heavy load on the spindle neck bearing – which is increased by further imbalances occurring in the spinning process of coarse yarns. The special design elements of the L HPS 68 spindle absorb heavy loads and ensure the desired harder damping.

The spindle mostly runs with tube lengths from 220 to 250 mm, but it can also be perated with tube lengths of 280 mm, e.g. by wool spinners. While speed increases up to 20 000 rpm are an option, the speed is limited by the desired yarn count and twist.

High speed and energy savings – LENA

The latest addition to the Novibra spindle family was especially designed to achieve high speeds with lowest energy consumption and reduced noise.

LENA is the right spindle to spin yarn counts of Ne 30 and finer, with tube lengths up to 210 mm at speeds up to 30 000 rpm. Thanks to the uniquely small wharve diameter of 17.5 mm, 4 to 6% energy savings can be achieved. As creating a more sustainable future for the textile industry is getting more and more urgent, LENA is an attractive choice.

The right crown for every spindle

To leverage on its spindle range, Novibra also provides an extensive range of clamping crowns for underwinding-free doffing. The development of each crown has been thoroughly studied, with only one goal in mind: boosting customer's competitiveness. Based on the machine type, doffing system and raw material or yarn count, Novibra offers countless designs from replaceable EASYdoff to sturdy steel crowns and from SERVOGrip (Fig. 3) to self-cleaning CROCODoff.

On request, Novibra also provides customized spindles without catching crowns for machines without automatic doffers.

There is an ongoing debate about the introduction of a universal spindle type. However, only optimally selected spindles give the best results. Yarn count, speed, lifetime, maintenance, or energy consumption requirements must be considered in the selection process. Novibra sales teams assist customers in choosing the right spindle to achieve the optimum performance.



Fig. 1: The wide range of Novibra spindles covers any requirement
PP-ID 96045



Fig. 2: NASA HPS 68 on production line - the first spindle running at 30.000 rpm
PP-ID 36546



Fig. 3: Spindle top part with the industry proven SERVOGrip, saving yarns and maintenance costs.
PP-ID 36533

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About Rieter

Rieter is the world's leading supplier of systems for short-staple fiber spinning. Based in Winterthur (Switzerland), the company develops and manufactures machinery, systems and components used to convert natural and man-made fibers and their blends into yarns. Rieter is the only supplier worldwide to cover both spinning preparation processes and all four end-spinning processes currently established on the market. Furthermore, Rieter is a leader in the field of precision winding machines. With 17 manufacturing locations in ten countries, the company employs a global workforce of some 4 900, about 18% of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under ticker symbol RIEN. www.rieter.com

About Novibra

Novibra, the world's leading supplier of high-speed spindles, is a subsidiary of the Rieter Group. The company, based in Boskovice (Czech Republic), creates customer value through system expertise, innovative solutions, after sales excellence and global presence. The leading position of Novibra spindles is based on patented design of spindle insert and the highest quality of the production. Almost all renowned manufacturers of ring spinning machines specify Novibra spindles for high performance. www.novibra.com

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Cotton prices slump despite production setbacks in many regions

Cotton prices are in a slump – and speculators' short positions have soared – as worries about declining demand due to a slowing global economy eclipse tightening supplies resulting from cotton production problems in the top growing regions of the US, China, and India.

In the US, the third-largest producer, farmers are expected to plant 18% fewer acres to cotton this year, one of the biggest cotton acreage declines this century. The US also is the No. 1 exporter of cotton, and a smaller US crop will have an outsize effect on global exportable supplies.

West Texas, the largest cotton producing region in the US, continues to battle "severe" drought as measured by the Gro Drought Index (GDI) weighted for acres planted to cotton using Gro's Climate Risk Navigator for Agriculture. GDI readings are a strong predictor of abandoned acres in Texas' cotton-growing areas, a Gro analysis has shown.

Drought also is hitting China's cotton crop, the top producer of cotton worldwide. The Gro Drought Index is at its second-highest level in more than two decades in Xinjiang province, which grows about 90% of the country's crop,

as seen in this Gro display. (International sanctions ban the import of Chinese products that contain fiber produced in Xinjiang.)

China also imports about 20% of the cotton used by its textile industry and any setback to domestic cotton production, which is currently being planted, could increase import demands. The US is historically one of the largest suppliers of cotton to China, exporting over 800,000 tonnes valued at nearly \$1.3 billion in 2021.

In India, the No. 2 cotton producer, back-to-back years of stagnant production forced the country to import cotton. Exports have historically exceeded imports by a significant margin, and the last time imports outnumbered was nearly 20 years ago.

Last year's below-average rainfall at the start of India's monsoon, followed by heavy rains from Cyclone Gulab in the fall,

left production for 2022/23 10% lower than the preceding five-year average. Farmers are currently planting cotton for the 2023/24 marketing year and it is expected planted area will decline year over year as acres are shifted instead to higher return crops such as oilseeds and pulses. The expected onset of El Niño conditions, which tend to bring lower rainfall and higher temperatures to India, could also hurt cotton production.

The International Monetary Fund and World Bank have both downgraded forecasts for global economic growth in 2023, with much of the slowdown centered in advanced economies. High inflation rates also are forecast to persist, a scenario that is expected to damp consumer demand for cotton products.

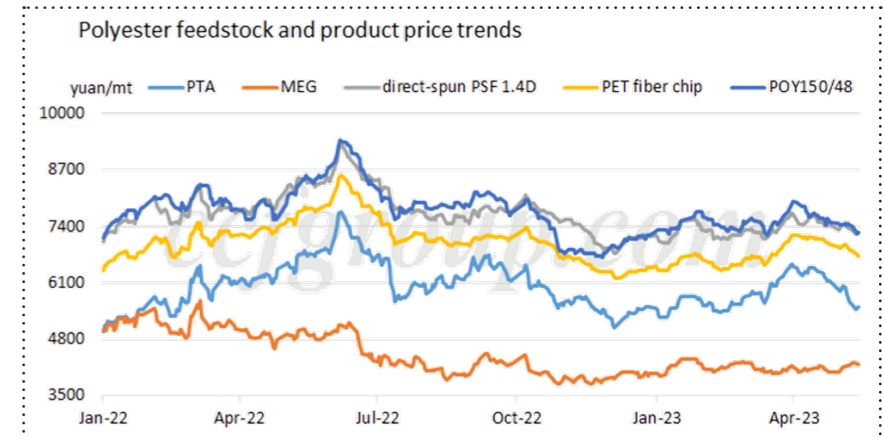
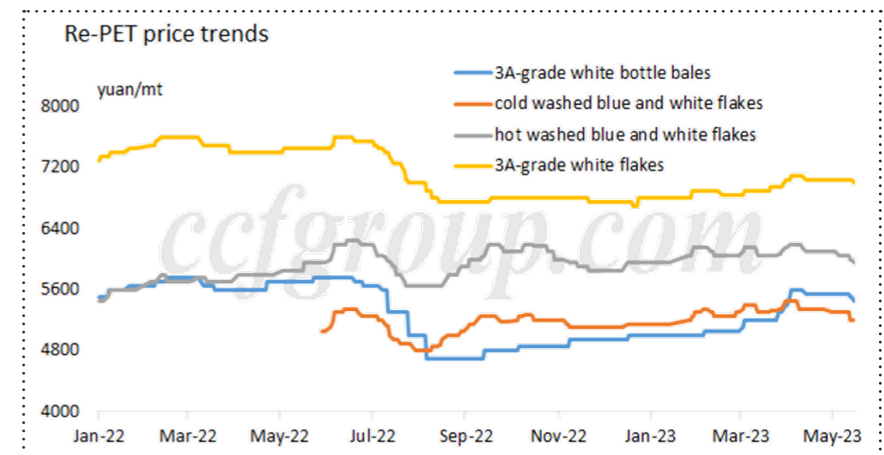
Source: Gro-intelligence

Re-PET prices decline generally and may sustain weak

Since early Apr, polyester product prices have been weak overall, and PTA prices continued to step lower. Prices of PET bottle chip, PET fiber chip, PSF and PFY all moved downward largely, with a decrement of 300-500yuan/mt generally.

With continual weakening of virgin polyester prices and sluggish downstream demand, recycled chemical fiber sales were bleak and inventory piled up. In early May, some recycled PSF plants shut down for one week and half a month, partly longer for one month. Under high costs and low selling prices, recycled chemical fiber producers had weak production enthusiasm, and production cut can reduce losses. Therefore, recycled chemical fiber plants lowered the purchase prices of PET flakes.

Recently, many cleaning plants adjust lower the bottle bale purchase prices in Guangdong, Fujian, Jiangsu, Hubei and Hebei, down by 200-300yuan/mt generally. Rough bottles prices also slip. PET flakes prices step down correspondingly. Under such condition, bottle bales and PET flakes suppliers show higher selling interests. Currently, cold washed blue



and white flakes are offered at 5,200yuan/mt pre-tax in Zhejiang and Jiangsu, and supply increases apparently, and hot washed blue and white flakes are partly traded at 5,900-5,950yuan/mt.

Source: CCFGroup

China orders 5,000 tonnes of cotton yarn

The lower production of cotton crops in the Xinjiang province of China this year has resulted in the country ordering around 5,000 tonnes of cotton yarn from India in the last fortnight. The province produces more than 70% of China's total cotton production.

The latest orders are going to help the Gujarat-based spinning mills, which have been facing a dull phase, in a big way as the majority of the orders will be fulfilled by the state's spinning mills in the next two months.

Indian cotton prices have remained higher than international prices for around a year, and therefore, cotton yarn export has slipped. China's Xinjiang state has estimated around 10-15% less production at 27.5 million bales this year.

Jayesh Patel, the vice-president of Spinners' Association Gujarat (SAG), said, "Xinjiang cotton production estimates are significantly lower this year. As per our estimates, China has placed orders for around 250 containers of 20 tonnes each. The majority of the orders are for 20-count and 32-count cotton yarns. A major part of this will be supplied by Gujarat-based spinning mills."

Rahul Shah, the co-chairman of GCCI Textile Taskforce, said, "With lower cotton crop estimates, China's cotton yarn demand has increased in the last two weeks. For India, getting significant orders from China is a good sign. Till two years ago, the demand from China was around 40% of our total exports, which has now come down to around 15%."

Source: The times of India

How strong are Bangladesh's economy and textile industry a major rival to Vietnam?



Bangladesh has a significantly higher number of sustainable factories in the top 100 worldwide, five times more than China, with a main focus in the textile industry.

Bangladesh is emerging as a dynamic, fast-growing market. This growth is driven by a large domestic consumer market, a rapidly expanding middle and affluent class, and an impressive digital adoption rate.

As per the International Monetary Fund, Bangladesh is currently positioned as the 35th largest economy in the world with a worth of 460.2 billion USD (placing it ahead of Vietnam, which is ranked at 37th). Additionally, the IMF has projected a growth rate of 5.5% for Bangladesh in 2023.

The country's average annual GDP growth was 6.4% from 2016 to 2021. Its GDP per capita is about \$2,800 in 2022, higher than India's. Bangladesh can become a middle-income country (at least

USD 4,000 GDP per capita) by 2031 if it keeps growing at this rate.

Bangladesh has exhibited remarkable resilience to global economic shocks, as evidenced by its ability to achieve a 3.4% GDP growth in 2020 during the Covid-19 pandemic, a feat matched by only a few other Asian economies. Moreover, during the global financial crisis of 2007–2009, the country maintained an impressive annual growth rate of 5.5%, which was significantly higher than the global average of just 0.4%.

The top export products that earn the most revenue for Bangladesh are: ready-made garments, jute and jute goods, seafood, leather and leather goods, home textiles...

Bangladesh has a large and

skilled workforce, low operating costs and favorable trade terms. These factors make it a key player in the global textile market. The garment industry is the country's main industry and contributes nearly 29% of GDP.

For ready-made garments alone, Bangladesh's export value is expected to reach 31.46 billion USD in the fiscal year (FY) 2021–2022. This is a significant increase from 27.95 billion USD in the same period.

The garment industry has boosted the economic development of Bangladesh. The main foreign markets for Bangladesh's ready-made garments in 2022 are the US, the UK, Germany, Italy, France, Spain, the Netherlands, Canada

and Belgium.

The garment industry in Bangladesh is a major source of employment and income for the country. It has over 4,800 factories that employ more than 4.4 million workers, mostly women. The industry's main customers are global brands like H&M, Walmart and Zara... However, the industry also faces challenges such as low wages and poor working conditions.

Over the past five years, Bangladesh has shown notable progress in its initiatives to enhance the sustainability of its textile industry. In fact, the country currently boasts the highest number of sustainable factories globally and is home to the world's top-rated sustainable factory owner.

According to the United States Green Building Council's (USGBC) latest list, Bangladesh leads the world in eco-friendly homes, securing 52 out of the top 100 spots, while China has merely 10 and Vietnam only 4. Impressively, eight out of the world's top ten eco-friendly factories are also situated in Bangladesh, with the remaining two located in Indonesia and Sri Lanka. In particular, the Green Textile Limited Unit 4 factory in Bangladesh has earned the coveted title of the world's top-ranked factory.

The majority of these top 52 eco-friendly factories in Bangladesh belong to the textile industry, with a handful of others

situated in the shipbuilding, footwear, and electronics sectors. Additionally, while the number may be fewer, there is also a growing presence of eco-friendly commercial buildings being constructed in Bangladesh.

Executive Chairman of Bangladesh Knitwear Manufacturers and Exporters Association BKMEA Mohammad Hatem expressed his pride in the achievement of increasing eco-friendly factories. He said: "This is a great honor for us and for Bangladesh".

"Competitors cannot compete with Bangladesh when it comes to building eco-friendly factories. It is hoped that this global recognition will help increase garment prices," he said.

Source: Market times





India faces imminent cotton catastrophe, as production shortfall sparks global concerns

India is facing an imminent "cotton crisis" that has gone largely unnoticed, according to Terry Townsend, former executive director of the International Cotton Advisory Committee.

Despite estimates suggesting that India's cotton production for the 2022/23 season will be similar to the previous year, a significant shortfall in seed cotton deliveries to procurement centers has raised concerns. Townsend, a respected figure in the industry, warns that this year's crop will not only be smaller than last year's but potentially as low as 4.3 million metric tons.

The cause of this anticipated shortfall remains somewhat of a mystery, although adverse weather conditions influenced by climate change have played a part. Heavy rains in Gujarat and Maharashtra led to crop damage, while the northern states of Haryana and Punjab experienced a second consecutive year of extensive damage caused by a pink bollworm infestation. Additionally, the prevalence of low-quality seeds with poor germination success

and the unpredictable nature of the commodities market have further exacerbated the situation.

India, alongside China, is responsible for half of the world's cotton supply. However, its export

These challenges have resulted in a growing number of disillusioned farmers who are switching to alternative crops, contributing to the decline in cotton production.

volumes have been decreasing for the past decade. Townsend believes that India may become a net importer of cotton this year, with imports significantly surpassing exports in 2023/24. This transition poses challenges for the domestic textile industry, which traditionally relies on a steady supply of domestic cotton. Unlike the current practice of purchasing cotton on a short-term basis, importing cotton introduces complexities and longer lead times.

Townsend expresses concern over the apparent denial by major

agencies in India regarding the looming disaster. With global cotton production amounting to approximately 24 million metric tons, a deficit of 1 million metric tons has severe implications. The Ministry of Textiles' Committee on Cotton Production and Consumption estimates domestic mill consumption at 5 million metric tons this year, slightly lower than the previous year due to weak demand for yarn in India and global economic concerns. With anticipated cotton production between 5.6-5.7 million metric tons, the committee believes that this will adequately meet domestic consumption, eliminating the need for imports.

However, if cotton production falls well below 5 million metric tons as anticipated by Townsend, time is running out to address the crisis. Rising cotton prices and potential closures of gins and mills could lead to significant job losses. The entire cotton supply chain in India is expected to be severely affected, prompting concerns for the broader industry.

Source: Fashionating World

Global cotton prices movement mixed over past month

Cotton Inc.

NY/ICE contracts continued their pattern of swinging back and forth within the limits of their recent ranges. After climbing over 85 cents/lb in mid-April, the July futures contract collapsed to values below 80 cents/lb before the end of the month. Prices rallied in early May to 84 cents/lb before once again dropping below 80 cents/lb and then recovering to reach the current values near 81 cents/lb, as per a report by Cotton Inc.

Prices for the December figures contract (reflective of market expectations after the onset of the 2023-24 harvest) followed a similar pattern. Current values are also near 81 cents/lb. The A Index decreased and partially recovered over the past month. Values began the period near 96 cents/lb, fell as low as 91 cents/lb, and then climbed to 93 cents/lb, according to Cotton Inc's Cotton Market Fundamentals & Price Outlook May 2023.

Chinese prices, represented by the China Cotton Index (CC 3128B), increased. Prices rose from 102 to

107 cents/lb between early April and May. In domestic terms, prices rose from 15,000 to 16,300 RMB/ton. The RMB weakened against the dollar, from 6.88 to 6.94 RMB/USD.

Indian spot prices (Shankar-6 quality) eased from 97 to 94 cents/lb over the past month. In domestic terms, prices decreased from ₹63,000 to ₹60,700 per candy. The INR was steady against the dollar, holding near ₹82 per USD.

Pakistani prices were near 82 cents/lb one month ago but traded above 85 cents/lb for most of the past month. More recently, prices had fallen back to 82 cents/lb. In domestic terms, prices held near 20,000 PKR/maund for most of the past month. The Pakistani rupee weakened from 285 to 295 PKR/USD from early April to early May.

The main changes in production at the country level include a decrease in China's production, a decrease in Turkiye's production, an increase in India's production, an increase in the US' production, and an increase in Pakistan's production.

In May, the USDA released its supply and demand estimates for the upcoming crop year. The report shows a slight decrease in cotton production and a significant increase in global mill-use. Global ending stocks are expected to remain almost unchanged.

Regarding mill-use, India, China, and Pakistan are expected to have the largest increases. India is projected to see the highest increase in mill-use.

Global cotton trade is forecast to expand, with increases in both imports and exports. China, Bangladesh, and Vietnam are expected to have the largest increases in imports, while Brazil, India, and the US are forecast to have the largest increases in exports.

Source: Fibre2Fashion



ENERGY-SAVING SOLUTION WITH EFFICIENT YARN PICK-UP

Energy efficiency is key for any operation on the automatic winding machines. The new suction nozzle upgrade not only improves upper yarn pick-up but also minimizes energy costs thanks to possible vacuum reductions. Additionally, the Smartjet upgrade helps to further increase efficiency in upper yarn searching as manual intervention is eliminated. This translates into an increase in production due to less machine downtime, significantly reduced operator workload and greater process reliability.

The winding unit cycle time is highly dependent on how fast and effectively the cut yarn is picked up from the package. The upgrade consists of the latest upper yarn pick-up suction nozzle (Fig.1), which is used in the latest automatic winding machine Autoconer X6. The standard suction nozzles will be replaced with new, flowoptimized and highly effective suction nozzles. Thanks to the aerodynamically optimized inner and outer moulds, the new suction nozzle offers extremely efficient air guidance. This benefits in maximum upper yarn pick-up reliability and minimized energy costs, which are possible through vacuum reduction.

The improved new upper yarn pick-up suction nozzle also protects the package surface, especially while processing fine yarn counts. The upper yarn sensor in the suction nozzle detects the yarn precisely and stops the suction which is why the yarn pick up is so efficient and reduces yarn waste. The frequent stoppage of the winding position and manual interventions are eliminated due to the efficient yarn pick-up from the package.

Unique Smartjet power nozzle

The unique Smartjet power nozzle is installed on the doffer unit (Fig. 2). This helps increase the efficiency of the upper yarn suction nozzle even further. Before a winding position activates a red light due to the non-identification of a yarn end from the package, it sends the signal to the doffer unit. The Smartjet power nozzle efficiently supports the upper yarn search, thereby increasing the success rate of the upper yarn pick-up during the winding unit cycle process.

The graph (Fig. 3) demonstrates the advantage of the Smartjet upgrade. This can lead to up to 2% increase in yarn production. Additional benefits are that operator workload is significantly reduced as employees no longer need to manually search for upper yarn. Process reliability is also improved.

About Rieter

Rieter is the world's leading supplier of systems for manufacturing yarn from staple fibers in spinning mills. Based in Winterthur (Switzerland), the company develops and manufactures machinery, systems and components used to convert natural and man-made fibers and their blends into yarns in the most cost-efficient manner. Cutting-edge spinning technology from Rieter contributes to sustainability in the textile value chain by minimizing the use of resources. Rieter has been in business for more than 225 years, has 18 production locations in ten countries and employs a global workforce of around 5 630, about 16.4% of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under ticker symbol RIEN. www.rieter.com

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Fig. 1: Energy saving and highly efficient suction nozzle in operation
Asset ID: 98097



Fig. 2: Smartjet installed in doffer unit to improve the efficiency of the upper yarn search
Asset ID: 96425

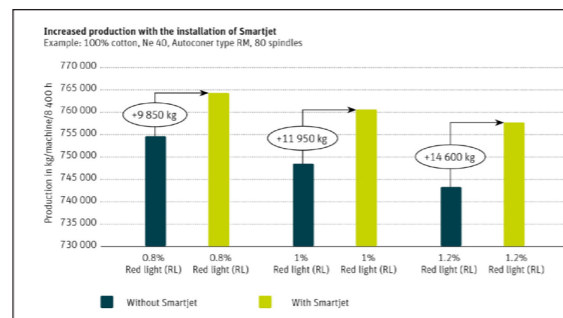


Fig.3: Increased production with the installation of Smartjet
Asset ID: 98096

Make the Difference



Suction Nozzle Upgrade for Energy Saving Solution with Efficient Yarn Pick-Up

Energy efficiency is key for any operation on the automatic winding machines. The new suction nozzle upgrade not only improves upper yarn pick-up but also minimizes energy costs thanks to possible vacuum reductions.

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NATIONAL NEWS

Vietnam ranks high in digitalisation: research



Illustrative image (Photo: baochinhphu.vn)

Companies in Vietnam ranked higher than the global average in taking a strategic, consistent or radical approach to digitalising customer experience and engagement, said Singapore-based financial services group DBS.

At 68%, Vietnam ranked second in this area out of the 10 markets surveyed, 4% higher than the global average.

The research said that about 63% of Vietnamese companies were satisfied that digital transformation was helping them achieve overall profitability, followed by providing improved customer insight at 61% and overall competitiveness at 57%. More than half said they have been using digital technology in customer service and engagement effectively.

The findings also revealed that 35% of Vietnamese companies were in the 'developing leaders' category in terms of digitalising their customer engagement, with great potential for high transformation performance down the road. Some 12% were categorised as 'transformation leaders' that were consistently outperforming the global average

when it came to digitalising their customer engagement, with only 9% classified as 'laggards', restricted by multiple challenges from transformation.

"Our research findings augur well for Vietnam given its aspiration to become a developed and high-income country by 2045, with digitalisation being a key driver of economic growth. We believe that Vietnam's ambitions will drive the strategic priorities of forward-thinking Vietnamese companies. It is important that these businesses set well-defined goals for digital transformation to capitalise on favourable long-term market prospects and stay competitive. Advancing on digital transformation will also give these companies the agility to embrace new businesses and operating models, and help them adapt to changes in external demand," said Joo Young Park, head of Institutional Banking Group, DBS Vietnam.

According to the research, the companies' most important goals for digital transformation were increasing efficiency, such as through automation, followed by improving collaboration across functions and teams. More than

half have effectively embedded a culture that supports shared adoption of a strategic vision to drive successful digitalisation.

Key barriers preventing Vietnamese companies from making faster progress in digital transformation were gaps in talent at 42% and data privacy concerns at 35%.

"Building strong internal data infrastructure, developing robust data governance policies, and investing in enabling technology such as cloud and advanced analytic tools, will help the digital leaders in Vietnam to realise their potential, and cement the country's place as a leader in digital transformation," Park added.

The research was completed by 1,225 respondents between June and August 2022, from a total of 15 industry sectors and 22 markets worldwide.

Source: Vietnamplus



The textile industry is facing many challenges in Q2 2023

The textile and garment industry is currently facing a global decrease in demand, which is causing a negative impact on production activities and reducing the demand for yarn products.



Over the years, Vietnam has emerged as a major global exporter in the textile and garment industry. The industry's output and export value have significantly contributed to Vietnam's GDP. Additionally, the country's low labor and production costs have enticed foreign investors, including companies from Japan, Korea, and Taiwan, to build production plants in Vietnam.

Despite its success, Vietnam's textile and garment industry is heavily reliant on sourcing materials from countries like China, India, and Bangladesh. This reliance on external suppliers leaves the industry vulnerable to global supply chain variations, such as fluctuations in trade policy or the effects of climate change, which can directly impact material supply and production costs.

A report from Vinatex's Office of the Board of Directors shows that Vietnam's textile and garment exports in April 2023 dropped by 20.6% compared to the same month last year, reaching only 3.06 billion USD instead of 3.86 billion USD.

During the first four months of 2023, Vietnam's textile and garment exports amounted to approximately 11.7 billion USD. However, this figure represents a 20% decrease compared to the same period in the previous year, with an absolute value drop of

almost 3 billion USD.

Statistics reveal that all the main export markets for textile and garment in April 2023 saw a decline from the same month last year. The US market suffered the most with a 30% drop and an export turnover of 1.15 billion USD. The EU market fell by 9.7% to 349 million USD, while the Korean market shrank by 21% to 237 million USD. Japan also decreased by 3%.

Only Japan saw a 6.6% increase in the first 4 months of 2023, while the rest of the markets declined sharply from the same period last year. The US and China markets plunged by more than 30%, and the EU market fell by 12%.

In addition to the decline in exports, there are also challenges emerging for Vietnam's textile and garment industry. Specifically, the Index of Industrial Production (IIP) remained stagnant for the first four months of 2023. Furthermore, there were decreases in the employment indices for both segments, similar to the third quarter of 2021. These indicators suggest a challenging environment for the industry.

China's textile and garment manufacturing activity continued

to be negative from the beginning of 2023, although the adverse factors related to the COVID-19 epidemic have almost ended. The production volume of China's Textile and Apparel industry decreased by 3.1% and 7.7% respectively in March 2023.

Production activities suffered from the lower global demand for textiles and garments, which also reduced the demand for yarn products. Cotton prices dropped to around 80 cents/pound by the end of April (a 46% y/y decrease), matching the average for 2012-2019. This indicates that the industry's need for input materials is shrinking.

The first quarter of 2023 was disappointing for most garment enterprises. According to financial statements, only 2 out of 20 textile and garment enterprises on the market reported positive profit growth. The rest saw their profits decline, with 5 of them even suffering losses.

Source: Doanh nghiệp hoi nhap





Import and export **dropped by 40 billion USD**, worse than the COVID-19 lockdown

Compared to the previous year, many of Vietnam's key export products have experienced a sharp decline.

Vietnam's import and export activities have plummeted due to inflation in some major markets, according to the General Department of Customs. The country's trade volume only reached 230 billion USD from January to May 15, a drop of nearly 40 billion USD. This is even lower than the level in 2021 when the COVID-19 epidemic hit.

The General Department of Customs reported that the country's goods exports dropped by more than 21% to 11.4 billion USD in the first half of May, compared to the second half of April. The total merchandise exports from January to May 15 were 118.6 billion USD, a decrease of 12.8% from the same period last year.

Goods imports rose slightly in the first half of May, reaching 12.4 billion USD. However, from January to May 15, Vietnam's imports dropped 18% year-on-year to 112 billion USD.

So far, the country's total trade volume has dropped 15.3% year-on-year to just over USD 230 billion, a decline of nearly USD 40 billion. This is even lower than the trade

volume in 2021, when COVID-19 first hit, at 234 billion USD.

It is worth noting that crucial import and export groups, such as phones and components, computers, electronic products and components, textiles, and footwear, witnessed a significant decrease in comparison to the corresponding period of the previous year.

Currently, the import and export turnover has only reached an average of 51.2 billion USD per month in the first few months of this year. In contrast, during the same period last year, the corresponding figure exceeded 60 billion USD.

Source: Tien Phong

“
In order to match last year's scale (exceeding 730 billion USD), Vietnam's import and export turnover in the coming months needs to reach approximately 500 billion USD, which is equivalent to almost 67 billion USD on average every month. This objective is considered challenging for both the management agency and the business community.
 ”
 General Department of Customs



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VCOSA'S ACTIVITIES

VCOSA'S ACTIVITIES

- ◆ On May 4, 2023, VCOSA Chairman Mr. Nguyen An Toan appeared in a TV interview to discuss "Challenges in the Traceability of the Textile Industry" as part of Vietnam Television's "Business Bridge" segment.
- ◆ From May 16-17, 2023, VCOSA hosted Vietnamese-American senior advisor Mr. Nguyen Dang Anh from the U.S. Cotton Grower. His visit aimed to explore opportunities for cooperation and identify more efficient ways to supply US cotton to Vietnam. VCOSA representatives facilitated a tour and discussion with 8-3 Textile Company Limited during his visit.



- ◆ Throughout May 2023, VCOSA organized visits and working sessions with spinning companies across Vietnam, starting in the North, moving to the Central region, and ending in the South. Activities during these trips included:
 - Update the production and business capacities of the companies;
 - Identify their difficulties, challenges, and suggestions;
 - Understand their insights on the advantages, lessons learned, and suggestions for enhancing VCOSA's activities to benefit all members.
- ✍ *The objectives of these business trips:*
 - To develop a communication and promotion strategy for members through VCOSA's channels and international collaborations, aiming to strengthen the Vietnamese fiber and yarn industry's brand;
 - To promote Vietnamese spinning companies in the VCOSA Member Directory 2023, distributed to domestic and international textile value chain partners;
 - To share opportunities and challenges faced by the Vietnamese fiber and yarn industry, along with businesses' perspectives on ensuring survival and growth by transforming challenges into opportunities;
 - To compile proposals and recommendations from companies and submit them to relevant authorities for adjustments, addressing limitations, and leveraging strengths to create a stable and favorable business environment in the short and long term.

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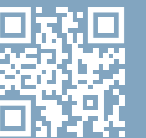
Launched in 2020, the U.S. Cotton Trust Protocol was designed to set a new standard in **more sustainably grown cotton**, ensuring that it contributes to the **protection and preservation of the planet**, using the most sustainable and responsible techniques. It is the only system that provides quantifiable, verifiable goals and measurement in **six key sustainability metrics** and article-level supply chain transparency.

The Trust Protocol provides **brands and retailers the critical assurances** they need to show the cotton fiber element of their supply chain is more sustainably grown with **lower environmental and social risk**.

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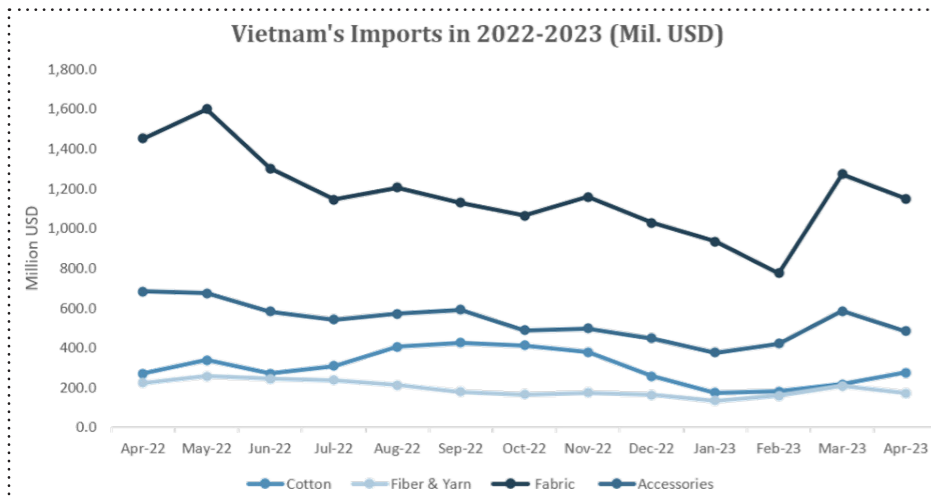
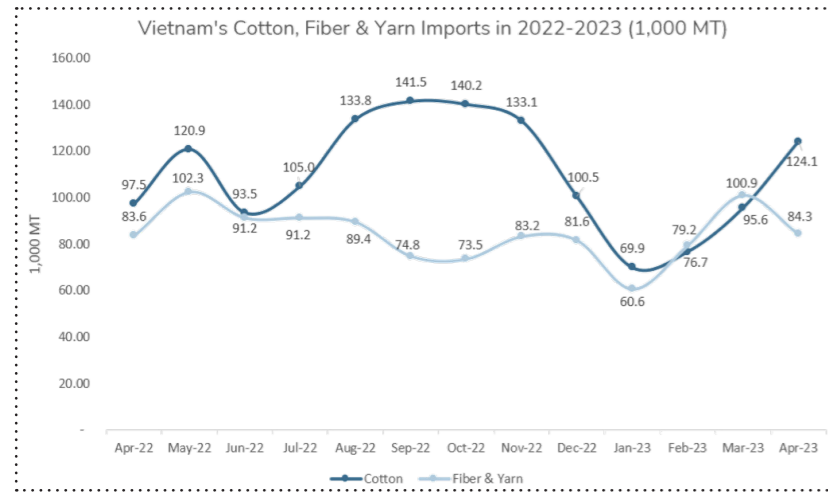
REPORT AND DATABASE

1. Monthly Import Statistics

Items	Apr-2023		Compared to the previous month (%)		4 months 2023		Compared to the same period last year (%)	
	Qty (1,000 MT)	Value (Mil. USD)	Qty	Value	Qty (1,000 MT)	Value (Mil. USD)	Qty	Value
Cotton	124.1	276.3	29.9	26.7	366.2	852.0	-21.5	-30.2
Fiber & Yarn	84.3	174.4	-16.4	-16.8	325.1	679.4	-9.2	-24.9
Fabric	-	1,150.8	-	-9.6	-	4,133.9	-	-18.2
Accessories	-	485.3	-	-17.3	-	1,869.8	-	-17.4
TOTAL	-	2,086.8	-	-4.3	-	7,535.0	-	-22.7

Cotton imports rose by 29.9% in volume and 26.7% in value in April 2023 compared to March 2023. However, from January to April 2023, cotton imports fell by 21.5% in volume and 30.2% in value year-on-year.

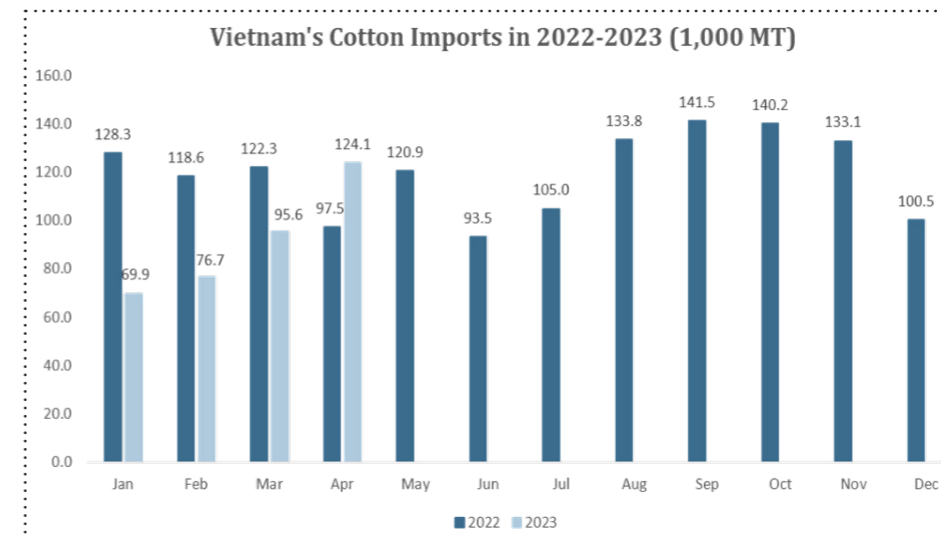
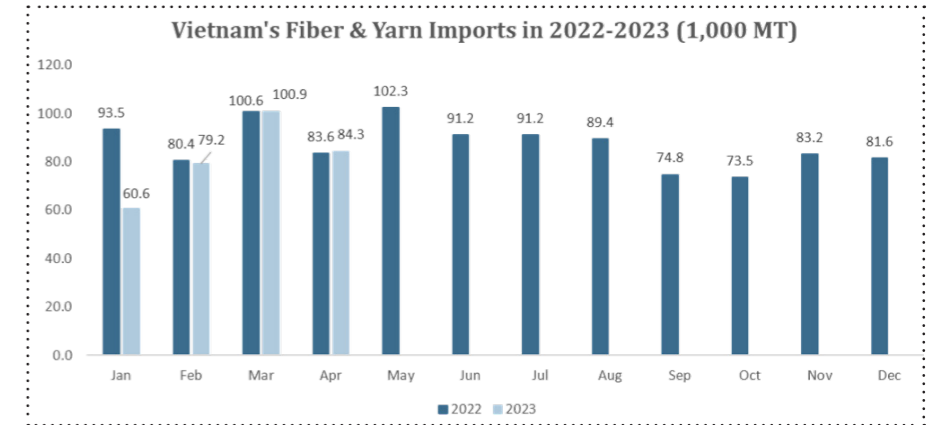
Imported fibers and yarns saw a 16.4% drop in volume and a 16.8% drop in value in April 2023 compared to March 2023. From January to April 2023, the volume and value of these imports also fell by 9.2% and 24.9% respectively year-on-year.



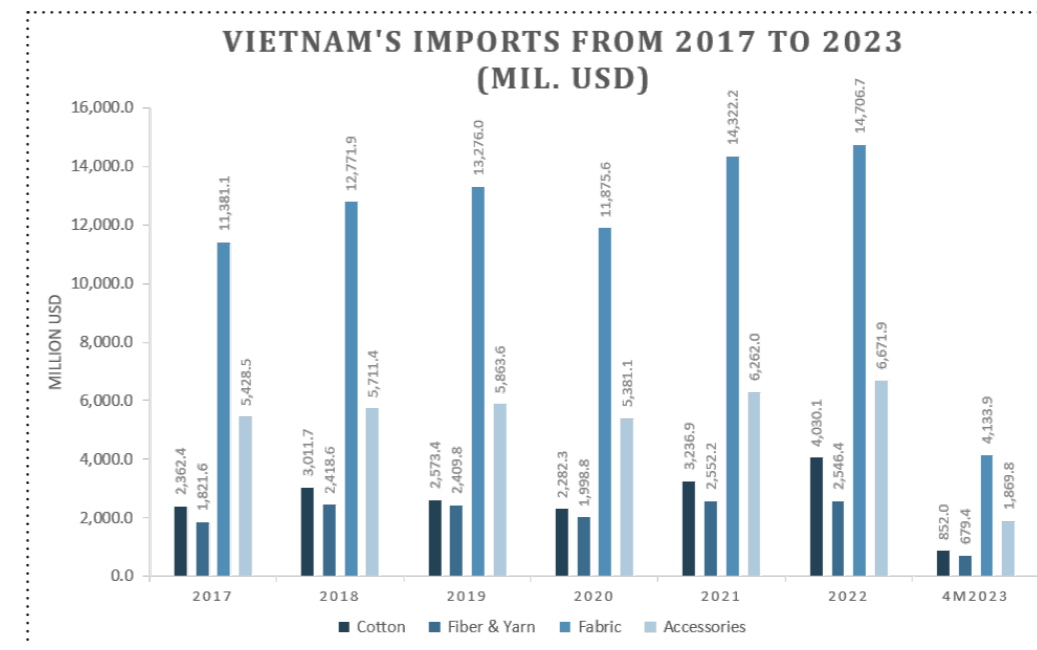
Preliminary data shows that in April 2023, Vietnam imported 121.4 thousand tons, up 29.9% over the previous month. Meanwhile, imports of fibers and yarns decreased by 16.4%, to only 84.3 thousand tons.

As per the latest updates on Vietnam's import and export in April 2023, shared by the General Department of Customs, it was reported that the value of cotton imports surged by 26.7%, reaching a total of 276.3 million USD. On the other hand, the value of fiber and yarn imports decreased by 16.8%, falling to only 174.4 million USD. Furthermore, the import value of fabric also witnessed a decline of 9.6%, reaching 1.15 billion USD. Additionally, the import value of raw materials and accessories used for shoe and textile product manufacturing also fell by 17.3%, arriving at only 485.3 million USD.

According to preliminary data, Vietnam imported about 84.3 thousand tons of textile fiber and yarn in April 2023. This was a 16.4% drop from the previous month, but a slight 0.9% increase from the same month last year.



According to preliminary statistics, Vietnam's cotton imports in April 2023 reached 124.1 thousand tons, a 29.9% increase from the previous month and a 27.4% increase from the same month last year.



During the first four months of 2023, the import value of items related to Vietnam's textile and garment industry witnessed a significant decline as compared to the same period last year. The import of cotton took the biggest hit with a sharp decline of 30.2%, only amounting to \$852 million. Additionally,

the imports of textile fibers and yarns of all types fell by 24.9%, reaching only USD 679.4 million. Meanwhile, the import of fabric dropped by 18.2%, reaching USD 4,133.9 million. Moreover, the import of raw materials for textile, garment, leather, and shoes decreased by 17.4%, reaching only 1,869.8 million USD.

1.1. The import price of cotton may rise a little more

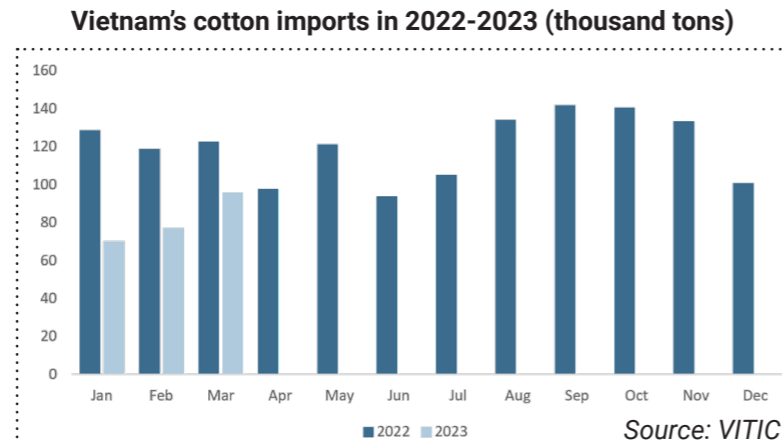
The statistics from Vietnam's General Department of Customs revealed that the cotton imports for March 2023 reached 95.56 thousand tons, amounting to 218.15 million USD.

Except for Australia, Vietnam imported less cotton from all major markets in the first quarter of 2023 than in the same period last year. Details are as follows:

Australia was the top source of cotton for Vietnam in the first quarter of 2023, with 78,000 tons worth \$192 million. This was a 79.8% increase in volume and a 72.2% increase in value compared to the same period in 2022, making up 32.5% of Vietnam's total cotton imports. However, in March 2023, cotton imports from Australia dropped by 9.7% in volume and 9.2% in value from February 2023, to 23.46 thousand tons worth \$55.63 million. This was still a huge jump of 250.3% in volume and 229.7% in value from March 2022.

Vietnam's second-largest cotton importer was Brazil, with a recorded import volume of 57 thousand tons and a value of 150 million USD during the first three months of 2023. However, these figures showed a decline of 41.6% in volume and 39.4% in value in comparison to the same period in 2022. Specifically, in March 2023, cotton imports from this

This showed a rise of 24.6% in volume and 19.5% in value in comparison to February 2023. However, there was a drop of 21.8% in volume and 33.9% in value in comparison to the same period last year.



market amounted to 13.2 thousand tons, valued at 32.26 million USD. This represented a fall of 38.8% in volume and 43.7% in value as compared to February 2023, as well as a significant drop of 62.2% in volume and 65.1% in value as compared to March 2022.

Cotton imports from other markets also plummeted in volume in the first quarter of 2023 compared to the same period in 2022. For example, imports from India fell by 79.3%, from Argentina by 89.9%, and from Ivory Coast by 99%.

Vietnam's cotton imports

Country	Mar-2023		Compared to Feb-2023 (%)		Compared to Mar-2022 (%)		3 months 2023		Compared to 3 months 2022 (%)	
	Qty (tons)	Value (1,000 USD)	Qty	Value	Qty	Value	Qty (tons)	Value (1,000 USD)	Qty	Value
Total	95,560	218,156	24.6	19.5	-21.8	-33.9	242,068	575,657	-34.4	-39.4
Australia	23,464	55,632	-9.7	-9.2	250.3	229.7	78,732	192,670	79.8	72.2
Brazil	13,207	32,267	-38.8	-43.7	-62.2	-65.1	57,962	150,362	-41.6	-39.4
USA	33,785	77,664	142.4	126.9	-27.8	-44.2	54,114	127,148	-42.1	-53.2
India	6,839	13,131	55.3	69.5	-45.4	-51.8	13,516	24,412	-79.3	-84.0
Argentina	346	723	-65.3	-68.4	-95.5	-96.6	2,465	5,236	-89.9	-91.7
Indonesia	413	707	-58.1	-55.8	48.6	77.1	1,979	3,291	-15.5	2.9
Korea	228	469	375.0	126.3	-15.2	9.7	534	1,137	-40.4	-20.5

Source: VITIC

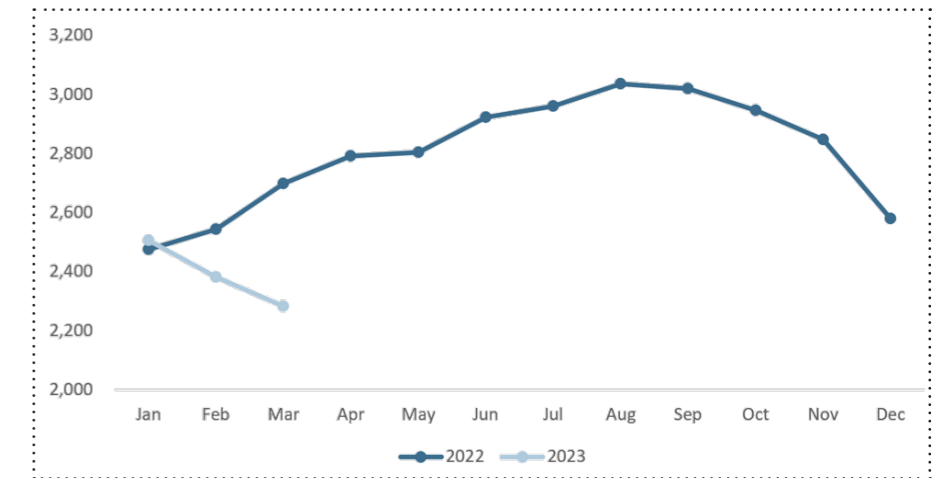
In March 2023, the imported cotton price in Vietnam was recorded at \$2,283 per ton, showing a decrease of 4.1% as compared to February 2023 and a decline of 15.4% as compared to March 2022. This marks the 7th consecutive month where the price of

imported cotton in Vietnam has been on a decline since its peak in August 2022.

The average price of cotton materials imported to Vietnam in the first quarter of 2023 was \$2,378 per ton, a 7.5% decrease from the same period last year.

Compared to February 2023, the average price of imported cotton from major markets dropped in March 2023. Cotton prices from Brazil and the US market fell by 8.1% and 6.4%, respectively, to 2,443 USD/ton and 2,299 USD/ton.

The average import price of cotton in 2022-2023 (USD/ton)



Import price of cotton

Country	Mar-2023 (USD/ton)	Compared to Feb-2023 (%)	Compared to Mar-2022 (%)	3 months 2023 (USD/ton)	Compared to 3 months 2022 (%)
Total	2,283	-4.1	-15.4	2,378	-7.5
Australia	2,371	0.6	-5.9	2,447	-4.3
Brazil	2,443	-8.1	-7.8	2,594	3.8
USA	2,299	-6.4	-22.7	2,350	-19.3
India	1,920	9.1	-11.8	1,806	-22.5
Argentina	2,090	-9.1	-19.8	2,124	-18.2
Indonesia	1,712	5.5	19.2	1,663	21.8
Korea	2,057	-52.4	29.4	2,130	33.4
Pakistan				1,825	27.8
Ivory Coast				2,072	-11.1
China	2,735			2,751	63.9
Taiwan				11,059	

Source: VITIC

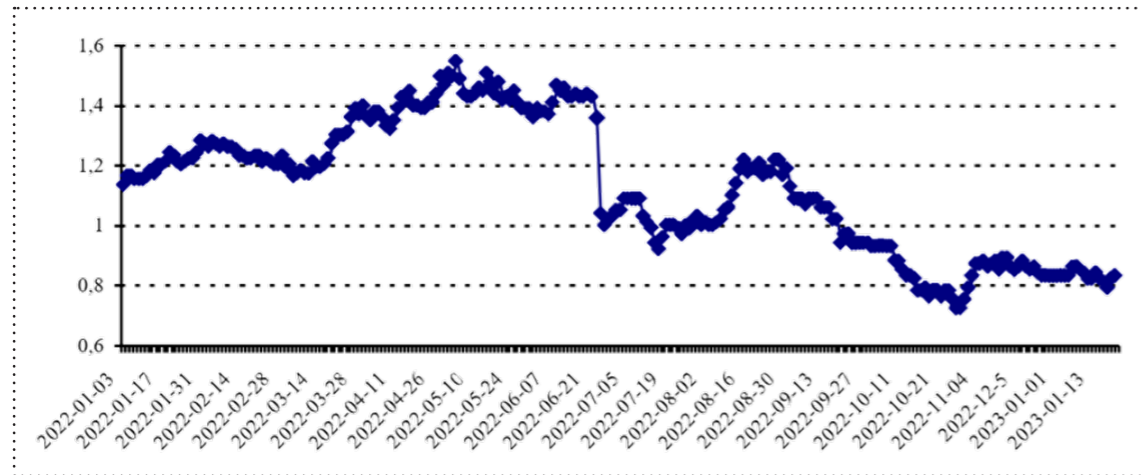
Cotton prices on the world market have fluctuated significantly, falling in late March and rising slightly in early April 2023. According to macro trends, the price of US raw cotton dropped to \$0.77/pound on March 23, 2023, but increased to \$0.83/pound on April 12, 2023.

The USDA will release the first full set of forecasts for the 2023/24 crop year next month, which will provide specific projections for cotton prices. The expected reduction of cotton acreage due to high input costs and competitive prices for crops such as corn and soybeans may support cotton

prices in the future.

As world cotton prices trend upward, the price of imported cotton materials into Vietnam is also likely to increase slightly in the next month.

US cotton price in 2022-2023 (USD/pound)



Source: [macrotrends.net](https://www.macrotrends.net)

1.2. It is forecasted that the price of imported fiber will adjust upwards in the near future

The General Department of Customs reported that Vietnam imported 40.88 thousand tons of fiber in March 2023, valued at US\$51.28 million. This was a 36.3% increase in volume and a 35.8% increase in value from February 2023, and a 12.9% increase in volume and a 3.6% increase in value from

March 2022.

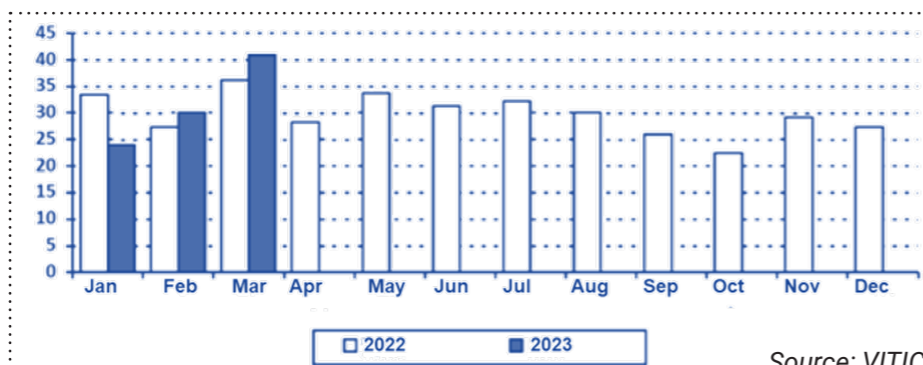
In the first quarter of 2023, Vietnam imported a total of 94 thousand tons of fiber, valued at 119 million USD, which was 2.1% lower in volume and 8.8% lower in value than the same period in 2022.

Vietnam imported fiber from 27 markets in the first quarter of 2023, which was five more than the same period in 2022. Specifically:

China was the largest supplier of fiber to Vietnam, with 45.15 thousand tons worth USD 52.08 million in the first three months of 2023. This accounted for 47.6% of Vietnam's total imports, and was a 7.7% increase in volume but a 2.2% decrease in value from the same period in 2022. In March 2023 alone, Vietnam imported 20.69 thousand tons of fiber from China, worth 24.2 million USD. This was a 58.6% increase in volume and a 63.5% increase in value from February 2023, and a 25.7% increase in volume and a 16.8% increase in value from March 2022.

Thailand was the second largest supplier of fiber to Vietnam, with 12.62 thousand tons worth 14.05 million USD in the first

Vietnam's fiber imports in 2022-2023 (thousand tons)



Source: [VITIC](https://www.vitic.vn)

quarter of 2023. This accounted for 13.3% of Vietnam's total imports, and was a 16.5% increase in volume but a 4.5% decrease in value from the same period in 2022. In March 2023 alone, Vietnam imported 3.92 thousand tons of fiber from Thailand, worth 4.28 million USD. This was a 25.3% decrease in volume and a 27% decrease in value from February 2023, and a 4.9% increase in volume but a 15.1% decrease in value from March 2022.

Overall, Vietnam's imports of fiber from different markets varied in the first quarter of 2023 compared to the same period in 2022. Some markets saw a decrease in imports, such as South Korea, Taiwan, Indonesia, Singapore, and India. Some markets saw an increase in imports, such as Thailand, Bangladesh, Japan, Austria, Germany, and Hong Kong.

Vietnam's fiber imports

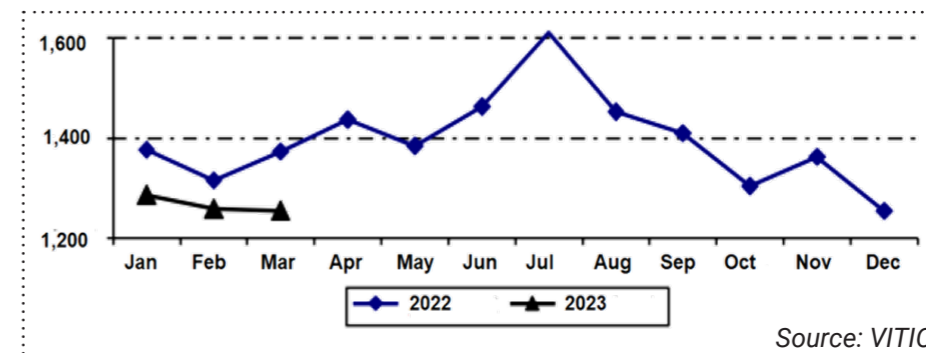
Country	Mar-2023		Compared to Feb-2023 (%)		Compared to Mar-2022 (%)		3 months 2023		Compared to 3 months 2022 (%)	
	Qty (tons)	Value (1,000 USD)	Qty	Value	Qty	Value	Qty (tons)	Value (1,000 USD)	Qty	Value
Total	40,885	51,283	36.3	35.8	12.9	3.6	94,879	119,902	-2.1	-8.8
China	20,695	24,208	58.6	63.5	25.7	16.8	45,151	52,087	7.7	-2.2
Thailand	3,928	4,289	-25.3	-27.0	4.9	-15.1	12,621	14,051	16.5	-4.5
Korea	2,757	5,593	54.9	80.4	-32.0	-9.7	6,508	12,524	-33.6	-23.7
Taiwan	4,441	5,119	49.7	44.9	-15.6	-29.1	10,560	12,105	-17.6	-28.5
Indonesia	4,887	5,169	52.9	25.0	28.4	-1.8	10,162	11,782	-2.9	-10.1
Bangladesh	2,059	2,639	33.5	25.3	814.1	1,149.7	4,405	5,729	788.1	1,159.4
Japan	374	973	-28.7	-19.1	149.0	165.5	1,036	2,853	144.2	172.3
Singapore	106	728	-79.5	-25.7	-76.1	-42.4	852	2,231	-17.4	-9.0
India	335	521	71.2	83.9	-51.8	-28.7	743	1,198	-85.4	-78.6
Malaysia	440	501	94.7	130.0	44.3	47.9	886	963	4.1	-6.1
Austria							252	756	138.6	103.1
USA	16	22	-41.6	-40.1	66.8	-87.9	155	695	-26.7	1.3
Germany	193	558			10,594.8	5,402.9	214	630	11,773.5	6,114.0
Spain							270	565		
Greece	144	354			15.2	-12.1	144	354	-73.4	-79.4
Hong Kong							208	267	63.6	-45.0

Source: [VITIC](https://www.vitic.vn)

The average price of imported yarn into Vietnam in March 2023 dipped to 1,254 USD/ton - a drop of 0.4% from February 2023 and 8.3% from March 2022. Among the various markets, Indonesia offered the

lowest price at 1,058 USD/ton, followed by Taiwan at 1,153 USD/ton. The costliest import was from the South Korean market at a whopping 2,028 USD/ton.

The average import price of fiber in 2022-2023 (USD/ton)



Source: [VITIC](https://www.vitic.vn)

The global fiber market is currently experiencing an oversupply, with weak market demand. However, recent signs of improvement in the price of fiber on the world market have been observed. According to the Global Textile and Apparel Network Information Center (<https://www.tnc.com.cn/info/>), the price of polyester fiber in China has increased in recent days, reaching 7,400 CNY/ton on April 20, 2023 (compared to 7,240 CNY/ton on

March 23, 2023 and significantly higher than 7,025 CNY/ton on March 17, 2023). Similarly, the average price of viscose fiber in China reached 13,200 CNY/ton by April 20, 2023, remaining stable since April 6, 2023, but still higher than the price level in March 2023. Despite low demand for raw fabric in both the domestic and export markets, enterprises in Vietnam have increased their imports of fiber in preparation for upcoming textile orders when

the market recovers, due to the low global fiber prices in the early months of the year.

Currently, although the price of fiber has increased, it remains low. It is predicted that the price of imported fiber into Vietnam will continue to increase in the near future, and the volume of imports will continue to rise to meet the needs of domestic and export production.

Import price of fiber

Country	Mar-2023 (USD/ton)	Compared to Feb-2023 (%)	Compared to Mar-2022 (%)	3 months 2023 (USD/ton)	Compared to 3 months 2022 (%)
Total	1,254	-0.4	-8.3	1,264	-6.8
China	1,170	3.1	-7.1	1,154	-9.1
Thailand	1,092	-2.2	-19.1	1,113	-18.0
Korea	2,028	16.4	32.9	1,925	14.9
Taiwan	1,153	-3.2	-16.0	1,146	-13.2
Indonesia	1,058	-18.2	-23.5	1,159	-7.4
Bangladesh	1,282	-6.2	36.7	1,301	41.8
Japan	2,605	13.4	6.6	2,754	11.5
Singapore	6,871	262.6	141.1	2,618	10.1
India	1,556	7.4	47.9	1,613	46.3
Malaysia	1,137	18.1	2.5	1,086	-9.8
Austria				3,005	-14.9
USA	1,378	2.5	-92.7	4,477	38.3
Germany	2,900		-48.5	2,950	-47.7
Spain				2,093	
Greece	2,451		-23.7	2,451	-22.6
Hong Kong				1,286	-66.4
Slovenia	3,000			3,200	10.3
Cambodia	894	-61.2	-2.4	922	2.2
Turkey	1,847			1,847	
Sri Lanka	3,658			3,092	-41.2
UK				4,200	2.5
Macau	1,085			1,085	-17.6

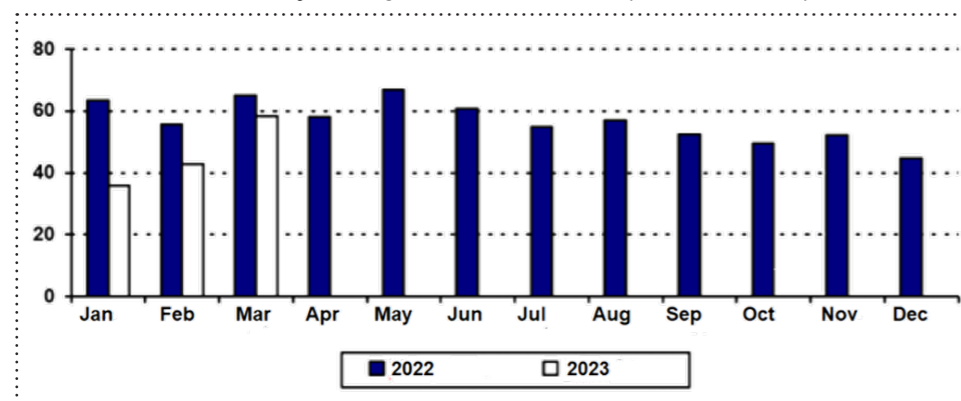
Source: VITIC

1.3. Yarn imports will remain low next month

Statistics from the General Department of Customs and Tax Administration indicate that, in March 2023, Vietnam imported a total of 58.41 thousand tons of yarn valued at 159.86 million USD. Compared to February 2023, this represents an increase of 36.6% in volume and 36.7% in value. However, there was a decline of 10.4% in volume and 18.7% in value compared to March 2022.

The overall figures for the first three months of 2023 indicate that Vietnam imported 137.05 thousand tons of this commodity, which is valued at 382.26 million USD, representing a decrease of 25.7% in volume and 31.3% in value compared to the same period in 2022.

Vietnam's yarn imports in 2022-2023 (thousand tons)



Source: VITIC

China was Vietnam's largest supplier of yarn in March 2023, with 40.31 thousand tons worth US\$98.62 million. This was a 42.9% increase in volume and a 47.8% increase in value from February 2023, but a 4.1% decrease in volume and a 13.6% decrease in value from March 2022. In the first quarter of 2023, Vietnam imported 94.64 thousand tons of yarn from China, valued at 235.22 million USD, which accounted for 69.1% of Vietnam's total imports. This was a 17.1% decrease in volume and a

25.5% decrease in value from the same period in 2022.

Taiwan was another supplier of yarn to Vietnam, with 5.83 thousand tons worth 16.33 million USD in March 2023. This was a 23% increase in volume and a 36.3% increase in value from February 2023, but a 34.5% decrease in volume and a 35.5% decrease in value from March 2022. In the first quarter of 2023, Vietnam imported 14.36 thousand tons of yarn from Taiwan, worth 39.42 million USD, which accounted for 10.5% of

Vietnam's total imports.

Vietnam's imports of yarn from the main markets declined sharply in the first three months of 2023, except for Japan which increased by 26.2% in volume.

Some markets such as Pakistan and France saw a substantial increase in import volume of raw yarn.

Vietnam's yarn imports

Country	Mar-2023		Compared to Feb-2023 (%)		Compared to Mar-2022 (%)		3 months 2023		Compared to 3 months 2022 (%)	
	Qty (tons)	Value (1,000 USD)	Qty	Value	Qty	Value	Qty (tons)	Value (1,000 USD)	Qty	Value
Total	58,415	159,867	36.6	36.7	-10.4	-18.7	137,053	382,265	-25.7	-31.3
China	40,310	98,628	42.9	47.8	-4.1	-13.6	94,640	235,227	-17.1	-25.5
Taiwan	5,832	16,333	23.0	36.3	-34.5	-35.5	14,363	39,427	-42.2	-42.9
Korea	2,020	8,197	-15.4	1.1	-14.1	-8.6	5,541	21,698	-19.1	-16.5
India	3,553	9,312	112.9	82.0	-28.8	-44.7	6,337	18,175	-54.6	-61.2
Indonesia	1,731	4,805	9.2	12.2	-32.3	-42.5	4,691	12,469	-35.5	-50.8
Hong Kong	786	5,338	39.3	7.7	38.1	22.9	1,494	11,712	-14.1	-13.8
Japan	316	3,152	-15.0	-28.1	33.1	5.7	873	9,657	26.2	46.2
Thailand	1,282	3,387	-3.9	3.1	13.0	-18.6	3,235	8,543	-25.5	-44.3
Malaysia	1,412	3,815	144.1	203.5	55.4	98.9	2,700	7,134	-8.4	7.1
Singapore	273	2,093	68.3	113.3	12.6	9.2	479	3,675	-23.9	-30.4
Vietnam	137	896	10.2	8.1	-17.2	-21.0	389	2,585	24.7	26.6
USA	127	728	5.3	-39.5	115.5	-34.2	265	2,047	-47.3	-20.0
Pakistan	276	865	86.1	85.4	151.3	27.8	531	1,851	122.4	51.8
Sri Lanka	13	467	-52.8	-24.7	-31.5	85.7	64	1,446	54.0	170.8
France	9	47	-57.0	-95.5	-59.1	-86.0	47	1,367	118.7	309.6
Italy	38	786	672.8	384.6	-36.6	-48.4	65	1,301	-59.5	-47.0
Djibouti							100	906		
Bangladesh	223	211	-50.5	-52.2	-57.3	-64.4	840	770	-42.6	-56.9
Turkey	26	229	32.4	51.0	26.5	77.9	55	501	-93.1	-88.4
Switzerland	4	179	-97.2	-42.4	-97.2	-25.9	130	489	4.5	77.4

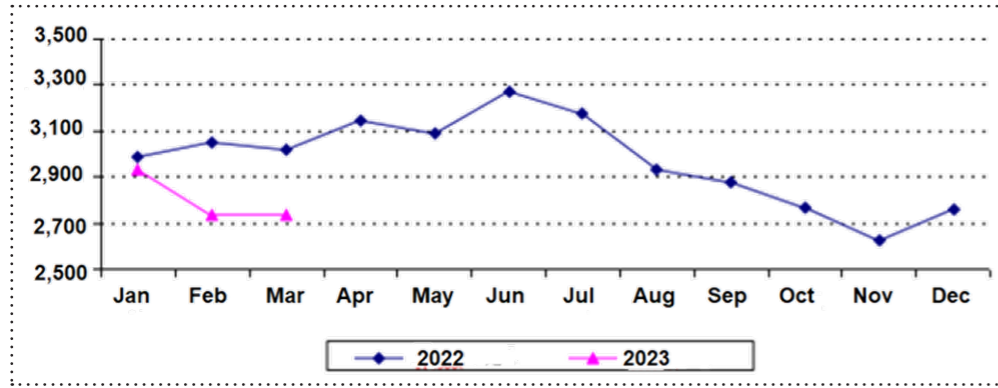
Source: VITIC

In March 2023, the average import price of yarn remained stable at 2,737 USD/ton, a 9.3% drop from the same month last year.

The cheapest source of yarn was China, with an

import price of 2,447 USD/ton, followed by India at 2,621 USD/ton. Japan had the most expensive import price at 9,968 USD/ton.

The average import price of yarn in 2022-2023 (USD/ton)



Source: VITIC

The global yarn market is currently experiencing an oversupply while market demand remains weak. The price of yarn on the world market is still in a downward trend. According to information from the Global Textile and Apparel Network Information Center (<https://www.tnc.com.cn/info/>), the price of polyester yarn in

China was 7,650 CNY/ton on May 4, 2023, compared to 8,025 CNY/ton on April 4, 2023. Meanwhile, the average price of 10S cotton yarn in China reached 15,950 CNY/ton on April 5, 2023, stable since April 21, 2023, but still lower than the price level achieved in March 2023 (16,400 CNY/ton on 7, 2023). In Vietnam, the import price

of yarn has been stable in the past two months. Currently, the global price of yarn remains low, but demand has not increased. Therefore, the volume of imported yarn into Vietnam is expected to remain low in the coming months.

Import price of yarn

Country	Mar-2023 (USD/ton)	Compared to Feb-2023 (%)	Compared to Mar-2022 (%)	3 months 2023 (USD/ton)	Compared to 3 months 2022 (%)
Total	2,737	0.0	-9.3	2,789	-7.6
China	2,447	3.4	-9.9	2,485	-10.1
Taiwan	2,800	10.8	-1.6	2,745	-1.1
Korea	4,058	19.5	6.4	3,916	3.3
India	2,621	-14.5	-22.4	2,868	-14.3
Indonesia	2,776	2.7	-15.0	2,658	-23.7
Hong Kong	6,793	-22.7	-11.0	7,837	0.2
Japan	9,968	-15.5	-20.6	11,059	15.8
Thailand	2,642	7.3	-27.9	2,641	-25.2
Malaysia	2,702	24.4	28.0	2,642	16.9
Singapore	7,652	26.7	-3.0	7,672	-8.5
USA	5,734	-42.5	-69.5	7,721	51.6
Pakistan	3,134	-0.4	-49.1	3,487	-31.8

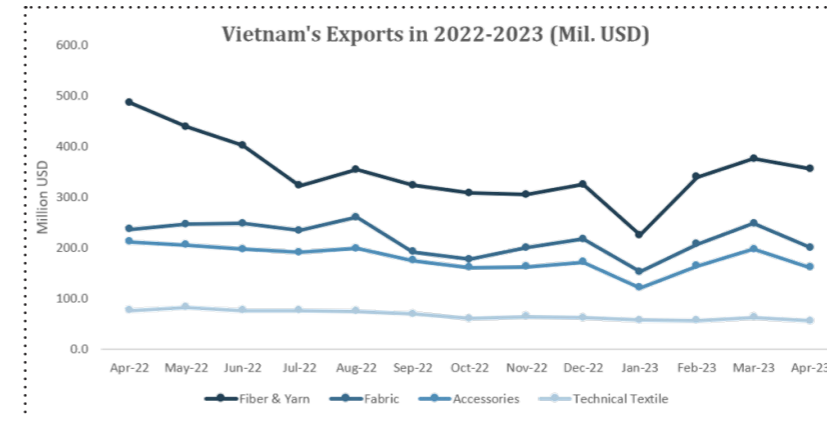
Source: VITIC

2. Monthly Export Statistics

Items	Apr-2023		Compared to the previous month (%)		4 months 2023		Compared to the same period last year (%)	
	Qty (1,000 MT)	Value (MIL USD)	Qty	Value	Qty (1,000 MT)	Value (MIL USD)	Qty	Value
Fiber & Yarn	144.2	356.7	-4.7	-5.2	518.0	1,297.8	-11.7	-32.9
Textile & Apparel (include fabric)	-	2,540.5	-	-3.3	-	9,720.1	-	-18.1
- Fabric	-	200.9	-	-19.2	-	811.9	-	-13.9
Accessories	-	161.1	-	-18.8	-	643.6	-	-16.9
Technical Textile	-	56.0	-	-11.3	-	234.0	-	-20.4
TOTAL	-	3,114.3	-	-9.7	-	11,895.5	-	-22.1

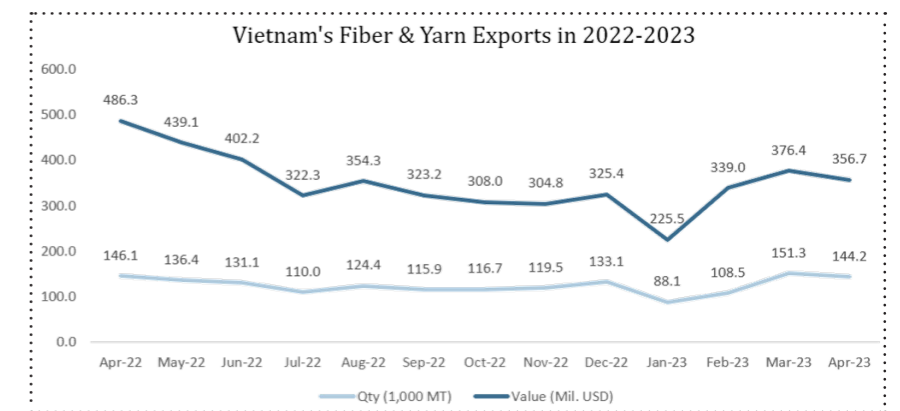
The export data for April 2023 shows a slight decrease of 4.7% in volume and 5.2% in value for the export of fiber and yarn compared to 2023. The

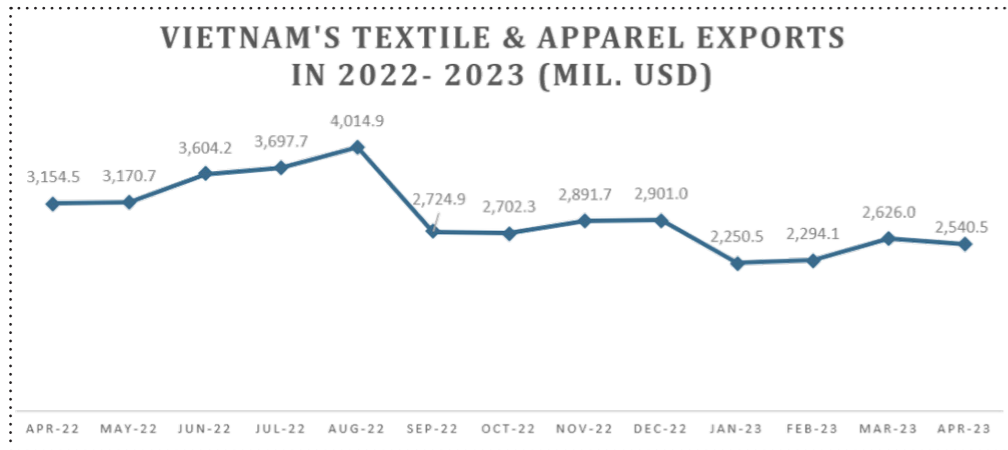
export of fiber and yarn also decreased by 11.7% in volume and 32.9% in value in the first four months of 2023 compared to the same period last year.



The latest export data for April 2023 reveals that Vietnam's export value of fiber and yarn declined by 5.2% compared to the previous month, amounting to 356.7 million USD. Moreover, the export value of fabric notably reduced by 19.2%, reaching a value of only 200.9 million USD. Similarly, the export of textile and leather raw materials decreased by 18.8% to 161.1 million USD. Additionally, the export value of technical textile saw a decline of 11.3% at only 56 million USD.

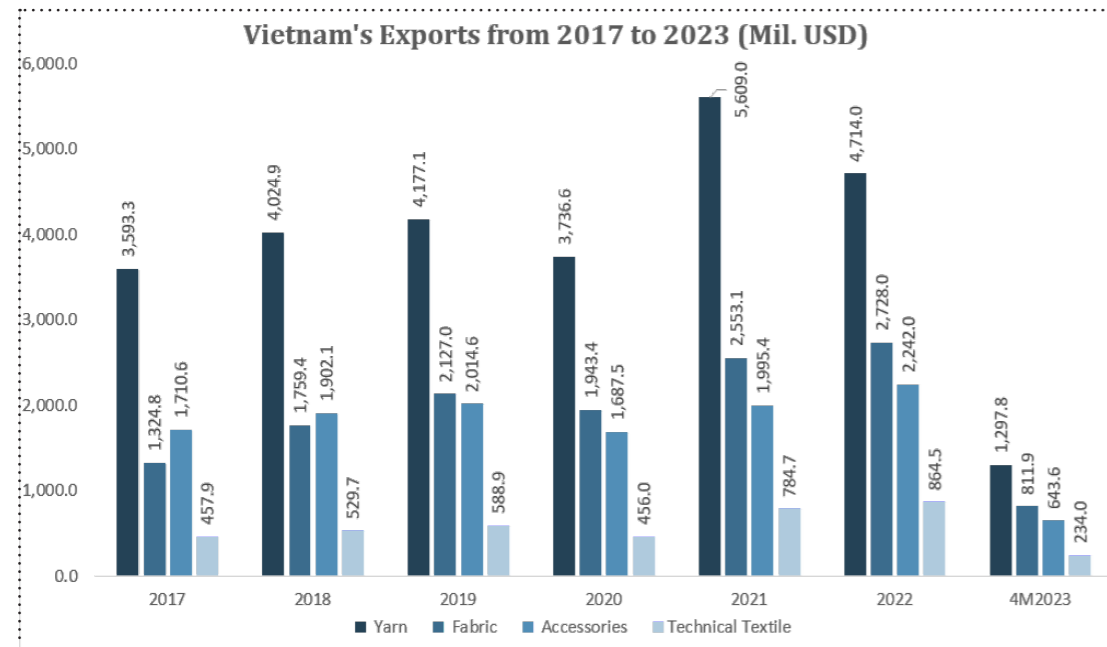
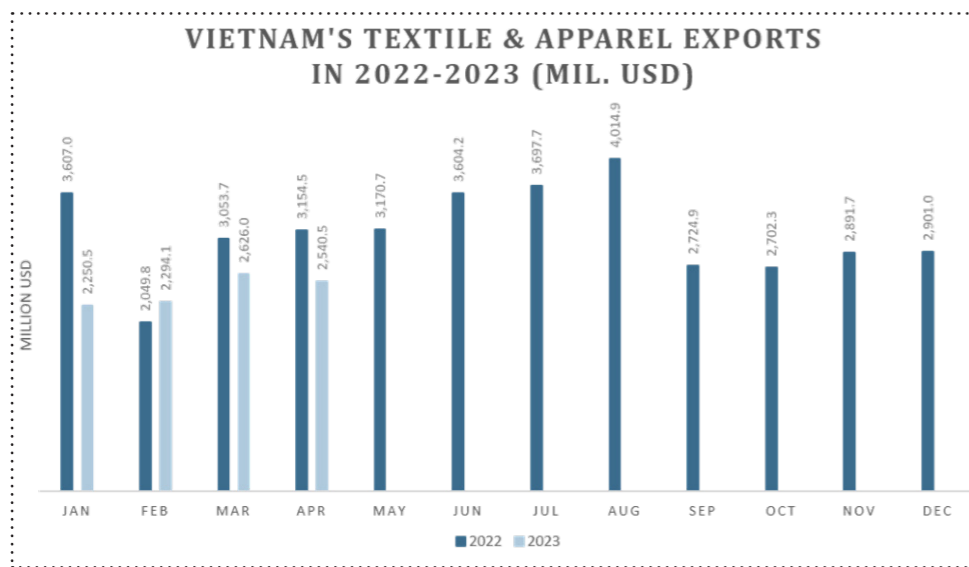
Overall, Vietnam's fiber and yarn exports showed a downward trend in both volume and value in April 2023 compared to March 2023. In April 2023, Vietnam's fiber and yarn exports decreased to 114.2 thousand tons, a decrease of 4.7% compared to the previous month. Meanwhile, the export value of Vietnam's fiber and yarn also decreased to 356.7 million USD, with a decrease rate of 5.2%.





The export of textile and garment products in April 2023 reached 2.54 billion USD, a decrease of 3.3% compared to the previous month.

The preliminary data for April 2023 shows that Vietnam's textile and garment exports reached 2.54 billion USD, a decrease of 19.5% compared to the same period last year.



In the first four months of 2023, the export value of Vietnam's textile and garment products decreased compared to the same period last year. Fiber and yarn still accounted for the largest share with 1,297.8 million USD, but decreased by 32.9%. Fabric reached 811.9 million USD, but also decreased by 13.9%. Textile and leather raw materials brought in 643.6 million USD, which also significantly decreased by 16.9%. Technical textile had the smallest export value with 234 million USD, which also decreased by 20.4%

2.1. Fiber and yarn exports may stay low for the next few months

In Q1 of 2023, Vietnam's export of fiber and yarn totaled 373.8 thousand tons, worth 940.8 million USD, recording a 15.1% decrease in volume and a 35% decline in value compared to the same period in 2022. While in March 2023, the export of fiber and yarn reached 151.29 thousand tons, valued at 376.4

million USD, a rise of 39.5% in volume and 11% in value versus the previous month, February 2023. However, the exports in March 2023 presented a 7.9% drop in volume and 29.2% decline in value in comparison to March 2022.

Vietnam's fiber and yarn exports in 2022-2023 (thousand tons)



Source: VITIC

China was the main destination for Vietnam's exports of fiber and yarn in the first quarter of 2023, making up 43.29% of the total volume and 45.68% of the total value. However, this product saw a significant decline in exports to the Chinese market in this period, reaching only 161.8 thousand tons and 429.8 million USD, down 22.1% in volume and 38.8% in value compared to the same period in 2022.

Vietnam also experienced a decrease in exports of fiber and yarn to many other markets in the first quarter of 2023, such as South Korea, the United States, Bangladesh, Indonesia, and Taiwan.

Some markets, however, increased their imports of fiber and yarn from Vietnam in this period, such as the Philippines and Brazil.

- ◇ All data are accurate, relevant and verified from sources: the Ministry of Industry and Trade, General Department of Vietnam Customs, General Statistics Office of Vietnam, International Trade Center, Cotton Incorporated and other reliable sources.
- ◇ This text provides general information. VCOSA assumes no liability for the information given being complete or correct. Due to varying update cycles, statistics can display more up-to-date data than referenced in the text.

Communication and Information Department.

Vietnam's fiber and yarn export

Country	Q1/2023		Compared to Q1/2022 (%)		Mar-2023		Compared to Feb-2023 (%)		Compared to Mar-2022 (%)	
	Qty (tons)	Value (1,000 USD)	Qty	Value	Qty (tons)	Value (1,000 USD)	Qty	Value	Qty	Value
Total	373,844	940,846	-15.1	-35.0	151,291	376,363	39.5	11.0	-7.9	-29.2
China	161,826	429,818	-22.1	-38.8	69,512	185,363	43.4	17.4	-13.6	-33.5
Korea	37,060	105,610	-7.3	-29.3	12,038	34,264	11.7	-17.7	-3.4	-26.9
USA	19,713	29,828	-46.4	-45.2	9,087	12,413	85.5	22.8	-35.2	-39.7
Bangladesh	7,633	28,428	-42.7	-59.8	3,067	10,904	77.0	21.4	-32.5	-54.2
Thailand	9,907	27,226	0.5	-19.5	3,296	9,564	-3.4	-8.6	-16.2	-29.3
Japan	9,437	23,940	6.4	-9.3	3,887	10,332	49.4	29.3	19.4	6.1
Indonesia	7,250	22,758	-36.9	-47.5	3,032	8,776	63.0	20.3	-18.6	-28.9
Taiwan	7,803	22,325	-33.8	-50.0	2,999	8,641	17.3	4.1	-29.4	-43.0
Cambodia	5,643	20,845	-3.0	-10.4	1,882	7,026	27.6	-0.8	5.1	8.0
Philippines	9,121	20,806	57.0	22.9	3,654	8,435	45.6	23.5	28.4	-4.1
India	8,667	17,125	46.8	-4.3	1,975	4,216	-38.6	-46.7	-21.2	-35.1
Pakistan	5,193	14,448	-18.2	-51.4	1,837	5,328	40.1	26.2	-27.0	-48.0
Colombia	5,656	13,382	18.9	-27.1	2,748	6,449	121.8	84.1	53.9	19.3
Turkey	4,810	11,549	-42.1	-65.1	1,464	3,679	-13.9	-6.0	-48.2	-58.6
Brazil	6,715	11,352	29.7	26.2	3,278	5,200	82.7	47.7	39.5	50.9
Romania	2,594	10,541	2.7	-6.3	796	3,042	-13.5	-27.6	-17.6	-16.1
Italy	2,338	9,848	22.8	-23.2	1,002	4,399	40.9	39.9	80.9	3.5
Malaysia	3,161	7,761	-24.4	-48.8	1,172	2,969	7.1	1.5	-13.3	-38.6
Sri Lanka	1,758	7,546	-2.3	-36.4	690	3,021	32.2	16.6	1.3	-31.1
Egypt	2,525	6,332	-39.9	-55.7	1,221	2,932	78.5	19.8	-12.7	-37.9
Peru	2,495	5,658	-16.3	-31.2	899	1,838	81.3	11.9	10.0	-11.9
Hong Kong	1,548	4,734	57.8	-19.5	397	1,483	-47.6	-45.0	436.5	214.8
UK	4,545	4,216	-35.3	-45.7	1,705	1,559	40.7	26.8	-20.7	-39.5
Chile	983	2,037	-8.6	-37.6	537	1,132	210.4	110.9	29.1	-32.4

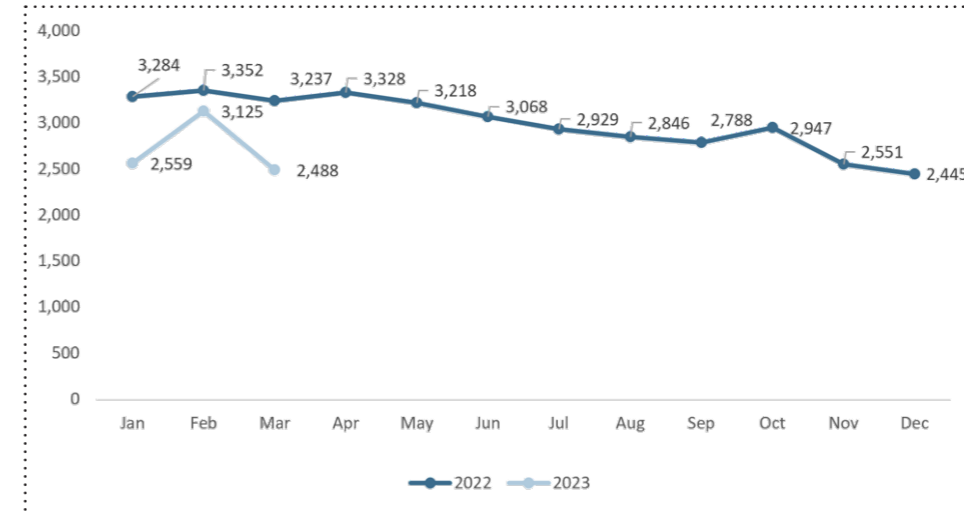
Source: VITIC

In March 2023, the average export price of Vietnam's fiber and yarn reached 2,488 USD/ton, a decrease of 20.4% compared to February 2023 and a decrease of 23.1% compared to March 2022.

The weak global demand for textile and garment products has led to a significant decrease in the prices of raw materials, including fiber and yarn. This has caused the export prices of Vietnam's fiber and yarn to decrease significantly in the early months of 2023 compared to the same period in 2022.



Export price of fiber and yarn 2022-2023 (USD/ton)



Source: VITIC

The average export prices of fiber and yarn decreased by double digits in many markets in the first quarter of 2023, such as a 21.5% decrease in export prices to the market, a 23.8% decrease in export prices to South Korea, a 29.8% decrease in export prices to Bangladesh, and a 19.9% decrease in export prices to Thailand compared to the first quarter of 2022.

Export price of fiber and yarn

Country	Q1/2023 (USD/ton)	Compared to Q1/2022 (%)	Mar-2023 (USD/Ton)	Compared to Feb-2023 (%)	Compared to Mar-2022 (%)
Total	2,517	-23.4	2,488	-20.4	-23.1
China	2,656	-21.5	2,667	-18.1	-23.0
Korea	2,850	-23.8	2,846	-26.4	-24.3
USA	1,513	2.3	1,366	-33.8	-7.0
Bangladesh	3,724	-29.8	3,555	-31.4	-32.1
Thailand	2,748	-19.9	2,902	-5.4	-15.6
Japan	2,537	-14.7	2,658	-13.5	-11.1
Indonesia	3,139	-16.8	2,894	-26.2	-12.7
Taiwan	2,861	-24.5	2,881	-11.3	-19.3
Cambodia	3,694	-7.6	3,733	-22.3	2.8
Philippines	2,281	-21.7	2,308	-15.2	-25.3
India	1,976	-34.8	2,134	-13.2	-17.7
Pakistan	2,782	-40.6	2,901	-9.9	-28.8
Colombia	2,366	-38.7	2,347	-17.0	-22.5
Turkey	2,401	-39.7	2,513	9.3	-20.1
Brazil	1,690	-2.7	1,586	-19.2	8.2
Romania	4,064	-8.7	3,822	-16.4	1.8
Italy	4,212	-37.4	4,390	-0.8	-42.8
Malaysia	2,455	-32.3	2,533	-5.3	-29.2
Sri Lanka	4,292	-34.9	4,379	-11.8	-32.0
Egypt	2,508	-26.2	2,401	-32.9	-28.9
Peru	2,268	-17.8	2,044	-38.2	-19.9
Hong Kong	3,058	-49.0	3,736	4.8	-41.3
UK	928	-16.0	914	-9.9	-23.7
Chile	2,072	-31.7	2,109	-32.1	-47.7

Source: VITIC

3. Cotton Outlook

There has been renewed concern about 2022/23 production recently. The current focus of attention is India, where arrivals at gins are significantly behind the pace from one year ago. There has been speculation that Indian growers may be withholding volume in hopes of securing better prices, but the breadth of the gap has given root to worry that the Indian crop may end up being smaller than currently forecast.

As the situation unfolds, it should be remembered that cotton is a global commodity and that unfortunate conditions in one country can be balanced against favorable outcomes from other locations. At this point in the year, southern hemisphere growers have started harvesting. Expectations are that Australia and Brazil will collect near-record harvests, and those crops will soon be physically available.

In the meantime, it may be noteworthy that Indian cotton prices have been easing while production concerns have been mounting. One explanation is that lower supplies must still be balanced against demand.

In the current demand environment, there may not be enough downstream pull to render supply tight, even if production in certain locations is lower than was previously hoped. The same phenomenon can be used to explain how prices managed to work their way lower with the Pakistani flood in October.

In the new crop year, demand may resurface. The global textile supply chain sharply pulled back on order volumes after the global surge in inflation and the series of increases in interest rates that followed. Whenever inventories stabilize, a recovery back to trend order volumes may support demand. However, any increases

in inventory-related demand will have to be balanced against the macroeconomic situation.

The speed and magnitude of increases in interest rates worldwide may have yet to be fully digested by economies. Regardless of whether a recession is looming in major downstream markets, global economic growth is projected to be sluggish.

The International Monetary Fund (IMF) is projecting world GDP to hover around three percent from 2024 through 2028. Global growth around these levels is not associated with strong growth in cotton mill-use. A persistently slow macroeconomic situation could impede a surge in demand like those that followed other recent economic downturns and contributed to the price volatility in 2010/11 and 2022/23.

Source: CI

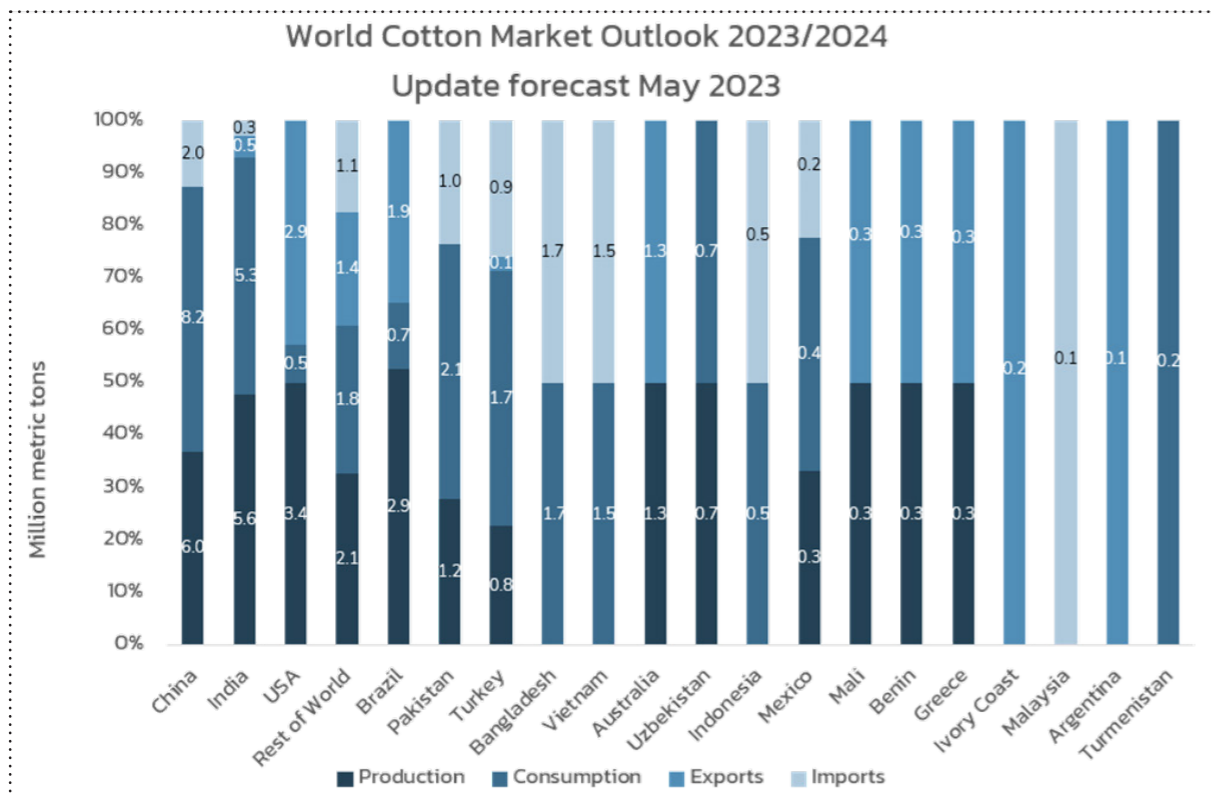


--- SETTING A NEW STANDARD IN MORE SUSTAINABLE COTTON PRODUCTION

Launched in 2020, the U.S. Cotton Trust Protocol was designed to set a new standard in **more sustainably grown cotton**, ensuring that it contributes to the **protection and preservation of the planet**, using the most sustainable and responsible techniques. It is the only system that provides quantifiable, verifiable goals and measurement in **six key sustainability metrics** and article-level supply chain transparency.

The Trust Protocol provides **brands and retailers the critical assurances** they need to show the cotton fiber element of their supply chain is more sustainably grown with **lower environmental and social risk**.

Trust in a smarter cotton future.



Source: CI



To learn more or become a member, TrustUSCotton.org

Hello June

To all those reading this,
i really hope
something good happens
for you this month



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