

SENIOR ANALYST

Bui Thi Quynh Nga
ngabui@phs.vn

EXPORT BREAKTHROUGH RIGHT FROM THE BEGINNING OF THE YEAR

- Export-export activities in January had a promising start right from the beginning of the year with potential growth of key products including Electronics, Agricultural & aquatic products, and Iron & steel.
- Import demand from major trading partners still shows improvement month by month.
- The export target in 2024 to increase by 8% compared to 2023 as forecasted by PHS is feasible.

Export and import continue to record positive signs. Both exports and imports increased by 7.7% and 4.3% respectively over the previous month. Compared to the same period last year, export and import turnover increased by 46.2% and 34.6% respectively, higher than the estimated increase previously given by the General Statistics Office (Export: +42% YoY and Import: +33.3% YoY). Accordingly, the trade balance recorded a surplus in January of 3.63 billion USD.

By sector, the export turnover of the domestic sector shows strong increases starting from mid-2023. Export growth of the domestic sector has soon returned to positive growth since July/ 2023. Meanwhile, export growth of the FDI sector must last until October 2023 to show recovery.

In terms of export partners: Except for China, exports to Vietnam's key markets all recorded double-digit growth compared to the previous month even though the peak import period serving main holidays of the year in Western countries has passed. The US market (up 63.4% YoY) and the EU (up 39.7% YoY) are the two main markets contributing to export growth in January.

Regarding key product groups: In addition to the outstanding growth of the Agricultural and aquatic products, Electronic products, and Iron and Steel groups, most of the remaining export products also recorded the best export turnover in the past year, making a breakthrough in the first month of 2024.

Table 1: Trade activities in January 2024.

	Proportion	Nov-23	Dec-23	Jan-24	YTD
Export Turnover (Million USD)		31,149	32,063	34,531	34,531
<i>FDI sector</i>	72%	22,290	22,500	24,870	24,870
<i>Domestic sector</i>	28%	8,859	9,563	9,661	9,661
Import Turnover (Million USD)		29,881	29,624	30,898	30,898
<i>FDI sector</i>	64%	19,028	18,502	19,651	19,651
<i>Domestic sector</i>	36%	10,853	11,121	11,248	11,248
Trade balance (Million USD)		1,268	2,439	3,632	3,632
Export Growth (YoY)		6.5%	10.1%	46.2%	46.2%
Import Growth (YoY)		6.1%	8.2%	34.6%	34.6%
Export to key markets					
<i>US</i>	29%	10.0%	11.7%	63.4%	63.4%
<i>China</i>	13%	7.4%	9.5%	17.7%	17.7%
<i>EU</i>	13%	2.2%	6.2%	39.7%	39.7%
Import from key markets					
<i>China</i>	38%	15.9%	22.9%	64.4%	64.4%
<i>South Korea</i>	14%	1.2%	5.5%	7.2%	7.2%
<i>ASEAN</i>	12%	-9.9%	-10.5%	19.9%	19.9%

Source: Custom, PHS compiled