

BREAKTHROUGH IN EXPORT AND IMPORT DURING THE SECOND QUARTER

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- Vietnam's export and import activities accelerated in the second quarter as global trade became more active again. The increase in order prospects prompted companies to expedite imports. The trade balance recorded the highest cumulative surplus ever.
- Domestic export activities grew better than those of the FDI sector. Groups of products such as electronics, wood and wood products, agricultural products, plastics, and rubber are and will continue to support domestic exports.
- Risks of a slowing global economy, especially concerning the US market - Vietnam's main export market, will continue to be a closely monitored factor for the rest of 2024.

Vietnam's export and import activities in Q2 accelerated compared to Q1.

Import activities showed a clear breakthrough in the second quarter, recording a higher growth rate than exports, reaching nearly 21.3% YoY. The stronger increase in imports compared to exports also led to a narrowing of the trade balance in Q2, reaching 4.05 billion USD - the lowest level since the beginning of 2023. However, the cumulative trade balance for the first six months of the year still saw a surplus of 11.85 billion USD - the highest surplus ever recorded.

By sector, the growth in exports from the domestic sector continued to show a better breakthrough than the FDI sector in Q2 and the first six months of the year. Specifically, exports from the domestic sector increased by 21.7%, while the FDI sector increased by 13.6% YoY.

In terms of export partners, export growth in Q2 to the three major markets, including the US, China, and the EU, showed a slowdown in the Chinese market, with a modest growth of just over 4%. The slowdown in China's economy, which was weaker than expected in Q2/2024, was the main factor affecting Vietnam's export activities to this market.

Regarding key products group: Exports of electronic products, machinery, instrument, accessory, and wood & wood products were the three groups with the highest average export growth over the past three months compared to the same period last year. Meanwhile, the steel and textiles, leather, shoes, bags showed weaker growth compared to other key products groups.

Table 1: Trade activities in first 6 months of the year.

	Proportion	Q1	Q2	Jun-24	YTD
Export Turnover (Million USD)		92,881	97,854	34,456	190,735
<i>FDI sector</i>	72%	67,167	69,627	24,862	136,795
<i>Domestic sector</i>	28%	25,714	28,227	9,594	53,940
Import Turnover (Million USD)		29,881	85,080	93,808	31,223
<i>FDI sector</i>	63%	54,326	58,973	19,788	113,299
<i>Domestic sector</i>	37%	30,754	34,835	11,434	19,179
Trade balance (Million USD)		7,801	4,046	3,233	11,847
Export Growth (YoY)		17.12%	14.61%	16.96%	15.82%
Import Growth (YoY)		14.22%	21.28%	18.86%	17.82%
Export growth to key markets					
<i>US</i>	29%	24.20%	23.37%	29.40%	23.80%
<i>China</i>	13%	10.11%	4.02%	-7.80%	6.80%
<i>EU</i>	13%	17.46%	13.48%	19.70%	15.40%
Import growth from key markets					
<i>China</i>	38%	29.13%	38.27%	36.82%	33.92%
<i>South Korea</i>	14%	2.12%	18.25%	20.13%	10.07%
<i>ASEAN</i>	12%	11.01%	13.81%	4.16%	12.40%