

Ukraine conflict have also prolonged disruptions to global supply chains, which have kept input material prices high.

All these problems have caused order shortages, forcing many exporters to reduce or even halt production.

Tran Thanh Hai, Deputy Director of the Foreign Trade Agency under the Ministry of Industry and Trade, said that export was highly vibrant and posted double-digit growth rates in 2021 and 2022. However, growth has slowed down this year due to inflation, recession, and lower purchasing power in many traditional markets.



According to the General Department of Vietnam Customs, foreign trade totalled 316 billion USD in the first six months of 2023.

In June alone, exports were estimated at 29.3 billion USD, rising 4.5% month on month. This was the second consecutive month overseas shipments had increased after a long decline thanks to bolstered trade promotion activities. However, the June revenue still dropped 11.4% year on year.

The six-month export value decreased 12.1% from the same period last year to 164.45 billion USD.

Analysts pointed out that difficulties may linger on through the end of 2023, even until

2024. Therefore, enterprises should organise production activities flexibly, strive to fulfill small and difficult orders, make in-depth investment instead of focusing on expansion programmes.

As global consumers are still concerned about economic prospects, enterprises need to keep a close watch on market developments to flexibly and appropriately respond to any changes, and cut unnecessary expenses, analysts said.

On the other hand, authorities should avoid issuing regulations and policies that many add difficulties to businesses, they noted.

Vietnam targets 393-394 billion USD in export revenue and 6% in year-on-year export growth for 2023.

To that end, Minister of Industry and Trade Nguyen Hong Dien stated that aside from tapping into new markets, the ministry will continue capitalising on free trade agreements (FTAs). It will step up digital transformation in the granting of certificates of origin to help firms make use of the FTAs; facilitate logistics services to reduce costs and improve Vietnamese goods' competitiveness; and boost foreign trade via cross-border e-commerce.

In particular, it will hold monthly meetings between its agencies, Vietnamese trade offices abroad and localities, associations, businesses, and related ministries and sectors to update firms and associations about market-related information so as to fuel overseas shipments, according to Dien./.

Source: (Vietnamplus)