

INDUSTRIAL PRODUCTION FORECAST TO EXCEED TARGETS

The Ministry of Industry and Trade (MoIT) has outlined scenarios for economic growth in the third and fourth quarters of 2022 and proposed major measures to achieve desired results. In order to fulfill the tasks it was assigned in June and July government resolutions, the MoIT has drawn up scenarios and proposed major measures for the latter months of the year forecasting that if the index of industrial production (IIP) grows 9.8 % in the third quarter and 10.3 % in the fourth quarter, the annual IIP growth will be 9.5 %, higher than projected.

According to the MoIT, industrial production is facing numerous difficulties due to increased input material prices, transportation and logistics costs, and a decline in global demand for certain non-essential consumer goods. However, many key industries have achieved breakthrough results.

In the textile and garment sector, for example, the 2022 output of natural fiber fabrics is expected to reach about 752 million meters, nine % more than in 2021. The output of casual clothing is expected to reach about 5,995 million items, up 28 % compared with 2021. In the first six months of 2022, 2,997 million casual clothing items were produced, up 12 % year-on-year.

For the leather and footwear sector, the 2022 annual output is expected to reach about 329 million pairs, up four % compared with 2021. In the first half of 2022, the output reached 144.7 million pairs, up 6.3 % year-on-year.

The automotive industry expects its 2022 output will reach about 330,000 autos, an

increase of 12 % compared with 2021. In the first six months, 135,000 autos were manufactured, up 35 % year-on-year.

In July 2022 the IIP of the electronics, computer and optic product sector grew 9.4 % compared with June and 8.6 % year-on-year. July TV manufacturing reached 754,700, up 33.1 % year-on-year, and the 2022 annual television output is expected to reach 13.51 million TVs, an increase of 21 % compared with 2021.

To accelerate industrial production in 2023, the ministry will continue restructuring the industry and trade sector, concentrating on creating competitive products with deeper participation in global value chains. Industrial restructuring will also be accelerated to increase manufacturing and processing and reduce assembly in an effort to raise the local content of made-in-Vietnam products. Appropriate policies will be applied to help enhance business competitiveness. Technical barriers to imported products will be created to support domestic production.

The linkage between localities will be promoted to make the best use of their advantages for industrial development. At the same time, industrial production facilities are urged to accelerate digital transformation, environmental protection and climate change adaptation.

In 2023, the MoIT will intensify human resources development for the industrial sector, focusing on prioritized industries. The ministry will also support businesses in digital transformation and smart production.