

COUNTRY REPORT OF VIETNAM LEATHER AND FOOTWEAR INDUSTRY UP TO 2021 AND 7 MONTHS OF 2022

1. DATA FOR EXPORT AND IMPORT OF LEATHER AND FOOTWEAR PRODUCTS OF VIETNAM

1.1. VIETNAM LEATHER AND FOOTWEAR PRODUCTION

a. Vietnam's economic situation in the first 8 months of 2022

Industrial production in August continued the trend of rapid recovery due to enterprises' efforts to expand production to compensate for the 2-year period affected by the Covid-19 epidemic.

The Industrial Production Index (IIP) in August was estimated to increase by 2,9% compare last month and increased 15,6% compare to the same period of last year. In which, compared to the same period last year, the processing and manufacturing industry increased by 16,2%.

In the first 8 months of 2022, IIP is estimated to increase by 9,4% over the same period last year (the same period in 2021 increased by 5,5%). In which, the processing and manufacturing industry increased by 10,4% (the same period in 2021 increased by 7%).

Leather and footwear production in 08/2022 increased slightly compared to 07/2022 with an increase of 0,4%. Compared to the same period last year, leather and footwear production in August 2022 increased by 57,0% and the first 8 months of 2022 increased by 18,5% compared to the first 8 months of 2021. The index of employers of the leather and footwear industry in August 2022 increased by 1,0% over the same period last month and increased sharply by 55,1% over the same period last year.

TABLE 1: ECONOMIC INDICATORS AND INDUSTRIAL PRODUCTION

Index	2017	2018	2019	2020	2021	8M/22
GDP, %	6.8	7.1	7.02	2.91	2.58	
CPI. %	3.53	3.54	2.79	3.23	4.82	2.58
Ind. Manufact. Index,%	14.7	12.2	10.4	4.9	6.37	10.4
Footwear production index. %	7.1	10.4	9.9	-2.4	5.2	18.5

(Source: GSO)

1.2. EXPORT OF SHOES AND HANDBAGS IN THE FIRST 7 MONTHS OF 2022

1.2.1. Footwear export turnover

In the first 7 months of 2022, the total export turnover of leather and footwear reached 16,45 billion USD (up 19,4%), of which footwear exports reached 14.06 billion USD (up 19,1%) and suitcases-bags reached 2,39 billion USD (up 20,9%) over the same period in 2021.

TABLE 2. LEATHER AND FOOTWEAR EXPORT TURNOVER IN 2010 – 2022

(Unit: USD billion)

Product	2017	2018	2019	2020	2021		7M/2022	
					Value	Incr. to 2020	Value	Incr. to 2021
Footwear	14.70	16.24	18.33	16.75	17.77	6.1%	14.06	19.1%
Handbag	3.26	3.39	3.75	3.11	3.01	-3.2%	2.39	20.9%
Sum	17.96	19.63	22.08	19.86	20.78	4.6%	16.45	19.4%

(Source: GDC)

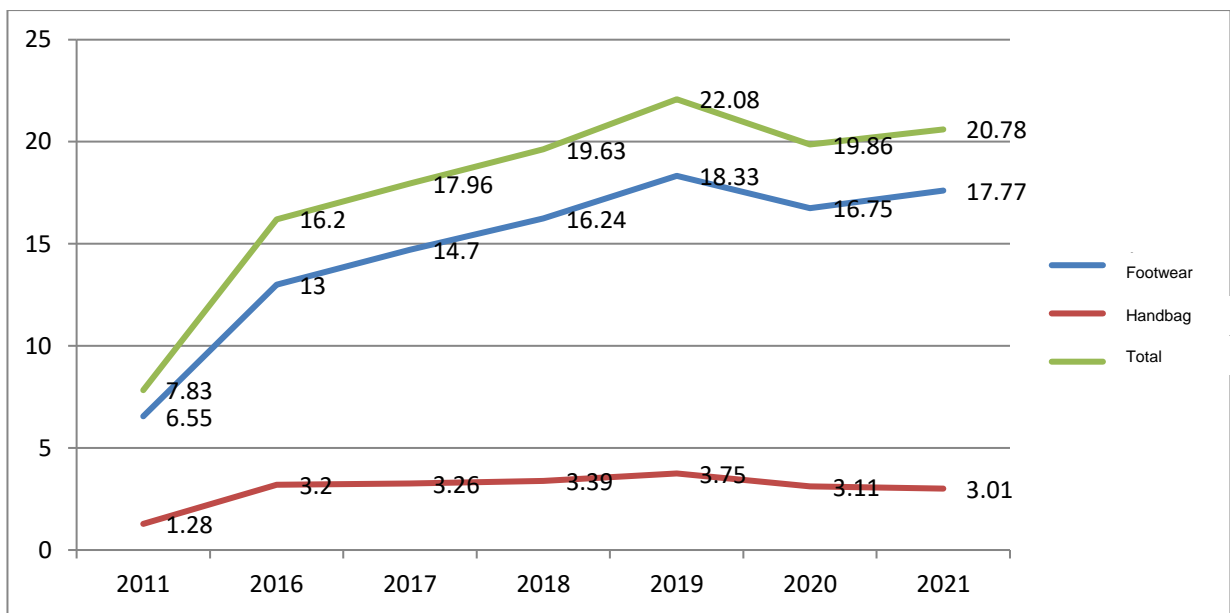


Figure 1. Footwear export turnover 2011 – 2021 (USD billion)

TABLE 3. IMPORT AND EXPORT OF THE LEATHER AND FOOTWEAR INDUSTRY IN THE MONTHS OF 2022

(Unit: Million USD)

	EXPORT			IMPORT			BALANCE OF TRADE
	FOOTWEAR	HANDBAG	SUM	MACHINE	LEATHER	SUM	
SUM	14060.7	2389.8	16450.5	73.7	1080.9	1154.6	15295.9
January	1937.9	390.3	2328.3	10.2	130.7	140.8	2187.5
February	1345.0	208.5	1553.6	4.5	124.8	129.3	1424.2
March	2009.3	346.9	2356.2	7.2	168.7	175.9	2180.3
April	2019.5	332.3	2351.8	14.6	181.1	195.7	2156.1
May	2111.4	353.3	2464.6	14.0	171.0	185.0	2279.6
June	2364.8	389.1	2753.9	12.8	152.0	164.7	2589.1
July	2272.8	369.3	2642.1	10.4	152.6	163.0	2479.1

(Source: GDC)

TABLE 4. EXPORTS OF FDI ENTERPRISES 2016 – 2022

Year	Total		Footwear		Handbag	
	Billion USD	Value share	Billion USD	Value share	Billion USD	Value share
2016	13.04	80.5%	10.49	80.7%	2.55	79.7%
2017	14.45	80.3%	11.82	80.4%	2.65	80.3%
2018	15.39	78.4%	12.81	78.9%	2.58	76.1%
2019	16.66	75.5%	13.95	76.1%	2.71	72.3%
2020	15.37	77.4%	13.25	79.1%	2.12	68.2%
2021	16.07	77.4%	14.01	78.9%	2.06	68.5%
7/2022	13.06	79.42%	11.35	80.74%	1.71	71.64%

(Source: GDC)

1.2.2. Export market

Vietnam's total footwear export turnover in the first 7 months of 2022 continued to increase with an increase of 19,4% over the same period in 2021. The strongest gains remained in North America (29,2%), Europe (21,3 %), South America (15,6%) and slight increases in Asia (0,2%) and Oceania (3,8%).

The US is still Vietnam's largest footwear import market, reaching 7215,6 million USD (28,3%), Belgium continues to be the 2nd market reaching 1015,5 million USD (24,8%), China is the 3rd market reaching 1007,4 million USD (-15,8%).

TABLE 5. VIETNAM'S LEATHER AND FOOTWEAR EXPORTS TO CONTINENTS

(Unit: Million USD)

NO	MARKET	2021			7 months / 2022					
		Sum	Footwear	Handbag	Sum		Footwear		Handbag	
		USD	USD	USD	USD	Incr. %	USD	Incr.%	USD	Incr. %
I	NORTH AMERICA	9545.5	8122.7	1422.8	7904.5	29.2	6676.8	28.5	1227.6	32.7
II	EUROPE	5598.3	4822.4	775.8	4569.4	20.4	3981.9	21.3	587.5	14.7
III	ASIA	4351.2	3745.8	605.3	3012.9	0.2	2586.5	-0.4	426.4	3.6
IV	SOUTH AMERICA	470.8	455.9	14.9	375.4	16.7	364.5	15.6	10.9	37.6
V	OCEANIA	405.0	359.1	45.9	289.4	3.8	258.2	4.2	31.2	0.6
VI	DIFFERENT	408.6	263.2	145.3	298.9	17.5	192.8	16.2	106.1	19.9
	Total	20779.2	17769.2	3010.0	16450.5	19.4	14060.7	19.1	2389.8	20.9

TABLE 6. TOP 05 VIETNAM'S LEATHER AND FOOTWEAR EXPORT MARKET

NO	MARKET	2021					7 months - 2022				
		Sum (Million USD)	Footwear		Handbag		Sum (Million USD)	Footwear		Handbag	
			Million USD	% Value share	Million USD	% Value share		Million USD	% Value share	Million USD	% Value share
1	USA	8764.6	7436.8	51.7	1327.8	53.5	7215.6	6103.3	53.4	1112.3	56.1
2	EU(27)*	4702.7	4042.8	28.1	659.9	26.6	3946.9	3425.2	30.0	521.7	26.3
3	China	1718.3	1595.7	11.1	122.5	4.9	1007.4	935.1	8.2	72.3	3.6
4	Japan	1066.7	807.3	5.6	259.4	10.5	804.0	604.1	5.3	199.9	10.1
5	Korea	614.3	503.5	3.5	110.8	4.5	445.7	367.5	3.2	78.2	3.9
	Total	16866.5	14386.1	100	2480.4	100	13419.6	11435.2	81.3	1984.4	83.0

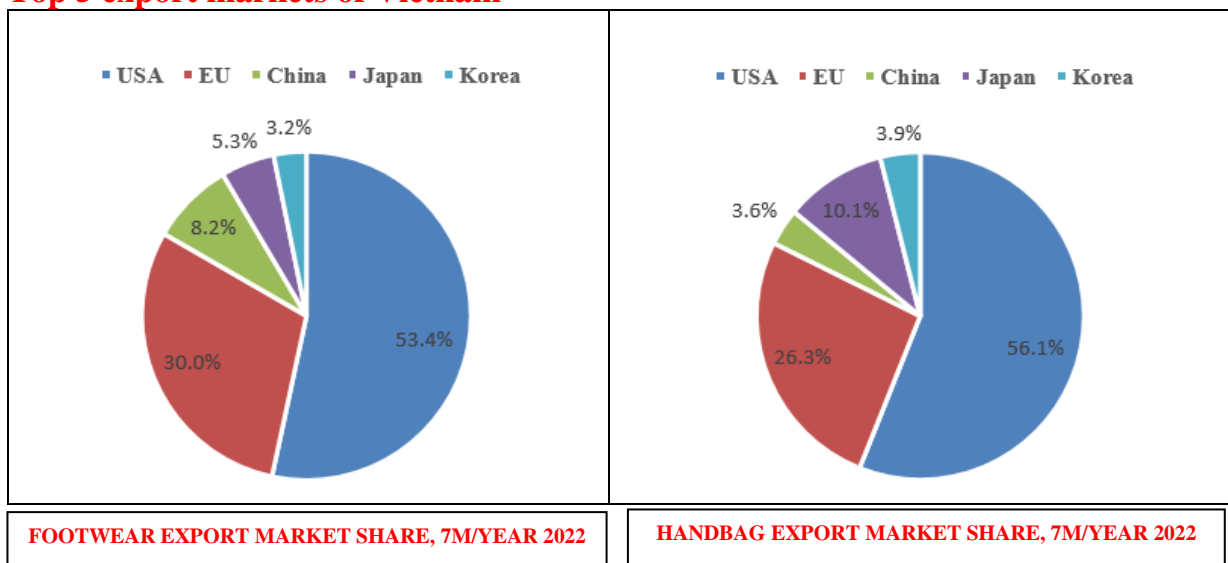
Top 5 export markets of Vietnam

Figure 2: Vietnam leather and footwear export market share in 5 key markets in the first 7 months in 2022

TABLE 7: TOP 15 EXPORTING MARKETS OF LEATHER AND FOOTWEAR OF VIETNAM

(Unit: Million USD)

(Source: GDC)

NO	Market	2021			7 months - 2022					
		Sum	Footwear	Handbag	Sum		Footwear		Handbag	
		Value	Value	Value	Value	Incr. %	Value	Incr. %	Value	Incr. %
1	USA	8764.6	7436.8	1327.8	7215.6	28.3	6103.3	28.4	1112.3	28.0
2	China	1718.3	1595.7	122.5	1007.4	-15.8	935.1	-15.7	72.3	-16.9
3	Japan	1066.7	807.3	259.4	804.0	8.3	604.1	5.8	199.9	16.9
4	Belgium	1211.5	1130.7	80.8	1015.5	24.8	949.3	25.3	66.2	18.0
5	Germany	990.3	843.7	146.6	888.0	28.3	774.0	31.0	114.0	12.9
6	Netherlands	902.6	714.7	188.0	760.0	24.2	602.8	22.7	157.3	30.2
7	Korea	614.3	503.5	110.8	445.7	7.0	367.5	6.7	78.2	8.7
8	U.K.	636.4	545.5	90.9	491.7	16.6	429.5	18.1	62.1	7.5
9	France	549.3	450.9	98.4	450.3	16.1	375.1	16.7	75.2	13.5
10	Canada	458.6	369.1	89.5	458.2	54.1	350.0	42.4	108.2	109.7
11	Italy	353.8	275.1	78.7	294.5	26.1	237.3	31.3	57.2	8.5
12	Australia	355.6	309.8	45.9	257.1	4.0	225.9	4.5	31.2	0.6
13	Mexico	321.0	315.5	5.5	230.7	15.8	223.5	14.7	7.1	0.0
14	HongKong	184.6	115.6	69.1	117.2	0.1	79.6	12.3	37.5	-18.7
15	Spain	237.7	217.1	20.6	195.3	29.2	175.5	25.6	19.8	74.6
Total 15		18365.4	15631.0	2734.4	14631.1	20.4	12432.5	20.1	2198.6	22.3
Value share,%		88.4	88.0	90.8	88.9%		88.4		92.0	

1.3. FOOTWEAR EXPORT TO FTA'S MARKETS

Continuing to reflect the rapid recovery after the Covid-19 pandemic, Vietnam's leather and footwear exports to the EVFTA, CPTPP and UKVFTA regional markets still grew strongly (22,8%, 17,3% and 16,6,% respectively). Particularly, the EAEU market, due to the impact of the conflict between Russia and Uganda, has created a huge crisis, so the growth rate has decreased greatly (-60,0%). ASEANrecovers with rebound (13,1%).

TABLE 8. EXPORTING LEATHER AND FOOTWEAR TO FTA MARKETS IN 7 MONTHS, 2022

(Unit: Million USD)

NO	AREA	SUM			FOOTWEAR			HANDBAG		
		USD	Increase %	Density, %	USD	Increase %	Density, %	USD	Increase %	Density, %
1	ASEAN	228.5	13.1	1.39	213.0	15.3	1.52	15.5	-10.1	15.5
2	CPTPP	2044.6	17.3	12.4	1682.6	14.4	12.0	361.9	32.6	15.1
3	EAEU	45.1	-60.0	0.27	41.4	-57.3	0.29	3.7	-76.5	0.15
4	EVFTA	3929.5	22.8	23.9	3407.8	23.4	24.2	521.7	18.9	21.8
5	UKVFTA	491.7	16.6	3.0	429.5	18.1	3.1	62.1	7.5	2.6

TABLE 9. VIETNAM'S LEATHER AND FOOTWEAR EXPORT TO ASEAN COUNTRIES

(Unit: Million USD)

NO	Countries	2021			7 months - 2022					
		Sum	Footwear	Handbag	Sum		Footwear		Handbag	
		Value	Value	Value	Value	Incr. %	Value	Incr. %	Value	Incr. %
1	Singapore	95.7	87.0	8.8	71.3	10.2	64.1	9.0	7.2	22.6
2	Thailand	54.1	51.7	2.4	35.2	-14.4	35.2	-9.1	-	-
3	Malaysia	55.3	43.5	11.7	45.8	12.5	37.5	18.2	8.3	-7.7
4	Philippines	29.5	29.5	-	35.3	71.3	35.3	71.3	-	-
5	Indonesia	49.8	49.8	-	41.0	17.4	41.0	17.4	-	-
Total ASEAN 5		284.4	261.5	22.9	228.5	13.1	213.0	15.3	15.5	-10.1
Value share, %		1.37	1.47	0.76	1.39		1.52		0.65	

* Note: The ATIGA Agreement came into force on May 17, 2010. (Source: GDC)

TABLE 10. VIETNAM'S LEATHER AND FOOTWEAR EXPORT TO CPTPP COUNTRIES

NO	Market	2021			7 months - 2022					
		Sum	Footwear	Handbag	Sum		Footwear		Handbag	
		Million USD	Million USD	Million USD	Million USD	Incr. %	Million USD	Incr. %	Million USD	Incr. %
1	Japan	1066.7	807.3	259.4	804.0	8.3	604.1	5.8	199.9	16.9
2	Canada	458.6	369.1	89.5	458.2	54.1	350.0	42.4	108.2	109.7
3	Australia	355.6	309.8	45.9	257.1	4.0	225.9	4.5	31.2	0.6
4	Mexico	321.0	315.5	5.5	230.7	15.8	223.5	14.7	7.1	64.5

5	Chile	129.2	127.4	1.7	104.2	21.6	104.2	21.6	-	-
6	Singapore	95.7	87.0	8.8	71.3	10.2	64.1	9.0	7.2	22.6
7	Malaysia	55.3	43.5	11.7	45.8	12.5	37.5	18.2	8.3	-7.7
8	Peru	51.3	51.3	-	41.0	16.8	41.0	16.8	-	-
9	New Zealand	49.3	49.3	-	32.3	2.4	32.3	2.4	-	-
10	Brunei	-	-	-	-	-	-	-	-	-
Total CPTPP		2582.8	2160.2	422.5	2044.6	17.3	1682.6	14.4	361.9	32.6
Value share, %		12.4	12.2	14.0	12.4		12.0		15.1	

* Note: The CPTPP Agreement came into force on January 14, 2019. (Source: GDC)

TABLE 11. VIETNAM'S LEATHER AND FOOTWEAR EXPORT TO EAEU COUNTRIES

NO	Market	2021			7 months - 2022					
		Sum	Footwear	Handbag	Sum		Footwear		Handbag	
		Million USD	Million USD	Million USD	Million USD	Incr. %	Million USD	Incr. %	Million USD	Incr. %
1	Russian Federation	166.1	141.1	25.0	45.1	-60.0	41.4	-57.3	3.7	-76.5
2	Belarus	-	-	-	-	-	-	-	-	-
3	Armenia	-	-	-	-	-	-	-	-	-
4	Kazakhstan	-	-	-	-	-	-	-	-	-
5	Kyrgyzstan	-	-	-	-	-	-	-	-	-
Total EAEU		166.1	141.1	25.0	45.1	-0.6	41.4	-0.6	3.7	-0.8
Value share, %		0.8	0.79	0.83	0.27		0.29		0.15	

* Note: The VN-EAEU FTA came into force on October 5, 2016. (Source: GDC)

TABLE 12. VIETNAM LEATHER AND FOOTWEAR EXPORT TO EU COUNTRIES (million USD)

NO	Market	2021			7 months - 2022					
		Sum	Footwear	Handbag	Sum		Footwear		Handbag	
		Value	Value	Value	Value	Incr. %	Value	Incr. %	Value	Incr. %
1	Germany	990.3	843.7	146.6	888.0	28.3	774.0	31.0	114.0	12.9
2	Belgium	1211.5	1130.7	80.8	1015.5	24.8	949.3	25.3	66.2	18.0
3	Netherlands	902.6	714.7	188.0	760.0	24.2	602.8	22.7	157.3	30.2

4	Spain	237.7	217.1	20.6	195.3	29.2	175.5	25.6	19.8	74.6
5	Italy	353.8	275.1	78.7	294.5	26.1	237.3	31.3	57.2	8.5
6	France	549.3	450.9	98.4	450.3	16.1	375.1	16.7	75.2	13.5
7	Sweden	98.3	73.6	24.7	84.9	20.8	65.9	23.8	19.0	11.4
8	Denmark	9.2	7.0	2.2	18.7	169.7	15.7	172.4	3.0	156.4
9	Czech Rep	92.1	92.1	-	54.2	-4.5	54.2	-4.5	-	-
10	Austria	26.4	15.8	10.6	18.5	8.9	15.1	34.6	3.4	-41.3
11	Poland	50.2	41.9	8.3	38.4	5.7	31.7	2.9	6.7	21.5
12	Greek	-	-	-	-	-	-	-	-	-
13	Finland	16.6	16.6	-	2.8	-78.7	2.8	-78.7	-	-
14	Slovenia	98.8	98.8	-	67.4	7.7	67.4	7.7	-	-
15	Portugal	1.1	-	1.1	-	-	-	-	-	-
16	Slovakia	-	-	-	-	-	-	-	-	-
17	Luxembourg	39.9	39.9	-	38.2	43.6	38.2	43.6	-	-
18	Bungaria	1.5	1.5	-	-	-	-	-	-	-
19	Serbia	7.6	7.6	-	2.8	-41.0	2.8	-41.0	-	-
	Other countries / regions	-	-	-	-	-	-	-	-	-
	Total EU	4686.8	4026.9	659.9	3929.53	22.8	3407.8	23.4	521.7	18.9
	Value share, %	22.6	22.7	21.9	23.9		24.2		21.8	

(*Including England)

(Source: GDC)

2. IMPORT DATA OF EQUIPMENT AND LEATHER

In the first 7 months of 2022, equipment imports reached 73,7 million USD (decrease -4,2%) and leather imports reached 1080,9 million USD (up 2.24%) over the same period in 2021, reflecting that new investment is still limited after the Covid-19 pandemic.

TABLE 13. IMPORT MARKET OF LEATHER AND FOOTWEAR MACHINES AND EQUIPMENT

(HS: 845310; 845320; 845380; 845390)

(Million USD)

Market	2017	2018	2019	2020	2021	7 months - 2022		
						USD	Density 2022, %	Increase compared to 7M/2021,%
China	66	65	80	45.6	72.38	46.09	62.5	-1.6

Taiwan	52	41	48.7	29.0	28.21	19.37	26.3	1.2
Korea (Republic)	16	18.3	17	7.5	7.79	3.80	5.2	-36.6
Italy		10	15	4.9	5.70	3.71	5.0	-13.7
Germany	20	18.2	0.5	2.7	-	-	-	-
United States	-	-	-	-	-	-	-	-
France	-	-	-	-	1.19	-	-	-
Switzerland						0.08	0.1	-
Other countries / regions	-	-	-	-	1.47	0.65	0.9	-8.9
Sum	168	155.5	164.8	92.8	117.16	73.70	100.0	-4.2

(Source: GDC)

TABLE 14. LEATHER IMPORT MARKET (HS: 4107-4115)

(Million USD)

No	Market	2018	2019	2020	2021	7 months - 2022		
						7M 2022	Density 2022, %	Increased vs 7M/2021,%
1	China	325	380	378.1	513.7	352.87	32.65	5.17
2	Italy	244	239	193.0	239.4	117.83	10.90	-28.35
3	Thailand	232	241	195.9	183.4	150.40	13.91	24.84
4	South Korea	161	178	112.6	124.3	78.16	7.23	-5.25
5	Taiwan	124	99	71.8	75.3	53.47	4.95	15.45
6	India	109	88	56.3	60.6	43.07	3.98	12.09
7	USA	114	125	79.5	144.2	79.28	7.34	0.04
8	Brazil	70	69	58.5	95.7	49.70	4.60	-8.20
9	Argentina	36	28	17.1	14.8	18.62	1.72	110.31
10	Mexico	29	27	17.3	13.8	11.52	1.07	63.24
11	Pakistan	26	25	18.7	24.7	19.80	1.83	42.46
12	Uruguay	12	9	1.8	1.1	-	-	-
13	Hong Kong	16	16	7.5	2.3	1.15	0.11	-49.92
14	Australia	14	8	5.3	17.6	8.22	0.76	-24.24
15	South Africa	8	9	1.3	-	-	-	-
16	Japan	-	-	-	-	10.18	0.94	149.30
17	Indonesia	-	-	-	-	13.97	1.29	163.97
18	Brother	-	-	-	-	2.11	0.20	52.94
19	Turkey	-	-	-	-	1.30	0.12	-
20	Paraguay	-	-	-	-	1.33	0.12	-
	Other countries / regions	-	-	-	107.3	57.46	5.32	-21.11

	Sum	1.628	1.671	1343.8	1618.2	1080.9	100	2.24
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(Source: GDC)