

Vietnam trade balance in November

Remarkable signals

The trade surplus in November suddenly jumped up to USD1.45 billion

- The Vietnam Customs data showed a trade surplus of USD1.45 billion in November, raising total trade surplus in the first 11 months of 2019 to USD10.94 billion – the highest ever.
- Domestic economic sector had a trade deficit of USD1.97 billion, while FDI sector (crude oil included) witnessed a deficit of USD3.42 billion.

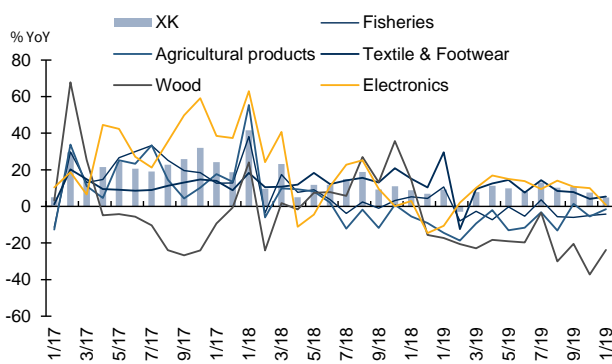
Remarkably, import growth showed signs of sharp declines

- The import turnover in November was only USD 21.34 billion, -1.18% YoY, which is the first negative growth after 18 months.
- *Machineries – equipment and materials – components have plunged since August*, although November – December is the peak time for importing raw materials to serve the production process in the first quarter of next year.
- It can be seen that after the surging period (2017 – 2018), thanks to the relocation of factories, import growth has ground to a standstill, especially in FDI enterprises, which is in line with the global economic slowdown.

Export growth also decelerated in some key export groups

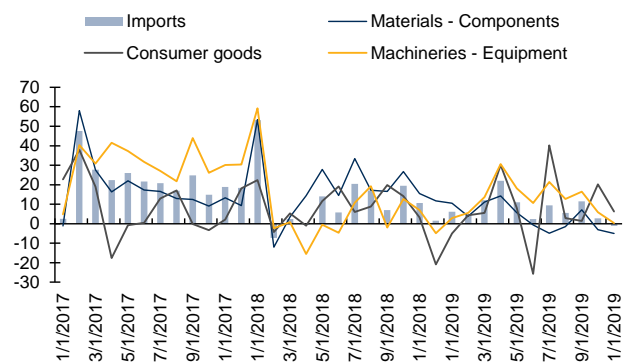
- Export turnover in November hit USD 22.79 billion, +4.8 YoY, which is the lowest in the past 10 months.
- Electronics and textile have not rebounded yet (stayed flat in the last 10 months), while the wood export growth posted strong losses. The Ministry of Industry and Trade tightened control of plywood imported from China and exported to the US, which may be the main reason for the plunge in wood exports recently.

Fig 1. Exports growth



Source: Vietnam Customs, KB Securities Vietnam

Fig 2. Imports growth



Source: Vietnam Customs, KB Securities Vietnam

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(based on expectations for absolute price gains over the next 6 months)

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(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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