



Vietnam Textile & Apparel Orientation of Sustainable Development

Mr. Vu Duc Giang, Chairman, VITAS, Vietnam

ENGLISH TRANSLATION

**ITMF Annual Conference 2019
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Dear Mr. Kihak Sung – President of ITMF

Dear Mr. Sun Rui Zhe – Vice President of ITMF

Dear Mr. K.V. Srinivasan – Vice President of ITMF

Ladies and gentlemen,

It's my honour and pleasure to be here today to share with you a few words about the Vietnamese textile and garment industry's way to global integration and development.

In 1999, Vietnam's textile and garment industry exports were only USD 1.75 billion.

For 2019, Vietnam's textile and garment exports are expected to reach USD 39.5 billion, while domestic sales revenue will amount to USD 4.5 billion. Hence, the country's total production value will reach around USD 44 billion.

Ladies and gentlemen,

ITMF is the world's number one organization when it comes to strategic information about machinery for spinning, texturing, weaving, knitting as well as dyeing and finishing.

With its global reach and connectivity, ITMF provides a unique platform not only for the exchange of information about trends in textile machinery investments but also about:

- fibre consumption,
- impact of new technologies steaming from industry 4.0,
- more sustainable use of energy,
- or the growing importance of recycling and circularity.

Ladies and gentlemen,

Vietnam's textile and garment industry has achieved the following:

1. The average annual export and production growth rate ranges between 10-12%.
2. Investments shifting to rural areas, are offering employment among the rural population. At present, there are more than 3.5 million workers employed in the country's textile and garment industry.

3. Investments in 4.0 automation technology in spinning, weaving & knitting, dyeing & finishing, sewing and fashion design have brought about significant breakthrough in the industry's development.

Regarding spinning, many factories have invested in automation from A to Z, cutting down its headcounts by 50%; automation has been applied also at each stage of the sewing process; many factories of knitwear have increased the level of automation; as for printing and fashion design, new applications of industry 4.0 technology has increased significantly.

4.0 technology has enabled companies in a significant manner to reduce time and speeding up the fulfillments of orders.

4. Human resource training and development has been conducted to meet the higher global demand for textile and garments from Vietnam.

5. Modern, active and creative governance solutions have been applied, increasing productivity, reducing working time, raising income among workers, motivating companies with stable capacities, quality and skilled workers to improve and adopt 4.0 technology.
6. Measures to attract investments in insufficient supply of woven, dyed, and premium fabrics, etc. have been introduced to cater to the needs of the global supply chain.
7. Market development strategies have been developed to proactively turn from CMT to FOB, OBM, ODM, developing models for spinning, weaving, dyeing, printing, sewing and washing.
8. Vietnam has now signed 16 FTAs including EVFTA, CPTPP, especially new generation FTAs helping to bring tariffs down to zero.

9. Vietnam has a stable political and economic environment; it has become a part of the global supply chains and values transparency.

We invite you – the ITMF members who attend the Conference today, - the partners to come to Vietnam and invest in spinning, weaving, dyeing, or printing, – which see shortfall in supply.

We will mutually reap the benefits from tariff incentives thanks to the FTAs which Vietnam has signed.

We would like to call for the brands improved responsibilities on purchasing prices, payment methods, creating opportunities for companies and their employees to enjoy higher income levels and better living standards.

I need you and you need me/we all need each other.

10. Mr. President, on this occasion I would like to express the wish that VITAS would like to invite the ITMF to hold the ITMF Annual Conference in Vietnam as soon as possible.

To conclude, I would like to wish you all health and success.
Furthermore, I hope that ITMF will continue to grow and expand its
membership in Vietnam and beyond.

Thank you very much!