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**THE ROLE OF THAI NGUYEN GARMENT INDUSTRY ENTERPRISES  
IN THE INTEGRATING ECONOMY**

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**Abstract**

Garment is an industry that occupies an important position in the economic development process in Vietnam [1]. In recent years, the garment industry has had a strong development, attracting many workers, is an economic sector occupying an important position in the whole industry in particular and the whole economy in general. For Thai Nguyen province, developing the garment industry is a completely right direction, contributing to creating jobs for laborers, increasing the GDP scale of the province and contributing to raising the national garment industry's brand name.

**Keywords:** enterprises, garment industry, economy, integration, Thai Nguyen

**1. Introduction of garment enterprises in Thai Nguyen province**

As of December 31, 2020, in Thai Nguyen province, there are 39 enterprises registered to do business in the garment industry. The scale of garment enterprises increases every year, in 2016 there are only 14 enterprises, by 2020 there are 39 enterprises, the number of business registered capital increases: in 2016 only registered capital was 2,473.6 billion VND, by 2019 it will reach 3,569,4 billion dong and in 2020 it will reach 3,869.7 billion dong. With the increase of enterprises, it creates jobs for laborers in the province: in 2016 there were 16,851 laborers participating in garment enterprises, in 2020 there were 21,302 workers, this number of workers includes workers in all ministries. functional departments of the enterprise [2].

The key enterprises for the garment industry in Thai Nguyen province are typical in terms of scale, products, market and labor such as: TNG Investment and Trading Joint Stock Company, TDT Investment and Development Joint Stock Company, Shinwon Co., Ltd. Ebenezer Hanoi, X20 Thai Nguyen One Member Limited Liability Company, Vina Garment Garment Export Co., Ltd, Thagaco International Investment Joint Stock Company, Thanh Hung Garment Joint Stock Company... [3]

Table 1: Some development indicators of garment enterprises in Thai Nguyen province in the period 2016-2020

Year	Number of businesses	Number of employees (person)	Business registered capital (Billions dong)	Net Revenue (Billions dong)	Export value of garment products (Million dollars)
2016	14	16.851	2.473,6	2.767,1	207,84
2017	16	17.631	2.757,1	2.791,6	250,17
2018	18	18.075	3.169,1	3.520,6	310,00
2019	30	21.375	3.569,4	4.881,2	380,72
2020	39	21.302	3.869,7	3.904,8	408,21
Average growth rate for the period 2016-2020 (%)	29,19	6,03	11,84	8,99	18,38

(Source: Thai Nguyen Provincial Statistical Yearbook 2016-2020)

Garment enterprises have an annual increase in net revenue from production and business activities, reaching VND 2,767.1 billion in 2016 and VND 3,904.8 billion in 2020, the average growth rate in the 2016-2020 period is 8.99%. In terms of annual increase in export value, in 2016 reached 207.84 million USD, in 2020 reached 408.21 million USD, the growth rate of export value of the industry in the period 2016-2020 reached 18.38%.

2020 is the year of unexpected developments of the Covid-19 epidemic, so it has affected garment exports, businesses arrange their workforce to alternate jobs to ensure wages, but the world fluctuates in consumption and There was a decrease in garment orders, so the average income of workers was 5,841 thousand VND. However, by the end of 2020, garment enterprises have recovered more than the beginning of the year, instead of clothing orders, garment enterprises have partly converted to provide domestic and foreign markets with epidemic prevention products such as medical equipment, so the salary of workers in the garment industry in Thai Nguyen province is less difficult.

## **2. The situation of products, markets and technology of garment enterprises in Thai Nguyen province**

### *2.1. About products, markets*

The garment consumption market of Thai Nguyen province's garment industry is to develop fields suitable to the general market of Vietnam's textile and garment industry, depending on the international textile market and strategic goals of Vietnam Textile and Garment. South, focusing on the domestic market.[4]

As for the export market, the garment industry in Thai Nguyen province is focusing on the US, EU, Canada, Japan, Korea, etc. Below is the market structure of Thai Nguyen's garment industry:

Unit: %

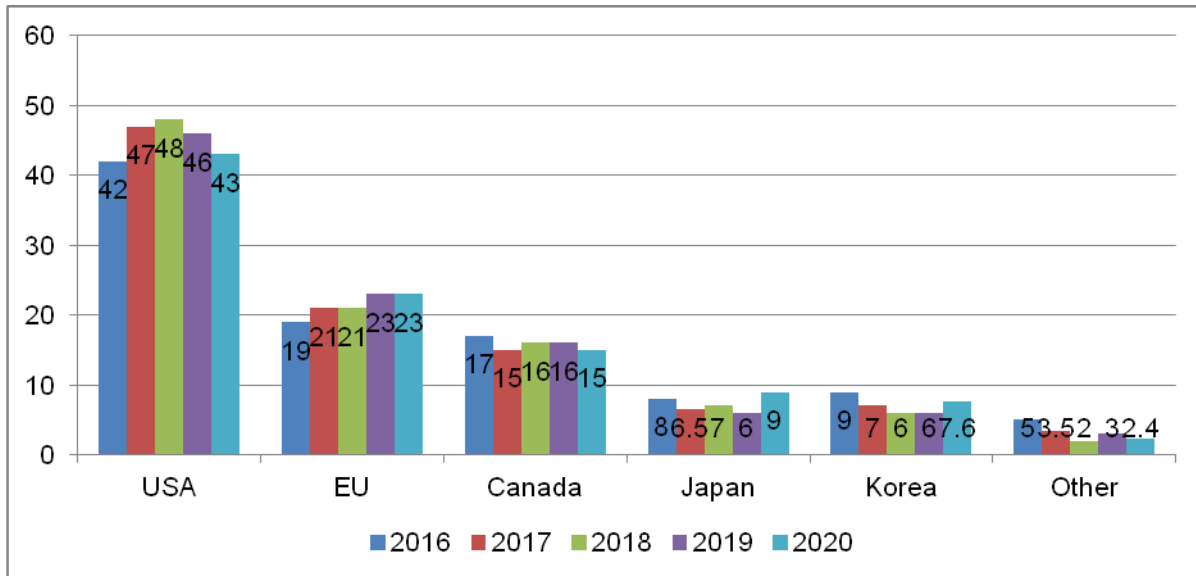


Figure 1: Export market of garment enterprises in Thai Nguyen province in the period 2016-2020 (Source: Thai Nguyen garment business report for the period 2016-2020)

The key markets of Thai Nguyen's garment industry are the US (over 40%), the EU (about 20%), Canada about 15%, the Japanese and Korean markets about 6-8%, the rest are a few countries in the ASEAN region.

For the domestic retail market, a number of enterprises such as TNG Investment and Trading Joint Stock Company have developed a strong retail channel in the last 5 years, distribution channels such as independent stores, agent systems, etc., bringing products into the system of supermarkets, high-end trade centers, and partly through direct channels (under contracts from organizations ordering uniforms for employees, schools).

The main garment products of garment enterprises in the province are garments for export according to orders from partners. Typical products such as jackets, cargo shorts, cotton sheets, cartons, PE bags, PP, industrial printing, industrial embroidery, seasonal office fashion products, etc. Specialized customers for men (shirts, T-shirts, life jackets), women (shirts, pants, skirts, skirts, life jackets), children (T-shirts, life jackets, ...). Enterprises have applied product quality management system according to international standards such as: ISO 9001 quality system, ISO 14001 environmental management system and SA 8000 social responsibility system. Special advanced management tools for production and business activities of garment enterprises, contributing to affirm the quality and brand of products in the garment industry in Thai Nguyen province.

2.2. About technology

Vietnamese sewing machines are mainly sourced from China, Japan and Taiwan, in which the proportion of sewing machines imported from China accounts for the highest proportion (58%). Sewing machinery and equipment tend to be automated at simple production stages such as cutting and sewing, selecting only short, buttonholes, etc. To invest in machinery and equipment, a large capital investment is required, but Currently, the majority of garment manufacturing units in Vietnam are small and medium-sized, and do not have enough capital to import highly automated machines. Garment enterprises in Thai Nguyen province are not outside the trend of using sewing technology of the industry. Thus, the garment industry uses a lot of labor for the final product finishing stages, which is a large labor-intensive industry.

3. Contribution of garment enterprises to Thai Nguyen province's economy

Thai Nguyen's garment industry is an industry that holds an important position in job creation, tax contributions to the state and contributes to increasing the total retail sales of goods in the area.

Table 2. Contribution of garment enterprises in Thai Nguyen province to the province's economy in the period 2016-2020

Year	Average income of employees/month (1000 VND)	Total retail sales * (billion VND)	In which: garments (billion VND)	Contribution rate of apparel retail/Total retail sales of goods (%)
2016	4.194	20.498,1	1.530,9	7,47
2017	5.133	22.818,2	1.772,3	7,77
2018	6.055	25.759,3	2.012,4	7,81
2019	6.586	29.307,6	2.270,5	7,75
2020	5.841	31.568,7	2.387,0	7,56
Average growth rate for the period 2016-2020 (%)	8,63	11,40	11,74	0,31

Note: \* Sort by commodity group

(Source: Thai Nguyen Provincial Statistical Yearbook 2016-2020)

Table 2 shows that the average income of workers in the guaranteed month: 2016 reached 4,194,000 VND/month, and in 2019 reached 6,586 thousand VND/month. Garment enterprises distribute most of the administrative units in the province, such as TNG Investment and Trading JSC (with branches in 7/9 districts/cities/towns), First Joint Stock Company TDT Investment and Development (has branches in 2/9 administrative units, namely Dai Tu district and Phu Binh district), Shinwon Ebenezer Hanoi Co., Ltd (Song Cong City), X20 Thai Nguyen One Member Co., Ltd. (Dong Hy district), Vina Garment Garment Export Company Limited (Thai Nguyen City), Thagaco International Investment Joint Stock Company (Dai Tu District), Thanh Hung

Garment Joint Stock Company (Thai Nguyen City),... create jobs for rural laborers. In some upland districts such as Vo Nhai and Dinh Hoa, although there are still very few garment enterprises or enterprises' branches, these enterprises have attracted large-scale labor recruitment and have used the local labor supply in the provinces. this district for the sector.

#### **4. Conclusion**

The scale of Thai Nguyen's garment industry is confirmed by the proportion of retail contribution of the garment group to the total retail sales in the province. In the period 2016-2020, the garment industry holds an important position, the contribution of the retail industry is about over 7% annually, after industry groups such as food, food; household appliances, tools and equipment; vehicles; gasoline, fuel of all kinds. Thus, it can be seen that the garment industry plays an important role in the socio-economic development of Thai Nguyen province in recent years.

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