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Workers Scatter as Ho Chi Minh Sanctions Lengthy New Lockdown

By Chuck Dobrosielski



A motorcyclist drives past a poster calling people take care of their health against COVID-19 in Hanoi, Vietnam on Tuesday, Apr.14, 2020. (AP Photo/Hau Dinh)

Fashion is at a crossroads: continue with cutting-edge strategies developed to persevere during Covid or slide back into familiar (yet unprofitable) habits? Get the experts' perspective at our in-person Sourcing Summit, Oct. 19 at New York's Cipriani 42nd Street.

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Vietnam's most populous city extended social distancing restrictions another month, a state-run site announced Sunday.

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The decision came five days after the central government ordered Ho Chi Minh City “to double efforts to control the Covid-19 pandemic prior to September 15.” Officials urged neighboring provinces Binh Duong, Long An and Dong Nai to contain the pandemic by Sep. 1. Other localities undergoing social distancing were given an Aug. 25 deadline.

Manufacturers have been allowed to continue operations amid the restrictions so long as they follow a “3 on-site” rule that requires working, eating and sleeping all occur on factory premises. Not all, however, have been able to go this route.

At the beginning of the month, Vu Duc Giang, chairman of the Vietnam Textile and Apparel Association (VITAS), reported that surging Covid-19 rates had forced 30 percent to 35 percent of Vietnam's apparel and footwear factories to suspend operations—a significant number for a country that recently became the world's second-largest apparel exporter. Most of these businesses, he noted, are unable to afford the live-work accommodations that support the “3 on-site” rules.

Footwear giants like Nike, Adidas and Puma have felt the crunch of the temporary closures. In a call with investors this month, Adidas estimated that supply chain delays and new Covid-19 lockdowns in Asia—as well as tensions with China—could amount to more than 500 million euros (\$592 million) in lost sales in the second half of the year. The German company said it hoped to be able to restart production after authorities lifted the lockdown in the nation's southern region, then scheduled to end Aug. 15.

Unemployment, combined with the latest extension in restrictions, has prompted thousands of jobless workers to attempt to flee Ho Chi Minh City for their hometowns, according to Reuters. Fears that these individuals would further spread the virus reportedly led officials to place roadblocks around the city. According to the Vietnamese government's online “newspaper,” Ho Chi Minh City accounted for 54 percent of the country's national Covid-19 patient tally and nearly 80 percent of total deaths as of Sunday.

After largely escaping the worst of the pandemic for more than a year, coronavirus cases soared in Vietnam last month. The rolling seven-day average of daily new cases stood at just 486 on July 1, according to Our World in Data, which gets its numbers from Johns Hopkins University of Medicine data. Infections climbed in the days and weeks that followed. On July 9, Ho Chi Minh City and Dong Nai implemented social distancing measures that were set to expire after 15 days. The restrictions—known as Directive 16—banned non-essential services and businesses.



A sidewalk is cordoned off in Ho Chi Minh City, Vietnam amid social distancing restrictions in late July.

Cases, however, continued to climb, with average daily infections hitting 2,497 July 15. On July 23, Ho Chi Minh City renewed the restrictions for another week until Aug. 1. When that day came, the country was reporting 8,048 new cases per day and the city announced it would extend the rules another two weeks.

Vietnam's infection numbers have stayed relatively more stable this month, if still high. Daily cases have generally trended upward, with the country's Ministry of Health reporting more than 9,000 cases four times in the past week—including Saturday, when Vietnam hit a pandemic peak of 9,710 domestic infections. On Monday, the ministry reported 8,644 domestic cases, less than 50 more than the 8,597 it reported Aug. 1.

The American Apparel and Footwear Association has implored the Vietnam government to make vaccinating workers in the apparel, footwear and travel goods production sectors a top priority.

“The U.S. has already provided 5 million doses, but we are advocating with our government [to] supply more on an urgent basis. We urge you to underscore this message and request such support as an urgent priority,” AAFA CEO Steve Lamar wrote in a letter to Prime Minister Phạm Minh Chính last month. “We hope that you will prioritize these donated materials with these key industries and in the south, which has both a high concentration of new [Covid-19] cases and economic activity critical to the health of the economy.”

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