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# VIETNAM'S FISHERIES AND AQUACULTURE DEVELOPMENT'S POLICY: ARE EXPORTS PERFORMANCE TARGETS SUSTAINABLE?”

HONG THI KHANH NGUYEN<sup>1</sup>, PHAN THI THU HIEN<sup>2</sup>, TRAN THI NANG THU<sup>3</sup> AND PHILIPPE LEBAILLY<sup>1</sup>

<sup>1</sup> GEMBLoux AGRO BIOTECH, UNIVERSITY OF LIÈGE, BELGIUM

<sup>2</sup> FACULTY OF ECONOMICS AND INTERNATIONAL BUSINESS, FOREIGN TRADE UNIVERSITY, VIETNAM

<sup>3</sup> FACULTY OF FISHERIES, VIETNAM NATIONAL UNIVERSITY OF AGRICULTURE, HANOÏ, VIETNAM



# AGENDA

- Background
  - Vietnam' seafood export performance
  - Major concerns on sustainability issues
  - Master plan on fish and aquaculture development to 2020, vision 2030
  - Recommendations
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# BACKGROUND: GLOBAL SEAFOOD TRADE

- Seafood is one of the most traded groups of food products in the world.
- Increasing pressure on natural resources, marine environment protection and negative socio-economic impacts.
- Global fisheries and aquaculture trade faces many challenges.
- The sectors will have to embrace reform that will put them on the path to greener growth and long-term sustainability (OECD, 2016)

# BACKGROUND: SEAFOOD TRADE OF VIETNAM

- A leading commodity production industry and a cornerstone of Vietnam's economy
- Annual growth rate of productivity approximately 7.9% per year
- Vietnam' fishery and aquaculture achievements
  - + ranking in the top 10 leading fishery exporting countries
  - + Contributing an estimated 4-5% of Vietnam's GDP.
  - + Seafood is a major exporting commodity of Vietnam
  - + Around 4 million jobs throughout the country

# BACKGROUND: VIETNAM'S INTEGRATION PROCESS

- Becoming a member of the World Trade Organization (WTO) in 2007
- Contracting member in numerous FTAs: ATIGA, ASEAN+ Free Trade Agreements (FTA) with China, Japan, Korea, India, Australia, and New Zealand.
- In 2015: Signed Trans-Pacific Partnership (TPP) agreement and Vietnam – EU FTA (EVFTA)
- October 2016 the FTA between Vietnam and States of Eurasian Economic Union (EAEU) came into force.

# VIETNAM'S SEAFOOD TRADE PERFORMANCE

Vietnam Seafood Exports by Value: 2005-2015

Year	Value (Million US\$)	Growth rate (%)
2005	2,697	
2006	3,325	23.29
2007	3,762	13.14
2008	4,500	19.62
2009	4,250	(5.56)
2010	5,033	18.42
2011	6,089	20.98
2012	6,076	(0.21)
2013	6,677	9.89
2014	7,775	16.44
2015	6,558	(15.65)

# VIETNAM'S SEAFOOD TRADE PERFORMANCE

## Vietnam Seafood import over export value: 2011-2015

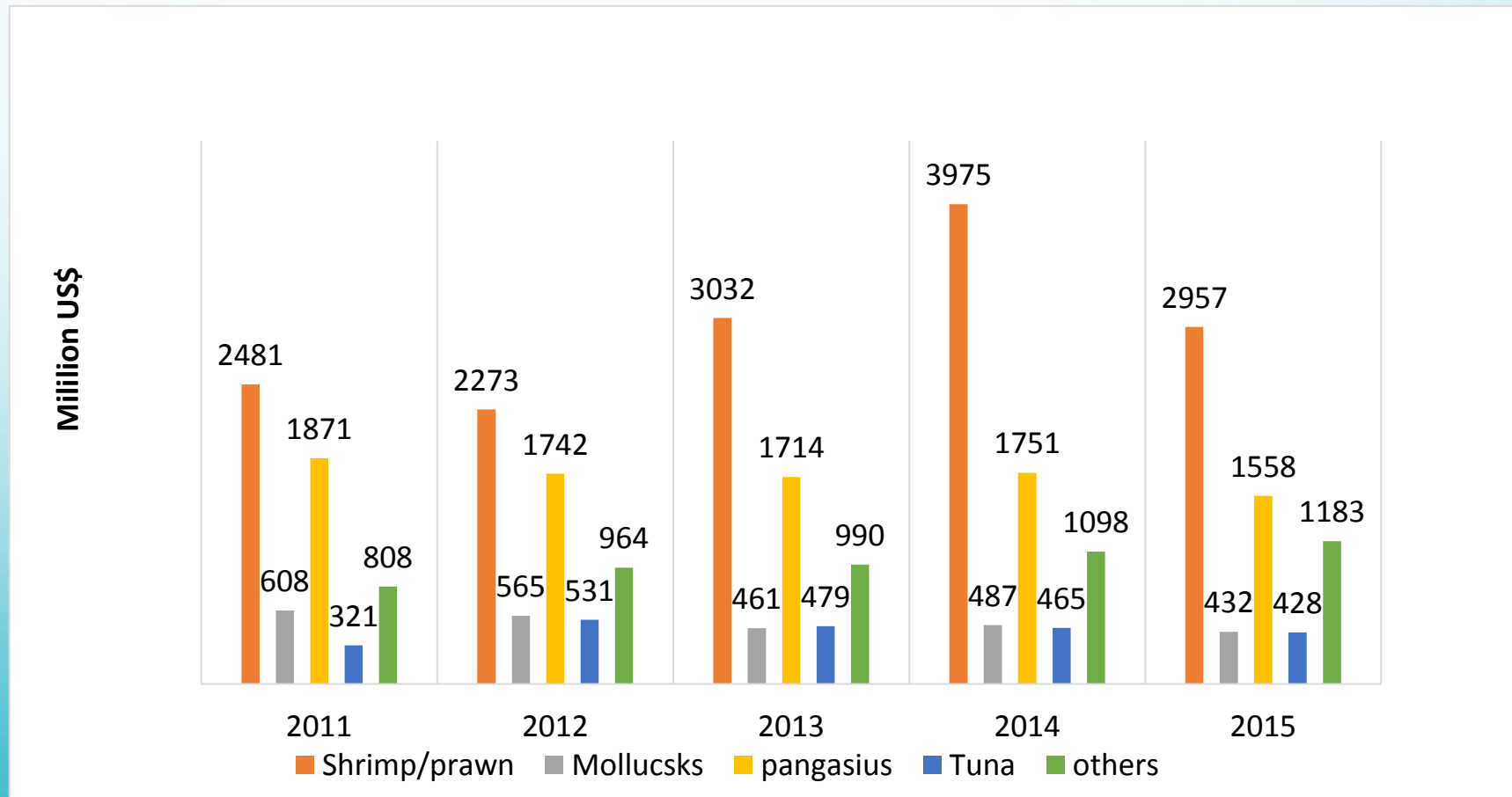
(Source: GDVC, 2016)

	2011	2012	2013	2014	2015
	Value (\$US mil)	Value (\$US mil)	Value (\$US mil)	Value (\$US mil)	Value (\$US mil)
<b>Export value</b>	<b>6.089</b>	<b>6.076</b>	<b>6.677</b>	<b>7.775</b>	<b>6.557</b>
<b>Import Value</b>	<b>539</b>	<b>654</b>	<b>720</b>	<b>1.066</b>	<b>1.067</b>
<b>Imp/Exp</b>	<b>9%</b>	<b>11%</b>	<b>11%</b>	<b>14%</b>	<b>16%</b>

# VIETNAM'S SEAFOOD TRADE PERFORMANCE

## Vietnam Export Seafood products to the World in 2011-2015

(Source: GDVC, 2016)





# VIETNAM'S SEAFOOD TRADE PERFORMANCE

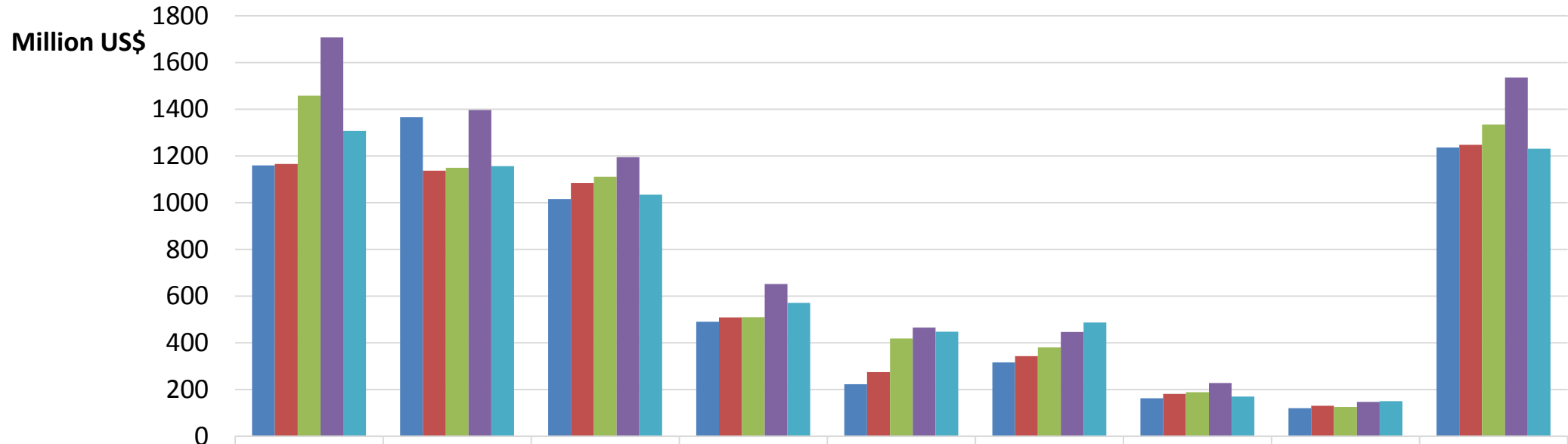
## Vietnam shrimp exported to the EU: 2011 – 2015

(Source: GDVC, 2016)

	2011	2012	2013	2014	2015
<b>Shrimp/prawn (HS 03&amp;16)</b>	<b>421 ( US\$m)</b>	<b>316 ( US\$m)</b>	<b>395 (US\$m)</b>	<b>672 (US\$m)</b>	<b>539 (US\$m)</b>
<b>Growth rate</b>		<b>-24.91%</b>	<b>24.85%</b>	<b>70.00%</b>	<b>-19.70%</b>
<b>% of VN shrimp to the world</b>	<b>16.99%</b>	<b>13.92%</b>	<b>13.03%</b>	<b>16.90%</b>	<b>18.24%</b>
<b>% of total VN seafood export to the EU</b>	<b>30.87%</b>	<b>27.84%</b>	<b>34.39%</b>	<b>48.10%</b>	<b>46.64%</b>

# VIETNAM'S SEAFOOD TRADE PERFORMANCE

Main export markets of Vietnam' fishery products in 2011-2015



	The US	The EU	Japan	South Korea	China	ASEAN	Australia	Hong Kong	Others
2011	1159	1365	1016	490	223	316	163	120	1236
2012	1166	1137	1084	510	275	344	182	131	1248
2013	1458	1149	1111	510	419	380	190	126	1335
2014	1708	1396	1195	652	466	447	229	148	1535
2015	1308	1156	1034	572	448	487	171	150	1231

# VIETNAM'S SEAFOOD TRADE PERFORMANCE

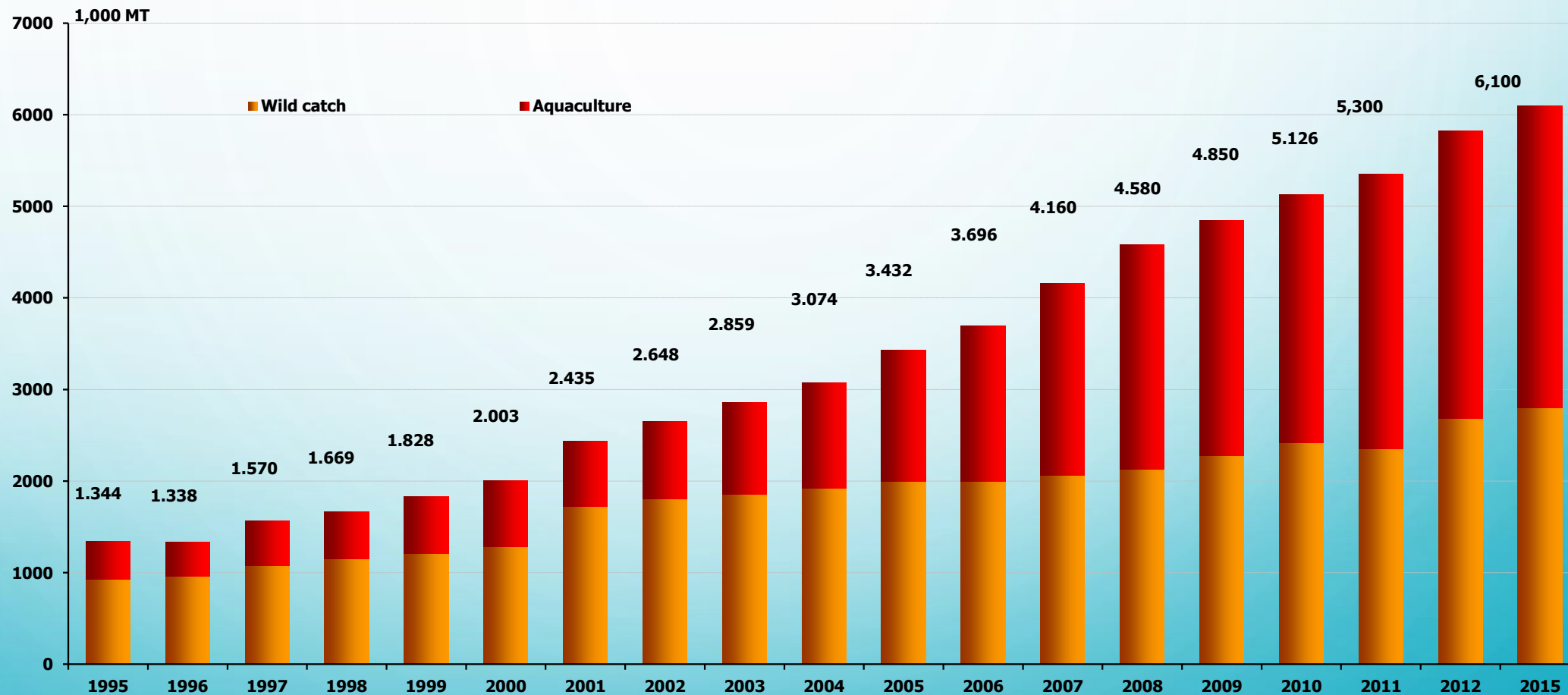
## Main import markets of Vietnam's fishery products from 2011-2015

	2011	2012	2013	2014	2015	Unit: USD
India	86,181,261	58,248,126	168,445,291	354,623,415	321,978,858	
%	15.98%	8.90%	23.39%	33.25%	30.15%	
Taiwan	55,977,637	63,008,403	75,678,270	75,758,674	89,253,499	
%	10.38%	9.63%	10.51%	7.10%	8.36%	
Norway	33,498,165	41,509,460	46,434,462	66,036,047	78,984,295	
%	6.21%	6.34%	6.45%	6.19%	7.40%	
Japan	41,465,425	51,818,149	57,291,196	61,345,485	65,620,754	
%	7.69%	7.92%	7.95%	5.75%	6.15%	

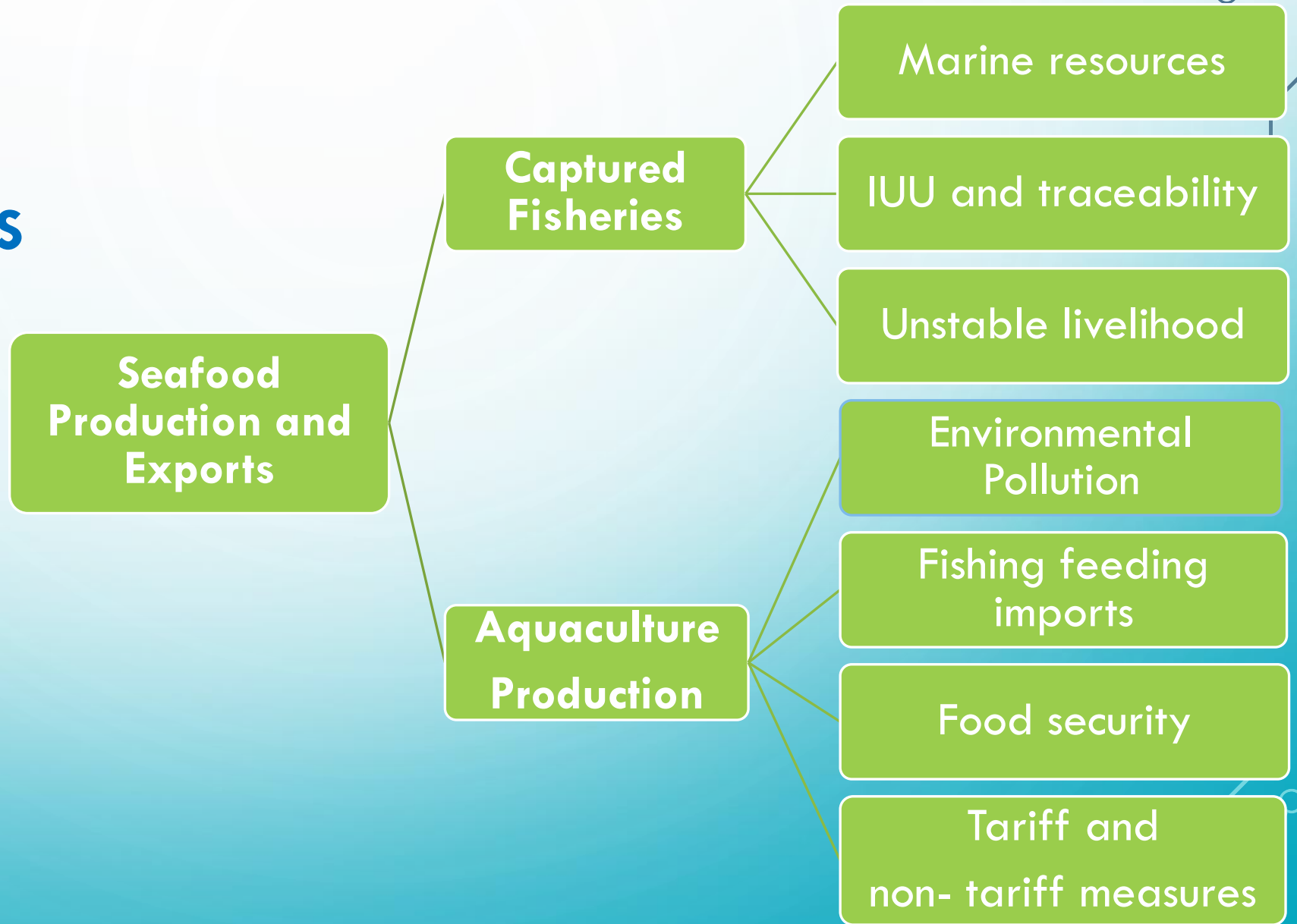
# MAJOR CONCERNS OF VIETNAM'S SUSTAINABLE EXPORTS PERFORMANCE

- + **P**ercentage of aquaculture products volume in the total exports gradually increases to approximately 50% but high alert of quality and unfair competition.
- + **C**aptured Fisheries still accounting for a substantial part in the total exports volume
- + **F**ishing feeding and processing materials imports used for aquaculture production strongly increasing
- + **I**ncreasing demand for fish meal by catch low-value fish or wild stocks.
- + **V**ariety of negative impacts on Society, Environment and Economy.
- + **F**ishery Supporting Industry and logistics services are infant and low- developed.

# CAPTURED FISHERIES AND AQUACULTURE STRUCTURE



# MAJOR CHALLENGES OF VIETNAM'S SEAFOOD EXPORTS



# MASTER PLAN OF VIETNAM' FISHERIES AND AQUACULTURE DEVELOPMENT

- Since 2010, many legal documents such as the Strategy, Master Plans and Decisions have been issued aiming to socio-economic development and sustainability of Vietnam's fisheries and aquaculture in long term.
- Vietnam Government has a great attention on regulating and promoting the sustainability and exports growth.

Primary development targets as follows:

- + To increase international competitiveness and high productivity .
- + To foster modernization and industrialization of Vietnam's fisheries and aquaculture while protecting environment and improving living standards.
- + To reinforce sustainability of Vietnam's fisheries and aquaculture with three pillars of economics, environment and society.

# MASTER PLAN THROUGH 2020 AND VISION TO 2030

	2020	2030
Productivity	7 mil. MT	9 mil. MT
Captured fisheries	35%	30%
Aquaculture	65%	70%
Value-added products for exporting	50%	60%
Exports turnover / annual growth rate	US\$ 11 bil. / 7-8% ( From 2011- 2020)	US\$20 bil. / 6- 7% ( From 2020 – 2030)
Labor -trained percentage	50%	80%



# MASTER PLAN OF VIETNAM' FISHERIES AND AQUACULTURE DEVELOPMENT

A comprehensive plan for long-term development of Vietnam's fisheries and aquaculture shedding light for sustainable development:

+ Synchronizing all aspects of renovation such as wild fish catching and fish stock conservation; aquaculture production, fishing fleets and marine infrastructure.

+ Fostering sustainability development and international competitiveness of Vietnam's fisheries and aquacultures with sustainability-oriented solutions on integrated seafood supply chains; intensively marketing and trade promotion; human resource enhancement, technology renovations, R&D; fishing occupational assistance; protection of marine, coastal, island environment and development of marine resources; international cooperation.

+Appointing different implementing responsibilities and scopes of ministries, governmental agencies and associations.

# MASTER PLAN OF VIETNAM' FISHERIES AND AQUACULTURE DEVELOPMENT: LIMITATIONS

## 1. Wide range of specific performance targets

- + Unrealistic and scientific-analyzed objectives
- + Focusing on the absolute figures but no comparative indicators for seafood exports performance like international market shares, value-added growth, Vietnamese brand-names; sustainable supply chains.
- + Lacks of particular targets in short-term and adjusted periodically in alignment with the international & national socio-economic developments.

# MASTER PLAN OF VIETNAM' FISHERIES AND AQUACULTURE DEVELOPMENT: LIMITATIONS

## 2. Weak connection with international seafood trade and globalization

- IUU and traceability matters are raising concerns of many Vietnam' seafood importers.
- Legal Framework for preventing, deterring and eliminating Illegal Unregulated and Unreported (IUU ) fishing in Vietnam was coming into force 3 years after the Master Plan.
- No uniform and IT-based operation mechanism for traceability of exported seafood. Weak and loose linkage between stakeholders in the supply chains.
- Lacks of international and regional Cooperation strategic schemes and action plans for IUU and traceability.

# MASTER PLAN OF VIETNAM' FISHERIES AND AQUACULTURE DEVELOPMENT: LIMITATIONS

- No strategic scheme and operating mechanism in supporting seafood exporters in trade-related disputes and international competition.
- IT infrastructure and integrated information exchange between stakeholders in the seafood supply chains as well as with the governmental agencies makes the traceability of Vietnam's trade partners impossible and costly.

In reality, few Vietnamese seafood exporters who can keep exports performance sustainable and competitive as meeting requirements of traceability and food security from foreign partners.

# MASTER PLAN OF VIETNAM' FISHERIES AND AQUACULTURE DEVELOPMENT: LIMITATIONS

## 3. Low feasibility and implementation Capacity

- Indicating many solutions and initiatives to support Vietnam's fisheries and aquacultures in general and seafood exports in particular but all of them are in written forms and slightly in connection with international commitments of Vietnam such as trade facilitation, subsidies or Aid for Trade and tariff and non-tariff measures.
- Appointing numerous Ministries and administrations in implementing for sustainability and global competitiveness but there is no coordination and /or a central supervising mechanism to govern the implementing process and periodic assessments and adjustment.
- No regulation and legislation for operation of fishing clusters and VASEP in connecting the business community and the governmental policy maker.

# RECOMMENDATIONS ON SUSTAINABLE EXPORT PERFORMANCE

## LONG TERM ACTION PLANS

**Firstly**, building a comprehensive conceptual framework of sustainability and seafood export performance with an indicators system for measuring and evaluating outcomes and effectiveness.

**Secondly**, harmonizing and standardizing tariff and non-tariff measures for sustainable and high value-added exports performance. It relates to many trade-related measures of Aid for Trade in FTAs like WTO, TPP and EVFTA.

**Thirdly**, developing marine infrastructure and supporting industries.

**Forth**, as many fishery developing models in the world like England, India, Thailand Vietnam should establish a centrally competent authority like a steering committee who is in charge of implementing the Master Plan. It is high power and wide working scope in trade-related legal issues and disputes in the international markets. Member should come from different stakeholders and sectors like MARD, VASEP, businessmen and academia.

# RECOMMENDATIONS ON SUSTAINABLE EXPORT PERFORMANCE

## SHORT TERM ACTION PLANS

- Regarding to IUU fishing and traceability, Vietnam should strongly declare market access conditions and international coordination to prevent, deter and eliminate these products outbound and inbound.
- Establishing IT infrastructure and computerized system for e-certificate of origin and seafood traceability.
- Vietnam should reinforce awareness and education about fishing global issues for all stakeholders in the industry.
- Vietnam should take advantages from FTA negotiations to implement a wide range of supporting and trade-related subsidies as well as tariff and non-tariff measures under regional and multinational integrations .

# THANK YOU

## Q/A



- **Nguyen Thi Khanh Hong**, Gembloux Agro BioTech, University of Liège, Belgium, hong@doct.ulg.ac.be
- **Phan Thi Thu Hien**, Faculty of Economics and International Business, Foreign Trade University, phanhien@ftu.edu.vn
- **Tran Thi Nang Thu**, Faculty of Fisheries, Vietnam National University of Agriculture, trannangthu@yahoo.com
- **Philippe Lebailly**, Gembloux Agro BioTech, University of Liège, Belgium , philippe.lebailly@ulg.ac.be