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Dr. Nguyen Huu Dung

Banks and Enterprises

Supposing the enterprises are the living cells, diligently producing the energy and strength for the economy, and creating jobs and incomes for workers, then the capital is the blood and the banking system is the blood vessels that feed the body. The banks and the business community are positively correlated. Meanwhile, the government apparatus is the heart that facilitates the blood flow, creates a harmonious mechanism to ensure that the body stays alive and the economy develops.

The sudden and fierce crisis that the business community and the society are going through is largely the responsibility of the Government in the economic management policies. Those policies have long tilted toward the banking system, giving them the upper hand in the relationships with the enterprises. One big evident is that the banks always make excessive profits regardless the economic storm. The bank-enterprise relations bear the traits of ‘begging-granting’, in which the banks is the grantor while the enterprises, inferior as they are, become the beggar instead of a customer.

After nearly 5 years, the circulatory system of the economy fell into a state of high blood pressure, the business community had to shoulder the ‘monster’ interest rates, which mounted to 22-24% per year. This means the enterprises must achieve extremely high performance in order to ‘feed’ the banks!

Such ‘tension’ has formed ‘clots’ in the blood of the economy: bad debts piled up. The bank sudden credit cutback has dealt dead blow to thousands of enterprises, and put thousands more to ‘clinical death’. Stacked-up interests and market stalemate have beaten many enterprises to death before the bank credit valves open.


By the end of 2011, the enterprises owned the banks about VND2,580 trillion. According to SBV Governor Nguyen Van Binh, the NPL ratio has amounted to 10%, half of which are deemed uncollectible. A Ministry of Finance’s report shows that 12 state owned economic groups are incurring the big debt of VND218,738 billion. According to Mr Pham Thanh Quang, General Director of Debt and

Asset Trading Corporation (DATC), it would take some VND400 trillion to settle the banks’ bad debts.

The Government is struggling to deal with the banks’ bad debt. A bad debt trading company with initial capital of roughly VND100 trillion was proposed. But why would the Government use such a large amount of money to save the banks while the struggling enterprises are left without any support? Few enterprises were able to lay hands on the new soft loans. Meanwhile, the banks cannot unload their inventories since the enterprises are ‘out of breath’ and unable to meet the banks’ conditions.

And here lies the paradox. The inventory piles up as high as mountain in the enterprises, while the banks’ safes are jam-packed with unlent money. The situation is danger not only for the business community but also the banking sector. ‘One dies and the other will be gone’, will the banks hold out if the enterprises pass away on their ‘huge pile of goods’?

The banks, at the request of the enterprises, had to reduce the interest rates of the old debts to save themselves. SBV Governor has requested commercial banks to slash the existing loan rates to below 15% per annum from July 15.

The most important thing is for the bank-enterprise relations to change towards equality and mutual benefit. They should really start to solve the bad debts, undertake restructuring, and open new credit access. Along with the slash of interest rate for the old debts, the banks should consider converting the debts into equity, clearing the “blood clot” for the economy. After the restructuring, the ‘sick’ enterprises will have enough strength to apply new management tools and technologies, become healthy cells of the economy. And the economy will overcome the fatal illness to enter a new period of development. 

NGUYEN HUU DUNG



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"Half shell scallop" of Thaimex

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Participants listening to VASEP's annual report at the meeting on June 12

Key challenges of Viet Nam's seafood industry

Capital and raw material shortages, plus the increasing input costs and the narrowed export markets, all are the big challenges seafood companies are facing. Without immediate action, the sustainable growth of industry will be affected.

By Tran Duy

The concern was raised during VASEP Annual Meeting in Ho Chi Minh City on June 12, 2012 - the 14th birthday of the Association.

Viet Nam's seafood enterprises have long struggled with those issues. However, the threats are much more serious now, said Mr Tran Thien Hai, VASEP President.

Input cost sky-rocketed while export price plunged

According to the exporters, both *Pangasius* and shrimp prices changed to the worse.

"Fish culture, processing and export companies are in critical situation since the export prices have constantly dropped while input cost continuously increased. Companies are shutting one another out," said Mr Vo Dong Duc, Chairman cum CEO of Caseamex.

The world's shrimp prices have dropped to the 2001 level due to bumper harvest in major supplying countries. Meanwhile, the production cost in Viet Nam is too high. "The taxes and fees are deteriorating our competitiveness. Juveniles are both insufficient and inadequate, feed supply is manipulated by foreign companies, and animal health is not attended to," said Mr Tran Van Linh, Chairman cum CEO of Thuan Phuoc Corp.

Also, the input cost is high due to massive deaths of shrimp caused by diseases.

Shrimps were dead on large scale and processors faced a severe shortage of raw materials, according to Mr Ho Quoc Luc, Chairman of the VASEP Shrimp Committee (VSC). He added that shrimp export shipments denied and returned by importers were on the rise, especially those from Japan. Viet Nam is facing risk of losing the Japanese market, its biggest shrimp market due to the frequency of tests for trifluralin (100%), enrofloxacin (100%) and more recently ethoxyquin (30%).

“Ministries and relevant agencies should mobilize all resources to determine the exact cause of the diseases in shrimp, review the list of banned antibiotics, drugs, address inadequacies in the testing stage, and coordinate all stakeholders in the shrimp value chain in order to create a more sustainable development,” said Mr Luc.

Concern was also raised about the shipping rates in Viet Nam which has been 10-15% higher than other countries in the region and tends to increase by US\$640-1,200 per TEU in the next three months.

The soaring shipping cost will drastically undermine the competitiveness of Viet Nam’s exports to Europe and the US, according to the enterprises.

Exporters warned concentration on the US market

The debt crisis has driven the demand for seafood imports from the EU market down dramatically. The largest of all 129 buyers of Viet Nam’s seafood declined by 7.9% in the first quarter and another 17.5% in the second quarter.

Unable to boost sales to the EU market, Vietnamese exporters tend to head for the US. Sales to this market

have seen double digit growth since early this year.

Analysts have warned that this may lead to the overly hot development in the exports to the market.

Dr Nguyen Thi Hong Minh, former Deputy Minister of Fisheries, who has returned from a fact finding trip to Mekong Delta, has warned that Vietnamese seafood companies have been flocking to the US market.

“They (seafood companies) told me that they are considering exporting to the US market to offset the decreases in the exports to the EU,” Dr Minh said.

The US market was a major target since the anti-dumping tax rates in the seventh administration review (POR7) by the US Department of Commerce (DOC) have been lowered. Besides, the businesses also need to find out other big clients in the context of the sharp demand falls from the EU market.

However, she said, the exports in masses to the US market may do harm than good because it may cause a hard pressure to forces the prices down in the market.

“Competent agencies and VASEP need to link up the enterprises and make sure they reach consensus on the price,” Minh said. “The coordination and sanction mechanism must be strong enough to prevent the enterprises from

dumping the price.”

Mr Truong Dinh Hoe, VASEP General Secretary, said exporters should focus more on emerging markets in Asia and South America to avoid too much reliance on the US and EU.

The Association would draft programmes to boost exports of shrimp and *Pangasius* products to South Korea and Latin America, he said.

Joint forces needed to overcome hardship

According to Ms Nguyen Thi Thu Sac, Chairwoman of the VASEP Marine Products Committee (VMPC), seafood enterprises, VASEP and state agencies should work together to bailout the industry.

Enterprises need to restructure themselves and pay more attention to business efficiency and sustainability than revenue and volume, Dr Nguyen Huu Dung, VASEP Vice President said.

Banks and financial institutions play important role in financing the enterprises. Therefore, they should be involved in the efforts, added Mr Duong Ngoc Minh, Chairman of Freshwater Fish Committee (VFFC).

In response to Dr Dung comment that the Government should revise their policies and management mechanism, Deputy Minister of Industry and Trade Nguyen Thanh Bien said VASEP should work more closely with the Ministry of Finance and the Ministry of Natural Resources as well as other associations to improve the regulatory drafting and amendment.

“The seafood industry should soon work with trade authorities to remove raw seafood for processing from the list of goods requiring an automatic import license,” Minister Bien said.

Compiled by **Phuong Nguyen**



(From left) VASEP Vice President Tran Van Linh, Nguyen Huu Dung, Tran Thien Hai, Nguyen Thi Thu Sac, Ho Quoc Luc



Opening ribbon cutting

VIETFISH 2012

Golden opportunity for seafood trade

Despite the world economic slowdown and reduced purchasing power in major importing market, the space at the Viet Nam Fisheries International Exhibition (Vietfish) in 2012 was still fully booked with 300 booths of 170 exhibitors.

By **Thai Phuong**

More professional

Vietfish 2012 was held between June 26-28, 2012 at the Sai Gon Exhibition and Convention Centre (SECC) in Ho Chi Minh City. For fourteen years, the exhibition has always been an exciting event for the local seafood enterprises and overseas buyers.

This year, the exhibition space was lightened up with the vivid blue of the upholstered booths, bright red alley carpets and shiny white cabinets displaying eye-catching fresh seafood items of all kinds.

“The show this year does not exhibit many imposing booths like last year. However, all the stands are more professional, which create a pleasant harmony. Visitors are less crowded but having real interest. Hardly do any shows present more trading opportunities than Vietfish,” said Mr Nguyen Quang Thanh, Managing Director of Hoang Ha International

Logistics.

The fisheries services and processing machinery are more abundant this year, reflecting a trend toward less manpower and more automation in the current shortage of human resources.

More value-added products

A highlight of the show this year is the presence of various processed and value-added seafood products, ranging from marinated, seasoned, cooked, dried, breaded items. Only Pangasius was the displayed item with modest proportion of processed products.

Like every year, Agrex Saigon's refrigerated showcase was overflowing with dozens of meticulously made products of hakau, shaomai, wantan, yuba, chimaki, dumplings, rolls, etc. The owner said these items – there are three hundreds of them – are shipped to Japan, Korea, Europe and even Middle East.

Perhaps no booths were as crowded as those of Hai Nam and Thaimex – the two companies come from the province of Binh Thuan. Hai Nam attracted visitors with its richness of high-end dried seafood and the unique sea grapes grown in the clean waters of Binh Thuan. Meanwhile, Thaimex was dazzling with an abundance of fresh local fish, bivalve, lobster, squid, etc. beautifully arranged in front of the wide-open stand. There were also plates of mouth-watering samples cooked on-site for the show visitors.

Ms To Tue Lang, CEO of Thaimex said she brought to the fair many specialties of Binh Thuan such as instant dry squid, haft-dried squid, fresh ark shell, etc. She hoped that after the show, Thaimex would pick lots of customers like Vietfish last year.

Pangasius was still displayed mostly in the form of fillets. However, there were many attempts to promote value-added and ready-to-eat products from the fish. Godaco, for example, showcased breaded *Pangasius* finger, cubes, tempura bars, skewers and rolling. Vinh Hoan, Acomfish, Cafatex, etc. also brought to the show more diversified fish products.

Meanwhile, fascinating shrimp products can be found at the stands of Minh Phu, Camimex and Baseafood, etc.

Concern over EU's downturn

Vietfish is a forum for the companies and their business partners to exchange views on the markets. This year, the concern soared over the unpredictable developments in EU.

“The market for shrimp is very difficult due to the declined purchasing power. Besides, local supply of raw shrimp has fallen short of the demand. Therefore, sales will be slow both this year and early next year,” said Mr Huynh Van Tan, Marketing Director



Fresh seafood on display at Thaimex stand



Value-added products of Agrex Saigon

of Camimex. “We are expanding into new markets like the Middle East and North Africa to offset the slump in EU. However, it will be hard to achieve the export target this year.”

Less European visitors came to the show this year. Most foreign guests come from Korea, Singapore, China, Japan and Taiwan but the number also dropped compared to 2011.

“Due to difficulties on the European

markets, seafood enterprises tend to look for new markets. However, the task is not easy because of the fierce price competition,” said Mr. Le Dinh Loc, Executive Director of Thien Phat Co. Ltd.

According to Loc, each company has its own strategy to survive the price competition, but lower price is often followed by unguaranteed quality.

“Many clients, who used to be



Phu My An Corp showcasing high-grade dried seafood

very satisfy with *Pangasius* for its inexpensive price and similar taste to other whitefish, are disappointed with the overuse of weight-gain substance in the fillet,” said Loc.

As a result, fillet products with low water content have drawn the attention of the buyers even though their prices are much higher.

Efforts should be made to promote quality products and help customers to know the difference between high grade and low grade ones. Individual businesses cannot do it by themselves. However, if VASEP gathers them up and makes join forces on advertising, the products with excessive moist-retaining agents will disappear, said Loc.

High-ranking leaders at the show

At the invitation of VASEP, Dr. Rajitha Seneratne, Minister of Fisheries and Aquatic Resources Development and a delegation of Sri Lanka seafood industry paid a visit to the show.

“We don’t have any specific exhibitions on fisheries. We are planning for an international exhibition. That’s a purpose that we see this exhibition. We are very impressed with Vietfish. There are a lot of participants and exhibitors and many of them are from foreign countries,” said the Minister.

Agriculture and Rural Development Minister Cao Duc Phat also made it to the show on June 27 although he had to chair two urgent meetings with shrimp and *Pangasius* producers in the Mekong Delta. After time visiting the booths and talking to the exhibitors. On the same day, the Minister also held a dialogue with VASEP Executive Committee members and the producers.

After the show, Minister Rajitha Seneratne and Minister Cao Duc Phat also met to discuss an MOU on aquaculture development in Sri Lanka, including freshwater fish, sea cucumber and lobster.

Dr Pham Anh Tuan, Deputy General Director of the Directorate of Fisheries (D-Fish), Mr. Luong Le

Phuong, Former Deputy Minister of Agriculture and Rural Development, Ms. Nguyen Thi Hong Minh Former Deputy Minister of Fisheries, honorary Chairwoman of VASEP and leaders of various non-governmental organizations were also present and attended the tightly scheduled seminars during the show.

Business synergy

In the context of plummeting price and poor market outlook, *Pangasius* companies decided to meet up on the second day of the show and discuss the solutions.

“The raw fish prices suddenly fell from VND24,000 per kilo to VND18,000 per kilo. It is important that the processors sit down and come up with a more consistent price,” said Mr Nguyen Phuoc Buu Huy, Vice General Director of Cadovimex II.

Setting up floor price for *Pangasius* has been on the discussion table for uncountable times. However, everything was said without done.

“It is now time for action. Those who sell below the floor price will not be allowed to export. The floor price will be immediately effective for the US. All sales contracts will be validated by VASEP. Without VASEP’s validation, the shipments will not be eligible for customs clearance,” said Buu Huy.

After the meeting during Vietfish 2012 and a follow-up meeting on July 3, Pangasius processors finally reached consensus on the floor price for the US market. Such price must allow farmers to make profit and may be revised during the monthly meeting of the processors.

The processors asked the government to allow VASEP to observe the floor price compliance and handle with the violations. With the government’s permission, VASEP will work with the Custom Office.

“Once the floor price is successfully enforced on the US, it will be replicate to other markets,” said Mr Duong Ngoc Minh, Chairman of VASEP Freshwater Fish Committee (VFFC).

During the show opening ceremony, 10 organisations and companies, including Vinh Hoan Corp, Minh Phu Seafood Corp, Hung Vuong Corp, Bianfishco, Seaprodex, NAFIQAD, Sun Wah properties (VN), Hai Nam Co., Ltd, Quoc Viet Co., Ltd and CTE JSCO made donations to the Vietnam Fisheries Humanitarian Fund to help fisheries workers overcome difficulties and natural disasters.

Preparation for fifteenth anniversary

According to Mr Truong Dinh Hoe, VASEP General Secretary, the association was making plans to celebrate the fifteenth anniversary of VASEP in 2013.

In his proposal to the association Executive Board, Hoe said VASEP should subsidy part of the Vietfish2013



Visitors stopping at Fatfish's booth



Godaco's booth

floor rental fees for all VASEP members, including 195 ordinary and 95 associated ones.

“It is like a gift to all our members in the current hardship and give the newcomers and the small ones a chance to promote their products,” said Hoe.

Plus the non-member companies, the number of exhibitors is expected to increase exponentially in 2013 and the number of products on display will be much more diversified.

Mr Jean Charles Diener, Director of Ofco Sourcing said when buyers visit Vietfish, they want to see all kind of

seafood products, not only *Pangasius*, even though the item is a staple of Viet Nam.

“More than 80% of the stands this year showcased *Pangasius*. There has been little sight of tuna, sea fishes, squid, etc.,” said Mr Diener. “Therefore, it is necessary that the show organizers provide incentives for producers of seafood items other than *Pangasius* to attend”.

Compiled by **Nguyen Phuong**



(From left) Former Deputy Minister of Agriculture and Rural Development Luong Le Phuong, VASEP President Tran Thien Hai, Sri Lankan Minister of Fisheries and Aquatic Resources Development Dr. Rajitha Seneratne, Deputy Minister of Fisheries Nguyen Thi Hong Minh.



Vietfish's building is located in District 7, Ho Chi Minh City.



Vinh Hoan's booth



Agriculture and Rural Development Minister Cao Duc Phat (in the centre) and Le Van Quang (right), CEO of Minh Phu Corp



Dr. Rajitha Seneratne (right) and Dr Pham Anh Tuan (left), Deputy General Director of the Directorate of Fisheries (D-Fish) at the show



The booths were more professionally designed this year



Minister Cao Duc Phat tasting Hai Nam's product



Samples prepared at a Korean booth



Vietfish does not only exhibit seafood products



Marine products on display



A seminar held by Bureau Veritas to introduce ASC certification



Raw shrimp before processing at Fimex

Shrimp exporters in dire straits

Domestic shrimp exporters are facing major challenges due to raw material shortage, fiercer competition from foreign rivals and stricter regulations imposed by importing countries, according to the VASEP Shrimp Committee (VSC).

By **Phuong Nguyen**

Shrimp diseases give rise to raw material shortage

According to the Directorate of Fisheries (D-Fish), by the end of May, 35,000 ha of the shrimp farming area were ravaged by Necrotizing hepatopancreatitis (NHP) disease. Although the figure was half of that in 2011, the damage was much more severe, because most shrimp died at only 7-10 days old.

The shrimp disease has spread to both Northern and Central areas. All samples had the same symptoms as in Mekong Delta.

“In 2011, Cypermethrin were identified as the cause of the shrimp death. However, it is not a single agent now because many affected areas did not use Cypermethrin.” Mr Pham Anh Tuan said.

According to experts, the bad quality shrimp juveniles and environment pollution are all attributed to massive shrimp death.

Given widespread shrimp disease outbreak, Minister Cao Duc Phat said the Ministry would make all the efforts to find the causes and immediately solve to problem.

The Ministry of Agriculture and Rural Development (MARD) may spend as much as VND20 billion to deal with the shrimp and clam disease outbreak from now to the year-end.

However, shrimp exporters are now facing the shortage of raw materials as a result of the shrimp mass death. According to VASEP, 40% of the seafood enterprises had to close down due to the raw material and hiking production cost in the first quarter. One



A shrimp pond in Soc Trang province

third of them are shrimp processors and exporters. Thousands of workers lost their jobs.

The Cuu Long Seaproducts Company, for example, had to lay off 300 part-time workers due to the lack of raw materials. The company used to be able to purchase 30-50 MT of raw black tiger prawn per day this time of the year. However, it cannot gather more than 10 MT/day now.

Abundant supply abroad drives export price down

In contrast to Viet Nam, Thailand and India were enjoying better shrimp harvests.

Thailand expected to gain a shrimp output of 600,000-700,000 MT this year, up 20 per cent over last year. The Thai government has also planned to spend at least 1 billion baht (US\$32 million) to buy roughly 10,000 tonnes of shrimp in the domestic market for inventory to support its farmers in the

case of shrimp price reduction.

India also forecast a shrimp output of 100,000 MT this year, up 30 per cent over last year. India has recently succeeded in raising its market share in the US to 8 per cent from 5 per cent last year. India is currently considered a major competitor to Vietnamese shrimp exporters in the US market, especially of large-sized shrimp.

Other countries such as Indonesia and Ecuador are also enjoying bumper shrimp harvests.

As the supply increases, the global prices for processed shrimp went down 20 per cent over the same frame last year.

Meanwhile, the shrimp material shortage, high input costs and high bank interest rates in Viet Nam are driving local enterprises into a corner.

Tran Van Linh, general director of Thuan Phuoc Seafood and Trading Corporation in Da Nang City, said: "We will have to carefully consider

the price when customers ask for price quotations. We earn almost no profit. However, if we agree to sell at their suggested price, they would switch to other sellers on a cheaper price."

Local firms are now in need of money. Worse still, the input cost is high due to massive deaths of shrimp caused by diseases, according to Linh.

Trade barriers in the largest market

Japan is the largest market for Vietnamese shrimp exporters, which account for 25.3% or US\$600 million of their export revenue in 2011. However, the country's new stricter requirements on chemical and antibiotic residues may mean a loss of this market for Vietnamese shrimp exporters.

Last May 18, the Japanese Ministry of Health, Labour and Welfare decided to check 30 per cent - rather than the usual 5 per cent - of all imported Vietnamese shrimp consignments

after finding that one contained residues of Ethoxyquin - a kind of antioxidant preservatives mixed in aquatic feed. Japan will continue to examine shipments and, if inspectors find two more containing the residues, testing will increase to 50 per cent of consignments.

The Japanese standard for the residue of Ethoxyquin in exported shrimp is 0.01 parts per million (ppm), while that in Europe is 150 ppm, noted Truong Dinh Hoe, VASEP General Secretary.

In fish, the Japanese standard for Ethoxyquin residue is higher at 1 ppm, pointed out Nguyen Nhu Tiep, head of the National Agro-Forestry-Fisheries Quality Assurance Department (NAFIQAD) under MARD.

"Shrimp export volumes to Japan will drop in the remaining quarters of the year unless local competent agencies work with Japan to revise permissible levels of antibiotic residues in Vietnamese exports," VASEP Shrimp Committee chair Ho Quoc Luc affirmed.

On June 21, a MARD team left for Japan to discuss the issue.

According to Tiep, Japan may stop inspecting Ethoxyquin residue in Viet Nam's shrimp. He got the information from the Japan's Food Safety Commission and the shrimp importers association. However, he has not received any official notice from the Japanese Ministry of Health, Labour and Welfare in this regards.

Since the last two years, Japan has made a number of sudden moves to step up the inspection of Vietnamese shrimp imports for various antibiotic residues.

In June 2011, Japan began inspecting 100 per cent of Vietnamese shrimp imports for antibiotics after warning that inspections would increase from 30 per cent if one batch was



Fimex's HLSL shrimp

found contaminated with antibiotics exceeding safety levels.

From March 7 to June 8, Japanese authorities inspected 30 per cent of Vietnamese shrimp shipments for Enrofloxacin residue, an antibiotic used for bacterial infections in crustaceans. When officials found unsafe levels of the compound, they increased their inspections, according to VASEP.

One year prior, the same policy was applied to another kind of antibiotics, Trifluralin. In November 2010, after finding three batches of Vietnamese shrimp containing the carcinogenic Trifluralin, Japan increased inspections from 30 to 100 per cent.

The Ministry of Agriculture and Rural Development next month will continue to work with Japan on ethoxyquin residue testing and specify the permissible content of the substance in aqua feeds, said MARD Minister Cao Duc Phat at a meeting held on July 20 in Hanoi.


In response to Japan's decision to test ethoxyquin on 30% of shrimp shipments from Viet Nam, the ministry requested relevant agencies to instruct farmers to use feeds and harvest properly, and closely supervise the use of ethoxyquin in aqua feed and seafood production and trading. 

Photo: D.M

GAA to study the unknown shrimp disease in Viet Nam

Given the severity of a newly met shrimp disease (Early Mortality Syndrome) that is affecting China, Viet Nam, Malaysia, and Thailand, the Global Aquaculture Alliance (GAA) has decided to urgently carry out a study on this disease.

The study is the second component of a World Bank-funded project entitled "Lesson Sharing in Aquaculture Disease Management". The Global Aquaculture Alliance organized and completed the first component of this project on Infectious Salmon Anemia virus in Chile last year.

"The plan was to proceed this year with a second study on Infectious Myonecrosis virus of shrimp in Indonesia. However, we have chosen Viet Nam as the target country for this mission since EMS has not yet been reported in Indonesia," said Mr George Chamberlain, Director of GAA's recently founded Responsible Aquaculture Foundation.

In order to coordinate this mission to occur in advance of an Emergency Regional Consultation on EMS planned by NACA in Bangkok August 9-10th, GAA planned the mission to Viet Nam on July 25 to August 7, 2012.

"The World Bank funding is very minimal, but we still think it's worthwhile to try to complete this important work," said Chamberlain.

The project plans to form a small team to investigate EMS in Viet Nam, which organized the initial discussions around July 25-26.

Enterprises to pay 2% of wage funds to trade unions

A majority of National Assembly (NA) deputies on June 20 agreed to the Law on Trade Unions, which requires enterprises to set aside 2% from their wage funds to pay social insurance for workers.

By MD-TP



Vinh Hoan's workers trimming Pangasius fillet. Photo: Vinh Hoan

The content that attracted the most attention of NA deputies on the amended Law on Trade Unions is Article 26 on union financing. There were 72.55% of deputies agreeing that 2% taken from the salary funds of agencies, organizations and enterprises will serve as a basis for social insurance payment.

Phan Trung Ly, chairman of the NA Law Committee, said the NA Standing Committee saw the need for a regulation on union funding as the regulation will assure the union's responsibilities of protecting legitimate rights and interests of workers.

As a political and social organization, trade unions have their operating costs coming from the Government as provided in the State Budget Law. However, to meet unions' demand of diversifying its activities, their operating costs are also guaranteed by other sources, including contributions by employers.

"This is not a tax or cost but a

contribution by enterprises to assure the role of the union in establishing a good working relationship and encouraging workers to do their job well," said Ly.

The NA Standing Committee said financial contributions by enterprises should be calculated based on the state of the nation's economic development.

Taking the salary fund as a basis for the cost payment means that the payment is based on the popular and stable amount used to pay for workers at agencies, organizations and enterprises. In addition, the payment will assure consistency in collection of social and medical insurance and facilitate the financial management of the authorities.


Besides, the payment of enterprises is not the only source for the union as there are many sources such as the union membership fee, the State budget and other legitimate sources, according to the NA Standing Committee.

However, according to many seafood enterprises, this 'contribution'

will be a heavy burden for them, especially in the current economic crisis.

"The seafood industry is highly labour-intensive. One company may have from 300 workers to 2000 workers. With the average salary of VND2.5 million per month, the seafood company have to pay from VND180 million to US\$1.2 billion per year," said Nguyen Tuan Anh, General Director of Utxico.

To retain the employees in such a harsh working environment, many seafood enterprises have already spent a lot of money on health insurance, social insurance, unemployment insurance, as well as other rewards and benefits. Now, with all the arisen fees and increasing production, they are deemed to go bankruptcy quicker.

It is therefore proposed that at least 75% of the trade union contribution should be relocated to the enterprises so that they can directly take care of their employees. 

Viet Nam's Law of the Sea

Following the adoption of the Viet Nam's Law of the Sea by the country's National Assembly on June 21, a Viet Nam Government Web Portal's reporter interviewed Foreign Minister Pham Binh Minh on the content of the Law.

By Thanh Chung



Foreign Minister Pham Binh Minh

Reporter: *Could you clarify the purpose and significance of the Viet Nam's Law of the Sea?*

Foreign Minister Minh: As a coastal country, Viet Nam acceded to the 1982 United Nations Convention on the Law of the Sea (UNCLOS) in 1994. However, the country has yet to enact any law of the sea except some provisions in a few related legal documents.

The adoption of the Law of the Sea by the National Assembly is an important law-making step to perfect the country's legal framework to serve the utilisation, management and protection of Viet Nam's sea and islands as well as the development of sea-born economy, so as to facilitate its international integration and boost its co-operation with other countries for the sake of peace and stability in the region and the world.

With such adoption, for the first time our country has a law which fully covers the legal status of sea and islands under Viet Nam's sovereignty and sovereign rights in accordance with the UNCLOS. This is the important legal basis for the management, protection and development of our country's sea-born economy.

Having a long coastline and vast

sea areas, the sea-born economy takes a very important role in our country's national construction and development. The building and promulgation of the Viet Nam Law of the Sea is the inevitable requirement for Viet Nam's economic development cause.

Reporter: *Could you recapitulate the building process and major content of the Viet Nam's Law of the Sea?*

Foreign Minister Minh: The process of building the Law of the Sea started in 1998 and it was considered in the past three working session of the National Assembly tenures 10, 11 and 12. The Vietnamese Law of the Sea incorporates large content having relations with various fields, thus requiring careful and thorough preparation. The Law was developed on the basis of the country's Constitution, the National Assembly's Resolution on ratification of the UNCLOS, statements of the Government in 1977 and 1982, summarisation of our country's sea management and of the implementation of the UNCLOS, and inked sea-related agreements. During the development process of the Law of the Sea, we gained experiences from other countries and took into account the interests of our country, the interests of concerned parties in the

East Sea and the interests of the region as a whole.

The law has seven chapters, focusing on the following: principles and policies for management and protection of our sea and islands; scope and legal status of internal waters, territorial sea, contiguous zone, exclusive economic zone and continental shelf; legal status of Viet Nam's islands and archipelagos; activities within Viet Nam's sea; search and rescue; protection of resources and marine environment; scientific research; sea-born economic development; patrol activities at sea; and international marine co-operation.

Reporter: *Under the current provisions, many ministries and agencies exercise management of sea and islands. So, does the Viet Nam's Law of the Sea stipulate the functions and missions of ministries and agencies in managing sea and islands.*

Foreign Minister Minh: State management over sea and islands is a broad field as it relates to the functions of several ministries, agencies and localities across the country. At present, the scale and competence, as well as the co-ordination mechanism of ministries, agencies and other forces, are specifically stipulated in relevant legal documents and put under the

unified regulation of the Government.

The Law of the Sea is a framework law which covers major principles for sea-related issues, thus the functions of each ministry and agency are not specifically stipulated here. The law stipulates that the Government exercises unified management over sea and islands. Ministries, agencies and localities exercise such management in their own authorised areas.

Reporter: *How about sovereignty and sovereign rights over sea and islands?*

Foreign Minister Minh: In accordance with the provisions of the UNCLOS, the Vietnamese Law of the Sea clearly states that Viet Nam's sea includes internal waters, territorial sea, contiguous zone, exclusive economic zone and continental shelf. Viet Nam exercises sovereignty over its internal waters and territorial sea; exercises national sovereign rights and jurisdiction over its exclusive economic zone and continental shelf.

Viet Nam's sovereignty over islands, including Hoang Sa and Truong Sa archipelagos, which had already been stipulated in existing laws like the 2003 Law on National Border, continues to be clarified in the Vietnamese Law of the Sea.

The Vietnamese Law of the Sea clearly states that every organisation and individual must respect the sovereignty, territorial integrity, sovereign rights, jurisdiction and interests of Viet Nam, to comply with Viet Nam's legal regulations while conducting activities in our country's sea areas. All violations relating to Viet Nam's sea and islands shall be fined in line with the concerned provisions.

Reporter: *Our country still has some divergences and disputes over sea and islands with some neighbouring countries. How is the issue mentioned in the Viet Nam's Law of the Sea?*



A navy boat patrolling the East Sea of Viet Nam

Foreign Minister Minh: The Vietnamese Law of the Sea clearly stipulates that the State of Viet Nam is resolved to settle sea-related divergences and disputes with other countries through peaceful measures, on the basis of respecting national independence, sovereignty, and territorial integrity, and in accordance with the UNCLOS, international legal status and practices.

This is our country's consistent guideline. We have been and will be keen on implementing the guideline. In fact, we have made some progress in settling disputes with neighbouring countries. For example, in 1997, Viet Nam and Thailand delimited

an exclusive economic zone and continental shelf; in 2000, Viet Nam and China fixed a territorial sea, exclusive economic zone and continental shelf in the Bac Bo (Tonkin) Gulf; in 2003, Viet Nam and Indonesia demarcated a continental shelf, etc.

I think that thanks to the adoption of the Law of the Sea by the National Assembly we have sent an important message to the international community: Viet Nam is a responsible member of the international community that respects and observes international law, especially the UNCLOS, striving for peace, stability, co-operation and development in the region and the world. 🌐

The Vietnamese Law of the Sea, consisting of seven chapters and 55 articles, will take effect from January 1, 2013.

Chapter 1 covers provisions relating to scope and definitions.

Chapter 2 refers to provisions on Viet Nam's baseline, internal waters, territorial sea, contiguous zone, exclusive economic zone, continental shelf, islands and archipelagos, etc.

Chapter 3 covers provisions on activities within Viet Nam's sea.

Chapter 4 covers the development of the sea-born economy.

Chapter 5 includes provisions on sea patrol.

Chapter 6 stipulates the settlement of violations.

Chapter 7 stipulates the enforcement of the law.



Boats anchoring near the shore of Khanh Hoa province. Photo: NQ

Celebrating World Fisheries Co-operative Day

The Deputy Prime Minister of Viet Nam, H.E. Mr Nguyen Xuan Phuc, showed his support for the World Fisheries Co-operative day, held in Da Nang, Viet Nam on June 15.

By **Minh Cuc**

Over two hundred co-operators from a dozen countries attended the event, which was organised by the International Co-operative Fishing Organisation (ICFO).

Fishing has been in a real crisis in recent years due to over exploitation, declining numbers of fishermen and commercialisation.

In 2010, the ICFO created the Seoul Declaration and agreed to hold an annual World Fisheries Co-operative Day each year to raise awareness of the crisis facing sustainable fishing; this was the second annual WFC day.

The event was hosted by President of the ICFO and last year's winner of the Rochdale Pioneers award from the

International Co-operative Alliance (ICA), Mr Lee Jong-koo.

Chuck Gould, Director General for the International Co-operative Alliance, attended both of the annual WFC days. He said the industry has always had a co-operative tone to it because of the nature of danger attached to it and the recognition that they all have a shared resource.

He added: "It has always been a very poor industry, even today fishermen are some of the poorest of the different sectors, poorer even than farmers."

ICFO is made up of countries including Viet Nam, India, Japan, France, Italy, Korea, Fiji and the Philippines.

Korea is leading the way in co-operative fisheries, Korean National Federation of Fisheries Cooperatives (KNFC) provide insurance, a mutual credit system, training and a central command centre to ensure safe travel for the fishermen and control the exploitation of fishing. Mr. Lee Jong-koo is also the President of the KNFC.

Viet Nam, the host country for the Day, is starting to use co-operatives as a model for sustainable business.

Viet Nam is now among the top 20 countries in fish catch and ranked sixth in terms of fisheries export.

Only five percent of fishermen and women have any form of education; they are a father-to-son industry; many find it hard to start co-operatives because they are so poor; and they cannot come together to form any capital.

Since creating pre-co-operatives — which are co-operatives that depend on economical and/or technical assistance from the state — and forming co-operative legislation in 2001, Viet Nam now has 4,000 pre-co-operatives and has increased the number of full co-operatives — those that can operate independently — from 80 to 500.

Mr Gould added: “One of the highlights of the day was learning about the Vietnamese fisheries, how committed they seem to be to co-operative fisheries and the progress they’re making.

“And having a sense of going from a very basic father-to-son infrastructure, to try to put in place some systems that will really make a difference over time and to see the success they are having with that.”

Co-operative fisheries has also helped in efforts after the disasters in Japan, helping fishermen rebuild after the devastation.

The World Fisheries Cooperator Prize was presented to Ikuhiro Hattori,



Deputy Prime Minister of Viet Nam, Mr. Nguyen Xuan Phuc present campaign medals to ICFO chairman Lee Jong-koo, ICA general director Charles Gould and president of the National Federation of Fisheries Co-operative Associations of Japan, Ikuhiro Hattori, for their contributions to the establishment and development of Viet Nam Co-operative Alliance. Photo: internet.



A family removing the fish from the net in the province of Thanh Hoa. Photo: NQ

President of the National Federation of Fisheries Co-operative Associations of Japan.

“As Japan now recovers from the terrible tsunami of last year, the sophisticated systems of the Federation are demonstrating the value of thoughtful planning and steady growth,” explained Mr Gould: “Co-operatives do not seek government subsidies as part of an ongoing business model. Instead, if policy can simply acknowledge the unique structure and

nature of co-operatives and allow them to fully leverage their potential, the resulting impact is very impressive.”

The agenda for the Rio+20 Conference on Sustainable Development on June 20 -22 will look at sustainable ocean policy and the Food and Agriculture Organisation has acknowledged aquaculture and fishing as an essential part of tackling food insecurity. (Source: www.thenews.coop).

Authority to review licensing of foreign fishing boats and seafood trading



A lobster cage in the Vung Ro Bay. Lots of the cages here are owned by Chinese. Photo Tran Duy.

Minister Cao Duc Phat has also ordered the Directorate to ask authorities in provinces and cities to report on their distribution and lease of waters to aquaculture activities “related to foreign factors.”

The ministry made the move after authorities in the central province of Phu Yen claimed that they had difficulties in managing Chinese nationals’ presence in aquaculture activities in the Vung Ro Bay, because the Directorate had licensed Chinese boats to enter all Vietnamese waters to buy seafood.

Phu Yen authorities, together with their counterparts in the central province of Khanh Hoa, have been under fire since late last month when local media reported that many Chinese nationals were operating aquaculture farms in local bays without local authorities’ awareness or proper supervision.

Following the reports, Khanh

Hoa authorities have expelled seven Chinese nationals for not registering for temporary residence, while they were working for a farm in Cam Ranh Bay and other local aquaculture businesses. The farm is located 200-250 meters from the Cam Ranh Military Port.

According to the authorities, they have so far detected 23 Chinese nationals illegally working in aquaculture in the province.

Meanwhile, authorities in Phu Yen are still investigating the licensing of Chinese people to work at local aquaculture companies, although they have accepted responsibility for not supervising the foreigners closely.

Earlier, it was found that the Thuan Hoang Company had applied in 2010 for licenses for three Chinese people to work for the company, but, in fact, the foreigners acquired licenses to breed fish on their own. Local authorities also granted licenses to Chinese workers at several other companies.


Viet Nam’s agriculture minister has asked the Directorate of Fisheries to review licensing of foreign boats to fish and buy fish in the country’s waters.

By Quang Duan – Hien Cu

In other related news, officials in the central province of Quang Ngai reported that Chinese forces chased a local boat out of the waters of Viet Nam’s Hoang Sa (Paracel Islands) archipelago while it was fishing there on June 6.

Nguyen Thanh Hung, vice chairman of Binh Chau Commune, said ten fishers were on the boat belonging to Dang Tam, 39, when the Chinese attacked them.

He said the Chinese also assaulted Tam’s boat earlier on February 22, causing damages of over VND300 million (US\$14,300).

According to Bui Hong Van, chairman of Binh Chau Fishery Association, since the beginning of this year at least six local fishing boats have been attacked by Chinese forces when they were fishing in Hoang Sa’s waters. 

ASEAN Seafood Federation Annual Meeting



Participants at ASF annual meeting

According to Dr Nguyen Huu Dung, Vice President of VASEP cum Chairman of ASF, the global economic slowdown was weighing heavily on the seafood business in Viet Nam, Thailand and other major suppliers. Exporters faced tough time as consumers tighten their belt and more protectionist trade barriers are raised in the import markets. More than ever, ASF should play the key role in coordinating its member efforts to overcome the increasingly blatant protectionism.

“Regional producers are now facing a ‘jungle’ of certifications,” Dr Nguyen Huu Dung said. “Therefore, we support any initiative that helps us reduce the number of certification, such as the Global Sustainable Seafood Initiative (GSSI)”.

Mr. Athon Piboonthanapatana, General Secretary of Thai Frozen Foods Association (TFFA) shared the same point of view, noting that seafood exporters in the region faced all kinds of trade barriers set by importers, from food safety regulations to antidumping measures and traceability requirements.

ASF members agreed that since they supply more than half of the world’s shrimp production, they can develop their own standards instead of

running after the clients and satisfy any requirements that they come up with.

First, for shrimp product, the Federation will compare ThaiGAP, VietGAP and other national and international standards for shrimp and then request the governments to join them into one standard for ASEAN with the help from ASEAN and buyers.

As for other activities reflecting the unity of the Federation, ASF will gather its members to carry out joint involvements at the major seafood events in the region and overseas.

The Federation will hold the ASEAN Seafood Exhibition in 2015, either in Thailand, Indonesia or Viet Nam in concurrent with the local seafood show (Thaifex, Vietfish, and Interfood). The host of the show will be rotated among the three member countries.

Apart from its own seafood show, ASF members will get together at the main seafood exhibitions in the world, including European Seafood Exposition, International Boston Seafood Show, and Japan International Seafood & Technology Expo.

Currently, a bi-weekly newsletter is circulated among ASF members to boost the information exchange. The Federation decided to publish a quarterly magazine and a website with

Members of ASEAN Seafood Federation (ASF) will work together to develop a single common ASEAN Shrimp Standard; hold a joint seafood show every two years; boost cooperation on marketing and raw materials supply; and promote information exchange, the federation’s Annual Meeting on June 27 heard.

By Thanh Phuong – Hoang Thanh

information contributed from each member.

“I think the meeting is very productive. However, to further engage with the governments of ASEAN, ASF should engage more deeply with the SEAFDEC Council and the ASEAN Secretariat,” said Mr. Timothy Moore of ASEAN-US MARKET Project (abbreviation of Maximizing Agricultural Revenue through Knowledge, Enterprise Development, and Trade).

According to Mr. Moore, MARKET is ready to explore potential areas of support and collaboration with the Federation, including the provision of expertise to the ASF meetings.

ASF, which was established in 2009, has seven member countries, including Brunei (BAPA), the Philippines (FFSAP and SFFAI), Indonesia (AP5I), Malaysia (MFFPA), Myanmar (MPEA), Thailand (TFFA) and Viet Nam (VASEP). The Federation seeks to add 6 dialogue partners of ASEAN (India, China, Japan, South Korea, Australia and New Zealand) to become its associated members. Its membership is also open to other seafood associations in each member country. 

Seafood sector eyes US\$11 bln. export revenue


The fisheries output would contribute 2.8-3% to the gross domestic products by 2020, with US\$11 billion export revenue, said the Viet Nam Directorate of Fisheries.

Under a draft master plan on seafood sector development, the Directorate estimated that Viet Nam needs to maintain the sector's growth rate of 8-10% annually to realize the aforesaid objectives.

The sector targets to increase the aquaculture and fishing output to 7 million MT and processed volume to 2.95 million while creating five million jobs with average per capita income tripling the current levels.


The plan says Viet Nam will boost direct seafood exports to foreign countries' major distribution and trade channels and supermarkets.

The country will also formulate trade promotion centers in key markets like the US, Japan and the European Union.

The master plan is currently open for comments. 



Govt approves development master plan for Mekong Delta

The Government has approved a master plan for the Mekong Delta region that seeks to achieve annual economic growth of 7.7% until 2015 and 8.6% in the succeeding five years.  Despite many difficulties, the Region Steering Committee, the region achieved an economic growth of 9.5% in the first half of the year.

If achieved, this will take the region's average personal income to US\$2,750-2,850 by 2020 from the current US\$1,000.

By 2015 the share of agriculture, forestry and fisheries in the economy will be 36.7%, while that of industry and construction will be 30.4% and services, 32.9%. They are estimated to change to 30.5%, 35.6%, and 33.9% by 2020.

Besides having part in the nation's food security, the region will also contribute a lion's share of the annual rice export of 6-7 million MT.

As for seafood, one of the region's key export sectors, the region will reduce its aquaculture area to 550,000-600,000 ha by 2020, down from 736,400 ha in 2010.

According to the Southwestern



Vietnam, Australia boost trade in agro-forestry-seafood

A seminar on trade and investment opportunities in Vietnam's agro-forestry-seafood sector was held in Sydney, Australia on July 23, 2012.


The event took place during a July 20-31 working visit by Deputy Minister of Agriculture and Rural Development Diep Kinh Tan to Australia and New Zealand to promote trade and investment in the agro-forestry-seafood sector.

At the seminar, Tan said that Viet Nam and Australia see great potential for trade and investment cooperation in the agro-forestry-seafood sector, especially when the two sides have been realising commitments in the framework of the ASEAN-Australia-New Zealand Free Trade Area and are participating in the Trans-Pacific Partnership (TPP) Agreement.

However, Tan noted a limited foreign investment flow to agriculture and rural development, with only 950 projects with a total registered capital of US\$4.8 billion.

The Deputy Minister called on Australian partners to further boost trade and investment cooperation with Viet Nam in the sector.

Australian businesses showed their interest in measures to strengthen cooperation with Viet Nam in this field, including organising training courses and exchanging experts.

They suggested Viet Nam create more favourable conditions for farmers to get better access to new technologies in agriculture and rural development. 



Coldwater fish farming in Viet Nam probed

Vice Agriculture and Rural Development Minister Vu Van Tam, General Director of the Directorate of Fisheries (D-Fish) together with Lam Dong's Peoples Committee held a workshop on July 27 to review the development of coldwater fish farming in Viet Nam.

Trout and sturgeon have been introduced into aquaculture in Viet Nam for 5-6 years. They have gradually become an important cash earner in the mountainous provinces where coldwater is readily available.


Viet Nam produced 800,000 fish juveniles including 250,000 trout and 550,000 sturgeons last year, said Mr Nguyen Huy Dien, Deputy Director General of D-Fish.

Farmers have to import egg and feed even though import procedures are complicated and costly.

Besides, Vietnamese farmed trout and sturgeon faced a fierce competition from similar fish but with lower quality illegally imported from China.

Consumers are unable to differentiate between the high quality locally-farmed fish and imported ones, said Mr Le Anh Duc, Chairman of Viet Nam Sturgeon Corporation.

However the environment issues and other problems associated with the fish farming have not been attended to since they are new species and no disease outbreak has been occurred.

According to Vice Minister Vu Van Tam, MARD will develop a master plan for coldwater fish culture and stipulate regulations and standards on the fish farming seeds, production and product in 2013. 




Viet Nam, Thailand promote fisheries cooperation

Viet Nam and Thailand have agreed to work towards signing of a mutual recognition agreement on control and supervision of quality and hygiene safety of aquatic products.

The agreement was reached during a visit to Thailand by Deputy Minister of Agriculture and Rural Development Vu Van Tam from June 26-30.

Under the agreement, both sides agreed to cooperate in preventing and solving the two countries' fishing vessels encroaching on each other's territorial waters, increasing the exchange of information and experience on aquaculture, and the prevention and control of sea product diseases as well as promoting two-way trade of seafood.

They also agreed to boost cooperation in the training of technical workers and managers in the fisheries sector.

They will set up a working group on fisheries cooperation based on a memorandum of understanding on cooperation in agriculture between the two countries' ministries of agriculture, aimed at implementing bilateral cooperation activities. 



Indonesia wants Viet Nam to invest in capture fisheries

Indonesia is seeking Vietnamese investment, especially in the fishing and seafood processing sectors in which it has great potential.

At the Viet Nam – Indonesia Business Meeting held in HCM City on June 22 by the Indonesian Consulate General, Indonesian and Vietnamese delegates said Indonesia's waters have huge fish stocks.

The country, made up of more than 13,000 islands and with a large demand for fishing and other vessels, is also looking for investment from Vietnamese firms in ports, shipping, and shipbuilding. Besides, the mining and oil exploration industries also offer much promise.

Mohamach Abdoula, an Indonesian representative in fisheries and agriculture, said his country wants Vietnamese investment but large fishing enterprises have so far ignored Indonesia. Only some small Vietnamese fishing firms wanted to invest, he added.

Bambang Tarsanto, the Indonesian Consul General in HCM City, said Viet Nam and Indonesia target trade of US\$5 billion before 2015.

The Indonesian diplomats said ties have been moving to a higher level since 2003 when the two nations signed a declaration for a framework of friendly and comprehensive partnership.

With a large and affluent population and abundant

natural resources, Indonesia was a promising market as well as investment destination for Viet Nam, Tarsanto said.

Indonesia, which achieved 6.3 percent economic growth last year, has a GDP of around US\$1 trillion and per capita income of US\$3,400. 



Viet Nam requests Japan to increase Ethoxyquin residue limits

Mr Cao Duc Phat, Minister of Agriculture and Rural Development of Viet Nam (MARD), on July 31 sent a letter to Ms Komiyama Yoko, Minister of Health, Labour and Welfare of Japan (MHLW), asking her to loosen the residue limit of Ethoxyquin in shrimp.

According to Minister Cao Duc Phat, since Japan has not yet established the MRL for Ethoxyquin in shrimp, the Japanese competent authorities are applying Uniform limit (0.01 ppm) for shrimps.


The application of this low limit creates huge difficulties for Vietnamese exporters and Japanese importers because Ethoxyquin is a permitted antioxidant in many countries (including Japan) as a preservative in animal feed (with MRL of 150 ppm), wrote Minister Phat.

Therefore, Minister Phat suggested MHLW to base on the acceptable daily intake (ADI) of 0.005mg/kg body weight defined by Codex Joint Expert Meeting on Pesticide Residues (JMPPR) to set up Ethoxyquin MRL in shrimps while waiting for re-valuating the above ADI for Ethoxyquin by the Japanese Food Safety Commission.

Accordingly, he asked MHLW to set the provisional MRL of 1 ppm for Ethoxyquin in shrimps (similar to Japanese MRL for fish products) while waiting for Ethoxyquin MRL establishment in shrimps.

The MRL of 1 ppm still assures food safety for Japanese consumers and shall not significantly affect trade exchange between the two countries, according to Minister Phat.

Last 18 May, the MHLW decided to check 30 per cent – rather than the usual 5 per cent - of all imported Vietnamese shrimp consignments after finding that one contained residues of Ethoxyquin.

If two more are found to contain the residues, the testing will increase to 50 per cent of consignments. A ban on Vietnamese shrimp may be implemented if more chemical issues surface. 



Eligible exporters of dried seasoned leather jacket to South Korea


Korea Food and Drug Administration (KFDA) has authorised 11 processing plants to export dried seasoned leather jacket to South Korea and not permitted other 15 processing plants to export the product to the country since July 9, 2012.

Among the 11 authorised establishments, three are permitted to maintain normal exports, including Workshop No. 2 of Hai Nam Co. Ltd., Minh Hai PTE, and Phan Thiet Factory of Thaimex.

Anh Long PTE and Huy Son Co. Ltd. are allowed to export with restriction. The remain six, i.e. An Lac Co. Ltd., Viet Nam Seafood Co., Ltd., Seo Nam Co. Ltd., Dong An Co. Ltd., Hai Thanh Co. Ltd., Cho Lon Co., Ltd., are allowed to export on condition.

The latter eight establishments have to get certificate from NAFIQAD when export to South Korea.

KFDA inspected 26 dried seasoned leather jacket exporters of Viet Nam to South Korea in February and March 2012 after getting the information saying that the product is unsafe.

In the first five months, South Korea has been the fourth biggest importer of Viet Nam seafood behind the US, EU and Japan. The main seafood products exported to South Korean are shrimp, squid and octopus, bivalve mollusk etc. 



European bloc recognises Viet Nam's market economy

The European Free Trade Association (EFTA) has recognised Vietnam's market economy status and kick-started negotiations of a free trade agreement (FTA) with the Southeast Asian economy.

A memorandum of understanding to this effect was signed in Ha Noi on July 3 by Vietnamese Minister of Industry and Trade Vu Huy Hoang and Norway's ambassador to Viet Nam, Stale Torstein Risa.

The EFTA includes Norway, Switzerland, Iceland, and Lichtenstein.

Together with 30 other countries that have recognised Viet Nam's status, the EFTA move indicates that the international community acknowledges Viet Nam's economic reforms and its efforts to integrate into the global community. It also helps other countries gain a fair evaluation of Viet Nam's economy.

The MoU between Viet Nam and the EFTA will create a

foundation for promoting bilateral trade and economic ties. It will be a comprehensive FTA in line with World Trade Organisation regulations for trade, services, investment and other fields of mutual interest. 



Viet Nam needs VND61 trillion to develop aquaculture by 2020

Viet Nam needs VND61 trillion to develop aquaculture by 2020, according to the meeting "planning and developing Viet Nam's aquaculture to 2020, vision to 2030" held in Ha Noi on June 22.

Of the sum, VND30 trillion will be spent on aquaculture; VND24.257 trillion will be spent on seafood processing and VND6.6 trillion will be spent on fishing.


The country targets revenue from fishing industry to grow 16-17% a year to 2.4 million MT in 2020, aquaculture product to rise 5.2% a year to 4.5 million MT in 2020 and export revenue of US\$11 billion. 



Seafood production in Jan-Jul 2012

The industry's performance in July did not improve much compared to June. Proposed bailout measures were yet to take off and input costs continued to spiral upward. Meanwhile, output prices were stagnant, even decreased.


The seafood production in July and the first seven months experienced no significant change. However, the return was lower. Reports showed drastic decline in the profit of seafood enterprises in the first half of the year. The number of loss-stricken enterprises was on an increase.

Total seafood production in July reached 531 thousand MT, up 4.3% compared to July 2011. Fish output hit 379 thousand MT, up 3.4% while shrimp yield arrived at 101 thousand MT, up 7.3%. The seven-month seafood output was estimated at 3.18 million MT, up 5.3% over the same period last year. 



Capture fisheries

A tropical storm slammed East Sea of Viet Nam in July; however, it did not create much impact on the local capture fisheries. As it was peak fishing season, fishers were eager to go out to the sea and the catch was high, reaching approximately 170 thousand MT, up 4.1% over the same period last year. Another 17 thousand MT of seafood was caught in the inland waters. Overall capture production in the first seven months was estimated at 1.45 million MT, up 4% over the same period last year, including 1.36 million MT of marine catch.

The tuna fishing season ends in August. Some provinces got high yields of tuna in the first seven months were Phu Yen (6,000 MT, up 10.5% y-o-y), Binh Dinh (5,635 MT, up 49.8%), and Khanh Hoa (1,000 MT). 




Aquaculture

Aquaculture output in July was estimated at 344 thousand MT, up 4.7% over the same period in 2011. Fish hit 232 thousand MT, up 3% while farmed shrimp totaled 92 thousand MT, up 8%. Total aquaculture production in Jan-Jul increased by 6.4% y-o-y to 1.73 million MT.

Pangasius productions continued to be affected by market setback and credit crunch. Fish prices plummeted to about VND18-19 thousand per kg, far lower than the production costs (VND22,000-24,000/kg). Since late July, the price has increased by VND1,000-2,000/kg. Farmers were under less pressure to harvest and barter away their fish.

Shrimp farmers were entering the main harvest season. The species output in July hit 92 thousand MT, up 8% over the same period last year. The disease outbreaks

ceased to spread but still scattered in both black tiger and vannamei shrimp from the Central to the Mekong Delta. Relevant authorities, with the assistance of international organizations, are actively looking for the cause of the shrimp outbreaks and remedies. 



Seafood exports

Sales of seafood to EU, especially the key markets of Germany, Italy, and the Netherlands, continued to plummeted. Although imports to some other markets such as the US, Japan, and Russia, etc. increased significantly, the decline in EU market could not be offset. As a result, seafood exports of Viet Nam were estimated to drop by 10% year on year to US\$500 million in July.

The seven-month figure was US\$3.39 billion, up 6.5% y-o-y.

Notably, the seafood imports of Viet Nam in July was estimated at US\$70 million, driving the seven-month value to US\$401 million, up 157% year on year, according to Viet Nam Custom. It seems that the local shortage of raw materials have made processors increasingly rely on imports.



Viet Nam to have fishery administration force

This force is being established in September and will be the main force in maritime patrol and dealing with vessels that violate Vietnamese law.

Deputy General Director of the Directorate of Fisheries Pham Anh Tuan said that a draft decree on the function, the rights and the mission of this force have been approved by related ministries.

Tuan added that this force is responsible for checking, supervising, preventing and dealing with fishing boats or foreign vessels that break into Viet Nam's exclusive economic zone, Viet Nam's continental shelf, and Viet Nam's waters.

Tuan confirmed that once the decree is issued, this force will be set up this September.

Vice Chair of the National Assembly Committee for Defense and Security, Mr. Tran Dinh Nha, also said that this is the major force to patrol, control and deal with vessels that violate Viet Nam's law and protect maritime environment. This force's activities are appropriate to international law.

Nha added that this force would be equipped with big vessels and modern equipment.



The Ministry of Agriculture and Rural Development has submitted to the government the plan to build 28 fishery administration branches in 28 coastal provinces. Other provinces will have fishery administration divisions to patrol lakes.

At the ministry's proposal, each fishery administration branch will have one ship of at least 2,000 HP, which can work for a long time in the sea. These ships will have modern devices serving search and rescue activities.

SEAFOOD EXPORTS IN JAN - JUN, 2012

Source: Vasep (Based on Vietnam Customs's data)

Viet Nam's seafood exports in June, 2012 amounted to US\$524 million, up 1.3% compared to the same month of last year. Seafood exports in the first six months of 2012 valued at US\$2,89 million, up 10.6% year on year. Market and main product structures are as follows:

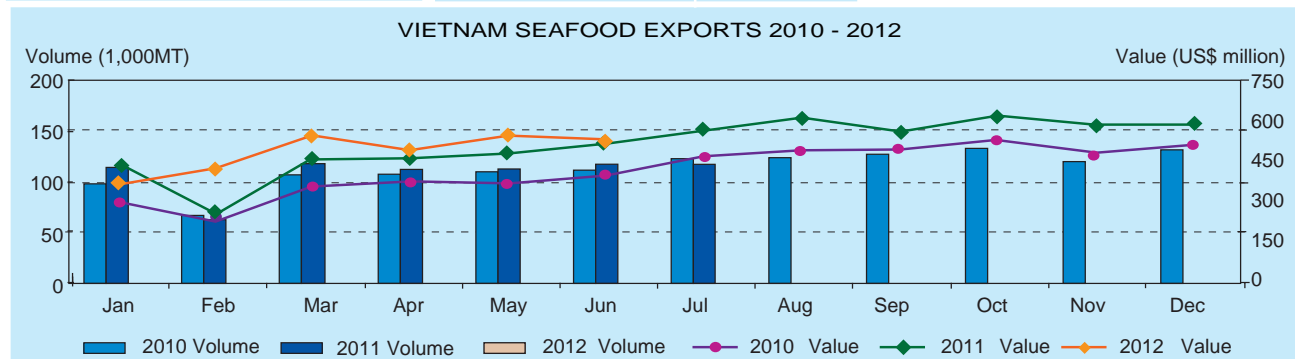
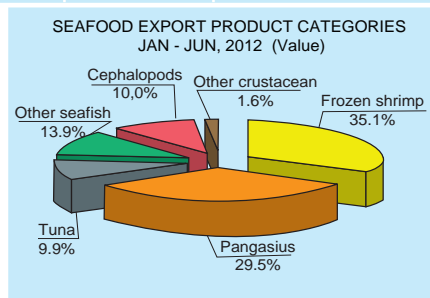
Markets	May 2012 (US\$ million)	June 2012 (US\$ million)	Compared with June 2011 (%)	Jan - Jun 2012 (US\$ million)	Compared with the same period of 2011 (%)
The US	109.483	113.321	+13.0	574.896	+14.4
EU	99.738	98.345	-19.7	555.613	-12.7
Germany	17.627	17.016	-20.0	92.766	-23.4
Italy	15.114	15.156	-24.1	73.746	-15.0
The Netherlands	12.845	11.456	-30.8	70.865	-16.0
Spain	11.642	11.924	-20.5	69.575	-3.7
France	10.897	10.849	-25.2	58.710	-1.2
Japan	96.094	96.981	+28.5	512.282	+35.5
South Korea	47.657	41.189	-5.5	236.692	+14.6
China & Hong Kong	36.966	29.985	-0.8	180.739	+13.0
Hong Kong	13.432	11.268	-0.9	67.652	+24.5
ASEAN	29.125	31.189	+37.8	156.741	+22.2
Australia	15.929	14.370	+17.4	81.784	+34.0
Canada	12.848	12.599	-11.1	64.836	+2.6
Mexico	5.325	5.541	+30.1	50.937	+2.2
Russia	9.949	3.318	-74.7	46.821	-18.9
Others	82.930	77.557	-2.2	430.277	+15.9
Total	546.044	524.396	+1.3	2891.618	+10.6

Products	May 2012 Value (US\$ Mil.)	June 2012 Value (US\$ Mil.)	Compared with June 2011 (%)	Jan - Jun 2012 Value (US\$ Mil.)	Compared with the same period of 2011 (%)
Shrimp (HS 03 and 16)	198.784	202.081	-4.0	1015.229	+4.5
Whiteleg shrimp	63.481	72.097	+8.0	334.205	+34.5
Black tiger shrimp	114.471	107.269	-13.8	560.100	-8.4
Pangasius (HS 03 and 16)	150.440	134.058	-14.4	853.672	+3.0
Tuna (HS 03 and 16)	52.696	55.584	+88.3	286.002	+38.5
Tuna HS 16	21.107	19.485	+22.5	98.022	+49.0
Tuna HS 03	31.589	36.099	+165.2	187.980	+33.6
Other fish (HS 0301 to 0305 and 1604, except tuna and Pangasius)	78.244	71.349	+18.2	401.837	+27.2
Mollusk (HS 0307 and 16)	57.149	50.803	-5.5	289.048	+14.8
Cephalopods	48.694	44.268	-2.7	249.904	+18.4
Bivalve	8.455	6.536	-20.9	39.144	-4.2
Other crustacean (HS 03 and 16 except Shrimp)	8.731	10.520	+49.4	45.830	+13.9
Total	546.044	524.396	+1.3	2891.618	+10.6



Top 10 Viet Nam Seafood Exporters, 2012

Enterprises	Value (US\$ Mil.)
MINH PHU SEAFOOD CORP	176.742
VINH HOAN CORP	72.404
HUNG VUONG CORP	60.237
QUOC VIET CO.. LTD	53.494
AGIFISH	49.146
STAPIMEX	48.842
ANVIFISH CO	44.056
CASES	37.917
UTXI CO	32.704
FIMEX VN	32.442
Total	607.984



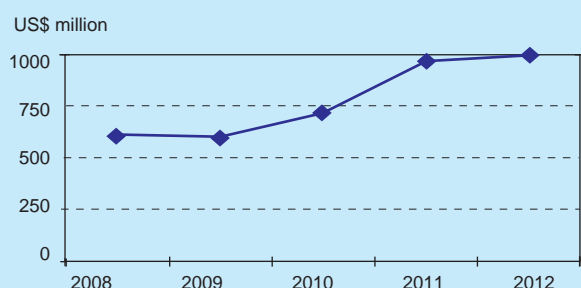
SHRIMP EXPORTS

IN JAN - JUN, 2012

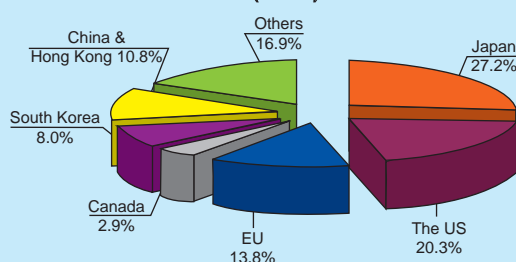
Source: VASEP (Based on Vietnam Customs' data)

Viet Nam's shrimp exports in June declined by 4% year on year, mostly due to the 14% drop in black tiger prawn sales. However, the six-month figure increased slightly by 4.5% to over US\$1 billion. Sales to EU fell dramatically by 24.6%. The US also experienced a slight decline of 5%. However, the drop in the two key markets was offset by the significant increase in Japan, South Korea, Australia, and Taiwan.

SHRIMP EXPORT VALUE IN JAN - JUN, 2008 - 2012



SHRIMP EXPORT MARKETS IN JAN - JUN, 2012 (Value)



Markets	May 2012 (US\$ million)	June 2012 (US\$ million)	Value (%)	Compared with June 2011 (%)	Jan - Jun 2012 (US\$ million)	Value (%)	Compared with the same period of 2011 (%)
Japan	55.359	56.183	27.8	+23.7	275.772	27.2	+28.4
The US	39.135	41.433	20.5	-15.8	206.165	20.3	-4.8
EU	26.434	28.788	14.2	-29.7	140.076	13.8	-24.6
Germany	7.825	7.198	3.6	-17.3	36.749	3.6	-31.7
The UK	4.053	3.901	1.9	-12.0	22.120	2.2	-16.0
The Netherlands	3.537	3.341	1.7	-32.3	21.680	2.1	+4.2
China & Hong Kong	22.133	17.861	8.8	-12.0	109.927	10.8	+1.1
Hong Kong	6.658	5.841	2.9	-1.0	31.190	3.1	+16.4
South Korea	17.650	18.266	9.0	+28.7	81.471	78.0	+26.7
Australia	8.133	7.851	3.9	+46.6	44.213	4.4	+62.5
Taiwan	5.430	8.387	4.2	+11.6	33.738	3.3	+14.5
Canada	5.669	5.204	2.6	-32.2	29.745	2.9	-13.6
Switzerland	5.758	5.259	2.6	+35.6	21.543	2.1	+22.3
ASEAN	2.524	2.970	1.5	-15.3	17.218	1.7	+5.8
Singapore	1.891	2.018	1.0	-8.3	12.423	1.2	-1.3
The Philippines	0.189	0.724	0.4	+12.0	2.430	0.2	+42.6
Others	10.560	9.879	4.9	-20.8	55.361	5.5	-1.5
Total	198.784	202.081	100	-4.0	1.015.229	100	+4.5

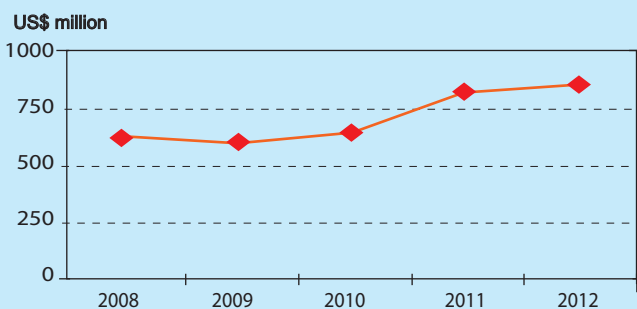
Shrimps (live/ fresh/frozen/ dried (HS 03))				Processed shrimp (HS 1605)			
No	Markets	Value (US\$ million)	Proportion %	No	Markets	Value (US\$ million)	Proportion %
1	Japan	187.528	25.85	1	Japan	88.244	30.44
2	The US	145.719	20.09	2	The US	60.446	20.85
3	China & Hong Kong	105.554	14.55	3	Australia	34.022	11.74
4	South Korea	54.498	7.51	4	South Korea	26.974	9.30
5	Taiwan	29.943	4.13	5	Germany	10.629	3.67
6	Germany	26.120	3.60	6	France	8.986	3.10
7	Canada	22.436	3.09	7	The Netherlands	8.753	3.02
8	Switzerland	17.544	2.42	8	Canada	7.310	2.52
9	The U.K	16.380	2.26	9	The U.K	5.740	1.98
10	Egypt	14.056	1.94	10	China & Hong Kong	4.373	1.51
Subtotal		619.777	85.45	Subtotal		255.475	88.12
Others		105.538	14.55	Others		34.438	11.88
Total		725.315	100.00	Total		289.913	100.00

PANGASIOUS EXPORTS IN JAN - JUN, 2012

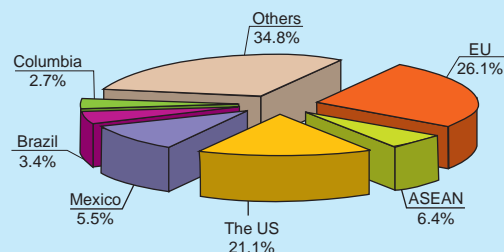
Source: VASEP (Based on Vietnam Customs' data)

Viet Nam's Pangasius exports declined by 14% in June but still showed a slight increase in the first six months. EU, the largest market for Pangasius, plunged by 26.5% in June and 19% in January-June. Meanwhile, sales to the second largest market, i.e. the US, kept rising although the growth in June was less significant.

PANGASIOUS EXPORT VALUE IN JAN - JUN, 2008 - 2012



PANGASIOUS EXPORT MARKETS JAN - JUN, 2012 (Value)



Markets	May 2012 (US\$ million)	June 2012 (US\$ million)	Value (%)	Compared with Jun 2011 (%)	Jan - Jun 2012 (US\$ million)	Value (%)	Compared with the same period of 2011 (%)
EU	36.393	34.149	25.5	-26.5	222.570	26.1	-18.8
Spain	7.811	7.435	5.5	-32.4	48.435	5.7	-3.5
The Netherlands	7.153	5.798	4.3	-35.2	38.579	4.5	-25.5
Germany	4.780	4.319	3.2	-47.1	27.655	3.2	-45.0
Italy	3.417	3.573	2.7	-13.5	19.243	2.3	-4.2
The US	33.126	33.608	25.1	+13.5	179.778	21.1	+33.4
ASEAN	9.456	9.339	7.0	+16.1	54.375	6.4	+1.7
Singapore	3.137	3.144	2.3	-20.4	17.440	2.0	-4.9
The Philipinnes	2.167	1.757	1.3	+38.0	13.761	1.6	+11.8
Malaysia	2.180	1.869	1.4	+18.3	10.672	1.3	+2.3
Mexico	4.198	4.458	3.3	+10.0	46.845	5.5	-3.6
China & Hong Kong	5.684	4.640	3.5	-3.2	33.097	3.9	+41.8
Hong Kong	3.711	3.224	2.4	3.711	21.856	2.6	+17.8
Brazil	4.793	3.622	2.7	-38.0	29.166	3.4	+6.9
Columbia	2.399	3.024	2.3	-13.6	23.457	2.7	+22.5
Russia	6.033				21.927	2.6	-21.9
Others	48.359	41.218	30.7	-11.8	242.458	28.4	+10.3
Total	150.440	134.058	100	-14.4	853.672	100	+3.0

Pangasius (live/ fresh/frozen/ dried (HS 03))			
No	Markets	Value (US\$ million)	Proportion %
1	The US	179.777	21.20
2	Spain	48.435	5.71
3	Mexico	46.845	5.52
4	The Netherlands	36.737	4.33
5	China & Hong Kong	32.959	3.89
6	Brasil	29.158	3.44
7	Egypt	27.682	3.26
8	Germany	26.609	3.14
9	Saudi Arabia	25.954	3.06
10	Canada	23.590	2.78
	Subtotal	477.746	56.33
	Others	370.385	43.67
	Total	848.131	100.00

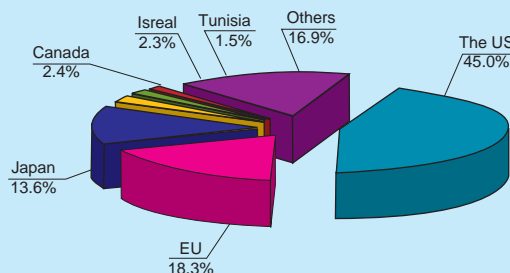
Processed Pangasius (HS 1604)			
No	Markets	Value (US\$ million)	Proportion %
1	The Netherlands	1.842	33.23
2	Germany	1.046	18.87
3	Australia	0.756	13.65
4	Switzerland	0.431	7.78
5	Singapore	0.331	5.96
6	Portugal	0.210	3.79
7	Belgium	0.173	3.12
8	China&HongKong	0.138	2.49
9	Japan	0.120	2.17
10	Thailand	0.089	1.60
	Subtotal	5.135	92.66
	Others	0.407	7.34
	Total	5.542	100.00

TUNA EXPORTS, IN JAN - JUN, 2012

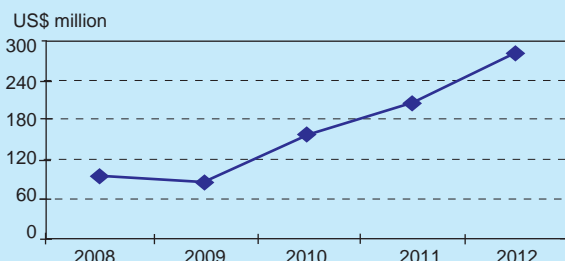
Source: VASEP (Based on Vietnam Customs' data)

Sales to Iran, one of the top ten buyers of Viet Nam's tuna, had plummeted since the beginning of the second quarter 2012. Despite a slight increase in June, Viet Nam's tuna exports to Iran still dropped by 60% year on year to US\$3 million in the first half of the year. Except for Lebanon, which experienced a 45% drop in imports of tuna from Viet Nam, most other markets saw significant increase in June 2012.

TUNA EXPORT MARKETS JAN - JUN, 2012 (Value)



TUNA EXPORT VALUE IN JAN - JUN, 2008 - 2012



Markets	May 2012 (US\$ million)	June 2012 (US\$ million)	Value (%)	Compared with June 2011 (%)	Jan - Jun 2012 (US\$ million)	Value (%)	Compared with the same period of 2011 (%)
The US	25.293	26.456	47.6	+125.1	128.579	45.0	+24.4
EU	10.292	10.192	18.3	+44.7	52.375	18.3	+41.4
Germany	3.042	3.222	5.8	+15.2	15.876	5.6	+69.0
Italy	3.067	2.728	4.9	+374.8	13.079	4.6	+123.7
Spain	1.244	0.788	1.4	+302.2	6.660	2.3	+55.5
Japan	3.278	3.018	5.4	+46.5	38.754	13.6	+53.9
Canada	0.820	2.164	3.9	+471.6	6.849	2.4	+87.6
Israel	1.297	0.813	1.5	+121.9	6.613	2.3	+208.8
Tunisia	1.309	1.203	2.2	+304.9	4.431	1.5	+414.1
Iran	0.858	0.900	1.6	+2.7	2.972	1.0	-60.2
Mexico	0.730	1.083	1.9	+583.5	2.831	1.0	+407.5
Lebanon	0.446	0.233	0.4	-44.8	2.312	0.8	+19.5
Others	8.372	9.522	17.1	+54.6	40.285	14.1	+66.1
Total	52.696	55.584	100	+88.3	286.002	100	+38.5

Tunas (live/ fresh/frozen/ dried (HS 03))			
No	Markets	Value (US\$ million)	Proportion %
1	The US	82.538	43.91
2	Japan	35.782	19.04
3	Italia	12.752	6.78
4	Spain	6.660	3.54
5	Israel	6.613	3.52
6	Thailand	5.642	3.00
7	Canada	5.584	2.97
8	China & Hong Kong	3.802	2.02
9	Iran	2.972	1.58
10	The UK	2.887	1.54
Subtotal		165.233	87.90
Others		22.746	12.10
Total		187.980	100.00

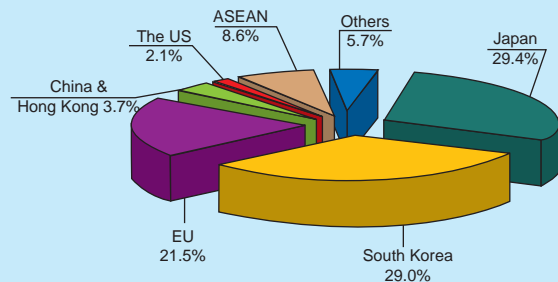
Processed Tuna (HS 1604)			
No	Markets	Value (US\$ million)	Proportion %
1	The US	46.041	46.97
2	Germany	14.036	14.32
3	Thailand	8.153	8.32
4	Tunisia	4.192	4.28
5	Japan	2.972	3.03
6	Lebanon	2.312	2.36
7	Switzerland	2.066	2.11
8	Taiwan	1.743	1.78
9	Sudan	1.648	1.68
10	Canada	1.265	1.29
Others		84.428	86.13
Total		13.594	13.87
		98.022	100.00

CEPHALOPODS EXPORTS IN JAN - JUN, 2012

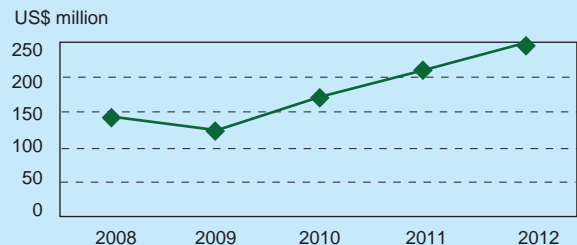
Source: VASEP (Based on Vietnam Customs' data)

Viet Nam's cephalopods exports in the first half of the year increased by 18% despite the 3% decrease in June. Imports to Japan, Spain, France, Thailand, Hong Kong, Australia soared dramatically while to South Korea and other EU countries were either stagnant or decreased slightly.

**CEPHALOPOD EXPORT MARKETS
JAN - JUN, 2012 (Value)**



CEPHALOPOD EXPORT VALUE IN JAN - JUN, 2008 - 2012

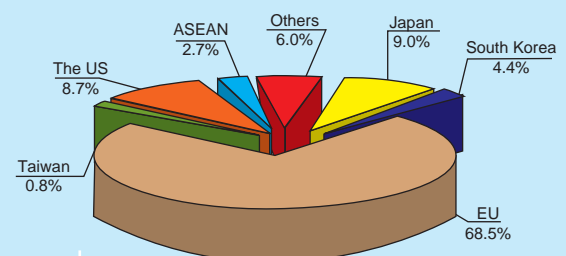


Markets	May 2012 (US\$ million)	June 2012 (US\$ million)	Value (%)	Compared with June 2011 (%)	Jan - Jun 2012 (US\$ million)	Value (%)	Compared with the same period of 2011 (%)
Japan	14.005	14.673	33.1	+53.7	73.525	29.4	+58.4
South Korea	13.911	10.332	23.3	-41.8	72.451	29.0	-4.5
EU	10.290	9.541	21.6	-11.6	53.736	21.5	+3.4
Italy	6.418	5.864	13.2	-30.4	30.638	12.3	-18.4
Spain	0.609	1.202	2.7	+164.1	4.607	1.8	+74.8
France	0.552	0.740	1.7	+82.7	4.190	1.7	+100.0
ASEAN	4.571	4.777	10.8	+42.5	21.589	8.6	+42.6
Thailand	3.202	3.312	7.5	+40.2	15.285	6.1	+61.8
China & Hong Kong	1.776	2.022	4.6	+92.8	9.171	3.7	+34.8
Hong Kong	0.673	0.518	1.2	+52.1	3.565	1.4	+75.7
The US	1.045	0.624	1.4	+42.4	5.196	2.1	+27.7
Russia	0.964	0.356	0.8	-50.2	3.393	1.4	+41.1
Taiwan	0.599	0.681	1.5	-20.8	2.556	1.0	-27.6
Australia	0.394	0.374	0.8	+201.7	2.525	1.0	+92.5
Others	1.139	0.887	2.0	+0.6	5.762	2.3	+64.9
Total	48.694	44.268	100	-2.7	249.904	100	+18.4

BIVALVE EXPORTS IN JAN - JUN, 2012

Viet Nam's exports of bivalve fell by 21% in June, driving the six-month figure down by 4%. Surprisingly, imports to France skyrocketed by 290% in the first half of the year even though the figure in June dropped by almost 90%.

BIVALVE EXPORT MARKETS JAN - JUN, 2012 (Value)



Markets	May 2012 (US\$ million)	June 2012 (US\$ million)	Value (%)	Compared with June 2011 (%)	Jan - Jun 2012 (US\$ million)	Value (%)	Compared with the same period of 2011 (%)
EU	5.420	4.680	71.6	1.6	26.824	68.5	7.6
Portugal	2.138	1.923	29.4	93.4	8.149	20.8	43.7
Spain	0.842	1.107	16.9	22.9	5.522	14.1	-18.9
France	0.588	0.041	0.6	-88.1	3.724	9.5	289.4
Japan	0.836	0.568	8.7	-40.9	3.510	9.0	-17.1
The US	0.868	0.531	8.1	-54.7	3.404	8.7	-27.8
South Korea	0.690	0.208	3.2	-58.8	1.716	4.4	26.7
ASEAN	0.208	0.054	0.83	-83.0	1.163	2.97	-24.4
China & Hong Kong	0.230	0.188	2.9	33.6	1.046	2.7	-10.1
Australia	0.002	0.162	2.5	26.3	0.643	1.6	48.9
Taiwan	0.064	0.032	0.5	-63.6	0.297	0.8	-72.3
Canada	0.055	0.086	1.3	-58.1	0.269	0.7	-46.1
Others	0.083	0.027	0.4	-80.3	0.271	0.7	-70.9
Total	8.455	6.536	100	-20.9	39.144	100	-4.2

Exquisite products at Vietfish 2012

Prepared and value-added seafoods step by step dominate over the world distribution system. Not wanting to be left out of the trend, Vietnamese seafood processors have developed their own products with more value added. Vietfish International will introduce some of those displayed at the recent Viet Nam Fisheries International Exhibition 2012.

By **Phuong Mai**



Garlic&Herb Popcorn of Minh Phu



A salmon product of Cafatex

Minh Phu: Garlic&Herb Popcorn and Mexican Breaded Prawn Skewer

Garlic&Herb Popcorn and Mexican Breaded Prawn Skewer are two new products of Minh Phu launched at Vietfish 2012, so new that they had not been even included in the company catalogue at the fair.

Ms Chu Thi Binh, Vice Director of Minh Phu Corp said these products are destined for Northern America, Europe, and Japan. All the seasonings and spices are imported to the taste of each market. The two products, which are made to order, promise good sales like the precedent marinated shrimp.

Cafatex: A series of fresh salmon products

Cafatex introduced a new series of fresh salmon products, from salmon steak, salmon fillet to skin-on and skinless salmon sashimi. The once-famous shrimp processor, who came up with various in value-added shrimp products, has recently expanded the business into Pangasius and salmon.

Cafatex imported raw salmon and used the transferred by Japanese clients technology to produce the new products, which are now in full-scale production and shipped to Japan.

Phu My An Corp: Sea cucumber, bird's nests, and shark fin

Phu my An Corp is a new producer of dry seafood. At the Vietfish 2012, the company presented numerous dry products, but most remarkably sea cucumber, bird's nests and shark fin. These products are mainly sold to high-

end restaurants and hotel chains. Raw materials are supplied from the fishing grounds in the Central of Viet Nam. The company has a dry and frozen processing factory in Nhut Chanh Industrial Park (Ben Luc district, Long An province).

Caseamex: Breaded Pangasius fillet

The product has been offered by many processors in the industry; however, it is completely new for Caseamex. The company's Breaded *Pangasius* Fillet production line was not put into operation long ago. The company imported bread and seasoning for processing.

The product, made from locally-produced *Pangasius* and imported bread crumb and seasonings, is mainly shipped to German and Chile. At present, the company processes and exports 2-3 containers/month. Production can be expanded to meet the increasing demand.

Seaprodex Da Nang: Sushi vannamei, boneless hairtail fish chunk

Although Seaprodex Da Nang's sushi vannamei has been on sale for a while, the product still drew lot of attention at Vietfish 2012 with many European and Japanese clients offered to pay premium price.

The company's brand-new hairtail fish chunks are unique in a way that all bones are conveniently removed for consumers. At present, the company is shipping three containers/month to Japan. Supply of hairtail is rich and

available all year round in the Central of Viet Nam.

CL Fish: *Pangasius* fingers

Coconut *Pangasius* finger is the latest product of CL-Fish, made from coconut powder imported from Thailand. The product is made for the US and the Middle East market. However, CL-Fish will also tailor the products and promote it in other markets.

Previously, the company's breaded *Pangasius* finger was sold at large quantity to many markets in the world.

An Chau Co., Ltd: Tinfoil barb and sea fish fillets

Not many stands at Vietfish this year showcased sea fish due to depleted resources. However, An Chau's booth was plentiful and eye catching with all kinds of marine harvest. Ms Nguyen Thi Hoa, Director of An Chau, said these products were high on demand in Asia, Europe and the US.

An Chau Co., Ltd ships 2-3 containers of sea fish fillet each month. The company also offers tinfoil barb fish (cleaned, whole) collected from Nha Trang, Binh Thuan, Ba Ria-Vung Tau and Kien Giang. The fish is being exported to Canada.

Vinasea: Protective workwear in seafood processing

This year, Vinasea's protective workwear for seafood processing workers appealed to many local and international processors.

The company introduced new, high-quality and fashionable designs that meet the specific need of each processing lines such as fish, shrimp and seafood.

Vinasea's new workwear uses tape to prevent unexpected items from falling out of the workers and shorten the clothes-changing time. The products satisfy HACCP-based food safety requirements and hygiene standards.

Compiled by **Hang Van**



Birds' nests of Phu My An



Sushi vannamei of Seaproduct Da Nang



Breaded Pangasius Finger of CL-Fish



Marine fishes of An Chau



Seasoned Pangasius fillet of Caseamex



Protective workwear of Vinasea



Pangasius harvesting. Photo: To Chau

FSMA: The US new trade barriers

Concerning with the arising uncertainties in world food safety, the US government has increasingly resort to preventive blocking measures against imported food. The new Food Safety Modernization Act (FSMA) is one of those interventions that draw much attention of food manufacturers and processors from outside the country.

By **Phuong Mai**

The Food, Drug, Cosmetic Act, which was signed into law by the US President Franklin D. Roosevelt in 1938, is the principal law regulating all food, beverages, drugs, cosmetics, and medical devices in the USA. Since its stipulation, the law has been amended many times to include new requirements.

The US Bioterrorism Act of 2002

The US Bioterrorism Act of 2002, which went into effect in October 2003 – three years since the attack on the World Trade Center, is a significant amendment to the Food, Drug, Cosmetic Act. It gave rise to a number of complicated requirements for food manufacturers, processors, packagers, etc. who export their products to the US.

Specifically, the Act requires companies to register with FDA, to designate of a US Agent for FDA communication, and to file Prior Notice, i.e. notify FDA before shipments arrive

in the US instead of after arrival.

FDA estimated 420,000 firms should register worldwide, with 50% outside the US. As of December 1, 2010, the number of companies registered with FDA amounted to 418,574, splitting 166,160 US companies and 252,414 foreign ones. The figure included 6,160 Vietnamese companies.

However, food safety continues to concern the US government and local consumers after the incidents of melamine in pet food and illegal antibiotics in aquaculture. According to Registrar Corp., foodborne illness in the United State are about 48 million cases, 128,000 hospitalizations, and 3,000 deaths from foodborne pathogens each year.

Driven by such concern, the US government decided to revise the food safety laws and added various new requirements targeting the imports, which account for 15-20% of the US foods consumed.

FDA Food Safety Modernization Act

FSMA, signed by President Obama on April 1, 2011, is the most recent updates to FDA Food Safety Modernization Act, which significantly improves the registration provision and adds records access requirements.

The law stipulates that each food facility must renew its US FDA registration every two years (4th quarter of every even-numbered year), starting from October 2012.

Facilities located outside the US will still be required to designate a US Agent for US FDA communications, as established by the US Bioterrorism Act of 2002

The law also grants power to US FDA to suspend a company's food facility registration if US FDA believes that food manufactured, processed, packed, received, or held by the facility has a reasonable probability of causing serious adverse health consequences or death to humans or animals.

The law allows FDA to proactively detain food for 30 days if suspected of adulteration or misbranding at the border instead of being required to wait for a proven health concern. Failure to make required electronic filings, including registrations, process filings, prior notices, will also lead detention. Additionally, the law grants US FDA the power to order, rather than merely request, the recall of tainted food.

As part of each company's food facility registration, the company is required to agree to permit inspection by US FDA. The law does not require



Seafood skewers. Photo: DM

US FDA to inspect all facilities, but it increases the number of inspections and requires all firms to agree to an inspection upon US FDA request. A company may be required to pay for any re-inspection.

Food facilities are required to develop written plans for hazard analysis, preventive controls, and corrective measures, to be updated with each change in operations or every three years, whichever is more frequent. These records must be available for US FDA inspection.

Importers are required to establish programs to verify the safety of all shipments of imported food, and US FDA may require certifications of safety for each shipment. Regulations implementing these requirements were due by January 4, 2012. US FDA may establish a Qualified Importer Program, easing requirements for some importers, by July 4, 2012.

US FDA will provide for the recognition of accreditation bodies that accredit laboratories, including those outside the United States, with a demonstrated capability to conduct analytical testing of food products. Regulations implementing this provision are due by January 4, 2013.


How should exporters prepare?

According to Mr David Lennarz, former Technical Expert for the US FDA, Investing in compliance is much cheaper than reacting to a failed inspection or detention in the US.

"Detentions mean demurrage, laboratory testing fees, warehousing fees, cost to "recondition" product, return freight, possible FDA fees, and loss of a customer," he explained.

He advised food exporters to make all necessary preparations. They should check if they have the 11-digit registration number and 8-character PIN and verify that the information in their FDA registration is up-to-date, especially their contact details (phone, fax, and email).

Exporters should also determine who is listed as their US Agent in their FDA Food Facility Registration and make sure such agent is aware of FSMA and is a reliable communications link between FDA and themselves.

"Registrar Corp Assists Companies Comply With U.S. FDA Requirements. All services are fixed fee, no hourly rates. For more information, exporters can contact us at info@registrarcorp.com," said Lennarz. 

FSMA Foreign Facility Inspection Schedule

- + 2011- 600 Foreign Inspections
- + 2012- 1,200 Foreign Inspections
- + 2013- 2,400 Foreign Inspections
- + 2014- 4,800 Foreign Inspections
- + 2015- 9,600 Foreign Inspections
- + 2016- 19,200 Foreign Inspections

EU looking to raise tariffs on many seafood imports



Butterfly shrimp of Thuan Phuoc Corp. Photo: DM

At issue is the elimination of many tariff exemptions, and instead the application of tariffs, at a lower level than standard tariffs, to many import quotas that are now tariff free or nearly so.

As we have reported, this change would impact Alaska pollock by removing an exemption, and raising the tariff to 3.0 to 3.5% on a 260,000 MT quota.

For cold water shrimp, it would mean expanding the quota from 20,000 MT to 33,300 MT, but also expanding the products covered beyond cooked and peeled *Pandalus borealis*; to the West Coast *Pandalus jordani*, and to shell on cooked *Pandalus* imported into the EU for the rapidly growing hand peeled market.

The draft proposal shows the commission is also considering reducing the amount of surimi, anchovies, herring, squid and possibly cod and shrimp that can be imported into the EU at no or very low duty.

Instead of being able to import 55,000 MT of frozen surimi at no duty, processors could have to pay duty after importing 40,000 MT. Similarly, the amount of duty free brined or salted anchovies has been cut from 5,000 to

1,500 MT.

Pierre Commere, who heads the French processor association Adepale, told IntraFish Adepale had asked for an ATQ of 65,000 MT for surimi, and of 5,000 MT for anchovies.

Now it appears the tariff proposal would affect tuna loins as well -- meaning it is a change that is being applied across the board, not just to individual species.


The tuna proposal, as detailed by atuna.com, shows that within the Union there is a sentiment to increase the duties of products which are destined for processing, including frozen pre-cooked tuna loins for canning, to the level of 20%. The draft show that the EU wants to apply an ATQ or Autonomous Tariff Quota, and that all suspensions would be removed as part of the EU's reforming of Common Fisheries Policy.

The leaked documents says that this new rule would apply to all ocean species, and no more exceptions would be made. But this would not impact countries which have negotiated special trade arrangements with the EU, only '3rd party' countries. This proposal could be a major threat to European based canned tuna processor in Spain,

It appears that the European commission is considering raising tariffs on many types of seafood imports beginning in 2013.

Portugal, France, Italy and Greece which nowadays mainly depend on the use of imported pre-cooked frozen tuna loins from S- America, Africa and Asia for their production. Earlier Spain and Italy have called for the total reduction of import duties on pre-cooked loins for the first 30,000 M/T imported, while the French called for a quota of only 10,000 M/T with a 4% duty.

The regular duty tariff on loins is 15% when coming from the Thailand, China and Viet Nam. As it looks the proposal would still leave the year around duty free import of loins in place from origin countries such as Ecuador, Colombia, El Salvador, Papua New Guinea, Mauritius and other countries which have special tariff arrangements with the EU. Implementation of the draft proposal would cut the supply of pre-cooked loins from Asia to the EU, but likely increase imports from S- America and Papua New Guinea.

Recently ANFACO has been fiercely protesting against the imports of tuna from Papua New Guinea, and the duty free arrangement that the country has with the EU through the EPA - Economic Partnership Agreement. 

(Source: seafood.com)

Russian market offers new opportunities for Vietnamese exporters

Russia will reduce import taxes on some Vietnamese goods by 30-50 percent under its new tariffs and quotas commitments after joining the WTO in December last year. Russia considers FTA with Viet Nam a breakthrough in ASEAN



Vietnamese businesses will find it easier to export agricultural products to the Russian market as the average import taxes on these products will drop to 10.8 percent from the current 13.2 percent.

Deputy Minister of Industry and Trade (MoIT) Hoang Quoc Vuong says the traditional Russian market, with its large consumer base, has great potential for Vietnamese businesses to make a profit. Russia is not a demanding market for staples imported from Viet Nam such as garments and textiles, footwear, farm products and seafood. tea, coffee, fruit, vegetables, rice and other agricultural products.

The Vietnamese MoIT says the unstable farming caused by less government subsidies and fuel price hikes has left its agricultural sector in the lurch to meet domestic consumer demands because Russia depends

heavily on imports.

Russia is considered an open and important market among the 150 nations and territories which import farm products from Viet Nam. Its main imports items in the first half of this year were seafood, rubber, coffee and cashew nuts.

Russia's agricultural sector offers a wealth of opportunities for foreign exporters and investors because it has a high demand for milk cows, livestock, seeds and agricultural services.

However, the country's strict legal regulations on certifying the origins of animals and plants pose huge challenges for exporters.

Complicated payment mechanisms, a lack of market information and tariff and non-tariff barriers, in addition to convoluted legal formalities, have prevented some Vietnamese goods from entering the Russian market.

The bottom line is that a legal corridor should be created to facilitate the exchange of goods between the two countries, particularly agricultural and aquatic products.

To boost the export of farm products to Russia, it is essential to diversify processed products, ensure food hygiene and safety, offer reasonable prices and enhance the exchange of information between State management agencies, Vietnamese exporters and Russian importers.

Deputy Foreign Minister Bui Thanh Son emphasizes the need to introduce new Vietnamese products to the Russian market and focus heavily on trade promotion in order to compete with similar products from other countries.

Vietnamese businesses need to pay more attention to promoting trade through fairs, exhibitions and representative offices in Russia and creating import-export links.

The Vietnamese Ministry of Agriculture and Rural Development (MARD) and its Russian counterpart should work towards signing a Viet Nam-Russia Free Trade Agreement (FTA) ahead of schedule, as well as a Viet Nam-Russia-Kazakhstan-Belarus FTA later on to establish a legal foundation for Viet Nam to boost exports to Russia and reduce its future import surplus.

Vietnamese businesses must also ensure the quality of their products from the production to processing and packaging chains to meet Russia's strict consumer demand for a wide range of imported products.

(Source: VOV)

Phuoc Anh Seafood

Doing business with Heart and Mind



Being the owner of 3 companies under the same name of Phuoc Anh, getting involved in seafood farming and processing, and auto-salon with turnover of VND1000 billion and export value of US\$8 million in 2011, Mr. Le Van Hau, owner of Phuoc Anh Seafood, just started his own business with only one hired *Pangasius* farming pond. His success story seems to be unbelievable.

By Truong Ngo Bich Ngoc



Mr Le Van Hau
Director of Phuoc Anh Seafood

Predestined to the business

Ten years ago, with much experience in *Pangasius* farming business but little money, Mr. Hau still kept 10 cages of *Pangasius* and hired only one pond with the aim to make a trial when moving from Chau Doc, An Giang to Vinh Long. However, he made a big fortune in the first deal, earning approximately VND1 billion excluding all expenses from the fish pond, which was as much as profits from 10 fish cages.

Having noticed that, he bravely sold out fish cages and invested entirely in farming fish in ponds.

“The God might hear and love me so as to grant me with good luck in doing business since I moved to Vinh Long,” Hau joked. However, luck is only a factor among many other decisive ones mentioning experience, determination to pursue the business. Hau is the person with such precious qualities.

In 2006, after years of saving,

Hau established Phuoc Anh Seafood Company which operates mainly in farming, processing and exporting seafood. Considering good quality as the key to success, he built a fish farm that met GlobalG.A.P. The fish processing factory with the capacity of 80 MT of fish a day is fully equipped with modern facilities and the quality controlling system satisfying such international standards as HACCP, HALAL, ISO, BRC, etc, thus enabling the company to increase the value of its products.

However, the “battle” in the seafood industry has become harder and required big and increasing investment. Expenses on feed for farming *Pangasius* account for 70-80% of the production cost. Hau understood that in order to stabilize the production input and reduce cost, the prerequisite is to tighten the links among different production stages.

“Thinking then doing”, in 2010, he decided to take over a feed processing factory with the capacity of 60,000 MT per year and with the capital of VND53 billion, mainly supplying for the farming area of the company. “This integrated process is also one of our strengths,” said Hau.

The company has totally been self-controlled in fish feed supply. Everyday its fish ponds bring about 100 MT of market-sized fish. The company exports approximately 20 - 30 containers of *Pangasius* fillet each month. “Being updated with market information and sensitive to the state’s policies and procedures also makes a contribution to the success of the company,” added Hau.

Besides, he always avails himself of all business opportunities so as to increase the benefits of the company. He is the pioneer in the purchasing of ten well-boats, each costing about VND1 billion, to transport fish for other companies. His fleet transports about 200 tons of fish a day. To make use of the spare space in the food processing factory, he rent out 1.8 ha to a warehouse, bringing about the revenue of nearly VND2 billion a year.

Successfully overcome “crisis”

In 2011, due to the economic crisis, and the decline in exporters’ financial capacity, the purchase power strongly decreased and banks tightened their credit policies. However, with the flexible, sharp business strategies and the “good heart” - determination and passion in doing business - of the Director board and all the staff, Phuoc Anh Seafood has overcome the crisis. In the late 2011, it reached its US\$8 million export targets.

The success of the company in recent years has been the result of many initiatives including being aware of its own strength, scaling down the farming area to only about 40%, tightening administration, revising technical standards, and implementing a number of solutions to minimize the production costs.


Development plans

Despite difficulties, the Director Board has been continually trying to ensure the rights of 1,000 employees. Such policies as insurance, periodic health check-up, annual picnics and summer holidays, etc are maintained.

The right work is assigned to the right person. Strict labour disciplines, rewarding and punishment schemes are adopted. At present, the average income per person ranges from VND4 million to VND7 million per month

In addition to expanding the scale, focusing on production development, the company extracts annual benefits from VND1 billion to VND2 billion to contribute to the Gratitude movement, social welfares, Fund for the Poor, and Vietnam Golden Heart Fund; building 20 houses for the poor; engaging with local authority to solve the problems related to social welfares, etc.

Hau foresees that seafood enterprises will still face difficulties in 2012. Lack of raw fish, tightened budget, low quality broodstocks, etc are threatening Viet Nam’s *Pangasius* industry. However, challenges also act as opportunities for serious enterprises like Phuoc Anh Seafood to demonstrate their competence. This year, Phuoc Anh Seafood is planning to buy another freezing factory with the capacity of about 200 tons per day, targeting an export turnover of US\$15 million. With its achievements in recent years, the company has been awarded a number of certificates of merits, including the one granted by Vinh Long People’s Committee in 2010. Director Le Van Hau also received the “Typical enterprise in Vinh Long in 2011” award.

“That shows how much the local authority cares for the company and enables us to strengthen our trademark and prestige, ensure the profitability and develop the *Pangasius* farming and exporting business in a stable manner”, said Hau. 

Compiled by Bich Ngoc

Phuoc Anh Services Trading Company (Phuoc Anh Seafood)

101 Pham Thai Buong Street, Ward 4,
Vinh Long City, Vinh Long Province,
Viet Nam

Tel: +84 70 3852762

Fax: +84 70 3852147

Email: phuocanh@viettel.vn

Labour force: 1000 employees

Quality assurance: HACCP, HALAL, ISO,
BRC

Main markets: EU, Asia, Middle East

Main products: *Pangasius*

PASTEC brings advanced technologies to farmers

The positive socio-economic development that touches every aspect of life in the coastal province of Phu Yen is much attributed to the structural reforms of the fisheries industry, especially the shift of focus to the aquaculture sector.

By Tran Duy



The Centre's hatchery

Being a research and technology transfer agency, Phu Yen Aquaseed and Technique Center (PASTEC) has worked endlessly to bring cutting-edge seed production technologies into the local aquaculture practice.

Adequate facilities and intellectual resources

PASTEC's main function is

to produce fish fries; organize technological workshops; acquire and transfer advanced technologies in aquaculture, fishing and processing; identify and provide treatment solutions to shrimp and fish diseases as well as water quality issues.

The Center also provides technical training for those working in the fisheries scientific and technology development. It works with the

Fisheries Extension Center to establish demonstration farms and hatcheries.

Established in 2001 with the support from the provincial authorities and other colleagues, PASTEC has quite adequate facilities. One year after its establishment, the centre spent over VND3.9 billion building a spacious 3-floor office in a 2,800 sq.m campus, which houses state-of-the-art laboratories, a show room, a meeting hall, a library, and even an out-door exhibition.

The center is building a saltwater hatchery in Binh Kien Commune and a freshwater one in Hoa Dinh Dong Commune, Tuy Hoa City. These hatcheries will receive the seed production advanced technologies from national and international research institutes and universities and transfer them to the farmers. They will also keep broodstocks of native fish and other valuable species while importing and multiplying the seeds to boost local supply in sensitive periods.



PASTEC's headquarter in Tuy Hoa City

The center has 15 staffs, includes one PhD and four bachelors in biology, eight engineers (six in aquaculture, one in seafood processing, one in fishery economy). They are important intellectual resources and play the key roles in technology transfer and research activities of the center.

Technology transfer and resource recreation

In the years of 2003-2004, the center obtained the seed production technology for saltwater species such as *Areola babylon*, abalone, blue crab, etc.; and freshwater fishes such as *Anabas testudineus*, unisex tilapia, golden hemibagrus, etc. from the Research Institute for Aquaculture No.3 and the Department of Fisheries, Ho Chi Minh University of Agriculture and Forestry. In the same period it received first postlarvae batch of disease-free black tiger prawn from Nha Trang University and greasyback and kuruma prawn from the Research Institute for Aquaculture No.1, and more recently frog, white shrimp, grouper, snout otter, giant gourami, Asian red-tail and African sharp tooth catfish, etc.

The centre's staffs also effectively applied the latest production models and practices learned after their visiting or study tour to neighbouring countries such as Thailand, Korea, China, Taiwan, etc.

Conservation of the biodiversity and promote the performance of farming water surface are the highlights of PASTEC's activities. Since 2003, the centre has been working hard to regenerate the aquatic resources in the local waters and reservoirs. It regularly released greasyback prawn



Specimen room

and swimming crab in O Loan and Cu Mong lagoons as well as marble goby and tilapia in Hinh river and Phu Xuan lake. The restocked species adapted well to the life in the wild, paving the way for the future development of local fisheries.


Sustainable development of local aquaculture

PASTEC also creates opportunities for farmers to learn the most advanced technologies from home and abroad. It held various training courses on the farming techniques before introducing any new species.

The communication of scientific and technical knowledge in aquaculture is done efficiently through the annual farmer contests, which involved the shrimp farmers in the three coastal districts of Tuy An, Tuy Hoa and Song

Cau. This activity attracts thousands of people and helps enrich the spiritual life for fisheries community. It is also a "forum" for farmers to share experiences and access to advanced aquaculture technology.

Since 2004, the center has co-operated with Viet Nam Television Center in Phu Yen to put the "Aquaculture" program on the air twice a week. The program provides aquaculture environment alerts, epidemic situation, seafood trade and markets. It gives the audience an overview of the industry's developments and enables them to make good decisions in their farming business.

Before, farmers in Phu Yen reared the fish empirically and thus the production was unstable. With the foundation of PASTEC, they now have a reliable contact, a kind of support that they need to achieve sustainable development in aquaculture. 

Compiled by **Thanh Phuong**

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IDI moves towards green production



IDI CEO Nguyen Van San

"IDI wishes to be part of the sustainable development and value improvement of Viet Nam *Pangasius* Industry," said Mr. Nguyen Van San, CEO of the International Development and Investment Corporation (IDI) while sharing his points of views with *VietFish International (VF)* reporter.

By Truong Ngo Bich Ngoc

VF. *IDI and Viet Duc Bridge Company (ViDe Bridge) have recently met to discuss partnership on the green production in the Mekong River delta. Could you say a few words about this project?*

Mr Nguyen Van San (NVS). Our green production model consists of five projects: (1) processing fish oils and high quality fishmeal from *Pangasius* by-products to export to Germany and EU countries; (2) making rice husk and

straw pellets for both overseas and local markets; (3) manufacturing biocarbon from rice husk to export; (4) producing biovital fertilizers; and (5) improving water quality in the fish ponds.

IDI will start out with the first project. We estimate the total investment to build a fish oil and fishmeal factory with designed capacity of 160,000 MT per year will be about US\$15 millions. The annual revenue generated from fish oil and fish meal exports will be

about US\$50 millions.

IDI has provided necessary documents to its partner on this project. If ViDe Bridge approves the proposal, IDI will send samples to Germany for trial production. Then, ViDe Bridge will test the final products in their laboratory. If the test results are velvet, a joint venture will be formed between IDI and ViDe Bridge to implement the project.

VF. But IDI already has its own factory to produce fishmeal?

NVS. Yes, that is right. At present, our factory produces about 97 MT of fish fat and 150 MT of fishmeal per day. But the products are mainly sold to local market and partly exported to China and Taiwan. With the new project, our fishmeal and fish oil quality will be improved and we can sell them to Germany and other EU markets at higher value. Therefore, we are very interested in this project.

VF. Why should ViDe Bridge cooperate with IDI?

NVS. Although IDI was founded not long ago, it has many advantages. The company has determined its long term development strategy is to invest in a *Pangasius* integrated production chain. It has always been among the top *Pangasius* exporters in Viet Nam. Currently, we are able to self-supply about 80% of raw fish demand for processing. We also maintain good relationships with the fish farmers and financial foundations.

VF. Is the project feasible, in your opinion?

NVS. The project can make full



In the processing workshop

use of *Pangasius* by-products, which was once considered waste, to produce high value products such as fishmeal and edible oil. Therefore, I strongly believe that the project is feasible and profitable.

VF. Recently, *Pangasius* enterprises have faced many constraints, some even gone bankrupt. What do you think about industry now and in future?

NVS. Although bad signals are coming from key importers, the *Pangasius* export turnover this year will grow significantly to US\$1.8 billions thanks to other emerging markets and the fish will still be the unique seafood item of Viet Nam.


In addition, there has been stronger links among different actors in the fish value chain. New processing technologies are being introduced to increase the fish values. Farmers are adopting advanced grow-out techniques to meet food safety

requirement in the export markets. In this sense, all the actors in the value chain are contributing to the sustainable development of the *Pangasius* industry and its reputation.

VF. In the near future, does IDI have any plans to improve the fish quality?

NVS. We will continue to integrate the *Pangasius* production process from hatchery, feed manufacture, grow-out, fish processing, fishmeal production to export with stronger focuses on the input and output quality control. We will also boost the relationships with our clients, develop our brand names and promote exports to in major markets such as EU and Middle East.

IDI will also improve the edible oil processing line to produce 32,000 MT per year.

In 2012, the company expects to earn US\$75 millions from exports. The US market will be a major target to make use of the zero per cent antidumping margins that IDI currently enjoys. 

VF. Thank you very much.

Compiled by **Cao Le Quyen**

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Email: idiseafood@vnn.vn

Website: www.idiseafood.com

Labour force: 1,500 workers

Quality assurance: ISO 9001:2000, BRC, IFS, HACCP, and ISO 14001:2004

EU codes: DL479

Main markets: EU, Asia, Middle East, South America

Main products: *Pangasius*



River Landing to the Company

Dathaco: Prestige and Quality

This four-year-old company has held constant growth, been given significant awards and certifications, and recognized as one of the top ten prestigious seafood suppliers in EU markets. What are the secrets for such success?

By **Do Van Thong**

Prestige comes first

Dai Thanh Seafoods (Dathaco) was founded in March 2008 – the times that many enterprises had experienced issues of global economic recession. In the first year, its revenue were only VND200 billions (about US\$11,7 million). For four years of three-digit growth, its revenue had increased to US\$37 millions in 2011 with over 700 containers of fish exported.

In the first two months of 2012, the company has earned over US\$20 millions and expected to double the last

year sales by the end of 2012. It hopes soon to become a leading *Pangasius* producer and exporter in Viet Nam.

Increased sales have encouraged Dathaco to build more factories. In 2011, its second fish processing factory, namely Dai Dai Thanh, went into operation with processing capacity of 150 MT of materials per day and total investment of VND150 billions. A 250-MT-raw-materials-per-day fish meal factory was also completed in the same year.

In 2012, Dathaco plans to expand



Mr. Ha Van Tinh
Director of Dai Thanh Seafoods.

its *Pangasius* aquaculture areas to self-supply over 70% of total raw material demand for processing, up 20% compared to the current volume. At the same time, it will invest over US\$6 millions to build a 7,000 MT cold store.

Although Dathaco is a tenderfoot in the seafood industry, it has assembled a team of experienced executives and 2,000 skillful workers. Mr. Ha Van Tinh, CEO of the company, is a highly motivated entrepreneur who has over 20 years of experience in the field of

imports and exports.

The company has won the prestigious export enterprise awards for three consecutive years and two prizes of Golden Quality of Seafood of Viet Nam. A number of EU importers said it is among the most reliable seafood suppliers in Viet Nam.

"We determined that 'quality is our prestige and prestige comes first' right from our foundation. This slogan runs deep in our staff's vein, from a normal worker to the highest ranking executive," said Tinh.

Nonstop quality improvement

Quality is a top priority of Dathaco. The company has continuously invested in facilities, equipment, technology and human resources in order to meet buyers' requirements.

Raw material is the most important factor that determines end product quality. Recently, Dathaco has had its *Pangasius* farm certified GlobalG.A.P. The company is looking to expand its culture areas and self-supply about 70% of the total raw material demands in 2012. Some of its *Pangasius* farming areas are also waiting for ASC certification this year.

"All our machines and equipment are imported to produce the best quality. Although the initial investment is high, increased production and environmental benefits are guaranteed in the long run," proudly said Tinh.

Overcoming difficulties

Like other *Pangasius* producers and exporters, Dathaco is facing a number of difficulties.



The company's factories

"The demands for Pangasius in EU markets have shown a decline because of the debt crisis, especially in the last February. Dathaco has therefore operated at only 70-90% of the designed capacity," – said Tinh.

The company has looked for new markets in order to solve the problems and reach its 2012 targets. Besides as the traditional EU, it is expanding to America, Brazil, South American, and Middle East.

Lack of capital is also an issue for Dathaco. The company has urgent need for bank loans but almost all commercial banks are tightening their purse strings. Meanwhile, *Pangasius* farmers insist on 'quick payment' (within three days after transaction). Besides, the continuous increases in input costs such as electricity, water, labour, etc are all weighing down on local enterprises.

In order to overcome the challenges, the Dathaco has tried to streamline its operations to cut costs. It has applied cleaner production technologies such as solar water heating and waste water recycling systems. It established a fish meal and fish oil production line to make use of the fish by-products and set up norms for ice usage.

Those changes have enabled Dathaco to reduce the amount of waste water discharged and saved about 90 m3 of clean water per day. The better production practices have also helped the company to reduce production costs by VND334.6 millions per year.

Beside, the company has in place various welfare policies for its staff apart from satisfying salaries and training opportunities. Therefore, the workers are loyal to the company and help it avoid the issues of labour shortage that may hit many others hard in peak season.

With their achievements, Dathaco believes they will be able to overcome any difficulties in the future and strengthen their leading position in the *Pangasius* industry. 🐟

Compiled by **Thao Linh**

Dai Thanh Seafoods (DATHACO)

Dong Hoa Hamlet, Song Thuan Ward,
Chau Thanh District, Tien Giang Province,
Viet Nam

Tel: +84 73 3611115

Fax: +84 73 3611101

Email: contact@daihanhseafoods.com

Website: <http://www.daihanhseafoods.com>

Labour force: 2,000

Quality assurance: HACCP, HALAL,
ISO9001:2000, ISO 2200:2005, BRC, IFS
EU codes: DL471

Main markets: Singapore, UAE, EU

Main products: Frozen *Pangasius* fillet

Bachlinhimexco: Small and Efficient

A start-up has taken all the advantages of a small business to grow exponentially.

By Do Van Thong



Mr Le Thanh Bach, Director of Bachlinhimexco

From passion to profession

“Born and raised in the largest shrimp province in Viet Nam, I have become so attached to the species. Since childhood I have been employed in the local shrimp processing plants in the region,” said Le Thanh Bach, Director of Bach Linh Seafood Import – Export One Member Limited Company (Bachlinhimexco). “The desire to become an owner of a large processing enterprise has arisen in me. On one hand, I want to make money for myself, my farmers and my workers. On the other hand, I want to increase the value for the shrimp in my hometown.”

After so many efforts, his dream came true when Bachlinhimexco was established in Bac Lieu province in 2007.

In the first days of operation, the

company faced lots of difficulties so it only did outwork for large processing plants. Gradually, with the accumulated capital and experience, by 2010, the company began exporting directly. A year later, it more than doubled its revenue, earning over US\$14 million. In the first three months 2012, Bach Linh shipped 300 MT, worth US\$4 million and aimed for a 50% growth for the whole year.

To date, the company’s facility is fully equipped and the processing capacity reaches 25 MT per day. It implements HACCP system and gets approval to export to EU (code DL504). However, China, Korea, and Taiwan are still the company’s main markets.

While the industry’s slump makes a number of seafood processing plants operate intermittently and many

workers under-employed, more than 300 employees of Bachlinhimexco still work full time and make a stable income.

Since its establishment, the company has adopted salary and social welfare policies to attract skilled and committed workers. On average, its workers earn VND5-6 million per person per month, 20-30% higher than the wages of the neighboring companies.

“Our factory is located near the shrimp farming areas of Ca Mau and Bac Lieu provinces, in the waterways’ convenience for the purchase and transportation of raw materials and finished products,” said Mr Bach. “Our input shrimp is strictly controlled, 100% of them are reared extensively without antibiotic use.”



The company's premises

A growing business

Bachlinhimexco is much more compact and flexible compared to large-scale companies. And it has made full use of such great advantage to attain the fastest and most profitable growth.

The company's small premises of 2,000 square metre is well designed to accommodate all the items requires and thus reducing the financial expenses.

While large-scale companies are struggling with cost-cutting plans,


Bach Linh with its compact structure can offer flexible prices. Reduced costs are considered one of the most powerful weapons of Bachlinhimexco to meet assorted market.

The first months of 2012 was marked by a sudden switch to small shrimp in many consumer markets. The change caused certain trouble to the company. Its large-sized shrimp inventory soared to 100 MT. However, the company quickly looked for new markets and increased the price flexibility to boost

sales. Therefore its profit was reported to be unaffected.

Another issue facing the company is the excessive bank interest rate. Small companies are relying on the bank loans.

Nevertheless, Bachlinhimexco director board is investing VND50 billion to scale up production and increase the daily processing capacity to 40 MT. The aim is to create more employments.

"It is important to maintain sales and jobs for the workers. In the current situation, a company is doomed to go bankrupt paying just salary and bank interest rate if it operates on and off," Mr Bach said. 

Compiled by **Nhat Quang**

Bach Linh Seafood Import – Export One Member Limited Company (Bachlinhimexco)

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Communes, Gia Rai District, Bac Lieu
Province, Viet Nam
Tel: +84 781 3610454
Fax: +84 781 3610455
Email: bachlinhco@yahoo.com.vn

Labour force: 300
Quality assurance: HACCP
EU codes: DL504
Main markets: China, Japan, Korea, EU,
the US, Canada
Main products: frozen shrimp

Thihaco Seafoods

Proud of product quality and employee welfare



Mr Vu Tuan Phuong
Vice Director of Thihaco Seafoods

Quality is a 'sharp weapon' for seafood enterprises to conquer new markets and customers. However, a company must have competent and loyal workforce to ensure the product quality.

By Do Van Thong

By providing good income and social welfares to the employee, Thien Ha Seafoods Company Limited (Thihaco Seafoods) was able to make full use of its weapon.

Non-stop quality improvement

Thihaco Seafoods was founded in 2007 in the southern province of Tien Giang. At the beginning, the company mainly did *Pangasius* processing outwork for other export companies. After five years, Thihaco Seafoods has developed solid market bases in EU, which accounts for 50% of the company's export turnover; Middle East (25%); Asia (20%) and other markets in the US and South America.

2011 was a difficult year for fisheries sector in general and Thihaco Seafoods in particular. However, the company still processed about 40 MT of raw fish per day, turned over US\$9.7

millions, and created stable incomes for over 500 employees.

Thihaco Seafoods has paid much attention to quality management since its early days, believing that "*product quality is vital*". It adopted HACCP system and maintained strict controls over all steps in the value chain, from raw materials to processing and end-products. Its product quality has been continuously improved and so was the market base.

"August 2010 marked the significant development of Thihaco Seafoods. The company set up a new processing factory with strong focuses on quality control in order to supply the best quality products to our customers. Although Thihaco products are priced higher than the rivals, they are still attractive because of their high quality. We are proud that no customers have made any claims regarding to our product quality," said Mr Vu Tuan

Phuong, Deputy Director of Thihaco Seafoods.

Employee benefits

Human resources are valuable assets of the Thihaco Seafoods. The solidarity among the employees has created strong foundation for the company's continuous development. From 100 workers at the time of foundation, now Thihaco has over 500 with average monthly salary of over VND4.5 millions per person.

"We have kept the workforce in the company stable. We always pay attentions to their income and social welfare in order to motivate them to work harder and contribute to the company development," said Phuong.

Apart from the basic salary, Thihaco Seafoods' employees also enjoy such benefits as accommodation allowance, subsidized lunches, medical care, effort rewards and recognition.



Thihaco Seafoods factory

Thihaco Seafoods has also maintained the democratic regime in company management. Its leaders always listen to their employees and solve any problems occurred to ensure smooth operation.


Aquaculture development

Since 2007, Thihaco Seafoods has

focused on aquaculture to self-supply high quality materials for its processing activities. Currently, its farm can satisfy about 30% of the total raw material demand. Thihaco Seafoods is planning to expand its aquaculture areas in order to increase the supply to about 60% in 2012 and 80-90% by the end of 2013.

According to Thihaco Seafoods

leaders, the current difficult situation creates opportunities for competent companies to develop further, while the less competent ones are forced to improve their production and management to operate more efficiently.

With the motto of “Product quality is decisive – Customers are vital – Solidarity is strength – Company employees are family – Thihaco Seafoods is a united bloc”, Thihaco Seafoods will definitely reach the 10 – 15% growth targets this year. 

Compiled by **Cao Le Quyen**

Thienha Seafoods Company Limited (Thihaco Seafoods)

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Tel: +84 73 3954333

Fax: +84 73 3954833

Email: thihaco@thihaco.com

Website: www.thihaco.com

Labour force: 500 employees

Processing capacity: 80 MT of raw fish per day

Export turnover: US\$9.7 million (2011)

Quality assurance: HACCP

EU codes: DL709

Main markets: EU, Middle East, Asia, the US, South America

Main products: Pangasius



Nha Trang Seafoods pinpoints quality and diversification



Mr Huynh Long Quan
Vice General Director of Nhatrang Seafoods

Nha Trang Seaproduct Company (Nha Trang Seafoods) was one of the first seafood frozen factories in South Central Coastal Region founded in November 10, 1976 with the total of 200 workers.

By **Tran Duy**

The company was equitized on August 6, 2004. Apart from the three seafood processing factories based in Nha Trang city, since 2006, the company has acquired more facilities to scale up production and diversifying products.

In November 2006, the company purchased the majority of shares and founded the Kien Giang-based NT Seafoods (DL440), specializing in fish, cuttle fish and prawn processing.

In December 2006, it acquired most of shares of NTSF Seafoods (code DL461) - a Pangasius and prawn processor in Can Tho. In May 2008, the company bought more shares and founded a shrimp company with the same name in Bac Lieu province (code DL89). In addition, the company opened two seafood supermarkets, one fisheries supply store, and one restaurant called Nha Trang Seafoods.

After more than 35 years of



Marine fish processing workshop

development, the company has increased its total workforce to over 1,700 and expanded the export markets to EU, the US, Japan, Korea and Taiwan, etc. It has received numerous awards for outstanding performance, including the Third Class Labour Medal in 1981, Second Class Labour Medal in 1985 and 1994, First Class Labour Medal in 1996 and Prestigious Exporters since 2004.

Product quality is a top priority

Product quality is the key factor that decides all successes of Nha Trang Seafoods (code F17). The company's motto is "good watch prevents misfortune". It strictly complies with both national and international food safety regulations, adopting such quality control systems as HACCP, BRC, ACC, IFS, GMP, and ISO 9001-2000.

In order to ensure top product



Covering the seafood trays before freezing

quality, the company pays attention to the capacity building for its quality control center and technology application. This is an important condition for Nha Trang Seafoods to develop its product prestige and brand names as well as to expand export markets.

Non-stop expansion of markets and production lines

Nha Trang Seafoods always believes that trade promotion and marketing is important to expand the market base. Therefore, the company participated in different national and international trade promotion events such as the International Boston Seafood Show (the US), the European Seafood Exposition (Belgium), Viet Nam Fisheries International Exhibition (Vietfish), etc.

Apart from marine products, the value-added vannamei have become the key export item, which accounts for over 90% of the company's total export value and volume. With over 8,000 MT of vannamei shipped in 2009, Nha Trang Seafoods took the lead in shrimp exports to the US. Currently, the company is one of the top five biggest vannamei exporters in Viet Nam.


According to Mr. Huynh Long Quan, Deputy Director of Nha Trang Seafoods, the company's sales hit the record US\$100 millions in 2011. The US accounts for over 60%, followed by Korea 20%.



Packing

"We have a cold storage capacity of over 10,000 tons and processing capacity of over 1,000 tons of seafood materials per month just in Nha Trang city. The company always operates at almost 100% of the designed capacity. However, the current material shortage

is a thorny problem that we need to work out to sustain our future development," said Quan.

In the near future, Nha Trang Seafoods will continue to make use of the abundant marine resources in the Central of Viet Nam to diversify their export products. The company will also expand their service activities such as mineral mud exploitation, hot mineral water bathing service, tourism and recreational services, restaurants and supermarkets, etc. in a hope to become a leading enterprise in the South Central Coastal Region, said Quan. 

Compiled by **Le Quyen**

Nha Trang Seaproduct Company (Nhatrang Seafoods)

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Fax: +84 58 831034

Email: nhatrangseafoods@nhatrangseafoods.vn

Website: www.nhatrangseafoods.com.vn

Labour force: over 1,700 workers

Processing capacity: over 12,000 MT of raw materials per year

Export turnover: over US\$50 million per year

Quality assurance: HACCP, BRC, IFS, ACC, ISO9001:2000, ISO17025

EU codes: DL17, DL90, DL394

Main markets: Japan, the US, EU, Korea, Australia


Main products: Frozen shrimp, marine fish, tuna, cephalopods, bivalves, freshwater fish

Vietnam Sturgeon Ltd. Company: Sturgeon farming area expanded

An approval has been given lately for Binh Dinh-based Vietnam Sturgeon Ltd. Company to expand the area for farming and processing sturgeon products in Vinh Son commune, Vinh Thanh district from 5,230m² to 65,978m².


According to the company's report, VND33 billion has been invested so far for 120 cages (38m²/cage). The total area used is 4,560m² of surface water in Reservoir A

in Vinh Son Hydro Power. Currently, the number of fish here is 44,000 (of which 10% are over 3kg, 60% over 2kg), achieving production of 72 tons.

The land leased will be used to invest and expand sturgeon farming, and to build a complex of seeding, harvesting eggs and processing caviar products. 

Quang Minh Group opens warehouse in Vung Tau Province

The Quang Minh Group has opened a US\$25 million warehouse for agricultural products in southern Ba Ria-Vung Tau Province. The 20,000 m² warehouse has a capacity of more than 100,000 MT of goods in its first stage.

For its second act, the group will build a warehouse for farm products on an area of 10,000 m² and capacity of 50,000 MT, plus a cooking oil depot with a capacity of 20,000 MT. The total capital for the two phases will cost US\$250 million. 

HungCa's booth attracted a hundred of visitors at Vietfish 2012

More than one hundred visitors stop at HungCa's booth during the exhibition, which took place between June 26 and 28 in Ho Chi Minh City.

The visitors, who come from EU and some Asian countries such as Malaysia, Singapore, India, show much interest in the company's Pangasius products as well as the integrated, GlobalG.A.P based production model.

HungCa is one of the largest Pangasius producers in Viet Nam. Its farming area in the Mekong Delta amounted to 450 hectares.

At present, 80 hectares of its farming area are GlobalG.A.P certified. The company plans to expand the certified area to Tam Nong district (Dong Thap province).

HungCa's two fishmeal and fish oil factories with total VND250 billion investment is scheduled to operate by the

end of this year, supplying 290,000 MT of feed for HungCa and the Mekong Delta. 




Grobest – Minh Phu partners to purchase shrimp at high price

Mr Mai Van Hoang, Vice President of Grobest Industrial Viet Nam said his company and Minh Phu Seafood Corp are teaming up to collect shrimp at higher than market prices from farmers in the provinces of Ben Tre, Tra Vinh and Soc Trang.

Specifically, the two companies will pay VND2000-5000 more for each kilogram of shrimp purchase.

To be eligible, the farmers must comply with the technical guidance of Grobest engineers, keep records of the farming and use no harmful antibiotics.

Grobest Industrial Viet Nam, a member of Chinese Taipei Grobest Group, is a major feed producer in Viet Nam, which holds a roughly 30 percent share in the country's shrimp feed market. Its feed factory was the first to win a BAP certificate from the Global Aquaculture Alliance (GAA).


Meanwhile, Minh Phu is the largest shrimp producer in Viet Nam. Its supply chain from hatchery to farm and processing factory received BAP certificate. 

BIM Group to build a 475 ha farm in Kien Giang

Ha Long Investment & Development Ltd. Company (BIM) has been licensed to build an industrial shrimp farm in Dong Ho ward, Ha Tien town, Kien Giang province

The farm covers an area of 475 ha of land and cost VND294 billion. Its output is expected to amount to 5,000 MT per year.

BIM will start the construction of the farm in August 2012 and stock about half of the area by January 2014.

The Group is among the largest shrimp producers in Viet Nam, owning about 2,000 hectares of shrimp farms and several seafood processing factories. 

Seafood enterprises see profit plunge in Q2

A number of seafood enterprises reported poor performance in the second quarter of the year.

Vinh Hoan Corp., the leading *Pangasius* exporter in Viet Nam, said its net profit fell 55.65 percent year on year to VND55.25 billion despite higher revenue.

Similarly, Hung Vuong Group (HVG) said it made a consolidated net profit of only VND60.74 billion (US\$2.89 million), an year-on-year decrease of 52.9%.

Many other smaller companies also experienced a slump in the quarter.

Fimex, for example, suffered a loss of VND5 billion in Q2 and 15.4 billion in H1.

CL-Fish made a pre-tax profit of VND14.2 billion, down 72%. Agifish's profit declined by 50% to VND10.87 billion. Profit of Aquatex Ben Tre also declined by 33.5% to VND29.45 billion.

Market stagnation, soaring cost and unfavorable exchange rate were said to be major causes behind the poor performance of seafood enterprises in Q2, 2012.



CP Foods mulls production relocation to Viet Nam, Malaysia

Thailand's largest food exporter prepares for the end of privileges under the European Union's Generalized System of Preferences.

Charoen Pokphand Foods Plc (CP Foods), Thailand's largest food exporter, is planning to shift its processed shrimp production from Thailand to Malaysia and Viet Nam if privileges under the Generalized System of Preferences (GSP) in the European Union are withdrawn in January of 2014.

The withdrawal would shift CP Foods' tariff rate from 7 percent to 20 percent, and overall, Thai products in the EU market will be 2 percent more expensive after graduation from the GSP, reports the Bangkok Post.

The lower rate is given to countries categorized by the World Bank as lower middle income, and the bank has

shifted Thailand's status from lower middle income to middle income, as the country's per capita income exceeds US\$3,700 (€3,010), the cut-off for GSP eligibility.

The EU is a major market for Thai frozen and processed shrimp, accounting for 20 to 25 percent of total shrimp exports, a number that could fall to 5 percent if the GSP is cut.

Exports of frozen shrimp to Europe represent US\$79 million (€64.2 million) of the total US\$553 million (€449 million) worth of frozen shrimp CP Foods exported in the first five months of this year.

The GSP cut would affect 39 percent of total Thai exports to the EU, based on statistics for last year in which Thailand shipped US\$9.3 billion (€7.5 billion) under the GSP out of US\$24.1 billion (€19.6 billion) in exports to the EU.

IDI Corp to launch *Pangasius* oil into the U.S. market

The International Development and Investment Corporation (IDI Corp) is doing market research for its refined edible oil made from *Pangasius* in the US.

In late June 2012, the Dong Thap-based firm presented its *Pangasius* oil product at IFT Annual Meeting & Food Exposition in Las Vegas. According to the company, its high quality fish oil product can be used for cookies and chocolate manufacturing as well as human consumption.

The fish oil attracted much attention from the exposition visitors.

In the first five months of 2012, the company's *Pangasius* export remained stable with monthly turnover of around US\$3 million. To the end of May, IDI Corp earned nearly US\$16.8 million from fish export.




Minh Phu: Shrimp exports surge in first half

Minh Phu Seafood Joint Stock Corporation (MPC), Viet Nam's biggest exporter of shrimp products, reported exports of 14.98 thousands MT in the first half of the year worth US\$179 million, marking a year-on-year increase of 33.8 and 33.3 per cent in volume and value terms respectively.

Of that, the US was the largest buyer with 32.22 per cent, followed by Japan and South Korea.

The corporation is also looking forward to developing the market in China. Its export turnover this year is estimated to reach US\$1.1 million.

Shrimp material prices in the Mekong Delta have fallen by VND30,000 - 40,000 (US\$1.4 - 2) to VND130,000 - 150,000 a kilogram, according to the Viet Nam Association of Seafood Exporters and Producers (VASEP), and demand is decreasing. 




Tafishco's integrated production chain

Thuan An Production Trading and Service Co., LTD (Tafishco) demonstrated its Pangasius integration chain in Chau Thanh, An Giang during Vietfish 2012.

The model covers 40 ha with 6 participated farmers. It satisfied 50% of the Tafishco's processing demand.

In the chain, the relationship between processors and farmers are strengthened by selling contracts. They would share benefits and burdens while working towards a sustainable brand.

"The integration chain model has not worked to its full potential due to the capital shortage. However, it showed the importance in raw material securing for export processing and food safety assurance," said Ms. Nguyen Thi Hue Trinh, General Director of Tafishco. "We will continue to multiply this model," she said.

In 2012, Tafishco aims to earn US\$60 million from exports, up 20% year-on-year. 



Hai Nam Co. Ltd: Culture-based projects boost performance

Ms. Nguyen Thi Thu Sac, Director of Hai Nam Co. Ltd, said she had initiated multiple farming projects to increase the raw material supply.

Most recently, Hai Nam has spent VND4 billion financing a project of setting up a 39 km² scallop farming area in Tuy Phong - Binh Thuan. Besides, it is working with the Research Institute for Aquaculture No 3 and local Sub-department of Fisheries on sea cucumber seed production and grow-out project.


The company's 10,000 m² sea grapes farming area also gave high yield and stable export turnover.

A few months ago, Hai Nam joined hands with the Ho

Chi Minh City Polytechnic University to develop beverage products and functional food from sea grape in a hope to expand the consumption market.

Hai Nam's export value was estimated at US\$14 million in the first half of 2012, up more than 27% over the same period last year.


Every day, the company imports 40-50 MT of raw seafoods, including fish, squid, octopus, etc. to fill up its processing demand.

The company's long-term plan is to build a high-quality dried seafood factory, a 2,000 MT cold store for tuna, and dormitories for workers. 

Thuan Phuoc Corp celebrates 25th anniversary

Thuan Phuoc Seafoods and Trading Corporation (Thuan Phuoc Corp) held a ceremony to mark the 25th anniversary of the company.

Thuan Phuoc Corp was established on June 28, 1987 in Da Nang city. It was one of the first 15 processors of Viet Nam eligible to export to the EU in 1993. Since then, the company's export revenue had soared from US\$5 million in 1995 to US\$70 million or 80% of the city's seafood sales in 2011.

Today, Thuan Phuoc Corp is the largest seafood exporter in Northern Viet Nam. It is listed as the top 20 largest seafood exporters and the top 500 private enterprises in Viet Nam in 2010 and 2011. 




Seanamico plans to list shares on stock exchange

Nam Can Seaproducts Import-Export Joint Stock Company (SEANAMICO - SNC) shareholders' meeting has passed the company's plan to list its shares on Hanoi Stock Exchange this year and issue shares in the same year or in 2013 to increase its chartered capital.

In 2012, the company expects to earn VND610 billion from exports, up 8 percent over 2011. The pre-tax profit is forecasted to increase by 14% to VND12 billion while dividend payment remains at 14 percent.

Mr Nguyen Truong Giang was appointed to hold the post of Chairman as well as CEO of the company.

As of 2011, SNC's total revenue and pre-tax profit were VND565,5 billion and VND10,5 billion, respectively. With this result, SNC paid 2011 dividend at 14 percent on chartered capital. 



Godaco: Sales increased in Jan-June 2012


Godaco Seafood Joint Stock Company (Godaco) shipped nearly 7,500 MT of finished products and earned total amount of US\$20 million in the first half of 2012, up 7 percent in volume and 8 percent in value compared to the same period last year.

Pangasius was the key export item, accounting for 60 percent of sales. The rest was clam and other seafood products.

This year, Godaco's sales of Pangasius to EU decreased significantly. As a result, the company shifted to some markets in South America, Middle East and Asia and was able to offset the loss in EU. Besides, it plans to expand to the US in late 2012 with a view to diversifying the market structure.

The company's exports of clam to the EU, however, have increased since early 2012 thanks to higher supply of raw materials and stable export prices.

Currently, Godaco owns a 120-hectare farming area,

which satisfy the raw fish demand of its 80-MT-per-day processing plant. 



Prestigious seafood exporters recognized

On June 8, the Ministry of Industry and Trade (MoIT) announced the list of 294 prestigious export businesses for 2011.


By Hoang Thanh

The recognition is an incentive for Vietnamese firms to further enhance their prestige in domestic and international markets as well as create more favourable conditions for foreign businesses to promote trade co-operation with

local counterparts, deputy head of the MoIT's Import-Export Department Tran Thanh Hai said.

All the named businesses were credited for neither losing profits in 2010 and 2011, nor violating Vietnamese and international business

laws. In addition, they all strictly followed export contracts to the letter and fulfilled their tax payment duties.

Seafood exporters occupied the biggest group in the list with 59 units, followed by the group of rice exporters with 44 units, the textile business (39 units), and rest are agricultural products, electrical equipment, and electronics. 

LIST OF PRESTIGIOUS SEAFOOD EXPORTERS FOR 2011

Selected and published by Ministry of Industry and Trade

FOODTECH Joint Stock Company	FOODTECH JSC
Kien Giang Sea Product Corporation	KISIMEX
Nha Trang Fisheries Joint Stock Company	Nha Trang Fisco
Thuan Phuoc Seafoods and Trading Corporation	Thuan Phuoc Corp.
Fine Foods Company	FFC
Ut Xi Aquatic Products Processing Joint Stock Company	UTXICO
Sao Ta Foods Joint-Stock Company	FIMEX VN
Hungca Company Limited	Hungca Co., Ltd
Tin Thinh Company Limited	TITHICO
Binh Dinh Fishery Joint Stock Company	BIDIFISCO
Hung Vuong Corporation	HV Corp
Godaco Seafood Joint Stock Company	Godaco Seafood
Minh Hai Joint Stock Seafoods Processing Company	SEAPRODEX MINH HAI
Danang Seaproducts Import-Export Joint Stock Corporation	SEAPRODEX DANANG
Nam Can Seaproducts Import-Export Joint-Stock Company	SEANAMICO
Baria - Vungtau Seafood Processing and Import-Export Joint Stock Company	BASEAFOOD
Hai Viet Corporation (HAVICO)	HAVICO
Mekong Fisheries Joint Stock Company	MEKONGFISH CO
Cuu Long Seaproducts Company	CUULONG SEAPRO
Vinh Hoan Corporation	Vinh Hoan Corp
Nhatrang Seaproduct Company	Nhatrang Seafoods
Ben Tre Aquaprodukt import and export Joint Stock Company	Aquatex Bentre
Anvifish Joint Stock Company	Anvifish Co.
Angiang Fisheries Import and Export Joint-Stock Company	AGIFISH CO
Minhphu Seafood Joint Stock Company	Minhphu Seafood Corp
Huy Nam Seafoods Co.,Ltd	Huy Nam Seafoods
Ca Mau Frozen Seafood Processing Import Expot Corporation	Camimex
Trung Son Foodstuff Corporation	Trung Son Corp.
Hai Nam Agricultural and Seafood Product Company	HAI NAM Co., Ltd
Hai Vuong Co.,Ltd	HAVUCO
Cau Tre Export Goods Processing Joint Stock Company	CTE JSCO
Minh Hai Export Frozen Seafood Processing Joint-Stock Company	MINH HAI JOSTOCO
Highland Dragon Enterprise	HDE
Cuu Long Fish Joint Stock Company	CL-FISH CORP
Condao Seaproducts and Import Export Joint Stock Company	COIMEX
Investment Commerce Fisheries Corporation	INCOMFISH
Dai Thanh Seafoods	Dathaco
Minh Qui Seafood Co., Ltd	Minh Qui Seafood Co., Ltd
Phu Cuong Jostoco Seafood Corporation	Phu Cuong Jostoco Corporation
Viet Cuong Seafood Processing Import - Export Joint Stock Company	Viet Cuong Seafood
Kien Cuong Seafood Processing Import - Export Joint Stock Company	Kien Cuong Seafood
Minh Phat Seafood Co., Ltd	n/a
Hoa Trung Seafood Corporation	Hoa Trung
Cholimex Food Joint Stock Company	Cholimex Food Jsc
Ngoc Xuan Seafood Corporation	Ngoc Xuan Seafood Corp
Hai Viet Corporation	HAVICO
Ca mau Seafood Processing and Service Joint Stock Company	CASES
Anh Khoa Co., Ltd	n/a
Minh Cuong Seafood Import - Export Frozen Processing Joint Stock Company	MC Seafood
Quoc Viet SeaProducts Processing Trading & Import	Quoc Viet Co., Ltd
An My Fish Joint Stock Company	ANMYFISHCO
Ben Tre Seafood Joint Stock Company	BESEACO
Kien Hung Joint Stock Company VN	n/a
Au Vung Seafood Processing and Exporting Joint Stock Company	Au Vung Seafood
Dragon Waves Frozen Food Factory Company Limited	DRAGONWAVES
Camau Agricultural Products & Foodstuff Imp-Exp Joint - Stock Company	AGRRIMEXCO CAMAU
Dong Thap Trading Corporation	DOCIMEXCO
Viet Phu Foods and Fish Corporation	Viet Phu Foods & Fish Corp.
Ngoc Ha Food Processing and Trading Company Limited	n/a



Solar water heater

Energy efficiency in food processing industry

Much of Viet Nam's growth is expected to be fuelled by small and medium enterprises (SMEs) that currently account for 95% of the country's enterprises. With water and energy prices increasing, their inefficiency not only takes a toll on the environment and public health, but also implies higher costs for their own business.

To change this situation, the MEET-BIS have worked with water and energy saving technology providers to help urban SMEs in Viet Nam improve their efficiency while protecting the environment and public health.

Energy usage and management in SMEs

The MEET-BIS conducted a survey of 60 food processing SMEs in Ha Noi, Bac Giang, Bac Ninh, Hung Yen and Hai Duong provinces. They are producers of agricultural products (25%), confectionary (20%), beer/beverages (15%), animal feed (22%), meat/fish (5%), instant food/canned products (8%), and milk (5%).

Various energy efficient solutions for the food processing industry were introduced during a seminar held by the Mainstreaming Energy Efficiency through Business Innovation Support – Viet Nam project (MEET-BIS) on June 14 in Ha Noi.

By Hang Van

According to the respondents, power cost accounted for 45% of their total energy expense in 2011, followed by fuel 29%, coal 21% and water 5%. They spent VND210 billion in total on energy and water, or VND3.5 billion/company on average.

Most of enterprises work with outdated and inefficient energy equipments, either the boiler, heater, refrigerator, or lighting system. They use small oil/coal boilers with less than 10 T of steam delivered per hour, and low usage efficiency (50-55%). Many steamers have leaking issue. The lighting systems perform poorly and have short operation life due to the use of high-pressure mercury lamp, incandescent and T10 fluorescent light bulbs. Local air conditioners are much more prevalent than central ones.

A majority (55/60) of the enterprises

do not have any energy management policies in place or make any explicit efforts to boost efficient use of energy. However, they are willing to invest in energy efficiency if the expense is low. Only 10 out of 60 SMEs said energy efficiency is not a priority since they are facing difficulties.

Major barrier to the implementation of energy efficiency project are lack of knowledge and awareness at technical staff and workers' level as well as managers; lack of energy saving equipments and providers; lack of commitment from the leaders of the enterprises due to unstable production and large investment required; and lack of support policies.

Energy-saving technologies and solutions

Dr Nguyen Xuan Quang, Institute

of Heat Engineering and Refrigeration under Ha Noi Polytechnic University, said good energy management requires lots of commitment from the enterprise leaders. They must keep records of the energy usage and equipment performance, paying attention to all the details in order to maintain a cost-effective production process.

Quang then introduced some ideas for efficient energy usage. For example, enterprises can use the condensed hot waters produced by the steamers for washing and cleaning. Similarly, the heat from the refrigeration system and stoves can be recycled for other purposes, including drying and cooking the products. Enough attention paid to insulation, regular maintenance and cleaning also help save money in energy costs.

For equipments, T5 Eco lamps are proved to use half of the power level while having long life and good light output. Enterprises should also use inverter rather than other traditional types of power sources since they can reduce the power consumption. Inverter will regulate engine speed, limit inrush current, increase improve durability and save 10-40% of power consumption. Other recommended devices and tools include heat pumps and solar water heaters.

Ms Do Thuy Ha, MEET-BIS Projects Coordinator, said enterprises from all over the country can consult the project's technology suppliers on energy efficiency solutions.

Energy saving initiatives

Truong Giang Corp., a seafood company in Dong Thap province, has reduced the production cost significantly by undertaking energy efficiency measures.

"In the economic slowdown and harsh competition, enterprises must focus on cutting costs, including



Many enterprises in the North of Viet Nam attended the seminar

energy cost," Mr. Ong Hang Van, Vice Director of the company said.


In 2009, the company conducted an energy audit and found that its power and water consumption amounted to respectively VND750 millions and VND30 millions per month. There was high demand for hot water (over 600C) for cleaning the floor, workwear and tools.

In June, 2011, it replaced all electric resistance water heaters with thermic fluidheaters that used discharged heat from the air compressors. The investment, worth VND400 million, financed by Hatech ESCO through ESCO model, is expected to be redeemed within 13 months. The solution enables Truong Giang to save approximately VND40 million per month.

"Before, the electric resistance

heater consumed 120 kwh/h or 600 kwh/day. Meanwhile gas-based thermic fluid heater does not absorb any power. So we can save nearly 600 kwh/day," said Mr Pham Nhat Truong, in charge of mechanical and electrical division of Truong Giang.

The company also replaced all T10 light bulbs with T8 and compact fluorescent lamps. It used central air conditioning system and took advantage of the cold air coming from the cold store. Power meters were installed in every division to monitor the energy usage.

Truong Giang Corp. plans to purchase inverters for the compressor system to reduce condenser capacity. It also considers replacing all T8 with T5 lamps and take measures to reduce the water use. 

The MEET-BIS project is funded by the European Union to boost sustainable production for SMEs in hotel, restaurant, textile, leather and food processing industry.

It started in April 2009 and will run over four years. The total budget of the programme is €1.950.000.

The project partners include SOLAR-BK, AS FLAS JSC, SYSTECH, BRAINS

DAI VIET, NGUYEN PHAT, EMTECH, HOANG NGOC, HATECH, VESCO, etc.

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A seminar on Metro's integrated fresh fish chain for domestic market

MetroGAP - A certification for domestic seafood retail market

Aquaculture has become a competitive commercial sector in Viet Nam over the last two decades. The culture of export-driven species such as *Pangasius* and brackish shrimp has been promoted to produce higher yields and values. However, the increases in production have to go parallel with environment protection and resource conservation as well as increasing social responsibilities.

By **Tran Duy**

Currently, good aquaculture practices (GAP) have become a “hot” topic in the aquaculture industry in Viet Nam. The set of technical standards ensure that farmers produce safe and environment-friendly products while making profit.

Recently, a number of GAP standards have been applied in the aquaculture sector, including GlobalG.A.P, AquaGAP, VietGAP, AsianGAP, ASC, MSC, SQF, BMP, and BAP. However, those standards suit only commercial-scale export-driven farms. They are not applicable to the small-scale farmers who produce locally consumed products.

MetroGAP – A practical standard for domestic products

Recently, the Metro Cash & Carry Viet Nam and its partner, Fresh Studio

Innovations, have established their own aquaculture standard - MetroGAP - and developed the first high quality fresh seafood supply chain for the retail market in Viet Nam. The aim is to produce safe and quality seafood products for local consumers and involved small scale farms in the advanced domestic trading system.

MetroGAP focuses strongly on preventing chemical and micro-organism contaminations in seafood products. The standard has been applied for 11 locally-consumed seafood items, including red tilapia, snakehead, freshwater eel, frog, climbing perch, red pacu, tortoise, giant gourami, barramundi, asiatic knife-fish (bronze featherback) and tank goby.

“Before this project, we were not able to control the quality of products supplied by farmers. Our consumers



Mr. Nicholas Privet, Fresh Studio representative

did not know where the products came from and how good they were, either. That is the reason why MetroGAP is crucial for domestic markets,” said Mr Nicholas Privet, Fresh Studio representative.

MetroGAP is a rundown of internationally recognized standards that meet basic requirements of the Metro system in terms of grow-out techniques, harvest, post-harvest storage, packaging, transportation, corporate responsibilities, chemicals, veterinary and medicines used, etc. MetroGAP contains 12 items applicable to farm level and 5 to middle men and distributor levels.

“The key investment activity of the project, i.e. setting up a Fish Platform in Can Tho city with total operation capacity of 4,500 tons seafood materials per year, has been completed,” said Mr Buddhika Samarasinghe, Team Leader of M4P2 (Market4poor).

According to Mr Samarasinghe, over 290 fish farmers across 9 provinces in the Mekong delta had been trained under the project. 70 of these farmers have attained MetroGAP certification, which requires them to keep proper records, control the use of chemicals, improve their farm infrastructure, and generally ensure that their business

is run in a healthy, environmentally-friendly and sustainable way.

“It is too early to give a precise figure on the impact of this project, but the incomes of the fish farmers involved in the project have risen. And 50 new jobs have also been created at the fish platform in Can Tho. We believe that this model could be replicated for other forms of fresh food produce in Vietnam, and in other countries in Asia, especially where small scale farmers typically struggle to supply large and modern food retailers and wholesalers,” said Mr Samarasinghe.

Getting into the export certification rut?

Mr Vo Thanh Nhan, a MetroGAP certified farmer in Can Tho city, said his household has escaped poverty and made profits at 10-15% by applying the standard. However, Metro purchases only fish of standardized size, while the undersized and oversized fish are left over and become unsalable. “Before, we sold our products to local middlepersons, who purchased fish of all. Now they will not purchase our products anymore if they know that we are applying MetroGAP standard to sell to Metro,” said Mr. Nhan.


The certification project initiated by



Mr Vo Thanh Nhan, a Metro GAP certified farmer in Can Tho city

Metro is a good signal for poor farmers and encourages domestic consumption of safe and traceable products in general. However, given the huge number of overlapped certification schemes for seafood products, seafood enterprises and farmers are confused. Therefore, in many fisheries workshops and conferences, the ideas of integrating and harmonizing certification schemes into a comprehensive single certification standard have been strongly put forward.

MetroGAP standard has just been applied for Metro producers and suppliers, while the domestic seafood markets are also formed by many other seafood wholesalers and detailers, who are competing with each other strongly. Therefore, later or sooner, other seafood wholesalers and detailers will soon follow Metro and build up their own certification standard.

Developing standards for sustainable and safe aquaculture sector is necessary, especially for domestic seafood markets. However, it is also necessary to have proper strategy to avoid overlaps in certifications, which has already happened with export products. 

Compiled by **Cao Le Quyen**



Pangasius is harvest in a pond of Cataco. Photo: NK

ASC: One step closer to the target

Under the agreement signed among VASEP, VINAFIS, WWF Viet Nam and WWF International in December 2010, Viet Nam will try to have 25% of *Pangasius* export production certified sustainable standards, with at least 10% ASC certified in 2011- 2012. So far, twenty-five farms, accounting for 11% of the total export volume in 2011, are on their way to the certification.

By Thanh Phuong

The involved farms belong to 19 *Pangasius* companies, including Anvifish, Biendong, CI-Fish, CP Vietnam, Dong A, Godaco, Hoang Long, Hung Ca, Hung Vuong, Navico, Ngoc Ha, Ntaco, Saigon-Mekong Fishery Co Ltd., Sohafood, Southvina, To Chau, Vinh Hoan, Docifish, and Vinh Quang,



reported Mr Jose R Villalon, Chairman of Aquaculture Stewardship Council (ASC) during a meeting held on June 27, 2012 in Ho Chi Minh City.

These farms cover 338 ha and produce over 73,000 MT of fillet per year or approximately over 11% of 2011 exports, said Villalon.

According to VASEP, more than 50% of *Pangasius* exports now come from companies that hold GlobalG.A.P certification, plus there are several



Mr. Jose R Villalon Chairman of ASC. Photo: Nhat Quang.

farms certified under ACC BAP, AquaGAP and SQF1000.

According to Mr Villalon, ASC launched its consumer label in April. In the same month, *Pangasius* standard was opened for accreditation of certifying bodies in late April 2012. Several auditor companies, including IMO, Control Union Certifications (CU), SCS, Bureau Veritas (BV), and SGS have applied for accreditation. The first witnessed audits by IMO and CU of Vinh Hoan and Ntaco were respectively in late June and July this year.

A WWF website was also established for tracking *Pangasius* farms “moving towards certification” with thirteen farms listed to date.

Certification procedures

According to Mr Villalon, farmers need to take several steps before they are ready for the certification.

First, they should download the standards and auditor checklist, read them carefully, and if necessary, consult the accelerator, i.e. SNV, IDH, WWF, etc.

In the checklist, there are 35 items that clearly state what the farms need to demonstrate when the auditor visits them. Many of the data require at least 6-months on monitoring.

Once the farmers feel they can comply with the standards, they should contact several accredited Certification Bodies (CBs), compare the pricing and choose the one that they prefer.

“There are two fees, one is for the certification and the other is for audit. It is up to the farmer and to the CB to negotiate. ASC does not manage those fees,” said Villalon. “However, I’ve heard that the pricing is between US\$3,000-6,000 for an audit of 3 year certification and two annual visits to verify.”

For the traders, retailers or food services that want to use ASC logo, there is additional charge of 0.5% of the value at first point of sale, i.e. exporter’s value. If the retailers do not want to use the logo, there is a range between US\$500-2,000 per year for the right to certify without logo.

After CB and farmers reach agreement on the audit farm and date,

CB will notify ASC and the later will publish the expected audit date on its website for 30 days for comments.

After the audit, CB will process the report and submits to ASC. The draft report will be posted on ASC website for a 10-day comment period.

Based on the comments, CB will decide whether the farm can be certified or need improvement plan. The final certification report will be published on the website.

Challenges

According to the 4-parties agreement, the ASC certified targets will be respectively 30% in 2014 and 50% in 2015 following market requirements. To support progress towards certification, WWF will develop market demand and advise seafood buyers to buy Vietnamese Pangasius.

However, the support for ASC certification programme mainly comes from buyers in only four European countries.

“The majority of demand for ASC is in Austria, Germany, the Netherlands and Switzerland. ASC has signed logo license agreement with about fifteen fish importers there” said Villalon.

However, these four countries took only 10% of Viet Nam’s *Pangasius*




A farmer feeding *Pangasius* at Cataco. Photo: NK

fillet exports in 1011. If the buyers in other major importing countries such as the US, Spain, Mexico, Brazil and the rest of EU cannot be persuaded to go for ASC certified product, ASC’s target for 2014 and 2015 will be hard to achieve.

There is no clear incentive for *Pangasius* farmers to go to the trouble and expense of ASC certification. There was hope that ASC certified

Pangasius would be rewarded in term of premium price. However, there is no solid evident that such premium price exists. Meanwhile, sales prices rose and market demand were strong for product with or without sustainability certifications. Exports to the US increased 87.8% by value in 2011 and in the first half of 2012 prices in the US has been around 20% higher than in the EU.

The cost for ASC certification is also a major concern. At present, many *Pangasius* farmers are facing a number of certification schemes. Another expensive one will only place more financial burden and confusion. Suggestions have been made that ASC should work with GlobalG.A.P and other bodies to benchmark their standards and reduce the cost of certification for the farmers. However, it would be long before such ‘dream’ comes true. 

T.P.

ASC is a certification and labelling programme for responsible farmed seafood, founded by WWF and IDH in 2009.

ASC standards, which cover abalone, bivalves, Pangasius, tilapia, shrimp, salmon, trout, cobia, are developed through the Aquaculture Dialogues, a programme initiated and coordinated by WWF.

ASC Pangasius Standards comprise of 115 indicators, which address 7 principles, including legal compliance, biodiversity, water and land resources, species diversity, feed and resources, animal health, social responsibility.

In the social component, ASC addresses both the inside farm issues (worker safety, worker age, slave labour etc.) and the community around the farm.

“For the first time ever, an aquaculture standard requires the farm to engage directly with the community and demonstrate that the communicating take place and any outstanding issues have a plan to be resolved,” said Villalon.

According to Villalon, ASC standards are also more measureable than other standards such as GlobalG.A.P and BAP. For example, GlobalG.A.P and BAP state the farm should record FCR only. But ASC requires that FCR should not be over 1.6.

Shrimp breeders put off by absurd insurance policies



Shrimp breeders are not interested in agriculture insurance. Photo: DM

According to a Government pilot project for agriculture insurance, poor households will receive back as much as 80-100 percent of the insurance amount. However, such a high return amount still fails to lure any of the shrimp breeders.

Nguyen Trung Thanh, chairman of the Ngoc To Commune People's Committee in My Xuyen District of Soc Trang Province, said that the Commune has 420 poor households who breed shrimps but none of them wish to buy insurance cover.

According to Mr. Thanh, farmers feel intimidated from so much

paperwork and red-tape.

For instance, the Bao Viet Insurance Company requires breeders to write down the breeding process and report to the Commune's People's Committee on the health condition of their shrimps every week.

In case shrimps fall sick, breeders must report to the Commune authorities within 24 hours. The Commune's People's Committee then has to inform the insurance company within 48 hours.


Related sides will come to take samples for testing. This process takes at least a few weeks.

Another problem is that the

Shrimp breeders in the Mekong Delta have been suffering severe losses over the years with diseases ravaging large shrimp farming areas, yet they seem least interested in insuring their shrimp crops as absurd insurance policies along with lengthy, complicated and unnecessary procedures have only put them off.

insurance premium amount for tiger shrimp and white leg shrimp is widely different. The rate on white leg shrimp is much higher than that on tiger shrimp.

Le Thanh Binh, an insurance agent and also an official of Ngoc To Commune, said that if a shrimp farm reports dead shrimps due to disease, its owner will not be compensated unless his Commune authorities proclaim an epidemic.

This regulation is absurd, as an epidemic means that the entire shrimp crop in the region would be more or less destroyed, said Binh. 

(Source: SGGP)



The Fishery Logistics Service Center on Da Tay island

Fish farming in Truong Sa

Most people think they can easily catch a fish in Truong Sa (Spratly Islands) even when their eyes are closing, only those who have attached their life to this outpost islands smile “a legend”. Truong Sa is rightly endowed with great potentials with 18 seafood families consisting of 32 genera and 37 species, including high value fish such as yellow-fin tuna, big-eye tuna, and mackerel. Yet, continual fishing has made the “silver sea” exhausted. To maintain the long-term potentials, farming is necessary. The Fishery Logistics Service Center (FLSC) belonging to the One Member East Coast Seafood Exploration Service Company Ltd on Da Tay Island has been established on this basis. The company has become even more popular with the success from the fish farming project adopting the submerged cage technology.



Floating city in the middle of Truong Sa

The HQ-936 Ship owned by brigade 162, navy district 4, anchored and took us to Da Tay Island. As, it was the first trip to Truong Sa for most of members of the delegation, they all rushed to the right side of the ship, admiring the Da Tay islands with dense boats closely one next to another, surrounding an enormous cement building, a lighthouse built in 1994.



Da Tay island

“In Da Tay, two military bases are only two buildings on the coral reef. The most permanent and monumental is the Fishery Logistics Service Center (under One Member East Coast Seafood Exploration Service Company Ltd on Da Tay Island belonging to Ministry of Agriculture and Rural Development),” Colonel Nguyen Mau Binh, political vice-chairman of District 4 Navy, who has been in Truong Sa for ten years explained.

An easy establishment of a fishery logistics service center in the mainland can hardly attract people’s attention, yet most people cannot help admiring the establishment and operation of such a center for many years in the sea despite the hardships and a severe lack of all facilities.

Da Tay Island is located in Truong Sa (Spratly) archipelago (Truong Sa District, Khanh Hoa Province). It is about 600km away from Vung Tau, 500km from Nha Trang, and 100km from Large Spratly. Da Tay is a tidal cay with a large area of seven nautical miles in length and four nautical miles in width. It is surrounded by underwater rocks and coral, with a part of it having

a navigable depth into a lagoon. With this physical layout, Da Tay Island provides a safe anchorage and shelter for boats to escape from storms, and has the potential to become a big fishery service center in Viet Nam.

Having witnessed the preferential nature with the scene of dense local residents’ boats resorting to Da Tay as a storm shelter in Truong Sa, leaders of Ministry of Aquaculture (now known as Ministry of Agriculture and Rural Development-MARD) conducted surveys and decided to invest in building a fishery logistics service center on Da Tay in the 1990s. After years of making efforts and with sweat and money spent in the sea, they officially brought the center into operation in May 2005 in such fields as: piers, sea walls, greenhouses, storage areas, a medical clinic, and fresh water and fuel supplies for offshore fishing boats, as well as a drainage and sewage treatment system for the logistics zone, in order to promote and to increase the productivity of offshore fishery exploitation. On Da Tay now, the FLSC is located closely to the Seafood Farming team of Truong Sa Seafood



Fish farming cages at Truong Sa

company (Viet Nam's People's Navy) in the permanent building on the coral reef with the area of about 3.000 m² with warehouses, hostels, greenhouses so as to serve the staff there.

Abnormal sea conditions, services as usual

"In the past time, the FLSC has served as shelter for nearly a hundred of local residents' boats, anchoring to avoid storms, supplying tons of fuel and hundreds of cubic metres of fresh water to fishing boats" said Mr. Duong Lam, the administration director of the center. "The first typhoon in April 2012 was really abnormal, but it did not affect Da Tay, for right after having been advised of the typhoon, hundreds of fish boats came to Da Tay and safely anchored."

"During such several days, Da Tay had a view which is like that of Vung Tau from offshore." eagerly told the

major Mr. Nguyen Thanh Toan, head division of the navy army engineer, regiment 131 who has been engaged in the construction of permanent houses for soldiers in Da Tay. "I have learnt from tens of years of experience in living in different islands that geological features in Da Tay are favourable for constructing other fish supporting buildings. With more investment, more buildings will rise for the sake of the local residents and the development of the marine economy" he added.

With the typical strengths of tidal sinking islands including soaked coral reefs with big ponds in the middle being brought into play together with the effective support from MARD, the fishery logistics service center on Da Tay has been accomplished. The center supplies fuel at the price sold inland, provides free fresh water and free maintenance service for damaged fish boats, and provides floats for

boats to anchor, avoiding storms. Thus the center has helped off-shore fishermen in Truong Sa to reduce cost and travelling time, lengthening the time spent off-shore so as to explore in favourable fish environments.

Aquaculture farming in Truong Sa

The HQ- 1194 canoe took us from the military on Da Tay Island to visit the cage fish farming area which is right next to the FLSC. "The trial project of farming seafood of high economic value such as pomfrets, seabass, black snapper, grouper, etc has been implemented for many years on Da Tay by seafood farming team and the FLSC (under Truong Sa Seafood Company)," said Mr. Nguyen Duc Thang, the chairman of Truong Sa commune People's Committee (Khanh Hoa).

At present, this area has eight



Harvesting farmed fish



Fisheries processing center

fish cages being farmed applying Norwegian technology, worth VND300 million each. These cages are capable of resisting waves at level 7 while level 5 has been the highest level in the pond so far. Farmed fish put on weight very fast as reported by the farming team. One white pomfret weighs 4 kilos within 12 months; black snapper weighs nearly 1 kilo within 6 months.

The remarkable result in cage fish farming on Da Tay has made all staff in the service center happy. This can be seen clearly in the moment that all the staff tried to have more time talking about fish farming, forgetting all about the hardships while being off-shore. The team leader Nguyen Quang did not hurriedly tell about their difficulties and ask for help until the ship was called to dock via radio.

The inherent worrying problem found both in the main land and in the sea involves the strict combination between farming and exploitation practice in which more attention should be given to the preservation of harvested (being frozen to ensure the quality of captured fish).

“In addition to supporting policies, the state needs to invest more for those who are directly engaged in off-

shore business. At the same time, it also needs to create the input service (food, bloodstocks) and output for a substantial quantity of seafood products produced on the spot,” team leader Quang emphasized. According to him, the Institute of Seafood has recently implemented the state-level project “A research on the exploration of some kinds of fish with high economic value in the base of coral reel in Truong Sa with fish gears including cages and different capturing techniques”.


“However, unless the preservation of harvested products is ensured, the purchase will be only a movement and even cause a loss to enterprises,” Quang said.

Looking to the future

What impressed us most in the trip to the service center and the seafood farming area in the middle of Truong Sa was the moment when we were back to our ship people in the farming team waved us warmly, signaling us to stop and giving us some really fresh fish. Having been in the sea for long days with dried or frozen foods, we really appreciated the value of fresh fish.

Farmed fish are really worth considering. Truong Sa has great

potentials in developing fish farming and capturing. However, a lot of work needs to be done and many people need to get involved so as to develop these potentials as expected. At least, there is a need in accomplishing the supply capacity of the service that meets the seafood exploration capacity in fish environments. Most practically and importantly, the FLSC should better supply the needs of food and fresh water for the fishermen and develop the solar energy project, etc. Particularly, it needs to develop in the way that seafood is exported directly from the island rather than transporting explored or farmed fish into the main land, etc.

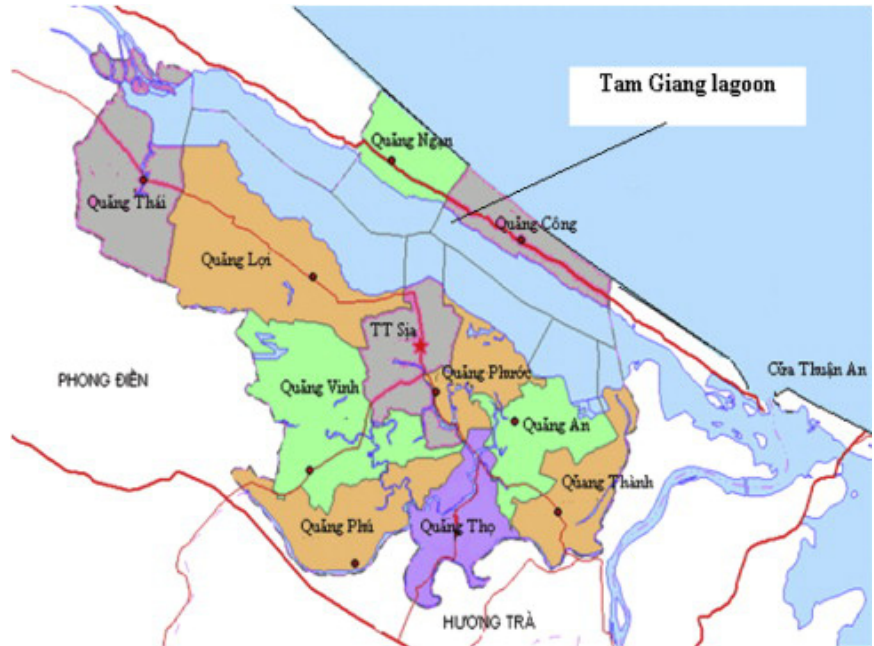
Only by accomplishing such tasks, does the investment in exploring capturing potentials and in seafood farming in Truong Sa really flourish, contributing to the confirmation of the sovereignty in the waters with economic privilege belonging to Viet Nam. And this is the real action in the important programme of Viet Nam Sea Strategy 2020 rather than paper work. 

Compiled by **Bich Ngoc**

Photo: internet

Thua Thien Hue: Con Cat Fisheries Protected Area receives protection boost

Local authorities and Fisheries Association members with support from RFLP have taken steps to develop internal resource management regulations for Con Cat Fisheries Protected Area (FPA) in Viet Nam's Thua Thien Hue province.



A workshop held recently in Dien Hai Commune marked a milestone in the process of enforcing the Provincial Decision to establish this Protected Area in 2010 in recognition of its high local biodiversity. The water area around Con Cat in Tam Giang Lagoon is at the

intersection of different habitats, which provide shelter and feeding habitats for fish and shrimp species migrating between the sea and fresh water areas.

The sad reality is however that following the official recognition, little has been done to protect the area on the ground due to the shortage of

government budget and personnel.

Although this commune was not a project location, RFLP VIE has recognised the potential for the “spillover” of conservation values from this FPA to other areas in the province. Therefore, RFLP has agreed with Thua Thien Department of Agriculture and Rural Development (DARD) on a community-based approach for preserving the resources in this FPA.

“Taking this approach, the authorities only provide the direction and framework for the operation of the FPA. The communities will actually take responsibility for managing the resources through their participation in the operation of the FPA,” explained Mr. Hoang Ngoc Viet, Vice Head of DARD.

One highlight to date is the finalization of a community-based regulation for FPA management which is in line with the District’s Decision on



Cement poles set up by RFLP marking the boundary of the Fisheries Protected Area

Fishing Rights Allocation to the local Fisheries Association. This is highly appreciated by local communities as they now realize that the establishment of this protected area does not hinder them from fishing in areas outside the core of the FPA.

The assistance package funded by RFLP includes activities to finalize the zoning map, demarcate the boundaries with cement poles, and install artificial

fisheries shelters. More importantly, the capacity of the local Fisheries Association which manages and operates the FPA has been improved through a series of training sessions and the provision of equipment for their patrol team.

Thanks to awareness raising activities and the installment of the boundary in the lagoon, every community member now knows where

they can fish and which parts they need to leave untouched to protect spawning and breeding areas.

“If we do not protect our own resources, we will soon destroy our life,” said Mr. Phan Chien, the Head of Fisheries Association. “The FPA helps us to keep the resources for ourselves, our children and grandchildren.”

Source: www.rflp.org

Photo: internet



Tam Giang lagoon from different perspectives

Set net fishery in Khanh Hoa

Every year, in the first lunar month, shoals of pelagic fishes started to migrate from the South of Viet Nam to the North. By the end of April, they travel back from the North to the South. Knowing their migration path, hundreds of years ago, fishers in Khanh Hoa invented a unique fishing method, locally known as Luoi dang or set net. Set net is very labour intensive – there must be enough fishers to deploy the net on the fish's way and haul it; however, the catch is high and the trapped fish – mostly of high-valued species such as mackerel, tuna, sailfish, and leather jacket fish, etc – are fresh.

By Tran Duy



The net is held in place by anchors. It is made up by many smaller pieces of net tied together



Getting the ice for catch preservation



Having a quick lunch while waiting for the fish to be trapped



Collecting the net after a haul



Hauling the net after encircling the fish



Fishers can catch 800 kg + 1 MT of fish per sea trip in peak season, earning VND60-80 million in profit



Mr Ho Duyen, head of the fishing team of Bich Hai Co-operative



Towing the net in circle to enclose the fish



*Classifying the fish for preservation.
Logistic boats will deliver the fish to shore*


Lam Dong: Successful artificial reproduction of sturgeon

Viet Nam's scientists from the Highlands Cold-water Fish Research Station and the National Breeding Centre for Freshwater Aquaculture of Central Viet Nam (NACEF) have made initial achievements in artificial spawning sturgeon in the K'Long K'Lanh village, Da Chais Commune, Lac Duong district, Lam Dong province.

Mr Nguyen Viet Thuy, Deputy Director of NACEF said the reproduction procedure still needs to be improved to supply juveniles for the commercial farming. Besides, some high-tech equipment such as ultrasound scanner should be used to determine ovary and gonadal development stage of parent sturgeon for better timing of the reproduction.

"We hope the Ministry of Science and Technology and the Ministry of Agriculture and Rural Development will continue to fund to the sturgeon artificial reproduction project. Once the project is finished, we will produce the



fries ourselves and transfer the technology to enterprises," said Mr Thuy. 

Rice-shrimp farming model proves successful in Ca Mau

More than 2,500 families in the southernmost province of Ca Mau are benefiting from a new rice-shrimp farming model, according to the province's Department of Agriculture and Rural Development.


The department said that more than 4,600 ha of land used to grow rice and raise shrimp have yielded a bumper crop this year, with 4.5 MT of rice plus 500 kg of shrimp per hectare.

On average, each household earned a profit of at least VND100 million (US\$4,800).

An additional 6,000 ha of rice-shrimp farming land is expected to be harvested soon, resulting in a doubling of agricultural productivity compared to the corresponding period last year.

According to experts, farmers can raise shrimp on their rice fields during rice cultivation. The water environment in rice field appears less polluted, and shrimp raised on the rice fields is less likely to catch diseases.

Because of the doubling of profits for farmers via the rice-shrimp model, the local authorities have decided to expand the project from 12,000 ha to 20,000 ha by 2015.

Nguyen Quoc Viet from the Ca Mau Province's Department of Science and Technology said that, of the 270,000 ha of land used to raise shrimp in the province, only 40,000 ha have fresh or brackish water needed to apply the rice-shrimp model. Salty-water areas cannot be used. 



Capture production increased in the Central provinces

Thanks to favourable weather and resource abundant, fishers have been catching more fish offshore of central provinces.

For the first half of the year, fishers in Thua Thien – Hue Province caught more than 16,000 MT of various fish species, up 4 per cent against the same period last year, according to the province's Department of Agriculture and Rural Development.


During this period, Thua Thien – Hue fishers also repaired 23 fishing boats, built 20 new boats and bought six fishing boats from other provinces.

The province has 226 offshore fishing boats, each with an engine of more than 90 HP.

In Da Nang, fishers caught a total of 19,500 MT of various fish species in the first five months of the year, an increase of 27 per cent year-on-year. Da Nang has 94 groups of fishing boats with a total of 683 boats.

Quang Nam fishers caught 45,360 MT for the first six months of the year, up 41.8 per cent against the same period last year. The local fishers have built 39 new fishing boats this year, with 37 having engine of more than 90Hp.

Fishing boats in Quang Ngai Province also caught a total of 59,322 MT, up 13.6 per cent.

Although more fish were caught, fishers' incomes fell since the price of diesel oil in the first six months of the year rose by VND1,863 a litre. 

Quang Tri provides radios for fishing fleet

Almost VND1.5 billion has been spent on installing a shore station and furnishing offshore fishing vessels of above 90 HP with 42 high frequency (HF) radios with GPS devices, said Hoang Dinh Lien, Director of the Department of Exploitation and Protection of Aquatic Resources (DEPAR) in Quang Tri province.

The money was released in line with the Prime Minister's Decision to assist fishers at sea, to help vessels maintain communications with the mainland.

After being equipped with HF radios, the vessels have become more active in seeking their fishing grounds, and supporting each other to reduce risk and protecting the sovereignty over the country's waters and islands.

In the near future DEPAR will fund another 44 HF radios with GPS devices for offshore fishing vessels.

Quang Tri province, with 75 kilometres of coastline, has a great potential for marine fishery. It is home to 2,484

fishing vessels with a total engine capacity of over 50,000 HP, of which 113 are large offshore ones.

By 2012, Quang Tri province expects to produce 27,000 MT of fisheries products. 




An Giang, Kandal cooperate in aquaculture

An Giang Province Department of Agriculture and Rural Development (DARD) deputy Director Do Vu Hung said that the Province had recently tied with Kandal Province in Cambodia to raise seafood and preserve fresh-water fish in Vietnamese-Cambodian border areas.

The Kandal Province Fishery Sub-department and the An Giang Province Aquatic Breed Center concluded an agreement in 2009, regarding cooperation in producing aquatic breeds and high-quality fish. An Giang has also provided technical tools and guidebooks, sent four experts to Kandal to train dozens of district fishery technicians, and transferred its fish breed production and fish disease prevention techniques. In addition, it has launched fish rising and fish disease prevention courses among Cambodian fish farmers.

Hung said that Kandal had also helped An Giang buy *Pangasius* and Leo fish for improvement of farmed fish broodstocks.

The An Giang Province Aquatic Breed Center gave advice to the Kandal Department of Agriculture, Forestry and Fisheries and the Kandal Aquaculture Sub-department for upgrading the Tuol Krosang Breeds Farm in 2010.

Following the Plan for An Giang-Kandal Cooperation in Aquatic Breed Production, the An Giang DARD provided technical directions for raising fresh fish in Kandal Province in 2011. Meanwhile, it got together with the Kandal Department of Agriculture, Forestry and Fisheries to help the Tuol Krosang Breeds Center producing various kinds of fish. 



Quang Ninh: Parasite kills 60 million snout otter clams

A parasite has killed an estimated 60 million snout otter clams, worth VND200 billion (US\$9.5 million), in Van Don District in northern Quang Ninh Province, according to the municipal department of rural development and agricultural.

The disease, which was first reported in April, has devastated the incomes of some 650 households in the district, the report said.

The National Centre for Veterinarian Diagnosis said there wasn't known cure for the internal Perkinsus parasite.

The department and the municipal authority have asked local residents to stop stocking snout otters for two years until the disease vanishes.

The province said it would work closely with the municipal department of finance to give financial assistance to farmers. 🇻🇳



Phu Yen: WIPO supports the protection of fish sauce collective trademark

On May 30, Ms. Francesca Toso, Senior expert of Development Division of the World Intellectual Property Organization (WIPO), had paid a working trip to Phu Yen province for field survey on sauce production in order to support building the "Phu Yen fish sauce" collective trademark abroad.

The production of fish sauce in Phu Yen is based on traditional process passed through the generations. The products are so high quality and safe. They have been registered with National Office of Intellectual Property as "Phu Yen fish sauce" collective trademark.

Recently Phu Yen fish sauce, however, is mainly produced by hand at household level with inhomogeneous quality. Therefore it possesses weak competitive ability and is mainly sold in domestic market.

After the survey, Ms. Toso Francesca highly qualified the technical production level of the traditional Phu Yen fish

sauce. She pledged to cooperate with the local fishery association, and Department of Science and Technology of Phu Yen province for registration and protection of Phu Yen fish sauce collective trademark in the international market. Training courses for human resources to improve product quality and preserve the prestige of Phu Yen fish sauce brand have been intended, too. 🇻🇳



Khanh Hoa: Illegal foreign fish farmers fined and expelled

As many as eleven out of the nineteen Chinese fish farmers working under the cover of aquaculture experts in the coastal province of Khanh Hoa's Cam Ranh Bay have offended labor and residence regulations and have been penalized, the command of the provincial border police announced on June 4.

Specifically, Khanh Hoa authorities imposed a VND3.5 million fine on each of the five Chinese nationals who collect, raise and export fish in Cam Ranh City for their failure to register for temporary residence, and VND15

million for not applying for a labor permit.

Authorities are also handling the case of the remaining six illicit fish farmers in Ninh Hoa Commune and Nha Trang City, and these people are set to be expelled.

Border police also said that all of the aquaculture animals raised by the Chinese fish farmers on the province's waters are sold to Chinese traders, who bring the products home through the Viet Dien Bach 01 vessel, which is licensed to travel within Viet Nam's waters between November 2011 and July 2012. 🇻🇳

Bac Lieu: Logistics boats help fishers

Fishers in the Mekong Delta coastal province of Bac Lieu are supported by logistics boats that provide them with fuel and other necessities.

The offshore logistics boats have been operating with the fishers units for the last three years as part of the province's policy.

Without such teamwork and support, fishers far offshore would find it difficult to have good yields and make a decent profit.


The expenses for working out at sea have also increased recently.

By setting up logistics teams, which are responsible for supplying fuel and transporting seafood between

fishing grounds and the coast, each fishing boat saves VND15-VND20 million for each trip out to sea. With such coordination, the fishing boats can also stay longer at sea.

Prior to the province's policy on teamwork, fishing boats could operate only 15 to 20 days at sea as all fuel, food and ice were used up after that period of time. Now the boats can fish for 30 to 40 days offshore.

Bac Lieu has more than 1,200 fishing boats, yielding an annual fishing capacity of 100,000 MT of fish.

The province set the annual fishing growth rate at 14 per cent between 2012 and 2015. That figure is expected to bring the province US\$240-US\$300 million in export turnover. 


Thua Thien Hue: Pioneering fish auction edges nearer in Viet Nam

The launch of Viet Nam's first ever fish auction system is getting closer following discussions between authorities, fishers and traders in Hue City held 6 June.

The auction system will be based at Thuan An port, the only fishing port in Thua Thien Hue province and its most important fish landing site. At present, the port is open for all fish trading activities. However price-setting by powerful wholesalers hits the income of local small-scale fishers.

Thua Thien Hue DARD and Thuan An Port Management

Board have long realized the severity of the issues. Based on the recommendations of a study by InfoFISH (commissioned by RFLP), RFLP has responded to their requests for assistance to renovate the port and to help pilot an auction system.

Participants in the consultations engaged in a lively discussion on how the country's first ever fisheries auction system should be piloted. Suggestions were made to ensure that the process is transparent from the perspectives of local authorities, fishers and traders alike. 

Ca Mau spends US\$3m on climate-change projects

The southernmost province of Ca Mau is spending US\$2.9 million on two climate-change projects this year, according to a provincial official.

The projects focus on building sea dykes and embankment systems, stopping saltwater intrusion and restoring mangrove forests.

The funds comprise non-refundable aid from non-governmental organisations in the Republic of Korea, the Netherlands and Japan.


The first US\$1.3 million project will assess the ability of seven coastal communes in the districts of Tran Van Thoi, U Minh and Phu Tan to adapt to climate change, .

The second, and similar US\$1.6 million project, will focus the two districts of Nam Can and Ngoc Hien.

Chairman of the Ngoc Hien District People's Committee, Nguyen Truong Giang said Ca Mau province had 250km of

coastline and 800km of rivers and canals that were almost below sea level.

"In the last five years, the sea level has risen higher and higher in this district, and only old-style houses with stilts are unaffected," Giang said.

Since the beginning of this year, Ca Mau has received \$7.5 million in aid from 11 NGOs to tackle climate change and rising sea levels. 




Kon Tum: Fish breeding stations fall idle in Highlands

Many breeding stations in the Central Highlands province of Kon Tum have been unused due to a lack of water supplies.

These stations, completed after four years of construction with Government funding of VND17 billion (US\$816,000), aimed at supplying 1 million breeds, including young fish, per year to localities.

Representatives of stations said that due to a scarcity of water, only several of the 45 stations are working, while the rest are disused and covered with wild grass.

The provincial agriculture department said that dredging lake beds and using water resources from local lakes would help overcome the problem, but it will cost up to VND5 billion (\$240,000). 



Nguyen Hai Hung, Director of 3P Technology Solutions, demonstrated the electronic traceability throughout the chain

TraceVerified An electronic traceability system

The system, so-called TraceVerified, was demonstrated during a conference co-organised by Sac Ky Hai Dang together with VASEP on June 26, 2012 within the Vietfish show in Ho Chi Minh City, Viet Nam.

By **Nhat Quang**

Traceability has become an vital issue in the international food sector as a result of the higher profile of food safety problems and consumer concerns, especially in developed countries. The recent Food Safety Modernization Act of the US contains several components that address food traceability, including the new requirement for electronic submission of data. EU is also famous

with the ‘one step forward and one step back’ principle in the food chain. Apart from the governments, various certification parties also require for traceability such as HACCP, GlobalG.A.P, ASC, and BAP, etc.

Vietnamese seafood producers have understood early the importance of traceability and many of them have develop and run their own traceability systems. However, most of the systems

are paper based.

“Online traceability is an important tool that enables the producers to quickly send product information to their buyers, creating a transparency in every links of the supply chain – a task that the paper-based traceability system can not achieve,” said Mr Bui Phu Kiet, Vice General Director of Anvifish.

Electronic Traceability Training project

With the support of The Global Competitiveness Facility for Vietnamese Enterprises (GCF), Sac Ky Hai Dang (EDC-HD) – a prominent Vietnamese private technical service provider in Ho Chi Minh city - has established an electronic traceability training project (ET&T).

“In my 13 years as a vice minister of fisheries, and later as a founder and president of VASEP, I have heard a lot of things said about *Pangasius*. Some was true, some wasn't. Sometimes it was false praise and sometimes it was false accuses. This is what I want to change. I want to provide real verified information about the *Pangasius* that is produced here in Viet Nam,” said former Fisheries Vice Minister Dr. Nguyen Thi Hong Minh, who is also the Director of the project.

Starting in October 2010, together with Dr. Heiner Lehr, Enterprise Application Director for EU Trace Project, and the local company 3P Solution, ET&T is setting up an electronics traceability system in *Pangasius* production. Four pilot companies have signed an agreement as pilot users in the ET&T project, including Cafatex, Bien Dong, Anvifish and Caseamex.

On April 2012, ET&T opened a new office in Can Tho province to provide online traceability training and kick-off services to producers in the Mekong Delta. The services are either



A Traceverified label with a T-code on top and a QR code in the centre

free of charge or at minimal cost during the project's execution period (October 2012 to September 2013).

TraceVerified system

TraceVerified, which means '*Traceability You Can Trust*', is a system launched through the ET&T project with an aim to provide to buyers verified information about the origin of the products in a rapid and real-time manner.

“When we were tasked to implement the TraceVerified system, one thing was immediately clear to me. The system had to rely on international standards for information exchange. So EPCIS was the clear choice from the beginning,” said Mr Nguyen Hai Hung, Director of 3P Technology Solutions.

“This way we can employ tools and hardware so that importers have no trouble accessing all the data.”

TraceVerified has five components, i.e. implementation of advice and training, trace label, TraceVerified information system, data verification, and TraceReport for importers.

For label, those are member of GS1 will use Serial Shipping Container Code as their traceability code. Non-GS1 members will be granted a free T-code following the format RG8-VNAGJABC-P0-001-1. The codes will then be encoded to generate QR code.

During the harvest, farmer will stick a pre-printed TraceVerified label on the transportation document and give it to the transporter. At the same

time, the farmer will enter the product information into the system through his or her computer or smartphone. At the factory, the raw material receivers will scan the QR code on the label by smartphone. Immediately, the information on the product will appear on the smartphone screen.

During the processing process, the factory can regularly update relevant information into the system. When they pack the product, they will again put the pre-printed label on the carton boxes and enter the packing information into the system.

In the end, the whole range of information is gathered into one electronic report called TraceReport. It can be used by customs officer to gain insight about the contents of a container, pallet or carton. It can be used by quality managers to check incoming raw materials and by buyers to trace the entire production process.

First results and the way forward

“After over 10 months working with ET&T experts, we are so glad that the online traceability can now run smoothly. With simple clicks on the smartphone, our buyers can immediately get the information about our product no matter where they are,” said Kiet, adding that his company had to make some changes in the production process and buy some devices to execute TraceVerified.

According to Dr Lehr, ET&T project will continue to work with the pilot companies to streamline the data capture process, test the usability of the software, elaborate on the verification process and design a suitable business models. The full-scale rollout of the system will start in 2013.

“Once we have established ourselves, we will add new exciting



Representative of Cafatex, Caseamex, Bien Dong and Anvifish received the log-in accounts to TraceVerified system




Launching the TraceVerified system

features, such as cold chain control, automated timeline-based picking list, integration into international traceability backgrounds and ERP, etc.,” said Dr Lehr.

Dr Nguyen Huu Dung, Vice President of VASEP said he highly valued any projects that help building the capacity of Viet Nam’s

producers and exporters, including TraceVerified.

“With TraceVerified, we hope that fish feed producers, fish processors and services providers will be able to provide customers with quickest, most accurate and sufficient information about their products,” Dr Dung said. 

Task forces reduce illegal fishing activities in Quang Nam and Thua Thien Hue



Task forces set up with RFLP support in Viet Nam's Quang Nam and Thua Thien Hue provinces are having success in helping reduce illegal fishing activities.

A number of households in Viet Nam's Quang Nam province have voluntarily agreed to give up illegal fishing practices while others have turned in illegal fishing gear following the establishment of commune task forces and awareness campaigns, also supported by RFLP.

Six task force teams were set up by the Department of Agriculture and Rural Development (DARD) in Quang Nam communes in early 2012 to combat illegal fishing. Each team is headed by the Commune Chief Police Officer and has from 9-17 members depending on the actual situation and available personnel. Their establishment and operations are officially recognized by the local authorities.

One of the very first activities conducted by the teams was conducting a survey on the severity of illegal fishing. They came back with a list of nearly 300 households

identified through local consultations as currently practicing such activities. In addition, a detailed description of these fishing gears and their impacts was also developed.

These households were encouraged to sign a written commitment that they would stop destructive practices such as using explosives or electric fishing. They agreed not to fish inshore using boats over 20HP and also committed to report any violations that they were aware of.


Following the first round of the awareness raising campaign, nine households voluntarily agreed to make their fishing activities legal while 13 households handed over prohibited fishing gear.

Meanwhile in Thua Thien Hue, task forces have been established in five project communes with RFLP support. Patrolling regularly they had, by June 2012, managed to seize 12

illegal fishing gears.

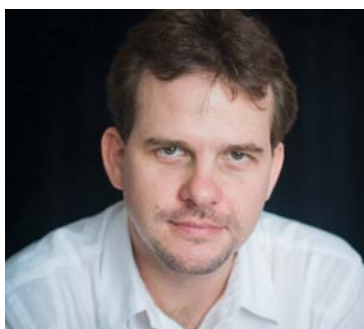
The newly formed taskforces are working very closely with Fisheries Associations to undertake both patrol and educational activities.

Radio broadcasts in both provinces have also helped to disseminate government regulations on capture fisheries to create better awareness in the communes.

Mr. Nguyen Song Ha, RFLP's National Project Coordinator pointed out, "These initial results are very encouraging. The inventory of prohibited fishing activities will help task force teams effectively carry out their role. Meanwhile collaboration with local communities helps them developed better awareness of destructive practices. We look forward to the day when illegal fishing is totally given up and substituted with sustainable practices." 

Source: RFLP

The three key steps to restore the image of *Pangasius*



Pangasius is probably the best farmed fish and maybe even one of the best farmed species on earth but pangasius fillet's quality is slowly decreasing and becoming unpopular.

By **Jean-Charles Diener**

Seafood Specialist in Vietnam

Master in Agronomy with specialization on Tropical Aquaculture

Director at OFCO Sourcing Vietnam

Because of the sustainability of its farming, *Pangasius* is the best way to feed the increasing world population that needs more and more protein. *Pangasius* fillet is also good, inexpensive and can easily be adapted to any cooking. Species like *Pangasius* can be the solution to many worldwide problem but because of *Pangasius* inherent qualities, this fish competes too strongly against other seafood. To fight back, fisheries industry around the world develop bad and false propaganda to beat *Pangasius* whereas Vietnamese suppliers compromise on *quality* to reduce even further the price to become more aggressive on the market thus creating an unhealthy competition. This has become a 'cycle' that must stop and Vietnamese suppliers must find efficient responses to these propaganda and rebuild the reputation of *Pangasius*.

There are three steps that I believe essential to restore the image of *Pangasius* industry:

- 1 - Fix a minimum export price,
- 2 - Be more confident with *Pangasius* product and develop efficient marketing strategy,
- 3 - Increase the nutritional quality,

It is important to consider that bad propaganda against Pangasius also affect other Vietnamese seafood industry and not just Pangasius. Any positive developments on Pangasius will also help all Vietnamese seafood exporters such as shrimps and tuna exporters!

Many people already know that something is wrong about *Pangasius* industry and should probably agree with the 3 keys steps I will discuss. Several meetings have been made, good ideas have been expressed but we need to take more concrete actions.

The question on everyone's mind now should be how



do we make these 3 steps happen?

First step to restore the image of *Pangasius*

Act on the selling price

Vietnamese should stop reducing the price, because the very cheap price is already the problem!

Worldwide buyers are not confident with *Pangasius* and they are confused with the massive range of price and offers they receive. Considering that there are over 300 companies offering this product with many specification and qualities, it will be too difficult to set-up common standard between all the exporters.

Having said that, it is necessary to act on the selling price and impose some acceptable minimum export prices. It will not always be easy to define this price and Vietnamese seafood industry should do it together with the help of VASEP and the cooperation of OFCO and maybe with the possible involvement of the Vietnamese government. Tuna, shrimps and other main seafood Items from Viet Nam follow the world trends, so the Vietnamese government does not need to interfere. This is not the case for *Pangasius*, it needs external help to regulate its market. Viet Nam is the only big exporter of *Pangasius* therefore Viet Nam must be the one regulating the price.

The minimum price should be reasonable and should not focus only on what is happening in Viet Nam. It is necessary to take in consideration the world market for White fish fillet. A minimum price should be defined for the main specification (Untrimmed, Well trimmed, 'intermediary trimming if necessary' / 10%, 20% glazing, etc...) and it should be clear on packaging and documents. For example, it is not allowed today to export *Pangasius*

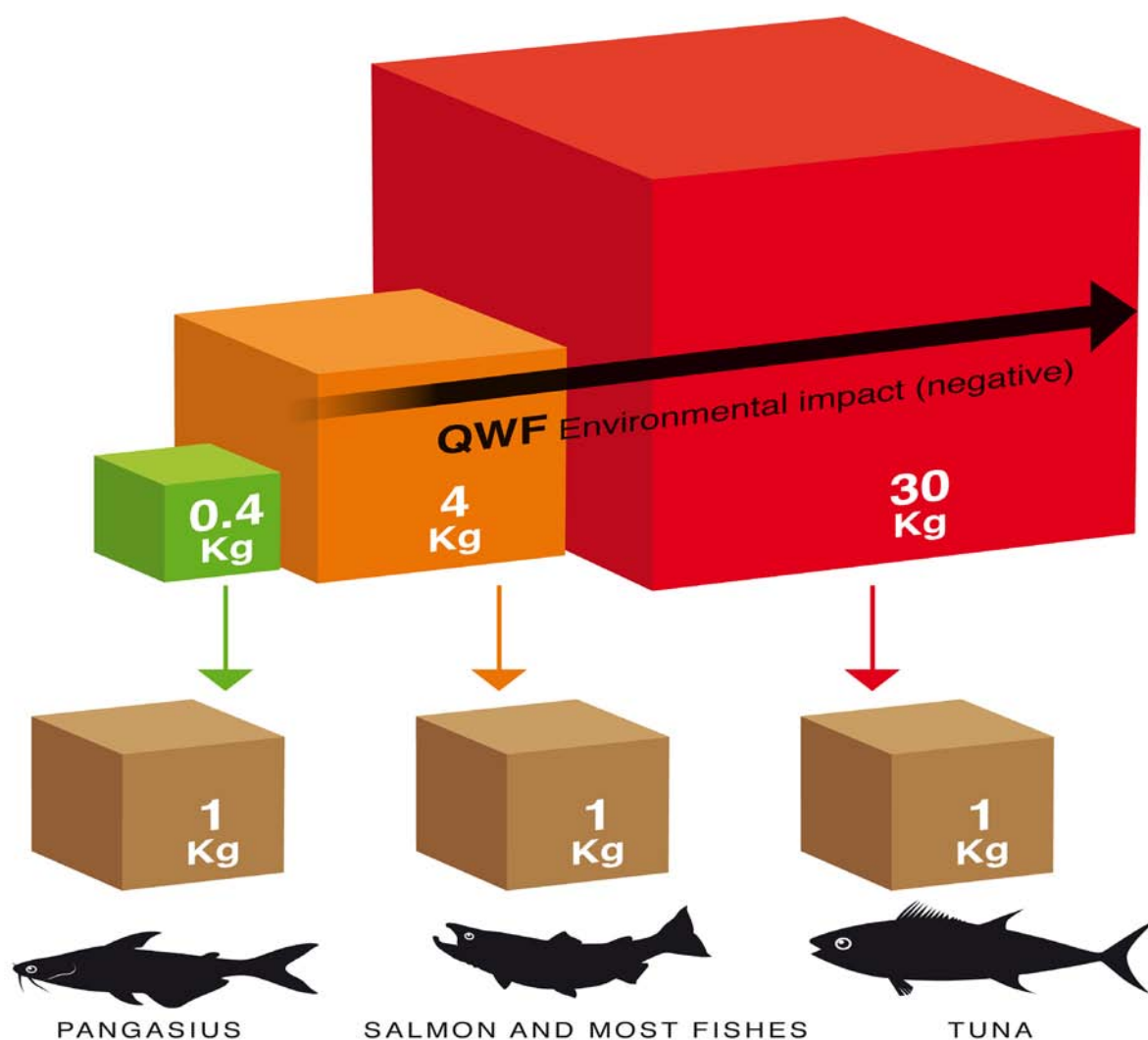
with over 20% glazing but with no strict control on prices the action is limited because to obtain cheap prices, it has become necessary to falsify the official specification and often buyers impose it.

This is the first step to restore the trust of the buyers, which will also force exporters to compete more on the quality and less on the price. It will also increase the quality and give more confidence to the consumers.

The first minimum price chosen should be practical (not too expensive) but should be respected by everyone. And eventually increase the price step by step according to the market acceptance.

It should still remain possible to obtain cheap price for the markets who ask for cheaper product and it should remain possible to export lower quality at cheaper price. There are many ways to reduce the price without confusing buyers and final consumers. Therefore, the specifications should be clear on packaging and documents: "*Cheap price should go with cheap specification*".

Pangasius exporters should also contribute a small



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The presentation illustrates the Quantity of Wild Fish (QWF) necessary to feed and produce 1 kg farmed fish.

percentage of the export price (or fix fee per kilo) to a fund that will be managed by national authority. This fund could sponsor indirect promotion at first and then, as soon as the situation with *Pangasius* is improved, Viet Nam could develop a wide spread promotional campaign.

Second step to restore the image of *Pangasius*

Be more
confident with
Pangasius

Pangasius fillet can be a very good product and Vietnamese should be confident with their product!

10 years of bad propaganda developed a wrong impression on *Pangasius*.

Pangasius is a very good fish. Just because *Pangasius* is inexpensive it doesn't mean that it is not a good product. *Pangasius* is cheap because Viet Nam have a very competitive labor cost to process this fish and because this fish is omnivorous: same as the pig *Pangasius* can digest animal and vegetal protein.

Farming an omnivorous fish like *Pangasius* is much more efficient and sustainable than most of the other fishes farmed in the world which are mostly carnivorous such as salmon and tuna. These fishes need lots of animal proteins on their diet, proteins that are issued mainly from industrial fishing which are not only very expensive but also harmful for the environment.

Many organizations say that aquaculture is a good

alternative to industrial and commercial fishing and can help protect our ocean resources. However, it still requires up to 4 kg of wild fish (caught specifically for fishmeal) to feed and produce 1 kg of salmon and most of the common farmed species. Anchovies for example is the biggest sea caught fish in volume but is mainly converted into fishmeal for Aquaculture. Currently and despite the limited research study on *Pangasius* feeds compared to the exhaustive Salmon feed research and development, it takes only 0.4 kg of wild fish to produce 1 kg fish *Pangasius*. With more research, the 0.4 QWF for *Pangasius* could still be brought down to an even lower value.

There have been some discussions that consider tuna farming as a solution to protect the declining wild stock but considering that it takes 30 kg wild fish to feed and produce 1 kg tuna, the situation is worse than most farmed fishes. Feeding carnivorous fish require high proportion of animal protein in their diet which is expensive and explains also why *Pangasius* is cheaper to produce than those fishes. Farming omnivorous fish is the more viable solution as compared to the current development of feeding carnivorous fishes with vegetable.

Some other aspects that could also be listed to explain the advantages of *Pangasius* industry are stable and warm weather condition all year round, possible full traceability, ideal fillet texture and taste to develop a large variety of products. These alone could explain the competitive price and the quality of the product.



Pangasius during harvesting

The new trend today is SUSTAINABILITY.

Many organizations are speaking about sustainability and several of them are even already in Vietnam and are interested to take profit out of the *Pangasius* creating a “sustainable *Pangasius* farming certification” even if it means spreading false and bad propagandas on traditional *Pangasius* farming to create an artificial need for their certificate. These organizations don’t help in the development of the industry; rather they are just here to tell the world what we already know: *Pangasius* is a sustainable product.

Pangasius is already one of the most sustainable farmed species on earth not just with fish farming but land farming included. *Pangasius* is an excellent way to feed the increasing world population’s demand for more and more protein. *Pangasius* can be the solution to many worldwide problems. *Pangasius* is already the best way to protect our ocean ecological balance.

Focusing on SUSTAINABLE FARMING is one of the best tool to promote *Pangasius* over the other farming species and even over the wild-caught fishes which is often not sustainable. The world is worried about the fish stock decline in our ocean and species like *Pangasius* can be the solution!

While *Pangasius* farming and processing is not perfect, its level of acceptability is already in a very good position. If the market matures and accept higher price, the few grey area on farming and processing can be easily resolved.

Pangasius farming is already sustainable ... Viet Nam just need to be more confident about it.

Third step to restore the image of *Pangasius*

Increase
the quality

Pangasius is sold in most of the markets around the world despite the poor nutritional quality of *Pangasius* fillet!

On the downside, *Pangasius* fillet is quite poor in terms of nutritional value but this could be corrected easily with proper feed formulation (during farming) and the use of more suitable treatment to reduce water absorption (during processing). But of course, that is only possible if the price of *Pangasius* increase.

“We are what we eat”, same as livestock any other farmed products, it is possible to increase the nutritional value of *Pangasius* which could help Vietnamese exporters to get new markets that will pay more for better quality *Pangasius* fillet. Also, it is necessary to control antibiotic residue or other unauthorized substance and ensure the safety of the product from the farm up to the final product through better quality management systems.

Viet Nam have all the technology and the knowledge to



*Well trimmed *Pangasius* fillet*

transform this fish into a perfect final product but a better market price and a better recognition of *Pangasius* are necessary to make this possible. If Viet Nam improve the nutritional fact of *Pangasius* the market for this product will be much bigger.

Conclusion

If the price of *Pangasius* is regulated, there will be positive results that will come out of this: quality will improve, bad propaganda will eventually disappear and the market will increase considerably. The importers, wholesalers and even the distributors will become more confident to promote this fish resulting to development of new items or products. There will be a healthy competition with the other fish industry and everybody will be on the winning side. Vietnamese farmers and exporters will get good profit out of *Pangasius*. Vietnamese seafood industry will benefit indirectly from a better image of the *Pangasius*. Importers and wholesalers will also benefit because they could develop better sales strategy and increase their margin. The food processing industry could use this fish in large scale, opening totally new opportunities for *Pangasius*. And more importantly, for a few additional cents, customers will have a better product.

Pangasius farming is good, the processing is good and *Pangasius* is one of the most sustainable farmed species on earth. Vietnamese exporters have to develop good sales strategy and regulate the price. The buyers should find interest to buy *Pangasius* and not just be forced by the market that is always asking for cheaper product. With the help of the importers & distributors, Viet Nam could really start promoting this product as the greatest aquaculture fish in the world.


The graph OFCO created about QWF (presented at the beginning of this note and accessible at <http://ofco>.

info/Pangasius.html) is not new information for seafood professional around the world but IF the final consumers in developed countries learn and understand it, then all their idea and perception about farming fishes will change and *Pangasius* will receive a much better respect!

To reach those final consumers, huge investments in marketing and advertisements are necessary OR simply find the right people to bring the information to the right organizations that will convey the correct information. Several of the main *Pangasius* exporters already offered to sponsor OFCO to protect *Pangasius* interest ... but to be efficient, all *Pangasius* exporters should be united to speak in one voice.

Pangasius of Viet Nam should be represented to all important international summits on aquaculture and

sustainability farming. Next September at the upcoming Seafood summit to be held in Hong Kong there will be an important discussion about sustainable farming, Viet Nam should be represented.

For these three steps to happen, Vietnamese seafood exporters must find a representative, an ambassador for Pangasius, who have the strong motivation, authority and fund to push the idea through. 



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Queen Beach: Hoang Hau (Queen) Beach near Quy Nhon City, was named after King Bao Dai's consort Nam Phuong.

Tourists descend on unspoilt Binh Dinh

Visitors to Thi Nai Lagoon in Binh Dinh Province find irresistible the aquamarine sea, stunning vistas and mild weather that is both sunny and cool – to say nothing of the local delicacies

By **Ha Nguyen**

Andrea Antonio and his wife from Italy recently chose Thi Nai Lagoon in Binh Dinh Province as their first destination in an idyllic trip along the coastal areas of central Viet Nam.

“It was an excellent holiday as we could enjoy the fresh air by the sea, up in the mountains in the forest,” said Antonio. “We felt the caress of the sea, basked in the

tropical sun and ate the special dishes of the region.”

Antonio says the lagoon was the perfect setting for a laid back and carefree holiday.

“You can contemplate the purple sunset over the sand dunes and visit the picturesque village near the seaport,” he said.

“It made me feel in tune with nature, with the clear sky and peaceful clouds.”

Antonio said he was happy to lay down in the shade of one of the trees that line the shore to simply relax and take in the scenery. But what he liked most was fishing at the nearby lake, which he said was full of fish, prawn, lobster and squid.

The lagoon, which is said to be the largest in Binh Dinh, is situated between two low mountain ranges that merge with the blue sea, offering stunning vistas and mild weather that combines sunshine with the cool breezes blowing out of the forests from the mountains.

To reach the lagoon, travel down the road going from Quy Nhon to the neighbouring province of Phu Yen. Make a turn on the first downhill road to the left and follow it.

The lagoon is fantastic because people of all walks of life can enjoy it, Antonio said.

“We visited a small temple called Thay Boi situated west of the lagoon. A local told us that the temple had been built by fishermen so they could have a place to worship the whale, who they believe is a protector for fishermen out at sea,” Antonio said, adding that his wife also paid her respect’s to the patron saint at the temple to pray for a safe and lucky trip.

The couple then visited local resident Huynh Van Thang, who told them that Thi Nai is also well-known for its seafood, especially the delicious Vong and Gai anchovies.

“Most of local households in the area earn a living from catching fish. They are healthy and their children are intelligent because they eat the a lot of seafood every day,” said Thang.

He added that many households also dry fish for sale and make nuoc mam (fish sauce), a centuries-old tradition.

“Those who visit Binh Dinh will never forget the taste of Go Boi fish sauce which is made from Thi Nai anchovies,” he said.

The next day the couple travelled to the east of the lagoon. They passed through Mui Rua on the west and Ganh Ho on the east of the Phuong Mai Peninsula.

From a distance, the peninsula looks like a large dragon whose body stretches to the north, with its tail to the south. There are hundreds of small caves along the peninsula, but be careful when venturing inside as some are difficult to traverse.

“These caves are good nets for swallows,” said tour guide Nguyen Huy Hoang.

The peninsula is linked with the 2km-long Trieu Chau Mountain range.

Legend has it that in ancient times water from Thi Nai Lagoon didn’t run into the peninsula as it does today. One day, a giant came here to build a dike to catch fish in the lagoon. Suddenly, a big perch fish jumped out of the lagoon and landed in the sea nearby. The giant tried his best to run after the fish but failed.

He became so angry that he jumped up and down on the mountain and made part of it collapse. His footprint is now the part of the sea west of the Trieu Chau Mountain.

The Phuong Mai Peninsula is surrounded by mountains which are full of obstacles and very difficult to access. But these mountains make way for valleys that provide a picturesque location for Nhon Ly, Nhon Hoi and Nhon Hai



Sunset at Hoai Hai beach in Hoai Nhon District, in Binh Dinh Province.

villages, where locals farm the land or make a living from aquaculture.

These villages are set in an enthralling landscape, with the nearby mountains covered by jungles. A scattering of small tile-roofed houses and even some ancient pagodas complete the scene, Antonio said.

A short walk from Nhon Ly Village is another beach fringed by a verdant, green forest and strangled shaped rocks. It’s a secluded place to hide away from the rigours of daily life, said Antonio.

He said he would recommend Binh Dinh as a holiday destination to his friends in Italy, as it has clean and fairly good hotels and restaurants that charge affordable prices.

Touring the peninsula, Antonio said the couple were delighted to find swallow’s nests while exploring the small caves that dot the area.

“We’ve never seen them before,” he said, adding that they will try eating swallow’s nests, a strange but tasty delicacy of the region.

Tour guide Nguyen Huy Hoang said Thi Nai Lagoon and Phuong Mai Peninsula had been the site of major military bases used by fighters in the Tay Son insurgency. These historical sites are located about 55km from central Quy Nhon Town.

The couple next visited the 300-year-old Linh Phong Temple in Phu Cat District's Cat Tien Commune. It was built in 1702 and its back stands against a high mountain, with the front looking out to sea.

The temple was once called Dung Tuyen, but in 1733, Lord Nguyen Phuc Chu issued an edict to allow local people to upgrade the structure and change its name to Linh Phong.

The temple was managed by Buddhist monks Ong Nui and Tinh Giac Thien Tri. According to legend, one day King Ming Mang dreamed of a monk who gave him medicine to treat his daughter, and this led the king to issue an edict to upgrade the temple in 1829.

There are many valuable things in the temple such as a bronze bell cast in 1805 and a sign board printed in 1813.

The couple's tour of the area also included a stop at the Tay Son Shrine in Phu Phong Village, Tay Son District, about 40km from Quy Nhon City to the north-west.

People come to this place to worship three brothers, Nguyen Nhac, Nguyen Hue and Nguyen Lu, who rose up in a rebellion at Tay Son against the Qing invaders.

Next to the shrine are two priceless relics: an ancient tamarind tree and a centuries-old well.

Local tour guide Huynh Ngoc Mai told the couple and the tourists in their group that Nguyen Hue and his brothers were regarded as playing an important part in building the nation. Starting out as the leaders of a group of rebellious farmers, the three brothers led the nation by the late 18th century.

In 1789, the Tay Son troops marched on Thang Long (now Ha Noi). In a matter of days they were victorious, and a grand fete was held to celebrate the triumph that saw Nguyen Hue later become King Quang Trung.

Now Nguyen Hue is still remembered for putting an end to the war between the Trinh and Nguyen Courts and reunifying the country, chasing the Siamese invaders out of the country, and salvaging Viet Nam from the domination of the Chinese Qing invaders, the tour guide said.

"The story moved us very much," said Antonio, adding that they would stay in the province to join the Dong Da-Tay Son Festival on the fifth day of the first lunar month.

Van Trong Hung, director of the Binh Dinh Department of Culture, Sports and Tourism, said the province is calling on local and foreign businesses to invest in tourism development at Thi Nai Lagoon, Hoi Van hot springs and Nui Mot and Dinh Binh lakes as well as in upgrading cultural and historical sites in the area.

The province last year granted licences for 33 foreign-invested projects with a total registered capital of US\$422



A long stretch: Viet Nam's longest bridge spans Thi Nai Lagoon



Hats off: A woman make conical hats in Phu Gia Village, Phu Cat District.



Charming Cham: Duong Long Towers built during the Cham civilisation.

million, 60 per cent of which was invested in tourism, said Hung.

The Vinh Hoi Tourism-Hotel Complex alone, which has a registered capital of \$250 million, is expected to become one of the most luxurious accommodation options in the province, he added.

The province received more than one million visitors last year and is expected to welcome 1.5 million this year, Hung said. 🌐

(Source: VNS. Photo: internet)

Indoor shrimp angling captivates Saigonese

Cau tom or shrimp angling is now a popular activity for locals when they hang out with friends or family at weekends.

By Minh Cuc



But don't worry if you are not a fishing guru, because with the presence of many indoor pools in town, shrimp angling is now both interesting and easy for amateurs.

Angling shrimp at natural pools and rivers is quite difficult as they usually hide in the mud base below, so it's an easier task for people to angle shrimp at an indoor pool facilitated by white enamelled tiles at the bottom of the pool. Some say angling shrimp is more difficult than fishing as the shrimp will flip backwards. However, indoor shrimp in pools are greedy so they will easily take the bait.

Normally, owners of indoor pools will pour some more shrimp, including giant prawn (with long nippers in blue) and black tiger shrimp inside, depending on the amount of guests.

Some pools have their own ways to excite guests as they put a huge shrimp weighing around 300 grams and above into the pool every hour.

The price for shrimp angling varies from VND90,000 to VND100,000 per hour (inclusive of fishing rod and bait) but this can be reduced from VND20,000 to VND30,000 for guests who stay from three hours or more.

Although it's not cheap, people still love this activity as it gives them time to relax and enjoy the happy moment of catching shrimp by themselves, even if it is just one shrimp. Guests can bring their catch to share with friends and families or even ask the pool owners to cook the shrimp to their favourite taste such as grilled shrimp with chilli salt, shrimp hot pot or steamed shrimp with coconut juice with reasonable

fees varying from VND20,000 to VND150,000 per dish.

Peeling off a tom nuong muoi ot or grilled shrimp with chilli salt and dipping it into a sauce of lemon, salt and chilli to savour the sweet juice of shrimp flesh and swallow together with some cool beer is sheer heaven.

Some tips for beginners is to adjust your fishing float higher than the pool's depth by around 20-30 centimeters. If you want to measure the pool's depth you have to drop the fishing rod vertically to the bottom. Since shrimp eat food at the bottom of the pool, you have to dip the bait as deep as possible to lure them. For small shrimp you have to pull the rod quickly. For big shrimp, once noticing the float slightly move and plunge into the water surface, you have to wait around ten seconds to pull up the rod. What you should do next is both pull and pause to catch the shrimp. 🐞



Some indoor shrimp angling pools are:

- Kieu Dam Pool, 793/35/4 Tran Xuan Soon, Tan Hung Ward, District 7, Tel: 08 3775 3282.
- Ky Anh Quan, near Binh Quoi 1 Tourist Site in Binh Thanh District.
- Dong Dieu pool, 33/2 Cao Lo Street, Ward 4, District 8



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