



***VIETNAM FRUIT & VEGETABLES ASSOCIATION***



# **BUSINESS OPPORTUNITY OF VIETNAM ENTERPRISES IN FRUIT & VEGETABLES**

Mr. DANG PHUC NGUYEN  
Investment Specialist  
Vietnam Fruit & Vegetables Association

**Dong Thap, ..... 2018**

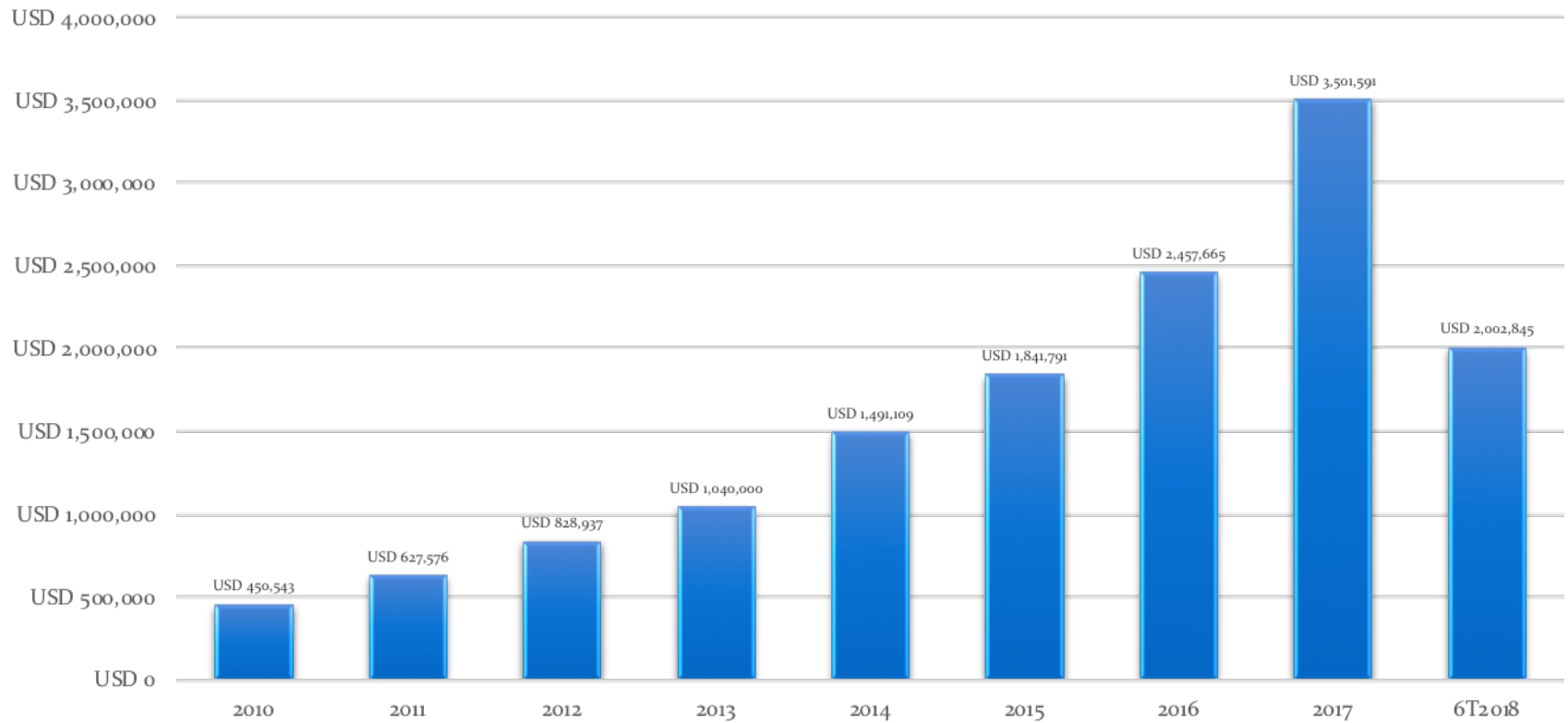


## GENERAL SITUATIONS VIET NAM F&V CULTIVATION

- In 2017, Vietnam cultivation areas:  
937,300 ha vegetables - 16,5 millions tons  
923,900 ha fruit - 9.48 millions tons.
- Vietnam population: over 90 millions
- Most climatic conditions are suitable for production of good quality tropical F&V



# EXPORT OF FRUIT & VEGETABLES



## **EXPORT OF FRUIT & VEGETABLES**

- The country's F&V export surged 43% annually in 2017 to 3.5 billions USD and hit 2.0 billions USD in first 6 months of 2018.
- Vietnam's F&V have presented in 60 worldwide.
- Prospect of exporting F&V worth 10 billions USD is not far as more land will be used for F&V cultivation under the agricultural restructuring plan.

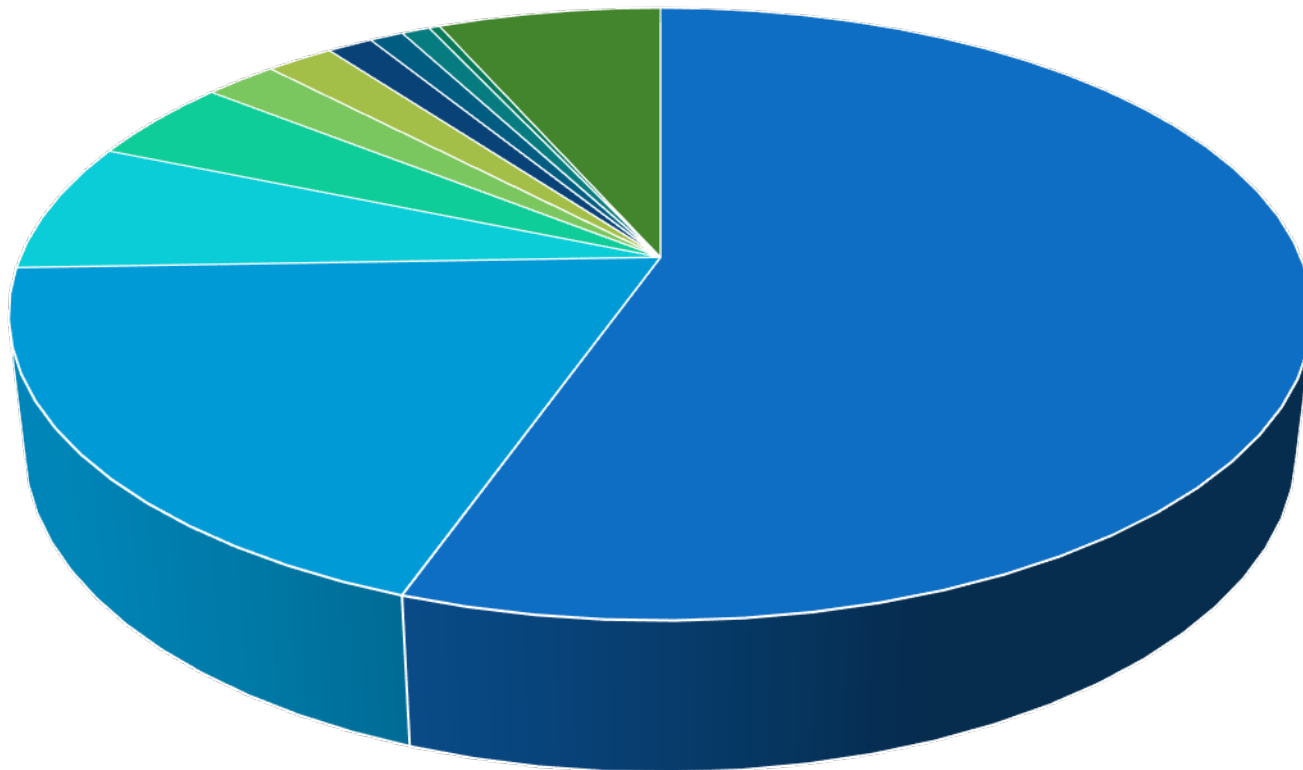
## MAIN DESTINATION FOR F&V EXPORT

- China is biggest market (2.65 billions USD) for dragon fruit, water-melon, litchi, banana, longan, mangoes, jack fruit, rambutan)
- Japan is 2<sup>nd</sup> position (127.2 millions USD)
- EU is 3<sup>rd</sup> position (106.4 millions USD)
- USA is 4<sup>th</sup> position (102.1 millions USD)



# IMPORT OF FRUIT & VEGETABLES IN 2017

## COUNTRIES ORIGIN



■ THAILAND   ■ CHIN   ■ USA   ■ AUSTRALIA   ■ MYANMAR   ■ NEW-ZEALAND  
■ INDIA   ■ KOREA   ■ SOUTH AFRICA   ■ CHILE   ■ OTHERS



# FACTORS AFFECTING THE DEVELOPMENT OF FRUIT AND VEGETABLES EXPORTS OF VIETNAM

## 1. The motivating factors:

- Global market demand for F&V increased 8% per year from 2017 to 2020 and reach to 320 billions USD in 2020.
- Competitiveness
- Having the right strategy on production and market.





# **FACTORS AFFECTING THE DEVELOPMENT OF FRUIT AND VEGETABLES EXPORTS OF VIETNAM**

## **1. The motivating factors:**

- Issuing standards and obtaining international certification.
- International economic integration
- Added value in the product.
- Processing and post-harvest technology.
- Agreements on plant protection.

# FACTORS AFFECTING THE DEVELOPMENT OF FRUIT AND VEGETABLES EXPORTS OF VIETNAM

## Limitations:

- Fragile supply, cold storage and quality control are limited.
- Food hygiene and safety, traceability, plant protection drugs, intellectual property rights.



# FACTORS AFFECTING THE DEVELOPMENT OF FRUIT AND VEGETABLES EXPORTS OF VIETNAM

## Limitations:

- Impact of global economic recession, production costs, rising price index and exchange rate.
- Plant protection regulations of some importing countries, technical barriers.
- Natural lost.



According to the experts, Vietnam is the 5<sup>th</sup> largest fruit & vegetables producing country in Asia.



## ADVANTAGES

- Many kinds of Vietnamese fruits have penetrated and expanded into "fastidious" markets such as: US, Japan, Korea..
- Vietnamese exporters have been investing extensively in search of market research. Up to date, VN fruit & vegetables products have been available in 60 countries.



## ADVANTAGES

- Majority of Vietnamese exporters are aware of the importance of product quality management, food hygiene and safety. A large number of export fruit and vegetable processing enterprises have obtained certifications: HACCP, BRC, Halal...





## ADVANTAGES

- VN Businesses have also experienced, familiarize themselves with trading commodities of major markets: EU, USA, Middle East...
- Vietnam F&V products are becoming more and more diversified (IQF, fresh, canned, concentrated juices...)





## DISADVANTAGES

- Export turnover of F&V has grown quite fast but accounted for a very small proportion (3%) of total export turnover of the country.
- There are so many types of F&V, so it is very complicated for management, statistics and forecasting.
- Backward varieties (seedling)



## DISADVANTAGES

- Still complaint about quality, food hygiene and safety (fruit-fly, MRL, heavy metal content,.. )
- The input materials must be imported.
- Logistic services fees, sea and air transportation cost still high.
- 90% F&V are exporting in raw and semi-processed form.



## DISADVANTAGES

- have a problem in terms of pricing war from the over supply of fruits produced in any season.
- Selling price go down when having a bumper crop.
- F&V processing enterprises use a lot of manual labor.



## **FDI PICTURE OF VIETNAM FOR 06 MONTHS 2018**

- **Total value: 20.33 billions USD, increased 5.7%**
- **87 countries and territories received**
- **Japan: 6.47 billions USD, Korea 5.06 billions and Singapore 2,39 bil. USD**
- **FDI sectors:**
- **Manufacturing and processing industry: 7.91 billions USD (39%)**
- **Real estate: 5.54 billions USD (27%)**

## FDI PICTURE OF VIETNAM FOR 06 MONTHS 2018

- Wholesales & Retail: 1.5 billions USD (7%)
- Others: 5.2 billions USD (26%)
- Agriculture: 0.2 billions USD (1%)
  
- **Provinces / Cities receiving high FDI:**
- Hanoi: 5.87 bil., USD
- Ho Chi Minh: 3.68 bil. USD
- Vung tau: 1.93 bil., USD

## **OPPORTUNITY FOR ENTERPRISES INVEST IN FRUIT & VEGETABLES**

- AFTA 's members
- Now a day, VN enterprises have good skills and experiences in F&V cultivation, horticulture.
- have the advantage of advanced varieties of F&V
- businesses have the good knowledge of F&V processing technologies and smart farms.
- Enterprises have the financial ability for investment

# VIETNAM GOVERNMENT ENCOURAGES TO INVEST IN AGRICULTURE AND RURAL SECTORS

- Decree No. 57/2018 / ND-CP dated 17/04/2018 of the Government on mechanisms and policies to encourage enterprises to invest in agriculture and rural areas, in 03 fields:
  - 1. Creating infrastructure conditions.
  - 2. Helping to access capital.
  - 3- Support high technology application.





# VIETNAM GOVERNMENT ENCOURAGES TO INVEST IN AGRICULTURE AND RURAL SECTORS

- Seeds developments;
- Processing and preservation of agricultural, forest and fishery products
- Smart farms
- Production of machines, equipment for foodstuff processing.
- Etc...



# SMART FARM, ONE OF MOST FDI<sub>s</sub> CALLING FOR FROM VIETNAM



# THANK YOU!

## **VIETNAM FRUIT & VEGETABLES ASSOCIATION**

24, Truong Dinh street - Ward 6 - District 3 – Ho Chi Minh City – Viet Nam

Tel : (84-8) 3 9330665; Fax : (84-8) 3 9330664; HP: +84 91383 4853

E-mail: [dinhvanhuong@vinafruit.net](mailto:dinhvanhuong@vinafruit.net); [anhtuahuong075@gmail.com](mailto:anhtuahuong075@gmail.com)

Website : <http://www.vinafruit.net>

