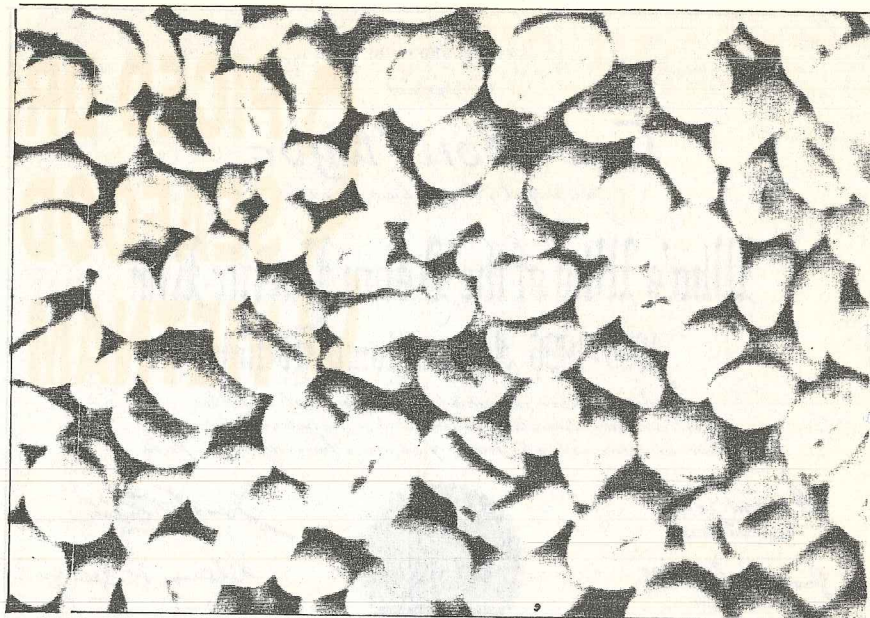


In 1993, Vietnam exported 150,000 tonnes of coffee bean and became the eighth biggest exporter of coffee in the world. In Pacific-Asian market, Vietnam is second only to Indonesia and India has just fallen behind it. As for exporting Robusta coffee bean, Vietnam is the fourth biggest exporter and ranks under Indonesia, Ivory Coast and Uganda. Generally, Vietnam's exportation of coffee has a bright future.

Recently, drought and poor coffee harvest in South America, especially in Brazil, the biggest exporter, have made price of coffee in the world market swell up to US\$ 4,000 per tonne. This situation gave certain advantages to



COFFEE BEAN ONE OF VIETNAM'S STAPLES

by NGUYỄN ĐĂNG LIÊM

Vietnam coffee planters and exporters.

In fact, coffee has become one of Vietnam's staples for export in 1993-1994. The problem is that we should have strategic views on developing and maintaining this staple, and we can't be optimistic about this first encouraging news, because the success of the coffee crop depends on the weather. Perhaps coffee planters and exporters never forget the dull period between 1990 and 1992 when the price of coffee fell terribly, and export price was under US\$ 700 per tonne at the time. The situation was so bad that many coffee planters in various provinces such as Darlac, Đồng Nai, had to chop their coffee trees down and plant other crops. Therefore, just because of all these ups and downs of coffee tree in the world and in Vietnam as well, we should have a proper strategy for developing and helping this product stay one of Vietnam's staples for export. The government should pay attention to this problem and take proper measures to do it.

Collecting extra fee on coffee for export in order to form price stabiliza-

tion fund for this product is a right measure, but according to the government's Directive No 690, this fee of 20% of FOB price is extremely high. Accidentally, this measure didn't encourage coffee planters and exporters to develop their business. A survey of nearly 100 enterprises which trade in coffee showed that the extra fee of 10% of FOB price at most is desirable, this fee could be collected per tonne in order to encourage traders to export larger quantity. This fee will not exceed US\$ 200 per tonne.

Many coffee traders suggested that the price floor will be fixed at US\$ 2,000 per tonne: coffee sold at a price above the price-floor will be charged 10%, but at a price under the price-floor will be exempted from this fee. When export price falls too low (under US\$ 1,300 per tonne), the price stabilization fund will be used to support coffee planters, traders and exporters in order to help them keep on producing this staple.

An appropriate extra fee can help planters and exporters accumulate enough capital for widening area of

coffee planting or modernizing coffee processing equipment. In addition, the government had better take measures to encourage this business such as supplying medium and long-term loans to coffee planters, loans at preferential rate of interest to coffee traders and exporters in order to help them purchase and store coffee bean in large quantities. Having enough money, the exporters could keep large stock with a view to selling them later when prices are higher. Thus, they can compete effectively in the world markets and make a bigger profit. They can't do it now for lack of capital, they can only make a small profit although they export coffee in large quantities.

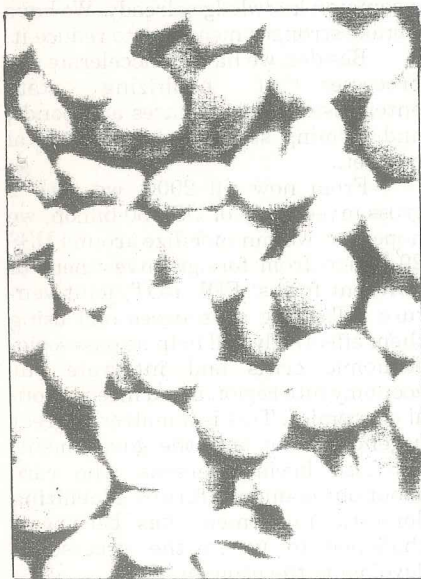
Collecting reasonable extra fee and supplying long-term loans of low interest can also produce good effects on struggle against illegal exportation of coffee to China and Kampuchea. This smuggling could harm legal trading and exportation of coffee, create unfair competition and cause losses for the national budget because of tax evasion.

Vietnam coffee traders hoped that

Vietnam continues to be an affiliate member of ICO in order to form business relations with other countries, to get timely information about prices and market demand, and secure a fixed price for our exports. Vietnam Coffee Association had better play a more active role in finding a good niche for Vietnam coffee in multimillion-tonne market of the USA.

As for the government's plan to concentrate coffee companies and limit number of coffee exporters, it's a necessary plan in the distant future. But at present, when the Vietnam coffee business has just recovered after a long dull period, coffee planters and traders go short of capital, the banks can't supply medium and long-term loans... this plan should be carried out step by step in order to keep coffee trading in this year's harvest from disorder. At present time, there are at least 25 big exporters in nearly one hundred companies trading coffee bean. These exporters have had desirable source of capital, technology and managerial skill along with stable markets in foreign countries.

In short, developing coffee bean into one of Vietnam's staples for export requires a lot of attempts, and the government plays a decisive role in this task. This product has a bright future and it needs the government's help such as supplying loans of low interest, allowing investment allowances, giving price support if necessary... in order to help the planters feel secure about their business, so they can invest more money in widening the area, and improving the yield and quality of their coffee bean. With appropriate measures taken, the Vietnam coffee bean can get a deserving position in the world markets and Vietnam will be a exporter of this high-profit product ♣



SPICED DRIED SEAFOOD FROM VIETNAM

by PHẠM HỒNG VÂN

Seafood processing business in HCMC has seen healthy development, not to say a boom, in recent years.

In fact, in a period of rapid economic growth, both state-run and private companies in this business have competed fiercely for local and foreign markets.

Canned fish or squid for export in different forms is not unusual thing, but one of the newest success stories is the rise of a new item: instant spiced and dried seafood. This product is ordered in large quantities by foreign markets recently but local manufacturers can't fill these orders.

This product isn't made from expensive fishes such as mudfish, trout... but from cheap ones which are food for the ordinary people, such as: anchovy, selachian, ray fish and various kinds of fresh-water fish. Shrimp and squid's arm can also be dried and spiced and sold quickly in foreign markets.

Chợ Lớn Food Processing Factory is one of the big manufacturers of this product. Nguyễn Ngọc Trung, its technical manager, has a lot of experience in producing this product.

At first sight, one can easily think that it's very simple to produce this product: just spicing and drying. But it's easier said than done. One should pay the price for any success and a lot of studies were done and a lot of failures were undergone. According to Nguyễn Ngọc Trung, the most difficult task is to choose a spice suitable to certain kind of dried fish. Besides, there are a lot of problems such as keeping the dried fish from breaking, choosing an appropriate process of spicing for each kind of dried fish, making attractive package... It's hard to satisfy the appetite of customers: they want to make dried anchovy peppery-hot and sweet, dried selachian or squid's arm sweet and not salty...

At present, Chợ Lớn Food Processing factory produces a line of 15 items. Their products are sold in packets of 25g. The price of each packet sold in Japanese supermarket is from US\$ 1 to 2. Over 100 tonnes of their products were exported to Japan last year. This product has also made its appearance in West European countries and ex-USSR states.

Foreign consumers like Vietnam spiced and dried seafood because its quality is goods, its price is cheaper than its counterparts from Singapore or Thailand, its taste is fine and as a matter of course, it is supported heartily by Vietnamese expatriates.

In the market economy, both state-run and private companies can take part in developing the national economy if they can find out the right market, the right demand and the right product even if it is only a small thing such as the cheapest fish ♣