

# MEASURES TO IMPROVE COMPETITIVENESS OF VIETNAMESE AQUATIC PRODUCTS

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**T**he fishery has become a leading industry in Vietnam when its export value rose from US\$10 million in 1991 to over 2 billion in 2002. Vietnam is ranked among ten biggest exporters of this line of products. Its aquatic products are sold to over 50 countries and facing fierce competition from many rivals. That is why improvement in their competitiveness

ing industry when the output of inshore fishery is on the decrease. Vietnam has three million hectares of water that could be used for sea farming and only some 1 million hectares of which were exploited in 2002. This means that the potential for sea farming is great. At present, the sea farming is making good progress in terms of production of youngling, feed and veterinary medicine.

cause of the lack of planning and technical assistance.

Big investments and modernization of fish exploitation and processing industry are essential to improvements in the competitiveness and international integration. The offshore fishing didn't achieve intended results although it accounted for 27% of the total output. According to the Develop-

industry has 260 fish freezing plants and 50% of them are equipped with 1QF production line that is modern enough to meet requirements for freshness and hygiene; 68 ones could make goods for export to the EU and 80 ones make exports to the U.S. In 2003, it's planned to increase the number of factories making exports to the EU to 100 and factories making exports for the



becomes a matter of great urgency, especially when Vietnam is trying to integrate into the world market. So we want to suggest here measures to achieve this aim.

(1) Working out a master plan for development of the industry to form fish raising grounds with advantages and modernize the aquatic product processing industry and fish exploitation: Sea farming is a good way to ensure raw materials for the process-

Many aquatic products from Vietnam are saleable on foreign markets. Farmers have developed various ways of farming fish in different conditions. However, the fishery lacks planning and researches needed for deciding how to make the best use of existing resources and develop the sea farming without causing harm for the environment, especially tidal forests. In addition, the sea farming business isn't profitable as expected be-

ment Assistance Fund (DAF), of 1,302 fishing boats, 420 ones make some profit, 427 ones break even and 410 one suffer losses and overdue debts. One of reasons for the loss is the poor investment in equipment for the fishing boats.

Replacement of equipment and technologies is also necessary for diversify products and meet standards of imports posed by such demanding markets as the U.S., Japan and the EU. At present, the fishery

American market to 120. The rest need more replacement to survive and develop. Moreover, the replacement of machinery and technology also helps factories to produce well-processed goods with high added value instead of making semi-processed ones with a view to improving their business performance and profit.

The balance between capacity of the factory and supply of raw materials must be ensured in order



to keep product quality from falling and production cost from rising when factories can't handle opportunely the volume of raw materials supplied.

(2) The sea farming and processing industry should be organized on a large scale. High-capacity factories require large quantities of raw materials while the sea farming is still of a small scale and fails to supply fresh raw materials in large quantities. That is why the sea farming must be re-organized. To achieve this aim, the government can help peasants form large-scale cooperatives that sign contracts to sell raw materials to factories as required. Large-scale sea farming also facilitates application of technical advances and gains economies of scale.

In exploiting fishing grounds, especially offshore ones, the formation of large deep-sea fishing fleets will facilitate the supply of fuel and other goods for the crew and reduction in costs of transport of fish to the shore. Tasks of supplying weather forecast, estimating fish resources and disseminating new fishing techniques will be easier and more effective.

(3) Skilled workers for the industry and scientific researches are also urgent problems. The fishery has developed faster than the development of human resource for the industry. At present, the industry employs some 600,000 laborers but only 1% of them are of postgraduate level; 8.1% are graduates, 5.5% finished the secondary education and 9.9% had elementary training. Some 52% of laborers have taken short-term training courses and 21.7% are totally untrained. This situation has led to poor performance of the sea farming in the past few years when diseases made many shrimp farmers go bankrupt. In deep-sea fishing, the crew and its captain lack necessary

skill to sail big fishing boats, and they have no knowledge of fishing grounds and of modern fishing facilities needed for improving their performance.

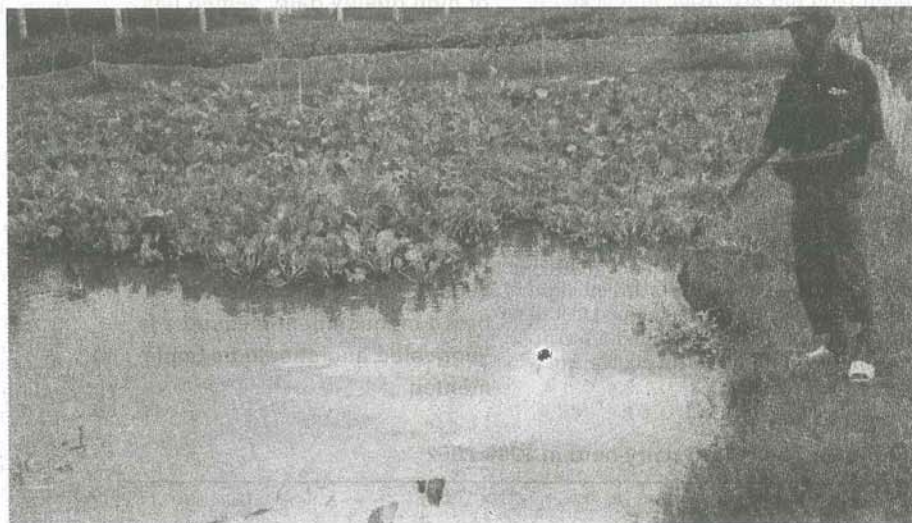
There must be a plan to develop the human resource for the industry in which various training courses, from short-term to full-time ones, are supplied to fisherpersons, workers and managers of processing factories. In addition, researchers specialized in the fishery are also much needed for the develop-

tion about standards of aquatic products for export and export-import regulations set by Vietnam and foreign countries among factories. In the coming years, the scientific researches must aim at linking the sea farming and processing industry with a view to producing exports of international standards and reducing the production cost.

(4) Protecting the fish resources is an important measure to improve the productivity and reducing the production cost. Be-

To put this situation to an end, local governments should beef up their inspection and supervision over the fishing business and equip the army of inspectors with modern facilities needed for their tasks. Besides severe punishment for fisherpersons who violate the law, education in protection for the environment and fish resources is also much needed.

(5) The central government should help exporters of aquatic products



ment of the industry in the long run.

Up to now, scientific researches haven't produced good results as expected. Some researches in sea farming have started to produce good effects but they failed to meet the demand for fast development and diversification of products. Researchers have paid almost no attention to the deep-sea fishing, especially in estimating resources in fishing grounds and deciding what equipment is eco-friendly and suitable to different sizes of fishing boats. In processing industry, scientific researches failed to help factories to meet hygienic requirements posed by foreign importers, increase the added value of exports and disseminate inform-

sides the Ordinance on the Protection of Fish Resources, the Prime Minister has issued Directive 01/1998/CT-TTg forbidding the use of explosives, electricity and chemicals in fish exploitation but the use of these substances is still widespread in coastal provinces of the Central Vietnam and the Mekong Delta. This practice becomes common because it is cheap, easy and profitable (from four to five times higher than the profit earned by using traditional fishing gear. This practice has damaged the environment for marine creatures which needs decades to recover. The use of forbidden fishing gear has exhausted the fish resources.

promote their business, find out new markets, overcome trade barriers and get necessary information about foreign markets for aquatic products and new techniques applied to the sea farming and processing industry. In addition, there must be measures to provide processing factories and fisherpersons with soft loans for replacement of machinery and application of new technical advances.

These measures, if carried out well, can help improve the competitiveness of the Vietnamese aquatic products and help the fishery industry integrate into the world market and at the same time, ensure better income and living standards for laborers. ■