



# EXPORT OF VIETNAM AQUAPRODUCTS TO EU

by MEcon. NGUYỄN THỊ THU HƯƠNG

1. We all know the European Union was established following Roma Agreement on March 25, 1957. It is one of the world's three large economic hubs besides Japan and the U.S., with a population of 375 million people, accounting 31% of the international trade. Its GDP growth rate is around 3% from 1993 to 1998, and estimated at 3-5% by 2010. The EU countries have developed strongly their economies with modern technologies and high incomes. EU is a potential market implementing uniform tariffs. Regarding aqua-products, the EU represents 40% of the world import volume. The per capita consumption is 17 kg and rises by 3% per year. Its major markets include the U.K., France, Germany, the Netherlands, and Spain. The EU imports mainly instant shrimp and fish, frozen and fresh food. It also exports a great quantity

of marine products. Due to its modern processing industry, most of imports are reprocessed to add their value for local consumption and export. The EU's export of marine products reaches US\$8 billion annually. Meanwhile the EU Fishery Committee decides to cut down one-third of fishery output from 1997-2010 with the aim to protect the marine resources. Therefore, its demand for marine imports will be huge. This is a hard-to-satisfy market with strict requirements of standard, quality and food hygiene. The Directive 91/493/EEC issued in June 1993 stipulated the enterprises in exporting countries had to meet the same production conditions as their counterparts in importing countries and they must be recognized by the EU Quality Control Authority. The packed food must bear name, ingredients, weight, expire date, how to use and preserve,

manufacturer, and printed code. In particular, those which are toxic due to polluted environment or additives will be banned from import.

The EU is a diversified market with different tastes of sea products. The marine exports can be sorted into two kinds: one for European de luxe demand, and another for normal demand of Asian people including overseas Vietnamese. The prices in the EU market is 1.1-1.4% higher than in Asia. The Vietnam aqua-products are rather suited to the EU market.

The EU imports seafood mainly from Asian countries such as Thailand, Japan, India, Vietnam and so on. Thailand tops the world list in rearing and exporting shrimps and canned tuna. Thailand's export markets include EU, North America and Japan. Thai sea products are of high quality, nice package and reasonable prices.

However, in 1993, French and Italian markets got rid of Thai canned sea food because when investigating, they discovered it contained cholera bacteria. In 1996, the EU abolished the tariff preferences of Thai shrimp exports to protect French shrimps.

India also exports squid and shrimps to the EU countries. Their products is much liked and highly appreciated in these markets since the Indian state-of-the-art technologies meet the EU requirements.

Japan exports a huge volume of sea products to the EU. The Japanese food have high quality and di-

verse categories. Nevertheless, the EU banned Japanese sea food imports due to disputes in the two-way trade.

2. The relations between Vietnam and the EU was normalized in November 1990. On July 17, 1995, Vietnam and the EU signed a cooperation agreement in Brussels, in which the EU grants Vietnam the most-favoured-nation status and tariff preference status. In 1997, Vietnam was officially entitled for exporting sea products to the EU. Currently, the EU is a second biggest market of Vietnam marine products (accounting for 15%). Its main imports include frozen shrimps, fish, canned fish, squid, mixed meat and shrimp and other sea food. So far, most of Vietnam sea products are exported to the EU via intermediary companies in Singapore, Thailand and Hong Kong. It is resulted from the EU market features, for

example, the supply must be assured all the year around, in international payment, deferred-payment L/Cs must be opened with a term of six months or a year; the legislation and trade habit are different, and the freight charge and insurance premium are high...But the biggest huddle to Vietnamese exporters is still product quality. The product quality will be secured by the two ways: preserving the original state (fresh food) or processing them with modern technologies to keep the original tastes and convenience for the consumer.

At present, the EU assesses the quality product by the three criteria:

- Feeling: natural shape, taste, and color of the product.

- Chemistry: the nitrogen content under ammoniac, pH degree in a gram of product.

- Biology: kind, quantity of bacteria in the product such as Coliformen, Ecoli...

Currently, Vietnam aqua-products has not yet satisfied the EU requirements of criteria, quality, and safe and hygienic food. The main reasons are as follows:

- The quality of raw materials are not good:

their exploitation is uncontrolled, and preservation technologies limited, therefore the product is below the standard of freshness, size, weight, and food hygien.

- The sanitary conditions and processing equipment are not appropriate, the innovation and upgrading of factory building...are not yet implemented due to inadequate capital and staff.

3. To expand the EU market, in our opinion, the aqua-products exporters and the Ministry of Fishery should settle some problems as follows:

Firstly, improving the raw materials for aqua-products; promulgating the legislation protecting marine resources; planning and developing raw materials areas; giving financial and technical assistance to the exploiting, rearing and preserving of marine raw materials, i.e. upgrading ports, fishery wharfs, building large ships..., especially implementing the quality control over raw materials from the stage of breeding.

Secondly, making proper investments in technology innovation, upgrading production facilities and reducing manual labor with a view to increasing the competitive-

ness.

Thirdly, issuing regulations on certifying enterprises which adopt the hazard analysis critical control point system (HACCP); training the enterprises' managers; and giving incentives to those adopting this system.

Fourthly, boosting the international cooperation, making legal preconditions for market expansion and building relations with the EU countries' quality control authorities ■

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