

The Mekong Delta is Vietnam's main agricultural area which produces some 14 million tonnes of rice and two million tonnes of fruit every year. The market for its produce, however, has been narrowed in recent years because the domestic spending power is low and foreign competition becomes keener and keener. This situation has hindered the development of agricultural production.

One of four measures adopted by the Government to promote the agricultural production is to expand the market for agricultural products.

To carry out this measure, full attention should be paid to foreign markets, especially Southeast Asian, North American, European, North-east Asian and West Asian ones. Companies trading in agricultural products should do market researches to keep abreast of current changes in international market and find a foothold in new markets; replace existing production lines in order to make goods of international standard and high competitiveness; and cooperate with European companies to enter African markets.

also be supplied to companies trading in agricultural products after harvest in order to help them purchase all produce farmers put up for sale.

Another problem is how to improve the international competitiveness. In comparison with foreign agricultural products, ours are of low quality and high prices. In the agricultural production, use of new strains, control of strains in use, application of new farming, storing and processing methods, and improvement in rural infrastructure are good measures to enhance the quality and reduce the production cost. Besides help from the Government, the cooperation between agro-industrial companies and farmers (and their cooperatives) in all stages of production, from farming, processing to marketing, is also of great importance.

To promote export of agricultural products, the Government should ensure conditions favorable for export companies by controlling the exchange rate reasonably, putting export quotas to tender and giving support to exporters. To complete this task, the Government had better establish the following institutions:

+ Export promotion funds: these funds collect contributions from export companies and are used for supplying soft loans with a view to helping export companies deal with falls in prices of agricultural products on the international market. The lack of these funds and the rise in lending rate ceiling (to 1.2% a month now) have made agricultural products from Vietnam less competitive.

+ Export insurance companies: these companies can share risk with exporters in case payments from foreign buyers are deferred as required.

+ Export promotion agency: this agency is responsible for expanding the market and looking for new customers for companies exporting agricultural products from the Mekong Delta.

It's worth noting that many policies to promote the export of agricultural products have been adopted but they didn't produce intended results because there is no effective mechanism for putting them into practice, therefore, more active and consistent measures are badly needed now■

ON THE MARKET FOR AGRICULTURAL PRODUCTS FROM THE MEKONG DELTA

by Dr. PHƯƠNG NGỌC THẠCH

The Government, of course, will play an important role in this effort.

The first thing to do when promoting consumption of agricultural products from the Delta is to develop a network for purchasing agricultural products from farmers. This can encourage them to make new investment and expand their business. Everybody will be allowed to take part in this network. Companies can establish their own networks including agencies that work for a buying commission.

Frequent changes in prices of agricultural products require active intervention from the Government in the form of price support (paying subsidies to farmers if the market price falls below the support price). Soft loans from state banks could

