

Several Measures to Boost Import of Vietnamese Fine Arts and Handicrafts

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Over the past four years the value of exported fine arts and handicrafts has soared fast, this shows stronger competitiveness of Vietnamese fine arts and handicrafts in the world market. The AFTA, Vietnam-American Trade Agreement, WTO and an increasing number of visitors to Vietnam are favorable conditions for speeding up the export value of Vietnamese fine arts and handicrafts. To make the best use of opportunities and advantages of the Vietnam's handicraft sector, some measures should be implemented in the current situation.

Vietnamese fine arts and handi-

The export value of Vietnam's fine arts and handicrafts is much higher than other exports because they are made with mainly local materials, the percentage of imported inputs only ranges from 3 to 5% of export value. As a result, the real income from these items reaches 95% to 97%. If compared to clothing exports, US\$1 million gained from fine arts and handicrafts will be equivalent to US\$4.7 million worth of clothing items.

At present, the whole country has some 1,400 handicraft villages in various business forms including families, groups of families, coopera-

encounters a lot of difficulties as follows: (See Table 1 next page)

Based on decomposition of opportunities, threats, strengths and weaknesses of Vietnamese handicraft items, the following measures are suggested to boost their export in the time to come:

1. Measures to plan materials producing zones and handicraft villages

Materials zones: At present, the handicraft sector is very interested in export intensification, however, if the export of fine arts and handi-



crafts have high growth rate in the last four years, becoming one of top-ten export items with highest increase. In 2003, the planned growth of exported fine arts and handicrafts was 29%, higher than all exported items of Vietnam. It is estimated that the earnings of these items will reach over US\$1 billion by 2005. The export markets of Vietnam's fine arts and handicrafts also boomed, at present, Vietnam has exported these items to more than 100 nations, including potential markets as Japan, the US, Russia, EU, South Korea, Taiwan...

tives, and private enterprises which attract millions of workers. They have really settled unemployment and seasonal labor redundancy in rural areas. Vietnamese handicraft production has a long tradition and unique features with skilled workers along with various kinds of high-quality and low-price products.

The above analysis indicates large benefits of the Vietnam's handicraft sectors. Therefore, if the sector is given appropriate investments for development and export, it will become one of pillars of the economy. Nevertheless, the sector also

crafts increases fast, the sector will face a severe shortage in inputs supply and this will have bad effects on the sector's reputation in the near future. The areas growing materials including rattan, various species of bamboo, sedge, wood, coconut, clay, cotton, silk... must be planned in combination with handicraft villages to reduce production costs and thus increase competitiveness of handicraft items.

Handicraft villages: in recent years many handicraft villages have been revitalized and developed fast. To date, the whole country has more

Table 1: SWOT matrix analysis and building strategies for Vietnam's fine arts and handicrafts

<p>SWOT (Strengths, Weaknesses, Opportunities, and Threats)</p>	<p>O</p> <p>O1. The export markets of Vietnamese fine arts and handicrafts are increasingly expanded. O2. The sector faces favorable opportunities for export from AFTA, Vietnam-US Trade Agreement and WTO. O3. The number of foreign visitors to Vietnam is rising. O4. The Government gives export incentives to these items due to their higher value added. O5. Vietnamese fine arts and handicrafts are well sold in certain markets including Japan. O6. Vietnam is endowed with a lot of landscape and cultural traditions. O7. Climate and soil conditions are favorable for growing materials for production.</p>	<p>T</p> <p>T1. The handicraft sector has not yet built major markets for its exports. T2. There is no link between the fine arts sector and others to create new designs. T3. There is no plan for materials growing zones. T4. Government's incentive policies still lack consistency and power.</p>
<p>S</p> <p>S1. Vietnam has a long tradition with well-known handicraft villages. S2. There are a lot of handicraft items with high quality and sophisticated designs. S3. Vietnamese crafts persons are so clever. S4. Prices of domestic fine arts and handicrafts are low and thus competitive; and their export growth rate high.</p>	<p>SO</p> <p>S1, O4: Revitalizing, planning and developing handicraft villages. S3, S2, S4, O1, O2, O3: Training and maintaining qualifications of crafts persons, and making the best use of opportunities to boost export. S1, O1: Studying soil and weather conditions in order to plan materials producing zones soon. S1, S2, O6: Utilizing the experience and skill of crafters and features of Vietnamese landscape and culture to produce new designs.</p>	<p>ST</p> <p>S1, T3: Planning materials producing zones for handicraft villages. S3, S1, T2: Building a cooperation link between artists and handicraft villages to tap crafters' skills to launch new designs. T1, S2, S4: Accelerating and establishing the trading floor for fine arts and handicrafts to market comparative items.</p>
<p>W</p> <p>W1: lacking capital for large-scale development and marketing. W2: not well organizing distribution channels. W3: not paying attention to advertisement and sales. W4: selling price is 15% higher than that of Chinese items due to a lot of intermediaries. W5: not building proper websites to promote fine arts and handicrafts. W6: Designs are modest and slowly renovated. W7: small-size and scattered production</p>	<p>SW</p> <p>W1, W2, O4, O1, O2, and O3: The Government is required to give assistance to the handicraft sector in capital and marketing to boost export. W5, W3, O1, O2, O3: Building high-quality and attractive websites and placing ads to exploit all available opportunities. W3, O4, O1, O2, and O3: The Government should help organize handicraft fairs domestically and abroad. W4, W2, O4, O1, O2, and O3: The Government should help build outlets for producers to sell directly their products. W6, O4, O1, O2, O3: Fully utilizing Governments' preferential policies on tax and capital to enhance export.</p>	<p>WT</p> <p>W1, W2, and T1: Speeding up the establishment of trading floors for handicraft items in order to overcome the sector's shortcomings in organization. T4, W7: Perfecting policies and mechanisms to create favorable conditions for the handicraft sector to expand production. W6, T2: Building a cooperation link between artists and handicraft villages to produce new designs.</p>

than 1,000 handicraft villages, including traditional villages. These villages have attracted hundreds of thousands of workers, settled problems of unemployment and seasonal labor redundancies in rural areas, generated a great volume of products worth hundreds of billions đồng, and acquired a growth rate of 29% in 2003. Although there is a large number of handicraft villages in Vietnam, but in fact, a lot of villages have not yet been recovered or fully recovered because they face no conditions for development due to lack of capital and poor distribution networks.

2. Measures to promote handicrafts production

- Enhancement of production scale of handicraft villages: this practice on the one hand meets export requirements, and on the other hand overcomes the shortage of capital and scattered production as well as deteriorated specialty of traditional crafts. As a result, the production scale must be expanded by transforming family businesses into cooperatives, private enterprises, limited companies...with a view to building nice pictures for consumers.

- Design diversification and quality improvement of fine arts and handicrafts: Currently, Vietnamese fine arts and handicrafts' designs are not abundant. This defect has thus restricted the export volume. Vietnam has a lot of beautiful landscape and cultural traditions. They are valuable conditions for new designs of fine arts and handicrafts. However, the relation between designers and artists with producers is not close. As a result, a new cooperation mechanism between them should be established to create new designs for fine arts and handicrafts. In addition, bad products may arise in the process of increasing the export volume of handicrafts, so the quality control must be improved.

- To provide loans for production of fine arts and handicrafts: the Vietnamese handicraft sector is featured by small scale, divergence, family production, and lack of capital for expansion, studying new designs, purchasing materials, advertisement and sales. These difficulties will swell when it must increase its production scale to meet export requirements. As a result, on the one hand, banks are required to set up credit funds for handicraft production, on the other hand handicrafts trading businesses should establish relations with handicrafts producers by sign-

ing contracts of processing with the aim to ease the burden of capital shortage for producers.

- To train human resources for handicrafts development: the Vietnamese production of fine arts and handicrafts has a long tradition and skillful crafts persons. Nevertheless, the handicrafts production in villages is characterized by family business and hereditary occupation. If this form is not changed, the occupational cream, specialty and know-how will fade away. Therefore, governmental agencies should help develop models of handicrafts producing cooperatives, companies and vocational schools. Furthermore, the handicraft sector should organize contests of professional skills for crafters and build criteria and titles as artisan artist for crafts persons.

3. Measures to market and sell fine arts and handicrafts

- To establish online trading floors for fine arts and handicrafts: To make the best use of evolution of the information technology to soon establish online trading floors for fine arts and handicrafts so that handicrafts producers lacking capital, information, capacity and market accessibility have chances to exchange and agree with customers without third party in order to promoting sales and both sellers and buyers may enjoy benefits.

- To include excursions to handicraft villages in tour programs: Foreign visitors to Vietnam are increasing fast. They are mainly target customers of fine arts and handicrafts. To diversify travel programs

and promote handicrafts export, the tourism sector should design travel programs in combination with excursions to handicraft villages to advertise these items. On the other hand, the tourism sector should speed up the construction of marketplaces and shopping centers to sell handicrafts to foreign visitors.

- To increase the number of handicraft items for local and foreign markets.

- To soon build a special website for Vietnamese fine arts and handicrafts in order to introduce traditional handicraft villages, various designs of handicrafts, selling prices, location and phone number for contact and order domestically and overseas so that customers may purchase these items in the most convenient way.

- To diversify forms of handicraft export: the sector should build distribution networks in local and foreign markets through trading companies, handicraft marketplaces and shopping centers domestically and abroad.

- To increase the number of fine arts and handicrafts fairs in local and foreign markets.■

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