

Viet Nam's Seafood Exports Face Opportunities and Challenges in 2014

Viet Nam's seafood exports are expected to keep growing in 2014 as the country is seeing improvement signs from its main markets such as Japan, the EU and the US, as well as potentials from new markets like China and Hong Kong.

According to Vietnam Association of Seafood Exporters and Producers (VASEP), in 2013, Vietnamese seafood products were available in 156 countries and territories, bringing back a total value of \$6.8 billion, in which, the top ten importers represented 85 per cent.

Despite many difficulties in 2013, Vietnamese seafood products saw growth of 10.1 per cent against the previous year. The three main markets - including the US, Japan and the EU - all reported an import value of over \$1 billion. In 2014, Viet Nam is expected to show more signs of future export growth.

Japan is gradually an open market for seafood products from Viet Nam as Japanese authorities increased the allowable Ethoxyquin content level in imported shrimp from Viet Nam to 0.2ppm, compared to the previous low level of 0.01ppm. In addition, Viet Nam hopes to boost exports to new potential markets like China and Hong Kong in 2014. In 2013, shipments to these two destinations had a worth of \$650 million, up 55 per cent from 2012.

Furthermore, Viet Nam is setting up a distribution center for pangasius products exported to the EU in the port of Zeebrugge in Belgium. Exports of Vietnamese pangasius to this huge market will see more opportunities to reach growth in both volume and value thanks to the center.

So far, VASEP and the Management Board of Zeebrugge port signed a memorandum on the establishment of the distribution center. "This is one of the largest ports in Europe and it takes only several hours to transport imported seafood products from Zeebrugge to other European countries located about 500 km from the port. If this plan is fully realised, Viet Nam seafood will have more advantages in the EU.

Currently, Vietnamese companies have been sending their seafood products to the EU through Belgium, but these were individual shipments. Therefore, the establishment of a distribution center will help concentrate supply from Viet Nam as well as improve their value.

Trade barriers

However, opportunities always bring with them challenges. Viet Nam's fishery industry needs to acknowledge its internal challenges as well as those from the importing markets. For example, the US has been one of the biggest importers. In 2013, shipments to American market reached around \$1.75 billion and Viet Nam targets to boost exports to this destination to \$2 billion in 2014.

There are two problems Vietnamese seafood must overcome in the coming time. The first one is the US catfish inspection programme, which will likely be switched from US Food and Drug Administration (FDA) to US Ministry of Agriculture (USDA). If the decision is made, pangasius products may be failed entry to the US market.

The second one is the DOC's annual antidumping tax administrative reviews (POR) imposed to imported frozen pangasius fillets from Viet Nam. If the US selects Indonesia to be the surrogate country for antidumping tax calculations instead of Bangladesh like what they did in the previous years, there will be more disadvantages for Vietnamese pangasius exporters, said Dao Tran Nhan, Counsellor of Viet Nam Trade Mission in the US

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