

## Vietnam, Seafood sector fails to reach expected export target this year

The Vietnamese seafood sector has failed to reach the export revenue target of USD 8 billion this year due to high production costs, inadequate quality and unhealthy competition.

This was announced by [Vietnam Association of Seafood Exporters and Producers](#) (VASEP), who forecasts the sector will obtain about USD 6.6 billion, which is USD 1.2 billion lower than the turnover reached in 2014, informed *Tuoi Tre News*.

According to VASEP, catfish producers in the Mekong Delta are unable to find buyers while processors have had to cut production and temporarily lay off employees, after obtaining only USD 1,15 billion in the first nine months this year, down 9.3 per cent from a year earlier.

The association also stressed that all of Vietnam's traditional and major markets, including Mexico, Brazil, the EU, the US, and [ASEAN](#) countries, have reduced imports, exacerbating the situation.

"Even the catfish importers suffered losses as prices kept falling, so both importers and consumers have turned their back to Vietnamese catfish," Nguyen Thai Son, chairman of [Thuan An Co., Ltd.](#), commented.

There are only three Vietnamese firms allowed to ship catfish to the US at a zero antidumping duty, but these exporters have also competed with each other by slashing prices constantly.

"The export price to the US is now only a bit higher than USD 2 a kg, which in fact 'killed' all exporters," explained Nguyen Phuoc Buu Huy, deputy general director of [Cadovimex 2](#), a Dong Thap-based seafood firm.

Besides, VASEP's statistics show that the future is no brighter for the shrimp sector, as all of its three largest markets have cut imports.

By the end of the third quarter, Vietnam's shrimp export revenue topped USD 2.13 billion, a steep 27.4 per cent decline from the same period last year.

VASEP informed that the US cut 47 per cent of its import of Vietnamese shrimp in the nine-month period, whereas the respective declines from Japan and the EU were 19.7 per cent and 18.7 per cent.

In this regard, Tran Van Linh, general director of Da Nang-based Thuan Phuoc Co. explained that many competitors of the Vietnamese shrimp sector, such as India, Indonesia, Ecuador and China, have depreciated their currencies against the US dollar to boost exports.

They have also managed to control outbreak disease for the shrimp exports, and the global shrimp supply is thus much increased, which creates chance for importers to demand price cuts.

Meanwhile, the Department of Animal Health informed that added to the hardships experienced by the sector, Vietnam has received 181 warnings on seafood safety from such important export markets as Japan, South Korea, the EU, the US, and the Eurasian Economic Union in the year to September.

The department also recalled that the country has also had 32,000 metric tons of seafood shipment rejected for import in the last two years as they had been found to contain residues of banned antibiotics.

Source : <http://www.fis.com/fis/worldnews/worldnews.asp?monthyear=11-2015&day=2&id=80249&l=e&country=0&special=&ndb=1&df=0>