



HAI VUONG
GROUP

TUNA PRODUCTION AND EXPORTS & IMPORTS WITH FTAs

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OPPORTUNITIES FOR VIETNAM TUNA ENTERPRISES

- Having easy access and competitive advantages in market penetration and expansion.
- Opportunity for investment, joint venture and cooperation among the parties.
- Opportunity for accessing to new technologies and new products
- Opportunity for building a strategy for sustainable and long-term development, building brand name for enterprises, developing National Brand and many other opportunities for enterprises.

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OPPORTUNITIES FOR VIETNAM TUNA ENTERPRISES

Taking advantage of these opportunities depends on:

1. Capacity of each enterprises
2. Macroeconomic policies of the State to assist enterprises to overcome short-term and long-term challenges.



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OPPORTUNITIES FOR VIETNAM TUNA ENTERPRISES

ENTERPRISES COMMUNITY FILED A PETITION TO MOIT AND VASEP ASKING TO:

1. Further boost the dissemination and training for seafood exporters to understand clearly the commitments from FTAs that were signed and to be signed.
2. Guide enterprises to understand exactly the tax cut roadmap, the rule of origin, issues related to fishery industry to take advantage of the opportunities offering by the FTAs.

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DIFFICULTIES – CHALLENGES

DIFFICULTIES:

- VN tuna industry is backward.
- After more than 20 years of development, there is no groundbreaking in the tuna industry.
- Tuna fishing is the first step in the chain of fishing, processing, exporting and consuming of tuna products but there is some weaknesses in this step.
- Despite the State's consideration for the fisheries industry in recent years, there is no much improvement in tuna catching.

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DIFFICULTIES – CHALLENGES

REASON

○ 1. HUMAN RESOURCES

- Lack of workers in tuna fishing sector.
- Lack of captain and crew members.
- Qualification for the acquisition and operation of new technology is still limited.
- The Government's Decree No.67 on supporting fishermen is inefficient due to the fact that it is complicated and enterprises and fishermen's understanding of this field is limited.

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DIFFICULTIES – CHALLENGES

REASON

○ 2. FISHING VESSELS

- The method of tuna catching and preserving applied by fishing vessels is backward.
- Tuna output is low and dependent on weather conditions.
- Poor quality of raw tuna, low sales, high production costs and low labour productivity.

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DIFFICULTIES – CHALLENGES

CHALLENGES:

In processing:

Enterprises are facing challenges in labour productivity:

- In recent years, Vietnam has been adjusting the minimum wage increase, sooner or later, Vietnam workers' salary will be equivalent to Thailand and some countries in the region but labor productivity of Vietnamese enterprises are 60-80% lower than Thailand.

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DIFFICULTIES – CHALLENGES

Accordingly:

- Production costs will increase and competitive advantages offering by FTAs will reduce.
- Some countries which enjoy GSP+ or zero import duty into EU showed experience that enterprises always compete in purchasing wholly-obtained raw materials and push purchasing price higher than not wholly-obtained raw materials
- Thus, fishermen can benefit most from the FTAs. Processors which have high production costs and low labour productivity will not benefit from FTAs or even face more difficulties.

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DIFFICULTIES – CHALLENGES

CHALLENGES:

In exporting:

Enterprises community will encounter more trade barriers after joining FTAs.

- Requirements on Certificate of Origin (CO).
- Health Certificate confirmed that products were caught legally in compliance with IUU regulation.
- Other barriers imposed by large markets such as requirements on sustainable catching (MSC, FOS, ISSF).
- IMO's requirements on size of fishing vessels.

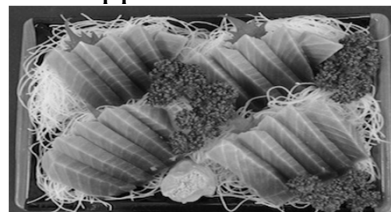
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DIFFICULTIES – CHALLENGES

o CHALLENGES :

In exporting:

- International organizations' regulations on restrictions on the number of tuna fishing vessels.
- EU's requirements on food safety and hygiene applied for fishing vessels (vessels must have EU code)
- Regulations on fishing waters applied for countries joining FTA and GSP+ .



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ORIENTATION

Enterprises can enjoy preferential tariff offering by FTAs when they comply with requirements on wholly-obtained origin in purchasing raw materials. Thus, it is necessary for Vietnamese tuna processors and exporters to:

- Invest money, labour, time in supporting fishermen and develop a stable supply of raw tuna.

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ORIENTATION

- Petition the Government to issue policies for developing labour force in fishing sector, strengthen to cooperate in personnel training with countries with developed fishing sector like Japan, Korea or Philippines.
- Petition the Government and relevant authorities to allow importing old vessels from developed countries. These old vessels have been used for 10-15 years but they are in good operation with new technology compared to Vietnam and affordable investment costs for VN's fishermen and enterprises. Accordingly, enterprises can develop their capacity in fishing sector.

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CONCLUSION

- Amid difficulties, enterprise community should make further efforts and relevant authorities should direct enterprises to develop in right way and timely solve bottlenecks so that Vietnamese tuna industry can develop effectively and sustainably.



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THANK YOU!



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