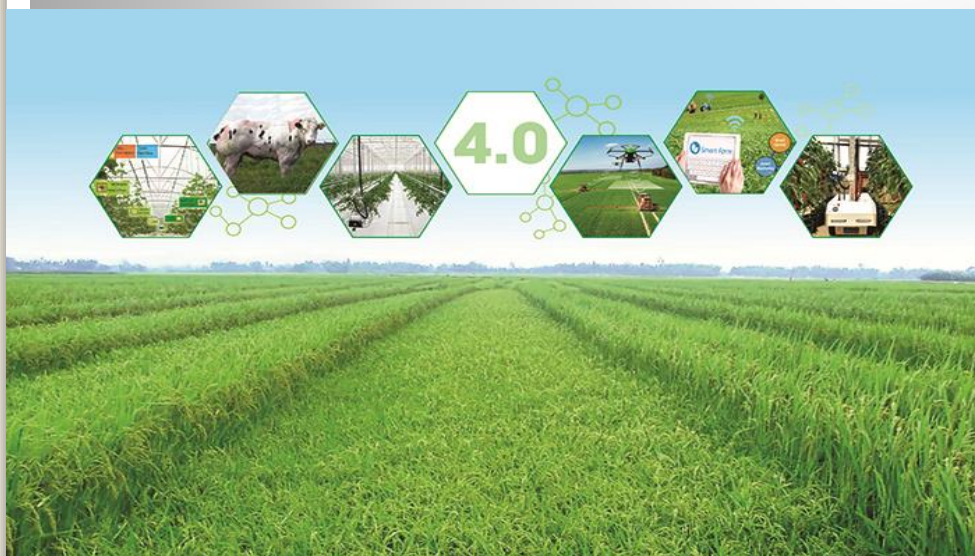


**The 9th International Workshop of the Alumni Network
„Education and Technology Transfer“**

**Situation and development trends in the field
of agriculture and food processing in Vietnam**

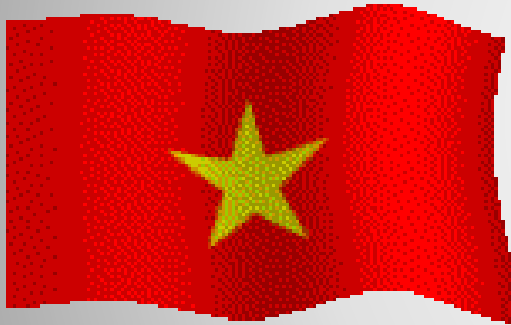


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**Bishkek, Kyrgyzstan
October 28, 2019**



Vietnam Overview



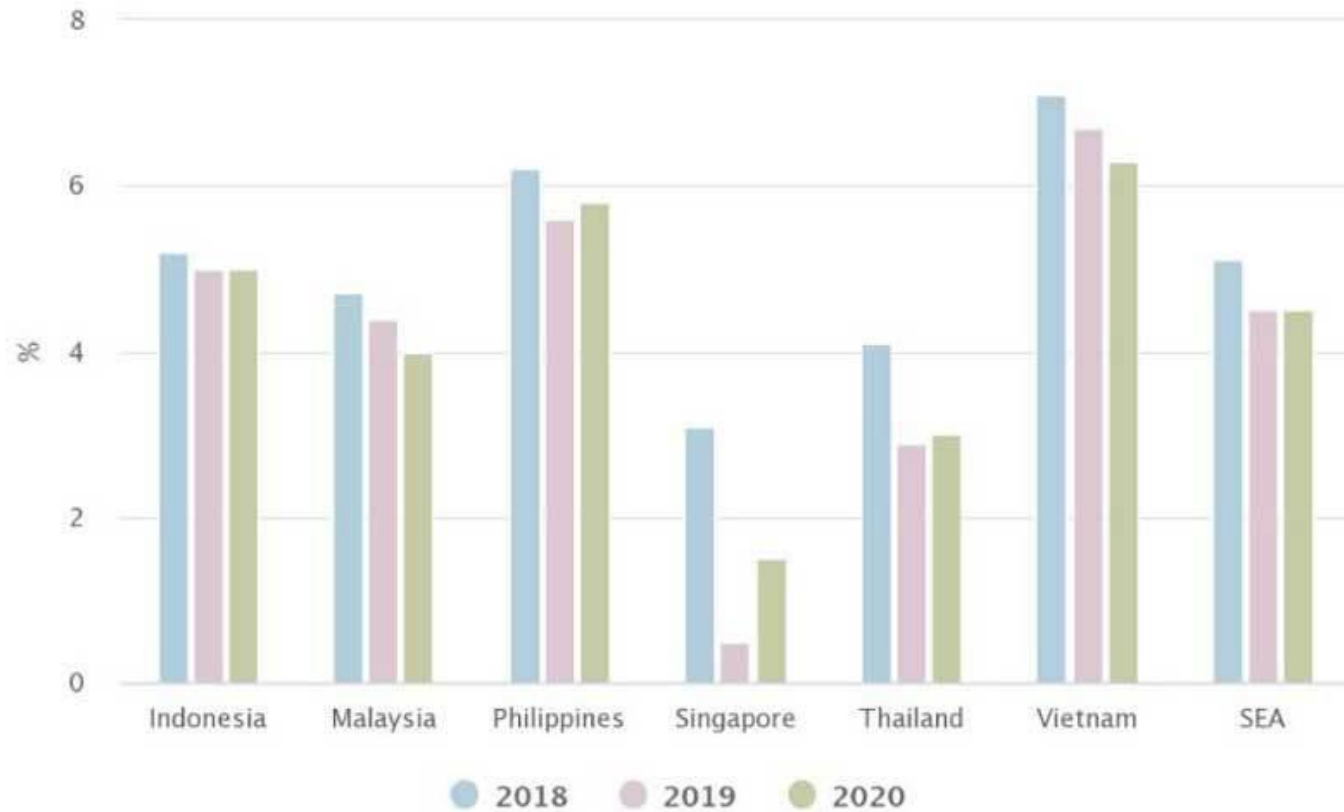
- Land: 331,236 km²
- Population: 96.6 mio. (half below the age of 35 - large & growing workforce)
- Life expectancy: 74.2 years
- Literacy: 94.9%
- Growth rate of population: 1.2% /year
- Rural population: 64.26%
- Vietnam is politically stable and geographically close to major global supply chains.



Main economical statistics of 2018

- GDP: 300.779 billion USD (by nominal)
710.307 billion USD (by PPP: purchasing power parity)
- GDP rank: 45th (by nominal)
33rd (by ppp)
- GDP growth: 7,08%/year
- GDP per capita: 3,123 USD/year (by nominal)
7,510 USD/year (by PPP)
- GDP by sector:
 - Agriculture: 17.10%
 - Industry: 33.25%
 - Services: 49.65%
- Inflation (CPI): 3.54% (below Parliament's target)

Source: Oxford Economics/ Haver Analytics



GDP growth in some SEA-countries

Workforce of Vietnam in 2018

- Labour force: 54.6 million
- Labour force by occupation:
 - Agriculture: 38.6%
 - Industry: 26.7%
 - Services: 34.7%
- About 1.1 million people enter labor market each year
- 30% of laborers under the age of 30
- Unemployment: 3.57%



Vietnam' Export-Import in 2018

- Exports: 244.4 billion USD (increased 13.8%)
- Main export goods: Electronics, textiles products, machinery, footwear products, transportation products, wooden products, seafood products, steel, crude oil, rice, coffee, cashew, fruits & vegetables, tee, pepper, rubber,..
- Main export partners:
 - USA: 20.1%
 - China: 14.5%
 - Japan: 8.0%
 - South Korea: 6.8%



Vietnam' Export-Import in 2018

- Imports: 237.5 billion USD (increased 11.5%)
- Main import goods : Machinery and industrial equipment, electronics, petroleum products, raw materials for the clothing and shoe industries, plastics, automobiles, metal , chemical products ...
- Main import partners: - China: 25.8%,
- South Korea: 20.5%
- Japan: 7.8%
- Thailand: 4.9%
- Trade surplus is 7.2 billion USD (highest trade surplus ever), is much higher than trade surplus of 2.1 billion USD in 2017, far exceeding Parliament's target.

Sustainable development of Vietnam's economic

- In the World Economic Forum's Global Competitiveness Report, Vietnam rose from 77th place in 2006 to 55th in 2017.
- In the World Bank's Ease of Doing Business rankings, meanwhile, Vietnam rose from 104th place in 2007 to 68th place in 2017.
- Last year, the World Bank said, Vietnam made progress on everything from enforcing contracts, increasing access to credit and electricity, paying taxes and trading across borders.
- The openness of the economy is growing, in 2018 total exports and imports of goods and services reached 208.6% in relation to GDP, which showed Vietnam's strengths to exploit the domestic economy at the same time enlisted the world market.

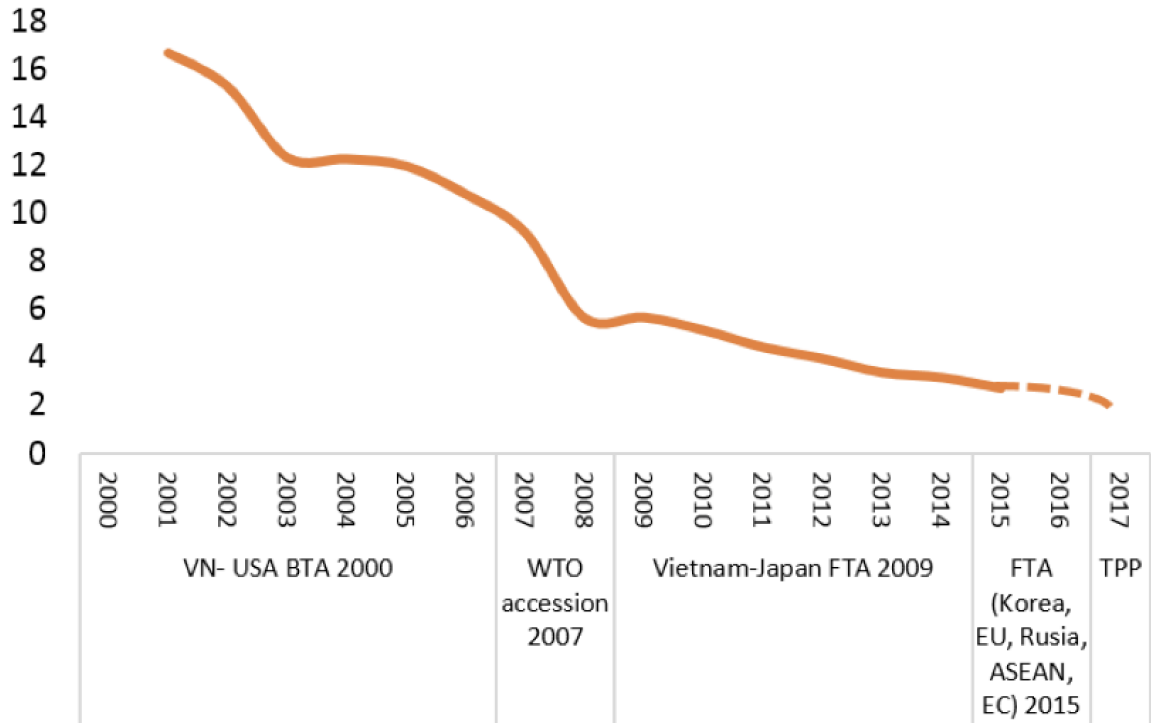
Sustainable development of Vietnam's economic

- Importantly, the economic growth was fairly inclusive. According to the World Economic Forum's Inclusive Development Index, Vietnam is part of a group of economies that have done particularly well at making their growth processes more inclusive and sustainable.
- Vietnam has leveraged its demographic dividend through effective investment in people. Vietnam's efforts to promote access to primary education and to ensure its quality through minimum quality standards have paid off. In the latest 2015 OECD Programme for International Student Assessment (PISA), Vietnam ranked 8th out of 72 participating countries, ahead of OECD countries such as Germany and Netherlands.

Main factors of Vietnam's economic rise

1. **Global integration:** It has embraced trade liberalization with gusto.
 2. **Domestic liberalization:** It has complemented external liberalization with domestic reforms through deregulation and lowering the cost of doing business.
 3. **Investing in people and infrastructure:** It has invested heavily in human and physical capital, predominantly through public investments.
- *Various signed free trade agreements in the last 24 years:*
- *In 1995, Vietnam joined the ASEAN free trade area.*
 - *In 2000, it signed a free trade agreement with the US.*
 - *In 2007 it joined the World Trade Organisation.*
 - *Since then, further ASEAN agreements followed with Japan, China, India, South Korea and many other countries.*
 - *Earlier 2018, the amended Trans-Pacific Partnership (CPTPP) went into effect – albeit without the US.*

Foreign goods are welcome:
 Tariff rate, applied, weighted mean, manufactured products (%)



**Vietnam is open for business :
 Gradually lower the tariffs imposed on both
 imports and exports to and from Vietnam**

Source: *Brookings Future Developments*

Recent situation of agriculture

- Agriculture, forestry and aquaculture had highest growth rate in seven years, especially in the field of agriculture and aquaculture.
- Plant structure is shifted towards positive; new high-quality varieties are replacing traditional structure for high economic value.
- Although rice cultivation area in the country this year reduced but the yield of rice production in 2018 is higher, estimated at 43.98 million tonnes, up 1.24 million tonnes from 2017.
- Aquaculture increased rather, aquaculture production is estimated to reach 4.2 million tons a year, rose 6.7%.
- Food processing continue to improve the capacity. In 2018, 16 factories for food processing with a total investment of 380 million USD was inaugurated.



Export of agriculture in 2018

- Vietnam's export value of agriculture, forestry and aquaculture in 2018 are 40.02 billions USD (increased 9.17%), currently ranks 15th in the world and has been exported to over 180 countries and territories around the world.
- 05 main export markets:
 - China : 22.90% (increased 3.6%)
 - Japan : 19.10% (increased 7.1%)
 - USA : 17.90% (increased 9.4%)
 - ASEAN : 10.64% (increased 11.0%)
 - Korea : 6.90% (increased 29.4%)



Export of agriculture in 2018

- Agricultural exports achieved in 2018 is the record of the agricultural sector in Vietnam, exceeding the plan by the Government and this is also the highest growth in 10 years.
- Main agricultural products exported in 2018:
 - Aquatic products : 9.27 billion USD (4st place)
 - Wooden products : 9.31 billion USD (5st place)
 - Fruits & vegetables: 4.21 billion USD
 - Coffee: 3.46 billion USD (2nd place)
 - Cashew: 3.43 billion USD (1st place)
 - Rice: 2.98 billion USD (3rd place)



Key factors for success

- The success of the agricultural sector in 2018 is identified as one of the key economic factor. In 2 to 3 years, the restructuring of plants and animals, especially towards the crops and livestock value, high quality, changing the way it manages to export the agricultural products.
- Agricultural sector has prospered as a result change the production structure, reducing rice acreage. Agricultural production has a very strong shift into high quality, hygiene, safety and towards to global value chain.



Key factors for success

- Sector agricultural is restructuring from low-value crops to high value crops;
- Aquaculture focus shifted to the key species used as raw materials for export processing, particularly brackish water shrimp farming.
- Conversion of agricultural production to enhance aquaculture production value of 2 to 3 times, which own 1 ha land converted to shrimp farming in brackish water will enhance the value of approximately 5 times.



Development trends

- In next time, the agriculture should continue to promote the reorganization production associated with the value chain, according to the commodity producing areas concentrated; focused on encouraging processing of products to enhance the added value of agricultural products.
- In particular, agricultural sector needs to reorganize, build the link chain from production to processing and marketing of products for the core, the center's stakeholders: farmers, cooperatives and enterprises; promote the development, branding each type of agricultural product.



Development trends

- Strengthen the application of science and technology, internet of things, artificial intelligence, big data, to develop agriculture, food processing and storage of agricultural products.
- Agricultural sector will strive to build smart agriculture, international integration in global value chain, adaptation to climate change, enhance the added value and sustainable development, associated with building new rural areas with traditional culture, improving the income of farmers.





PS Express

Thanks for your attention !