

TILAPIA 2015 KUALA LUMPUR

VIETNAM TILAPIA 2015 : ACCELERATING START

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Vice President

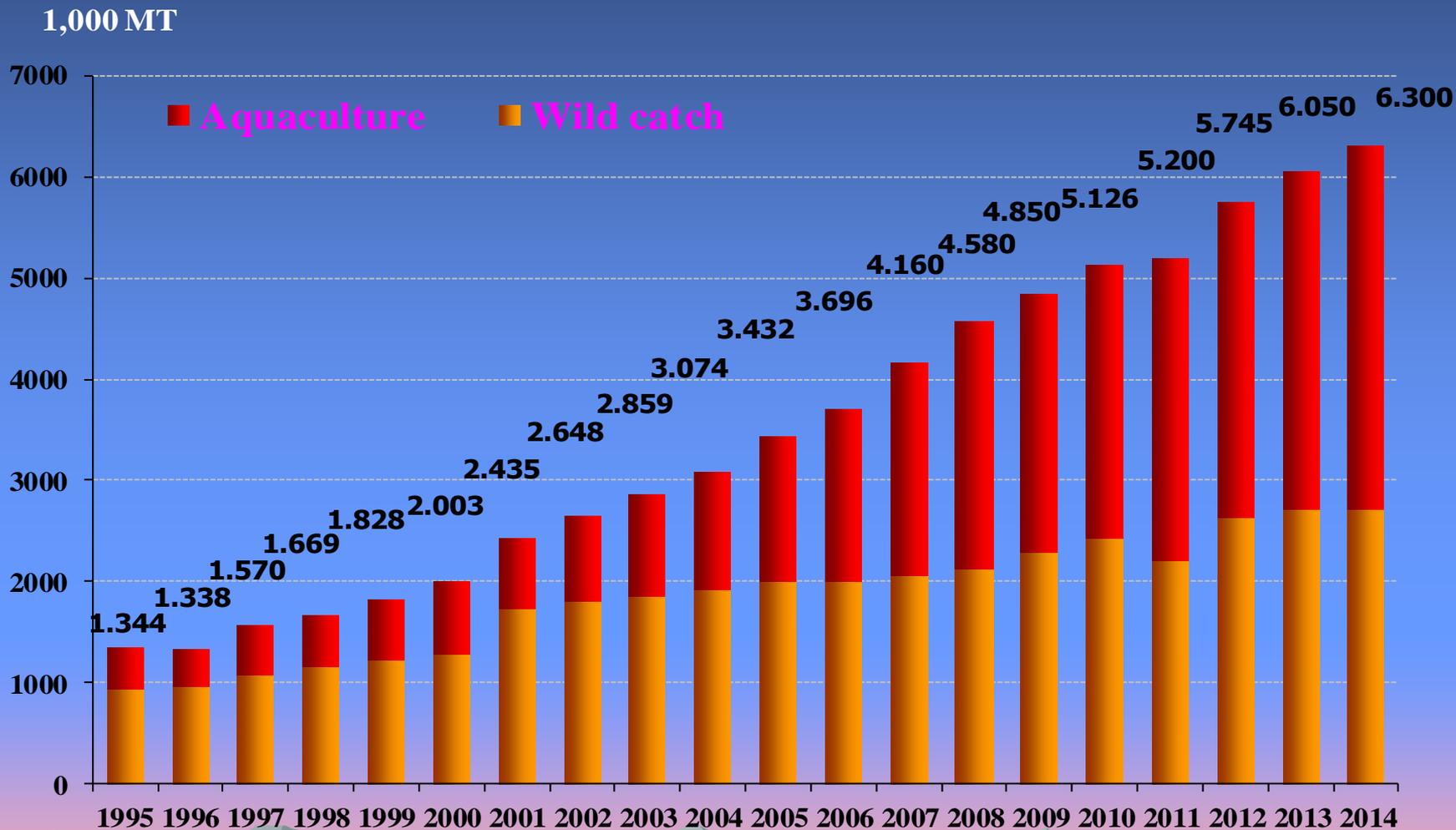
Vietnam Association of Seafood Exporters and Producers (VASEP)

Kuala Lumpur – April 2 - 4, 2015

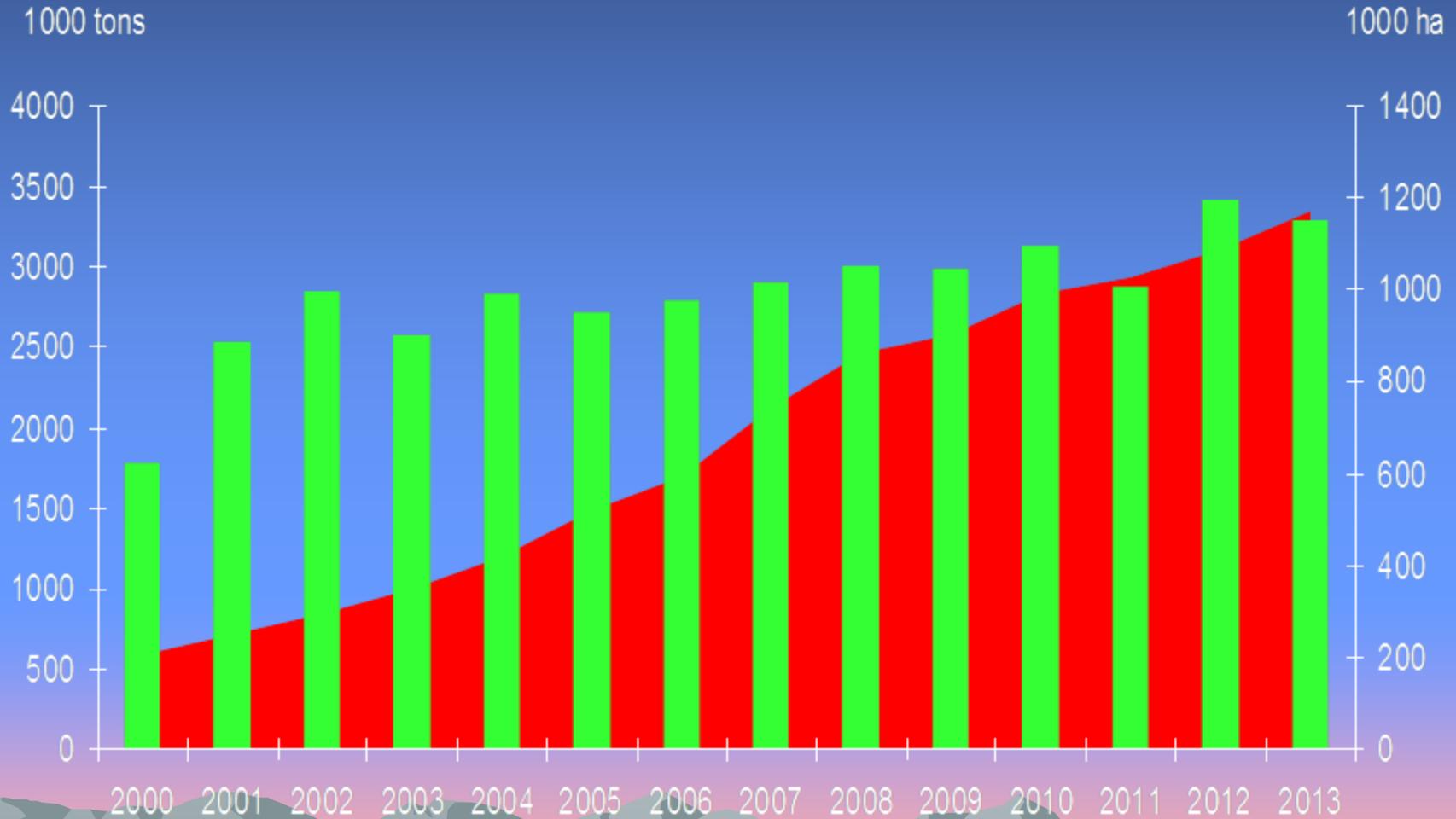
Vietnam Fisheries 2014: An overview

- Land area: **329,560** sq km
- Coast line: **3,260** km
- EEZ area: 1 million sq. km
- Total production : **6.30** million MT (+ 4.4% to 2013)
 - Catching: **2.71** million MT (+
 - Aquaculture: **3.61** million MT (+ 4.8% to 2013)
- Export turnover : US\$ **7.836** billions (+ 16.5% to 2013).
- Labour force: more than **4.5** millions
- Fisheries continued to be a key national economic sector:
 - *Take 4-5% GDP;*
 - *Take 5 -6% of total national export turn-over.*
 - *Rank 4th Global for seafood export (follow: China, Norway, Thailand)*
 - *Rank 5th national for export value (follow: electronics, garment, crude oil, shoes)*

Fisheries & Aquaculture Production



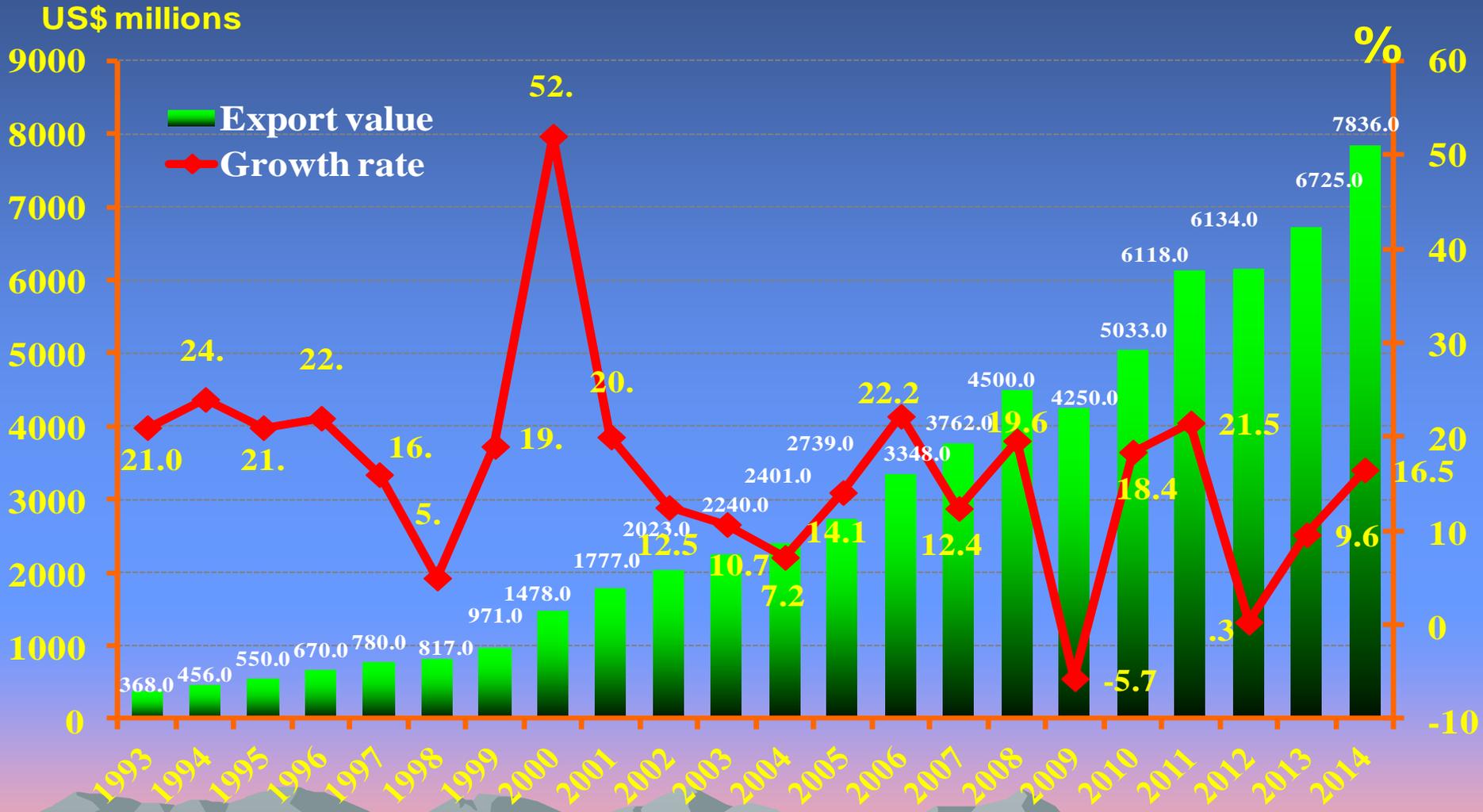
Aquaculture Area & Production



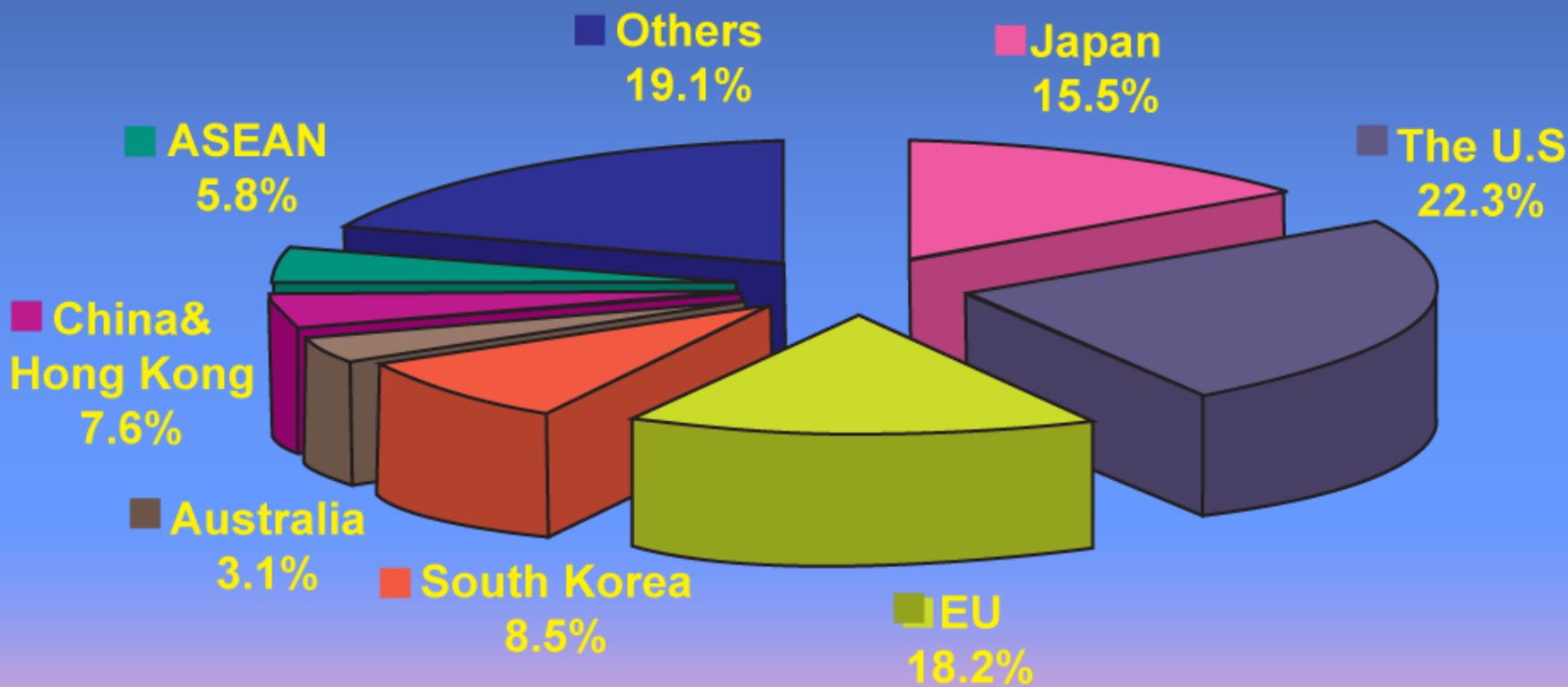
Seafood Processing Industry 2014

- **567 seafood** industrial processing plants
- **455 plants qualified** for exporting to the EU (compared to 1999: 17 only)
- **More than 550 plants** are meeting national standards of hygiene and safety, including GMP, SSOP, HACCP and ISO
- Processed seafood volume was over **1,500,000 tons**
- **Lacking of running capital**, weak access possibility to the bank
- **Shortage of raw materials**: bigger from year to year
- **Imported raw seafood** for re-processing increased
- Product **diversification** enlarged, **value-added products** accepted by many supermarket chains in the US, EU & Japan

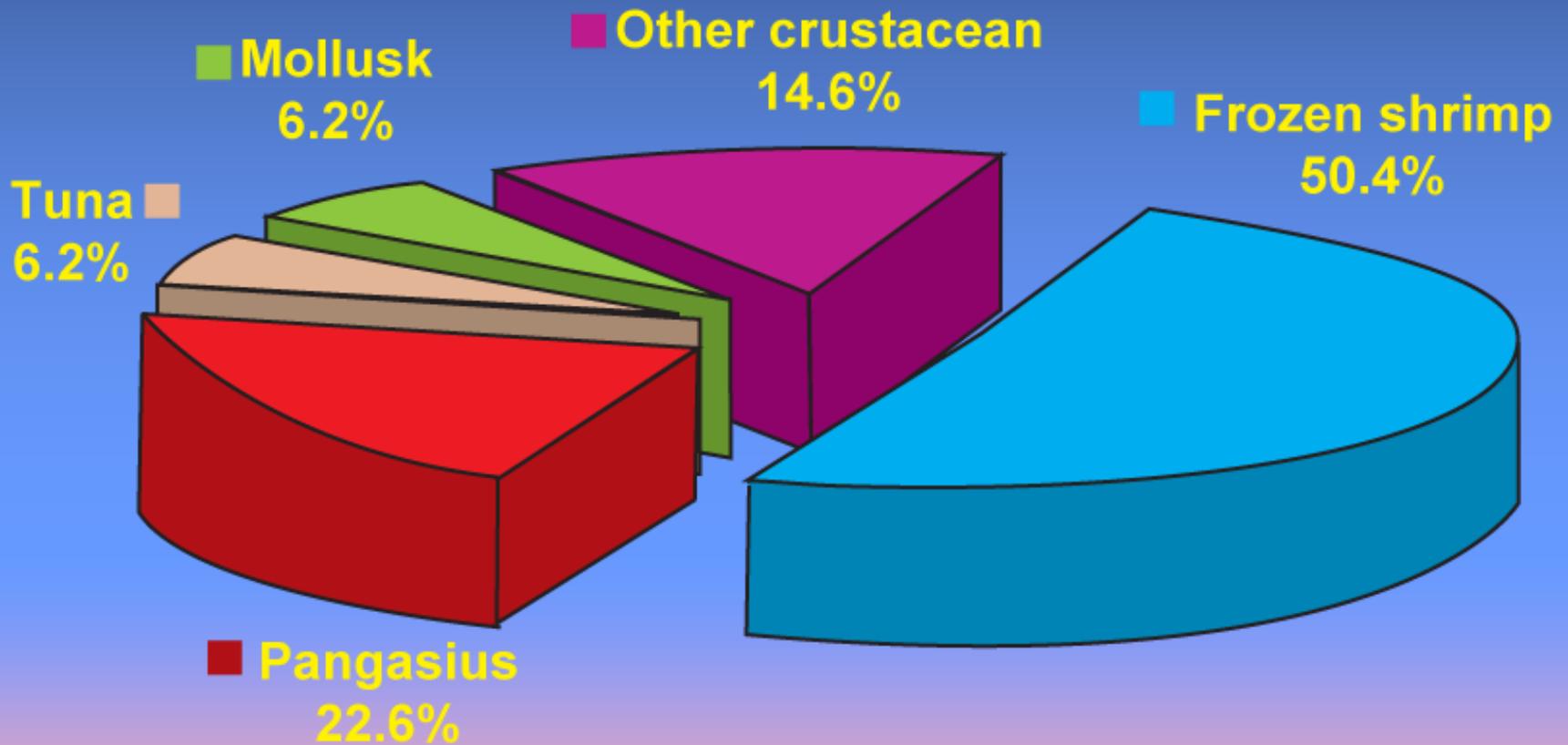
Vietnam Seafood Exports 1993-2014



Export Markets Structure 2014 (By Value)



Export Products Structure 2014 (By Value)



Export Products Structure 2014

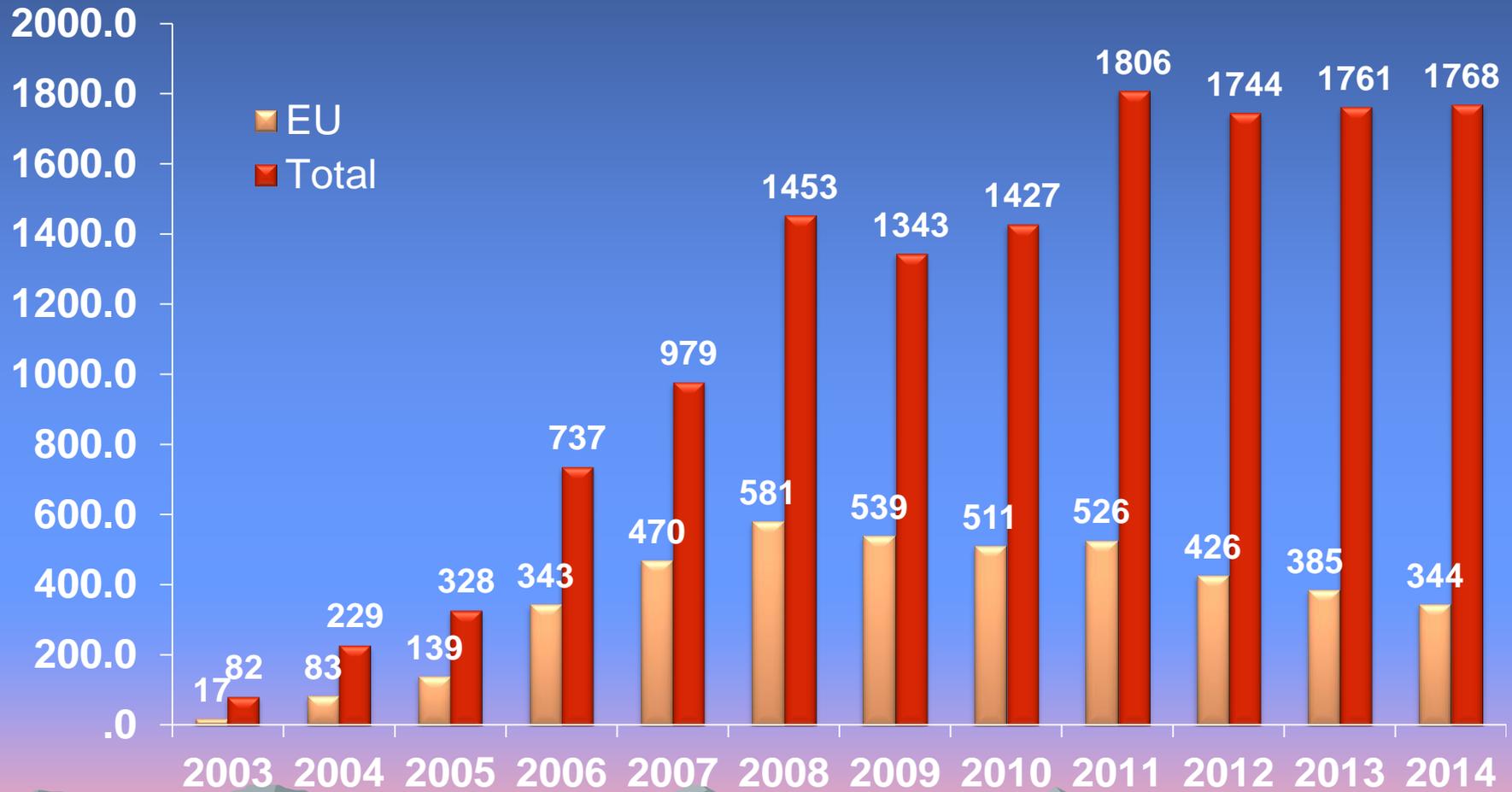
(By Value)

Products (HS 03 and 16)	2014	Compared with 2013
	US\$ 10 ⁶	%
Shrimp	3.952.910	+26.9
Pangasius	1.768.157	+0.4
Tuna	484.235	- 8.1
Cephalopods	483.296	+8.0
Tilapia	35.784	+ 265.3
Other seafood	1.116.560	+31.1
Total	7.836.037	+16.5

Vietnam's Pangasius Story

- Vietnam's 2nd important farmed species, after shrimp
- Export value in 2014 was **US\$ 1.768 bill.**
- **Fastest development: from 2003 to 2008: 1.5 mill. tons**
- **Very high productivity: 500 ton/ha/crop**
- **Most vertically integrated farmed fish in Vietnam, 70% fish volume farmed by processors, modernization of farming and processing technology**
- Many producers certified by **BAP, Global GAP; first 27 farms ASC certified, with more 20% total production**
- **Against by US catfish : Antidumping case from 2002**
- **Good fish but link with bad opinions in some markets**

Pangasius Export Value, 2003-2014



Pangasius Raw and Value-added 2014

Value-added Ratio : 0.92% !!!

Frozen fillet and other raw products				Value-added products			
Nr	Markets	Value (mill. USD)	Share (%)	Nr	Markets	Value (mill. USD)	Share (%)
1	USA	336.483	19.21	1	Netherlands	5.874	35.96
2	Brazil	122.970	7.02	2	Thailand	2.296	14.05
3	Mexico	115.088	6.57	3	China & HK	0.935	5.73
4	China & HK	112.217	6.41	4	The U.K	0.895	5.48
5	Spain	72.007	4.11	5	Germany	0.849	5.20
6	Columbia	70.118	4.00	6	Australia	0.748	4.58
7	Saudi Arabia	58.649	3.35	7	Singapore	0.615	3.77
8	The Netherlands	52.864	3.02	8	Switzerland	0.551	3.37
9	Egypt	45.734	2.61	9	Spain	0.476	2.91
10	Australia	42.456	2.42	10	UAE	0.440	2.69
Subtotal		1,028.585	58.72	Subtotal		13.678	83.74
Other markets		723.237	41.28	Other markets		2.657	16.26
Total		1,751.822	100.00	Total		16.335	100.00

Vietnam Tilapia Story

- Introduced to Vietnam from late 1950
- The Vietnam's 2nd white farmed fish, after Pangasius
- 50 years history mainly in small scale, slow development
- Use more for domestic consumption, less for export
- Export value in 2014: **US\$ 35.7 mill. (2% of Pangasius only, but increased 265% compared to 2013!)**
- **First Tilapia farms have been ASC certified by 2013**
- **New waves of radical renovation started from 2014**
- **One farmed fish of huge future for Vietnam**

Present Vietnam Tilapia Farming

- **Two main species:**
 - Red (*Oreochromis* sp.) mainly for domestic
 - Black (*Oreochromis niloticus*) mainly for export
- **Two main farming models:**
 - Monoculture
 - Poly-culture with shrimp to reduce EMS
- **Two main kinds of farming facilities:**
 - Cages in rivers, reservoirs and lakes
 - Earth ponds
- **Pond: 15,992 ha (3% national freshwater farming area)**
- **Cage's volume in rivers and lakes : 410.732 m³**

Vietnam Farmed Tilapia

- **Mainly farmed in cages in open water bodies**
- **Concentrated on Mekong Delta, Central and Northern**
- **2014: Production 125,000 tons (+25% to 2013)**
- **2015: National Program for Tilapia Development**
- **Directorate of Fisheries has planed to 2020:**
 - ✓ **Farming areas: 25,000 ha**
 - ✓ **Production: 200,000 tons**
 - ✓ **Exported: 80,000 tons of final products.**

Source: D-Fish report by Nov. 2014

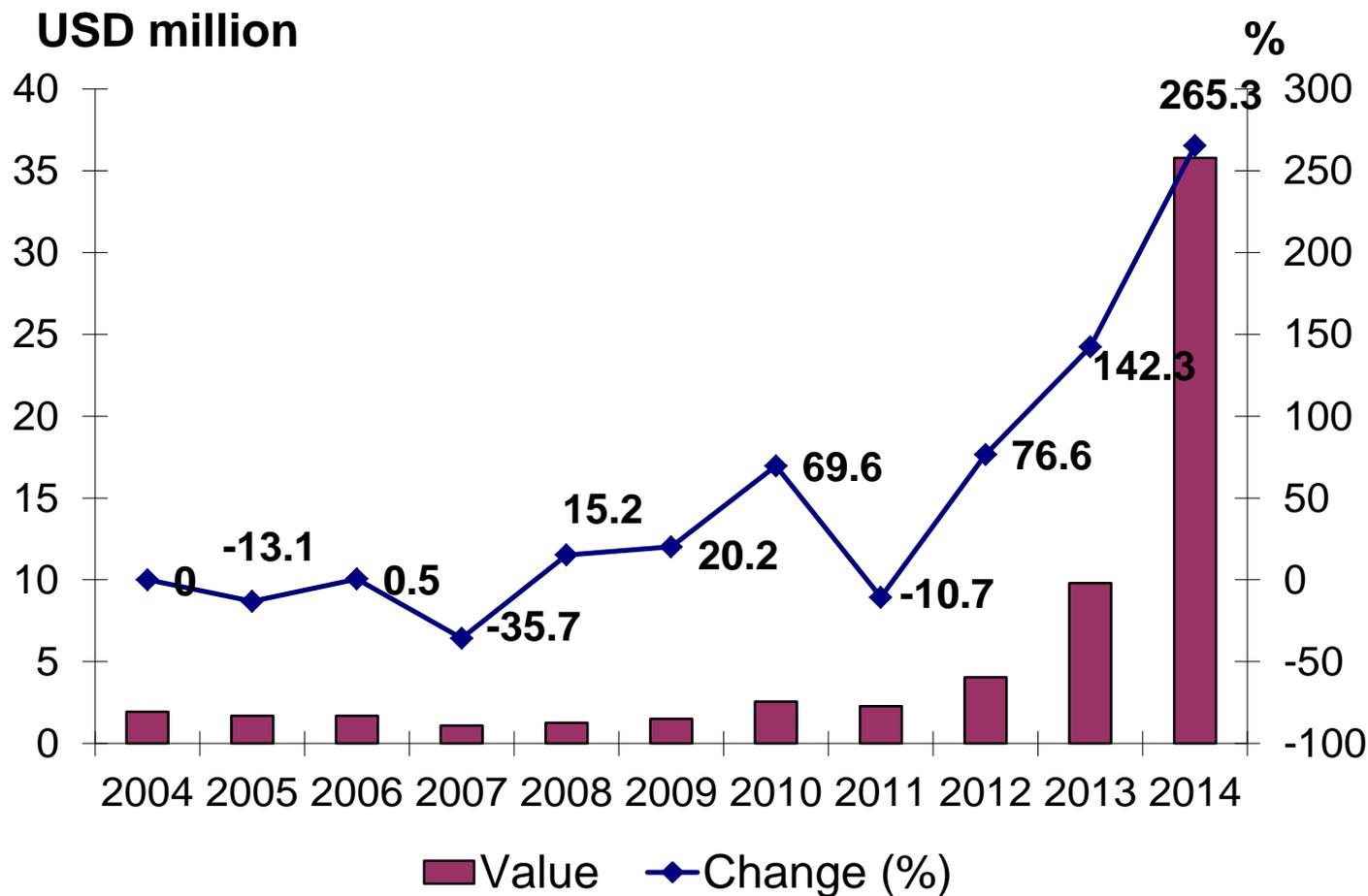
Brook-stock and Fingerlings Production

- In 2014, total 236 tilapia seed production facilities
- Brood-stock: 44 facilities, annually 940,000 brook-stocks
- Resources of brook-stock: Mainly imported
- Fingerlings production: 455 millions (Northern provinces have produced 173 millions)
- Mono-sex fingerlings quality is poor
- Not yet seed vaccination, quality and disease control

Tilapia Export Development, 2004-2014

Years	Volume (ton)	Export value (USD)	Change (%)
2004	974	1,946,196	-
2005	827	1,691,555	-13.1
2006	812	1,699,994	0.5
2007	412	1,092,550	-35.7
2008	480	1,258,179	15.2
2009	536	1,511,940	20.2
2010	848	2,563,928	69.6
2011	-	2,289,512	-10.7
2012	-	4,043,158	76.6
2013	-	9,794,643	142.3
2014	-	35,784,642	265.3

Vietnam' Tilapia Export 2004-2014



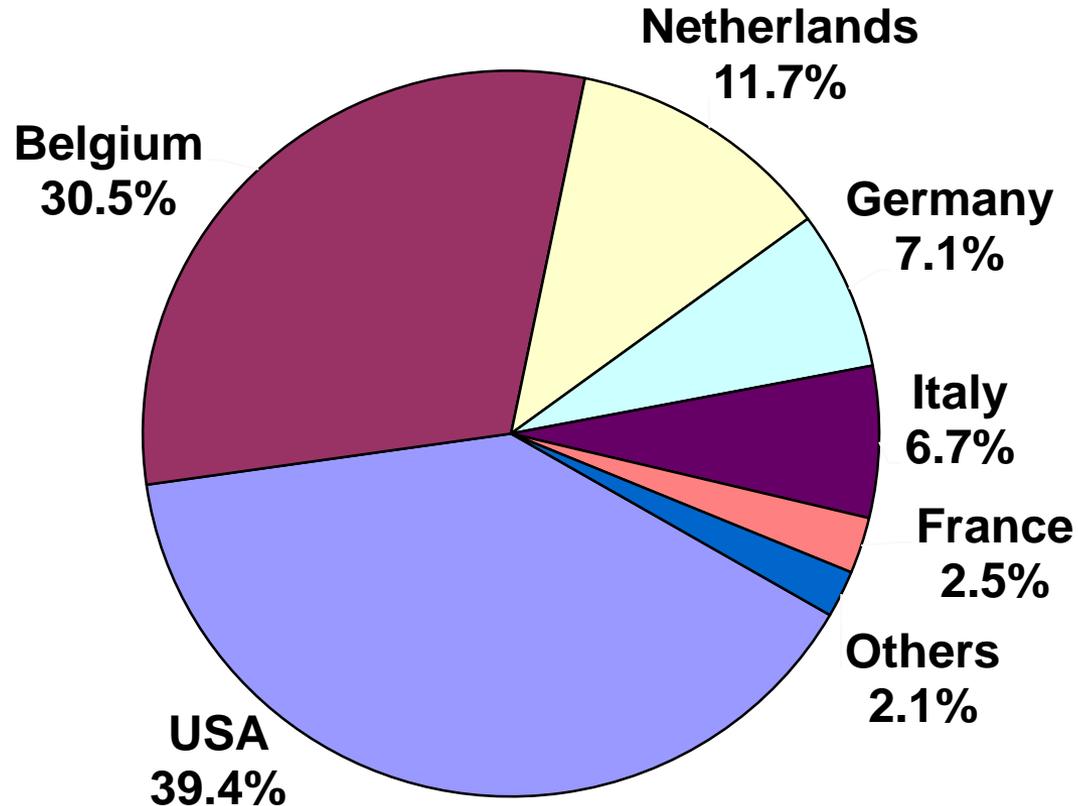
Vietnam Tilapia Export

- Export of tilapia from Vietnam is increased in last 10 years, but very slowly.
- In 2005 export value of tilapia was only 1.691 million USD
- In 2014, Vietnam exported tilapia to 60 markets, valued at 35.784 million USD, increased 265% to 2013.
- Top 5 markets took US\$ 21.756 million (60.8 %).
- Top 3 are:
 - ✓ USA – 8.911 million USD (24,9%),
 - ✓ Spain - 4.450 million USD (12.4%)
 - ✓ Colombia – 3.718 million USD (10.4%)
- Vietnam tilapia export still very small, equal 1% of China.

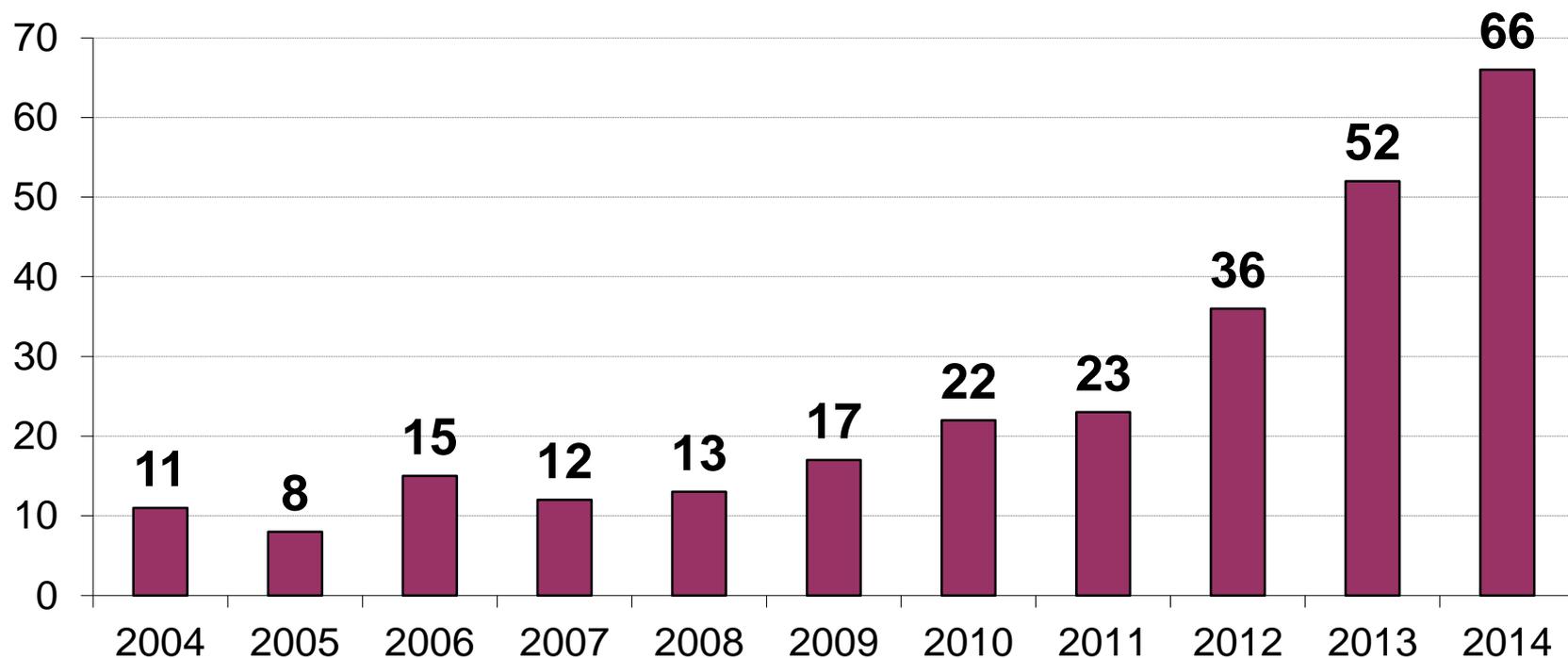
Tilapia Export Market Structure 2005

Country	Value (USD)	Percentage
USA	666,752	39.4%
Belgium	515,418	30.5%
The Netherlands	197,880	11.7%
Germany	119,723	7.1%
Italy	114,107	6.7%
France	42,346	2.5%
Others	35,330	2.1%
Grand Total	1,691,555	100.0%

Tilapia Export Market Structure 2005



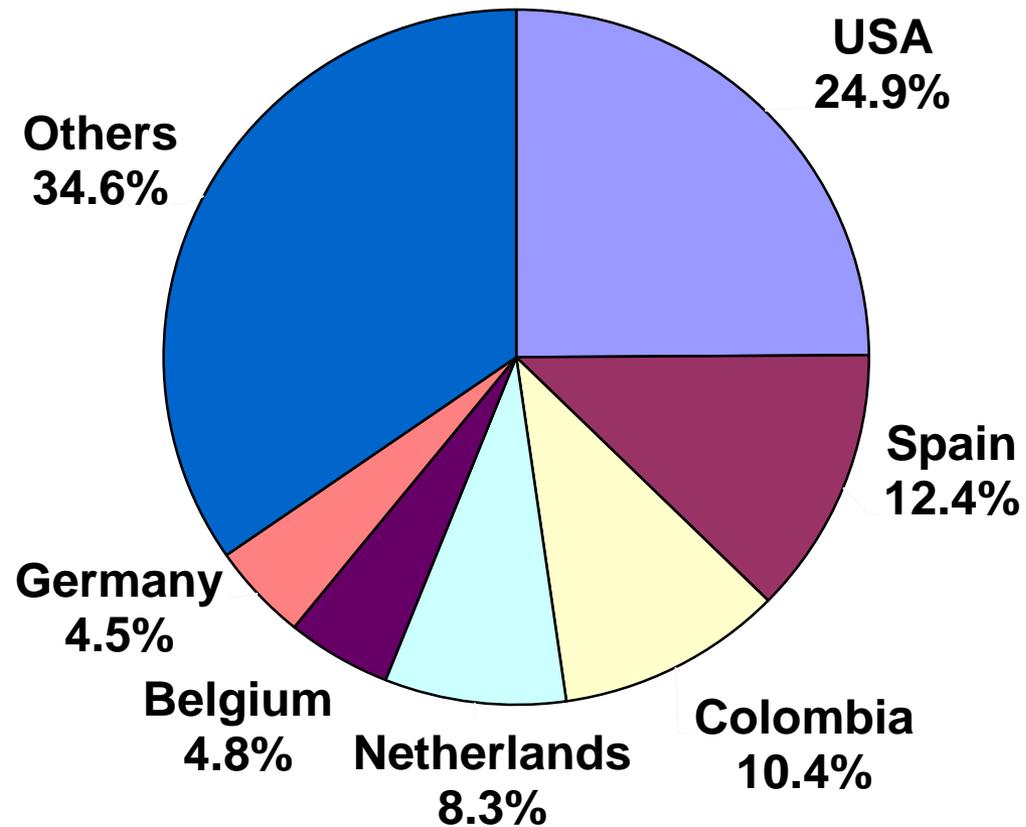
Number of Tilapia Export Markets



Tilapia Export Market Structure 2014

Country	Value (USD)	Percentage
USA	8,911,672	24.9%
Spain	4,450,093	12.4%
Colombia	3,718,744	10.4%
Netherlands	2,974,238	8.3%
Belgium	1,717,745	4.8%
Germany	1,614,374	4.5%
Others	12,397,777	34.6%
Grand Total	35,784,642	100.0%

Tilapia Export Market Structure 2014



Vietnam Tilapia Advantages

- **Strong & dynamic farming and processing capacities**
- **Rich experiences in pangasius industry, easier shifted to tilapia**
- **Large and still clean water environment**
- **International feed industry in country**
- **Young and skillful labor forces**
- **Existing large partners in different markets**
- **Improved aquaculture management policy.**

Vietnam Tilapia Challenges

- Un-controlled environment of open water bodies
- Shifting farm cage to the modern earth pond model
- Controlling production in an ecological region
- Quality of brook-stock and mono-sex fingerlings
- Lacking vaccines to prevent diseases
- Increased feed price and main input raw materials
- Lacking a well designed and managed program
- Lacking guaranteed better price between certified and non-certified products
- Social responsibility to surrounding communities

Vietnam Tilapia Champions

- **NAVICO: Big Pangasius producer and now Nr 1 Tilapia farmer of Vietnam - An Giang province**
- **VINH HOAN: Nr 1 Vietnam's Pangasius producer - Dong Thap and Tien Giang provinces**
- **MINH PHU: Nr 1 Vietnam' Shrimp producer - Ca Mau and Hau Giang province**
- **HOANG LONG: The First Tilapia Farm Certified by ASC – Dong Thap Province**
- **Will be much more this and in the coming years**

NAVICO Tilapia

- **Huge cage systems in Mekong River (20 km long!)**
- **Establishment of High Quality Tilapia Fingerlings Production Center with capacity to 1 billion fingerling a year**
- **Rich experiences on farming, processing and export**
- **Modern large processing plants for pangasius ready to be shifted to tilapia**
- **International technical experiences (Dr. David Little)**
- **High quality brood-stock – Cooperation program with GenoMar (Norway)**

NAVICO Tilapia Challenges

- **Poor water quality management in cage culture in rivers: Selection the right sites for cages**
- **Control discharge resources to the rivers**
- **Diseases control and fish health management in river cage culture**
- **Brook-stock and fingerling production and quality**
- **Vaccine for tilapia**
- **Development of “Mekong Tilapia” brand**
- **Set up a quota system for tilapia production.**

Thank You and Let's Working Together!

