

ISG Secretariat: Room 209-210 Building A9 - 2 Ngoc Ha, Hanoi  
Tel: (84-4) 733 6610 – Fax: (84-4) 733 6624

[Mailto:isginfo@fpt.vn](mailto:isginfo@fpt.vn) – Website: <http://www.isgmard.org.vn>

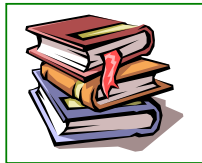
Issue No. 55 – Feb 2008

## HIGHLIGHTS

- |  |                                      |
|--|--------------------------------------|
| 1. POLICY DEVELOPMENT/REVIEW (p1)          | 2. FOOD SAFETY (p2)                  |
| 3. BILATERAL COOPERATION (p 2)             | 4. NEW PROJECTS FOR THE SECTOR (p2)  |
| 5. INTERNATIONAL ECONOMIC INTEGRATION (p3) | 6. EXPORT PERFORMANCE (p3)           |
| 7. FOREIGN DIRECT INVESTMENT (p5)          | 8. MEETINGS/WORKSHOPS (p5)           |
| 9. NEW PUBLICATIONS (p6)                   | 10. MONTHLY LEGAL UPDATE IN ARD (p9) |

*Information and experience equal knowledge,  
please share your knowledge with us!*

### 1. POLICY DEVELOPMENT/REVIEW



#### Solutions to stabilize prices of animal husbandry feeds

**Hanoi, 16 Jan 08:** The Prime Minister approved the proposal by MARD, Ministry of Industry

and Commerce regarding allowing foreign-invested enterprises that import feed materials to directly sell their products to the enterprises that produce and process animal feeds.

The Office of the Government has just issued the letter stating that the Prime Minister also agreed to the proposal by Ministry of Finance concerning settlement of import tax, VAT levied on feed materials and allocation of state budget for inspection, controlling of agro-products and materials./.

Source: VNA

#### Animal husbandry to account for more than 40% of the agricultural products

**Hanoi, 18 Jan 08:** The Prime Minister Nguyen Tan Dung approved the strategy for animal husbandry development to 2020 on 16 January 2008, setting out the target of increasing the proportion of animal husbandry in agriculture to more than 42%.

According to this Strategy, the husbandry sub sector will basically move to industry and farming-oriented production by 2020, ensuring disease security and food safety.

The average growth rate of the sub sector from now on to the year 2010 is from 8-9% annually, by 2010-2015 to reach about 6-7% per year and by 2015-2020 about 5-6% per year.

The animal husbandry sub sector also sets target that by 2020 the meat production of all kinds would be 5.5 million tons, among which 63% is of pork, 32% domestic fowls and 4% beef.

To realize the targets, the strategy has laid out solutions in terms of planning, science and technology, finance-credit, lands, trading, feeds and quality control./.

Source: MARD-VNA

#### Salt production to be further developed

**Ha Noi, 15/01/08:** The Ministry of Agriculture and Rural Development (MARD)'s policy on aiding the development of the salt industry has received a warm welcome from salt businesses and farmers. Addressing a conference in Ha Noi on January 15, Vice Minister Diep Kinh Tan said, "Although the country has a long coastline which is favorable for salt production, the salt industry has failed to meet the domestic demand and salt farmers' life remains difficult."

This year, the ministry plans to devise a decree on salt production and business management in line with the nation's commitment to the WTO. In addition, it will take synchronous measures such as increasing investment in scientific research, technology transfer, infrastructure facilities and

environmental protection. Special attention will be paid to improving salt farmers' living conditions.

The salt industry, which employs almost 70,000 laborers in coastal communes, turned out 926,000 tonnes of salt last year, a year-on-year rise of 20 percent, according to the Department for Agro-Forestry Products Processing and Salt Industry. Salt quality has also improved with the expansion of clean salt production models.

However, the country still had to import almost 138,000 tonnes of industrial salt.

In 2008, the industry aims to raise its industrial salt output to around 420,000 tonnes, or 1.5 fold increase over last year's figure.

Source: VNA

## 2. FOOD SAFETY



### GTZ supports Hung Yen to develop safe vegetable zones

**Hanoi, 25 Jan 08:** The province of Hung Yen is implementing the project "Development of Vegetable value chain", supported by Fresh Studio Innovation Asia Co. and funded by GTZ, in order to improve production efficiency and quality of vegetable in the whole province.

Currently, the province has around 500ha of land for cultivation of safe vegetables and in the future this number will increase to 2,000ha.

To reduce risks, the farmers tend to intercrop 3-5 kinds of vegetables on the same field. The main vegetables being planted include tomatoes, bí xanh, cabbage, cucumber, kohlrabi, spinach (rau muong), pea and most of all is sweet cabbage.

Currently, the total amount of sweet cabbage that Hung Yen provides to its neighbouring localities, particularly hanoi, is estimated at around 12 ton/day.

Source: VNA

### 97% areas for vegetable planting in HCMC will be for safe ones

**TPHCM, 29 Jan 08:** HCMC will expanded the areas for planting safe vegetables from 9,000 ha in 2007 to 12,700 ha in 2008, accounting for 97% of the total planting vegetable areas in the locality.

HCMC's DARD will continue to mobilize farmers to sift crops structures; use new vegetable seeds of high quality, appropriate to market needs. The DARD will also open training courses and demonstrate technical models for farmers.

In 2008, the projects that apply GAP in the communes of Nhuan Duc and Xuan Thoi Thuong will also be implemented.

In 2007, the total amount of harvested vegetables by the city is more than 188,000 tons./.

Source: VNA

## 3. BILATERAL COOPERATION



### Viet Nam lauds IFAD's decision to set up rep. office

**Ha Noi, 16/01/08:** A leading government official has applauded the International Fund for Agricultural Development (IFAD)'s decision to set up a representative office in Viet Nam, saying that the establishment would help make bilateral cooperation more efficient.

Deputy Prime Minister Nguyen Sinh Hung made the remark in Ha Noi on January 16 while meeting with the visiting IFAD President Lennart Bage.

Deputy PM Hung thanked the UN in general and the IFAD in particular for their assistance to Viet Nam's efforts in poverty reduction and socio-economic development.

He said Viet Nam would make full use of the benefits brought by IFAD-funded projects as well as international organisations' supports to improve living standards for local people.

Lennart spoke highly of the achievements made by the Southeast Asian country in the improvement of living conditions, particularly for those in poor rural areas. He said Viet Nam was a good example in carrying out development activities.

After the meeting, in the witness of Deputy PM Hung, Lennart signed an agreement with a representative from the Ministry of Foreign Affairs to establish an IFAD office in Viet Nam.

Agreements on a non-refundable aid of 300,000 USD for Viet Nam's rural development strategy and a 35 million USD business development programme for poor rural people in the Mekong Delta province of Ben Tre and the northern mountainous province of Cao Bang were also signed by the IFAD president and representatives from the Ministries of Agriculture and Rural Development and the Ministry of Finance.

Source: VNA

## 4. NEW PROJECTS FOR THE SECTOR

### ADB finances irrigation project in Quang Binh



**Quang Binh, 21/01/08:** The Asian Development Bank (ADB) will provide a loan of 204 billion VND for central Quang Binh province to upgrade an irrigation work in Le Thuy - a rice basket district of the locality.

The 264 billion VND project is expected to help prevent floods and saline water from encroaching on rice cultivated areas.

The project is scheduled for completion by 2011, ensuring water supply for 41,000 ha of rice in 14 communes in Quang Ninh and Le Thuy districts.

Source: VNA

## 5. INTERNATIONAL ECONOMIC INTEGRATION

### Challenges ahead to agriculture

**Hanoi, 28 Jan 08:** Agricultural officials say the sector still faces numerous challenges. The Ministry of Agriculture and Rural Development says there are high production costs, a lack of an overall marketing strategy, insufficient raw materials and outdated technology.



The sugar industry is an example of an agricultural sub-sector using obsolete technology. Over the last decade, sugarcane productivity fell to as low as 55 tonnes per hectare per year, compared with 100 tonnes per hectare in developed countries.

Sugar mills have a low processing capacity of 1,000 tonnes of sugarcane a day, far below the average capacity of 8,000 tonnes in developed countries.

Other challenges are in small-scale production and poor processing and preservation technology, which make Vietnamese farm produce uncompetitive in the world market because of their failure to meet quality, food hygiene and safety standards set by WTO regulations.

Another problem is that more than 90 per cent of Vietnamese agricultural products have been exported in the form of raw materials or semi-processed, resulting in low economic value.

Meanwhile, rich countries in the WTO community have maintained subsidies for their agricultural products and have created barriers against imported farm produce to protect their commodities.

Source: Vietnamnews

### Mekong fruit growers join hands for high-quality produce

**HCM City, 14/01/2008:** As many as 95 percent of farmer members of five cooperatives in the Mekong Delta have been applying the Good Agricultural Practice (GAP) in the cultivation of fruit trees since early 2007.

They are members of the Tien River GAP Alliance management board, which said it has established a group responsible for selling fruits for those farmers, who grow mainly dragon fruits, mangro, grape fruits, mangosteen and orange in Long An, Tien Giang, Ben Tre and Vinh Long provinces.

The board will expand the GAP project to pineapple and mandarin orange growers in Dong Thap province this year.

The Tien River GAP Alliance is a non-governmental organization whose main objective is to coordinate the efforts of scientists, farmers and enterprises to produce high-quality fruits and vegetables that are competitive in domestic and world markets.

Source: VNA

### Communication ports to WTO launched in Ha Noi

**Ha Noi, 08/01/2008:** Three communication ports, which are expected to help Vietnamese agencies in making policies inline with WTO commitments, were launched in Ha Noi on January 8.

The TBT port (<http://www.tbtvn.org>) will provide information relating to technical barriers to trade, the SPS port (Sanitary and Phytosanitary) <http://www.spsvietnam.gov.vn>) will deal with food safety and hygiene and animal quarantine, and the WTO port (<http://wto.nciec.gov.vn/default.aspx>) will give information on WTO activities and related issues.

In his inauguration speech, Deputy Prime Minister Pham Gia Khiem, who is President of the National Committee on International Economic Cooperation, stated that those ports would also supply information on Viet Nam's implementation of WTO agreements.

The Deputy PM also said that those ports will also help enterprises to overcome trade and technical barriers in their business and production, especially in goods exports to regional and world markets.

"The ports will help improve the country's competitive capacity and sustainable growth in the current trend of international integration," the Deputy PM said.

The three communication ports were built with the support of the Multilateral Trade Assistance Project Viet Nam II (MUTRAP II), which was sponsored by the European Union.

Source: VNA

## 6. EXPORTS PERFORMANCE

### Rubber export turnover forecast to hit 1.5bn USD



**HCM City, 18/01/08:** Viet Nam is expected to rake in 1.5 billion USD from rubber exports this year due to growing demand for natural latex and increasing prices in the world market.

Le Quang Thung, President of the Viet Nam Rubber Association (VRA), told a conference that was held in Ho Chi Minh City on January 18 to launch the association's plans for 2008. Thung said the price of exported rubber latex now stands at 41 million VND (roughly 2,560 USD) per tonne – the highest price to date.

The country has been eager to grow high-yield rubber varieties and apply new farming techniques in an effort to raise average output to 2.5 tonnes per ha in 2015 and 3 tonnes per ha in 2020 from the current 1.6 tonnes per ha.

At the meeting, participants agreed that in 2008 the association would focus on market research, helping local businesses improve product quality, and register national trademark protection for prestigious enterprises. In addition, VRA will also increase trade promotion activities, send delegations abroad to inquire experiences, and seek opportunities to cooperate with foreign partners.

Source: VNA

### Agricultural export – some figures

**Hcm City, 28 Jan 08:** Although the agricultural sector has had more opportunities to access the global market and increase farm produce exports, challenges remain one year after Viet Nam entered the World Trade Organization, according to the Ministry of Agriculture and Rural Development.

The country's exports of agricultural, forestry and fishery products reached US\$4.19 billion in 2000, and soared to more than US\$12 billion in 2007, the first year after joining the world trade body.

The agricultural sector saw a sharp increase in export turnover in 2007 due to entry into the global market. Several commodities earned an export value of more than US\$1 billion.

They included coffee (US\$1.7 billion), fisheries (\$3.6 billion), processed wood products (\$2.5 billion), rubber (\$1.4 billion) and rice (\$1.4 billion).

Source: Vietnamnews

### Agro-forestry and seafood exports hit 12.5 billion USD

**Ha Noi, 04/01/08:** Viet Nam fetched 12.5 billion USD from agro-forestry and seafood exports in 2007, a year-on-year increase of 20.6 percent, according to the Ministry of Agriculture and Rural Development.

Agro-forestry exports contributed 8.7 billion USD while the remaining 3.8 billion USD came from the fisheries sector.

Almost key export staples recorded rise in both volume and value. Coffee shipments, for example, hit 1.2 million tonnes in volume and 1.86 billion USD in revenue, representing year-on-year rises of 22 percent and 52 percent, respectively.

Meanwhile, latex exports recorded 719,000 tonnes in volume and 1.4 billion USD in turnover (year-on-year increases of 2 percent and 9 percent); cashew nuts, 153,000 tonnes and 649 million USD (20 percent and 29 percent); and tea, 114,000 tonnes and 131 million USD (8 percent and 18 percent).

Rice and pepper exports declined in volume but recorded rise in value due to export price hike. The country fetched 1.46 billion USD from shipping

abroad 4.5 million tonnes of rice, up 14 percent in revenue but down 3 percent in volume as compared against 2006.

Pepper shipment recorded 86,000 tonnes in volume and 282 million USD in value, representing a decrease of 27 percent and increase of 48 percent year-on-year, respectively.

Other currency earners include fruits and vegetables (299 million USD) and rattan and bamboo products and carpets (218 million USD).

Source: VNA

### Seafood catch surpasses 2 million tonnes in 2007

**Ha Noi, 04 Jan 08:** Viet Nam netted more than 2 million tonnes of marine products in 2007, a year-on-year rise of 3 percent, said the Ministry of Agriculture and Rural Development.

The rise in seafood output was attributed to favourable weather, said fisheries experts.

However, the number of fishing vessels in 28 coastal provinces has remarkably reduced since early December due to the impact of rising world petrol prices.

Hence, there are only 500 vessels left in the southern province of Bac Lieu compared with 1,000 in November. Rising prices of petrol and fishing facilities are also challenging nearly 7,000 fishing households who own almost 3,600 vessels in Ca Mau province.

In 2008, the country's marine product output is projected to reach 2.2 million tonnes, a 6.6 percent increase from 2007.

Source: VNA

### Cashew nut accounts half of world market share

**Ha Noi, 03/01/08:** Viet Nam's cashew nut posted a growth rate of 30.8 percent in export value in 2007 and is currently holds 50 percent of the world market share, according to the Ministry of Industry and Trade.

The export volume and value increased from 127,000 tonnes, equivalent to 504 million USD in 2006 to 155,000 tonnes and 640 million USD, respectively, in 2007.

Cashew nut export price is forecast to stand at 4,400-4,500 USD per ton in 2008.

According to the Plantation Department under the Ministry of Agriculture and Rural Development, the country currently has 437,000 ha of cashew nut trees.

The department has asked the Government and relevant agencies for assisting farmers in growing cashew trees, increasing the plantation area to 450,000 ha in early 2010 an improving the productivity to 3-4 tonnes per ha to double the world's average output.

Source: VNA



## Viet Nam still largest pepper exporter in 2008

**Ha Noi, 17/01/08:** to the Viet Nam Pepper Association, the country will continue to be the world largest pepper exporter this year.

The prediction is based on the association's survey that showed that Central Highlands Gia Lai, Dak Lak and Dak Nong provinces are able to give larger amount of pepper.

It's expected that the country's total pepper output will be 90,000-100,000 tonnes this year.

Last year, pepper sector posted a record export value of 268 million USD, a year-on-year increase of 29 percent despite a 42 percent fall in volume.

Pepper price in the world markets is still going up early this year as processors keep buying in raw material.

Source: VNA

## 7. FOREIGN DIRECT INVESTMENT

### Investment blues for agriculture

**Hanoi, 28 Jan 08:** Agricultural investment in recent years has been small and haphazard.



In the last five years, the total investment for agricultural development reached more than VND113 trillion (US\$7.06 billion), or 8.7 per cent of the State's total investment. However, that amount met only 17 per cent of capital demand.

Foreign direct investment (FDI) capital also has remained modest. By June 2007, FDI flow into the agricultural sector was US\$1.9 billion, 6.33 per cent of total foreign investment.

Rural areas still lag far behind urban areas in social and economic development. Farmers' living conditions remain low, the rural environment has become heavily polluted and the gap between the rich and the poor, urban and rural areas, has widened drastically.

To properly integrate into the WTO, ministry officials stressed, the agricultural industry has to be restructured to increase economic efficiency.

Major efforts in planning agricultural production and further investment in developing farm production, processing and quality are essential to ensure Vietnamese farm products are attractive in the global market.

Source: Vietnamnews

## 8. MEETINGS/WORKSHOPS



### MARD held workshop on climate change

**Hanoi, 11 Jan 08:** MARD already held the workshop "Towards an

Action Plan for Climate Change Mitigation and Adaptation in ARD Sector. It was chaired by MARD Minister Cao Duc Phat and Mr. Christophe Bahuët, UNDP Deputy Resident Director in Vietnam.

The workshop was participated by various GoV agencies involved in climate change activities and environmental protection. Many international organization representatives also attended the workshop.

The main objective of the workshop was to consult with the whole community on the draft proposal and roadmap for formulation of MARD's Action Plan for climate change mitigation and adaptation in ARD sector and also to seek technical support for such formulation.

The workshop listened to a lot of presentations, providing useful information relating to impacts of climate change, globally in general and in Vietnam in particular.

Further information about representations and reports would be obtained by contacting the Standing Office of the MARD Steering Committee on formulation of the Climate change action plan (email: [hathuancwe@hn.vnn.vn](mailto:hathuancwe@hn.vnn.vn)).

Source: MARD

### Viet Nam attends agricultural exhibition in Berlin

**Berlin, 21/01/08:** Viet Nam has joined more than 1,500 representatives from 52 countries to attend an agricultural exhibition in Berlin, Germany.

The Vietnamese businesses display palm-leaf conical hats, traditional foods, fruits and wine, with hats and blue dragon fruits at four stalls drawing special attention from visitors.

Vu Chi Tho, owner of a Vietnamese restaurant set up the exhibition, said the event offers a good chance not only for business operations but also for promoting Vietnamese culture.

The exhibition, which is expected to draw around 400,000 visitors, will run through January 27.

Source: VNA

### PM: agricultural restructuring must ensure food security

**Ha Noi, 07/01/2008:** Agricultural restructuring must ensure food security and jobs for labourers, said Prime Minister Nguyen Tan Dung.

The Prime Minister gave the instruction to the agricultural sector at a conference of the Ministry of Agriculture and Rural Development in Ha Noi on January 7 to launch the 2008 plan.

PM Dung stressed that agriculture, though contributing only 20 percent of the Gross Domestic Product (GDP), is the foundation for stability as 72 percent of the country's population live in rural areas.

The PM asked the sector to focus its efforts on restructuring farm production to fulfill the plan for

this year and the 2006-2010 plan in the long term. He also stressed the need to apply scientific and technological advances to improve quality of farm produce.

Looking back the year 2007, PM Dung noted that the country faced many challenges posed by WTO membership, price hike, natural disasters and epidemics, but per capita income in the agricultural sector and rural areas increased 6.6 percent and the poverty rate among households in rural areas reduced by 2 percent.

**Source:** VNA

## 9. NEW PUBLICATIONS

### Viet Nam's economy to grow at 8.2 percent in 2008, says WB



**Ha Noi, 10/01/2008:** The World Bank (WB) has launched the Global Economic Prospects 2008 (GEP 2008), saying that Viet Nam's economy will grow at 8.2 percent in 2008 and 8.3 percent in 2009.

The WB report, released on January 9, said that resilience in developing economies is cushioning the current slowdown in the United States, with real GDP growth for developing countries expected to ease to 7.1 percent in 2008, while high-income countries are predicted to grow by a modest 2.2 percent.

GDP in East Asia and the Pacific is expected to grow at 9.7 % in 2008 and 9.6 % by 2009, the WB said, adding that the effects from the turmoil in the world's financial centres may be small in most economies in the region.

The WB also said that developing countries, including Viet Nam, should enhance their ability to absorb technologies to ensure further economic growth in the future.

**Source:** WB web-VNA

### List of major legal documents issued in January 2008 concerning agricultural and rural development sector.

(Please visit our website to download at  
<http://www.isgmard.org.vn/Information%20Service/Legal%20docs/Legaldoc-list-e.asp>)

Source: ISG Secretariat

#### Free legal update services from other sources:

1. Allens Arthur Robinson - Vietnam Legal Update  
[http://www.vietnamlaws.com/vietnam\\_legal\\_update.aspx?year=2007](http://www.vietnamlaws.com/vietnam_legal_update.aspx?year=2007)
2. Vision and Associates - Vietnam Legal News  
[http://www.vision-associates.com/Legal\\_News\\_Updates\\_2007.htm](http://www.vision-associates.com/Legal_News_Updates_2007.htm)
3. Intellasia News Services - Vietnam laws and legal news  
<http://www.intellasia.com/legal.shtml>
4. Intellasia News Services - Vietnam latest promulgated legal documents  
[http://www.intellasia.com/new\\_laws.shtml](http://www.intellasia.com/new_laws.shtml)
5. The International Support Group  
<http://www.isgmard.org.vn/Information%20Service/Legal%20docs/Legaldoc-list-e.asp>

#### Web sites with free online full text legal documents:

##### In Vietnamese:

1. Office of the National Assembly >> Law Database:  
<http://www.vietlaw.gov.vn/>
2. Government of Vietnam - Legal Documents:  
[http://www.chinhphu.vn/portal/page?\\_pageid=33,638897&\\_dad=portal&\\_schema=PORTAL](http://www.chinhphu.vn/portal/page?_pageid=33,638897&_dad=portal&_schema=PORTAL)
3. Ministry of Justice - National Legal Database:  
<http://vbqpp1.moj.gov.vn/>
4. Draft laws for public comments:  
<http://duthaonline.quochoi.vn/>
5. Drafts decrees and other legal documents for public comments:  
<http://www.chinhphu.vn>

##### In English:

1. Ministry of Justice - Law Database  
<http://vbqpp12.moj.gov.vn/law/en/index.html>
2. ASEM Connect Vietnam  
[http://asemconnectvietnam.gov.vn/luatasem\\_out/law\\_page1.aspx](http://asemconnectvietnam.gov.vn/luatasem_out/law_page1.aspx)
3. Ministry of Planning and Investment <http://www.mpi.gov.vn> >> English >> "Legal documents issued by MPI"
4. Doing Business Law Library by World Bank Group  
<http://www.doingbusiness.org/LawLibrary/>
5. Ministry of Finance <http://www.mof.gov.vn> >> English >> "Recent legal documents on financial issues"
6. Phillips Fox - Some Vietnam legislative documents  
[http://www.vietnamlaws.com/vietnamlawsonline\\_freeversion.aspx](http://www.vietnamlaws.com/vietnamlawsonline_freeversion.aspx)

---

#### More details, please contact:

**Mr. Ngo Gia Trung**  
Communication and Information Officer  
ISG Secretariat  
Tel: 04-7336757  
Mobile: 0912-074-587  
Email: [isginfo@fpt.vn](mailto:isginfo@fpt.vn)