

VIETNAM PROFILE

Main seafood products and export trends

Vietnam's seafood exports have expanded sharply in recent years, reaching approximately US\$ 8 billion in value, and 6.8 million tonnes by weight in 2014 (an increase of some 40% in the five-year period since 2009). It has now become one of the world's top five global seafood producers and exporters.

The main seafood products in Vietnam are pangasius, tuna, shrimp and marine fish. By value, the structure of export products in 2012 was frozen shrimp (36.5%), pangasius (28.4%), other fish (14.5%), molluscs (9.5%), tuna (9.3%), and other crustacea (1.9%). By value, the EU accounted for some 18.5% of all seafood exports. The country is also an important producer of processed products.

Around a million metric tonnes (MT) of pangasius is harvested in some 5,500 hectares. In 2014, pangasius exports reached US\$ 1.7 billion, up 0.4% on the previous year, and accounting for more than a quarter of all seafood exports. The EU was the largest pangasius importer, accounting for over 19% of all Vietnamese seafood exports, followed by the U.S.

Vietnam has over 600,000 hectares of shrimp farming, with the two main species of black tiger shrimp and whiteleg shrimp. It is the world's leading producer of black tiger shrimp, now reaching some 300,000 MT per year. Overall shrimp exports in 2014 reached US\$3.95 billion, up 27% over the previous year. Whiteleg shrimp exports doubled those of black tiger shrimp to reach US\$ 2.3 billion, up 46.3% over 2013.

Tuna fisheries have developed quite rapidly in recent years, rising ten times in value between 2000 and 2011, as Vietnam has been increasing its influence in offshore areas and focusing on high value species¹. The export volume has exceeded domestic tuna catch since 2007. In 2014, Vietnam earned US\$ 484.2 million from its tuna exports to 97 different markets. The U.S., EU and ASEAN countries were the top three global markets. Vietnam's tuna resources are estimated at over 600,000 MT, with skipjack as the major species, accounting for more than half the total pelagic fish stocks. Skipjack tuna is caught year-round, while yellowfin and bigeye tuna are caught during the six month period from December to June. In 2011, there were 2,521 fishing boats with engines of higher than 50 HP.

Other significant seafood exports include cephalopods, crab, surimi and bivalve molluscs. The Vietnamese Association of Seafood Exports and Producers (VASEP) provides detailed export statistics for all of these seafood products on a quarterly basis.

By 2013, there were 567 recorded seafood processing plants, some 450 of which were qualified for exporting to the EU. Many of these products (with a value-added

¹ Data taken from Than Viet Nguyen, *Vietnamese Tuna Fisheries Profile*, Western and Central Pacific Fisheries Commission (WCPFC)/Department of Capture Fisheries and Fisheries Resources Protection (DECAFIREP), Hanoi, November 2012. [https://www.wcpfc.int/system/files/PLI-VNM-03-%5BConsultancy-report-\(Y3\)-Vietnam-Tuna-Fishery-Profile-Nov2012%5D.pdf](https://www.wcpfc.int/system/files/PLI-VNM-03-%5BConsultancy-report-(Y3)-Vietnam-Tuna-Fishery-Profile-Nov2012%5D.pdf)

ratio estimated at a minimum of 45%) are accepted by big supermarket chains in the EU, Japan and the US.

Seafood exports to UK

In recent years the bulk of UK imports from Vietnam have been shrimp and processed shrimp, followed by smaller amounts of crab, tuna, *Nephrops*, cod and haddock. By value, the respective amounts for 2014 were: warm water shrimps and prawns (over UK£ 25 million); prepared and preserved shrimps and prawns (just over UK£ 16 million); crabs (just over UK£ 3 million); tuna (almost UK£ 1.3 million); *Nephrops* (almost UK£ 600,000); cod (UK£ 432,000); and haddock (UK£ 207,000). Altogether, UK imports from Vietnam were the 12th largest in 2013 (over 24,500 tonnes valued at over UK£ 80 million).

Employment in seafood

The total labour force in Vietnamese fisheries has been estimated at around 4.5 million, some 670,000 of these in aquaculture.

In the tuna industry, it has been estimated that between 8 and 10 persons work on each fishing boat. With a total capacity of some 1,900 tuna vessels in 2012, this would amount to between 16,200 and 19,000 persons employed in tuna fishery.

Seafood processing has generated considerable employment over the past two decades, some three quarters of this for women. While recent figures could not be found, earlier analysis points to the importance of this industry for job creation and poverty alleviation².

Human trafficking and forced labour indicators, rankings and reports

Vietnam is ranked in Tier 2 in the U.S. Government's 2015 Trafficking in Persons³ (TIP) report. It is identified as a major source country for men, women and children subjected to sex trafficking and forced labour within the country and abroad. Fishing is only mentioned specifically with regard to employment abroad. The report mentions that some Vietnamese migrate abroad for work independently or through state-owned, private or joint-stock labour export recruitment companies; and that some are subsequently subjected to forced labour in a range of economic sectors including fishing, in Asian and other destination countries.

Vietnam is ranked No. 89 in Australia-based Walk Free Foundation 2014 *Global Slavery Index*⁴ with an estimated 322,200 persons in modern slavery. It highlights that Vietnam adopted a comprehensive anti-trafficking law in 2012.

² Eg. Dao Thanh Hong and Quan Vu Le, "Analysis of policy changes in the seafood processing industry in Vietnam", *Pacific Economic Review* 13:5 (2008), pp. 521-549.

<http://onlinelibrary.wiley.com/doi/10.1111/j.1468-0106.2008.00417.x/abstract>

³ United States Trafficking in Persons Report 2015 <http://www.state.gov/j/tip/rls/tiprpt/>

⁴ Global Slavery Index 2014 http://d3mj66ag90b5fy.cloudfront.net/wp-content/uploads/2014/11/Global_Slavery_Index_2014_final_lowres.pdf

Human rights NGOs have documented cases of severe labour abuse in other sectors of Vietnam's export economy, particularly garments⁵. No NGO reports have yet come to light, alleging such violations within the fishing or seafood industry in Vietnam itself. However, concerns have been expressed internationally about low wages in Asian shrimp production relative to subsistence needs, in Asian countries including Vietnam. In September 2014, the Netherlands-based NGO *Fairfood* published a report on this subject⁶. While focusing mainly on Thailand, it also addressed concerns in Vietnam and elsewhere. In Vietnam, as in India and Thailand, it claims that average wages in the shrimp industry are only some 70% of the "living wage".

Ratification of international human rights and labour instruments

United Nations treaties and procedures

Vietnam has ratified the majority of the UN's main human rights instruments, including:

- International Covenant on Civil and Political Rights (1982)
- International Covenant on Economic, Social and Cultural Rights (1982)
- International Convention on the Elimination of All Forms of Racial Discrimination (1982)
- Convention on the Elimination of All Forms of Discrimination against Women (1982)
- Convention on the Rights of the Child (1990)
- Convention against Torture and other Cruel Inhuman or Degrading Treatment or Punishment (2015).

Vietnam has also accepted a number of visits by UN experts under its special procedures, addressing different thematic human rights concerns, and formulating recommendations.

International Labour Organization (ILO) Conventions⁷

Vietnam has ratified 18 ILO Conventions (17 of which are still in force), including five of the ILO's eight core human rights Conventions. These are one on forced labour, two on child labour and its worst forms, and two on equality of treatment and non-discrimination at the workplace. The ILO's country office in Hanoi states that the Ministry of Labour, Invalids and Social Affairs (MOLISA) has recently put forward a Roadmap for ratifications of ILO Conventions, in which it planned to review the two core Conventions on freedom of association and collective bargaining. Besides the general review of relevant ILO Conventions, Vietnamese constituents (employers' organisations and trade unions) have sought ILO technical guidance as to how various ILO Conventions could assist national legal reforms on issues including trade union rights and the Labour Code.

⁵ An example is the report *Labor Rights Violations in Vietnam's Export Manufacturing Sector*, Workers' Rights Consortium, US, May 2013. http://www.usfashionindustry.com/pdf_files/WRC-Report-Vietnam.pdf

⁶ *Caught in a Trap: The story of poverty wages behind Asian shrimp sold in European supermarkets*, Fairfood International, Amsterdam, 2014. <http://www.fairfood.org/wp-content/uploads/2015/04/Caught-in-a-trap.pdf>

⁷ The International Labour Organization's Fundamental Conventions http://www.ilo.org/wcmsp5/groups/public/--ed_norm/--declaration/documents/publication/wcms_095895.pdf

Fisheries policy and management

There are four main fishing areas in Vietnam: the Gulf of Tonkin, shared with China; the Central area; the South-eastern area; and the South-western area (part of the Gulf of Thailand), shared with Cambodia and Thailand. Fishing zones are further divided into inshore, coastal and offshore zones. Vietnamese marine fisheries are regulated according to the size of the boat engine and location of the fishing activity, and the procedure for obtaining licenses is considered to be relatively straightforward.

Since 2007 the earlier ministry of fisheries has become a Directorate in the Ministry of Agriculture and Rural Development (MARD). The General Fisheries Office (usually referred to as the Directorate of Fisheries – DOF) has a number of sub-departments covering issues including: international cooperation, aquaculture, inspection, capture fisheries and resource protection, a fisheries information centre, and the Vietnam Institute of Fisheries Economics and Planning (VIFEP). A quality assurance department (NAFIQAD) has a key role in certification and traceability, including at the factory level. Moreover, a Vietnam Certification Centre (QUACERT) is authorised to provide services including certification of management systems to international standards, as well as the development of national certification labels. Its certifications such as VietGap are approved internationally.

Two agencies are responsible for monitoring, control and surveillance in Vietnam's sea area. The Vietnam Marine Police is the country's coastguard, providing protection and assistance to fishers where necessary. Fisheries inspection, falling under the Directorate of Fisheries, had 92 patrol boats in 2012 with a total capacity of 21,000 HP.

At the level of seafood producers and employers, there are organisations providing high quality information and statistics. The Vietnam Association for Seafood Exporters and Processors (VASEP), unites some 80% of these companies, and is generally seen as far stronger than any similar body in other Asian countries. It conducts lobbying activities for its members on government policies, and also increases the visibility of Vietnamese seafood in international markets.

Vietnam has adopted some long range policies for the seafood sector and its sustainability, covering both overall fisheries and aquaculture through to 2020. As described by a paper prepared for Canada's Research Council in 2012, these have some difference in emphasis⁸. The overall fisheries policy appears to lay emphasis on large-scale aquaculture enterprises for industrial production, likely to imply some loss of employment, and a shift away from the community-based aquaculture that has been a feature of Vietnamese production.

Overall Risk Assessment

Available data suggests that the overall risk assessment for Vietnam, at least with regard to serious forms of labour abuse in seafood production, is medium to low.

⁸ Matthew Gaudreau, Laurel Schut and Ann Wilkings, *Fisheries Transitions in Vietnam: a Path Towards (un)Sustainability?*, Working Paper No. 1, Social Sciences and Humanities Research Council of Canada, 12 May 2012. https://melissamarschke.files.wordpress.com/2012/02/fisheries-transitions-in-vietnam_final.pdf

Though quite significant levels of trafficking for both labour and sexual exploitation have been documented by such sources as the US TIP reports, these have not been identified specifically in the seafood industry.

A key factor is the essential absence of migrant workers in the seafood industry. Though abuses have been documented by labour brokers, these relate mainly to Vietnamese workers seeking work abroad. The Government has been taking steps to improve protection for Vietnamese migrant fishers in the deep water fisheries (DWF) of other countries, for example on Taiwanese and Taiwanese-flagged vessels.

Some concerns have been expressed about employment conditions, particularly wage levels, in the rapidly growing aquaculture and seafood processing industries. There are indications that Government policies will give continued priority to their modernisation, and their concentration into larger production units. No reports have come to light about abusive contractual systems. But UK importers should be watchful about working conditions in this highly dynamic sector. They are advised to document working hours and wage rates, comparing these with the real cost of living. They should also be alert to policies and ongoing policy reforms on freedom of association and trade union rights, and the extent to which there may be attempts to create independent worker organizations in the seafood processing sector. This may be a low risk area at present, but should be identified as potential risk in broader horizon scanning.

For further information

- **United States Trafficking in Persons Report 2015** <http://www.state.gov/j/tip/rls/tiprpt/>
The Department places each country in this Report onto one of four tiers, as mandated by the Trafficking Victims Prevention Act (TVPA). This placement is based more on the extent of government action to combat trafficking than on the size of the country's problem. The analyses are based on the extent of governments' efforts to reach compliance with the TVPA's minimum standards. Tier one is the best ranking and Tier 3 the worst.
- **Global Slavery Index 2014** http://d3mj66ag90b5fy.cloudfront.net/wp-content/uploads/2014/11/Global_Slavery_Index_2014_final_lowres.pdf
The Global Slavery Index estimates the prevalence of modern slavery country by country, the absolute number by population, how governments are tackling modern slavery, and what factors explain or predict the prevalence of modern slavery. Rankings range from 1 to 167 - with 1 the worst and 167 the best, in terms of the prevalence of the population in modern slavery. This is based on three factors: estimated prevalence of modern slavery by population, levels of child marriage and levels of human trafficking into and out of the country. This gives a 'weighted measure'.
- **The International Labour Organization's Fundamental Conventions**
http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_095895.pdf
Ratifications of fundamental Conventions and Protocols by country
http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:10011:0::NO::P10011_DISPLAY_BY,P10011_CONVENTION_TYPE_CODE:1,F

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