

VIETRADE - Vietnamese food production industry has great potential to further develop, thanks to the country's large population, experts have said.

Chau Thinh Lan, Director of Viet An Food Processing Ltd Company said domestic food consumption trends in the near future will move toward processed foods rather than traditional food production methods.

In large cities, processed food was available in supermarkets and these would sell at traditional markets while they would appear gradually in small cities, Lan said at the recent forum on the food industry in HCM City.

Besides processed food, dairy products, especially health-related ones, would have many opportunities of development in the time to come, Lan said.

He added that the segment of instant food products still had great potential thus small enterprises could enter the promising segment by selling these products at supermarkets, he said.

However, Lan acknowledged that undeveloped system of supplying domestic raw material for food products presented the biggest challenge for the food production industry.

Sharing Lan's opinion, Le Viet Thang from VianBeco Joint Stock Company added that domestic food production industry also faces a huge difficulty of insufficient research and development (R&D).

According to experts, that local enterprises in the food production sector made smaller investment into R&D than those in other industries such as electronics.

Dang Thi Phuong Ninh, Deputy General Director of Vissan Company, said there were other challenges such as food hygiene and safety, capacity and quality, requiring local enterprises to focus on R&D and revamping their technology.

The General Statistics Office (GSO) said in its recent report that Vietnamese people were spending three times as much money on food as they did in 2004.

GSO statistics showed that the average person's spending on food and foodstuffs in 2015 was VND5.6 million (US\$250) per year, three times the amount of 2004.

GSO also revealed that the total expense on food of Vietnamese people had risen from nearly VND360 trillion in 2010 to VND520 trillion in 2015.

The average expense on food and foodstuffs per person per month in 2015 was VND470,000, GSO said. This number was twice as high in major cities.

Meanwhile, Ministry of Industry and Trade (MoIT) forecast that Vietnam's food consumption was expected to grow by 5.1% annually to an estimated US\$29.5 billion by 2016.

The forecast also pegged food consumption per capital growing to VND5.8 million (about US\$276) by 2016, reflecting an increase of 4.3%.

The expected growth was a result of consumers' increasing income and the development of the retail industry./.