

VIETRADE - Vietnamese lychee has successfully penetrated some difficult markets such as the US, Australia, etc. However, lychee export enterprises are facing a number of problems including quarantine and irradiation procedures as well as freight and warehouse charges in Vietnam. This is the main content mentioned in the meeting in Hanoi in the afternoon of 7 June 2016 between Vietnam Aviation Department and Hoang Ha International Logistic and representatives of relevant agencies which support businesses to export lychee by airway.

Several difficulties and challenges

Ms. Dang Thi Thanh Hai, Deputy Director of Hanoi branch, Hoang Ha International Logistic stated in the meeting that so as to be accepted by Australia market, Vietnamese lychee is required to meet radiation sterilization technical requirements (including a closed circle from lychee irradiation, checking, security monitoring, scanning, packaging, container uploading and assurance stamping) before exporting and airway transportation . However, as the irradiation facilities in Hanoi were newly established the operation and coordination of security monitoring and scanning are lack of standard procedures.

Ms. Dang Thi Thanh Hai also stated that “the Australian quarantine agency requires security monitoring and irradiation stamps, security stamps to be attached on the containers after irradiation to get on airplanes to Australia. Aviation security is not allowed to unseal the containers until local authorities open them, otherwise they will be forbidden from importing to Australia. Nevertheless, currently Noi Bai airport requires security check, apart from irradiation which removes the stamps and breaks regulations of the importer.”

In order to create favorable conditions for successful export of Vietnamese lychee to Australian market, Hoang Ha company suggested the Aviation Department to allow the aviation security unit to send its representatives to the irradiation facilities in Hanoi for security monitoring, stamping after irradiation and transporting to Noi Bai as practising in Ho Chi Minh city.

Beside the above problems, there exist other difficulties including freight, warehouse and air transportation charges, etc.

Ms. Dang Thi Thanh Hai said, warehouse and transportation charges contribute significantly to lychee price, which reduce Vietnamese lychee's competitiveness compared to products from Thailand and China in Australia market. As a result, Hoang Ha company suggested the Aviation Department to take prompt action to consider and support agriculture export enterprises in addressing challenges related to airway transportation and exports.

Determination to create favourable conditions for successful lychee export

In response to suggestions of Hoang Ha company, Mr. Pham Anh Tuan, Deputy Director of Noi Bai international airport claimed that the security check requires modern equipment and facilities in order to ensure international practices and existing standards. Noi Bai cargo terminal is equipped with modern equipment and facilities, therefore scanning results will be more precise at site. With products carried in containers, cargo screening should be performed in Noi Bai Cargo terminal and Noi Bai international airport will provide the most favourable conditions to this year's lychee season for custom clearance. Mr. Pham Tuan Anh also stated that Irradiation center in Hanoi remains new and lack of human capital and facilities. As a result, the center needs more time to fulfil the deficiency. According to Mr. Pham Anh Tuan, cargo scanning still needs to be performed in Noi Bai Cargo terminal instead of Irradiation center in

Hanoi.

On the other hand, Mr. Nguyen Van Linh, Security Chief of Vietnam Aviation Department believes that cargo scanning and security check outside prescribed area is possible. Hoang Ha company and representatives of Noi Bai international airports need an early discussion to agree on a suitable standardized clearance procedure for this lychee season.

Mr. Le Nhat Thanh, Representative of Plant Protection Department (Ministry of Agriculture and Rural Development) worried that, lengthy duration of formulating regulations on inspection and security monitoring will badly affect the exports of Vietnamese enterprises.

Mr. Le Nhat Thanh emphasized that “any regulation should be developed in timely manner because lychee is seasonal; otherwise, the work of farmers and companies will be wasted.” And Mr. Thanh commented that lychee season is coming and it is a seasonal fruit, therefore, regulations on inspection and security monitoring at irradiation sites should be developed based on what enterprises are practicing in Ho Chi Minh city and with the spirit of learning by doing and supporting enterprises.

On the part of Plant Protection Department, Mr. Thanh said they have just had a meeting with relevant stakeholders on solutions to lychee export, which decided that fresh lychee exported by airway will be quarantined free of charge.

At the meeting, Mr. Nguyen Huy Cuong, Deputy Director of the Vietnam Aviation Department stated that, lychee season is very short, if the difficulties are not solved tensely; it will be hard for farmers and export enterprises to find markets for their products. Therefore, Mr. Vo Huy Cuong believed that it is necessary to take all possible measures to support agriculture export companies. At the same time, Mr. Nguyen Huy Cuong will supervise and speed up, assign Security and advisory department in coordination with the irradiation center of the Ministry of Science and Technology, to establish testing regulations, security monitoring at irradiation center, and research the security screening method in Noi Bai.

Mr. Nguyen Huy Cuong also stated that, Aviation Department will issue written guidance to all units under the management of Vietnam Aviation Department to require ultimate support to lychee export enterprises.

Besides, the Department also requires Vietnam Airlines and warehouse companies operating at Noi Bai International Airport to find solutions for freight and warehouse cost reduction for agriculture enterprises and to discuss and develop the most suitable win-win solution for both sides so as to ensure timely export of lychee products to the world in this season and confirm the brand-name of Vietnam fruit specialties.

Representative of Vietnam Airlines marketing department stated that in order to support export price of Vietnam lychee, Vietnam Airlines will reduce 30% of transportation cost for this product in all of its direct flights to Australia.