

VIETRADE - Vietnam's food processing industry was offering huge investment potential for domestic and foreign investors, according to the Ministry of Industry and Trade.

Speaking at an investment promotion conference held recently in HCM City, Deputy Minister of Industry and Trade Ho Thi Kim Thoa agreed that there remained huge opportunity for investors entering the sector.

Thoa predicted that in the next 20 years, local demand for food would continue to increase, especially for high-quality processed products.

Besides the promising picture of the domestic market, there was also huge potential for exports, she said, adding that Vietnam had become one of the world's largest exporters of many farm produce such as rice, coffee and cashew for many years.

Last year, the country generated US\$30.14 billion from agricultural, forestry and seafood exports. The exports were expected to reach US\$31 billion next year.

With such existing investment and co-operation opportunities, the deputy minister said she

believed that foreign investors should not miss the opportunity to exploit Vietnam's food industry. She also called on Vietnamese businesses, organizations and localities to take initiative in seeking foreign investment in the sector.

Bui Huy Son, director general of the Trade Promotion Agency under the Ministry of Industry and Trade, said Vietnam was emerging as one of the most attractive investment destinations for the food industry, thanks to a large market of over 90 million and food consumption projected to grow at 18.6% annually until 2019 beside to abundant raw materials, the Government's investment incentives and export advantages arising from free trade agreements.

Absorbing more investment, especially from foreign enterprises, into the food processing sector, meanwhile, could help Vietnam update advanced technology to improve products' quality, sharpen their competitiveness and deeply access to the global food production chains, Son said.

Dang Xuan Quang, deputy director of the Ministry of Planning and Investment's Foreign Investment Agency, said the country had to date lured total investment of US\$290.6 billion. Of the total, only US\$7.6 billion was pumped into the food processing industry. Most of the foreign investors came from Asian countries like Thailand, Taiwan, Malaysia, the Republic of Korea, and mainland China.

In order to facilitate foreign investors which invested in the industry, Vietnam had issued a

series of incentives in income tax, land rental and support for developing raw material zones, he said.

Vietnam News Newspaper cited Claudio Dordi, the technical assistance team leader of the European Trade Policy and Investment Support Project (EU-Mutrap) as saying that the increasing demand for hygiene and food safety made it a good opportunity for firms with an technological edge to invest in the Vietnamese food sector.

A report from the Ministry of Industry and Trade revealed that the food market grew at 5.1% from 2011-2016, resulting in rising interest from foreign investors./.