

**PACA Exercise in the
Pangasius (Catfish) Value
Chain in An Giang, Viet Nam
(December 2004)**

Christian Schoen
cs@mesopartner.com
March 2006

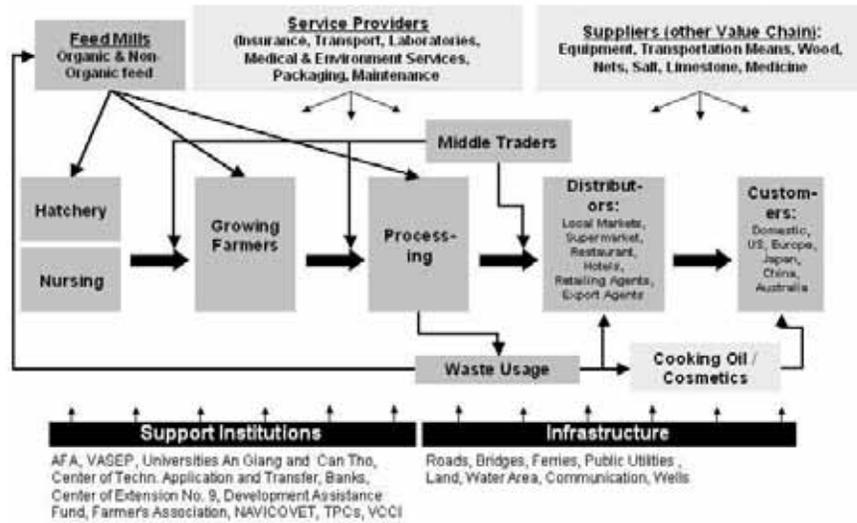
In December 2004 we conducted the first two PACA exercises in Viet Nam, one of the two along the pangasius (catfish) value chain in An Giang province located in the Mekong Delta in Southern Viet Nam. This PACA exercise was conducted in the course of GTZ's previous SME promotion project in Viet Nam.

Catfish from Viet Nam is also called pangasius and comes in the varieties *basa* and *tra*. It attracted international attention in recent years through an US anti-dumping case (US-Vietnamese catfish trade war). Vietnamese catfish exports to the United States fell by 50 percent as a result of US anti-dumping duties of up to 64 percent that have been in force since June 2003. However, the Vietnamese industry easily adjusted finding alternative markets such as the EU and Australia.

The catfish value chain PACA followed the typical sequence of a PACA project. The major difference to a typical territorial PACA exercise have been the consequent value chain perspective deployed by the PACA team, particularly focusing on the interlinkages between the different elements within the value chain and the involvement of distributors (in Ho Chi Minh City) and researchers (in neighbouring provinces) outside the main PACA location An Giang. In order to understand and visualize the structure of the catfish value chain, a value chain map has been drafted by the PACA team and continuously refined during fieldwork. Since this kind of value chain map did not exist before, it can be considered a first essential result of the PACA exercise.



Map of the Pangasius Value Chain in the Mekong Delta



The PACA team translated the relevant information collected during fieldwork (interviews, mini-workshops) into problems as well as opportunities in each of the following sub-sectors:

- Nursery/ Hatchery
- Fish Farming
- Fish Processing
- Distribution
- Feed production and supply
- Supporting Services
- Supporting Institutions

Apart from sub-sector specific issues, the PACA exercise identified a variety of cross-cutting problems and shortcomings as well as potentials and opportunities affecting the whole catfish value chain in Mekong Delta:

Problems and shortcomings:

- Pangasius trade mark is not developed
- Lack of cooperation among provinces
- No final customer focus along the value chain
- Lack of close cooperation between elements of the value chain
- No codes for traceability introduced
- Little concern on environmental protection
- Limited efficiency of supporting institutions
- Relevant Information is not up-to-date and not provided on time
- No habit in using consultancy services

Potentials and opportunities:

- Extensive experience in pangasius fish farming, fish processing and feed production
- Strong support from central Government line ministries, other supporting institutions and different levels of local Government
- Good logistical management despite the limited infrastructure in Mekong Delta

The PACA exercise resulted in a set of 23 short, medium and long-term proposals for practical activities aiming at strengthening the cooperation along the catfish value chain, stimulating the competitiveness of companies and creating new business opportunities. Following, the exercise a number of short-term proposals has been implemented, such as the publishing of a regular advanced newsletter to provide fish farmers and processors with information on markets, international standards, technologies, research results and experiences in other countries.

Immediately after the PACA exercise, the PACA team presented the results at the National Pangasius Conference in Long Xuyen City in December 2004. One year later, we learned in an interview with the General Secretary of VASEP (Viet Nam Association of Seafood Exporters & Producers) that this presentation was the first introduction of the value chain perspective into the fishery industry in Viet Nam. By the meantime, VASEP is intensively working on developing global value chains for its three main export aqua-products (shrimps, catfish, tuna) by initiating cooperation and dialogue among the players in the value chains.



A PACA monitoring workshop conducted six months after the value chain PACA exercise revealed that local stakeholders have a clearer idea about the linkages in catfish farming, production and trading. The implementation of further PACA proposals has been initiated.

Nevertheless, there is number of lessons to be learned from this value chain PACA. Most importantly, in the future it will be useful to organize a pre-meeting with a small number of key players in the value chain to conduct an exploratory workshop to get a better understanding of the players and issues involved in the value chain and to prepare a preliminary value chain map already prior to the start of the PACA exercise. Moreover, the regional scope and profile of the value chain to be studied need to be more clearly defined in advance, also involving more key actors outside the location, such as major processing companies and relevant umbrella associations located in the county's capital.