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Vietnam exports to China drop

Vietnam's fruit and vegetable exports to China, its largest market, have declined in the first half of the year



The US-China trade war is having mixed effects on Vietnam's fresh produce exports as it posted a year-on-year decline of 1.8 per cent in the first seven months of 2019, according to local news sources.

China is Vietnam's largest market for fruit and vegetables and the value of exports to China through to July was US\$1.6bn. This is 8.1 per cent decline year-on-year over this time period Vietnam Customs told VnExpress.

July was a particularly poor month for exports to China as Vietnam only exported US\$144.2m worth of produce, down 44.2 per cent from the previous year.

VinaFruit, Vietnam's fruit and vegetable association, told VnExpress this trend of decline could continue for the remainder of 2019 because of uncertainty caused by the US-China trade war and dampening investment and commercial activities.

New regulations are also providing a hurdle for Vietnamese exports, according to VinaFruit. In May, China began requiring Vietnamese traders to provide stamps of origin, area code and phytosanitary certificates for the fruits that they export.

This combination of factors has seen China's share of Vietnam's fruit and vegetable exports drop from 74.9 per cent in 2018 to 70 per cent in 2019 for the same seven-month period.

However, the trade war had also opened up other opportunities, the US, Vietnam's second largest produce buyer, purchased 13.6 per cent more fruits and vegetables.

Other importers that experienced double digit-gains were South Korea (13 per cent increase) and Japan (25 per cent increase).