



Pakistan Vietnam Bilateral Trade Analysis



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Executive Summary

Vietnam has experienced a robust economic growth in 2017. Its economic growth is based on export-oriented manufacturing, strong domestic demand and gradual recovery of agriculture. The country has experienced a growth rate of 6.3% in 2017 is expected to maintain the similar in coming years. Vietnam is among major recipient of Foreign Direct Investment. Meanwhile, foreign direct investment has enabled Vietnam in producing high value-added technology assets. Vietnam has also gained advantage from the relocation of Chinese factories. Moreover, controlled inflation and improved process of access to credit have improved the consumption of households for Vietnamese. Major export sectors of Vietnam include industrial production, textile and electronics have significantly contributed to GDP. Furthermore, the skilled and inexpensive workforce is the key to export and economic growth.

Relations between two countries, Pakistan and Vietnam are based on mutual trade and political cooperation. Both countries are serious to strengthen their political and economic relations. In this regard, recently both the countries started FTA talks. Whereas the growing trade volume between both countries has bolstered their relations further. Trade volume between both countries posted a growth of 36.74% in 2017 as compared to the previous year. Pakistan's exports were registered \$281.20 million in 2017 which are approximately \$35million higher as compare to previous year. In 2017, Pakistan's imports from Vietnam recorded \$435.80 million which has broadened the deficit gap continued from last 2 years. Currently, Pakistan has a trade deficit of \$154.60 million. Before the increase in 2016-17, Pakistan's overall exports suffered but in the case of Vietnam, the export trend is positive. The major exports of Pakistan to Vietnam are seafood's, leather and textile. Whereas Pakistan's imports from Vietnam are telephones, green tea, pepper, and chilled meat. The major hike in the imports from Vietnam has seen in imports of telephones and dried shelled vegetables.

Pakistan has an immense potential to enhance its exports to Vietnam. In this regard, potential sectors are identified for export enhancement by applying the methodology of demand and supply. In addition to this, exportable products of Pakistan possess market share less than 10% in Vietnam's imports are categorized as potential products. Furthermore, these potential exportable products include 'paper and paperboard', 'denim', frozen shrimps and prawns', 'medicaments' and 'instrument and appliances. These potential products are narrated along with the competitor strategies. The potential area of recommendation on a product basis is also a part of this report.

In a nutshell, the whole report provides a way forward in form of recommendations to strengthen the bilateral trade relations between Pakistan and Vietnam. In this regard, it is suggested that Pakistan need to work on international marketing networks, market knowledge, training programs for the exporters, international branding and tackling all supply-side issues are the imperatives to enhance trade ties with Vietnam. Furthermore, the interaction between business communities of both sides will set new heights of trade relation between both countries.

Geography of Vietnam:

Officially the Socialist Republic of Vietnam is situated in the easternmost part of Asia with 94.6 million habitants. It is the world's 15th most populous country and 9th most populous in Asia. Vietnam has a land area of 331,698 and bordered with China to the north, Laos to the northwest, Cambodia to the southwest, Thailand across the Gulf of Thailand to the southwest and the Philippines, Malaysia, and Indonesia across the South China Sea. The capital city of Vietnam is Hanoi since the reunification of north and south Vietnam.

Due to location, Vietnam used to be a center for human trade and conflict for decades. In 1975, it was reunited after coming out of the war. Despite Chinese interventions and its role in Vietnam, the Chinese language remained the official language of Vietnam. But since its freedom, Vietnamese is the official language of Vietnam.

Geographical Presentation



Economic Overview of Vietnam:

Development record of Vietnam is remarkable over the past 30 years. In an era of Doi Moi, Economic and Political reforms launched in 1986 to set the country's direction to attain progress and prosperity. These reforms resulted in rampant economic growth and development in the last two decades which transformed its economy from poor to lower-middle-income state.

The economic performance of Vietnam has spring back in 2017. Sturdy export-oriented manufacturing, rising domestic demand, and recovery in the agriculture sector marked 2017 as a successful economic year for Vietnam. The other contributing factors of strengthening economy are the global and domestic demand that augmented manufacturing and trade pairing with foreign inflows of investment. The momentum of its economic growth remained recoil and accompanied by macroeconomic stability.

Access to household services has improved in the last 10 years. Gender gaps are also narrowing. Access to clean water, health and education have dramatically improved. Today, Vietnam is significantly more educated and healthy society than 30 years ago.

Impressive economic growth is led by the sectoral performance. The deteriorating agriculture sector is dominated by the cultivation of (rice, cashew nuts, coffee, pepper, corn etc.). The agriculture sector represents 15.9% of GDP in 2017 which is dropped down from 18.1% in 2016. Industry contributes 36.4% to GDP. Major industries are textile, food industry, furniture, and plastics. The Services sector is led by tourism and communications. The third sector represents 45.5% of GDP. The country witnessed a growth rate of 6.3% in 2017 and is expected to maintain the same in the coming years.

Table 1 Economic Indicators.

<i>Main Indicators</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018 (e)</i>
<i>GDP Per Capita – Current Prices (USD)</i>	2048.95	2087.531	2171.831	2306.227	2481.503
<i>Population (Millions)</i>	90.728	91.713	92.961	93.643	94.575
<i>Inflation (%)</i>	4.1	0.6	2.7	4.4	4
<i>Unemployment Rate (%)</i>	1.84	2.14	2.09	2.20	2.20
<i>Real GDP Growth (%)</i>	6	6.7	6.2	6.3	6.3

(Source: International Financial Statistics (IFS), IMF)

Vietnam's Major Exports:

Vietnam is one of the most open economies in international trade. In recent years, the country has shown a strong commitment to trade liberalization. In this context, Vietnam has expanded its external trade relations. In 2007, it has joined WTO and also signed multiple trade agreements with different nations.

It has a trade surplus with the Western world but on the other side, growing trade deficit with neighboring countries is alarming. Whereas the major exports are concerned, Vietnam is among the world's largest rice exporters. The other major exports are textile, footwear's, clothing, technology etc. The current surge of FDI inflows also paved the path to enhance its exports and sustainable growth in the country.

Table 2 Major Exports of Vietnam to World

Product: TOTAL All products						The amount in USD Million		
Product code	Product label	Viet Nam's Exports to World					% Change	Share
		Value in 2013	Value in 2014	Value in 2015	Value in 2016	Value in 2017		
'TOTAL	All products	132032.854	150217.139	162016.742	176580.787	254121.092	43.91	
'851712	Telephones for cellular networks	19325.914	21333.372	25088.232	27155.262	35477.031	30.65	13.96
'851770	Parts of telephone sets, telephones for cellular networks.	1762.614	2073.874	5016.965	7210.675	16013.402	122.08	6.30
'854231	Electronic integrated circuits as processors and controllers,	1913.693	1602.284	3372.170	4654.262	14240.583	205.97	5.60
'640411	Sports footwear.	1596.849	2202.589	2910.309	3795.981	6127.477	61.42	2.41
'852990	Parts suitable for use solely or principally with transmission.	111.02	271.563	318.329	356.457	5238.505	1369.60	2.06

Source: ITC, Trade Map, (2018-08-06)

Export data of Vietnam is extracted at HS-Digit 6. It reflects the major exports belong to parts of telephones, electronic equipment's, Sports footwear's and other parts use in transmissions. Due to the relocation of Chinese factories, Vietnam adopted value addition.

Figure 1: Vietnam's Major Exports to World

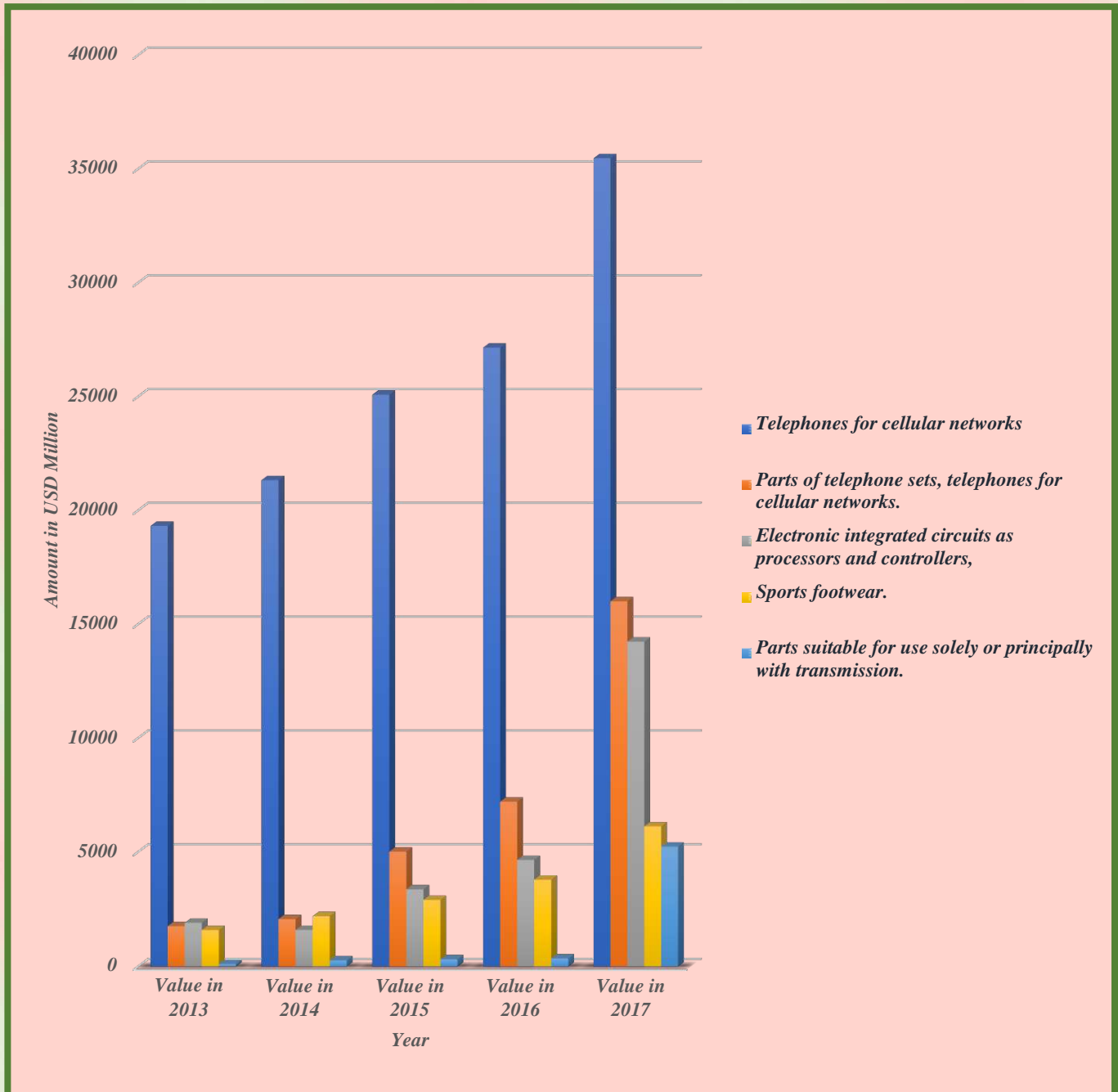


Table 3 Product Wise Major Export Destination of Vietnam

Export Destinations										
By Product Export Destinations								The amount in USD Million		
Product Code	Product Label	Country	2013	2014	2015	2016	2017	Total Export	%Change	Share
851712	<i>Telephones for cellular networks</i>	USA	484.164	1327.076	3436.966	5566.024	4349.003	35477.031	(21.87)	12.26
		Austria	2222.750	1971.041	1908.082	2389.579	3435.546	35477.031	43.77	9.68
		Slovakia	988.143	1576.306	1775.431	2318.432	3124.762	35477.031	34.78	8.81
851770	<i>Parts of telephone sets,</i>	China	539.686	802.315	1658.19	2146.931	9453.987	16013.402	340.35	59.04
		Korea	168.648	239.038	1149.632	2041.899	2888.195	16013.402	41.45	18.04
		Brazil	168.358	384.325	625.061	631.727	909.7654	16013.402	44.01	5.68
854231	<i>Electronic integrated circuits</i>	China	2700.56	2992.846	4127.238	4657.003	5177.524	14240.583	11.18	36.36
		Hong Kong	1.15	399.414	1893.971	2680.213	3126.145	14240.583	16.64	21.95
		USA	49.829	649.811	2462.393	2418.205	2149.122	14240.583	(11.13)	15.09
640411	<i>Sports footwear</i>	USA	554.27	699.079	1144.619	1748.334	2032.996	6127.477	16.28	33.18
		Germany	193.043	313.684	420.026	497.646	658.557	6127.477	32.33	10.75
		Belgium	162.132	254.017	249.254	431.903	521.389	6127.477	20.72	8.51
852990	<i>Parts suitable for use solely or principally with transmission</i>	China	274.681	440.178	757.939	1607.563	2754.147	5238.505	71.32	52.58
		Hong Kong	1508.119	1677.825	1511.31	749.848	870.05	5238.505	16.03	16.61
		Korea	93.393	93.403	95.358	108.415	374.892	5238.505	245.79	7.16

Source: ITC, Trade map, (2018,08,06), Mirror Data to fetch the value of 2017 reported by Importing markets

The USA is among major destination for the product ‘Telephones for cellular networks’ exported by Vietnam. China is the leading importer of ‘Parts of telephone sets’ exported by Vietnam in 2017. The third largest export product of Vietnam is ‘Electronic integrated circuit’ and the largest importer of this product is again China. Sports footwear is also one of the major exports of Vietnam and the largest importer of this product is the USA. The fifth largest export product of Vietnam is ‘Parts suitable for use solely or principally with transmission’ and its largest importer is China.

China and USA are the largest export destinations and major trade partners of Vietnam. Being a member of the Association of South East Asian Nations (ASEAN) Vietnam is a beneficiary of various trade agreements. Under an umbrella of ASEAN, Vietnam is exploiting the opportunity of a free trade agreement with China. Apart from this, Chinese existence of Chinese factories in Vietnam also mark both countries as potential trade partners. USA is also a major contributor and investor in Vietnam economy which again shows the strong bi-lateral relation between USA & China.

Major Imports of Vietnam:

From last few years, Vietnam has taken initiatives to reduce the trade deficit. Vietnam continues to benefit from an economic performance of USA. Whereas the major imports are concerned, Vietnam is importing tool machinery, refined oil, electronic accessories, and cellular phone parts.

Table 4 Major Imports of Vietnam from World

Product: TOTAL All products					USD Million			
Product code	Product label	Viet Nam's Imports from World					% Change	Share
		2013	2014	2015	2016	2017		
'TOTAL	All products	132032.531	147839.048	165775.858	174978.35	235929.08	34.83	
'854231	Electronic integrated circuits as processors and controllers.	1757.711	1668.35	3168.807	4906.415	10744.722	118.99	4.55
'851770	Parts of telephone sets.	7124.265	7378.361	9533.723	9517.484	10339.379	8.64	4.38
'271019	Medium oils and preparations.	4989.501	5656.485	4385.832	4317.746	6170.462	42.91	2.62
'854890	Electrical parts of machinery or apparatus	88.806	156.811	432.261	722.22	4706.616	551.69	1.99
'854239	Electronic integrated circuits excluding such as processors, controllers.	8082.158	8174.381	9101.142	10810.658	4057.737	(62.47)	1.72

Source: ITC, Trade map, (2018,08,07)

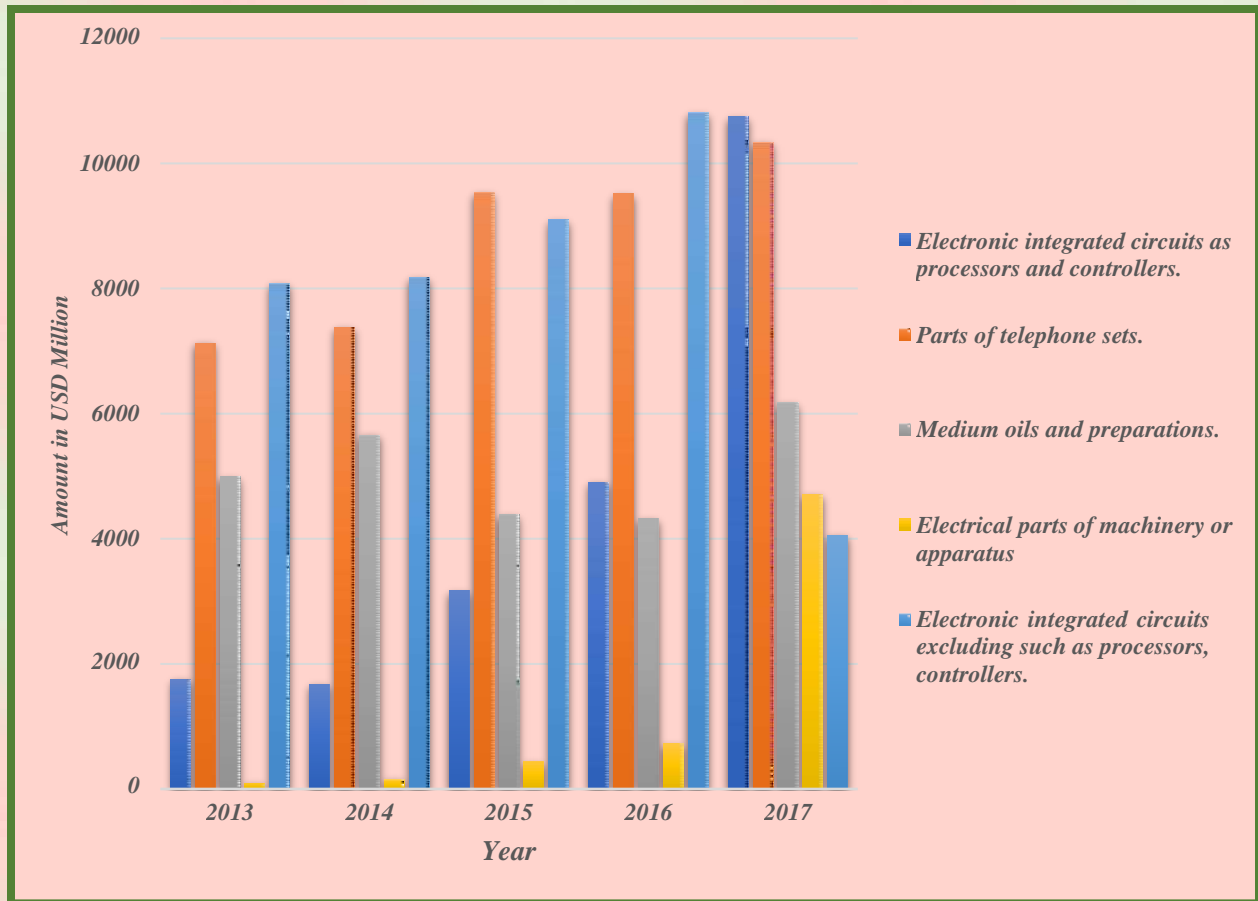


Figure 2: Vietnam's Major Imports from World

Major Supplying Markets:

The main providers are the Asian countries like Japan, China, and Korea. The USA is also a major supplying market for Vietnam. Vietnam's economic model is heavily dependent on Foreign investment specifically from the USA and Europe.

Except for the USA, the major supplying markets are Asian countries which suggest that Vietnam heavily relies on these Asian countries for its imports. Apart from this, all these imports are primary good which can be exported after value addition. Current technological advancements have enabled Vietnam to import primary goods and then export to different markets.

Table 5 Product Wise Major Supplying Markets to Vietnam

<i>Explanation</i>								<i>USD Million</i>		
<i>Product Code</i>	<i>Product Label</i>	<i>Country</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>Total Export</i>	<i>%Change</i>	<i>Share (%)</i>
'854231	<i>Electronic integrated circuits</i>	<i>Korea</i>	626.779	799.7	1005.939	1784.178	4822.116	10744.722	170.27	44.88
		<i>China</i>	650.309	163.332	213.01	930.188	3344.037	10744.722	259.50	31.12
		<i>USA</i>	298.416	360.903	359.825	1662.703	1323.937	10744.722	(20.37)	12.32
'851770	<i>Parts of telephone sets.</i>	<i>China</i>	3108.544	3301.029	3851.513	3635.643	6575.603	10339.379	80.86	63.60
		<i>Korea</i>	1564.81	2286.119	4104.29	4218.641	2125.146	10339.379	(49.62)	20.55
		<i>Hong Kong</i>	479.752	525.666	820.129	824.376	1329.374	10339.379	61.26	12.86
'271019	<i>Medium oils and preparations.</i>	<i>Singapore</i>	735.407	1040.56	1387.75	1918.317	2850.634	6170.462	48.60	46.20
		<i>Malaysia</i>	184.77	184.306	325.815	1242.818	1446.516	6170.462	16.39	23.44
		<i>Thailand</i>	526.628	752.134	1185.903	673.34	1025.021	6170.462	52.23	16.61
'854890	<i>Electrical parts of machinery</i>	<i>Korea</i>	6.977	4.12	1.49	1.647	4663.79	4706.616	283068.79	99.09
		<i>Japan</i>	19.044	13.233	16.437	14.427	13.325	4706.616	(7.64)	0.28
		<i>China</i>	0.425	1.918	2.953	7.03	12.513	4706.616	77.99	0.27
'854239	<i>Electronic integrated circuits (excluding such as processors)</i>	<i>Singapore</i>	1330.065	1086.762	1098.689	936.225	912.659	4057.737	(2.52)	22.49
		<i>Korea</i>	707.53	595.038	387.186	623.19	887.264	4057.737	42.37	21.87
		<i>Japan</i>	504.579	624.765	707.097	655.669	846.873	4057.737	29.16	20.87

Source: ITC, Trade map, (2018,08,07), Mirror Data to fetch the value of 2017 reported by Supplying market

Pakistan & Vietnam Bilateral Trade:

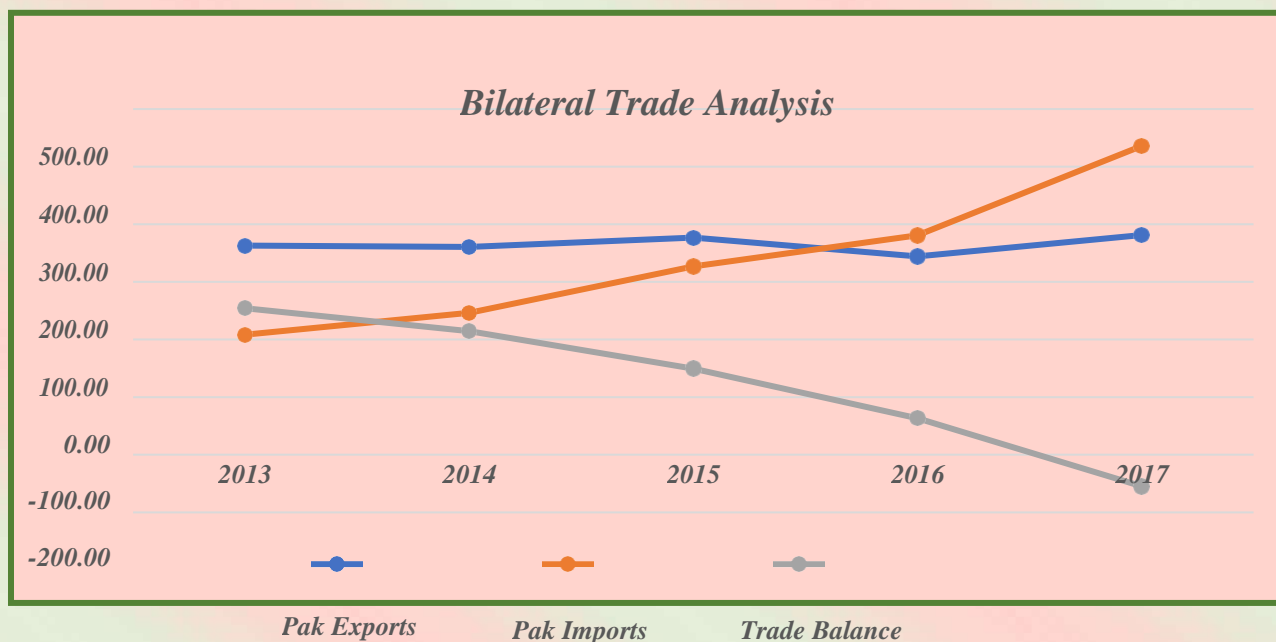
Pakistan and Vietnam enjoy a cordial relation. Pakistan admires the fast-paced economic growth of Vietnam. Pakistan considers Vietnam as an important state in South East Asia. Both countries have significant potential for enhancing bilateral trade.

Table 6 Bilateral Trade Analysis Between Pakistan and Vietnam

Bilateral Trade Overview						
USD Million						
Indicators	2013	2014	2015	2016	2017	% Change
Exports	262.56	260.53	276.63	244.01	281.20	15.24
Imports	108.30	146.21	226.99	280.33	435.80	55.46
Trade Balance	154.26	114.32	49.64	(36.31)	(154.60)	

Source: ITC, Trade map

Figure 3: Bilateral Trade Analysis



Pakistan enjoyed trade surplus till 2015. But then the trade surplus turned into a deficit. The reflection of the last two years is an impact of the overall decline in Pakistan's exports. Both countries need to enhance bilateral trade cooperation, exchange of business delegations, participation in trade fairs and sharing business experiences through coordination of chambers

at both sides. Pakistan can subside the trade through diversification and learning from the expertise of Vietnam. Current trade volume could be substantially enhanced by exploring the immense potential.

Major Exports of Pakistan to Vietnam:

Pakistan's major exports contribute to seafood, paper & paperboard, leather, and textile. The tabled values suggest a healthy increase in the exports of Pakistan to Vietnam.

Table 7 Major Exports of Pakistan to Vietnam

Pakistan's Major Exports					
Product: TOTAL All products		USD Million			
Product code	Product label	Pakistan's Exports to Viet Nam			
		Value in 2015	Value in 2016	Value in 2017	% Change
'TOTAL	All products	276.628	244.014	281.202	15.24
'030339	Frozen flat fish	43.463	43.254	62.151	43.69
'030319	Frozen Salmonidae	22.243	27.733	33.953	22.43
'020230	Frozen, boneless meat of bovine animals	18.503	9.532	17.057	78.94
'520100	Cotton, neither carded nor combed	20.714	8.363	12.916	54.44
'481159	Paper and paperboard	0.962	5.987	12.817	114.08
'520932	Woven fabrics of cotton, containing >= 85%	12.309	8.527	11.048	29.56
'020629	Frozen edible bovine offal	7.582	11.333	11.046	-2.53
'411310	Leather further prepared after tanning or crusting	10.226	9.296	9.412	1.25
'520942	Denim, containing >= 85%	12.677	9.495	8.221	-13.42
'030617	Frozen shrimps and prawns	6.462	6.453	7.373	14.26
'030329	Frozen, Nile perch	0.425	4.636	5.74	23.81
'410712	Grain splits leather	4.81	5.795	5.376	-7.23
'120740	Sesame seeds	9.942	4.624	5.121	10.75
'411390	Leather further prepared	2.731	2.714	5.115	88.47
'030539	Fish fillets, dried, salted or in brine, but not smoked	4.981	3.551	5.047	42.13

Source: ITC, Trade Map

Pakistan's total exports to Vietnam remain lower in the last two years as compare to previous years. On the other hand, imports gradually increased which dismantled the trade balance. Vietnam is a strong trade partner of Pakistan in South East Asia. Pakistan's major exports to Vietnam mostly belonged to primary and intermediate products.

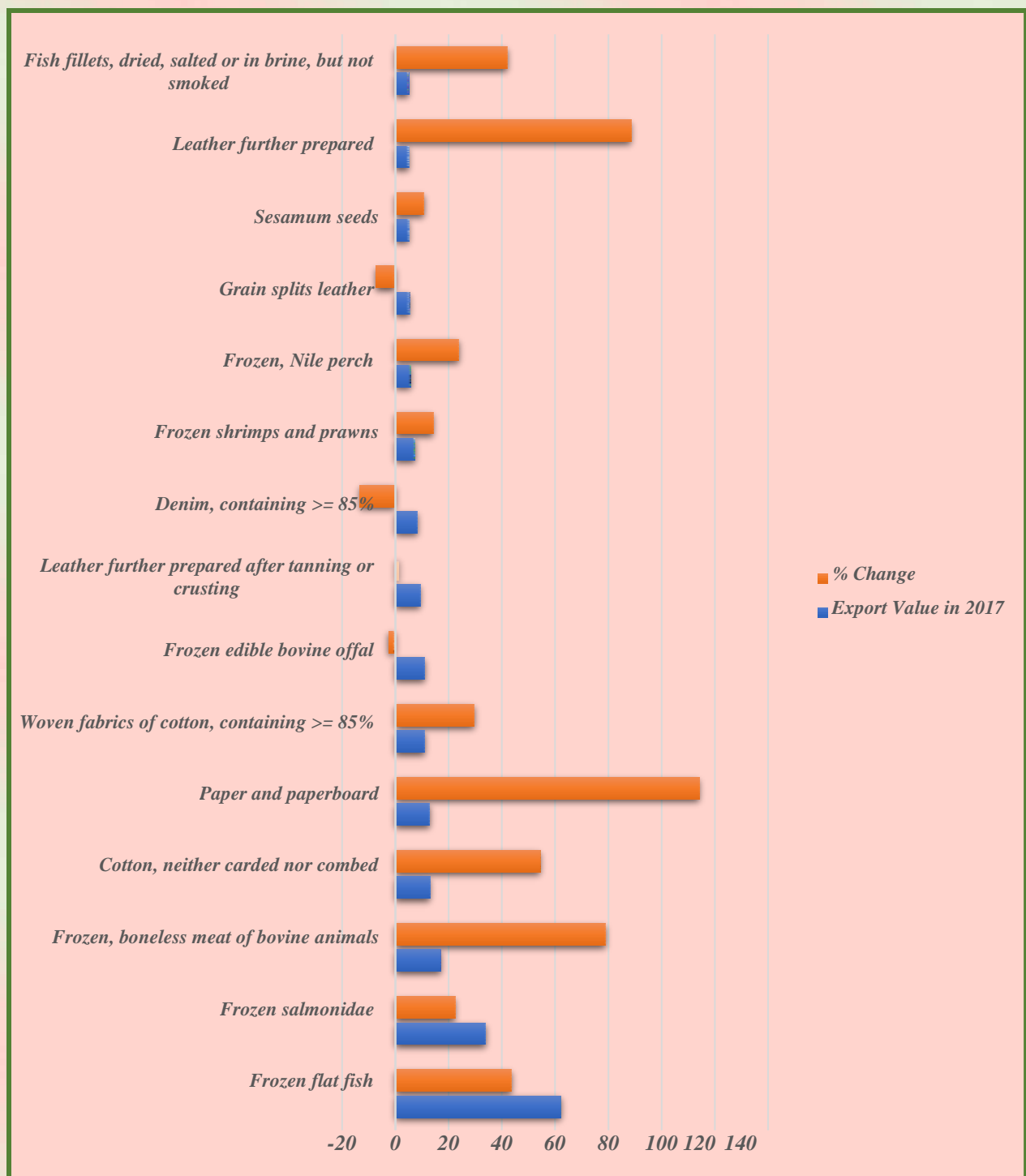


Figure 4: Pakistan's Major Exports to Vietnam

Various export products have positive change as compare to previous year. The major contribution in top exports of Pakistan to Vietnam belongs to 'Paper and Paperboard', 'Frozen boneless meat' and 'leather further prepared'. The healthy increase in the exports of aforementioned products has a major share in the exports of Pakistan to Vietnam.

Major Imports of Pakistan from Vietnam:

The persistent increase in the imports of Pakistan also applies to this market as well. During the last couple of years, the increase in imports from Vietnam remain higher as compare to the exports which broadened the deficit.

Table 8 Major Imports of Pakistan From Vietnam

Pakistan's Major Imports					
Product: TOTAL All products		USD Million			
Product code	Product label	Pakistan's imports from Viet Nam			
		Value in 2015	Value in 2016	Value in 2017	%Change
'TOTAL	All products	226.986	280.327	435.797	55.46
'851712	Telephones for cellular networks	79.995	101.496	156.358	54.05
'071390	Dried, shelled leguminous vegetables,	0.176	14.373	54.631	280.09
'090411	Pepper of the genus Piper.	13.59	36.333	31.811	-12.45
'540233	Textured filament yarn of polyester	5.574	3.83	20.934	446.58
'071320	Dried, shelled chickpeas "garbanzos",	0	2.449	13.953	469.74
'540244	Synthetic filament elastomeric yarn.	15.666	13.407	13.795	2.89
'030462	Frozen fillets of catfish "Pegasus spp., Silurus spp.	0	4.922	10.523	113.80
'030451	Fresh or chilled meat.	0	4.663	10.516	125.52
'090220	Green tea in immediate packing's of > 3 kg	5.873	7.105	8.654	21.80
'848340	Gears and gearing for machinery	1.652	4.067	6.029	48.24
'400121	Smoked sheets of natural rubber	5.324	4.451	4.53	1.77
'090240	Black fermented tea and partly fermented tea.	1.879	3.389	4.027	18.83
'401120	New pneumatic tires.	1.976	3.381	3.666	8.43

Source: ITC, Trade Map

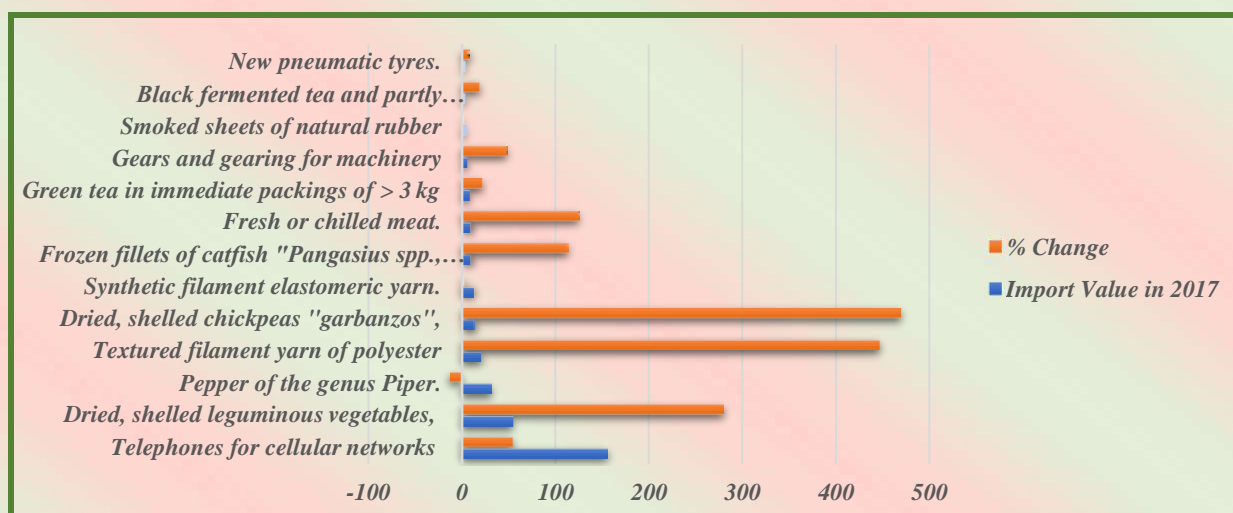


Figure 5: Pakistan's Major Imports from Vietnam

If we see the current composition of imports from Vietnam, 40pc of the imports are frozen foods and tea. Pakistan is amongst the major importer of tea from Vietnam. Products with the highest value and constant increase are 'Dried, shelled chickpeas', 'textured filament yarn' and 'Dried, shelled leguminous vegetables'. Most of the imports are the same from the last couple of years.

Methodology for Identification of Potential Products:

This section is based on the identification of potential products exported by Pakistan to Vietnam and the methodology used in the identification of potential products. Pakistan is the 55th largest supplying market in Vietnam which shows Pakistan has a minimum market share in Vietnam as compared to other regional countries.

Identification of potential product is based on consideration of both supply and demand side. By working on supply and demand indicator a conditional formula is applied to extract the potential product. The formula is comprised of Vietnam's imports from the world for a product is >\$60 million and Pakistan's exports to the world for that product is >\$50 million would be considered as a potential market. Further, one more filter of market share is applied to extract the concrete potential product. If a product has a share <10% in Vietnam's market is picked for further analysis.

On the basis of the aforementioned methodology, eleven products are found out as potential products. These products are exportable. There is an untapped potential. By and large, in the existing export basket, these products have much potential to earn good export value in Vietnam's market.

Furthermore, Potential products are identified on the basis of export data of 2017 and then compared it with 2013. Each potential product is compared with its value of 2013. Some of the potential products in 2017 were also potential products in 2013 which shows that there is a vacuum in this market need to be cater.

Table 9 Potential Products

Potential Items												
Product Details		Pakistan's Exports to Viet Nam		Viet Nam's Imports from World		Pakistan's Exports to World		Potential		Share		Advolarem Tariff
Product code	Product label	2013	2017	2013	2017	2013	2017	2013	2017	2013	2017	2017
'TOTAL	All products	262.559	281.202	132032.531	235929.08	25120.883	21877.787					
'481159	Paper and paperboard	0	12.817	127.299	251.743	38.546	81.069	None	Potential	0.00	5.09	17.00%
'520942	Denim, containing >= 85% cotton	12.648	8.221	63.226	112.204	495.937	482.494	Potential	Potential	20.00	7.33	12.00%
'030617	Frozen shrimps and prawns.	8.619	7.373	201.71	3040.971	76.117	54.689	Potential	Potential	4.27	0.24	9.00%
'410712	Grain splits leather "incl. parchment-dressed leather", of the whole hides and skins of bovine ...	3.485	5.376	0.498	201.16	106.66	114.395	None	Potential	699.80	2.67	10.00%
'410792	Grain splits leather "incl. parchment-dressed leather", of the portions, strips or sheets of ...	7.126	4.112	15.959	293.663	76.649	50.702	None	Potential	44.65	1.40	5.00%
'300490	Medicaments consisting of mixed or unmixed products.	7.9	2.55	1270.366	1209.317	73.481	70.786	Potential	Potential	0.62	0.21	0%
'170199	Cane or beet sugar and chemically pure sucrose.	0	2.085	35.745	63.009	487.781	342.901	None	Potential	0.00	3.31	5.00%
'901890	Instruments and appliances	1.752	1.857	171.224	236.92	296.808	360.575	Potential	Potential	1.02	0.78	0.00%
'521142	Denim, containing predominantly, but < 85% cotton.	0.352	0.813	35.677	165.983	51.537	50.788	None	Potential	0.99	0.49	12.00%
'070190	Fresh or chilled potatoes.	0	0.036	12.908	113.119	130.263	80.839	None	Potential	0.00	0.03	20.00%

(Source: ITC, Trade Map)

Above tabled products belong to the well-established sector. These products have a history of exports to the world. These products have the potential to capture the handsome market share.

1- Value Chain Mapping & Competitor Analysis of Paper and Paperboard (481159):

Paper industry is classified under four portions, printing & writing, packaging paper and board, papers & others and newsprints.

Pakistan - Industry Overview:

Paper industry is one of an important industry of Pakistan and serves primarily the domestic market. The sector involves process innovation. Therefore, companies need to acquire modern technology to advance the process and improve their technologies used in the manufacturing process. ¹Recently, Pakistani companies like Packages and Century Paper & Board Mills are continuously engaged in adopting new techniques and processes. Some of the big companies introduced new production concepts and supply chain management as well as they are working on value addition.



Globally, Paper Industry has perceived a linkage between production and farming community which fostered to infuse the capital in the agricultural economy. Countries like USA, Latin America, Scandinavian countries, Japan, Asian countries, China, and Indonesia have been quick to create a friendly environment for the farming community and viable forestry policy to enhance its production at large scale.

²After the inception of Pakistan, there was not a single paper manufacturer. Paper industry was started with the establishment Adamjee Paperboard. Earlier on, it was catering almost 80% of the domestic demand. Production of paper and paperboard required a certain material starts from wood supply to recycled paper.



Material includes in production of Paper and Paperboard: Wood, Non-wood fibrous material likewise wheat straw, bagasse, and river grass.

About 70% of the paper mills are situated in Punjab due to the availability of raw material required for its processing. 20% of the mills are located in KP and rest of the 10% are located in Sindh. According to SBP report, industry growth is registered 7.2% in the last fiscal year. Major domestic consumption of this product is found in the FMCG sector. Export figures are tabled below to analyze the competitor's overview.

¹ Century Paper and Board Mills Annual Report

² <https://fp.brecorder.com/2018/01/20180123337779/>

Table 10 ECI & Competitor Analysis of Paper and Paperboard

Competitor Analysis									
<i>Product: 481159 Paper and paperboard, surface-colored, surface-decorated or printed, coated, impregnated or ...</i>			Share (%)		ECI		Unit Value (USD)	Average Tariff Barriers	Non-Tariff Barriers
Exporters	Imported Value in 2013 (USD Million)	Imported Value in 2017 (USD Million)	2013	2017	2013	2017	2017	2017	2017
Total	175.456	251.743							
Singapore	113.114	154.152	64.47	61.23	1	1	2538	0	8
India	31.831	23.621	18.14	9.38	2	2	2551	9.8	8
Pakistan	0	12.817	0.00	5.09	16	4	2588	16.6	8
Thailand	1.092	8.119	0.62	3.23	7	5	2048	0	8

Source: Trade map, UNCTAD

Singapore – Competitor Strategy:

According to world bank report, Singapore had 23.06% forestry area of land in 2015 which declined marginally as compared to previous years. In 1990, Singapore had 24.04% forestry area of land that indicates Singapore's protective measure for saving forestry and making it able to contribute to the economy. It sounds that Singapore qualifies the benchmark of having 4% area of land comprises on forestry to export paper and paperboard product.

Total production of paper and paperboard was 87MT in the year 2016 in Singapore. Paper and Paperboard exports of Singapore to the world was \$441.067 million in 2017.

Domestically, food and beverage companies are the largest consumers of Paper and Paperboard in Singapore. On the other hand, Singapore has several manufacturers of paper and paperboard which do not only meet the local demand but also exports in handsome figures.

Since 2013, Singapore is the leading exporter of paper and paperboard to Vietnam by occupying the handsome market share. In addition to this, Export Competitiveness Index also indicates that Singapore is maintaining its 1st rank among the supplying market to Vietnam. Unit value for the aforementioned product is lowest among all competitors. Furthermore, Singapore faces zero tariffs on the export of this product and also complying the Non-Tariff Barriers.

ASEAN is a free trade area. There are ten-member countries of ASEAN. Singapore is a member of ASEAN. This block has a specialty of Free among member countries. So, Singapore faces zero tariffs on the export of Paper and Paperboard.

Since the diplomatic relations between Singapore and Vietnam established both countries have grown immensely and the robust bi-lateral ties have a healthy impact on bilateral trade. In addition to this, the Connectivity Framework Agreement 2006 took place. Several initiatives were taken to provide a conducive environment for Singapore companies to invest in Vietnam. Vietnam is a prime destination for investment.

Until 2016, there were 1,786 investment projects with cumulative investment amount \$37.9billion. Singapore is the third largest FDI source into Vietnam. Over the period of time, 600 Singapore companies are present providing jobs to more than 170,000 workers.

Salient Features:

- Seven Industrial Parks.
- FDI amount \$37.9 billion.
- Singapore exports of paper and paperboard to world remained \$441.067million in 2017. Historically, exports for this product declined year by year.
- ³Singapore participates in a trade show “Vietnam Pack” every year. Location of this trade show in Ho Chi Minh, Saigon Exhibition & Convention Center – SECC.

India – Competitor Strategy:

According to a survey conducted by Forest Survey of India (FSI) forests and tree covered area is 24.39% of the geographical area of the country. Forest and tree cover are spread across 802,088 square km. In addition to this, India is ranked 10th in the world with 24.39% of land area under forest. The country has improved its forestry with a gain of 181 Square km land as compared to 2015. The total increase in forests is 1% since 2015 which indicates a positive sign for the industry.⁴

The domestic market consumption of paper is at over 16 MTPA (Metric Tons Per Anum). The demand projected to grow to 23-36 MTPA by 2024-25. Imports of paper and paperboard are steadily increasing.⁵

India's contribution to the global paper demand is growing. Whereas the domestic market demand also grew in the last couple of years. Per capita consumption in India stands low over 13kg which is comparatively lower to the global average of 57kg.

IPMA's (Indian Paper Mills Association) released the statistics of its contribution to the economy. It contributes about 4,500 crores to the exchequer and provides 5,000 employment. There are 750 paper mills across the country.

Paper Processing:

Pulp 40% used as a raw material which is obtained from wood, waste paper, and agriculture residues. Wood accounts for 30-35%. Wastepaper account for 40-45% and agri residues account for 20-22%.

Globally, India's share is gradually increasing. The Indian paper and paperboard industry are one of the oldest in the region. The first Indian paper mill was started in 1812 in Serampore.

³ https://www.eventseye.com/fairs/c1_trade-shows_vietnam.html

⁴ <https://india.mongabay.com/2018/02/16/state-of-forest-report-says-that-indias-forest-and-tree-cover-has-increased-by-1-percent/>

⁵ <https://www.asiapapermarkets.com/indias-domestic-paper-consumption-at-over-16-mtpa-with-imports-at-over-2-mtpa-demand-projected-to-grow-to-23-36-mtpa-by-2024-25/>

Salient Features:

- *Strengthened domestic industry along with maximum manufacturing units contributing to the economy.*
- *Rich natural resource of forests in India.*
- *ASEAN-India Comprehensive Economic Cooperation Agreement (Reduction in tariffs on 90% of the Product)*
- *India stands among the top ten trading partners of Vietnam.*
- *132 Projects of India worth \$1.1billion in Vietnam.*

Thailand – Competitor Strategy:

The World Bank data refers that Thailand's forest area is account for 32% of the land. Over the period of time, Thailand faced deforestation in the country. The annual production of paper and paperboard product in Thailand is 5.084 Metric Ton (MT) which is higher than many Asian countries and major exporters of paper and paperboard.

Thailand industry is comprised of 5,000 companies engaged in manufacturing of paper, printing material and packaging. This industry has a market size of US\$3.7 billion. In addition to this, Thailand has a potential to produce all varieties of paper products. There are 100 finished paper factories which include writing paper, paperboard, and corrugated paper. Thailand is also known as the home to a number of ink factories. The annual per capita consumption is average 60kg. people employed in the sector are 120,000.⁶

There is a number of associations to protect the interest of the industry and develop a mechanism to enhance the production of paper products. Few are listed below.

- *The Federation of Thai Printing Industries.*
- *The Thai Packaging Association.*
- *The Thai Corrugated Box and Paperboard Manufacturers Association.*

Salient Features:

- *Si Nakhon Printing City and Industrial estate on 144-hectare. It is world's first full-service industrial Park. It is situated at a distance of 56km away from Bangkok.*
- *All in one use of resources reduce the manufacturing cost.*
- *Expertise, heightened efficiency, and reduction in cost allow manufacturers to produce the quality goods.*
- *Tax-based incentive schemes including exemption of import duties on machinery and raw material.*
- *ASEAN Free Trade Area. Being a member of the block, Thailand is a beneficiary of free trade among ASEAN member countries.*

⁶ http://www.boi.go.th/upload/content/Printing_20180501_5ae820e0c85a4.pdf

- Thailand ranks 10th among biggest foreign investor in Vietnam. By 2018, Vietnam's total investment is account for \$9.3 billion to implement 490 projects. FDI encompasses different sectors.
- International Trade Promotion of Thailand, Ministry of Commerce holds Trade Promotion event every year in June. It holds events in 10 Fivimart Stores to exhibit exportable products.

2- Value Chain Mapping & Competitor Analysis of Denim Containing >=85% of Cotton (520942)

Overall demand for this product is declined in past few years. If we look at the import figures of this product by Vietnam, it indicates that the demand for Denim is decay but still the potential exists for the exporters. So, for competitor analysis and value chain mapping a table is drawn which provides the detailed overview of both demand and supply side.

Table 11 ECI and Competitor Analysis of Denim

Competitor Analysis									
Product: 520942 Denim, containing >= 85% cotton by weight and weighing > 200 g/m ² , made of yarn of different ...			Share (%)		ECI		Unit Value (USD)	Avg. Tariff Barriers	Non-Tariff Barriers
Exporters	Imported Value in 2013 (USD Million)	Imported Value in 2017 (USD Million)	2013	2017	2013	2017	2017	2017	2017
Total	154.83	112.204							
China	62.898	56.29	40.62	50.17	1	1	5370	12	9
Pakistan	12.648	8.221	8.17	7.33	4	4	941	12	9
Turkey	8.699	5.483	5.62	4.89	5	5	7901	12	9
Thailand	7.318	4.913	4.73	4.38	6	6	6516	5	9

Source: ITC, Trade map, UNCTAD

The overall decay in the demand for this product has an impact on supply markets as well. Leading exporter of this product in China. In 2017, Exports figures of China for this product declined as compared to 2013. Whereas China has maintained maximum market share among competitors. The export competitiveness ranking for China remained the same in the last couple of years.

According to export competitiveness index, Pakistan is the 4th largest exporter of denim to Vietnam. Pakistan has maintained its ranking in the last couple of years. On the other hand, both the market shares and exports figures for Pakistan declined because of the lowering demand. The same pattern is observed for the rest of the competitors in this market as well. The substantial decrease in demand has affected the supplying markets for Denim.

Competitors are classified into two categories regional and non-regional. For detailed analysis Competitors overview is penned down.

Pakistan-Industry Overview:

Pakistan is one of major textile exporter among exporting nations. Pakistan earns healthy revenue on textile exports. Textile has a healthy share of Pakistan's exports.

Despite several issues, this industry is growing with the passage of time.

Whereas the global demand for denim is growing at the pace of 6.4% annually. Pakistan is among the list of top exporting Denim countries.

The domestic denim market size hangs around 10-15% of total textile exports of Pakistan. The supreme markets for denim include US and EU. Pakistan's annual estimate production capacity of Denim is 500m. sq. meter. There is a number of textile players involve in the production of Denim across the country. Pakistan Denim Manufacturers and Exporters Association (PDMEA) playing a vital role to secure the interest of the domestic industry and enhance the capacity to meet the demand of established markets.

Pakistan's Denim
Export to world in
2017 was
\$482.494 Million

China – Competitor Strategy:

China is among the largest trade partner of Vietnam. For strengthening the trade relations, China has achieved the status of a major investor in Vietnam. The total Chinese investment in various sectors is topping the cap of \$12.1 billion. Lately, China has also shifted its manufacturing houses to Vietnam because of low-cost raw material and transportation. Apart from this, Vietnam is closer to China which is also a sign of easy access and a viable market with shared culture and traditions. Vietnam is a desired and ideal tourist place for Chinese. Resultantly, a number of Chinese tourists to Vietnam has surged in the last couple of years, a sign of growing economic ties between both countries.

China is amongst the world largest exporters of product and services. Being a major exporter, China has strengthened bilateral relations with Vietnam. Xintang, Kaiping, Jun'an, and Dachong are major centers of Denim production in China. Xintang houses have over and around 2600 denim factories that produce about 31% of total production. Kaiping has a comprehensive Denim production chain from raw material to finished product has 450 companies producing Denim. Whereas Jun'an has more than 1000 companies involved in the production of Denim.⁷

Salient Features:

- Denim production requires skilled labor and China has the skilled intensive labor market.
- The Government has increased the export rebate to counter the increasing cost of production.
- Despite the higher cost of production, the denim industry is growing by adopting new technology, designs, skills, and brand development.

⁷ <https://www.denimsandjeans.com/latest-denim-reports/denim-industry-in-south-china-history-production-costs-more/2153>

- *One of the Denim factory Zhongshan has adopted the Nanotechnology to produce reliable and lighter denim.*
- *FDI over \$12.1billion which is an export-oriented investment.*
- *ASEAN – Peoples Republic of China, Comprehensive Economic Cooperation Agreement.*
- *China Exhibit its product in each scheduled international and single country exhibition held in Vietnam.*

Turkey – Competitor Strategy:

Since 1978, Both countries have political and economic ties. Turkey is one of the major trading partners of Vietnam. Turkey has played a role of gateway for Vietnam's exports to Middle and Eastern Europe. Turkey-Vietnam Business council was constituted in past to boost the bilateral trade and economic activities. According to data, million dollars' investment made by Turkey in recent times in different sectors of Vietnam. The investment amount registered \$70.85 million which covers 11 projects in Vietnam. In addition to this, Six Turkish firms are registered in Vietnam and their investment is concentrated in the field of garments, education, and communication.

Turkey has witnessed a handsome growth in Denim production. Turkey is among the global leading exporter of Denim. According to a global report, Turkey is the leading exporter with a maximum production capacity of Denim and potential to export the Denim. Currently, Turkey is exporting Denim to more than 80 countries across the globe. Its global exports of Denim soared by 5% in recent times.

Salient Features:

- *Turkish textile investment witnessing boom period. This expansion is not limited to Turkey but beyond the border, new denim washing and garment plant being set by Turkish denim giant Taypa in Serbia which will create employment and meet the market demand.*
- *The 2023 vision claims the exports figure will be doubled to the current exports.*
- *It has specialized textile cities which are assembled with all modern requirements for quality production and value addition.*
- *Established capacity and machinery pool enriched the supplying capacity with quality.*
- *Textile sector is the top receiver of investment and incentive certificated over thirty years now.*
- *Cotton prices are higher as compare to the world that allows boosting the cotton production.*
- *Lead time and delivery performance.*
- *Turkish Airline has 7 flights per week which is a sign of frequent travelers of both countries.*
- *Turkish Foreign Direct Investment accounts for \$70.85million in different fields.*
- *Turkey and Vietnam signed MOUs on Cooperation in "Free Zones", "Export Processing Zones", "Exclusive Economic Zones" and "Customs Cooperation and Mutual Administrative Assistance Agreement".⁸*

⁸ <https://www.yenisafak.com/en/world/turkey-vietnam-signthree-key-agreements-to-boost-trade-2784832>

- *Turkey Participated and organized trade fairs with joint cooperation in Vietnam.*

Thailand – Competitor Strategy:

Thailand is an extensive textile and clothing manufacturing country. Thailand holds world-renowned fashion events in the region. Thailand is one of the largest marketplaces in Asia with over 3,000 shops. Textile industry significantly developed in past few years. The Country's textile sector is constantly growing to meet the ever-changing demand of customers. Textile exports contribute 3% of the total exports of Thailand. The country has over 4,700 producers with a complete value chain of the textile sector.

Government aggressive and supportive strategy has been successful to promote the textile sector because of hosting international fashion events including Bangkok International Fashion Week, Elle Bangkok Fashion Week and The Bangkok International Fashion Fair. Thailand has renowned international brands including Nara Ya, AIIZ, Jaspal, CPS Chaps.

Salient Features:

- *Thailand has a competitive complete value chain with 4,700 textile manufacturers.*
- *Smart factory concept is employed by utilizing the computer system to increase the efficiency in the production process.*
- *In Thailand, manufacturers are adopting the green production by using recycled raw materials and more advanced solid waste management program.*
- *The workforce of Thailand is famous around the world for their amazing craftsmanship.*
- *Best location in Asia is a prime advantage for Thailand to cover the potential markets.*
- *Above everything, Thailand is a member of ASEAN countries in which there is a free trade of products and services is an eminent advantage.*
- *Thailand Government announced tax and non-tax incentives to textile manufacturers and exporters according to categories.*

Non-Tax Incentives:

Permit to bring expatriates

Permit to own land

Permit to take or remit foreign currency abroad.

Tax Incentives:

A1 (Creative product design)

A2 (Manufacturers of Technical Fiber)

A3 (Manufacturer of functional yarn)

A4 (Manufacturer of recycled fiber)

B1 (Manufacturer of other fiber)

- *Apart from this, there is a supportive organization to boost the trade activities and enhancing the capacity of the sector. It includes the Thailand Textile Institute, Textile*

Industry Club, Thai Garment Manufacturers Association, Thai Textile Merchant Association, and The Bobae Garment Association.⁹

- *MOUs signed between the trade promotion agency (Viet Trade) investment promotion center and Thailand's Kasikorn Bank to promote trade.*
- *Thai 14 investment projects account for \$122.9million in various fields have been registered recently to strengthen the bilateral ties. The total investment has crossed the cap of \$7.7billion in Vietnam.*
- *The KBank of Thailand has 2 branches in Vietnam to facilitate the trade community.*

3- Value Chain Mapping & Competitor Analysis of Frozen Shrimps and Prawns (030617)

Pakistan – Industry Overview:

Pakistan has coastline about 814 Kilometers. The inland water bodies area is 8 million hectares. Seafood has a significant role in the national economy. Pakistan's seafood sector has significant export potential. In addition to this, commercially there are 15 species of prawns. Shrimps production is account for 15%. The global market demand for shrimps and prawns is an uprising trend.

Exports figure of shrimps and prawns improved over the years. On the other hand, production of shrimps and prawns has also significantly improved and the growth trend is expected to continue in the future.

Currently, The Government of Pakistan has taken serious initiatives to provide cold storage facilities and phytosanitary standards to increase the export of shrimps and prawns. There are 27 plants involved in processing the frozen products.

Over 50 countries are the export destinations for frozen shrimps and prawns including Vietnam, China, Sri Lanka Egypt and Saudi Arabia is also the major export destination.

Pakistan's exports to Vietnam in 2017 remained marginally lower as compared to 2013 which hit the market share negatively. On the other hand, the export competitiveness index suggests the ranking of Pakistan among supplying markets to Vietnam has also deteriorated.



⁹ http://www.thinkasiainvestthailand.com/bocontent/webinvopp/brochure_34.pdf

Table 12 ECI and Competitor Analysis of Frozen Shrimps and Prawns

Competitive Analysis									
<i>Product: 030617 Frozen shrimps and prawns, even smoked, whether in the shell or not, incl. shrimps and prawns in ...</i>									
<i>Exporters</i>	<i>Imported Value</i>		<i>Share (%)</i>		<i>ECI Ranking</i>		<i>Unit Value</i>	<i>Average Tariff Barriers (%)</i>	<i>NTB's</i>
	2013	2017	2013	2017	2013	2017	2017	2017	
Total	938.504	3040.971							
Ecuador	246.926	1294.625	26.31	42.57	2	1	6,423	9	8
India	365.139	1164.09	38.91	38.28	1	2	7,396	9	8
Saudi Arabia	0.517	199.46	0.06	6.56	23	3	6,120	9	8
Thailand	30.01	124.962	3.20	4.11	5	4	7,197	0	8
Pakistan	8.619	7.373	0.92	0.24	11	12	4,496	9	8

Source: Trade map, UNCTAD

Ecuador is the leading exporter of frozen shrimps and prawns to Vietnam. Ecuador is a second largest exporter to the world as well. Ecuador's market share has witnessed an uptick of 42.57% which is almost doubled to the share of 2013. It's ranking also improved. India is the second largest exporter of frozen shrimps and prawns to Vietnam. India has maintained the market share but loss its competitiveness ranking. In 2013, Saudi Arabia was far behind and had a small export figure.

But during the last 3 years, the export of frozen shrimps and prawns has witnessed healthy upraise. Because of increasing production capacity and supply, Saudi Arabia has experienced a healthy market share along with improved competitiveness ranking. Lastly, Thailand is also marked as one of the major exporters of frozen shrimps and prawns to Vietnam with a marginal export performance among the leading competitors.

Ecuador – Competitor Strategy:

The history of shrimps and prawn in Ecuador started back in 1967. It has become a major global supplier of shrimps and prawns. The industry faced a critical time in the 1980s and 1990s when three separate disease outbreak and dismantled the industrial production. Lately, The Government has taken measures for an active implementation of biosecurity.

Shrimp farming industry has been grown to almost 220,000 hectares. Ecuador stands 3rd among the largest producers of frozen shrimps and prawns. Ecuador learned from the past to avoid large-scale EMS which was outbreak during the 90s.

Furthermore, this sector has generated job opportunities directly and indirectly in the country. More than 18,000 families are engaged in this sector to earn a livelihood.

So far as the bilateral trade relation between Vietnam and Ecuador is concerned, both countries are intended to strengthen their relations. Ecuador has flagship project “Yachy” in Vietnam. The objective of the project is to assist and strengthen the education, technology and telecommunication sectors in Vietnam. Ecuador’s major export product is shrimps and prawns to Vietnam.

Salient Features:

- *The unique factor of its shrimp industry is vertical integration and the extensive production system.*
- *Low production cost, high quality, and uniformity of raw material help in producing large size shrimp as compare to competitors.*
- *Government organized extensive programs to educate farmers about environmental protection and quality production.*
- *Ecuador engaged in different trade promotion activities internationally and in Vietnam to promote its products.*

India – Competitor Strategy:

India stands 1st amongst the largest producers of Shrimps and prawns with the highest share of 19.2% of its export to the world. India’s contribution in the global production is hovering around 6.3%. In the export basket of seafood’s, Shrimps and prawns have a lion share. Indian frozen shrimps and prawns have gained popularity in South East Asia and America.

The country’s coastline is spread out to 8,129km with ample and varied resources both in marine and inland sector. Andhra Pradesh is a hub area for shrimp and prawn’s production. There are large players set their processing plants and cold chains in Andhra Pradesh. More than 500 processing plants exist there¹⁰.

South Asia is experiencing rapid growth. Both India and Vietnam hold key positions in the region and have exceptionally friendly relations. Vietnam and India have set the trade target of \$15 billion by 2020. Apart from this, both countries have stressed improving the B2B linkages.

Salient Features:

- *The government of India regulates the aquaculture production under an umbrella of Marine Products Export Development Authority (MPEDA). It is a sign that an autonomous body is specialized to promote the exports of Seafood.*
- *MPEDA provides technical and financial assistance for shrimp farming, diagnostic laboratories, hatcheries, cold chains, and food processing.*
- *There are defined domestic standards (FSSR -2011) to comply by the domestic industry and exporters formed under an authority of Food Safety and Standard Authority of India (FSSI).*

¹⁰ <http://www.careratings.com/upload/newsfiles/splanalysis/indian%20shrimp%20industry%20-%20a%20primer.pdf>

- *Four Direct flights weekly from Delhi to Ho Chi Minh city.*
- *Presence of Indian Companies includes TATA Group.*
- *Currently, India has 131 major projects in different areas of food processing, fertilizers, auto components, and textile sector.*
- *Vietnam is a recipient of \$1billion Indian investment.*

Saudi Arabia – Competitor Strategy:

According to the export statistics of shrimps and prawns, Saudi Arabia is the 3rd largest supplying market for this product imported by Vietnam. The country is limited with fresh water supplies. The main supply of water comes from desalination, groundwater and a smaller portion from surface water. On an average, 8,000-10,000 boats are operating in the coasts of Red Sea. In addition to the commercial production of Seafood's, there is a significant growth observed in Seafood sector. Shrimp farms are concentrated along the Arabian Gulf and the Red Sea.

Saudi Arabia and Vietnam established their ties back in 1999. In addition to this, Vietnam opened its embassy in 2007. Since then, both countries vow to exchange the delegations. Frozen shrimp and prawn is the leading export of Saudi Arabia to Vietnam.

Salient Features:

- *Expatriates from Asia and gulf are mainly employed in this sector and rest of the 30-40% are Saudi nationals own the fishery farms.*
- *The Government has announced incentives for the producers and exporters of Shrimps and prawns.*
- *Ministry of Agriculture has invested more than \$10 billion into the aquaculture projects.*
- *The Government has announced a loan facility for the Small farmers with low-interest rates and payable within a period of 25 years.*
- *No Excise duty is imposed on the import of farm equipment.*
- *The Government is very keen to facilitate the investors. As the Government announced that Investor can transfer his portion of profit outside Kingdom. Furthermore, the entire share can be transferred outside the kingdom as well if the project is sold.*
- *The largest shrimp exporter company is Arabian Shrimp Company (ASC).*
- *Both countries are interested in the exemption of Visa for official passport holders and diplomats.*

4- Value Chain Mapping & Competitor Analysis of Medicaments (300439)

The developed countries have sound pharma industry. Whereas the analysis of supplying countries of Medicaments to Vietnam is concerned, Belgium is the leading exporter of Medicaments in Vietnam with a maximum market share of 7.69 % in 2017 which is almost doubled of 2013 market share. The unit value for Belgium is higher than the competitors because of the highest cost of production. On the other hand, Pakistan has improved its market share whereas the exports are fractionally improved as compared to 2013.

Italy's market share has also jumped down in the last 5 years from 10.20 to 5.24% along with the declining export competitiveness ranking. Lastly, Poland has shown a good progress in terms of market share the improved competitiveness ranking among supplying markets. The upward trend in market share indicates that Poland's Pharma sector is growing rapidly.

Table 13 ECI and Competitor Analysis of Medicaments

ECI & Competitor Analysis									
Product: 300439 Medicaments containing hormones or steroids used as hormones but not antibiotics, put up in ...			Share		ECI		Unit Value (USD)	Avg. Tariff Barriers	Non. Tariff Barriers
Exporters	Imported value in 2013	Imported value in 2017	2013	2017	2013	2017	2017	2017	2017
Total	47.292	47.481							
Belgium	3.995	7.699	8.45	16.21	5	1	183,310	0	9
Pakistan	4.162	4.575	8.80	9.64	4	5	19,468	0	9
Italy	4.826	2.486	10.20	5.24	3	7	191,231	0	9

Source: ITC, Trade Map

The tabled countries are the leading exporters of Medicaments in Vietnam. Except for Belgium and Poland, rest all have faced deteriorating market share. Detailed competitor strategies are penned down.

Global Key Players of Pharma:



Pakistan- Industry Overview:

The pharmaceuticals industry of Pakistan ranked 10th among Asian Pacific countries and has shown a significant growth over the past few years (IBM, 2013). One of the representatives of the Pakistan Pharmaceutical Manufacturers Association (PPMA) the pharma industry has experienced a healthy growth in the last few years. Approximately, there are 775 Pharmaceutical companies in Pakistan. The Pharmaceutical industry of Pakistan meets 70% of the local demand of finished medicines. The domestic market is divided into two categories includes national and multinational medicines.

*Medicament
Export to World
in 2017 was
\$48.654Million*

Pakistan's local pharmaceutical and healthcare industry is evolving and expanding. The industry has invested in its upgradation. Recently, Industry is following the good manufacturing practices (GMP). The existence of Global Pharma players has contributed to the development of the national industry. MNCs have approximately 33% share in Pakistan's market.

Pakistan and Vietnam have a cordial relation. In the past, both countries have cooperated each other on various forums. Pakistan has witnessed a good trade progress with Vietnam. In different sectors, both countries have joined hands. In the Pharmaceutical sector, Pakistan's exports to Vietnam has witnessed sound growth in the past.

Medicaments exports to Vietnam has improved whereas the total exports of Pakistan for this product to the world has also soared in 2017.

Salient Features:

- *Total registered pharmaceutical companies in Pakistan are around 775 across the country.*
- *The existence of multinational companies in Pakistan is about 26.*
- *Local Pharmaceutical companies are around 749.*
- *The projected growth in 2018 is estimated around 11.42%.*
- *Pakistan is the 7th most important and attractive market in South Asia.*

National Key Players of Pharma:



Belgium – Competitor Strategy:

Belgium is the 3rd largest exporter of Medicaments in the world and the leading exporter in Vietnam. The latter is the prime sector in Belgium. It has employed more than 30,000 workers in the sector. The country's pharmaceutical sector accounts for 10% of its total exports. The pharmaceutical industry of Belgium has posted excellent growth in terms of exports, R&D investment and job creation. Universities and research center work closely to help the industry.

Belgium is the world champion in exports of Pharmaceuticals and represents more than 10% of its exports. Belgium's export of pharma is constantly on a rising path from the last couple of years due to investment in local industry and Government support.

In the last decennia, the bilateral relation between Belgium and Vietnam have increased considerably because of Vietnam's rising economy and the expansion of Belgian companies. Belgian is the 6th largest European trade partner of Vietnam. Belgium's total exports to Vietnam is also soaring with the passage of time. The trade volume between both countries is steadily increasing. In addition to this, Belgium is an entry gate for Vietnamese products to Europe¹¹.

Salient Features:

- *Belgium experience above 40% of total Private investment portion injected every year in the R&D.*
- *Assistance in hiring qualified research in pharmaceutical help.*
- *Belgium investment in Vietnam is account for \$724million for a total of 70 projects.*
- *Presence of Belgian Bank in Ho Chi Minh City to support the Belgian Companies in Vietnam and facilitate the trade activities.*
- *An exchange of knowledge and skills through training programs in Vietnam.*
- *Belgian companies discovering business opportunities in sectors such as medical equipment, waste management, and applications.*
- *The Belgian Government support initiatives through concessional loans and financing the projects in Vietnam*
- *Negotiation on Vietnam-EU free trade agreement is launched which will boost the trade activities between Vietnam and Belgium.*
- *About 52% of the women are employed in the Pharma sector.*

Italy – Competitor Strategy:

Italy is the second largest Pharmaceutical manufacturer in EU. The country represents 26% of the total production of Pharma and 19% of total sales in EU. Pharmaceutical is the only sector which is above the pre-crisis in Italy. This growth is supported by the increase in foreign sales.

The total exports of Italy to Vietnam in 2017 are around \$1.3billion. The constant increase in the exports of Italy to Vietnam is a sign of good bilateral relations. Although, Italy has faced a slight

¹¹ <https://vietnam.diplomatie.belgium.be/en/relations-belgium-vietnam/economic-relations>

decline in the exports of Medicaments in 2016 the next year is marked as a healthy recovery year for the exports of Medicaments to Vietnam.

Bilateral trade and investment have witnessed a significant growth in the last couple of years. Major exports to Vietnam included equipment for the textile industry, food processing, and pharmaceuticals. Italy has an export-led investment in Vietnam. In addition to this, the majority of the investments are in manufacturing infrastructure, pharmaceuticals, and transportation.

Major Italian companies in Vietnam include Perfetti (confectionery and gum), Segafredo Zanetti (coffee), Mapei (adhesives and sealants), Ghella (construction), Menarini (pharmaceuticals), Medlac (pharmaceuticals), Leonardo (transportation), Bonfiglioli (industrial machinery), and Piaggio (transportation)¹².

Salient Features:

- *Growth in turnover is around 30%, is an evidence that the local Pharmaceutical industry is performing way better than Germany's local industry.*
- *Investment in the sector and expansion has ensured the quality human capital and production capacity even in the deeper crises is one of a hallmark of this sector.*
- *Vietnam -EU (EVFTA) is in the final stage and will come into effect in 2019 which is expected to be a vital step in the history of bilateral trade between both countries.*
- *Italy ranks 31 out of 126 countries, investing in Vietnam with 82 projects worth of US\$382 by the end of September, 2018¹³.*

5- Value Chain Mapping & Competitor Analysis of Instrument & Appliances (901890):

Pak- Industry Overview:

Surgical instruments and appliances are one of an important sector of Pakistan. According to Surgical Instrument Manufacturers Association of Pakistan (SIMAP), currently, 3600 manufacturing firms are registered with a workforce more than 150,000. History of the Surgical industry lasts more than 100 years in Pakistan. This industry comprises two segments. One is manufacturing and other is export. Pakistan is manufacturing and exporting Electro Medical Instruments, Body External Fixation Systems and Implants, Micro Surgery Instruments, Cardiovascular Instruments, Endoscopic and Gynecological Instruments, ENT Instruments, Respiratory Aid Instruments, Orthopedic Instruments, Hollowware, Anesthesia Products, Hospital Furniture, Dental Instruments, Veterinary Instruments, Personal Beauty care Items and Beauty Saloon instruments¹⁴. Over 98% of the industry is centered in Sialkot.

¹² <http://www.vietnam-briefing.com/news/vietnam-italy-trade-and-investment-relations.html/>

¹³ <http://fdi-vietnam.com/foreign-investment-activities-in-vietnam/a-strong-investment-wave-of-italian-business-will-enter-in-vietnam-soon.html>

¹⁴ <http://www.simap.org.pk/aboutus.php>

Though Sialkot Material Testing Laboratory (SIMTEL) was established in 2001 to comply with all quality standards of quality still it is far behind to improve the quality of the sector.

Hi-tech testing equipment is installed to strengthen the industry but still, Pakistan has to approach international laboratories for quality testing to export its products. This sector has two types of exports. One is disposable exports and other is reusable exports.

Pak World Exports in 2017 \$360.575 million

Salient Features:

- Instrument and appliances of Pakistan are the most economical and coupled with quality products.
- Only Sialkot is covering almost 10,000 medical instruments.
- Pakistan has witnessed and export growth of instrument and appliances in the last couple of year in Vietnam.
- Around 40,000-50,000 labor force is engaged in the sector directly or indirectly.

Whereas Vietnam's imports from the world are concerned, it was \$237.673 million in 2017. On the other hand, Pakistan's exports Vietnam is on a rising path but still, the export figures suggest that the potential has not been tapped. So, Pakistan lags behind to tap this market. The largest importing markets for this product exported by Pakistan include USA, Germany, UK, China etc.

Table 14 ECI and Competitor Analysis of Instrument and Appliances

ECI & Competitor Analysis									
Product: 901890 Instruments and appliances used in medical, surgical or veterinary sciences, n.e.s.			Share (%)		ECI		Unit Value (USD)	Avg. Tariff Barriers	Non-Tariff Barriers
Exporters	Imported value in 2013	Imported value in 2017	2013	2017	2013	2017	2017	2017	2017
Total	156.536	236.92							
Singapore	36.516	52.556	23.328	22.18	1	1		0	8
Japan	22.322	35.373	14.260	14.93	2	2	74002	0	8
Thailand	2.016	3.341	1.288	1.41	11	9	0.74	0	8
Pakistan	1.752	1.857	1.119	0.78	13	15	1.87	0	8

Source: Trade map

Through a developed mechanism, it has been assessed that Pakistan is amongst the countries which have the lowest exports figures of Instrument in appliances in this market. Singapore is the leading supplier in this market followed by Japan and Thailand has improved its export competitiveness in this market. Whereas, Pakistan's export competitiveness has deteriorated but the export figures are slightly improved. China and other competitors have also improved their competitiveness and supply in this market.

Similarly, Pakistan's share in this market has declined not only because of export figures but the existence of the competition. Singapore's share has also declined fractionally but it has retained the leading position in this market. Japan with a fractional improvement has retained its second-leading exporter's position in the market. Being a regional supplier Thailand has also retained its good share in the market. Lastly, Pakistan's share is on reverse gear because of the existence of regional suppliers to Vietnam and the competitive environment.

Singapore – Competitor Strategy:

Instrument and appliances have become increasingly important. Though this sector is quite young in Singapore but due to the business environment, it has become a viable sector for the investors to invest in the industry. Currently, the Singapore industry aiming to hit more than \$5billion in manufacturing output.

Singapore's exports increased with the passage of the time because of Governmental policies and friendly business environment. Singapore's exports of Instrument and appliance account for \$52.556 million to Vietnam which is almost doubled to the previous year. On the other hand, its exports to the world have also witnessed a healthy increase.

Singapore has become a viable center for international research and development collaborations. More than 60% of the imports are re-exported from Singapore as the country is a transshipment hub. Furthermore, the Singapore Government has allocated a budget of \$13billion for research innovation and enterprise activities to strengthen the economy.

Being a Chairman of ASEAN, Singapore has an importance in the region and signed multiple MOUs to assist Vietnam in the field of technology, enterprise development etc. Recently, Singapore and Vietnam have celebrated their 45th anniversary of diplomatic relations and the 5th anniversary of the strategic partnership between Vietnam and Singapore. So, both countries have close ties to boost the trade relations. Expansion of trade and business links between both countries have seen a significant robust bilateral tie.



Singapore's Exports to
World in 2017 were
\$1.8billion

Salient Features:

- *ASEAN has made a couple of engagements to develop a uniform system for registering medical devices across all member countries. Therefore, the ASEAN Medical Directives (AMDD) was signed by all member countries in August 2014. The objective of the criteria was to develop a uniform criterion for the classification of medical instrument.*
- *Investment in R&D has created jobs.*
- *Over 30 global companies have set up their commercial manufacturing plants in Singapore which indicates the growth and strength of the industry.*
- *Singapore has trained more than 16000 Vietnamese in the areas of health care, trade, and public administration.*
- *Singapore is marked as the third largest investor in Vietnam with registered 1300 projects in various fields.*
- *Singapore has an advanced technology to manufacture the quality instruments with owned internationally recognized testing laboratory.*
- *Being a member of ASEAN. Singapore has free access in markets of member countries.*





Japan – Competitor Strategy:

Japan has witnessed a rising trend in the exports of surgical instruments and appliances in the past couple of years. Year by year exports figures indicates the positive growth in this sector. Japan is amongst the top exporters of medical instruments. Japan possesses the most successful industry in the world.

Japan is an economic power and its medical devices market is one of the biggest markets. By 2020 it is expected to reach over \$31.7 billion. Japan has worldwide renowned manufacturers of instruments and appliances include “Fuji Flex” is amongst the largest manufacturers and exporter of surgical instruments and appliances. Another list of companies is mentioned below.

The economic cooperation between Vietnam and Japan is growing consistently in the last few years. Especially growing trade and investment by Japan in Vietnam has touched the new heights of relation. Japan has invested in the various sector including infrastructure and energy projects. Japan is the second largest foreign investor, the third largest tourist source and fourth largest trading partner. Japan is also the leading investor in Vietnam with over 2500 companies¹⁵.

List of companies:

-  *Hitachi.*
-  *Nippon Kayaku*
-  *Olympus.*
-  *Fukuda*

¹⁵ <http://www.vietnam-briefing.com/news/growing-economic-cooperation-japan-vietnam.html/>

Salient Features:

- *Robust domestic manufacturing market.*
- *Japan is a hub of technology and innovations.*
- *Strict regulatory process and quality standards make it different among the competitors.*
- *Over 2500 companies of Japan operating in Vietnam.*
- *ASEAN – Japan Comprehensive Economic Partnership Agreement (AJCEP).*
- *Vietnam – Japan Partnership Agreement (VJPA).*
- *Vietnam has lowered its import tariff for Japan on 5,545 products*
- *Under the VJPEA Vietnam has announced zero tariffs to 456 tariff lines.*
- *Meanwhile, under the AJCEP, 6201 tariff lines will see reduction and exemption of tariff.*
- *Japan registered its investment in Vietnam stood at \$49.46billion as of 2017.*

Thailand – Competitor Strategy:

Thailand is a very robust market which facilitates the investor to sell its products in the local market or export to any country. Thailand is well positioned in Asia. A wide range of medical devices manufactured by Thailand domestically. It is also a center for other countries to promote their products.

Thailand's world exports of Surgical Instruments and appliances grew from \$322million to \$383million in last three years. Whereas its exports to Vietnam posted a growth from \$1million to \$3million in the last three years. Though the increase is fractional bilateral trade has increased in a healthy manner.

The bilateral trade hit a record of \$16.6 billion in 2017, following the target of \$ 20billion by 2020. The trade volume between both countries has been soaring year to year.

Salient Features:

- *Thailand is among top 10 medical tourism destinations which do not only a source of revenue generation but promote the country's image as well.*
- *Thailand is among the top foreign investors in Vietnam. Its investment accounts for \$7.7billion.*
- *Being a member of ASEAN, Thailand has an additional tariff advantage.*
- *Thailand ranked as the world's 17th largest exporter of medical devices.*
- *Lowest labor cost.*
- *Easy access to raw material.*

Top Pakistani Exporters:

Table 15 Top Pakistani Exporters

List of Exporters				
Sr.no	Exporter	Contact	E-mail	Address
Product Code: 481159 (Paper & Paperboard)				
1	Century Paper Mills	021-35698000	info@centurypaper.com.pk	Lakson Square Building No.2, Sarwar Shaheed Road, Karachi
2	Nishat Papers Products Company Ltd. Nishat Paper	042-111113333		Nishat Papers Products Company Ltd. Nishat Paper, Karachi
Product Code: 520942 (Denim, containing >= 85%)				
3	Al-Karam Textile Mills (Pvt) Ltd.	021-35018638	alkaram@alkaram.com	H.T/11, Landhi Industrial Area, Karachi
4	Ahmad Hassan Textile Mills Ltd.	061-4512933	sec@ahhtml.com.pk	46 Hassan Parwana Colony, Multan
Product Code: 030617 (Frozen Shrimps & Prawns)				
5	Moon Orchardsa	0321-4823590		Sargodha, Pakistan
6	People Fisheries (Pvt) Ltd.	0333-2277086		Karachi, Pakistan
Product Code: 300439 (Medicaments)				
7	Abbott Laboratories Pakistan Ltd.	021-5046583		National Highway Bin Qasim, Karachi
8	ATCO Laboratories	021-111111645	info@atcolab.com	B-18, S.I.T.E., Karachi-75700, Pakistan
Product Code: 901890 (Instrument and Appliances)				
9	Afzal Saeed Manufacturing Corporation	052-3253880	info@afzalseed.com	Noul Chowk Wazirabad Road, Sialkot-51310-Pakistan
10	Dr. Fritz International Pvt Ltd.	052-4262703	export(@)frigginternational.com	Airport Road, Gohadpur, Sialkot, Punjab, Pakistan, 51310

Source: Trade map

TDAP Initiatives:

It is mandatory for the country to participate and organize promotional events/exhibitions. In this regard, Pakistan has participated in the following events.

Table 16 Exhibition Calendar

S. No	Details of Events	Dates	Products
1	Pharmed, The 11 Vietnam International Hospital, Medical, and Pharmaceutical Exhibition. Hochiminh City, Vietnam	September 2017	Surgical and Dental Instruments
2	Pharmed, The 11 Vietnam International Hospital, Medical, and Pharmaceutical Exhibition. Hochiminh City, Vietnam	September 2018	Surgical and Dental Instruments

Source: TDAP

Supply Side Issues:

Medicaments – Supply Side Issues:

- *After the 18th amendment, the devolution of health ministry has created the gulf between the province and the federal Government on regulatory and other issues which affect the productivity of the industry. Prices, licensing, and regulations are under the domain of the Federal Government while the provinces deal with minor matters like distribution and sales. This has a negative impact on the domestic industry of Pharma in Pakistan.*
- *The absence of laboratories to comply with international standards.*
- *Because of poverty, the country's population facing health issues. Due to this, inelasticity of medicaments has raised the profitability of the local producers and multinationals to sell their products locally.*

Denim – Supply Side Issues:

- *Historically local cotton was the prime and suitable source of manufacturing denim due to low length staple. However, the weakening quality of cotton urge the exporters to rely on import of quality raw material which did not only incur the cost but also lower the domestic production of cotton.*
- *Underutilization of tier 1 and 2 player which is closer to the capacity of 80%.*
- *Domestic industry regularization. Small production units at home.*
- *Textile sector is the top receiver of investment and incentive certificated over thirty years now.*
- *Cotton prices are higher as compare to the world that allows boosting the cotton production.*

Frozen Shrimps and Prawns – Supply Side Issues:

- *Fish harbor is extremely affected by different pollutants. Spillage of oil and industrial waste is causing harm to the fish industry.*
- *The different chemical substance is harming the fish industry and its exports.*
- *Lack of research in the areas of production, fish nutrition, fish disease, and fish genetics.*

Paper & Paperboard - Supply Side Issues

- *Increasing domestic demand has created a bar on the exports of paper and paperboard products.*
- *Low infusion of capital in the sector hinder the broadening production base.*
- *Lack of advanced technology and innovation.*
- *Deforestation and lack of recycling.*
- *Tariff and local duties.*

Instrument and Appliances – Supply Side Issues:

- *Reliance on the imported material has incurred the cost of production.*
- *Skilled labor, processes efficiency.*
- *Lack of aftersales services.*

Demand Side Issues:

- *Due to an emerging economy status, Vietnam's demand for paper and paperboard is increasing year by year and the same is the pattern at the supply side of Pakistan. Despite a healthy increase in Pakistan's exports of paper and paperboard, competition and demand issues exist in Vietnam's market.*
- *Vietnam prefers trade with the ASEAN economic block because of tariff concessions. So, the market demand is much covered by ASEAN member countries. Apart from this, India is the major competitor in this market with sound domestic industry and supplying capacity.*
- *Despite being in the list of top producers of Denim, Pakistan's exports to the world and Vietnam is on a declining path. Whereas the imports of Vietnam for the Denim is increasing year by year. Furthermore, Pakistan is competing with China, Turkey, and Thailand in this market. Demand for China and Turkey is high due to bilateral agreements and investments. In line to this, Indian and Chinese presence with high quality and product diversification is a future potential demand issue for Pakistan.*
- *Both Vietnam's imports and Pakistan's exports of "Frozen Shrimps and Prawns" has witnessed a major hike in the recent years. Despite this increase, Ecuador, India, and Thailand are superseding the table of exporters to Vietnam. In the past, Pakistan's fisheries sector has faced a ban on international exports specifically to EU countries due to certain chemicals. This has left a negative impact and India has taken advantage of this situation. Currently, Vietnam has preferred its imports of shrimps and prawns from Ecuador and India. In East Asia, Fish is regarded as the best food. It is served on all occasions. Whereas per capita consumption of fish and shrimps in Vietnam is high, to meet this demand Vietnam holds a requirement of quality testing and packaging of this product.*
- *Rising population in Vietnam requires health facilities. In this regard, imports pertaining to Medicaments are rising year by year. On the other hand, Pakistan exports of medicaments witnessed a growth of 32% in 2017 from a corresponding year. Whereas Pakistan exports to Vietnam is increasing with a marginal export value of \$4.5million in 2017 as compared to \$3.013 million in 2016. Pakistan faces competition from Belgium and Poland. Particularly, Vietnam's public healthcare expenditure has to increase at CAGR 9.5% in the tenure of 2016-2021. Vietnam's Ministry of Health issued guidelines of labeling requirements and shelf life of medicines. Furthermore, Vietnam requires a Marketing Authorization Licenses (MAL) on the import of medicines.*
- *Despite being specialized and potential sector of Pakistan with handsome export figures of \$360million to world in 2017, Pakistan's exports value of instruments and appliances is very low to Vietnam. Whereas the imports of instruments and appliances by Vietnam stand \$237.673 million in 2017. The Government of Vietnam has issued directives that only legal business entities possessing a license from Ministry of health can only import and distribute medical equipment in Vietnam. So, lack of B2B linkages, marketing networks and depth knowledge of pertinent regulations are the issues faced by Pakistan.*

- *Ineffective protection of intellectual property is a significant challenge for the investors and exporters in Vietnam's market.*
- *High start-up costs and unexpected assessments, transfer regulations and procedures may hurt the export process in Vietnam.*
- *By and large, lack of market awareness and B2B linkages have surged in recent times.*

SWOT Analysis

Strength

- *Pakistan has become a hub for the denim production and supply. Pakistan has made it to the top denim manufacturing country in Asia.*
- *"Prime Minister Trade Enhancement Package" is an initiative to support the textile industry. Furthermore, GOP has also reduced the tariffs on gas for industries which have paved the path to broadening the production base.*
- *Pakistan is a major cotton producing country which provides an ample raw cotton for production of denim. Conventionally, Pakistan has an edge in producing low-cost denim.*
- *Instrument and appliances industry of Pakistan has manufacturing experience of more than 60 years which states that Pakistan has an expertise and skills to enhance the capacity to meet international demand.*
- *Expert in modification and customization of surgical instrument and appliances as per diversified demand.*

Weakness

- *Historically, Pakistani cotton was considered suitable for denim production due to low staple length. However, the weakening quality of Pakistani cotton has created reliance on import of cotton which has increased the cost of production.*
- *Lack of an adequate infrastructure in Shrimps and prawn's industry to comply with the stringent norms and quality of international buyers. (HACCP, BRC & BAP) required for the exporters.*
- *Lower value in international markets as the quantity of exportable fish has depleted due to overfishing. Furthermore, the use of destructive nets and overfishing has depleted the seafood quality.*
- *Processing and transportation of fish to the harbor are poor which deteriorated the quality and pricing in the international market.*
- *The absence of financial assistance or financing programs for sectoral/industry development is creating a bar in enhancing the production and operational capacity of the industry. Especially, SMEs has lack of opportunity for viable financial sources.*
- *High Import tariffs on the raw material of paper and paperboard industry have chemicals has incurred the cost of production which again halted the production base.*

Opportunities

- *Because of political tensions between Vietnam and China, it is a window of opportunity in the future for Pakistan.*
- *The current geopolitical environment of Turkey is the worrying factor which can dismantle the export growth of Turkey and the deteriorating currency rates also open a new window of opportunity for Pakistan to fill the gap in future for Denim products.*
- *Use of banned antibiotic in shrimps and ban on Indian imports by the South Eastern Countries and many of Europe has opened a window of opportunity for Pakistan.*
- *Vietnam is a stable socio-political country which opens a window of opportunity for the investors and exporting countries.*
- *Currently, Vietnam is a part of a Global Value Chain in textile and other sectors due to heavy foreign direct investment. Pakistan can yield fruits by joining hands with Vietnam in the textile sector and other sectors.*

Threats

- *Vietnam is a member of the Trans-Pacific Partnership (TPP), which is now fairly uncertain because of the US withdrawal.*
- *Vietnam's public debt is highest in the ASEAN countries except for Singapore. In addition to this, taxes are going up and in the future economy may suffer.*
- *The decline in the global prices of shrimps and prawns may affect the industry.*
- *Focus on product development, innovation and keeping abreast with fashion changes remains critical to the growth of the denim market.*
- *India is controlling the international prices of fisheries which have affected the bargaining position of Pakistan. Furthermore, India is controlling prices with more than 200 exporting factories.*
- *Deforestation, natural calamities and lack of recycling have weakened the potential production and exports of paper and paperboard in international markets.*
- *Our competitors have signed bilateral trade agreements with Vietnam or some represent the economic union due to which there is a major cut of in exports facing by Pakistan.*
- *China's constant economic interventions in Vietnam may cause of threat for Vietnam and other exporting countries to Vietnam.*

Conclusion and Recommendation:

All five potential export products have witnessed a healthy growth in recent years but still, a trade gap has identified which can be met by following the penned down recommendations. In addition to this, the competitor strategies are drawn including the export measure to capture the market share. Vietnam is open to trade and investment due to which the demand for seafood's, pharma and instrument and appliance has increased in recent years. Rivals have developed their export strategies including trade agreements to meet the diversified demand of Vietnam. By and large, it can be fruitful for Pakistan to sign a trade agreement with ASEAN member countries in potential sectors include pharma, textile, instrument, and appliance, seafood's etc.

- *Fisheries Microfinance Program should be launch to enhance and strengthen the quality production. It will not only foster the sustainability of the sector but can help in poverty alleviation.*
- *Formulate and organize the training programs for the fishery sector because it can be an economic booster.*
- *Paper & paperboard industry is an emerging industry of Pakistan which needs a proper policy and regulation. Furthermore, the raw material is an area which has to be accorded.*
- *Promotion of forestry and technological interventions are imperative to boost this sector.*
- *Duty on the imports of raw material (Including chemicals, waste paper, wood pulp, plant, and machinery) should be reduced because the printing industry has suffered due to anomalous tariff rates mainly custom duty is an impediment in the growth of the industry and exports.*
- *Overfishing is the major cause behind the depletion of fish resources. In the 1980s, it was observed that 550 trawlers would be sufficient to economically harvest the shrimps. Currently, there are over 2,400 trawlers most have switched from shrimps to 'trash' fishing as a result of depleted stock. Moreover, it is recommended that policy and regulatory steps be taken to reduce the fleet size overall to less than 6,000 vessels and the trawler fleet should be specifically limited to less than 600 out of the total¹⁶.*
- *Instrument and Appliances: Pakistan needs to register its brand in international markets. Technology, innovations, and training in the sector are imperative to strengthen the sector.*
- *SME sector is a rising sector in Pakistan. Shift and increase in the export basket are only possible through SME's development and growth. Because this sector has much potential to increase the export and provide employment opportunities to working and poor class.*
- *Incentives and duty drawbacks to the exporters.*
- *SME financing needs to be more active to facilitate the surgical industry. It is beneficial for the expansion of the industry which could improve employment conditions.*
- *There is an immense need for R&D activities and training institutes for Surgical instruments and appliances industry.*

¹⁶ <https://www.thenews.com.pk/print/362151-pakistan-fish-exports-up-27-94pc-netting-451-026-million-in-fy18>