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## Vietnam

## Biotechnology

## Update

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**Report Highlights:** In 2005, the Vietnamese government approved a decree that for the first time comprehensively addresses the development and use of biotech products, however implementing regulations have yet to be generated. In line with the new decree, the Vietnamese government has set out ambitious plans to develop biotechnology in agriculture through 2020. Despite problematic elements in the decree, already large imports of biotech products and positive indications during Vietnam's WTO accession make disruption of trade as a result of the decree unlikely.

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## Section I: Biotechnology Trade and Production

On August 26, 2005, the Vietnamese government ratified Decree 212/2005/QĐ on the management of genetically modified organisms (GMO) and their products. This provided the legal framework on research, production and trade of biotech products in Vietnam. The decree is translated in VM 5062.

Decree 212/2005/QĐ-TTg paves the way for production of biotech crops in the country. The government is especially targeting development of biotech cotton, soybean and maize, as local production of these crops is much lower than the demand (see policy section below).

Although reports of illegal use of biotech crops are common, legal commercial production can at best be realized only after several years because implementing regulations for the decree have yet to promulgated and they will doubtlessly require a lengthy approval process. Field-testing of biotech crops will be regulated by the Ministry of Agricultural and Rural Development (MARD). Crops will also be reviewed and certified by MARD for commercial production.

Biotech seed traders are very interested in introducing biotech seeds including cotton, corn and soybean to Vietnam. They are working with MARD on the procedures being developed for biotech field tests.

Vietnam does not ban imports of biotech products. Currently, Vietnam imports large amounts of a number of biotech agricultural raw materials namely cotton, soybean meal, and corn. Annually, Vietnam imports about 100,000 metric tons of cotton from different countries including several using biotech varieties. The United States is the largest cotton supplier to Vietnam and a major user of biotech varieties. In 2006, India has become one of the biggest cotton suppliers to Vietnam and they are also users of biotech varieties.

Vietnam's animal feed industry also relies on imports of biotech soybean meal and corn. Annually, Vietnam imports about one million metric tons of soybean meal for the animal feed industry. Argentina is a major soybean meal supplier to Vietnam and uses biotech soybean varieties. Vietnam also imports soybean meal from the United States, which is a major user of biotech varieties.

In Vietnam, there is currently no restriction on imported biotech products. However the new biotech decree outlines requirements for import permits and labeling that could impede imports. While this raises issues, positive indications from Vietnam's WTO accession could ease concerns. Also, given the scope of current biotech trade, restrictive biotech measures would create hardships for several important Vietnamese industries. Currently cotton; soybean meal and corn importers are not concerned about possible biotech restrictions on imports.

## Section II: Biotechnology Policy

### Vietnam Biological Safety Management Regulation on GMOs Products approved

The Decree 212/2005/QĐ-TTg presents the Vietnamese government's strong commitment to implement the Cartagena Protocol on bio-safety that they signed in 2004. Responsibilities of each government ministries and agencies are clearly identified. The Ministry of Natural Resources and Environment is assigned to coordinate regulation between the various government entities involved. The Ministry of Science and Technology is responsible for management of research on GMOs. Food safety is the function of the Ministry of Health. The

Ministry of Agricultural and Rural Development (MARD) is managing field-testing and production of biotech crops (see VM 5062).

For its responsibilities under the decree, MARD is working on "The Regulation of Research, Trials, Evaluation, Risk Management and Issues of Bio-safety Licenses of Genetically Modified Crops". MARD is into the fourth draft of the regulation, which consists of five chapters:

Chapter 1: General regulation

Chapter 2: Field Trails and Risk Assessment of biotech crops

Chapter 3: Management and Monitoring GM crops

Chapter 4: Granting bio-safety certificate to biotech crops.

Chapter 5: MARD's tasks on bio-safety crops management

Post will report on the regulation once it is finally approved.

Other ministries including the Ministry of Health, the Ministry of Trade and the Ministry of Industry are also working on regulations implementing the decree. Post will update as new regulations become available.

### **Ambitious Biotechnology Plan to 2020**

On January 12, 2006, Vietnam's Prime Minister signed Decree 11/2006/ND-TTg on "Key Programs and Application of Biotechnology in Agriculture to 2020". The general objective of the program is to create new plant varieties; animal breeds and biotech products by application of biotechnology in order to increase the competitiveness of Vietnamese agricultural and fishery products for domestic consumption and exports. Annually, the government plans to invest about VND100 billion (equal to USD 6.3 million) in the program

The government plans call for the commercial release by 2011 of a number of biotech crops created by Vietnamese scientists including cotton, maize and soybean. By 2020, the government hopes biotech crop varieties will take 70% of the total crop production.

MARD is assigned as the leading agency for this program. They will coordinate the work of the Ministry of Science and Technology, the Ministry of Industry, the Ministry of Planning and Investment, and local authorities..

To promote biotechnology development and its application in agriculture, MARD has established a Biotechnology Office in its Science and Technology Department. FAS/Hanoi has been working closely with the Office on biotech issues.

### **Vietnam Labeling Regulation**

In 1999, Vietnam's Government issued Decree No.178.1999/QD-TTg "Promulgating the Regulation on the Labeling of Goods" (for more details, see VM9029). As indicated in Article 9 of Chapter 2 of this decree, biotech products produced in Vietnam or imported from foreign countries must be labeled. However, the regulation does not specify at what content level product will be considered as biotech. Neither does it specify at what levels of processing that labeling is required. Implementation is unclear.

In 2003, the Government of Vietnam passed the "Ordinance on Food Hygiene and Safety". It became effective Nov.1, 2003 (for more details, see VM 3014). As indicated in Article 20 of Chapter II: of this ordinance, genetically modified food or genetically modified food materials must be inscribed on their labels in Vietnamese with the phrase "food containing biotech products".

The new biotech decree also reiterates the need for labeling of biotech products. The Food Administration of the Ministry of Health is working on a regulation to implement the labeling requirements for food derived from biotech products. However, as noted before, indications made during the Vietnam WTO Accession ease concerns that the labeling measure will disrupt trade.

### **Intellectual Property Right Law**

In November 2005, the Vietnam National Assembly passed a comprehensive intellectual property rights law. Part four of the law covers intellectual property rights for plant varieties. It closely follows UPOV guidelines.

The law was to be effective July 1, 2006. However the Vietnam Ministry of Agricultural and Rural Development still has not completed implementing guidelines for the plant varieties' section. Draft guidelines have been sent to the various concerned parties and a final guideline is promised soon. (see VM6036)

### **Section III: Marketing**

In Vietnam, for the time being, there is not an active anti-biotech campaign underway to sway public opinion away from adoption of biotechnology.

Currently, a numbers of Vietnams' research institutes including the Institute of Biotechnology, the Vietnam Agricultural Science Institute, the Agricultural Genetic Institute, and the Institute of Tropical Biology are conducting research on biotech crops. Experimental biotech crops include rice, sweet potatoes, papaya, cotton, maize and flowers. Vietnam scientists are waiting for MARD's guidelines in order to proceed with field-testing.

There are a numbers of challenges for biotechnology development in Vietnam. There is a lack of understanding about bio-safety among scientists and the media. Also there is a shortage of well-trained staffs to develop and implement bio-safety regulatory mechanisms, as well a lack of adequate facilities for analyzing risk.

### **Section IV: Capacity Building and Outreach**

In order to work with Vietnam in biotechnology development, the United States government and private sector have implemented a number of activities.

- In June 2006, USDA & USAID had sponsored the Director of MARD's Biotechnology office to attend the "Commercialization of Biotechnology Crops in Asia – Moving from ideas to useful products in farmers field" organized by Asia BioBusiness Pte, ISAAA and the Singapore National Institute of Education in the Philippines.
- Under USDA funding, 5 participants from Vietnam's different ministries including MARD, the Ministry of Health, and the Ministry of Science and Technology attended the Association of Southeast Asian Nations-United States Roundtable on Agricultural Biotechnology Policy and Strategy held in Bangkok, April 4-5, 2006. Vietnam delegates actively participated in the discussion on how to develop biotechnology in Vietnam.
- In February 2006, Vietnam was host of the 2006 APEC- Biotechnology Policy Dialog. USDA worked closely with Vietnamese MARD to organize the event. USDA also

funded participants from a number of APEC economics to participate in the conference.

- In the middle of August 2005, the U.S. National Center for Food Policy made a series of presentation on biotechnology in Ho Chi Minh City and Hanoi.
- Under the sponsorship of the Vietnam Education Fund (VEF), the University of Missouri in coordination with the Vietnamese Ministry of Agriculture and Rural Development staged two week-long seminars on soybean biotechnology. These were held in Hanoi May 13-19, 2005 and in Can Tho May 23-27, 2005. Two of the seminar speakers were USDA-ARS experts.
- Using USDA funding, an Embassy Science Fellow worked in Vietnam from August 4 to September 26, 2003. The Fellow met with government officers from different ministries and visited many universities and research institutes. He also gave a series of workshops and presentations on biotechnology.
- Since 2000, USDA has annually funded two Vietnam participants to the APEC-Policy Dialog on Biotechnology.
- The American Soybean Association (ASA) has funded training on biotechnology in the United States.
- A private American seed company has sponsored several Vietnamese farmers participation in a farmer-to-farmer training on biotechnology between Asian countries.