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## **Vietnam**

## **Sugar**

## **Update**

## **2001**

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**Report Highlights:** The report provides PS&D tables of sugar sector in Vietnam.  
Some general information of the sector is also briefly discussed.

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Includes PSD changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Hanoi [VM1], VM

## TABLE OF CONTENTS

<b>SUGARCANE PRODUCTION</b> .....	<a href="#">Page 2 of 5</a>
<b>Table 1:</b> Vietnam Sugarcane Productions .....	<a href="#">Page 2 of 5</a>
<b>CENTRIFUGAL SUGAR PRODUCTION.</b> .....	<a href="#">Page 2 of 5</a>
<b>Table 2:</b> Sugarcane for Centrifugal. ....	<a href="#">Page 3 of 5</a>
<b>Table 3:</b> Centrifugal Sugar PS&D table .....	<a href="#">Page 3 of 5</a>
<b>NON-CENTRIFUGAL SUGAR PRODUCTION</b> .....	<a href="#">Page 4 of 5</a>
<b>Table 4:</b> Sugarcane for Non-Centrifugal .....	<a href="#">Page 4 of 5</a>
<b>Table 5:</b> Non-centrifugal Sugar .....	<a href="#">Page 4 of 5</a>
<b>PRICE</b> .....	<a href="#">Page 4 of 5</a>
<b>SUGAR TRADE</b> .....	<a href="#">Page 5 of 5</a>
<b>POLICY</b> .....	<a href="#">Page 5 of 5</a>

## SUGARCANE PRODUCTION

Vietnam's sugarcane area in 2000/01 crop is 320 thousand hectare (Tha), less than the previous crop by about 30 Tha.. The sugarcane area decrease is mainly due to the flood destroying some areas in the Mekong River Delta (MRD) and the drought hitting the crop in Central provinces. The low sugarcane price for 1999/00 crop also discouraged farmers as well as sugar processors to extend crop area (see Table 1).

Current rising sugarcane prices will encourage sugarcane growers and sugar industry to pay more attention to the development of the sugarcane crop for 2001/02 sugar production period. The sugarcane areas is predicted to reach the 1999/00's crop level or higher than 350 Tha .

**Table 1: Vietnam Sugarcane Productions**

	1998/99	1999/00	2000/01
	Nov.98-Nov.99	Nov.99-Nov.00	Nov.00-Nov.01
Total sugarcane area (Tha)	288	350	320
Crop yield (MT/ha)	48	48	49
Total sugarcane production (TMT)	13,824	16,800	15,680
Total sugarcane used for sugar production (TMT)	11,059	13,440	12,544
of which sugarcane for centrifugal (TMT)	6,636	8,870	7,903
sugarcane for non-centrifugal (TMT)	4,424	4,570	4,641
CENTRIFUGAL SUGAR PRODUCTION (TMT)	577	771	753
NON-CENTRIFUGAL SUGAR PRODUCTION (TMT)	221	242	244
TOTAL SUGAR PRODUCTION (TMT)	798	1,013	997

Source: GSO, MARD and FAS/HN

## CENTRIFUGAL SUGAR PRODUCTION

According to the Ministry of Agricultural & Rural Development (MARD), at the beginning of the 2000/01 crop, every sugar plant started their production, but all of them are reported to find difficulties in buying raw materials. Sugar producers in the South should end their operation earlier by 1-1.5 months due to a lack of materials.

Currently, there are 42 sugar plants with the total capacity of 74 TMT of sugarcane per day operating in Vietnam. To run the full capacity, the sugar industry need at least about 11-12 MMT of sugarcane for a production period. However, in 2000/01 crop, there are only about 7.9 MMT of sugarcane available for sugar processing industry that can produce about 752 TMT of sugar (50-60 TMT, below the plans registered by sugar manufactures) (see Table 2 &3).

In order to achieve the target of producing 1 MMT of sugar in 2000/01, sugar industry is petitioning the Government of Vietnam (GVN) to import raw sugar. However, there is no response from the Government so far.

**Table 2: Sugarcane for Centrifugal**

PSD Table						
Country:						
Commodity:	Sugar Cane Centrifugal					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		11/1998		11/1999		11/2000
Area Planted (Tha)	0	154	0	187	0	175
Area Harvested (Tha)	0	154	0	187	0	175
Production (TMT)	0	6637	0	8870	0	7902
TOTAL SUPPLY (TMT)	0	6637	0	8870	0	7902
Utilization for Sugar	0	6637	0	8870	0	7902
Utilization for Alcohol	0	0	0	0	0	0
TOTAL UTILIZATION	0	6637	0	8870	0	7902

**Table 3: Centrifugal Sugar PS&D table**

PSD Table						
Country:	Vietnam					
Commodity:	Sugar					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		11/1998		11/1999		11/2000
Beginning Stocks	67	0	82	20	762	100
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	535	577	550	771	600	752
TOTAL Sugar Production	535	577	550	771	600	752
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	140	42.5	130	0	0	0
TOTAL Imports	140	42.5	130	0	0	0
TOTAL SUPPLY	742	619.5	762	791	1362	852
Raw Exports	0	0	0	0	0	0
Refined Exp.(Raw Val)	0	16	0	50	0	70
TOTAL EXPORTS	0	16	0	50	0	70
Human Dom. Consumption	0	583.5	0	641	0	705
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	0	583.5	0	641	0	705
Ending Stocks	82	20	762	100	1362	77
TOTAL DISTRIBUTION	82	619.5	762	791	1362	852

**NON-CENTRIFUGAL SUGAR PRODUCTION**

Non-centrifugal sugar production is an important part of Vietnam's sugar sector. Annually, the non-centrifugal sugar production is about 200-250 TMT, and it bring an considerable employment for local people. The product is mainly used for domestic consume and some time for export to neighboring countries (see Table 4&5).

**Table 4: Sugarcane for Non-Centrifugal**

PSD Table						
Country:	Vietnam					
Commodity:	Sugar Cane Non-Centrifugal					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		11/1998		11/1999		11/2000
Area Planted	0	134	0	163	0	144
Area Harvested	0	134	0	163	0	144
Production	0	4423	0	4569	0	4641
TOTAL SUPPLY	0	4423	0	4569	0	4641
Utilization for Sugar	0	4423	0	4569	0	4641
Utilization for Alcohol	0	0	0	0	0	0
TOTAL UTILIZATION	0	4423	0	4569	0	4641

**Table 5: Non-centrifugal Sugar**

PSD Table						
Country:	Vietnam					
Commodity:	Non-Centrifugal Sugar					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		11/1998		11/1999		11/2000
Production	0	221	0	241	0	244

**PRICE** (the current exchange rate: VND14,600 equal to \$1)

In 2000/01 sugarcane crop, the price of sugarcane will probably increase to VND 250–300,000/MT compared with VND 150,000/MT of the last crop due to declining sugarcane production and increasing sugar price.

The price of refined sugar is increasing as food and beverage processors are in a hurry to purchase sugar for stockpiles while sugar producers want to keep a part of their production for higher price. In the early April 2001, the cost of refined sugar was about VND 6,400-7,00/kg, an increase of VND 800-1,300/kg compared with last year's level and by VND 600-1,000/kg compared with the price at the beginning of the year.

## SUGAR TRADE

In 1998, Vietnam set a quota for sugar import at 80 TMT of which 60 TMT was raw sugar and the remaining 20 TMT refined sugar.

In 1999, sugar was on the list of import items requiring an import license controlled by Ministry of Trade (MoT). However, there was about 42.5 TMT imported under of 1998's remaining quota. However, due to cheaper price, some sugar (mainly Thai and Chinese sugar) was illegally imported to Vietnam.

According to MARD's statistical data, Vietnam officially exported about 19 TMT and 50 TMT of sugar in 1999 and 2000 respectively to ASEAN countries including Singapore, Philippines, Cambodia some sugar exporters claim their exports caused losses. Vietnam hopes to increase the sugar export volume to 70-100 TMT in 2001.

In the first quarter of 2001, cheap imported sugar from Thailand and China made a re-appearance in Ho Chi Minh City. Thai and Chinese sugar is sold at VND4.5 – 5 million/ton (\$310 - \$344), compared to domestic sugar's price of VND6.2 – 6.4 million/ton (\$427 - \$441).

## **POLICY**

Since 1999, sugar is subjected to the list of import items requiring an import license granted by Ministry of Trade (MoT). Therefore, there has been no official sugar imported by Vietnam so far this year.