



# Food & Beverage Committee

## Vietnam food regulatory challenges and harmonization of food standard in ASEAN



# Agenda



**1 Vietnam Food Regulatory Challenges**

**2 Harmonization of Food Standard in ASEAN**

**3 Conclusion**



# Executive Summary on food laws in Vietnam



- At present, Law on the Quality of Products and Goods and Law on Food Safety are 2 major food laws.
- The first, effective from 1 July 2008, gives manufacturers/ traders the responsibilities for the quality of their products and the Ministry of Science and Technology overall responsibilities for the quality of goods, including foods.
- The later, effective from 1 July 2011, specifies the responsibilities to the Ministry of Health (MOH), Ministry of Agriculture and Rural Development (MARD) and Ministry of Industry and Trade (MOIT) for the safety of food; and describes the rights and obligations of organizations and individuals in respect of food safety, conditions to ensure food safety and doing business in food, advertising, labeling food...
- In principle, current food regulation allows for higher food safety and better food control system to protect public health, prevent fraud and deception, reduce food adulteration and facilitate trade.
- However, F&B enterprises are still facing a number of challenges. Understanding and compliance with all laws and regulations concerning food is an issue.

# Challenge 1: administrative burdens



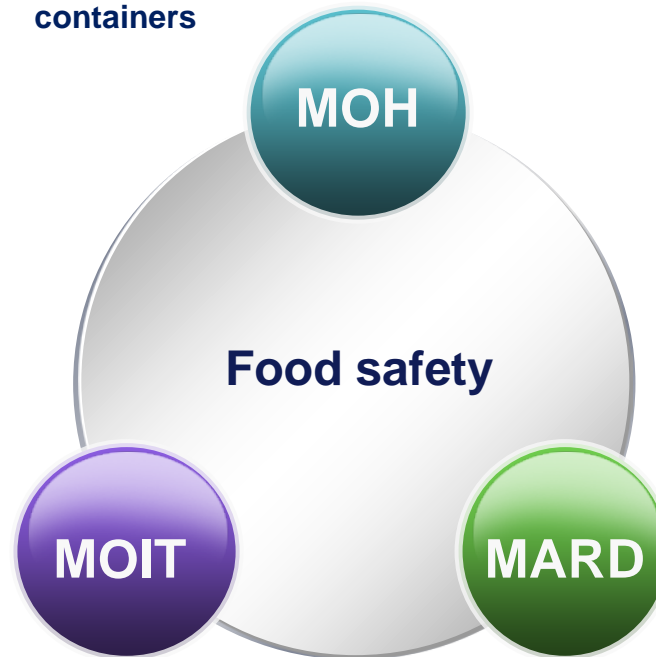
For rice vermicelli,  
3 ministries are in-charge?



But for frozen ice,...  
unclear???



Food additives, food processing aids, bottled water, natural mineral water, functional food, micro-nutrient fortified food, and food packing utensils, food packaging materials and food containers



Grain, meat and meat products, fish and fishery products, vegetables including bulbs, fruit and their products, eggs and egg products, raw materials for fresh milk, honey and honey products, genetically modified food, salt, spices, sugar, coffee and tea, cacao, pepper, cashew nuts and other agricultural food products.

Wine and spirits, beer, soft drink, processed milk, vegetable oil, processed flour and starch, bread, jam, confectionary and their packages and containers

- Glossary:*
- Ministry of Health (MOH);
  - Ministry of Agriculture and Rural Development (MARD) and
  - Ministry of Industry and Trade (MOIT)

Reference to Art.20,21,22 of Decree 38/2012/ND-CP  
HaiQuan online dated 15 Oct 2013,

# Challenge 1: administrative burdens (cont.)



## Issue description

- At the moment, many ministries and government agencies are involved in management of food hygiene and safety.
- Overlap and lack of clarification were significantly reduced under new Food Safety Law but still remain, led to interpret the rules and regulations in different ways, then apply inconsistently in practice.

## Recommendation:

- Single-window system with straightforward, transparent and streamlined process.
- Leader or key contact between various State agencies involved.
- Greater cooperation between various State agencies to enhance the implementation of legal framework, ensure smooth operations for enterprises, and improve competitiveness of the industry.



## Challenge 2: Multiple minor requirements but... lack of some key regulations and procedures



### Issue description

- For Food Safety only, there are at least 76 prevailing legal instruments issued by all related State agencies, making understanding and compliance of Vietnamese laws and regulations concerning food can be a challenge for F&B enterprises.
- However, 2 issues are existing at the same time: multiple minor requirements which not work in practice and lack of clear guidance. Both can be barriers for growth.



List of food documents





## Challenge 2: Multiple minor requirements but... lack of some key regulations and procedures (cont.)



### Issue description:

- Multiple minor details like intended users, dosage are required for a beverage supplemented vitamin, regardless percentage of vitamin.
- However, a label usually has a limited space in a product so it's not good, create lengthy labels or labels with small font size. More cost but reduce the attention to key information.

**INTENDED USERS:**  
May not suitable to people sensitive to caffeine, children and pregnant women...

### Recommendation:

- Review, remove requirements which not actually work or useful in practice.
- Benchmark the regulatory standard on product labeling with other ASEAN Countries.
- Dosage and user note only apply for the supplementary products, micro nutrient fortified products having at least one vitamin or mineral salt more than 3 times value of recommendation table of nutritional needs RNI 2002 (II.1 Circular 08/2004/TT-BYT).



**DOSAGE:** 2  
bottles/day?



## Challenge 2: Multiple minor requirements but... lack of some key regulations and procedures (cont.)

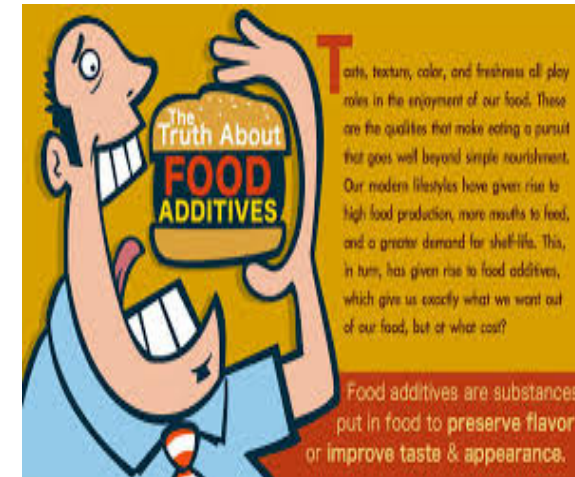


### Issue description:

- Only allow to use food additives included in a list issued by MOH which not updated regularly and not covered all food additives which normally can be used.
- Silent on procedures to get approval if using food additives not yet included in the list has prevented enterprises from innovation and launching their new products, impacting to both enterprises and their consumers, and becoming a barrier for growth.

### Recommendation:

- Update the approved additives more regularly (each six month).
- Issue a formal process to approve/ reject the food additives not included in the approved list





# Vietnam and Harmonization of Food Standard in ASEAN






- Trade in food significantly impacts the economies of many ASEAN countries since almost relies heavily on the agri-food sector for economic growth, trade and investment

## Legend:

- a. Total Population
- b. Total GDP (current US\$)
- c. GDP per capita (current US\$)
- d. Total trade (% of GDP)
- e. Size (value) of the agricultural sector
- f. Agriculture (% of GDP)
- g. Employment in Agriculture (% of total employment)
- h. Food exports (% of merchandise exports)

Source: Harmonization of Food Standards in ASEAN, AFBA Executive Summary. Figures for 2011 unless otherwise stated.

	<b>1. BRUNEI DARUSSALAM</b> a. 406,938 b. \$12.37 billion (2010) c. \$31,007.95 (2010) d. 114.3% (2010) e. \$96.99 million (2010) f. 0.76% (2010) g. N/A h. 0.09% (2008)		<b>6. MYANMAR</b> a. 48.34 million b. N/A c. N/A d. 0.31% (2004) e. N/A f. 48.35% (2004) g. N/A h. N/A
	<b>2. CAMBODIA</b> a. 14.31 million b. \$12.88 billion c. \$900 d. 113.6% (2010) e. \$3.81 billion (2010) f. 36.02% (2010) g. 72.2% (2008) h. 1.44% (2010)		<b>7. PHILIPPINES</b> a. 94.85 million b. \$224.754 billion c. \$2389.52 d. 62% e. \$29.3 billion f. 13.04% g. 35.2% (2009) h. 7.35% (2010)
	<b>3. INDONESIA</b> a. 242.33 million b. \$848.83 billion c. \$3494.60 d. 55.87% e. \$142.92 billion f. 16.88% g. 38.3% (2010) h. 16.36% (2010)		<b>8. SINGAPORE</b> a. 5.18 million b. \$239.70 billion c. \$46,241 d. 391.23% e. \$78.27 million f. 0.03% g. 1.1% (2009) h. 1.88% (2010)
	<b>4. LAO PDR</b> a. 6.29 million b. \$8.30 billion c. \$1319.60 d. 81.57% e. \$2.41 billion f. 30.8% g. N/A h. N/A		<b>9. THAILAND</b> a. 69.52 million b. \$345.65 billion c. \$4972 d. 148.13% e. \$42.75 billion f. 12.37% g. 41.5% (2009) h. 13.23% (2010)
	<b>5. MALAYSIA</b> a. 28.88 million b. \$278.67 billion c. \$9656.25 d. 176.8% (2010) e. \$25.27 billion (2010) f. 10.63% (2010) g. 13.5% (2009) h. 11.9% (2010)		<b>10. VIETNAM</b> a. 87.84 million b. \$123.96 billion c. \$1411 d. 167.85% e. \$24.37 billion f. 19.68% g. 51.7% (2008) h. 21% (2009)

# Vietnam and Harmonization of Food Standard in ASEAN



- In a rapidly changing and very competitive economic environment, ASEAN needs greater cooperation and integration among Member States in order to remain competitive.
- Gaps in food control infrastructures and regulatory frameworks within ASEAN include Food legislation; Food control management; Inspection and verification system; and Laboratory capacity.
- Regulatory harmonization is an essential element for the creation of a truly integrated ASEAN single market. 5 areas in which harmonization across ASEAN would bring the greatest benefits to the ASEAN economy: Nutrition labeling; Pre-market product registration; Import/Export certification; Authorization of food ingredients, additives and flavors; and Contaminant limits and analytical methods.
- These technical barriers directly impact the economic opportunities available to ASEAN business - small, medium and large - as well as the availability of safe, nutritious and competitively priced food for ASEAN consumers.





- Significant challenges will need to be addressed and overcome. It will require ASEAN members and Vietnam to
  - i. enhance cooperation and transparency,
  - ii. endorse science-based international standards,
  - iii. enhance technical expertise and the related infrastructure,
  - iv. demonstrate political commitment at the highest levels to regulatory reform and harmonization based on Good Regulatory Practice and appropriate regulatory impact assessment; and
  - v. recognize and embrace the contribution of private sector stakeholders to the development and achievement of regulatory convergence.



# Conclusion



- Food regulations have been improved and simplified. However, the reality is that the laws must continue to evolve.
- All members of F&B committee of AmCham expect to share their industry view and the best practice in other countries to contribute to its further improvement.





# Food & Beverage Committee



## Thank You!

