



Weekly news from Hanoi, Vietnam

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## VIETNAM SETS TO EXPORT US\$6 BILLION OF COFFEE BY 2030



The Vietnam Coffee and Cocoa Association (VICOFA) has set a target to have a total coffee plantation area of approximately 600,000km across the nation, with exports expected at a maximum of US\$6 billion by 2030, according to the Ministry of Industry and Trade.

In the past ten years, the coffee industry has accomplished the mission of bringing Vietnam to second position in the world on production and export of coffee beans. In the next stage, the industry aims to double the value of coffee manufacturing and exports, contributing to improving the efficiency of the national economy.

In particular, by 2020, VICOFA sets to have the proportion of processed coffee estimate at 30% compared to 10% as today, while instant and filter coffee will account for 25% of the total yield. Export turnover is set to reach US\$3.8-4.2 billion. In addition, the entire industry will diversify its products in the direction of deep processing with the proportion of processed products reaching 30-40% of total yield and strong brands.

By 2030, it is expected to have a total output value of coffee at 200% compared to the present, with export value reaching US\$5-6 billion.

According to the International Coffee Organization (ICO), in recent years, the world's coffee production has seen few changes.

The total global coffee output is at around 170 million bags, each weighing about 60kg. Of these, top ten exporters account for more than 90% of total output.

In the 2014-2015 crop, Vietnam's coffee production reached 27.5 million bags, at about 1.65 million tones, ranking second after Brazil, and becoming the largest Robusta exporter in the world.

In 2015, although Vietnam maintained its 2<sup>nd</sup> position in export volume, it only rank third in value, after Brazil and Colombia.

According to the Trade Promotion Department under the Ministry of Industry and Trade, in the 2015-2016 crop, due to favorable weather, Vietnam's coffee production increased by 7% over the previous year, at 29.3 million bags. It is estimated that total coffee exports is at 28.07 million bags, up 31% against last year.

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