

# SIPPO-Newsletter.

Issue 2/10

## Editorial.



«We are what we eat» – but often we don't really know what we are eating. Either because we do not understand the technical terms

used for the ingredients or because we do not give enough thought to where our food comes from and how it has been produced. This SIPPO Newsletter is dedicated, amongst other things, to the issue of sustainable fishing and fish farming. How can we, as consumers, help, through targeted buying behaviour, to ensure that we can long continue to enjoy this inherently very healthy and delicious food? – This issue also focuses on the metal sector in Vietnam with its vast range of inexpensive products amid ongoing structural changes for the more than one thousand larger and smaller manufacturing plants. Where can I find the right supplier and the right product? Which local networks should I use as an importer to make the right contacts? You can find out how to get started on page 3.

Rita Stupf  
Head of Development Services

## Asia: Strong partner in fish farming, working agreements with a future.

**80% of the global wild fish stocks are being overfished or exploited up to their limits according to the Food and Agriculture Organization (FAO). Aquaculture – the commercial farming of fish and seafood – is constantly growing in importance. In 2009, roughly the same quantities of bred and wild caught seafood were traded for the first time globally. However, this intensification of fish farming brings ecological problems with it. The responsible sourcing of fish and seafood is a challenge for retailers committed to sustainability such as Coop.**

Asia is the largest seafood producer. However, the general boom is leading to critical situations on the Asian market: attempts to make money quickly often occur at the expense of natural resources. The mangrove forests of the Mekong Delta in Vietnam are one of the world's most important ecosystems and home to countless fish and crustacean species. However, their intensive use for shrimp breeding led to the forests systematically being cut down. Overfertilisation and the use of veterinary drugs have resulted in water pollution and soil salination. Alternatives are required.

A project pioneered by SIPPO and Coop is now leading to significant quantities of shrimps being produced in accordance with the strict rules of organic aquaculture. Since 2004, Coop has been focussing on organic-quality shrimps, which now make up about 75% of the bred shrimps on sale. The «Forestry Shrimp Project» in Vietnam is operated in harmony



Dr. Urs Weingartner  
Purchasing of labelled  
meat and fish

with nature and regularly inspected by independent bodies to ensure the strict ban on antibiotics is observed. Moreover, this method is protecting the mangrove forests. This example shows that it is possible, through long-term working relationships, to produce seafood with a promising future for humans, animals and the environment in Asia.

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## Indonesia – riches for natural ingredients and their sustainable use

Indonesia with its rich biodiversity is the tropical treasure house for tropical ingredients in Asia. The Indonesian Natural Products Industry is present in Europe with essential oils, gums and resins and spice extracts. Only recently the offer includes



organic certified raw material and plant extracts from Sulawesi, Java and Sumatra Islands with Jakarta and Surabaya as export hubs. The heart of the natural products industry is centred in Java with strong focus on national markets in traditional cosmetics and health care. Low labour costs and abundant natural resources offer excellent potential for sustainable procurement and cost optimization for ingredients and final product companies in Switzerland and Europe. Regional trade fairs like Food Ingredients Asia in September/October 2010, and the Herbal and Health Food Indonesia in October 2010 offer the diverse insight for stocktaking and networking.



## Challenges in Indonesian fishing and aquaculture.

The Indonesian archipelago extends from east to west, covering a distance equivalent to that from Madrid to Tehran. It has 19,000 islands and a coastline extending 80,000 km. The Indonesian authority MOMAF, which regulates the demands of fishing and aquaculture, has ambitious plans. The fish stocks in the oceans are currently being mapped with data which are collected continually in order to regulate their use. However, Indonesia cannot act alone. The residents of the archipelago, as well as those responsible for the internationally operating fishing and processing fleets, have to comply with binding agreements in their areas of operations. Another area of intervention in MOMAF's development plan is the promotion of aquaculture in suitable areas. The successful implementation of this plan is dependent on whether sustainable production methods are systematically being used: feedstuffs with a lower proportion of fish meal and oil from controlled fishing, lower stocking of ponds and breeding compounds in order to prevent animal stress and diseases, and the major promotion of organic certified aquaculture are important elements of this. It is only through a combination of all these measures that the award-winning products from this Indonesian industry will continue to form part of the local people's diet and be exported in sufficient quantities.

## Sustainable fishing and organic aquaculture creates added value in developing countries.

The Swiss consume 7.5 kg of fish and seafood per capita per year. Given the domestic production of only 3,000 tonnes, 50,000 tonnes of fish and seafood are imported from, among others, developing countries, in order to meet this demand. As part of its economic development cooperation, the State Secretariat for Economic Affairs SECO is promoting sustainable trade which is gaining in importance in the fishing industry as well – for wild caught and farmed fish. Organic breeding helps to remedy overfishing and unwanted catches, while guaranteeing species-appropriate and environmentally friendly rearing and growth with feedstuffs containing only the remnants of fish processing and plant ingredients from organic agriculture. With the certified organic shrimps from Vietnam and India, the Swiss Import Promotion Programme (SIPPO) funded by SECO is giving developing countries additional economic prospects thanks to the local generation of added value and market access. Globally recognised labels such as the Marine Stewardship Council (MSC), which has a 7 % market share, should also be used as the standard for sustainable wild caught fish.

## Vietnamese suppliers with significant procurement benefits.

Vietnam, a country which has 86 million inhabitants and an area of about 330,000 square kilometres, is growing continually. An increasingly deregulated economy and considerable investments in infrastructure have contributed to this. In addition to the national language, English has now established itself as the second language. With a growth rate of 6.3% (2008), the private sector's share of the total gross domestic product is almost one-half. In particular, Vietnamese mechanical engineering has experienced rapid growth over the last ten years – it was 40% a year until the advent of the economic crisis. Growth in



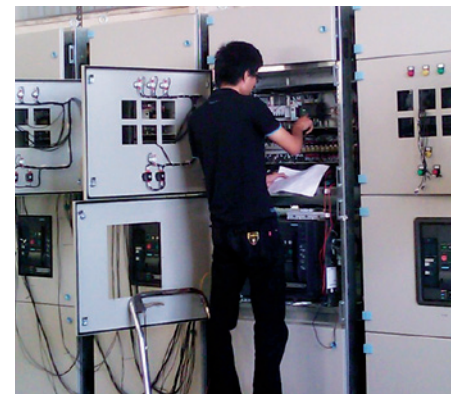
demand has been highest for electric and diesel engines and in the automotive sector. The various economic working relationships with Vietnam's East Asian neighbours have led to the emergence of producers with state-of-the-art facilities in the metal-working and electrical engineering sectors. Efficient production organisation and lower labour costs than in neighbouring China are creating a clear and long-term procurement and cost optimisation alternative for European companies.

## Tony Blair visits SIPPO success story from Palestine.

While Palestine used to be a SIPPO focus country, from 2003 to 2007, the Palestinian olive oil producer Canaan Fair Trade participated under SIPPO's umbrella at the Bio-fach trade show in Germany three times. During this period, the company's turnover increased from 1.63 Million USD to 3.8 Million USD and engaged seven more employees. The company produces and exports premium olive oil and other delicacies made by over 1700 small scale farmers. All its products are fair trade certified and the number of organic certified products is growing steadily. The fair trade system ensures that farmers are paid a higher price, reinvests in the community, supports sustainable farming and healthy working conditions. Thanks to the SIPPO programme, Canaan Fair Trade found new customers and sales distributions in Switzerland, Germany and Denmark among others. The company learnt a lot about the organic movement, organic products and especially about market trends which helped them to focus their marketing efforts more effectively. On top of this, Canaan Fair Trade attracted Tony Blair's attention who visited the company in November 2009. Nasser Abufarha, the director of Canaan Fair Trade, met with the Blair delegation and presented his processing plant and products.

## Growing mechanical engineering sector

The Vietnamese mechanical engineering industry is growing year on year, and at breathtaking speed. The automotive and shipbuilding industries are well developed in the north and south of the country; mechanical engineering is increasingly located



in the industrial zones near larger cities. The electrical engineering companies are predominantly located in the south in the region around Ho Chi Minh City. In particular, sheet metal processing, toolmaking, engine construction, motorcycles, construction machinery and equipment, electrical engineering components and finished products



as well as assembly for mechanical and electrical engineering/electronics are well developed. Not least of all the low (wage) costs are of interest for choosing this location for Swiss and European companies.

## Exhibition schedule.

- **Tendence, 27.–31.8.2010**  
International Autumn Fair Frankfurt, Frankfurt, Germany
- **Spoga, 5.–7.9.2010**  
Trade Fair for Sport, Camping and Garden Lifestyle, Cologne, Germany
- **TTW Travel Trade World, 3.–4.11.2010**  
TTW Montreux, Trade Fair of the Travel Industry, Montreux, Switzerland
- **WTM World Travel Market, 8.–11.11.2010**  
International trade fair for the travel industry, London, England
- **Hausbau & Energie, 11.–14.11.2010**  
Timber construction and energy efficiency fair, Berne, Switzerland
- **Health Ingredients, 16.–18.11.2010**  
HIE – trade fair for health-promoting + nat. additives, Madrid, Spain
- **Swisstech, 16.–19.11.2010**  
Trade fair for the supply industry, Basel, Switzerland

## Contact.

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## Matchmaking platforms in Madagascar and Ghana.

**The Foire Internationale de Madagascar (FIM) was held in Antananarivo, Madagascar from 6 to 8 May 2010. In collaboration with Osec, Madagascar's investment promotion agency EDBM presented local companies with potential for successful international partnerships.**



In particular, the FIM show this year highlighted African SMEs' potential for international partnerships. The companies are not always just looking for buyers. With their increasing professionalism they also rely on modern equipment and facilities. Moreover, SMEs in Africa are becoming more interesting for investment companies. Various

companies which are supported through the IPSSA programme ([www.ipssa.ch](http://www.ipssa.ch)) were able to successfully make contacts with venture capital firms at the FIM.

A similar event with selected companies, organised by the Ghana Investment Promotion Centre, will be taking place in Ghana from 14 to 15 September. Osec is offering the possibility of attending this event as part of a business trip to Ghana. ([www.ipssa.ch/businessstrips](http://www.ipssa.ch/businessstrips)).

## Outlook.

### Buying Mission for fruits & vegetables, mushrooms and berries

**31 August to 3 September 2010, Macedonia**

The focus of our trip will be vegetable cultivation. Thanks to favourable climatic conditions, early varieties can also be cultivated outdoors. In addition, seasonal varieties can be supplied due to production facilities in greenhouses which are heated with hot spring water. In particular, wild mushrooms and berries are harvested. We would be happy to tailor the programme to your needs.

Information and registration: Constantin Kostyal, [ckostyal@osec.ch](mailto:ckostyal@osec.ch)

### Market research trip to Vietnam

Discover Vietnam with SIPPO during the 1<sup>st</sup> half of 2011. SIPPO is organising a procurement and market research trip, in cooperation with the SVME, during which you will be able to personally visit companies in your chosen sectors. Thanks to our extensive local network and wealth of experience, you will be able to gain a direct insight into, and satisfy yourself of, the available opportunities. Metal processing, electronics, electrical engineering, equipment construction, sheet metal processing, electronic and electrical components, assembling and wage labour companies will be considered.

Register your interest with [cbernet@osec.ch](mailto:cbernet@osec.ch)

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