

# VIET FISH

INTERNATIONAL

ISSN 1859 - 1183

VOL. 7, ISSUE 06, NOVEMBER - DECEMBER 2010

PHOTO: NGUYEN PHU THUAN

DESIGNED BY NGUYEN PHU THUAN

000000



MAGAZINE OF THE VIETNAM ASSOCIATION OF SEAFOOD EXPORTERS & PRODUCERS

# Pangasius

## we should react before it's too late



**Diener Jean-Charles** is founder and director of OFCO Sourcing (Vietnam) Ltd. He has large experience in Vietnamese seafood and especially about Pangasius from 1999.

*Pangasius* is a great item and probably the best fish in the world for several aspects. But if nothing is done quickly, the quality of this fish itself will achieve to destroy its reputation and kill its enormous potential.

By **JEAN-CHARLES DIENER**  
Director and Founder  
of OFCO Sourcing (Vietnam) Ltd



*Pangasius sticks*

To keep developing the successful story of *Pangasius* we should understand the reasons why this fish is so popular and we should stay confident with our product. We should also understand the fundamental reasons of negative propaganda developed against *Pangasius* in most of the countries importing this fish. We should be more careful and united to protect better the future of this great *Pangasius* industry.

### ***Pangasius* is a great item**

It is important to remember this fact because most of the people seem to have forgotten it. This is not true only about Europe but also on other countries even Viet Nam!

Yes, *Pangasius* is an ideal product! *Pangasius* fillets have light taste, light smell and firm texture. This fish is easy to adapt to any cooking and it's cheap. No other fish in the world have been successful so quickly than

*Pangasius*. All over the world, this fish is consumed and has been able to be adapted to the local culinary custom.

### **If *Pangasius* is an ideal product, why something doesn't feel right about this fish?**

Today, in Europe, many of the people importing this fish don't serve this product to their family. I sell a lot of containers of this product to many buyers but they do not personally consume it.

More worrying; everybody knows about the bad campaigns developed in many of the countries importing this fish but what's staying more obscure is that often, the fishery departments from those countries support those allegations.

Brazilian Ministry of Fishery is actually part of a very negative campaign against *Pangasius* and the result could be, in the best case, the elevation of the importation taxes or simply the interdiction to import this fish into this country. This could be very damageable because Brazil has the potential to become one of the biggest importer of this fish.

In US, the DOC imposed high antidumping duty on *Pangasius* and few Vietnamese companies still manage to avoid this unfair duty but if nothing is done to develop a better sales strategy from Vietnam, those antidumping duty on *Pangasius* could be revised and increased.



Diener Jean-Charles introducing OFCO's website

Europe is not in rest, European fishery department is not satisfied with the way *Pangasius* affect their economy and they are working to stop its importation.... Decision in Europe takes time but once it is taken, it will also take time to be changed.

**In Vietnam:** 7-10 years ago the *Pangasius* exporters were proud of this product. Now, it makes them worry as the business is more down than up.

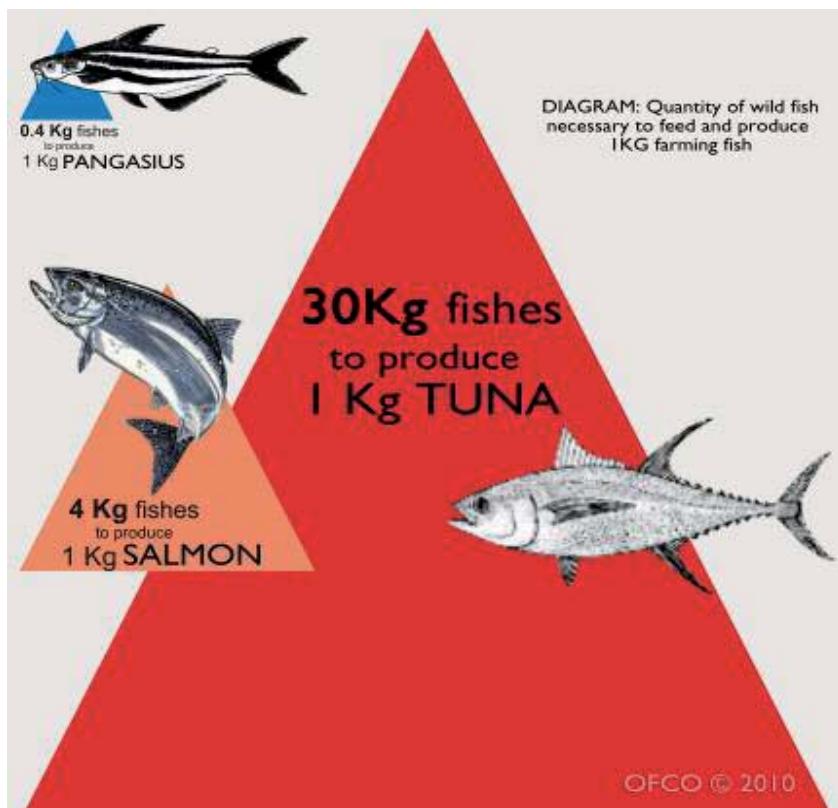
Few years ago, there were strong demands from customer to develop long term business and sales strategy on *Pangasius*. Worldwide companies such as Mc Donald wanted to develop new product and promote this fish. This resulted in many processors wanting to develop more factories for high value products and breaded fillets made out of *Pangasius*.

It is surprising that the interest to develop high value product made from *Pangasius* is much less now considering that this fish is now well-known in majorities of the countries in the world.

### So where are these 'bad feeling' coming from?

*Pangasius* has become a commodity product.

*Pangasius* is so GOOD, cheap and suitable for nearly all purposes that it competes too strongly against other fishes and hurt the other fishery industries.



## Sustainable Development

*Pangasius* is also creating problem to the importers and the whole sellers: the price is so low and the competition is so tough that they can't make profit out of it! There's always someone selling cheaper and so, they have to reduce maximum their margin.

The competition seems to be so unfair for many professional from the seafood industry in Europe (and that is also the case in other countries) that their only option to protect themselves is to develop bad and wrong propaganda against *Pangasius*. We can understand them; that is not a good reaction but what else can they do to survive and sell their fishes at 7-12 euro when *Pangasius* can be sold from 3 to 8 euros/kg?

All the European fishery industry is affected with *Pangasius* and nobody seems to be winning with this situation. *Pangasius* is not good for European economy and affect fishery economies around the world.

Most of the European company importing *Pangasius* can't make profit out of it and *Pangasius* take a part more and more important of their turn over. But still they must keep importing this Item because final customers ask for it!

But they won't develop a communication to promote it! They will not support *Pangasius*!

### Where should we start for the solution?

How could we promote *Pangasius* and how do we fight the bad propaganda?

#### **A. STOP reducing the price**

The very cheap price is already the problem!

*Pangasius* could be sold today at minimum 30% to 70% more expensive in Europe if we had developed since several years some good strategies.

I do not want to be misunderstood! I am also buying *Pangasius* and I am not saying that I am willing, TODAY, to pay even 5% more ... same as everybody, I must follow the market price.

European buyers are not confident anymore with *Pangasius* and they are confused with the massive range of price and offer they are receiving but with over 300 companies offering this product, it will be too difficult, today, to set up common standard between all the exporters.

**B. We must act on the selling price and impose a minimum export price. That is the important thing to do!**



*Pangasius breaded*



*Fried caramelized*



*White Pangasius well trimmed*

We should define together, with the help of VASEP, this minimum price and it should be reasonable.

This minimum price could be different according to the destination but it should be a minimum price whatever the specifications (glazing, treatment, trimming, etc...). This will force exporters to compete more on the quality and less on the price. It will also increase the quality and give more confidence to the buyers.

We can start with an easy value (not too high) but we should respect it. And then, eventually increase the price step by step according to the market acceptance. For the second step and only after being successful with the first one we could together set up a minimum price per destination and according to the specifications. This second step will also make the customers see clearer between the massive range of offers.

### ***C. We should ourselves be more confident with our product***

Just because *Pangasius* is cheap it doesn't mean that it is not a good product. *Pangasius* is cheap because we have a very competitive labor cost in Vietnam to process this fish and because this fish is omnivorous.

Yes, this fish is omnivorous: it means that same as the pig it can digest animal or vegetal protein.

Farming an omnivorous fish like *Pangasius* is much more efficient than most of the other fishes farmed in the world which are carnivorous such as Salmon and Tuna.

Those fishes need lots of animal proteins on their diet. Those proteins are issued mainly from industrial fishing that is very expensive and by the way, not helpful for the environment. Many



*Smoked Pangasius*

associations say that aquaculture is good to protect our ocean but it takes up to 4kg wild fishes (catch specially for fishmeal) to feed and produce one kilo of salmon and most of the common farming fish. For tuna, the situation is even worst as it take 30kg wild fishes to feed and produce 1kg tuna. This is ridiculous and is not good for the nature; it is not good to protect our ocean and also the reason why those products are more expensive than our *Pangasius*!

### ***D. Increase the nutritional quality of Pangasius fillet***

On the downside, *Pangasius* is quite poor in nutritional fact but this could be corrected easily with a proper food formulation. But of course, that can be possible only if we increase together the price of *Pangasius*.

These actions will make *Pangasius* become IDEAL product and a PERFECT FISH!

If we work together to regulate and increase the price of *Pangasius*, we will at same time increase the quality and everybody will be on

the winning side.

Vietnamese farmers and exporters will get a proper or even very good profit out of *Pangasius*: We are nearly the only one in the world producing this fish and so we should be the one fixing the market price.

Importers and whole - sellers will also win because they could develop sales strategy and increase their margin. Lastly, the final customers for only few more cents could have a better product!

***IF we succeed in this, the bad propaganda will reduce and with the help of our customers we could really start promoting this product as the greatest farming fish in the world. The Importer, whole sellers and even the distributors could become more confident to promote this fish and develop new product made out of Pangasius. It will become a healthy competition with the other fish industry.*** 🌐

Friday, September 24th 2010