

Vietnam identifies Philippines as high potential market for agri-exports

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According to Vietnam's Trade Office in the archipelago nation, the Philippines is a high potential market for Vietnamese exports due to its large population, diverse needs for goods and services, and not too strict import standards.

In 2023, the Philippines had 113 million people, ranking 13th in the world, seventh in Asia, and second in ASEAN. The Philippines and Vietnam, both dynamically developing economies in the region, are similar in many ways and have complementary production processes, so they have room to expand their economic and trade ties.

Vietnam is the Philippines' 10th largest trading partner, and because of the close proximity and similar consumption habits, the Philippines is a high-potential market for Vietnamese exports. In addition to its limited domestic production, the country has a relatively low import standard for goods and services, making it a major importer of food products.

A total of 35 products and groups of products from Vietnam are being sold in the Philippines, including agricultural products, aquatic products, confectionery, animal feed, cement, steel, construction materials, textiles, garments, and machinery. A large proportion of exports has always been made up of farm produce, especially rice.

Over the past few years, Vietnam has consistently posted a trade surplus with the Philippines, according to the Trade Office. The bilateral trade topped \$7.8 billion in 2022, up 14.7% year on year. That consisted of over \$5.1 billion in Vietnam exports to and \$2.7 billion in imports from the Philippines, respectively rising 11.6% and 12.8%, according to the Asia - Africa Market Department of the Ministry of Industry and Trade.

In 2023, the trade revenue was equivalent to the 2022 figure, \$7.8 billion, comprising \$5.15 billion in Vietnam's exports and \$2.65 billion in imports, respectively increasing 1% and declining 2% year on year.

Rice is a staple export of Vietnam to the Philippines. Last year, the former shipped 3.1 million tonnes of rice, down 2% from 2022, to the latter to earn \$1.75 billion, up 17.6%. The Vietnamese grain made up over 80% of the Philippines's rice import volume, statistics show.

Meanwhile, Vietnam's main imports from the archipelago country include computers, electronic devices, and components, machinery, equipment, tools, and spare parts, metals, electrical cables, aquatic products, automobile components, confectionery, and animal feed.

According to the Trade Office, Vietnam should keep its status as the biggest rice supplier for the Philippines while diversifying its export structure and increasing shipment value to further tap into this market. The Philippines is a high potential market, but Vietnamese businesses have yet to pay due attention to it, the office said, pointing out the necessity to step up communications to help companies realize its potential to boost exports.