

Export of pepper and spices to reach \$2 Bn by 2025: VPA

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Hoang Thi Lien, President of the Vietnam Pepper Association (VPA) stated that the current export revenue of pepper and spices has reached \$1.4 billion. Although this figure may be slightly ambitious under current conditions, the growth rate of this industry is quite good when the market returned to pre-COVID conditions. Pepper exports have previously reached \$1.1 billion. When demand is high and supply is limited, there will be pressure on prices, and the expected figure of \$2 billion is feasible. In addition, the production process of products is increasingly standardised, and organic production is increasing, so the price will be better.

Le Viet Anh, Head of the Office of Vietnam Pepper Association, believes that the pepper season in Vietnam in 2023 is relatively optimistic, with an estimated harvest output of 200,000 tonnes, up 9.3 per cent compared to last year. Meanwhile, according to the International Pepper Community (IPC), the harvests from other producing countries such as Brazil, Indonesia, and India are all expected to decrease compared to 2022.

The total global pepper production in 2023 is estimated to reach 526 thousand tonnes compared to 537.6 thousand tonnes in 2022. Vietnamese cinnamon production in 2023 is forecasted to increase compared to 2022 and reach around 45,000 tonnes.

The pepper and spice industry contributed to a total of over \$1.4 billion in export revenue in 2022. In the pepper and spice industry, pepper accounted for 69.4 per cent, cinnamon 20.6 per cent, Star Anise 5.1 per cent, nutmeg and mace 2.3 per cent, ginger and turmeric 1.6 per cent, and chilli peppers 0.8 per cent.

According to the report of the Vietnam Pepper Association, in Q1/2023, Vietnam exported 76,727 tonnes of pepper, with export revenue reaching \$235.9 million, up 40.5 per cent in quantity but down 7.3 per cent in value compared to the same period last year. In addition, cinnamon exports reached 18,685 tonnes with \$54.8 million, up 45.8 per cent in quantity and 13.8 per cent in value. Star Anise exports reached 3,369 tonnes Worth \$21.6 million, up 261.9 per cent in quantity.