ORANGE DEMAND FOR LOCAL AND IMPORTED PRODUCTS IN HANOI

Presented by Hoang Bang An, FAVRI

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I- Objectives

To determine the level of consumption and consumers' preferences for imported and domestic oranges since Vietnam has become a member of AFTA and WTO.

II-Research questions

- Main question: What is the level of consumption and what are the consumers' preferences for imported and domestic oranges since Vietnam has become an official member of AFTA and WTO?
- What are the effects of the importation of oranges regarding the trend of orange consumption in Vietnam?
- How to satisfy the fruit consumption demand of the domestic market, especially in terms of quality, safety and price?

III-Methodology

- Qualitative survey: interviews with experts of the orange market in Vietnam.

- Quantitative survey: questionnaire for 300 consumers in the center and the suburb of Hanoi.

- Consumers interviewed live in:

1. Hoan Kiem district
2. Hai Ba Trung district
3. Thanh Xuan district
4. Gia Lam district

- Use of the SPSS software to analyze the collected data.

IV- Results and Discussion

According to the interviewed experts, the Vietnamese fruit market has recently changed a lot.

- Around 766,900 ha are cultivated with over 30 varieties of fruit (orange 87,200 ha, yield 606,400 ton in 2005).
- The average fruit output per capita has been increasing promptly from 35 kg/person in the 1980s to 79 kg per person in 2005 (orange: 7.4kg/person).

- Variety and quality of imported fruit have also increased. These parameters were already increasing before the entry of the Vietnam in the WTO.
- Vietnam imports fruit -through official and unofficial paths- from China, Korea and Japan, by the trade agreement FTA of ASEAN countries.

Table1: **Fruit which are allowed to be imported by Vietnam in 2005**

Unit: 1,000USD

Description	Import	Description	Import
Coconuts, Brazil nuts and cashew nuts (fresh)	86.947	Dates, figs, pineapples, avocados, guavas, mangoes and mangos teens (fresh or dried)	31.440
Other nuts (fresh or dried, whether or not shelled or peeled)	10.213	Grapes (fresh or dried)	8.193
Apples, pears quinces, (fresh or dried) Other fruits (fresh)	7.056	Other fruits (fresh)	6.843
Total			150.692

Source: The 2005 customs yearbook on foreign merchandise trade

Table 2: **Income rate of interviewed households**

Unit: %

No	**Income**	**Peri-urban**	**Urban**	**Total**
1	<500.000 VND/person/month	6	2	8
2	>500.000-700.000 VND/person/month	3	4	7
3	>700.000-1.000.000 VND/person/month	8	18	26
4	>1.000.000 VND/person/month	8	51	59
	Total			100

Source: Data Survey (Favri/Malica)

Table 3: **Spending for food and fruit, relative to the income**

Unit:%

No	Income	Peri-urban		Urban	
		Food	fruit	Food	fruit
1	<500.000 VND/person/month	43	6	44	6
2	>500.000-700.000 VND/person/month	46	5	45	6
3	>700.000-1.000.000 VND/person/month	33	6	39	7
4	>1.000.000 VND/person/month	23	4	27	6

Source: Data Survey (Favri/Malica)

Table 4: **Relation between income and main places where oranges are bought**

Unit:%

No	Income	Main place	Rate
1	<500.000 VND/person/month	Traditional market	94
2	>500.000 -700.000 VND/person/month	Traditional market	68
3	>700.000 -1.000.000 VND/person/month	Traditional market	33
4	>1.000.000 VND/person/month	Shop, Super market	54

Source: Data Survey (Favri/Malica)

Table 5: **Places where local and imported oranges are bought**

Unit: %

No	Vietnam orange	Rate	Import orange	Rate
1	Traditional market	31	Shop, stall	52
2	Street vendor	15	Traditional market	31
3	Shop, stall, traditional market	23		
4	Street vendor, traditional market	24		

Source: Data Survey (Favri/Malica)

Table 6: Main reasons for time variations in purchases of fresh oranges

Buy less orange (%)				Buy more orange (%)			
Peri-urban		Urban		Peri-urban		Urban	
Reasons	Rate	Reasons	Rate	Reasons	Rate	Reasons	Rate
Cold weather	15	Cold weather	27	Cheap, many	26	Cheap, many	13
Expensive, low availability	15	Expensive, have a little orange	17	Large orange, good quality, TET	9	Cheap, many, good quality	15
Cold weather Expensive, low availability	15	Cold weather, Expensive, low availability	16	Cheap, many, good quality.	7	High Demand (Tet, hot season..)	19

Source: Data Survey (Favri/Malica)

Table 7: **Criteria to select oranges**

No	Criteria	Rate (%)
1	Price, good taste	14
2	Good taste, fresh, thin skin	16
3	Price, good taste, fresh, thin skin	15

Source: Data Survey (Favri/Malica)

Table 8: **Consumers' comments on recent changes in orange market**

Price of import orange cheaper	Rate %	Price of domestic orange cheaper	Rate %	More import orange	Rate %
Yes	37	Yes	41	Yes	68
No	19	No	56	No	7
Don't know	44	Don't know	3	Don't know	25
Total	100	Total	100	Total	100.0

More domestic orange	Rate %	Quality of import orange better	Rate %	Quality of domestic orange better	Rate %
Yes	92	Yes	18	Yes	77
No	5	No	47	No	20
Don't know	3	Don't know	35	Don't know	3
Total	100	Total	100.	Total	100

Source: Data Survey ((Favri/Malica)

Table 9: **Effects on orange consumption of recent changes in orange market**

	Use more domestic orange (%)	To substitute import orange for domestic orange (%)	To substitute domestic orange for import orange (%)
Yes	95	4	94
No	5	95	5
Don't know	0	1	1
Total	100	100	100

Source: Data Survey ((Favri/Malica)

Table 10: **Habit of buying orange**

No		Peri-urban (%)	Urban (%)
1	Buys to more than one seller	89	96
2	Buys to one seller only	11	4

Source: Data Survey (Favri/Malica)

Table 11: **Relationship between education level and knowledge of the origin of oranges**

Unit: %

No		Pre-education	Second-education	High school	Intermediate, college, university and over	Total
1	Always	0.3	0.7	1.7	2.7	6
2	Often	3	11	12	12	38
3	Sometimes	4	7	13	12	36
4	Rarely	2	4	6	2	14
5	Never	2	1	3	0.5	6
	Total					**100**

Source: Data Survey (Favri/Malica)

Table 12: **Ways to identify the origin of oranges**

Ways to identify	% consumers
Colour	6
Label	1
From seller	32
Colour, label	1
Colour, from seller	50
Label, from seller	3
Colour, label, from seller	7

Source: Data Survey ((Favri/Malica)

Table 13: Predilection for origin of oranges

Unit:%

No		Peri-urban	Urban
1	Vietnamese orange	83	99
2	Imported orange	11	0,5
3	Don’t like anything	6	0
4	No idea	0	0.5
	Total	100	100

Source: Data Survey (Favri/Malica)

Table 14: **Rate of consumers buying imported oranges increases when the price of imported orange reduces**

No		**Peri-urban(%)**	**Urban (%)**
I	*When price of imported oranges reduces by 20%*	*100*	*100*
1	Consumers don’t buy more	32	7
2	Consumers buy 10% more oranges	65	87
3	Consumers buy 30% and more oranges	3	6
II	*When price of imported oranges reduces by 50%*	*100*	*100*
1	Consumers buy 10 to 30% more oranges	24	10
4	Consumers buy 30 to 40% more oranges	18	20
5	Consumers buy 40% and more oranges	58	70

Source: Data Survey

Table 15: **Main reasons to choose orange juice**

Unit: %

Reasons	*Vinamilk*	*Mr Drink*	*Twister*
1. Availability	*5*	*10*	*18*
2. Taste and quality	*19*	*5*	*0*
3. Taste and availability	*32*	*1*	*45*
4. Quality and availability	*19*	*33*	*5*
5. Taste, quality and availability	*10*	*33*	*28*

Source: Data Survey

Table 16: **Rate of consumers consuming orange juice**

Unit:%

No	Label of orange juice	Peri-uban	Urban
1	Vinamilk	11	15
2	Mr Drink	4	8
3	Twister	11	32
4	C2	1	0
5	Elovita	0	0,4
6	Golden Pan	0	0,4
7	Flash	0	0,4
8	Tribeco	1	1
9	Uc	0	0,4

Source: Data Survey

Table 17: **Consumers' opinions**

Comments	Price of imported orange juice is higher than the price of domestic orange juice		Imported orange juice has a better quality than domestic orange juice	
	Peri-urban	Urban	Peri-urban	Urban
Yes	0	7	70	32
No	70	88	10	61
Don't know	30	5	20	7

Source: Data Survey

Conclusion

- Demand of orange increases and will still increase if prices go down. Demand increases more in urban than in peri-urban areas.
- More and more people drink orange juice, especially young consumers.
- Whereas oranges from China are considered as bad products, oranges from Thailand are seen as good. Nevertheless, consumers don’t always distinguish the origin of oranges they consume, that is why they have a general bad image of imported oranges and prefer local ones.
- Recent changes perceived by consumers relate to increase in quantity and quality of local oranges. This seems to have more effect on their consumption than changes in imports.

THANK YOU FOR YOUR ATTENTION !