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ANALYST(S)

Duong Trung Hoa

hoaduong@phs.vn

## LEADING THE RACE FOR MARKET SHARE IN THE US

- In 9M2024, Vietnam's pangasius exports have shown many positive signals, where growth in volume has offset the decline in export unit prices, helping export turnover maintain its upward trend.
- China, the US and the EU continue to be the 3 key export markets of the industry, with the US taking the lead due to a significant growth in volume and continuously recovering unit prices. The Chinese market, despite recording good recovery signals, continues to experience sluggish pangasius prices.
- We assess that Vietnam's pangasius sector would continue to maintain a positive outlook in 2025, with growth mainly supported by the increase in export volume to the US, while the average selling price of the whole industry only improves slightly due to greater challenges in China.
- Our favourite stocks are VHC and ANV with potential upside compared to current prices of 17% and 14% respectively.

### Vietnam pangasius sector update

In 2024, Vietnam's pangasius exports have recorded many positive developments. Specifically, growth in volume has offset the decline in export unit prices, helping export turnover maintain its upward trend. In 9M2024, Vietnam's pangasius export turnover increased by 5.8% YoY to USD 1.4 bn, while pangasius export volume increased by 15.5% YoY to USD 670 thousand tons. Meanwhile, the average export price of pangasius remains low, at USD 2.1/kg (-8.4% YoY).

China and the US are the two markets leading the growth in Vietnam's pangasius export volume, with export volumes increasing by 8.6% YoY and 38.6% YoY respectively to 202 thousand tons and 85 thousand tons in 9M2024. The export price of pangasius to the US, although still lower than the peak level in 2022, has continuously recovered since the beginning of this year to USD 3.1/kg (+11.2% YoY) as of September 2024. Meanwhile, the export price of pangasius to China has continuously decreased since 2023 due to high competition from other whitefish species to USD 1.7/kg (-20.8% YoY). Meanwhile, pangasius consumption in the EU has not seen significant improvements with export volumes and turnover estimated to remain flat compared to the same period last year.

By mid-September 2024, the pangasius farming area in Dong Thap, An Giang and Can Tho province had decreased by 2% YoY to about 4,241 ha due to bad weather and low pangasius prices, leading farmers to limit the expansion of farming areas. However, thanks to improving pangasius farming productivity, the volume of harvested raw pangasius increased by 8.4% YoY to about 1.03 million tons in 9M2024, helping to ensure a stable supply of pangasius even as farmers adjust new releases to match consumption demand.

### Vietnam pangasius sector outlook

We believe that Vietnam's pangasius industry would continue to maintain a positive outlook in 2025, with growth mainly supported by the increase in export volume to the US, while the average selling price of the whole industry only improves slightly due to greater challenges in China:

(1) In the US, the ban on importing seafood originating from Russia, even