

**MINISTRY OF EDUCATION AND TRAINING**  
**THE UNIVERSITY OF DANANG**

**TRINH TRUNG KIEN**

**AGRO-PROCESSING INDUSTRY DEVELOPMENT**  
**IN KONTUM PROVINCE**

**Major : Industrial Economy**  
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**SUMMARY OF ECONOMIC DOCTORAL THESIS**

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## INTRODUCTION

### 1. Urgency of research

For economic development in the Central Highlands region in recent years, the Party and the State have focused set of guidelines and policies to promote industrial development and processing A.P. in the Central Highlands.

However, Development of Agricultural Product Processing Industry of Kon Tum still weak, not exploit, promote full comparative advantage.

To help clarify the theoretical basis and practical to set out the guidelines and policies for D. of I.P. of A.P. Kon Tum sustainability requirements in the period of accelerated industrialization, the current modernization and international integration, the authors chose the theme: "Development of agro-processing industries in the province of Kon Tum".

### 2. Research questions

### 3. Objectives of the study

- Develop a rationale for the D. of APPI locally
- Identify the basic content, design and analysis framework developed criteria for evaluating APPI in strategic E. and social D.
- At the same time, orientation and proposed solutions mainly.

### 4. Objects and scope of the thesis research

**4.1. Audience of research thesis:** Development of APPI Development in association with the economic development of the province of Kon Tum

**4.2. The scope of the thesis:** Kon Tum province, from 2005 to 2015.

### 5. Research Methodology

The thesis uses the method of dialectical materialism, historical materialism and integrated approach to do basic research methods. In addition, the thesis uses the approach and system analysis, synthesis, statistics, comparison, induction, ...

- Qualitative research: Refresh rationale, offering new concepts, new models of industrial development in the processing of local agricultural products.
- Qualitative Research: To describe trends D. of APPI Kon Tum according to the theoretical model, the thesis analyzes the E. statistics.
- Methods of synthesis (application integration theory in the study): Theoretical background is built on the basis of multi-professional

integration, integrated interdisciplinary and cross-professional integration.

## **6. Overview of researches related to thesis**

### ***6.1. The domestic research***

***6.2. The theoretical study of international research to industrial development associated with local economic development***

***6.3. These existing problems and missings to perform research D. of APPI in Developing associated with local economic D. in the period of accelerated industrialization, modernization and international integration***

## **7. The new contributions of the thesis**

*About reasoning:*

- The thesis has developed a theoretical basis for D. of APPI Development in association with the local E. development in the period of accelerated industrialization, modernization and international integration.

- Combined, creatively apply new theories. Develop a conceptual framework, theoretical framework encompasses new ideas and analytical frameworks developed agricultural processing industry.

- Applying the development of new perspectives on competitive strategy.

*About reality:*

- Applying the theory and problems associated with the actual conditions of Kon Tum to analyze a comprehensive, in-depth processing industry Agriculture

- Proposal perspective, development-oriented agricultural products processing industry to Kon Tum province in the period of accelerated industrialization, modernization and international integration.

- Proposal 7 solutions developed agricultural processing industry

## **8. General structure of the thesis**

Besides the introduction, conclusion, list of references and appendices, structural thesis into three chapters:

Chapter1: Rationale for Developing Agricultural products processing industry locally.

Chapter 2: Status of Development of Agricultural Product Processing Industry in Kon Tum.

Chapter 3: Orientation and solutions primarily to develop agricultural products processing industry in the province of Kon Tum.

**CHAPTER 1**  
**RATIONALE FOR DEVELOPMENT**  
**AGRICULTURAL PROCESSING INDUSTRY IN LOCAL**

**1.1. THEORETICAL FRAMEWORK OF INDUSTRIAL AND PROCESSING INDUSTRIAL DEVELOPMENT AGRICULTURE**

**1.1.1. Conceptual Framework of Industry and Development of Agricultural Product Processing Industry**

Economics is a specialized Industrial Economics (Applied Economics); Industrial Economics Research industry organizations, industry structure and competitiveness.

Industry is the industry in the fields of material production - an integral part of the physical production of society [50].

FAO Conference on Strategic Development of the food processing industry and agricultural products, said that the strategy presented in document C 7521 for development of food processing industry and agriculture products is consistent with the objectives of an international economic order and the new.

Agricultural products processing industry is the industry create Value Manufacturing Industry on the basis of implementing the activities set of inputs, and on preliminary organizational activities Processing Industry.

**1.1.2. New perspectives on the Development of Agricultural Product Processing Industry**

**1.1.3. Theoretical framework for Development of Agricultural Product Processing Industry**

Based on the theoretical framework of economic development, the scholars make the process of economic development include the mismatch between policy and development stages: Economy based on inputs → based Economy → investment in Economy based on innovation. To develop agricultural products processing industry in industrial development associated with local economic development must go through three stages on.

To develop industrial processing of local agricultural products in the period of accelerated industrialization, modernization and international integration, with the goal of achieving growth and prosperity Sustainable

Development of Processing Industry Agriculture, the authors propose a theoretical framework (Table 1.1. Conceptual framework of the Development of Agricultural Product processing Industry in the locality).

Theoretical framework will be integrated to the authors develop the basic content of the Development of APP Industry Development in association with the local economic development in the period of accelerated industrialization and modernization cultural and international integration.

## **1.2. CHARACTERISTICS, CLASSIFY AND ROLE OF APPI**

### ***1.2.1.Characteristics of agricultural products processing industry***

- The industry that the material is largely seasonal.
- The industry has diversified products, abundant meet market demand.
- The industry is more likely to take advantage of raw materials to improve the efficiency of production and business.
- The industry has a long tradition, especially Vietnam.
- APPI in accordance with the organization of small and medium scale.

### **1.2.2. Classification of agricultural products processing industry**

According to the traditional classification of the classification criteria of the United Nations Industrial of all economic activities (ISIC), (1) Production of Food, beverages and tobacco; (2) textile, apparel and leather industry; (3) Manufacture of wood and wood products, including furniture; (4) Manufacture of paper and paper products, printing and publishing; (5) Manufacture of rubber products.

### **1.2.3. The role of agricultural products processing industry**

- Have direct implications for the implementation of the restructuring of industry.
- Contribute to the relationship between industry and agriculture, one of the most fundamental relationship of the national economy.
- Contributing to the strategic importance of exports of many countries in the process of industrialization and modernization.
- Contributing to satisfy the diverse needs and richness of people's lives.

### **1.3. CONTENT OF AGRICULTURAL PRODUCT PROCESSING INDUSTRY DEVELOPMENT IN THE DEVELOPMENT OF LOCAL INDUSTRY**

#### **1.3.1. The models of agricultural product processing industry development locally**

*1.3.1.1. Model of Agricultural Product Processing Industry Development integrated with production processes and closed commercial activities:* the production process industry involved in all segments of the value chain that includes the production manufacturing and processing industry organizations and consumer products; and branding, trademarks and registration rights protected geographical indications.

#### *1.3.1.2. Model of Agricultural Product Processing Industry Development associated with the development of sustainable agriculture*

Development of Agricultural Product Processing Industry intimate relationship, associated with the development of sustainable agriculture. Agricultural products are inputs of the processing industry, processing to create value-added greatly to agricultural products, but the competitiveness of agricultural products not only from processing that depends very much in the process of agricultural production, pure origin of agriculture. Sustainable development of agriculture will determine the scale industries Agriculture, direct impact on the rate of D. of processing industry.

Programs developed by FAO for SARD include:

- Method of sustainable living.
- Improving the sustainability of production systems synthesis.

SARD associated with three problems: (1) stable community life; (2) system integrated agricultural sustainability; (3) integrated management of natural resources.

#### **1.3.2. Basic contents of agricultural product processing industry development in the development of local industries**

##### *1.3.2.1. Determining comparative advantages in agricultural product processing industry development locally*

##### *1.3.2.2. Creating competitive advantages in agricultural product processing industry development locally*

*1.3.2.3. The role of local authority in researching, planning and implementing development policies for APP industry*

**1.4. FACTORS AFFECTING THE AGRICULTURAL PROCESSING INDUSTRY DEVELOPMENT IN LOCAL**

**1.4.1. The input factors**

The position of local input factors needed to compete in an industry as conditions of natural resources, land, labor, capital and infrastructure.

The inputs usually include manpower, resources, knowledge resources, capital and infrastructure. Percentage use of inputs from different sectors are different, so the country can exploit competitive advantage through the development strategy of the industry with low usage rates most appropriate inputs.

**1.4.2. The groups of factors belong to local market**

The first is constituted for the market.

The second is the size and growth of demand.

**1.4.3. The local supporting industries**

The presence of related industries often leads to the formation of the competitive industry.

The industry is concerned that the business sector can link to cooperate addition the development of this industry depends on the development of service industries such as transport, customs, security insurance, medical ...

**1.4.4. Sector strategies and characteristics of enterprise competitiveness in the industry**

There are three specific content of this group, including sectoral strategies and organizational structure of local enterprises; The objective factors; competitive domestic factors.

**1.4.5. Factor changes**

In many practical cases, the success of a local or a local industry based on random factors. These factors may include random as the invention of new technologies, earthquakes, volcanoes, ... random factors affecting the different local is different.

#### **1.4.6. The role of the state**

The state can impact positively or negatively on the group conditions. State as its macroeconomic management have a huge impact on the development of the industry in general and APP industry in particular. State is the manufacturer; As the largest consumer protection; As investors and the state as well as borrowers and lenders greatest.

#### **1.4.7. The role of local authority**

Policy D. at the local industrial policy has included a direct impact on the level of inter-sectoral policy has included the impact on the level of the sector in the province. ID. Policy works locally to attract business from other areas to local, retain existing business, while encouraging the creation of new enterprises. The agent D. of the local industry including management, the enterprise inside and outside of the public sector and private sector, and non-profit organizations and business associations.

### **1.5. FRAME ANALYSIS AND EVALUATION CRITERIA SYSTEM FOR THE AGRICULTURAL PROCESSING INDUSTRY DEVELOPMENT LOCALLY**

#### **1.5.1. Analytical Framework of Agricultural Product Processing Industry Development Locally**

On the theoretical basis and the approach chosen, the authors construct an analytical framework Industrial Development processing of local agricultural products (see Figure 1.4). Development of industrial processing of local agricultural products were analyzed on three perspective, which is determined comparative advantages to develop agricultural products processing industry, creating competitive advantage, the role of local government research methods in planning and implementing development policies Agricultural processing industry and the harmonious combination of the three issues.

#### **1.5.2. Evaluation criteria system to development IP of local AP**

***1.5.2.1. Criteria for evaluating the development of agricultural products processing industry on the basis of assessing the condition and characteristics of the local including: natural conditions, geographical location, environment Economy - Society.***

***1.5.2.2. Criteria for determining comparative advantages of products in agricultural products processing industry***

***1.5.2.3. Indicators, benchmarks of industrial competitiveness***

✓ The contribution rate of "total factor productivity", the Cobb-Douglas:  $Y = A.K^\alpha .L^\beta$

- ✓ labor productivity
- ✓ capital productivity
- ✓ Investment in research and deployment
- ✓ skills of the workforce

***1.5.2.4. Evaluation criteria for industrial development policies at the local***

a. Review the context of the

Analyze and evaluate the characteristics on the basis of the evaluation strategy proposed, review the specific goals and objectives and the underlying policies proposed to achieve the main objective is the love for the assessment of policy development at the local industry.

b. Review policies for industrial development in the locality under three approaches perspective

The author draws on research model towards sustainable development (see Figure 1.5. Model Development Policy Research in local industry towards Sustainable Development)

Following review policy approach 3 perspective.

- (1) Sense of 1: Assessment and forecast position
- (2) Sense of 2: Assessment and prediction of internal resources
- (3) Sense of 3: Review and Forecast agents

c. Seven basic criteria for evaluating the performance of industrial D. policies at the local level: (1) The E.; (2) Performance (Efficiency); (3) Effectiveness (Effectiveness); (4) Calculate the impact; (5) The feasibility; (6) The appropriateness; (7) The uniformity in implementation.

**1.6. EXPERIENCE IN AGRICULTURAL PROCESSING INDUSTRY DEVELOPMENT OF OTHER COUNTRIES**

**1.6.1. The experience of the United States**

***1.6.1.1. Focus on developing AP have competitive advantages***

*1.6.1.2. Promote the application of scientific – technological advances in producing and processing agricultural products*

**1.6.2. Experience of Malaysia**

**1.6.3. Experience of Singapore**

**1.6.4. Experience of Indonesia**

**1.6.5. Experience of Philippines**

**1.6.6. Experience of Thailand**

**1.6.7. Experience in producing and processing typical AP in Vietnam**

**1.6.8. Lessons learned for Developing Agricultural PPI in local**

## **CONCLUSION CHAPTER 1**

### **CHAPTER 2**

## **REALITY DEVELOPMENT INDUSTRY IN AGRICULTURAL PROCESSING KONTUM**

### **2.1. NATURAL CONDITIONS, THE ECONOMIC - SOCIAL KONTUM**

**2.1.1. The natural conditions**

**2.1.2. Economic, social**

### **2.2. REALITY OF INDUSTRIAL DEVELOPMENT IN KON TUM PROVINCE**

**2.2.1. Potential for industrial development in KonTum province**

*2.2.1.1. Potentials, strengths and advantages for industrial development*

*2.2.1.2. Assessment of exploiting, promoting potentials and strengths for socio-economic development in KonTum recent times*

**2.2.2. The status of industrial development in KonTum**

*2.2.2.1. Number of industries, cottage industries according to economic sector*

By the end of 2014, the province of Kon Tum has 3,541 manufacturing establishments Industry, Handicraft, non-state institutions accounted for over 99%, the central state enterprises have 4 establishments, enterprises local government also has 3 facility. Number of establishments belonging to the

private capitalist economy has grown rapidly, with 11 establishments in 2000 to 2014 with 47 establishments. Areas where foreign investment is only 01 joint venture manufacturing facility starch in Sa Thay district.

#### **2.2.2.2. Sort by subsector industry**

By industry, the base processing industry accounts for over 90%, base 2005 (2,302); (3,541) 2014 as base. Mining industry has a strong rise in the number of production facilities in the period 2001-2005, from 11 sites in 2000 increased 54 basis in 2005 and 2014 is 73 basis. 2005 the province has 01 production facilities and distribution of electricity, by 2014 the number of establishments engaged in manufacturing sector Manufacturing & Distribution Utilities 28 basis.

#### **2.2.3. Industrial workforce - handicraft**

**2.2.3.1. Evolution of labor distribution according to the economic sectors and economic sectors**

Due to the impact of the economic downturn should labor industry decreased in 2014 with 10,914 employees Industry. In the mining industry there are 734 people, 9,453 processing industry is the production and distribution of water is 727 people.

#### **2.2.3.2. Labor situation by level**

Through the survey, not a high-quality labor, unskilled labor accounts for over 80%, and work with professional secondary education and vocational training for about 7%, workers with college degrees and university or higher accounted for less than 10%, while the Kon Tum is 01 professional secondary schools, 02 colleges and 01 university campuses can train thousands of workers each year.

#### **2.2.4. The situation of industrial investment - handicraft**

##### **2.2.4.1. Movements of capital for industry - handicraft**

2011 capital for industry increased by more than 8.48 times compared to 2007, reaching 857.2 billion accounting for 14.67% of the total investment capital of society. In 2012, investment in industry continued reached 1055.6 billion increased 16.7% compared to the total investment. However, in 2014 investment in industry decreased slightly to 1,042 billion, accounting for 13.65% of the total investment.

#### ***2.2.4.2. The total fixed assets value of the industry***

2007 and 2008 due to manufacturing and distribution utilities are investing heavily to the value of fixed assets of the sector accounts for over 50% of the total value of fixed assets industry, given the proportion of fixed assets Industry sector compared to 32.46% whole society in 2007, 2008 was 27.3%, in 2010 was 29%, increased to 34.42% in 2011, 2012 and 2014 was 34.73 decreased slightly to 31.73%.

#### **2.2.5. Results of industrial activity**

##### ***2.2.5.1. The value of industrial production and growth rate by sector***

The period 2006-2014, the growth industry of the two districts have reached the figure, the highest district, Dak 24.8% / year, Kon Plong district reaches 20% / year; Kon Tum city and Sa Thay achieved respectively 19.9% / year and 18.3% / year, the lowest growth Tu Mo Rong district -2.1% / year.

##### ***2.2.5.2. Value added of industry***

The proportion of value-added industry in the structure of the total value-added whole society in current prices in 2000 was 8.11%, 8.26% in 2005, 2009 was 8.09% (as reported I. 10.5%), 2010 increased 10.22%, 9.27% in 2011 down to 2012 and increased to 10.89% in 2014 to maintain 10.73%. The contribution of value-added industry in GDP provinces showed a slight downward trend in the last period, the ID is not really sustainable.

##### ***2.2.5.3. Main products of handicraft industry***

2006-2014 period, most of the products are mainly positive growth. After the hydro power plants in operation gave an average growth phases of electrical products reached 230.6% / year, plywood production growth rate reached 44.7% / year and tapioca reached 38.3% / year. Some of the negative growth is the product timber (closed forest policy by the province) -18.9% / year and terracotta tiles -6.6% / year.

##### ***2.2.5.4. The export value of industry***

Export turnover rise year over year. The period 2006-2014, the province's exports growth rate averaged 34.46% / year. Major export

products: tapioca flour, textiles, furniture, coffee, rubber ...

#### ***2.2.5.5. The efficiency in manufacturing of the business***

Overall in the last period, the efficiency of the PI is low, even a loss of the year. Chiefly because markets are shrinking; competitiveness of the industry, capacity utilization ratio low. Specific movements outlined in Table 2:12. Gains and losses of the business industry.

#### **2.2.6. Evaluate technological standard of the economic sectors**

Machinery and equipment of most of the production facilities in the province Industry outdated and worn almost worth using.

Most enterprises use coefficients design capacity of less than 80%.

#### **2.2.7. Industrial restructuration**

##### ***2.2.7.1. Restructured by regions***

Industry in the province is concentrated mainly in the city of Kon Tum, however in recent years there has been a significant shift.

In 2013, the proportion of Kon Tum city accounted for 77.98% increase, district, Dak reduced to 11.52% and 4.95% Sa Thay district and Dak Ha accounted for 1.96%. The lowest is 3 Kon Plong district, Tu Mo Rong and Dak Glei respectively accounted for only 0.32%; 0.39% and 0.71%.

##### ***2.2.7.2. Restructured by industry sector***

By 2014, overall industry structure was formed as follows: food P. industry Beverage highest proportion of 34.38%, the wood processing industry paper dropped to 14%, the other sectors do not fluctuate much. However, the share of electricity production and distribution of water has increased reaching 25.54% compared with 5.23% in 2005, the lowest is the chemical industry: 2.76% and textiles - footwear is 2.26%.

#### ***2.2.8. Current status of development in industrial clusters at KonTum***

To make the land as the basis of ID in the next stage, Kon Tum is planning further D. some clusters I. in the districts to attract investment I., promote the transfer of economic restructuring, labor structure.

#### **2.2.9. General assessment of the current status of industry**

##### ***2.2.9.1. The achievements and causes***

##### ***2.2.9.2. The remainings and causes***

## **2.3. THE SITUATION OF MAINS AGRICULTURAL PRODUCTION AND AGRICULTURAL PRODUCT PROCESSING INDUSTRY DEVELOPMENT IN KONTUM**

### **2.3.1. The situation of mains agricultural produce**

#### ***2.3.1.1. Annual crop sector***

Although in recent years, the industry's annual crop growing provinces, plant structure shifted towards positive; area, yield and production of some key crops (rice, maize, cassava, vegetables...) tends to increase, contributing to ensure food demand, food demand Using people and meet part of the demand for livestock sector D. and PIAP of the province. In 2014, the PV of the sector reached 230 005 annual crop million, an increase of 69 999 million compared with 2000, the average period from 2000 to 2014 the PV of annual crop sector increased 3.263/year. The proportion of annual crops in the province's agriculture accounting for 18.340% in 2014. However, the D. of annual crops unplanned, fragmented, low crop yields, resistance to pests and low product quality.

#### ***2.3.1.2. Perennial crop sector***

Kon Tum have soil conditions, soil and climate are suitable for planting some perennials ... In recent years, perennial crop sector in the province has grown rapidly, contributing to E. restructuring in A. and rural D., resolving employment and raise incomes for workers. The production value of perennial crop sector in the province increased from 169 250 million in 2000 to 816 936 million in 2014, the average period from 2000 to 2014 the PV of perennial crop sector increased by 11.63% / year. For perennial crops in the province are mainly rubber, coffee is being D. for various types: SFE rural E., household E., and gardens, E. Farm forming specialized areas of I. crops of high economic value such as specialized areas of coffee P. in Dak Ha district, rubber growing areas are concentrated in the city of Kon Tum Sa Thay district, Dak Ha Ngoc Hoi...

#### ***2.3.1.3. Livestock sector***

The production value increased from 85 075 livestock sector million

in 2000 to 212 029 million in 2014, the average period from 2000 to 2014 increased by 3.39% / year; although the value of the livestock sector P. increased, but the proportion of the value of production of the livestock sector in the total value of AP tends to decrease (down from 16.25% in 2000 to 9,06% in 2012).

#### ***2.3.1.4. Factors affecting mains agricultural production in KonTum***

- Fluctuations in commodity prices internationally market continues to take place in a difficult to control, especially for agricultural commodities are considered strengths of the province affected by two main factors.

+ The situation of climate change and disease

+ Demand continues to increase, especially in emerging economics and D. countries, the impact of TF to the majority of countries.

- P. of a large segment of the rural P. in the province is still under traditional cultivation practices, P. also brings self-sufficient.

- Technology of P. enterprises in the province is still quite backward, failing to meet the requirements of P. and business.

### **2.3.2. Situation of agricultural product processing industry development in KonTum**

Industry P. value of agricultural products processing industry of the province is increasing, the average period 2005 - 2014 average increase of 31.67% / year, contributing substantially to the E. growth. The results of analysis and evaluation through seven criteria.

#### ***2.3.2.1. Rubber Products***

#### ***2.3.2.2. Coffee Products***

#### ***2.3.2.3. Tapioca Products***

## **2.4. ANALYSING AND EVALUATING CONTENTS OF AGRICULTURAL PRODUCT PROCESSING INDUSTRY DEVELOPMENT IN KONTUM PROVINCE**

**2.4.1. Identifying comparative advantages in developing agricultural product processing industry to development economic of KonTum province**

### ***2.4.1.1. Identify the advantages of KonTum***

**2.4.1.2. The role of the local authority in promoting comparative advantages of agricultural product processing industry development**

- Planning, identifying plants and animals suitable for each ecoregion and market demand.

- The first step in cooperation with the ministries and central agencies to invest in construction of infrastructure in industrial zones.

- To build parks and Industry to attract enterprises in the industrial area.

- Promote the implementation of innovation, acquisitions, and improving the efficiency of state enterprises. Supporting BAI locally.

- ...

**2.4.1.3. Assessing the situation of producing, processing and exporting of main agricultural products (coffee, rubber) in KonTum Province.**

**a. Assessing the situation of producing, processing and exporting of coffee**

*\* In terms of volume and export value of Vietnamese coffee: Approximately 95% of coffee production in Vietnam is used for export.*

*\* The cost of coffee production in Vietnam*

**Table 2:29. Comparison of prices of coffee production in Vietnam with some competitors**

Number	Country	Price (USD/ton)	% (Vietnam = 100%)
1	India	921	115
2	Indonesia	929	116
3	Vietnam	800	100

*Source: Ministry of Agriculture and Rural Development.*

*Compared to some robusta coffee growing countries of Vietnam, the producers have a competitive advantage over*

**Table 2:30. Domestic Resource Cost Coefficient (calculated for Robusta coffee)**

Number	Country of Origin	DRC
1	Vietnam	0,77
2	Indonesia	0,81
3	Braxin	0,83

*Source: Calculations of the subject; World Production of Coffee, ICO*

\* The average export of coffee in Vietnam

- In the period 2002 - 2015: Coffee prices began to recover slowly, going from 448 USD / tonne in 2002 to 2015 is 1896 USD / t, and gradually approach the average prices of the world.

\* Market Share and Market for Vietnam coffee exports

Coffee exports of Vietnam in 2008 accounted for 14.61% of 2nd coffee export market in the world, behind Brazil (accounting for 34.48%); The consumer market is constantly expanding, in 1996 exports to 34 countries, in 1999, exports to 40 countries. As of 2015, Vietnam's coffee was available in 110 countries and territories.

*b. Assessing the situation of rubber producing and exporting*

\* *In terms of volume and value export of rubber*

The growth rate of export volume and growth rate of export turnover of Vietnam rubber relatively steadily, year after year. Accordingly, the total volume of rubber exports in the period 2009 - 2015 reached 7.370 million tons with a total turnover of about 17.500 million, accounting for 2.3% of total exports of the country.

\* *In terms of the cost of rubber production*

Latex yield and production cost of the Vietnam Rubber relatively low compared to some competitors in the region.

Cost domestic source of rubber for export production of Kontum period 2005 - 2015, the DRC = 1,017 and comparative advantage index publicity basically RCA = 2.15 is not highly effective.

\* *In terms of rubber exporting price*

Time of latex price is 2011, the average export price of 01 tons of rubber is 3961 USD / t, the price of rubber dropped to the lowest was in 1999, with 01 tons of rubber is only 533 USD / ton. On average, prices average export rubber in Vietnam are lower than the average prices of the world and unstable. RSS3 same item but the price of Vietnam's rubber inform markets are less than Malaysia and Singapore.

\* *In terms of market share and rubber exporting market of Vietnam*

In the period 2010 - 2015, the share of export of rubber in Vietnam despite increased compared to the period from 2004 - 2009, but only gained

about 7.6% of total exports of natural rubber in the world

## **2.4.2. Creating competitive advantages to promote agricultural product processing industry development in KonTum province**

### ***2.4.2.1. Analysing and evaluating the competitive advantages for development creation of agricultural product processing industry development in KonTum province***

The results of the questionnaire survey are shown from table to table 2:30-2:45. This indicates, these measures create a competitive advantage in the Development of APPI in the province is still mainly based on comparative advantage, or metabolic initial comparative advantage into profit competitiveness of products. Group elements that make up an important competitive advantage hardly adequate attention. Therefore, creating a competitive advantage in the Development of Agricultural Products Processing Industry of the province contains many restrictions.

### ***2.4.2.2. Analysis of the evaluation criteria competitiveness of agricultural products processing industry in KonTum***

a. The contribution of TFP growth in the agricultural processing industry

Last time, the growth of APPI continued to increase, with the average rate on a 75% / year. We can see the contribution of TFP to value-added processing of agricultural products over time (see Table 2:46).

b. Labor productivity of agro-processing industries Kon Tum Province

Based on these statistics, the labor productivity of APPI over time are shown in Table 2:47. Labor productivity of agricultural products processing industry is growing with an average growth rate reached 15.83% / year. Also during this period, the yield of A. products industry achieved 1.3 times higher than the average labor productivity of the economy.

c. Investment of agro-processing industries Kon Tum Province

From 2010 to 2014, investment in APPI of Kon Tum tend to rise an average of 1.86 times / year, 100% invested in the country.

In short, can confirm that processing Kon Tum Agricultural products are gradually asserted its position in the market.

### **2.4.3. Review the policies of agricultural product processing industry development in KonTum province**

**2.4.3.1. Review policy by approaching perspective 3:** Recognize the development of industrial policy processing agricultural products under three Kon Tum perspective: (1) Evaluate the position; (2) Evaluate the endogenous factors; (3) Evaluate the agent.

**2.4.3.2. Review Policy under 7 basic criteria:** (1) The economics of policy; (2) The effectiveness of the policy; (3) The validity of the policy; (4) Calculate the impact of the policy; (5) The feasibility of the policy; (6) The relevance of the policy; (7) Consistency in policy implementation.

**2.4.3.3. Review the policy making process of agricultural products processing industry development:** policy-making process is very important cycle from beginning to end stages to ensure the suitability and feasibility of policies issued, include: Define policy issues; Define policy objectives; - Identify policy options.

**2.4.3.4. Review the implementing policies: policies for each group:** Group investment policy of industrial development; Policy support land access; Trade policy, market; Science and Technology Policy; Policies to improve the business environment; Policy development of human resources; Policies for sustainable industrial development.

**2.4.3.5. General assessment of the development policies to agricultural products processing industry in KonTum**

- a. Achievements
- b. Limitations
- c. The cause of the limitations

### **2.4.4. Analysing and evaluating factors affecting the of agricultural products processing industry development in KonTum**

The results of analysis and evaluation was the author elaborates on seven factors affecting the D of APPI in Kon Tum province in the past year

### **2.4.5. Raised issues of agricultural products processing industry development in KonTum Province**

- The province not give full play to comparative advantage in the Development of Agricultural Product Processing Industry in the long term.

- Compared with the country, the type of product in the province have low competitiveness.

- No investigation, adequate assessment of the advantages and disadvantages in the Development of Agricultural P.P. Industry.

- Lack of planning and policy advantages in the D of APPI.

- Research and application of organizational development models produced advanced processing of agricultural products is very limited.

## **CONCLUSION CHAPTER 2**

### **CHAPTER 3**

#### **ORIENTATION AND DEVELOPMENT SOLUTIONS**

#### **AGRICULTURAL PROCESSING INDUSTRY IN KONTUM**

#### **3.1. INDUSTRIAL DEVELOPMENT PLAN IN KONTUM STAGE 2015 - 2020, ORIENTED TO 2025**

##### **3.1.1. Industrial development perspective**

##### **3.1.2. The goals of industrial development**

##### **3.1.3. The orientation of industrial development**

##### **3.1.4. The development plans**

##### **3.1.5. Justifying and choosing plan for developing industry**

##### **3.1.6. Planning and Development of APPI in Kon Tum**

##### *3.1.6.1. Development Orientation*

##### *3.1.6.2. Planning for processing industry Agriculture and Food*

#### **3.2. OPPORTUNITIES, CHALLENGES AND CHOOSING MODEL FOR AGRICULTURAL PROCESSING INDUSTRY DEVELOPMENT IN KONTUM PROVINCE**

##### **3.2.1. Opportunities and challenges for the development of APPI in the Central Highlands in the international economic integration**

##### *3.2.1.1. Opportunity*

##### *3.2.1.2. Challenge*

##### **3.2.2. Choosing model for agricultural processing industry development and way to organize in KonTum**

#### **3.3. SOLUTION FOR AGRICULTURAL PROCESSING INDUSTRY DEVELOPMENT IN KONTUM PROVINCE**

### **3.3.1. Integration solution for deployment models to new model of strategic development**

#### ***3.3.1.1. Applying research of intergrating Agricultural Products Processing Industry Development model and closed production process***

- Research and D. and product design in order to diversify products
- Preparation of production: D. of raw material for the production and processing, heavily involved in the P. process of peasant agriculture.
- Organization of P. and processing integrated P. process closed
- Actively promote promote commercialization potential advantages of natural conditions and human resources and science and technology.

#### ***3.3.1.2. Applying research of Agricultural Products Processing Industry Development model associated with sustainable agricultural development***

- Development of Agricultural processing industries associated with the D. of sustainable agriculture based on good organization and implementation of effective state policies for sustainable agricultural development.

- Research enhance the competitiveness of APPI; which determine the point of developing the agricultural sector, including:

- Implementation of the model link in the P. of E., A processing is carried out some form of social relations, economic relations - Technical - Financial E. between the two entities is an independent enterprise and farmers.

### **3.3.2. Solutions to improve production capacity of agricultural products processing industry of KonTum**

- Strengthen the planning and management planning
- To promote the province's comparative advantage, creating materials for the D. of APPI in accordance with the requirements of the market
- Improved production and processing industry Agriculture

#### **3.3.3. Market Solutions**

- Create and expand markets
- Enhancing competitiveness and product sectors
- Distribution Strategy

### **3.3.4. Solutions to create a clear and favorable business environment**

#### ***3.3.4.1. In term of reforming administrative procedures, improving capacity in management***

- Publicity and transparency of policies, planning, planning and E.D. of the province as well as Social programs, projects, project D.

- Reform of administrative procedures
- Enhance the role of business associations in the province.

#### ***3.3.4.2. In term of accessing resources***

- Improve access to land of the enterprise, the Department of Planning and Investment in collaboration with the Department of Natural Resources and Environment, Department of Agriculture and Rural Development, Department of Trade and Industry.

- Training of skilled labor.
- Solve manufacturing business loans

#### ***3.3.4.3. Improving macroeconomic environment***

- Good performance management market.
- Disclosure policy measures holistic strategy for the Economy.

#### ***3.3.4.4. Improving competitiveness at provincial level (PCI)***

- Strengthening and promoting the role of the Centre for Investment Promotion, Trade and Tourism of the province.

- To promote the reform of administrative procedures, improving public service ethics, creating favorable conditions for business and the people in production and business activities.

- To build a complete land use planning.
- Continue to improve the institutional market economy oriented society in the province Industry.

#### ***3.3.4.5. Trade Promotion***

- Improving the system of trade promotion, creating links, cooperation between trade promotion organizations of Kon Tum provinces and industry.

- Focus resources to build the Expo Center.

- Training and capacity building of staff working in the promotion of local trade and industry associations.
- The application of electronic technology.
- Investment Promotion D. of A.P. Processing Industry.
- ...

### **3.3.5. Solutions for infrastructure, science – technology, and local authority support services**

#### ***3.3.5.1. Solutions for Infrastructure***

- Focus on attracting and mobilizing resources to invest in infrastructure development.
- Coordinate the industry, local investors to accelerate infrastructure construction zones and Industry.
- Invest in the irrigation system and water reservoir for the D. of vegetable, flower cold countries and the major agricultural products.
- Prioritize investment in infrastructure projects capable of promoting and exploiting the potential and advantages of the province.
- ...

#### ***3.3.5.2. Solution of applying of science and technology***

- Continuing to innovate and improve the quality of science and technology management.
- Encourage enterprise technology innovation and application of new technologies.
- Build in each economic region a region motivation to develop experimental biotechnology.

#### ***3.3.5.3. Solutions for training and developing human resources***

- Prioritize the training, equipping workers with knowledge and skills that business needs; Develop training programs; Links and cooperation with educational institutions and research institutes at home and abroad to improve the quality of training.
- Early completion and effective implementation of human development planning stages Kon Tum 2016 - 2025; To promote the work of socialization Education - Training; To attract human resources to meet the requirements of Economic Development and Social province.

***3.3.5.4. Solutions for raising awareness of different levels, branches and entire society on agricultural product processing development and main agricultural product development***

***3.3.5.5. Solutions to boost economic cooperation***

- Organization signed and implemented the program in cooperation with the provinces and cities in the region, especially cooperation exploit the potential and advantages of each province.

- Establish Investment Fund financial service development goals central region - Highlands.

- Use the institutions of the province, in conjunction with universities in the region, especially UD.

- Promotion of Enterprise, the industry association between Kon Tum provinces and linked to the formation of large-scale enterprises.

***3.3.5.6. Solution for clear and transparent economic-financial information***

Solution publicly TEI - financial industry APP Kon Tum province will bring many benefits to local people and businesses to ensure openness, transparency, effective; minimize negative, increasing financial soundness. Departments, citizens and B. need access to tools for analysis of investment activity of PP and export; D. and brand building in order to create added value for A. products

***3.3.6. Completing a number of mechanisms and policies for agricultural products processing industry development***

- Ensure adequate and managed land.

- Ensure minimum land from 1 to 2 ha per household ethnic minorities and poor.

- Creating favorable conditions for enterprises, investors access to preferential credit capital, development investment credit of the State ...

- Support seedlings, seed and partial interest.

- Support funds registered trademark protection and abroad.

***3.3.7. Sustainable business solutions for agricultural products processing enterprises***

- Enterprises need to strengthen market research.

- Develop a strategy for the right product.

- Well organized marketing activities and product distribution.

- Improving information systems and business executives.
- To raise the capacity of business, business administration and management.
- Construction of enterprise culture.
- Lower cost of goods circulation.

### **3.3.8. Recommendations for the People's Committee of Kon Tum**

- Perform thorough administrative reform, the implementation of policies a licensed store in a favorable investment and quick.
- Improving the statistical system to closely monitor the situation of production and business, Economic Development and Social locality.
- Actively promote investment in all forms.
- Increase the budget for the promotion and strengthening management industry - commercial.

## **CONCLUSION CHAPTER 3**

### **CONCLUSION**

1. On the basis of general theoretical system of I. and Industrial D., D. of APPI, thesis has constructed a theoretical basis for D of APPI in the D. of in association with local E.D. in the period of accelerated industrialization, modernization and international integration.

2. The thesis also examines the experiences of some countries in the world in the D. of industrial processing of agricultural products and to draw lessons for Vietnam in general and in particular the province of Kon Tum.

3. Survey, analysis and assessment of D. of APPI Kon Tum Province from 2006 to 2015; identify successes, limitations and cause the development of agro-processing industries in the province of Kon Tum.

4. Analyze and evaluate content on the major agricultural production and development of APP industry in Kon Tum.

5. Develop scientific arguments defined perspective, development-oriented APPI associated with economic development, D. of local industries.

6. The thesis proposes solutions D. of APPI Kon Tum province in the period of accelerated industrialization, modernization and international integration.

7. The thesis also gave some suggestions and recommendations to the State and the People's Committee of Kon Tum to D. of agricultural products processing industry in industrial D., linked to economic D. - society of Kon Tum subsequent years to achieve better results. /.

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