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## **Herstart agenda voor handelsbevordering post Corona**

**Duurzame voedselsystemen in Aardappelen,  
Zuivel en Veehouderij in China en ASEAN  
(Indonesië en Vietnam)**

Commissioned by NLinBusiness

**GLOBAL CHALLENGES,  
DUTCH SOLUTIONS.**



# Assessment of the post COVID-19 needs of Dutch companies active in the dairy, livestock and potato sectors with respect to trade promotion towards China, Indonesia and Vietnam

-Summary-

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# Project background & method

COVID-19 (hereinafter referred to as C-19) and the necessary control measures have greatly impacted our lives and society, including entrepreneurs and innovators in the Netherlands. Throughout the world the impact is tangible, which underlines how strongly intertwined the world really is.

Organisations of all sorts, including Small and Medium Enterprises (SMEs), Multinational Companies (MNCs), start-ups, knowledge institutions, financial institutions, researchers, frontrunners and many others are faced with largely unforeseen challenges. For some this means increases in demand beyond capacity, while others see business diminishing drastically. It is essential to find solutions for this new reality and work together to overcome the hurdles.

International fairs, exhibitions, missions and other trade promoting activities are currently largely put on hold. For this reason, the TopSector Agri&Food (hereinafter referred to as TopSector) aims to create a strategy to promote international trade. Especially when international travel is possible, it is important to facilitate the Dutch private sector to resume business to the best of their abilities. Therefore the strategy needs to address the current needs of Dutch organizations, but more importantly it needs to be geared towards the future.

The TopSector seeks to identify opportunities to promote export and investments by the Dutch private sector. To ensure that the solutions best fit the needs of the private sector, this assessment is focused on three subsectors, namely potatoes, livestock and dairy including the processing industry.

In addition, the TopSectors' strategy focuses on China, Indonesia and Vietnam. These three countries were selected given their relative importance in the Asia-Pacific region. It is essential to maintain the current position of the Netherlands, minimize the hurdles and enable the Dutch private sector to effectively leverage opportunities for innovation and sustainable growth.

Larive International B.V., is a Netherlands-based international business development firm specialized in assisting companies in entering and expanding their business activities in high-growth markets. Larive is the principal and coordinates a network of independent business development advisory firms in 24 countries throughout Asia, Central & Eastern Europe, Turkey and Sub-Saharan Africa (including China, Indonesia and Vietnam), with whom it entered into exclusive co-operation agreements, all together constituting the "Larive Group".

Larive has been appointed by NLinBusiness to identify the impact of C-19 on the export and investments of the Dutch private sector in China, Indonesia and Vietnam. The assessment focuses specifically on the three earmarked sub-sectors. A total of 52 interviews have been conducted in June 2020 of which 12 with parties active in the potato sector, 20 from the livestock sector and 13 from the dairy sector. In these subsectors, companies (both SMEs as well as MNCs) active in the various parts of the value chain have been interviewed. Another seven interviews are conducted with sector experts from knowledge institutes.

In order to verify the impact of C-19, a questionnaire was formulated in collaboration with the TopSector, allowing for standardized interviews ensuring consistency. Firstly, respondents were asked to describe the impact of C-19 on their exports and investments. This included both the impediments to the business as well as opportunities. Then the respondents were asked if the impact of C-19 has affected the organization's international strategy. Lastly, the needs for resuming trade in China, Indonesia and Vietnam were discussed and matched with trade promoting activities.

This data is used to inform the TopSector about the challenges faced in the three countries and the respective sectors. Combined with the suggestion to cope with these challenges, activities are identified to promote Dutch international trade, export and investments. In this report recommendations are given both for overarching purposes as well as to solve specific issues in particular countries or sectors.



# COVID-19 in China, Vietnam & Indonesia

The Chinese, Indonesian and Vietnamese governments all took measures to fight the C-19 pandemic. While restrictions in China and Vietnam are cautiously being lifted, strict measures still apply in Indonesia constricting business activities<sup>1</sup>.

The current measures taken to control the spread of C-19 in Indonesia include public transport restrictions, barriers to travel domestically, limitations on working hours, non-essential business need to work from home and restriction for restaurants and street food vendors. The measures impacted amongst others consumer spending.

The dairy, livestock and potato sectors in China, Indonesia and Vietnam all experience the following two overlapping challenges:

- Business transactions in China, Indonesia and Vietnam heavily rely on face-to-face contact and depend on personal relationships. Overall, sales processes are lengthy in these countries and Dutch companies have to develop trust among potential local clients. C-19 considerably lowered the ability to have face-to-face contact, which negatively impacted the business activities of almost all companies operating in these countries.
- Transportation (by road, water and boat) was negatively impacted by the C-19 pandemic. Companies experienced the following problems: longer freight times (sometimes up to 10 additional days) and increased and largely fluctuating transportation costs.



<sup>1</sup> In some parts of China lockdown measures are currently re-imposed due to new emerging infections

# Introduction

The Netherlands is one of the leading food producers in the world, which is the result of advanced production methods and a strong integrated value chain approach. In addition to being the second largest exporter of agricultural products in the world after the US, the Netherlands is increasingly a supplier of technologies, knowledge and systems that enable other countries to produce their own products in a more sustainable manner. This development has become even more important in light of C-19.

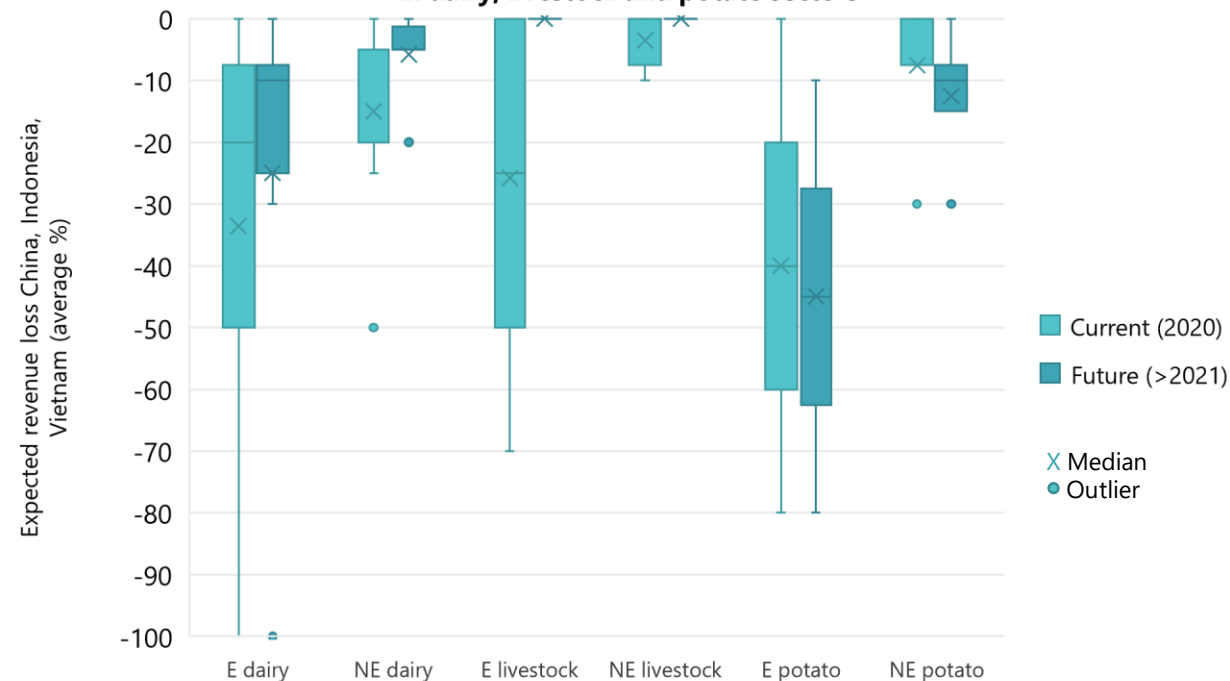
Dutch companies are particularly well-positioned to contribute to developing local production capabilities allowing to adequately meet increasing local demand. Trade between the Netherlands and China, Indonesia and Vietnam will therefore need to be refocused towards expertise, technological solutions and data driven support systems.

A total of 52 interviews were conducted with small, medium and large companies, sector representations, local experts and knowledge institutes. C-19 has caused a myriad of issues for organizations active in the dairy, livestock and potato industries.

Some companies are experiencing excess demand which they are unable to deliver upon due to disrupted distribution systems. Others see projects for the year 2020 being postponed or even cancelled. Of all non-equipment manufacturers, those in dairy have been hit hardest. In the livestock sector current losses are highest for equipment manufacturers. In the future (2021-2022), both equipment and non-equipment manufacturers, expect these losses to mostly offset. Estimated losses are highest for the potato sector, which are also expected to increase in the future (2021-2022).

Unforeseen changes in demand make it difficult for businesses to verify their business cases for large investments. Uncertainty is leading to fluctuating currencies and liquidity issues. Situations are further complicated as a result of absence of direct communications. Still, organizations have identified new opportunities, including the emergence of new markets and diversification of products and services, but also internal efficiency programs and cost reductions. Most importantly, food safety awareness has increased across all sectors and countries. Demand for high-quality inputs, farming systems, processing equipment and waste management will remain relevant long after C-19.

**Anticipated 2020 and future losses equipment & non-equipment suppliers in dairy, livestock and potato sectors**



E: Equipment manufacturer  
NE: Non-equipment manufacturer

## Notes:

- This research attempts to provide some insights into the financial losses incurred by Dutch companies. During some interviews specific percentages were stated. However, not all companies were willing or able to do the same. Some indicated all projects to be cancelled, causing the researchers to conclude 100% of revenues have been lost. Others mentioned "significant losses" often combined with "shifting sources of demand" or "postponement of several months". Such information has been estimated around 5% losses.
- Data might be skewed as not all respondents were willing to share sales figures, especially those facing difficult challenges due to C-19. In addition, respondents might have provided too optimistic views in order to keep appearances.

## 4. Dairy sector: Impacts & needs

# Dutch dairy sector trade

## Overview and context

- The Dutch Dairy sector is an important exporting sector. Over 60% of all the milk processed in the Netherlands is destined for export, worth a total of EUR 7.7 BN. The three countries in this research contribute about 3.8% to this export value of which almost 75% is exported to China. Dutch companies active in the dairy sector prioritize the Chinese market over the Indonesian and Vietnamese market.
- Most respondents, both SMEs and MNCs, have indicated a loss of demand or at least some delay in expected projects. Still, most actors in the dairy sector also identified regaining market access as an important theme for the TopSector to focus on in regards to promoting trade.

### Anticipated losses

- All respondents indicated to currently encounter reduced revenues and/or expect lower revenues in the upcoming year.
- Current losses are especially high for equipment manufacturers averaging around 35%, with some outliers stating losses up to 100%. For the upcoming year losses of 20 – 30% are expected.
- Non-equipment manufacturers estimate current losses to be around 10 – 20%. Future losses are projected to drop to 5%.
- Equipment manufacturers most often notice delays in anticipated projects. The total impact and loss of sales has yet to be determined, but some players are anticipating delays ranging from a couple of months to more than a year.

### Measures

- Companies are working together with their clients to find the best solution to mitigate increased transport costs, production delays and payment issues.
- Companies are investigating methods to reduce or spread their risk. One way is by investing in local expertise and efficiency acceleration projects. In addition, some parties are looking at diversifying their product portfolio.
- Companies try to be more flexible by working together with their clients to solve issues such as logistics. They also have increased the frequency of their contact with local distributors.
- As suppliers to the vital agri-food sectors in these countries, many have been asked to provide a supply guarantee. While faced with logistical challenges, these essential food-stuffs did find their way to the respective markets.
- Other companies are actively monitoring the C-19 developments in each country to determine if travel is possible again.

### Opportunities

- Some opportunities still have to materialize. One development companies anticipate upon is the rise of new international trade restrictions, which might offer opportunities for Dutch companies.
- Many companies are focusing on finding new ways to transfer knowledge.
- Some companies see more effective operations, including shorter meetings, less travels and higher sales conversions. The latter is explained by the fact that potential clients want to pursue their investments, and so called “shopping” amongst potential suppliers is less prevalent.

### Long term vision

- Companies, both small and medium sized, anticipate delays in projects and reduced revenues for 2020. However for the smallest companies this means that cost reduction and existing customers take priority. Larger companies might focus more on developing local expertise, meaning that they anticipate on a partial shift in the primary execution of activities to local staff while keeping control and oversight from the HQ in the Netherlands.
- China specifically remains a focus country for the dairy sector and thus the long-term vision has not changed.



# Dairy sector: impact & measures

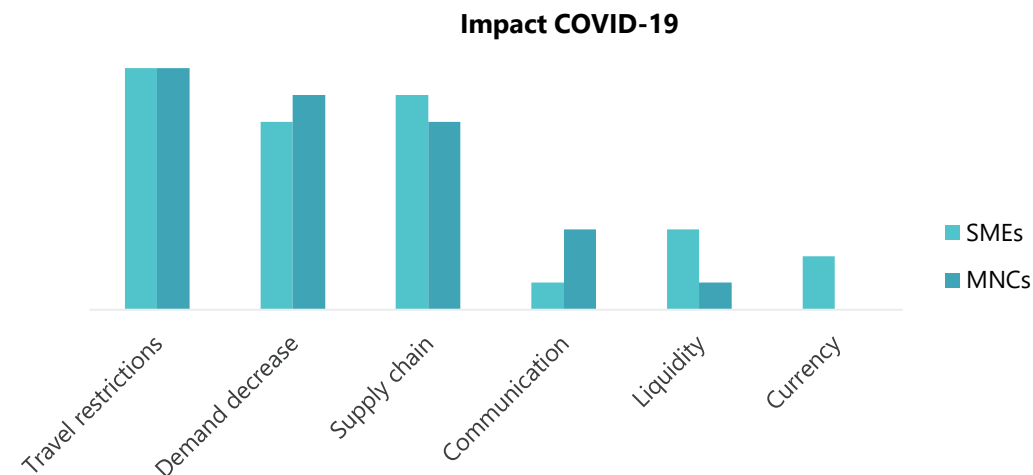
*Size does matter, as larger companies are better equipped to face the challenges posed by C-19*

## Impact C-19

1. **Travel restrictions:** These are preventing companies from providing the necessary support for their clients. This is causing delays in projects. The most anticipated effect is a decrease in new sales and projects in the future.
2. **Demand decrease:** As a result of strict lockdowns, especially in China, the out-of-home market declined drastically. This was coupled with decreasing prices leading to dwindling revenues. Dairy producers have not seen prices fall below production prices and have since started to slowly recover due to increased demand in retail. The shift in demand to retail unfortunately has not offset the loss in the service industry. In the high-value equipment segment, uncertainty prevents clients from securing their investments.
3. **Supply chain:** Many companies are facing production issues. Especially in the beginning of the year companies faced longer delivery times for components and higher transport prices. The most pressing supply chain issues have been indicated to be resolved already. Challenges were often related to the increased costs of freight due to low availability of shipping containers.
4. **Communication:** A few respondents experienced some difficulty to close sales. Even through e-communication, it is difficult to have effective negotiations. Many companies cite the importance of personal (face-to-face) contact to successfully close a deal.
5. **Liquidity:** This is particularly relevant to companies who supply to smaller clients.
6. **Currency:** Whilst not cited often, the fluctuations do impact larger investments which have to be paid in foreign currency. This increases the costs and often disrupts the business case on which the investment was build.

*"Demand for fresh quality products declined drastically when restaurants, QSR and service industries were forced to close."*

*"For capital investments in high-tech equipment photos and videos are not enough, they need to be inspected in person before the client can formalize their purchase."*



## General support

- C-19 has effectively demonstrated the dependency on international value chains for essential foodstuffs such as dairy. China is already working on the development of their own dairy chain, and Indonesia has expressed the desire to do the same. Both nations are lacking knowledge to set up effective domestic dairy production value chains. It is important for the TopSector to clearly identify a vision to export value-added knowledge and capitalize on the expertise of the Dutch dairy sector.
- Trade missions are essential in these markets that require personal contact for strong business relations. This is especially useful for SMEs without local presence. For MNCs it is important that such trade missions are backed on a political level. Especially in China decisions are made at governmental level and Dutch political representation is valuable.

## 5. Livestock sector: Impacts & needs

# Dutch livestock sector trade

## Overview and context

- The Netherlands is a major livestock sector powerhouse. The Dutch livestock sector is a sustainable source of healthy, safe food that is produced with respect for nature and the environment. Additionally, the food processing and slaughtering industry, commerce and logistics are at a high level in the Netherlands. For decades, the Dutch livestock sector has succeeded in maintaining its lead over international competitors by continually investing in the renewal of production chains, innovation in products and solutions and research.
- China, Indonesia and Vietnam are important trade partners for the Dutch livestock sector given their sizes, population growth and increasing animal-protein consumption patterns. Currently, the livestock sectors (poultry and swine) in these countries experience some price drops (especially in Indonesia) due to uncertainties among sector players about the economic impact of C-19. However, animal-based protein is an essential part of human diets, causing Dutch companies not to worry about sector and price recoveries in 2021.

## Anticipated losses

- In 2020, 75 % of the interviewed livestock equipment suppliers expect/experience revenue drops when comparing to 2019 figures. The indicated revenue drops range between 10 and 70%. The main provided reasons for the revenue losses are the inability to perform sales activities in combination with general long sales lead times and postponed sector investments. On the other hand, all lost revenues are anticipated to be caught up in 2021. Companies supplying other products (e.g. feed and genetics) experience less revenue losses in 2020, as they supply key sector products. The experiences loss of these companies are the result of temporarily reduced animal production volumes.
- In Vietnam, the impact of C-19 on livestock sector prices, project and investments to seems to be the lowest as compared to China and Indonesia. The livestock sector in China shows significant signs of recovery already, while meat and egg prices in Indonesia are still under cost price. Furthermore, the depreciation of the Indonesia Rupiah weakened the competitive position of Dutch companies as compared to local companies.

## Measures

- All SMEs focus on keeping leads and relations with clients 'warm' using online communication tools.
- SMEs specifically mentioned to reconsider their current internationalisation strategy. The C-19 situation expresses the importance of local presence, leading companies to actively search for a local agent/distributor. Increased contact frequency with local distributors and agents to get sector updates.
- Online training programs for agents, distributors and clients.
- Instruction video's for clients on how to perform repairs when required.
- Application different scenarios, including different levels of C-19 impact.

## Sector opportunities

- C-19 could cause an increase in food safety awareness, which could result in growing demand for high-quality feed, farming systems, slaughtering and processing equipment and animal health products.
- The swine fever outbreak in China could result in additional business opportunities as the demand for food safety products and solutions will probably increase.
- To gain a competitive advantage, MNCs and SMEs could exploit the opportunity of shifting their marketing focus from offering products to offering food safety solutions.
- C-19 addressed the importance of having strong local food sectors (to assure food security). Governments and the private sectors might focus more on local sector development to decrease international dependencies. Sector developments will increase investments in the livestock sector offering opportunities for Dutch MNCs and SMEs.

## Long term vision

- SMEs do not consider different scenarios within their business activities, strategy formulation and decision-making processes. They often did indicate that that current clients will be main priority post- C-19.
- Both MNCs as well as SMEs are certain of the importance of the livestock trade markets in China, Indonesia and Vietnam post- C-19. However, in short-term most trade activities will be focused on already existing clients, while client base expansion will receive less attention.

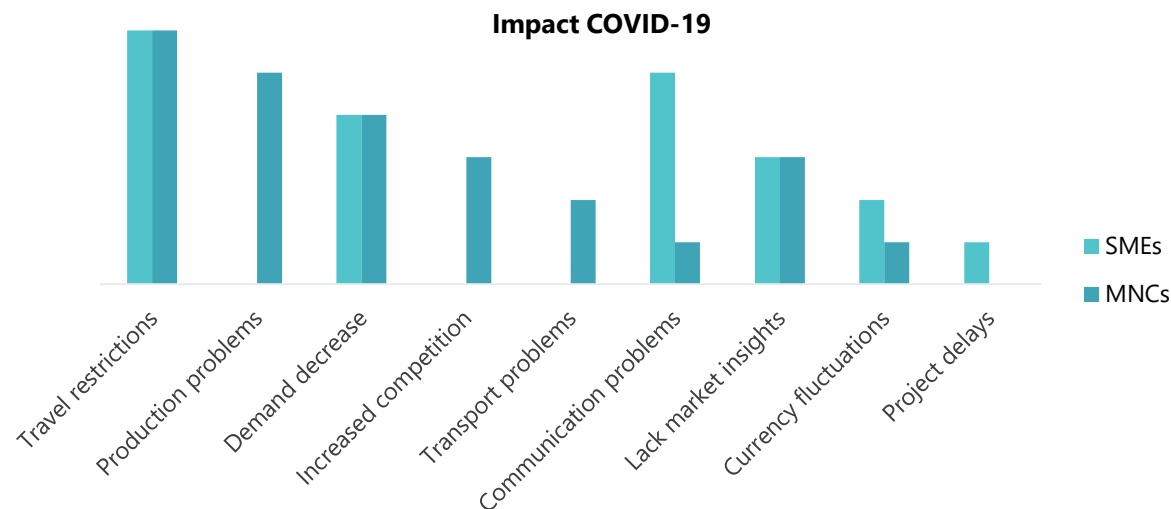


# Livestock sector: impact & measures

*Companies seek insights into current and new international business context and sector situations*

## Impact C-19:

1. **Travel restrictions:** Largest negative impact on business activities. It constrains sales activities, limits the ability to follow up on and contact leads, and it restricts (potential) clients to visit reference projects. One interviewee lost a project tender (value EUR 12 MN) in China to a local competitor as the client could not visit a reference project.
  2. **Production problems:** Difficulties with getting local employees to factories and offices due to local restrictions; none of the companies were forced to completely stop production.
  3. **Demand decrease:** Local clients only invest in bare necessities and operational expenditures (e.g. feed) and postpone all other investments. MNCs expect a maximum revenue decrease of 10% in total (compared to 2019), with decrease being highest in Indonesia (up to 50%).
  4. **Increased competition:** The decrease in demand resulted in increase in competition.
  5. **Transport:** Increased transport costs and delays, is already recovering.
  6. **Communication:** Given the strong local networks and stable presence in the countries MNCs do not experience communication problems.
  7. **Lack of market insights:** SMEs lack international business context. They struggle to receive up to date information (for individual countries and industries).
  8. **Communication:** Agents and distributors as well as sales employees from the Netherlands are unable to keep leads warm. (Potential) clients often have poor internet connections and/or insufficient English levels. Online communication with the support of translators in difficult. Face-to-face interaction remains key for SMEs to achieve sales in China, Indonesia and Vietnam.
  9. **Currency fluctuation:** The value of the Indonesia Rupiah weakened significantly, worsening the competitive position of international companies with respect to local competitors.
  10. **Project delays:** Beside the postponements on client side, delays in production, transport and instalment further delay implementation of existing projects.
- All interviewees indicated the current sector situations to be better under control in China and Vietnam as compared to Indonesia. The Indonesian sector does not show any signs of recovery yet.



## General support

- Positioning of the Netherlands as leading player in livestock & food safety. Positioning could be done by governmental lobby and marketing activities (such as hosting seminars).
- The (local) travel restrictions constrain mechanics from travelling, causing delay in installations and repairs. MNCs advocate for a lift on the travel restrictions for these essential employees. MNCs request support from Topsector/ the Dutch government to ease travelling for mechanics
- Stimulate and co-finance commercial consortium project focused on local sector development.
- Focus on increasing food safety awareness amongst local customers.
- Enabling Dutch chicken meat exporters to export to China (large market potential for chicken feet and intestines).

## 6. Potato sector: Impacts & needs

# Dutch potato sector trade

## Overview and context

- The Netherlands produces over 7 MN tonnes of potato and ranks amongst the top-5 in the world pertaining to yields per acre (44 MT/acre). However export of these fresh potatoes to China, Indonesia and Vietnam is limited. Due to sanitary and phytosanitary concerns, China does not allow the import of fresh potatoes from the Netherlands (or any other country).
- The Netherlands is also the largest exporter of seed potatoes, with a global market share of over 50%. However hardly any potato seeds are exported to China, even after the ban on imports was lifted in 2000. This is most often cited to be the result of lacking IP protective legislation, causing seed potato companies to be cautious of exporting to China.
- Exports to Indonesia are also limited due to import restrictions on processed potatoes and seed potatoes. The market in Vietnam on the other hand is rather small and most imports come from China. In the span of several decades China has grown to be the world's largest potato producer, producing approximately 95 MN MT of potatoes in 2019. This accounts for roughly a quarter of worldwide fresh potato production.
- In this specific segment the challenges brought about by C-19 are often dwarfed by existing import restrictions and concerns for climate change. A comprehensive approach is therefore needed from the TopSector to promote trade in an effective and lasting way.
- The respondents active in Indonesia indicated this is only a small market, and the export to Vietnam has only been limited. Therefore assessment of the impact of C-19 mostly pertain to China.

## Anticipated losses

- 75% of all respondents indicated to currently see reduced revenues or are expecting lower revenues in the upcoming year.
- Current losses for equipment manufacturers are estimated around 40%. This figure is expected to increase slightly in the future to 45%.
- Non equipment manufacturers currently see average losses of 5-10% and expect these to increase to 10-15%.

## Measures

- Increased frequency of contact with clients. Through frequent updates on the progress of deliveries, companies can offer some form of predictability in uncertain times.
- Most companies are investing in ways to provide digital support. These measures have proven to be quite efficient, however some still see issues with the most difficult assembly jobs.
- Cancelled orders required some respondents to repurpose their products for alternative applications in other regions.

## Opportunities

- These companies have demonstrated to be quite creative with the fall in demand for their product and have seen some opportunities. These include the production of potato flakes and packaging of fresh potatoes.
- By investing in digital support companies find to have access to more data. They see opportunities in the creation of data driven support systems for cultivation, assembly, production and other service solutions.
- MNCs whose business has been affected negatively by falling demand, mostly cite opportunities focused on internal efficiency, finding ways to reduce costs and different approaches to collaborating with clients and distribution partners.

## Long term vision

- Companies still see potential in the region, especially China. The market is expected to continue to grow and new projects are anticipated.
- Companies who are reliant on out-of-home consumption do see a need to diversify into retail. Still it is expected that consumption through retail will not completely offset the losses in out-of-home consumption. This is the result of higher levels of food waste in restaurants compared to home cooking.
- Vietnam is mentioned as a market for future development by a few. Indonesia on the other hand is deemed to be the most difficult and least interesting for years to come.
- Most respondents have not adjusted their strategy and believe that it is still too soon to judge what will be the true impact of C-19 on their business in these countries.



# Potato sector: impact & measures

*There are opportunities, but lacking resources limits companies in developing new markets*

## Impact C-19:

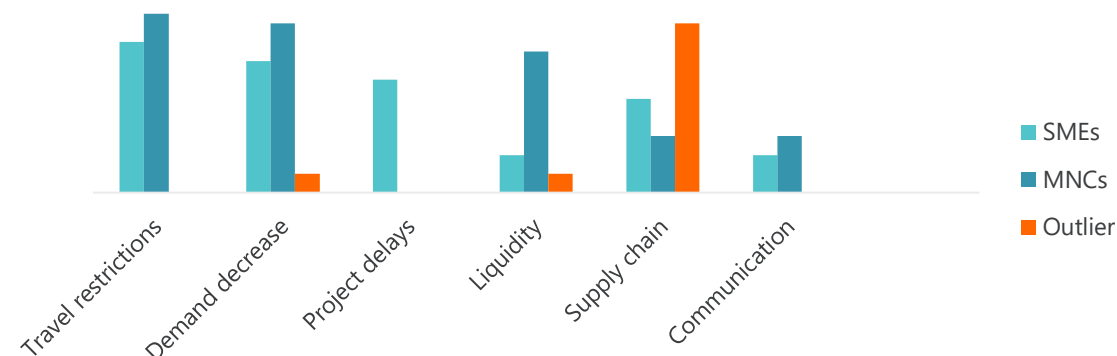
- Travel restrictions:** The constrains of travel service and assembly activities as well as new sales trajectories. This means that for these medium enterprises both currently and in the short-term demand will fall. This challenge was mostly identified by processing equipment manufactures.
- Demand decrease:** Most companies across the value chain have noticed a decrease in demand due to closing of out-of-home markets. Due to the lock-down and closing of restaurants the largest outlet of these products is closed. Some demand has shifted to retail, but this has not offset the loss in out-of-home consumption.
- Project delays:** The seasonality of potatoes has led to a delay in projects of 1 year, with some indicating all revenue for 2020 will be lost. MNC's mostly indicated delays of several months with an average of 30% of their expected revenues for 2020. This has been caused by lockdown of QSR and factories, leading to a decrease in demand at the final consumer and the processors. For companies active at farm level delays are expected to be worse. This is caused by poor harvests in addition to C-19.
- Liquidity:** This barrier was mostly mentioned by companies who offer high-value equipment. Coupled with weaker exchange rates, clients (especially smaller) are less eager to invest.
- Supply chain:** Issues in the supply chain were not cited as critical barriers. Costs of transport increased and longer delivery times, lead to short-term inconvenience.
- Communication:** It is very important to stay in touch with clients. Reduced contact points leads to more competition from local players.

*"Delays in projects are harming our short-term revenue budgets, however the inability to travel is diluting our relationships with clients. This might be more harmful to our business in the long run."*

*"As a large organization with local representation, we are able to continue our operations and experience limited impact of C-19. Without this, we would be much more vulnerable."*

*"The lockdown causes people to buy in bulk when they can go shopping. This surge in demand is difficult to keep up with because the supply chain is disrupted."*

## Impact COVID-19



**Outlier:** An interesting exception to this is for companies active in the production of starches. When people started hoarding, products containing starches were often products of choice. As a result their main challenges pertain to logistics and excess demand rather than a fall in demand.

## General support

- The general sentiment is that China is leveraging the C-19 situation to protect its own market. Therefore C-19 is not necessarily the only barrier that needs to be addressed in order to facilitate trade in this sector to the region.
- Still China has ambitions to grow their potato sector and are seeking expertise to achieve their targets. Therefore the TopSector should work with the Dutch government and local Embassies to leverage the Dutch brand as a knowledge.
- In the short-term SME's are mostly seeking clarity on international developments for travel, health and safety of employees. They also have the greatest need for financial support to investigate new opportunities. MNCs most often indicate travel to be a short term need to restart business.
- In the long-term the focus should lie in repositioning the Dutch brand and build bridges on governmental level. The focus should be on a governmental level to create stability in terms of trade.

## 7. Recommendations




# Sector and country priorities

## Overall observations

The impacts of C-19 are sector and country specific, as indicated in the table. It is recommended to take these differences into account when formulating strategies. Impacts of C-19 cannot be tackled by the TopSector and/or the Dutch government using one generic strategy. The identified impacts, taken measures, desired focus and needs require specific attention and demand explicit actions. Therefore, it is highly recommended not to combine or cluster the sectors and countries.

Based on the interviews, short-term impacts on the livestock sector seems to be largest, most fluctuation and most uncertain. On the other hand, this sector addresses the long-term impacts probably being low, given the essential status of the animal-protein sectors. It is recommended to focus short-term activities on improving / (re)establishing trade in this sector. The livestock sector companies furthermore require most support in Indonesia, given the negative impact of C-19 to be largest here. Overall, interest in trade missions is (at current) low in the livestock sector.

In the long run, it is recommended for the TopSector and the Dutch government to focus on supporting the ability of Dutch companies to seize opportunities in the potato and dairy sectors. Regaining market access in China, Indonesia and Vietnam for these two sectors is largely dependent on political dialogues. It is therefore important to invest in strong bi-lateral relations. In the dairy sector, efforts should focus on reaching political agreements on technical dossiers are reached. In the potato sector, companies specifically aim to identify and develop new market opportunities but need market entry support on political level in the long run.

Focus	Dairy	Livestock	Potatoes
<b>China</b> 	<ul style="list-style-type: none"> <li>➤ Support on a political level is essential to develop sustainable trade.</li> <li>➤ Focus on standards of technical import dossiers.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Facilitate export of Dutch poultry meat.</li> <li>➤ Stimulate commercial consortia projects to increase ability to contact large stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Support for the identification and development of new markets.</li> <li>➤ Market access needs to be facilitated.</li> <li>➤ Ensure current Dutch presence is retained.</li> <li>➤ Secure IP protection.</li> </ul>
<b>Indonesia</b> 	<ul style="list-style-type: none"> <li>➤ Support (new) product registration process.</li> <li>➤ Start market exploration and development activities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Positioning the Netherlands as go-to country for food safety solutions.</li> <li>➤ Lift local travel restrictions for essential employees.</li> <li>➤ Facilitate the reduction of import taxes (being 25%).</li> <li>➤ Support (new) product registration process.</li> <li>➤ Co-finance of launching customer projects.</li> <li>➤ Stimulate commercial consortia projects to increase ability to contact large stakeholders.</li> <li>➤ (New) market insights.</li> <li>➤ Online communication tools to keep leads warm.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Not a focus country in the short run.</li> </ul>
<b>Vietnam</b> 	<ul style="list-style-type: none"> <li>➤ Branding of the Netherlands as an exporter of knowledge.</li> </ul>	<ul style="list-style-type: none"> <li>➤ No specific support requested.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Potential for growth.</li> <li>➤ Start market exploration and development activities.</li> </ul>



# Support priorities

## *Recommended trade promoting activities*

The TopSector seeks to develop a trade promotion strategy that enables companies to mitigate barriers and to capitalize on new opportunities. Problems across the three countries and three sectors are diverse. Based on the results, the approach towards trade promotion is recommended to be widely applicable, while at the same time easily adjustable to country and sector specific needs.

The TopSector has identified a series of themes that are important for the food and agriculture sector of the Netherlands. During this research, these themes were evaluated in light of C-19. These themes are important to further refine the trade promoting activities:

- Local-for-local is a newly identified theme. Globally dependent production chains are being reevaluated and companies are addressing the need for focus on local sector developments to secure the availability of food in times of lock-downs.
- Food safety is a theme all respondents believed would remain important. This is especially relevant to the dairy sector, as the region has had issues with local production of baby powders. It will be important for the Netherlands to position itself as an exporter of quality and expertise.
- In the livestock sector, tackling zoonoses, biosecurity and antibiotic reduction were other often mentioned focus themes.
- In the potato sector, some respondents also mentioned concerns about climate change for the long term.

### Short term

- **Financial instruments:** It is recommended that the TopSector works with the Netherlands Enterprise Agency and the Dutch government to create a financial instrument which enables companies, especially SMEs, to quickly develop innovative solutions to address new challenges and tap into opportunities that arise.
- **Digital networking:** Such initiatives need to be strictly tailored to connect the right people. Framed as digital seminars hosted by local Embassies, these could provide valuable avenues for market entry and growth.
- **Legal advice:** This advice is recommended to specifically be geared towards smaller companies who do not have the resources to assess changing legal landscapes as a result of C-19.

### Medium term

- **Trade mission:** When international travel is possible again, trade missions are valuable for the exploration of relatively new markets, such as the dairy sector in Indonesia and the potatoes in Vietnam. Missions need to be specific and tailored to address explicit challenges such as the reduction of antibiotics usage or improved storage conditions of potatoes.
- **Market studies:** The impact of C-19 is not uncovered completely, as many companies are anticipating losses in the future. It is therefore essential to reassess promising markets and map new consumer trends, investments and shifting business risks in all countries.
- **Consortia:** It is important to keep track of existing projects and ensure success of ongoing collaborations.

### Long term/ongoing

- **Trade promotion:** The TopSector needs to create a strategic vision on how to position the Dutch private sector to further increase exports to and investments in these markets and advocate for this strategy on a political level.



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