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News in Brief

The government issued Resolution no. 30a/2008/NQ-CP on 27 December 2008 on the "Programme supporting quick and sustainable poverty reduction in 61 poor districts." Under this resolution, key support relevant to bamboo farmers and pre-processors are:

- Households growing bamboo in production forest will be subsidized 2-5 million VND/ha for seedlings for the first time.
- Poor households, in addition to the above support, will get subsidies of 15 kg of rice/person/month (maximum 7 years) and 50% interest for loans they seek from govt commercial banks for forest plantation.
- Pre-processors in these districts will be subsidized with 50% interest for loans they seek from govt commercial banks.

Bao Lac in Cao Bang, Quan Hoa, Ba Thuoc, Lang Chanh, Quan Son in Thanh Hoa and Tuong Duong and Ky Son in Nghe An are amongst the targeted districts.

Bamboo Outlook

Mekong Bamboo Quarterly Bulletin



Bamboo Industry Outlook Day

On the 27th and 28th of November 2008, Mekong Bamboo, with its local partner the Vietnam Handicrafts Exporters Association (Vietcraft), hosted the inaugural Vietnam Bamboo Industry Outlook Conference. The two-day event aimed to promote information exchange, discussion and knowledge sharing among bamboo businesses. The Conference also sought to discuss current opportunities, trends, challenges and new technologies in the bamboo industry.

The first day of the conference saw experts and participants sharing their views on various bamboo related topics. These included discussions on the market potential of bamboo, new products and technologies in the industry, sector development experiences from China as well as challenges and opportunities in the sector. The second day was more technically focused. Topics included the poten-

tial of high value bamboo products, sustainable development of raw material areas, supply chain development as well as issues relating to bamboo handicraft products.



Participants were especially interested in strand woven technology, material treatments for handicrafts, investment links and equipment for bamboo processing. The event was considered a success and will become a permanent feature of Mekong Bamboo's activities.

Strand Woven Information Day

As a precursor to the Outlook Day, on October 30th, 2008, over 30 people from Mekong Bamboo's partner organizations attended a bamboo strand woven information day.

The event, organised by Mekong Bamboo, was held to discuss the implications of new technologies relating to woven bamboo strands.

The application of the technology, its effect on raw material supply, potential changes in the bamboo value chain, profitability for businesses, efficiency of material utilization and the pro-poor impact potential were all points of discussion. A similar event was held for businesses in HCMC in cooperation with HAWA and Winrock.

Bamboo Strand Woven Technology

The new technology “strand woven” is being investigated to see if it can add value to Mekong Bamboo current supply chain pilots. Part of the investigation is the financial modelling and viability assessment as a potential processing model in the region. One of the advantages of this process is that a variety of products can be made from the strand woven blocks (not just flooring as with bamboo slats).

Products that are used in the construction industry can be made from this process, such as doors, door frames, furniture, framework (for internal walls and supporting beams), etc. It is a more

versatile product than bamboo slats.

This process can use a wider range of bamboo species compared to bamboo slat production. This means that this technology can be introduced into areas where it was not possible to have bamboo slat production.

Mekong Bamboo is currently analyzing this technology further and the implications on the market. Discussions are ongoing with two major bamboo product manufacturing companies which are key “players” in the supply chain.

There are indications that they may be proceeding to acquire the technology.

The introduction of this manufacturing process will significantly increase demand for bamboo culms.

The strand woven production line could be bought from China. However, a number of the machines could also be sourced locally in Viet Nam.

First Bamboo Strand Woven Producer in Viet Nam

Artex Tien Dong has become the first local company to successfully produce Bamboo strand woven block.

The pilot production was initiated a few months ago after technology introduction by Mekong Bamboo.

The physical properties of the product have been tested, which showed the potential to replace wood-based material. This means it could be used for bamboo flooring, door frames, stair poles and various furniture items.



For more information on strand woven bamboo technology, please visit the Mekong Bamboo website at <http://mekongbamboo.org/>

Strand Woven Testing

Mekong Bamboo has carried out a series of tests on the strand woven sample produced by Tien Dong at Quatest 1 in Hanoi and Quatest 3 HCMC. The purpose of the testing is to compare the physical properties of bamboo strand woven with hardwood products.

The average value of the test results indicated that Bamboo Strand Woven physical properties are comparable to the 3rd class of wood and above.

The test results showed that bamboo strand woven is useful for products that require hardness, tensility or compressive strength.

Interested parties can contact the Mekong Bamboo team for more information on the products, technology and profitability analysis.

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Web-Based Bamboo Business Database

The web-based version of the bamboo business database is now online at www.mekongbamboo.org

The database contains information on nearly 300 bamboo-related businesses throughout Viet Nam. Users can search information based on various criteria such as company name and address, products and type of raw

material used. Businesses can sign up as a business member in the New Business Registration section to access more detailed information, update their information or register to publish their company profile online. The database is available in Vietnamese and English. Mekong Bamboo will continually upgrade, monitor and update this online database to

provide businesses with the most up-to-date information on the sector.

A bamboo business directory, in the form of a handbook, has also been distributed to interested businesses. The handbook contains information on over 300 bamboo-related companies.



Bamboo Marking

A traceability system has begun in Phu Tho and Yen Bai on a small scale. HADEVA have provided technical support allowing farmers to trace the age of their bamboo culms. This provides farmers with knowledge of the number and age of their farm, allowing them to plan for the next harvesting season. In addition, it helps identify high quality culms. This allows them to charge higher prices for some products and provides opportunities for more negotiations with pre-processing workshops. Thus, linking farmers will allow for greater bargaining power and information exchange.

Business Development Training

On December 22nd 2008, sixteen business owners and HADEVA staff attended a 3-day training on business development organized by HADEVA in Phu Tho. Participants discussed topics on essential business knowledge needed for small enterprises. These included sessions on business cycles, decision making, business objectives and basics on SME marketing and accounting. The Mekong Bamboo business team will soon discuss potential for a follow-up session.

Nursery Gardens in Phu Tho and Yen Bai

HADEVA have been able to build and support 20 nursery gardens for bamboo culms. The seedlings are



growing well. In March/April, they will be used to plant 120ha in 5 of the communes of Tran Yen and Van Yen districts in Yen Bai. 15 gardens of bamboo shoots are being prepared so that 40.8ha

can be planted in the Van Yen district of Yen Bai province in Spring 2009.

Literature Review on Bamboo Research and Experiments

The Forest Science Institute of Vietnam (FSIV) has recently completed a literature review survey of 97 bamboo related articles. Hardcopies of the list as well as a 1 page summary are available now at the Mekong Bamboo office in Hanoi.



Question of the Month

Q: Is there a centralized product development center in China for bamboo products?

A: No, there is not a product development centre in China. In China, each company develops its own products and has a product development division within the company. Each province does, however, have an association; each is responsible for designing products for each province. The association assesses product design and models and has a committee to assess handicraft products.

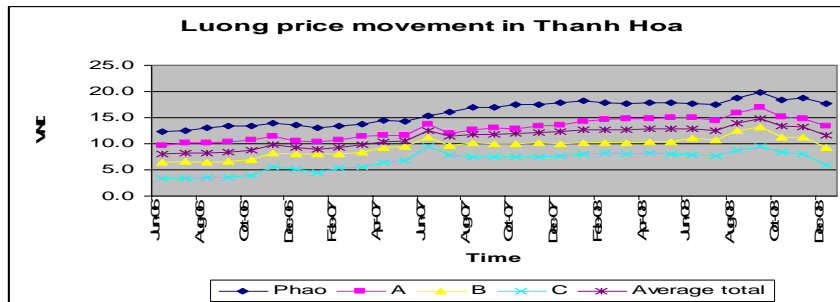
Every year, products are displayed in an exhibition for assessment, display and competition. Awards & certificates are given for good products, and to masters/professional handicraftsmen.

Luong Price Falls in Thanh Hoa and Phu Tho

The last quarter of 2008 saw a significant drop in the price of luong Bamboo in both Thanh Hoa and Phu Tho Provinces. The below graph shows the average luong price collected at various processing workshops. Data was collected by the LDP team in Thanh Hoa.

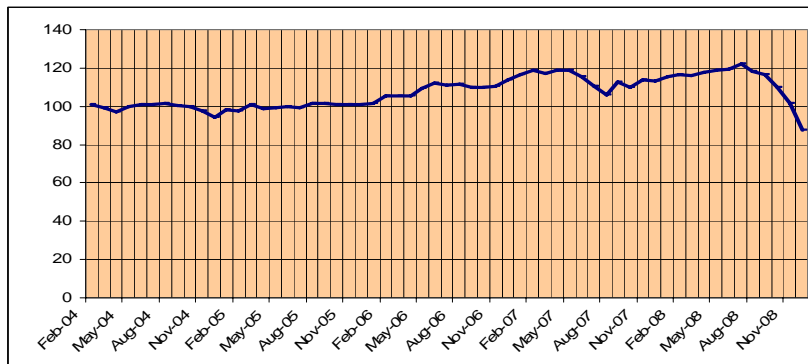
Three key factors that may explain the drop in bamboo prices are:

- The post-rainy season period is the low-season for bamboo;
- The global financial recession has led to a lowering of commodity prices worldwide; and
- Decreasing demand for votive paper in Taiwan, a significant market, has lowered demand for bamboo.



Prices for votive paper have decreased 25% from 12 million to 9 million VND per ton (Hoa Binh, Dec 08). Prices for chopsticks have also dropped 10% from 3100 VND/kg to 2800 VND/kg (Thanh Hoa, Dec 08). Bamboo used for paper pulp has also decreased from 500 VND/kg to 250-300 VND/kg in Doan Hung, Jan 09)

However bamboo price has fallen less than many other commodity products. The below graph shows an index of the 5 year trend for agricultural products.



Source: <http://www.indexmundi.com/commodities/?commodity=agricultural-raw-materials-price-index&months=60>

Information leaflets

Information leaflets have been developed by Mekong Bamboo and GRET for five different products: semi-finished slats, finished slats, woven slats for strand bamboo blinds (used to produce panel boards), semi-finished chopsticks and finished chopsticks.

These leaflets will be a useful tool to share information among actors in the value chain for new products and technology in the bamboo industry.

Bamboo Industry Video

Mekong Bamboo has developed a promotional video featuring the experience of the Chinese bamboo industry and highlighting the potential in Viet Nam.

The video can be viewed or downloaded from the Prosperity Initiative website at: www.prosperityinitiative.org

Mekong Bamboo is a pro-poor industry development programme run by Prosperity Initiative

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