HO CHI MINH NATIONAL ACADEMY OF POLITICS

DINH THI THU PHUONG

DEVELOPMENT OF AGRICULTURAL PROCESSING INDUSTRY IN THAI BINH PROVINCE

DOCTORAL DISSERTATION SUMMARY

FIELD: POLITICAL ECONOMY

Code: 931 01 02

HA NOI - 2025

THE PROJECT WAS COMPLETED AT

HO CHI MINH NATIONAL ACADEMY OF POLITICS

Science teacher: **ASSOC. PROF. DR. VU VAN PHUC**

First Reviewer: .....

.....

Second Reviewer: .....

.....

Third Reviewer: .....

.....

The dissertation will be defended before the Academy-level Dissertation Evaluation Council meeting at Ho Chi Minh National Academy of Politics

At.....

The dissertation can be found at the National Library and Ho Chi Minh National Academy of Politics Library

INTRODUCTION

1. Urgency of the Topic

Agriculture plays a crucial role in the growth, economic development, and stability of life in Vietnam. Among the overall success of the agricultural sector, the processing industry of agricultural products has made a significant contribution. The agricultural product processing industry plays an essential role in economic development, increasing added value, and ensuring stable output for agricultural products. This industry helps extend the storage time, reduces post-harvest losses, and meets both domestic and export market demands. In addition, agricultural processing creates employment for rural labor, promotes economic restructuring, and increases farmers' incomes. Furthermore, the application of advanced technology in processing contributes to improving product quality, meeting international standards, which in turn helps Vietnamese agricultural products to have a stronger competitive position in the global market.

Thai Binh is a coastal plain province located in the southern part of the Red River Delta. To the north, it borders Hung Yen, Hai Duong, and Hai Phong; to the west and southwest, it borders Nam Dinh and Ha Nam; to the east, it borders the Gulf of Tonkin. Thai Binh has a strong agricultural tradition and favorable conditions for the development of agricultural product processing industries. The average growth rate of the entire agricultural product processing industry in the province reaches about 14.13% per year. The structure of processed goods is becoming increasingly diverse, with a focus mainly on large-scale products, such as rice, corn, frozen meat, frozen seafood, fish sauce, vegetables, fruits, beer, and soft drinks. Some industries have begun to establish strong brands and compete effectively in the market.

However, when looking at the overall picture, the agricultural product processing industry in Thai Binh is still developing slowly. The number of processing enterprises is limited, with few large-scale businesses; the processing capacity of some industries is still modest; most products are semi-processed, with the proportion of deep processing remaining low; and the range of processed products is not yet diverse.

These limitations stem from various factors, such as land, credit constraints that prevent businesses from boldly implementing agricultural product processing projects; the link between production, processing, and consumption of agricultural products is still weak; the application of

science, technology, and the modernization of equipment is slow; the quality of agricultural products for processing is unstable; and purchasing agricultural products for processing remains challenging, with up to 50% of the raw materials having to be bought from outside the province each year. Therefore, there is a need for a study to clearly identify the theoretical foundations, accurately assess the current situation, and propose solutions for further development of the agricultural product processing industry in Thai Binh. Based on the reasons mentioned above, the researcher has chosen the topic "Development of the Agricultural Product Processing Industry in Thai Binh Province" as the subject for their doctoral dissertation in the field of Political Economy.

2. Research Objectives and Tasks

2.1. Research Objective

Based on clarifying some fundamental issues about the theory of developing the agricultural product processing industry at the provincial level, the dissertation analyzes and evaluates the current state of the agricultural product processing industry in Thai Binh, and proposes solutions for the development of the agricultural product processing industry in Thai Binh by 2030, with a vision towards 2045.

2.2. Research Tasks

- Clarify some basic theoretical issues related to the development of the agricultural product processing industry at the provincial level.
- Analyze and evaluate the current state of the agricultural product processing industry in Thai Binh from 2011 to 2023.
- Propose orientations and main solutions to promote the development of the agricultural product processing industry in Thai Binh by 2030, with a vision towards 2045.

3. Research Subject and Scope

3.1. Research Subject

The development of the agricultural product processing industry at the provincial level from the perspective of Political Economy.

3.2. Research Scope

*** Content Scope of the Study**

The agricultural product processing industry includes the processing of products from: Crop farming, Livestock farming, Fisheries

*** Spatial Scope of the Study**

The dissertation focuses on the development of the agricultural product processing industry in Thai Binh province.

*** Temporal Scope of the Study**

The dissertation studies the development of the agricultural product processing industry in Thai Binh from 2013 to 2023, and proposes solutions for the development of this industry in Thai Binh up to 2030, with a vision towards 2045.

4. Methodology and Research Methods

4.1. Methodological Approach

The dissertation is based on the methodology of Marxism-Leninism, specifically dialectical materialism and historical materialism, to analyze and evaluate the issues related to the research topic. The dissertation focuses on exploring the main directions of the Party and State for promoting the agricultural product processing industry at the provincial level while combining selective modern economic knowledge relevant to this field, applying it to specific chapters and sections of the dissertation.

4.2. Research Methods

The dissertation uses two main groups of research methods:

* Theoretical Research Methods:

- Scientific Abstraction Method

This method starts from specific observations and moves towards abstraction, thus allowing the researcher to grasp the essence of agricultural product processing industry development.

- Historical and Logical Method

This method is used to analyze theoretical documents to identify research trends and schools of thought regarding agricultural product processing. Based on that, the researcher will build an overview and identify gaps or incomplete aspects in the documents to uncover new issues regarding agricultural product processing industry development.

- Combination of Analysis and Synthesis Methods

+Analysis Method: Analyzes different theoretical documents and materials about the agricultural product processing industry by breaking them down into parts and aspects to understand them comprehensively. This method helps identify research trends and schools of thought from various authors, thus selecting the most relevant information for the study.

+ Synthesis Method: Links and organizes the collected theoretical documents and information about agricultural product processing to create a comprehensive and profound understanding of the research topic.

- Inductive and Deductive Method

+ Induction: This method moves from specific knowledge to general

knowledge, from less general knowledge to more general knowledge.

+ Deduction: This method moves from general knowledge to specific knowledge, from broader concepts to more specific details.

- Classification and Systematization of Theoretical Knowledge

+ Classification: This method arranges knowledge into a logical system based on shared characteristics or common directions for development.

+ Systematization: This method organizes scientific knowledge into a system based on a theoretical model to provide a deeper and more comprehensive understanding of the subject matter.

* Practical Research Methods:

- Secondary Data Collection Methods

+ Collection through documents, records, and written materials

Records, documents, and written materials are important sources of information for state administrative bodies. Information from these sources is diverse, highly accessible, and valuable for the research topic.

+ Collection through books, newspapers, magazines, the internet, and other media

Information from books and journals tends to be specialized but may lack timeliness. Information from mass media is up-to-date and diverse, though it may contain unverified details, especially from the internet. Therefore, information from these sources must meet rigorous standards for data validity and reliability.

- Primary Data Collection Methods

+ Collection through in-depth interviews

This method involves gathering information through verbal communication based on a set of pre-designed questions. These questions focus on the agricultural product processing industry, built upon large statistical datasets and mathematical principles. This method provides reliable, objective, and exclusive information.

+ Collection through word-of-mouth (meetings, phone calls)

This method involves gathering information through contributions, discussions in meetings, phone calls, or direct exchanges. For this type of information, it's essential to document it and only use it once it has been formalized in written materials.

5. Scientific and Practical Significance of the Research Dissertation

The dissertation contributes to clarifying and providing scientific and

practical foundations for the development of the agricultural product processing industry in Thai Binh province. It proposes feasible solutions for the provincial government and authorities to incorporate into policymaking and leadership in the development of the agricultural product processing industry in Thai Binh.

This dissertation can serve as a reference document for policymaking and for developing solutions to promote the agricultural product processing industry in Thai Binh and other provinces with similar conditions.

6. Structure of the Dissertation

In addition to the Introduction, Conclusion, and List of References, the dissertation is structured into 4 chapters:

Chapter 1: Overview of Related Research on the Dissertation Topic. Chapter 2: Theoretical Foundations and International Experiences on Agricultural Product Processing Industry Development at the Provincial Level in the period 2013-2023. Chapter 3: Current Status of Agricultural Product Processing Industry Development in Thai Binh Province. Chapter 4: Orientation and Solutions for the Development of the Agricultural Product Processing Industry in Thai Binh Province.

Chapter 1
OVERVIEW OF RELATED RESEARCH ON THE DISSERTATION TOPIC

1.1. RESEARCH WORKS BY FOREIGN AUTHORS

1.1.1. Research on Agricultural Product Processing Industry

Chenery, H., Robinson, S., & Syrquin, M. (1986), *Industrialization and Growth: A Comparative Study*; Krugman, P. (1998), *International Economics*; Michael Dower (2004), *Rural Development Training and Information Handbook*

1.1.2. Research on Agricultural Product Processing Industry Development

Michael Porter (1990), *The Competitive Advantage of Nations*; Upadhyaya, S. (2013), *Country Grouping in UNIDO Statistics*; Haraguchi, N. (2015), *Patterns of Structural Change and Manufacturing Development*; Ha-Joon Chang (2016), *Kicking Away the Ladder* (Translated by Hoang Xuan Diem, Nguyen Đinh Minh Anh, Tran Mai Anh); Alec Ross (2019), *The Industries of the Future*.

1.2. RESEARCH WORKS BY DOMESTIC AUTHORS

1.2.1. Research on Agricultural Product Processing Industry

Dang Van Phan (1991), Assessment of the current economic status of industry, agriculture, forestry, and processing industry in the provinces bordering the Central region; Prof. Dr. Ngo Dinh Giao (1998), Food processing industry in Vietnam (Current situation and development orientation) volume I; Assoc. Prof. Dr. Tran Minh Tam (2004), Preservation and processing of agricultural products after harvest; MSc. Nguyen Manh Khai (2006), Textbook on preservation of agricultural products; Chu Thi Thom, Phan Thi Lai, Nguyen Van To (2006), Methods of preventing adverse changes in the preservation of agricultural products; Chu Thi Thom, Phan Thi Lai, Nguyen Van To (2006), Methods of preserving and processing aquatic products; Pham Hai Vu, Dao The Anh (2016), Food safety of agricultural products: Some understanding of products, production and distribution systems and State policies;

1.2.2. Research on Agricultural Product Processing Industry Development

Vu Anh Tuan (1998), Development trends of the processing industry in Ho Chi Minh City; Dr. Le The Tiem (2001), Research on policies and solutions for developing small and medium enterprises in preserving, processing and consuming some agricultural products; Bua Khong Nam Ma Vong (2001), The role of agricultural processing industry and services in the development of commodity agriculture in the Lao People's Democratic Republic; Bua Khong Nam Ma Vong (2001), The role of agricultural processing industry and services in the development of commodity agriculture in the Lao People's Democratic Republic; Dr. Bui Thi Minh Hang, Orientation and solutions for developing the processing industry to serve export goals in Ho Chi Minh City; Truong Duc Luc (2006), Development of fruit and vegetable processing industry in Vietnam in the integration process; Nguyen Hong Linh (2007), Development of agricultural and forestry processing industry in the provinces of the North Central region; Hoang Huong Giang (2010), Growth relationship between the two sectors of agriculture and processing industry in Vietnam; Trinh Trung Kien (2016), Development of agricultural processing industry in Kon Tum province; Ministry of Agriculture and Rural Development (2019), Report on agricultural processing industry and agricultural mechanization - Current situation and development solutions; Bach Quoc Khang (2020), Development of agricultural processing industry in Vietnam in the period 2020-2030; Hung Dat (2020), Development of agricultural processing industry to meet

integration requirements; Steering Council for book publishing of communes, wards and towns (2020), Getting rich from agriculture in the 4.0 era*;* Assoc. Prof. Dr. Dao The Anh and colleagues (2020), Developing a sustainable safe agricultural food value chain in Vietnam; Dr. Nguyen Duc Kien, and colleagues (2021), Smart industrial policy towards sustainable development, General principles and experiences of Germany; General Statistics Office, Processing and manufacturing industry - driving force for Vietnam's economic growth in the period 2011-2020; Ministry of Agriculture and Rural Development, National Agricultural Extension Center (2021), Linking the development of raw material production areas for export processing;

1.3. THE VALUE OF EXISTING SCIENTIFIC WORKS AND THE ISSUES ADDRESSED IN THE DISSERTATION

1.3.1. The Value of Existing Scientific Works in Relation to the Dissertation Topic

The content of the existing research can be divided into the following major issues:

- Theoretical Aspects: The research works have addressed the concept, role, and factors influencing the development of the agricultural product processing industry.

- Practical Aspects: The research works have examined the current status of agricultural product processing development in some countries around the world and in Vietnam.

The primary results of the above research provide important scientific bases for the dissertation author to clarify both the theoretical and practical issues concerning the development of the agricultural product processing industry. They also help to build a system of viewpoints and solutions for industry development. However, none of these works have focused on the development of the agricultural product processing industry in Thái Bình. Thus, the dissertation topic is new and does not overlap with any published research.

1.3.2. Gaps for Further Research in the Dissertation

Based on the review of the related research situation, it is evident that although the existing works have achieved significant scientific value, there are still gaps in both theoretical and practical aspects. This requires the dissertation to address the following questions:

First, from a political-economic perspective, what is the development of the agricultural product processing industry? What issues are included in the development of this industry in Thái Bình province? What factors impact the development of the agricultural product processing industry?

How is the development of this industry perceived in Thái Bình province? To achieve the development goals for the agricultural product processing industry in the province, what lessons can Thái Bình learn from other regions in the country?

Second, what is the current status of agricultural product processing industry development in Thái Bình over the past period? What are the strengths and weaknesses, and what are the causes of these strengths and weaknesses? Which issues need to be addressed in the near future to ensure that Thái Bình meets the goals and timeline for developing the agricultural product processing industry?

Third, to achieve the development of the agricultural product processing industry by 2030, what directions and solutions should Thái Bình implement?

Chapter 2
THEORETICAL FOUNDATION AND INTERNATIONAL EXPERIENCE ON THE DEVELOPMENT OF AGRICULTURAL PRODUCT PROCESSING INDUSTRY AT THE PROVINCIAL LEVEL

2.1. DEFINITION AND CLASSIFICATION OF AGRICULTURAL PRODUCT PROCESSING INDUSTRY

2.1.1. Agricultural Product Processing Industry

The agricultural product processing industry is a branch of the processing industry that involves converting raw agricultural materials into processed products using industrial methods, primarily to preserve quantity and enhance the quality of agricultural products to meet domestic and international market demands.

2.1.2. Classification of Agricultural Product Processing Industry

The classification system for industries essentially defines criteria to divide industries into different parts, serving as a basis for determining appropriate management content and methods. Below are some common classifications typically used in practice:

- By the usefulness of the products
- By the process of impacting the processed objects

2.1.3. Characteristics of Agricultural Product Processing Industry

It is essential to distinguish the agricultural product processing industry from industries like extraction and machinery repair, consumer goods repair, and other sectors due to the unique characteristics of this industry:

- The primary raw materials are agricultural products, which are seasonal.
- The products are diverse and meet the market demand.
- Reducing agricultural product losses.
- Long-standing tradition.
- Suitable for medium and small-scale enterprises.

2.2. DEFINITION, CONTENT, AND CRITERIA FOR EVALUATING THE DEVELOPMENT OF AGRICULTURAL PRODUCT PROCESSING INDUSTRY AT THE PROVINCIAL LEVEL

2.2.1. Definition of the Development of Agricultural Product Processing Industry at the Provincial Level

The development of the agricultural product processing industry at the provincial level is the purposeful activity of stakeholders aimed at increasing the scale, enhancing the quality, and improving the structure of the agricultural product processing industry, contributing to the socio-economic development, international integration, and improving the material and spiritual life of the people in the province.

2.2.2. Content and Criteria for Evaluating the Development of Agricultural Product Processing Industry at the Provincial Level

The development of the agricultural product processing industry includes: comprehensively developing all sectors within the industry, focusing on expanding the scale, improving quality, and optimizing the structure by maximizing the potential and strengths of the province, economic sectors, organizations, and individuals in the province, and meeting market demands to promote production and circulation within the province.

2.2.2.1. Content and Criteria for Evaluating the Expansion of the Scale of Agricultural Product Processing Industry

First, the number of organizations involved in agricultural product processing businesses in the province.

Second, the amount of investment capital in agricultural product processing industries in the province.

Third, the number of workers engaged in agricultural product processing within the province.

2.2.2.2. Content and Criteria for Evaluating the Quality Improvement of Agricultural Product Processing Industry

First, the effectiveness of capital utilization, value-added (VA), revenue, and profits within the agricultural product processing industry.

Second, the quality and competitiveness of products in agricultural product processing industries.

Third, the quality of science and technology applied in the agricultural product processing industries.

Fourth, the quality of labor in the agricultural product processing industries.

2.2.2.3. Content and Criteria for Evaluating the Structure Improvement of the Agricultural Product Processing Industry

First, the value structure of the agricultural product processing industries.

Second, the labor structure of the agricultural product processing industries.

Third, the investment capital structure for agricultural product processing industries.

Fourth, the economic sector structure involved in agricultural product processing industries in the province.

Fifth, the regional structure of the agricultural product processing industry across the province.

2.2.2.4. Content and Criteria for Evaluating the Role of Agricultural Product Processing Industry

First, the contribution of the agricultural product processing sector, as well as each industry within it, to the GRDP (Gross Regional Domestic Product) of the province at specific points in time.

Second, the contribution of the entire agricultural product processing sector to increasing income, creating more jobs for the local population, and implementing poverty reduction goals through tangible results, such as increased income, employment, and meeting poverty reduction targets in local areas and the entire province.

2.3. FACTORS AFFECTING THE DEVELOPMENT OF AGRICULTURAL PRODUCT PROCESSING INDUSTRY

2.3.1. Input Factors

Human Resources: The quality of labor, which refers to the skills, knowledge, and discipline of the workforce, is the most crucial factor for the growth of the agricultural product processing industry.

Natural Resources: As one of the classical production factors, key natural resources such as land, forests, and water are essential for the agricultural product processing industry.

Capital: Capital is another production factor. Depending on the level of capital, workers can use more or fewer machines and equipment (capital per worker ratio), which in turn determines the industry's output level.

Technology: Technology refers to the continuous process of evolving

production technologies that enable the same amount of labor and capital to generate higher output, thus increasing production efficiency in the agricultural product processing industry.

2.3.2. Output Factors

- Consumer Income: The income of consumers determines their spending ability and directly affects their purchasing power in the market.

- Related Goods Prices: The demand for goods not only depends on the price of the goods themselves but also on the prices of related products. Changes in complementary goods can increase purchasing potential in the agricultural product processing industry.

- Consumer Psychology: Consumer psychology is a strong predictor of the economy. When people have confidence in the economy or in what they believe will happen in the future, they tend to spend and invest more confidently.

- Consumption Habits: According to many economists, consumer habits play a decisive role in the consumption of goods.

- Consumer Preferences: Preferences refer to the likes or priorities regarding different types of goods or services. When consumers favor a product, they are more likely to buy it. Conversely, products that consumers are unfamiliar with tend to have lower demand. Economists assume that preferences change very slowly or remain constant and are independent of other factors influencing demand.

- Consumer Expectations: Changes in prices can alter real income and purchasing power. If consumers expect future price changes, it may influence their current purchasing decisions.

- Number of Consumers: The number of consumers reflects the size of the market. The larger the market, the greater the demand for goods. Conversely, fewer consumers result in lower demand.

- Government Policies: Government policies, including fiscal policy, monetary policy, and foreign trade policies (import/export regulations), can influence the development of the agricultural product processing industry.

2.3.3. Factors Affecting the Organization of Production in the Agricultural Product Processing Industry

- Strategy and Industrial Structure: The strategy for developing the agricultural product processing industry outlines the future and the path to achieve the set goals.

- Support Industry: The ability of the agricultural product processing industry to achieve mechanization, automation, and the application of other modern technologies in processing, preservation, and other stages depends on the development of the supporting industries.

- Production Organization: The organization of production in the agricultural product processing industry is carried out through specialization, business diversification, concentration, business scale, economic linkages, and territorial production organization.

2.3.4. The State

To overcome the shortcomings of a market economy, a macro management body is required to formulate programs, strategies, and development plans with goals related to scale, structure, and growth of each industry and region, as well as macroeconomic goals. This responsibility falls to the State.

2.4. EXPERIENCE IN DEVELOPING AGRICULTURAL PRODUCT PROCESSING INDUSTRY IN SOME COUNTRIES AND LESSONS FOR THAI BINH PROVINCE

2.4.1. Experiences from Various Countries

2.4.1.1. Experience from the United States

The U.S. agricultural processing industry has developed strongly and is present globally, alongside rapid development even in the domestic market. U.S. companies currently account for 40% of the top 50 food processing companies in the world, and the U.S. is the largest exporter of processed agricultural products and beverages globally. The U.S. market also has a high proportion of imports of deeply processed agricultural products and has maintained this trend over time.

2.4.1.2. Experience from Europe

According to the Federation of Agricultural Industries, the agricultural product processing and beverage industries in Europe are leading production sectors in terms of output value.

2.4.1.3. Experience from Japan

Although Japan has only one company in the world's top 15, it is a major trade partner for both the U.S. and the EU. Processed agricultural products now account for two-thirds of Japan's food consumption. Japan's food processing industry is one of the most advanced and complex industries in the world. Food producers in Japan manufacture a wide range of products, from traditional Japanese foods to health products for infants and the elderly.

2.4.1.4. Experience from South Korea

South Korea has the 10th largest economy in the world with a GDP of 1.6 trillion USD and a per capita national income of 31,755 USD in 2020. The population of South Korea is 52 million, with more than 90% of people living in urban areas. Domestic production meets only 45% of the country's food needs.

2.4.1.5. Experience from China

China, the world's most populous country, is the second-largest economy globally. The Chinese consumer market is complex, with significant differences in taste and eating habits between provinces.

2.4.1.6. Experience from Other Developed Countries

The agricultural processing industries in other developed countries, such as Canada and Australia, have also made significant strides. These countries often focus on high-value-added processed agricultural products, leveraging advanced technologies and strong international trade networks to expand their market share.

2.4.2. Lessons for Developing Agricultural Product Processing in Thai Binh Province

The agricultural processing industry in Vietnam has achieved certain results over the years. However, the industry still faces several challenges:

Raw Material Supply: The sector has not yet been able to independently secure sufficient raw materials, which affects production efficiency and cost control.

Processing Capacity: The processing capacity remains weak, with technology being at an average level. There is a need for innovation and investment in modernizing equipment and improving techniques.

Post-Harvest Losses: Post-harvest losses are still significant, reducing the overall value generated from agricultural products. More focus is needed on improving storage, transportation, and packaging systems to minimize losses.

Low Added Value: The added value in the agricultural processing sector is still low. There is a need to shift towards higher-value-added products, including those for niche markets like organic products or specialized food items.

Export Dependency on Traditional Markets: Exports are still heavily dependent on traditional markets, and the industry needs to diversify its export destinations, focusing on emerging markets and expanding its global presence.

Investment Environment: The investment environment is not yet attractive enough to draw in significant foreign and domestic investments. There is a need to improve infrastructure, regulatory frameworks, and incentives for investors.

Labor Force: The workforce is not yet fully equipped with the necessary skills to meet the demands of modern agricultural processing industries. Investment in training and skills development is critical.

By learning from the experiences of countries like the U.S., Japan, and South Korea, Thai Binh can improve its agricultural processing industry by focusing on technology, improving the supply chain, increasing value-added products, and attracting more investment.

Chapter 3
THE CURRENT SITUATION OF THE DEVELOPMENT OF AGRICULTURAL PRODUCT PROCESSING INDUSTRY IN THAI BINH PROVINCE IN THE PERIOD 2013-2023

3.1. OVERVIEW OF NATURAL, ECONOMIC, AND SOCIAL CONDITIONS OF THAI BINH PROVINCE

3.1.1. Natural Conditions

Thai Binh is a coastal plain province located in the southern part of the Red River Delta, with three sides bordering rivers and one side bordering the sea. The province is situated within the economic growth triangle of Hanoi – Hai Phong – Quang Ninh. Thai Binh is located at coordinates 20°17’ to 20°44’ North latitude and 106°06’ to 106°39’ East longitude. Its borders are as follows:

To the north: Bordered by Hung Yen, Hai Duong, and Hai Phong provinces.

To the west and southwest: Bordered by Nam Dinh and Ha Nam provinces.

To the south: Bordered by Nam Dinh province.

To the east: Bordered by the Gulf of Tonkin.

3.1.2. Economic and Social Conditions

Economic Structure: The economic structure of Thai Binh is mainly based on agriculture, with an increasing emphasis on industry and services in recent years.

Population, Labor Force, Income, and Living Standards: Thai Binh has a population that plays a crucial role in the local economy, with improvements in income and living standards, though disparities still exist between urban and rural areas.

3.2. ANALYSIS OF THE DEVELOPMENT SITUATION OF THE AGRICULTURAL PRODUCT PROCESSING INDUSTRY IN THAI BINH PROVINCE

3.2.1. Expanding the Scale of Agricultural Product Processing in Thai Binh Province

* Number of Economic Organizations in Agricultural Product Processing in Thai Binh

In recent years, Thai Binh has seen remarkable growth in the agricultural product processing industry, as evidenced by the continuous increase in the number of businesses operating successfully in this sector.

* Capital Scale of Enterprises

From 2013 to 2023, the agricultural product processing industry primarily consisted of micro, small, and medium-sized enterprises, accounting for an average of 96.9% of all businesses. Large-capital businesses only accounted for about 3.1%.

* Labor Force in Agricultural Product Processing Enterprises in Thai Binh

The total labor force in the industrial sector of the province reached 175,657 people in 2023. Among them, the majority (98.17%) worked in the processing and manufacturing sector.

* Labor Scale in Agricultural Product Processing Enterprises

The labor scale in agricultural product processing enterprises has been gradually increasing over the years, reflecting the industry's growing capacity and the demand for a larger workforce.

3.2.2. Improving the Quality of Agricultural Product Processing in Thai Binh Province

* Effectiveness of Capital Use, Value Added (VA), Revenue, and Profit in the Agricultural Product Processing Industry

In the period 2013-2023, the VA of the agricultural product processing industry consistently outpaced the growth rate of the GRDP (Gross Regional Domestic Product). On average, the industry grew at 7.82% per year, significantly higher than the GRDP growth rate of 3.97% per year.

* Labor Productivity and Competitiveness of Agricultural Processing Products

Labor productivity in the sector has seen notable progress over the years. From 2014 to 2023, the average annual increase in total income for workers in agricultural product processing enterprises was 28.57%.

* Quality of Science and Technology Applied in the Agricultural Product Processing Industry

The level of technology applied in the industry is generally at a moderate level, though efforts are being made to upgrade and modernize to improve productivity and efficiency.

* Quality of Labor in the Agricultural Product Processing Industry

The labor force in the agricultural processing industry in Thai Binh has seen positive changes, with a shift towards industrialization and modernization, improving the workforce’s skills and capabilities.

3.2.3. Improving the Structure of Agricultural Product Processing Industry in Thai Binh Province

* Value Structure of Agricultural Product Processing Industries

The economic structure has been shifting towards more advanced sectors. The share of agricultural, forestry, and fishery products is gradually decreasing, while the share of industrial and construction products, as well as services, is on the rise.

* Labor Structure in Agricultural Product Processing Industries

The labor structure has also been evolving, in line with the changing economic structure, contributing better to the objectives of industrialization and modernization.

* Economic Sectors Participating in Agricultural Product Processing in Thai Binh Province

The agricultural processing industry in Thai Binh is supported by various economic sectors, including household economies, farms, cooperatives, agricultural enterprises, and production and consumption linkages.

3.2.4. Role and Contribution of Agricultural Product Processing Industry Development in Thai Binh Province

Promoting the Development of Agricultural Raw Materials Production

Results from the Crop Industry

Results from the Livestock Industry

Results from the Aquaculture Industry

These sectors have experienced growth and modernization, providing a stable supply of raw materials for the agricultural product processing industry, thus ensuring a sustainable production cycle.

Contributing to Rural Economic Development and the Construction of New Rural Areas

Along with the development of the production force, diverse forms of production organization have emerged to serve the agricultural processing industry. This has created a new driving force for the development of rural agriculture, promoting the construction of new rural areas in Thai Binh.

3.3. GENERAL EVALUATION OF THE CURRENT SITUATION OF AGRICULTURAL PRODUCT PROCESSING INDUSTRY DEVELOPMENT IN THAI BINH PROVINCE

3.3.1. Achievements

The agricultural product processing industry has seen a continuous increase in the number of facilities participating in the sector, resulting in higher total production, added value, and export turnover. This has

significantly contributed to the growth of the province's GDP and a notable portion of the provincial budget.

3.3.2. Limitations and Reasons for the Limitations

3.3.2.1. Limitations

The agricultural product processing industry has developed slowly and has not yet matched the province's potential and advantages. Despite its growth, it has faced challenges in scaling up and maximizing its capacity.

3.3.2.2. Reasons

Objective Reasons

Processing Scale: Agricultural production remains fragmented, with small-scale operations and limited concentrated raw material zones.

Product Quality: There is a lack of established brands, low competitiveness, and insufficient control over the quality of raw materials used in production.

Structure Shift: Climate change and unpredictable fluctuations in international markets have made it difficult to adapt and shift the industry structure.

Subjective Reasons

Processing Scale:

Policy System: The policy framework has been slow to adapt to new development requirements, hindering the growth of the industry.

Raw Material Production Organization: The planning of raw material production areas has not yet met the necessary standards, and there are insufficient large-scale enterprises involved.

Enterprise Size: The number of businesses is limited, and the scale is insufficient to meet the industry's demands.

Processing Capacity: The capacity of the processing sector is still weak, with a lack of processing facilities and infrastructure.

Product Quality:

Raw Material Quality Control: The lack of consistent quality control and assurance for raw materials has led to difficulties in ensuring the final product quality.

Lack of Integrated Planning: The sector still lacks comprehensive and synchronized planning to improve production systems.

Post-Harvest Management: The post-harvest preservation systems are underdeveloped, reducing the quality of processed products.

Human Resources: The workforce is not sufficiently skilled to meet the growing demands of the industry.

Science and Technology: The small scale of technology application

and slow pace of innovation have hindered the development of the industry.

Structure Shift:

The shift in industry structure and labor structure towards industrialization and modernization has been slow. Moreover, trade promotion activities have not yet met the required standards. Export growth has been mainly driven by increasing the volume of simple labor-intensive goods, with limited development of key export products.

Chapter 4
DIRECTIONS AND SOLUTIONS FOR THE DEVELOPMENT OF AGRICULTURAL PROCESSING INDUSTRY IN THAI BINH PROVINCE TO 2030, VISION TO 2045

4.1. INTERNATIONAL AND DOMESTIC CONTEXTS IMPACTING THE DEVELOPMENT OF AGRICULTURAL PROCESSING INDUSTRY IN THAI BINH PROVINCE

4.1.1. International Context

Peace, cooperation, integration, and development remain major global trends, but the contradiction between economic globalization and economic nationalism is increasingly growing. China's economic transformation and the shift in global manufacturing and processing are influencing the global economic-social landscape. The creation and application of advanced technologies are reshaping the global economic picture and new business models.

4.1.2. Domestic Context

Impact from Domestic Context

Vietnam's economy continues to maintain a relatively high growth rate, averaging 6-7% per year. This reaffirms Vietnam's position as a dynamic and potential market in Asia.

Impact from the Red River Delta and Hanoi Capital Region

Thai Binh is located in the Red River Delta region, with advantages in accessing the sea. It is a densely populated area with large agricultural land, bordering the growth triangle of Hanoi - Hai Phong - Quang Ninh, which will offer many opportunities for the development of the agricultural processing industry in the province.

4.2. DEVELOPMENT DIRECTIONS FOR AGRICULTURAL PROCESSING INDUSTRY IN THAI BINH PROVINCE

4.2.1. By 2025

"Prioritize focusing on rice processing, aquatic products, seafood, and

food processing. Continue to expand and improve the quality of existing processing facilities. Allocate processing facilities in suitable spaces, combine investment, and innovate technology for deeper processing to create products with high technology content. Focus on developing high-tech agriculture, agricultural product processing industry, and promoting the development of specialized agricultural industrial parks."

4.2.2. Directions by 2030

"Attract projects for the production and processing of aquatic products and seafood using biotechnology; continue to leverage the potential by modernizing the technologies for cultivating raw material regions, processing products, and developing concentrated production areas from raw materials to processing, as well as deep processing of food and beverage products. Proactively invest in upgrading equipment and technology, prioritizing the purchase of advanced machines and automating production lines. Ensure that by the coming years, most processing facilities comply with national and international technical standards and regulations, aligned with international economic integration requirements."

4.3. MAJOR SOLUTIONS TO DEVELOP AGRICULTURAL PROCESSING INDUSTRY IN THAI BINH PROVINCE BY 2030

4.3.1. Improving Some Mechanisms and Policies for Developing Agricultural Processing Industry

4.3.1.1. Policy on Space Allocation and Structural Transformation of Agricultural Processing Industry

- Space allocation for the industry
- Development of industry linkage clusters
- Building mechanisms and policies

4.3.1.2. Policies to Create a Favorable Investment and Business Environment

Implement policies ensuring macroeconomic stability.

Manage flexible exchange rate policies aimed at promoting and supporting the export of processed agricultural products. There should be special mechanisms and enhanced credit support.

Implement tax exemptions and reductions at appropriate levels for the agricultural processing industry. Improve access to financial and credit resources.

Organize the agricultural product market.

Enhance the quality and effectiveness of market inspection and control activities.

Develop breakthrough policies to create an entrepreneurial environment in the industry.

4.3.1.3. Policies for Human Resource Development

The agricultural processing industry currently requires a well-trained, high-skilled workforce. To meet this demand, Thai Binh's policies should focus on:

Building human resource development policies suitable for the characteristics of the agricultural processing industry in the province.

Comprehensive policies.

Ensuring social welfare for workers.

Strengthening the development and enhancing the role of business leaders in the agricultural processing industry.

4.3.1.4. Science and Technology Policies for Developing Agricultural Processing Industry

Improve connectivity capabilities, modernize information and communication infrastructure, especially the new generation mobile networks (4G, 5G), ensuring safety and consistency to meet the internet connection needs of people and devices.

Prioritize resources to effectively implement national programs for technology innovation, improving productivity, and product quality for Vietnamese enterprises in the process of restructuring the industry by 2025, with a vision to 2030.

Promote the development of the science and technology market in a comprehensive and robust manner.

To optimize the advantages of the "golden population" and existing production capacities, it is essential to prioritize technology direction and control within industries.

Carry out a comprehensive reform of financial management mechanisms for science and technology activities, including organizational structures and methods for utilizing state budgets.

4.3.1.5. Policies for Developing Agricultural Product Processing Enterprises

Enhance the effectiveness of restructuring and innovating state-owned enterprises towards sustainable development, in line with the spirit of Resolution No. 12-NQ/TW, dated June 3, 2017, of the 12th Central Party Committee.

Develop private agricultural product processing enterprises in the province to become a key driver for local industrial development, based on the implementation of Resolution No. 10-NQ/TW, dated June 3, 2017, of the 12th Central Party Committee.

Promote the development of private enterprises in the province to play a key role in improving local industrial capacity.

Encourage the development of small and medium-sized enterprises.

Innovate policies and strengthen the attraction of foreign direct investment into the agricultural product processing industry.

4.3.1.6. Policies for Resource Exploitation and Environmental Protection, Adapting to Climate Change in the Development of Agricultural Product Processing Industry

Adjust land law policies.

Integrate climate change adaptation, disease prevention, and ecological environmental protection into all strategies, plans, programs, projects, and research related to the development of the agricultural product processing industry.

4.3.1.7. Enhancing the Leadership Capacity of the Party, the Effectiveness and Efficiency of State Management, and Promoting People's Ownership in Building and Implementing Policies for Agricultural Product Processing Industry Development

Raise awareness and responsibility of Party Committees and government agencies.

Restructure the management system in a synchronized manner, from central to local levels.

The Vietnam Fatherland Front, political-social organizations, and professional associations, along with those impacted by the policies, should be encouraged to actively participate in the policy-making process and monitor the implementation of policies.

4.3.2. Solutions to Enhance the Agricultural Product Processing Industry's Production Capacity in Thai Binh Province

4.3.2.1. Capital Solutions

Flexibly apply mechanisms, policies, and projects to mobilize capital from the Central Government, the province, economic sectors, enterprises, and individuals for investment in agricultural product processing industry development; encourage socializing investment capital; actively seek foreign investment capital.

Reform loan procedures, lending mechanisms, and diversify credit activities.

Review investment portfolios to focus capital, speed up investment progress, and ensure effective use of investment capital.

Strictly adhere to investment management regulations to optimize capital utilization.

4.3.2.2. Infrastructure Solutions

Build and upgrade transportation infrastructure.

Invest in infrastructure for economic zones and industrial parks, creating a favorable environment to attract investment projects.

Improve the infrastructure of traditional markets and promote investment in developing supermarkets, Grade I markets, wholesale markets, commercial centers, and modern exhibition fairs.

4.3.2.3. Scientific and Technological Solutions for Enterprises

Support enterprises in building and implementing research and technology innovation plans, introducing high-tech, automation, energy-saving, and environmentally friendly technologies into production and business activities.

Encourage and support enterprises to build and apply quality management systems according to international standards and national standards.

Prioritize projects from enterprises that use advanced and modern technology and equipment.

Research and apply high-tech, modern technology in production.

4.3.2.4. Solutions to Create a Stable Source of Raw Materials in Large Quantities and High Quality for the Agricultural Product Processing Industry in Line with Market Demands

Orientation for Agricultural Production Linked with Agricultural Product Processing Industry Development

Effectively implement important resolutions and projects from the People's Council and People's Committee.

Restructure processed products to diversify them into three levels: national key products, provincial key products, and specialties.

Planning for Specialized Raw Material Areas for Large-Scale Agricultural Product Processing Development in Thai Binh

Plan agricultural production development.

Plan aquaculture development.

Plan forestry development.

Implement inter-district and inter-provincial linkages to establish raw material areas

According to the planning orientation, Thai Binh has many opportunities to become a center in the Red River Delta region, with North Coastal Expressway routes, providing momentum and infrastructure for the development of the Thai Binh Economic Zone.

Focus resources on building socioeconomic infrastructure systems.

Implement administrative reform based on the "5-on-site" model at the Provincial Public Administrative Service Center.

Protect resources and the environment, improve climate change adaptability, and disaster prevention.

Study and gradually transform production models to adapt to harsh weather conditions, applying science and technology.

Review and adjust flood control, dyke, and irrigation planning.

4.3.2.5. Human Resource Solutions

Promote awareness to enhance human resource development

Human resource planning

Socialize human resource training and development

Create a favorable environment for human resource development

Build and develop a strong entrepreneurial team to meet the demands of the socialist-oriented market economy.

4.3.3. Improving Product Quality and Ensuring Food Safety

4.3.3.1. Strengthen Quality Control and Food Safety Management

4.3.3.2. Develop and Apply National Technical Standards, National Standards, and Traceability Systems for Processed Agricultural Products

4.3.4. Market-Based Solutions for Developing the Agricultural Product Processing Industry

4.3.4.1. Domestic Market

Improve market control activities.

Promote and support intra-business linkages for domestic enterprises.

Implement market research and trade promotion in key centers such as Hanoi, Ho Chi Minh City, and neighboring provinces.

4.3.4.2. Export Market

Solutions to Develop the Supply Chain for Exports (Push Strategies)

Strengthen the application of scientific and technological advances to create large production areas and safe product supply chains. Organize trade programs, connect supply and demand, develop supporting industries, and enhance vertical linkages.

Promote the use of e-commerce platforms.

Solutions to Stimulate Demand for Provincial Products (Pull Strategies)

Expand export markets

Innovate investment attraction policies.

Focus on research and market potential assessment, as well as investment partner evaluations, especially in the context of Vietnam's deep international integration and commitments to new-generation FTAs with markets such as China, Japan, South Korea, Russia, etc.

Increase trade promotion and investment.

Solutions for Developing Resources from the Province (Internal Factors)

Promote the development of infrastructure.

Develop logistics services for export.

Build an information and communication system and enhance knowledge about trade preferences from Free Trade Agreements (FTAs).

CONCLUSION

The agricultural product processing industry in Thai Binh Province has achieved notable results in recent years, contributing to the steady and effective economic growth of the province.

However, to fully exploit the existing potential and advantages, the agricultural product processing industry needs to make efforts to overcome the remaining limitations. Implementing practical and effective solutions in the coming years will help this industry grow strongly and sustainably, enhancing the economic position of the locality.

The research results of this thesis, based on a combination of various methods, have contributed the following:

1. The thesis has systematized the theory of agricultural product processing industry development. By applying economic theories, the thesis analyzed and identified key elements in the industry's development, and established criteria to evaluate the development of the industry at the local level.

2. The thesis has studied and drawn valuable lessons from pioneering countries in the development of the agricultural product processing industry, contributing to enhancing knowledge and providing direction for Thai Binh Province in applying effective models to practice.

3. The thesis assessed the current situation of the agricultural product processing industry in Thai Binh Province during the period 2011-2020. Through this, the thesis identified the achievements, pointed out the limitations, and the causes hindering the industry's development.

4. The thesis analyzed and evaluated the content of agricultural product processing industry development in Thai Binh Province by analyzing statistical data. The collected data highlighted key factors impacting the industry's development.

5. Proposal of solutions: The thesis proposed groups of solutions to promote the development of the agricultural product processing industry in Thai Binh Province in the context of industrialization and international economic integration.

LIST OF SCIENTIFIC WORKS OF THE AUTHOR RELATED TO THE THESIS TOPIC

1. Dinh Thi Thu Phuong (2024), “Solutions for developing raw material areas for agricultural processing industry in Thai Binh province" *Finance Magazine,* issue 2*,* July, (829), pp.180-182.
2. Dinh Thi Thu Phuong (2024), “Solutions to promote agricultural processing industry in Vietnam”, *Finance Magazine,* issue 1, September, (832), pp. 67-69.
3. Dinh Thi Thu Phuong (2024), “Opportunities and challenges in developing agricultural processing industry in Vietnam”, *Finance Magazine,* issue 2, September, (833), pp. 59-61.