

# **The Food and Beverage Market Entry Handbook: Vietnam:**

**a Practical Guide to the Market in Vietnam for European Agri-food  
Products**



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## Contents

1	The Food and Beverage Market Entry Handbook: Vietnam .....	9
1.1	How to use this handbook .....	9
2	Country introduction and overview .....	10
2.1	Country overview: Vietnam at a glance .....	11
2.1.1	Past economic and political trends .....	11
2.1.2	Current economic situation and mid-term outlook.....	12
2.1.3	Populations trends .....	13
2.2	Geography and key markets .....	14
2.2.1	Overview of urban markets .....	15
2.2.2	Snapshots of important markets .....	17
2.3	Domestic agricultural production and regions .....	23
3	Introduction to the food and beverage market and consumers .....	25
3.1	Overview of the food and beverage market and demand for imported products.....	25
3.1.1	F&B market summary .....	25
3.1.2	International trade in F&B .....	25
3.1.3	The market for imported F&B.....	27
3.2	Growth Drivers and Trends.....	28
3.3	Consumer profiles and preferences.....	30
3.3.2	Cultural Sensitivities and Other Considerations .....	31
4	Market access and entry.....	34
4.1	Summary SWOT analysis.....	34
4.2	Food and beverage legislation and regulations .....	35
4.2.1	Import requirements/restrictions, customs procedures and documentation .....	35
4.2.2	Food safety and other food certification requirements .....	41
4.2.3	Labelling Requirements .....	43
4.2.4	Protection of intellectual property rights, including geographical Indications (GIs).....	45
4.2.5	Relevant authorities for IPR and GI protection and further contacts.....	48
4.3	International trade.....	48
4.3.1	Vietnam and foreign trade.....	48
4.3.2	Key trade agreements, present and future .....	48
4.3.3	EU-Vietnam Free Trade Agreement (EVFTA) .....	49

4.3.4	WTO disputes and other trade barriers .....	51
4.3.5	Summary of key trade barriers .....	51
4.4	Operating in the Vietnamese food and beverage market .....	52
4.4.1	Logistical services and transportation infrastructure .....	52
4.4.2	Distribution .....	56
4.4.3	Business environment.....	59
4.4.4	Key operational considerations and challenges: summary .....	60
4.4.5	Other relevant information.....	60
5	Market Snapshots for Selected Products.....	62
5.1	Fresh meat .....	63
5.1.1	SWOT analysis.....	63
5.1.2	Consumption.....	63
5.1.3	Offer .....	68
5.1.4	Specific market entry requirements .....	72
5.1.5	Distribution .....	74
5.1.6	Challenges for EU products.....	75
5.2	Fresh fruit and vegetables .....	76
5.2.1	SWOT analysis.....	76
5.2.2	Consumption.....	76
5.2.3	Offer .....	81
5.2.4	Specific market entry requirements .....	87
5.2.5	Distribution .....	89
5.2.6	Challenges for EU products.....	90
5.3	Dairy .....	91
5.3.1	SWOT analysis.....	91
5.3.2	Consumption.....	91
5.3.3	Offer .....	97
5.3.4	Specific market entry requirements .....	103
5.3.5	Distribution .....	104
5.3.6	Challenges for EU products.....	105
5.4	Wine .....	107
5.4.1	SWOT analysis.....	107

5.4.2	Consumption .....	107
5.4.3	Offer .....	112
5.4.4	Specific market entry requirements .....	114
5.4.5	Distribution .....	116
5.4.6	Challenges for EU products.....	117
5.5	Spirits .....	118
5.5.1	SWOT analysis .....	118
5.5.2	Consumption.....	118
5.5.3	Offer .....	122
5.5.4	Specific market entry requirements .....	125
5.5.5	Distribution .....	126
5.5.6	Challenges for EU products.....	127
5.6	Olive oil .....	129
5.6.1	SWOT analysis .....	129
5.6.2	Consumption.....	129
5.6.3	Offer .....	132
5.6.4	Specific market entry requirements .....	134
5.6.5	Distribution .....	135
5.6.6	Challenges for EU products.....	136
5.7	Chocolate and confectionery .....	137
5.7.1	SWOT analysis .....	137
5.7.2	Consumption.....	137
5.7.3	Offer .....	143
5.7.4	Specific market entry requirements .....	146
5.7.5	Distribution .....	147
5.7.6	Challenges for EU products.....	148
5.8	Beer .....	150
5.8.1	SWOT analysis .....	150
5.8.2	Consumption.....	150
5.8.3	Offer .....	155
5.8.4	Specific market entry requirements .....	158
5.8.5	Distribution .....	159

5.8.6	Challenges for EU products.....	160
5.9	Processed meat.....	161
5.9.1	SWOT analysis.....	161
5.9.2	Consumption.....	161
5.9.3	Offer.....	164
5.9.4	Specific market entry requirements.....	166
5.9.5	Distribution.....	168
5.9.6	Challenges for EU products.....	168
5.10	Pet food.....	170
5.10.1	SWOT analysis.....	170
5.10.2	Consumption.....	170
5.10.3	Offer.....	172
5.10.4	Specific market entry requirements.....	174
5.10.5	Distribution.....	175
5.10.6	Challenges for EU products.....	176
5.11	Prepared baby food.....	177
5.11.1	SWOT analysis.....	177
5.11.2	Consumption.....	177
5.11.3	Offer.....	179
5.11.4	Specific market entry requirements.....	181
5.11.5	Distribution.....	183
5.11.6	Challenges for EU products.....	183
5.12	Jams.....	185
5.12.1	SWOT analysis.....	185
5.12.2	Consumption.....	185
5.12.3	Offer.....	186
5.12.4	Specific market entry requirements.....	188
5.12.5	Distribution.....	189
5.12.6	Challenges for EU products.....	189
5.13	Pasta.....	191
5.13.1	SWOT analysis.....	191
5.13.2	Consumption.....	191

5.13.3	Offer .....	192
5.13.4	Specific market entry requirements .....	194
5.13.5	Distribution .....	195
5.13.6	Challenges for EU products.....	196
5.14	Baked goods.....	197
5.14.1	SWOT analysis.....	197
5.14.2	Consumption.....	197
5.14.3	Offer .....	199
5.14.4	Specific market entry requirements .....	202
5.14.5	Distribution .....	202
5.14.6	Challenges for EU products.....	203
5.15	Biscuits and cereal bars.....	204
5.15.1	SWOT analysis.....	204
5.15.2	Consumption.....	204
5.15.3	Offer .....	206
5.15.4	Specific market entry requirements .....	209
5.15.5	Distribution .....	210
5.15.6	Challenges for EU products.....	210
6	Communication.....	212
6.1	Communication strategy.....	212
6.1.1	Online & Digital Media.....	212
6.1.2	Traditional Media.....	213
6.1.3	Fairs and exhibitions .....	214
6.2	Advertising regulations .....	214
7	Vietnamese Etiquette .....	216
7.1	Quick facts.....	216
7.2	Key DOs and DON'Ts.....	217
8	Directory of Trade Support Projects, Organisations, and Service Providers .....	218
8.1	European Union Organisations .....	218
8.2	Directory of EU Member State Embassies/Consulates.....	219
8.3	Other organisations and service providers.....	222
8.4	Calendar of trade events and exhibitions in 2020.....	225

8.5	Database of professionals’ contacts .....	227
	List of relevant buyers, importers and distributors .....	227
9	European Geographical Indications (GIs) to be protected under the EU-Vietnam FTA .....	233



# 1 The Food and Beverage Market Entry Handbook: Vietnam

This Handbook is intended to act as a reference for those agri-food producers planning for, or in the process of entering, the Vietnamese market. This Handbook provides **step-by-step guides** on entering the agri-food market in Vietnam including relevant information such as **analysis of the Vietnamese market** for different product categories, **market access** and **market entry procedures**, **IP protection**, **referrals to professional buyers** and a signposting and referral system providing useful contacts and ways to penetrate the Vietnamese market.

## 1.1 How to use this handbook

Depending on your stage of market entry, company profile, and product range, different sections within this handbook will be helpful to a different extent for your business strategies.

For those wishing to learn more about the Vietnamese food and beverage market in general, section 2 provides a general country overview; section 3 provides an overview of the agri-food market; and section 4 an overview on market entry. These latter two sections contain information on: the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, intellectual property protection, including the status of geographical indications. The information contained within these sections is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If you want to find out more information relevant for your product, then check out the **Market Snapshots for Selected Products** (section 5). This content illustrates the market situation, market access procedures, SPS requirements etc. specific for this product or product category. This information will provide more industry specific information to consider as part of any market entry or market expansion strategies.

If you already have decided that the Vietnamese market is where you want to be, but you need some support, then the **Support Services Directory** can point you in the right direction. Contact information for a service provider, business facilitation support organisation, or from a business contact, could help put you in touch with the right parties who can help you to build your brand in the Vietnamese market.

## 2 Country introduction and overview



<b>Capital:</b>	Hanoi
<b>Population:</b>	95.6 million (2018)
<b>Area:</b>	310,100 km <sup>2</sup>
<b>Political structure:</b>	Single party socialist republic (general secretary as <i>de facto</i> party and country leader; president as head of state)
<b>Major language:</b>	Vietnamese
<b>Major religions:</b>	No religion / atheism (74%); Mahayana Buddhism (13%);
<b>Life expectancy:</b>	70 years (men); 79 (women)
<b>Currency:</b>	Vietnamese dong
<b>GDP growth:</b>	6.7% (2019)
<b>Exports:</b>	95.4% of GDP (2018)
<b>Imports:</b>	92.1% of GDP (2018)
<b>Main exports:</b>	Electrical machinery (40.4%); Footwear (7.8%); Machinery (5.5%)
<b>Main imports:</b>	Electrical machinery (26.6%); Machinery (9.6%); Plastics (5.2%)
<b>Unemployment rate:</b>	1.9% (2019)
<b>Labour force:</b>	77% (2019)
<b>Main industries:</b>	<ul style="list-style-type: none"> <li>• <b>Agriculture:</b> 15% of GDP</li> <li>• <b>Industry:</b> 33% of GDP</li> <li>• <b>Services:</b> 51% of GDP</li> </ul>
<b>Average household income (2018):</b>	6 598 EUR
<b>Household expenditure on food and beverages (2018):</b>	2 207 EUR
<b>Food and beverage market size (2018):</b>	59 bn EUR

Sources: Euromonitor International: Economies and Consumers, 2020; IMF; UN, World Bank; WHO, ECB.

## 2.1 Country overview: Vietnam at a glance

### 2.1.1 Past economic and political trends

- *Vietnam has a long history, though recent history starts with the French colonial era in the second half of the 18<sup>th</sup> century.*
- *Following the declaration of independence of the Democratic Republic of Vietnam in 1945, three decades of conflict followed. The country became two countries in 1955, before reunification in 1975.*
- *Economic integration following reunification proved challenging. A programme of economic reforms was introduced in 1986, and these transformed the country.*
- *The country remains a single party socialist republic, with the current general secretary in office since 2011.*

The history of Vietnam stretches back several thousand years, with various dynasties overseeing the territory of Vietnam or the independent country at different points in time. The recent history of Vietnam is commonly considered to start in the second half of the 19th century with the French colonial era; the French took over the country in stages. There was a strong push for independence throughout the era; and on 2nd September 1945, in the aftermath of the Second World War, Hồ Chí Minh (the then leader of the Vietnamese Communists, the Viet Minh), declared the independence of the Democratic Republic of Vietnam covering the northern part of present-day Vietnam. The French, supported by first the British and then the Americans, moved to reassert control of Vietnam, leading to an extended 10-year period of conflict. This ultimately led to the end of the colonial administration in Vietnam in 1954; and pending elections in 1956, the territory of Vietnam was divided into northern and southern administrative regions. However, before these elections could be held, the then prime minister of the southern region moved to establish the Republic of Vietnam, thus separating present day Vietnam into two countries.

The two administrative regions (and subsequently countries) differed significantly in their politics and institutional structure, which also impacted the pattern of economic activities. The differences between the two countries and the involvement of different cold war powers on each side led to a 19-year conflict. This ended with the fall of Saigon (the capital of South Vietnam) and the subsequent reunification of Vietnam in 1976. The government of the time favoured centralised planning, but the economic integration of Vietnam provided various challenges, and ultimately the economy struggled during the 1980s.

In 1986, a programme of economic reforms (Đổi Mới) was launched. These aimed to transform Vietnam from a centralised economy to a market economy with socialist orientation. Various central planning aspects such as price controls on agricultural goods were removed; and the establishment of private businesses and foreign investment were encouraged. The impact of this economic liberalisation was quickly seen, with the rapid emergence of private enterprises and the diversification of the economy. However, these changes are generally considered to have been focused in more urbanised provinces, leading to increased income inequality.

While Vietnam was impacted by the East Asian financial crisis of 1997, the impact was lower than that in other countries in the region. The turn of the millennium brought major changes for the country. A bilateral trade agreement was signed between Vietnam and the US in 2000, partly sparking the country's transformation into a manufacturing, export-based economy. In 2001, the Vietnamese communist party approved a 10-year plan which enhanced the role of the private sector; and in 2007 Vietnam joined the World Trade Organisation (WTO). In 2013 its population reached 90 million. The current constitution of the country was adopted that same year. The country remains a single party socialist republic, with Nguyễn Phú Trọng as the current general secretary of the Communist Party of Vietnam (the highest position in Vietnam) in office since 2011.

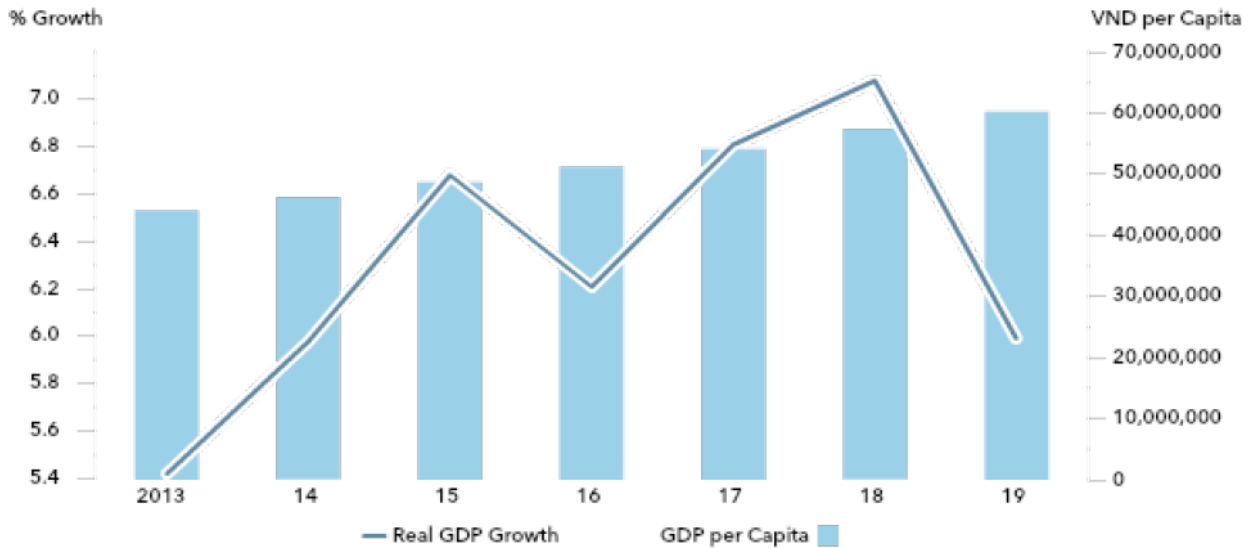
### 2.1.2 Current economic situation and mid-term outlook

- ***GDP per capita has more or less consistently grown at over 5% per year since economic reforms were introduced in the mid 1980s, leading to a 10-fold increase in GDP per capita over the period.***
- ***The structure of the economy has changed greatly over the same period, and Vietnam has become a net exporter in the last years, boosted by the exports of manufactured electronic, computer and textile goods.***
- ***GDP is forecast to continue to grow steadily in the coming years at between 6 and 7%; and due to the strong historical growth and good outlook, the country has been identified as one of the world's economies to watch.***

As noted in section 2.1.1, Vietnam has undergone major economic reform since the mid 1980s, culminating with the country joining the WTO in 2007. The country's GDP has grown at over 5% per year almost every year since the beginning of these reforms, with growth during the mid-1990s reaching as high as 9.5% before stabilising in the 5-7% per year range since 2010 (and as reflected by the period 2013-19 shown in Figure 2-1). In absolute terms, GDP per capita has increased more than 10-fold since the introduction of the reforms. This signified a massive turnaround for Vietnam as it was, by measures such as GDP per capita, one of the poorest countries in the world at the beginning of the period.

The structure of the Vietnamese economy has changed over the same period. Agriculture, which accounted for over 40% of the country's GDP in the mid 1980s, now accounts for under 15%. Initially industry became the most important segment of the economy, but more recently this has been overtaken by services. For many years, the country imported more than it exported; and this negative trade balance peaked directly after the country joined the WTO. However, since 2012 the country has been a net exporter (with the single exception of 2015), with electronics and computers playing an important role in this shift, as well as textiles. Vietnam's manufacturing sector has been boosted by its proximity to other South East Asian countries and its low labour costs. Small and medium sized enterprises are particularly important for the Vietnamese economy.

Figure 2-1: Real GDP Growth and Per Capita GDP in Vietnam: 2013-2019



Note: Data for 2019 is forecast. GDP per capita are in constant 2018 prices

Source: Euromonitor International: Economies and Consumers, 2020

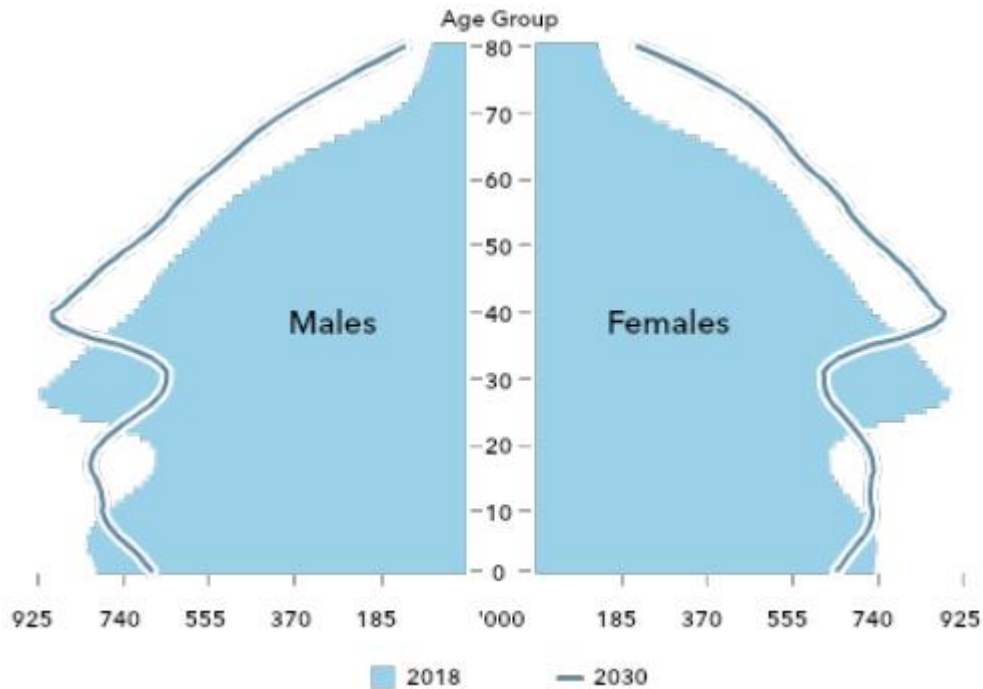
Going forwards, GDP is predicted to grow annually between 6-7% in the near future continuing the trend since the turn of the millennium. As a result of Vietnam's high recent and forecast growth rate and its diverse economy, Vietnam has been identified by various economists as one of the world's economies to watch in coming years.

### 2.1.3 Populations trends

- **The population has reached 95 million, making it the 15<sup>th</sup> most populous country in the world.**
- **While the population continues to grow, the rate of growth has slowed and the population is expected to peak between 110 and 120 million by 2050. The population is expected to age going forward.**
- **The population is predominantly rural and fairly ethnically homogeneous.**

The population of Vietnam has increased from 60 million in the mid 1980s to over 95 million today; though the rate of population growth has fallen over the same period, from 2.3% per year to around 1%. As a consequence of the strong historical growth the population is quite young – roughly 2/3 of people are under the age of 35. Going forward, the population of Vietnam is expected to grow, albeit at a slower rate, reaching over 105m in 2030, and eventually peaking at between 110m and 120m in 2050. A side effect of the presently young population and slowing growth rate is that the population is forecast to rapidly age in coming years (more so than the Asia Pacific region as a whole), with the population aged over 40 expected to grow by almost 40% by 2030 (Figure 2-2).

Figure 2-2: Age Pyramid in 2018 and 2030 in Vietnam



Source: Euromonitor International: Economies and Consumers, 2020

There are various further specificities of the Vietnamese population.

- **Predominantly rural;** currently just under 2/3 of the Vietnamese population is rural. While this is forecasted to fall in coming in years, the majority of the population will continue to be rural in 2030. The Vietnamese population is less urban than that of the South-East Asia region as a whole and is expected to remain so in the near future.
- **Historical restriction on birth rates;** for many years Vietnam has had a *de facto* 2 child policy, though some flexibility was provided around this. This policy has generally been adhered to in urban areas.
- **Fairly ethnically homogeneous;** there is a large number of ethnic groups (54 recognised), but the population is predominantly - over 85% - Viet.
- **A small proportion of the population follows institutional religions;** roughly ¼ of the population either does not adhere to a religion or adheres to Vietnamese folk religion (which is not organised in a system).

## 2.2 Geography and key markets

Vietnam is located on the east of the Indochinese peninsula. The country is thin and long; it is bordered by China to the north, Laos to the west and Cambodia to the west/south west; and has a long (almost 3 500km coastline) mainly along the east. The terrain comprises a combination of tropical lowlands (including river deltas) along the coast and in the very south. These give way to hills and then to forested

highlands further inland. While the climate varies between regions, it is predominantly a tropical monsoon climate.

The country consists of 58 provinces. These provinces can be divided into **eight administrative regions**, which can be further grouped into **three geographical regions**. These geographical regions and their relation to the administrative regions are set out in the table below:

Geographical region	Administrative regions
North	Northwest Northeast Red River delta
Central	North central coast South central coast Central highlands
South	Southeast Mekong delta

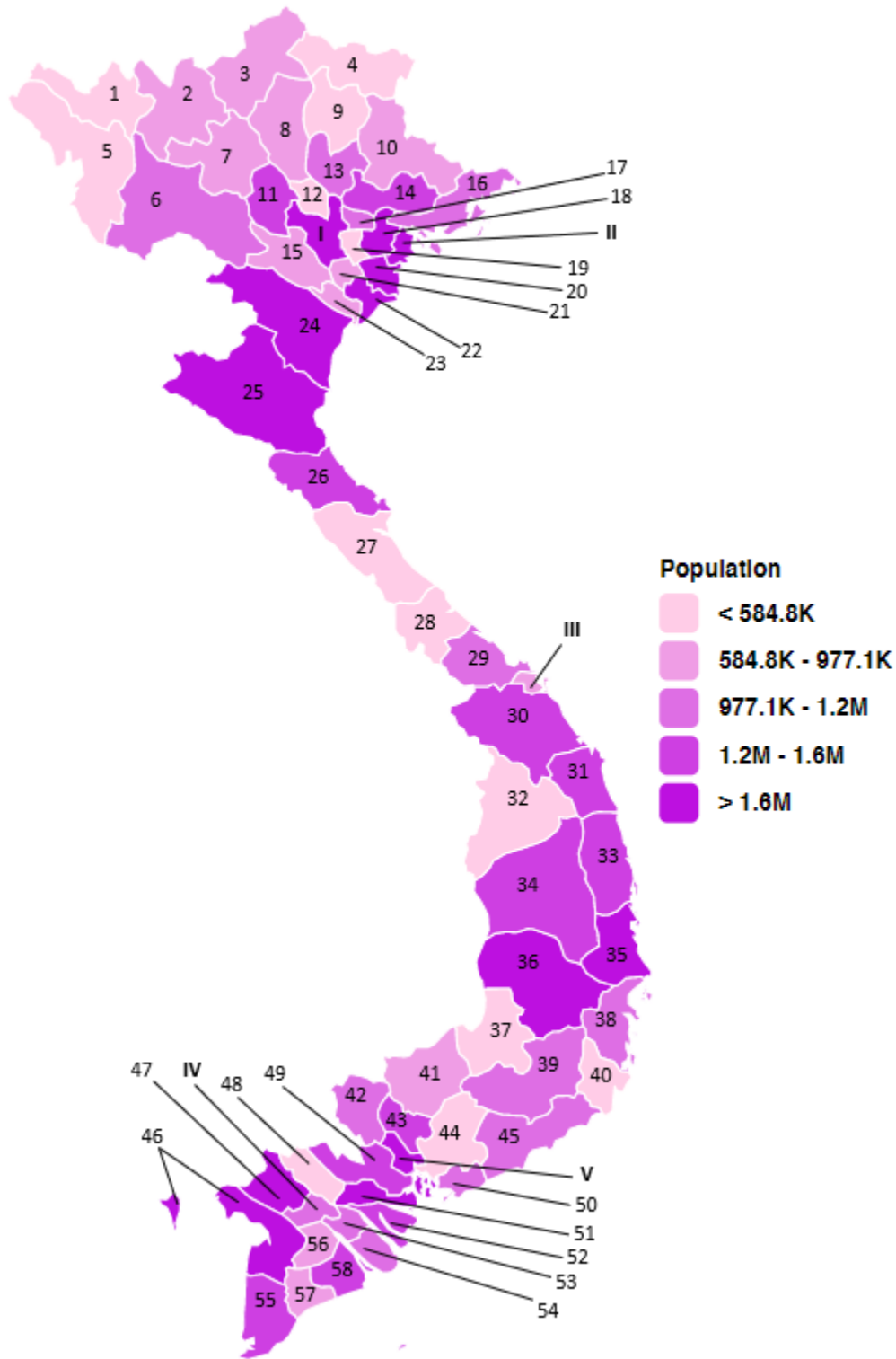
Among the administrative regions, three stand out in terms of population and economic activity:

- The **Red river delta** in the north is the smallest in geographical terms, but most populous region and is commonly considered the cradle of the Vietnamese nation. The capital city of Hanoi lies within the region, as does the third largest city Haiphong.
- The **Mekong delta** in the south is the second most populous region, even though it covers about 2.5 times the area of red river delta. The region is known for being biologically rich.
- The **south east** region in the south (just above the Mekong delta) is the second smallest but the third most populous; and includes the country's largest city, Hồ Chí Minh City. It is the most urbanised region of Vietnam.

### 2.2.1 Overview of urban markets

As noted above, the country is divided administratively into 58 provinces. These, along with their populations are shown in Figure 2-3 below. The concentration of the population around the two river deltas – Red River in the north, and Mekong in the south – can be clearly observed.

Figure 2-3: Administrative divisions in Vietnam and their populations



Provinces					
1	Lai Châu	23	Ninh Bình	45	Bình Thuận



2	Lào Cai	24	Thanh Hóa	46	Kiên Giang
3	Hà Giang	25	Nghệ An	47	An Giang
4	Cao Bằng	26	Hà Tĩnh	48	Đon Thap
5	Điện Biên	27	Quảng Bình	49	Long An
6	Sơn La	28	Quảng Trị	50	Bà Rịa-Vũng Tàu
7	Yên Bái	29	Thừa Thiên-Huế	51	Tiền Giang
8	Tuyên Quang	30	Quảng Nam	52	Bến Tre
9	Bắc Kạn	31	Quảng Ngãi	53	Vĩnh Long
10	Lạng Sơn	32	Kon Tum	54	Trà Vinh
11	Phú Thọ	33	Bình Định	55	Cà Mau
12	Vĩnh Phúc	34	Gia Lai	56	Hậu Giang
13	Thái Nguyên	35	Phú Yên	57	Bạc Liêu
14	Bắc Giang	36	Đắk Lắk	58	Sóc Trăng
15	Hòa Bình	37	Đắk Nông		
16	Quảng Ninh	38	Khánh Hòa		
17	Bắc Ninh	39	Lâm Đồng		
18	Hải Dương	40	Ninh Thuận		
19	Hưng Yên	41	Bình Phước		
20	Thái Bình	42	Tây Ninh		
21	Hà Nam	43	Bình Dương		
22	Nam Định	44	Đồng Nai		
<b>Municipalities</b>					
I	Hà Nội	III	Đà Nẵng	V	Thành phố Hồ Chí Minh
II	Hải Phòng	IV	Cần Thơ		

Source: Agra CEAS

### 2.2.2 Snapshots of important markets

Following on from the findings of section 2.2.2, the key markets are:

- Hồ Chí Minh City
- Hanoi
- Haiphong
- Đà Nẵng

Figure 2-4: Location of focus markets



Source: Agra CEAS

## Hồ Chí Minh City



### **Key facts:**

**Total GDP (current prices):** EUR 49.5 bn

**Real GDP growth (2018):** 7.4%

**Food and non-alcoholic beverage market:** EUR 8.8bn

**Population:** ~9m

Hồ Chí Minh City – formerly known as Saigon – is the most populous city in Vietnam as well as the business and financial hub of the country. The city has a long history stretching back to the 4<sup>th</sup> century AD and was strongly influenced by the French during colonial rule; this remains visible in some parts of the city today. However, nowadays it is broadly accepted that Hồ Chí Minh city is on the path to becoming a global megacity.

The city already accounts for over 1/5<sup>th</sup> of Vietnam's GDP, despite only holding under 1/10<sup>th</sup> of its population. Foreign investment has been particularly important for the recent economic development of the city. However, nowadays it is an entrepreneurial hub, with some 44 000 new businesses registering in the city in 2018, far more than any other city in Vietnam.

As the economic centre of the country, the number of people in the city during the day swells as people come from neighbouring provinces for work; and the population of the city grows year on year due to migration from rural areas. Foreigners have also become increasingly present in the city; indeed, an estimated 60 000 foreigners now live in the metropolitan area.

The population of the city is both younger than the Vietnamese average, and considerably richer (GDP per capita in Hồ Chí Minh is over twice the national average). The rapid recent growth of the city has boosted

the size of the middle and the upper classes. This development, together with the increasing number of foreigners has resulted in a notable market for higher end products.

The city is mixed in terms of cuisine; this is a reflection of the inflow of the population from other parts of Vietnam and from other countries. The high end region of Thao Dien in district 2 of the city is particularly well known for western style restaurants and cafes.

The city is expected to further develop in coming years, boosted by various development plans and initiatives. The city government has the target that Hồ Chí Minh will be the first smart city in Vietnam. The national government intends the city to act as a central hub; an international gateway; and an economic engine for the whole country. As part of these plans, Hồ Chí Minh city is to focus on the areas of technology, telecommunication, healthcare, culture and education; while neighbouring provinces focus on various other industries including food processing and construction.

**Sources:** Euromonitor International: Economies and Consumers, 2020 ; [www.vietnam-briefing.com](http://www.vietnam-briefing.com); <https://indochina-properties.com/>

**Hanoi****Key facts:**

**Total GDP (current prices):** EUR 30 bn

**Real GDP growth (2018):** 8.2%

**Food and non-alcoholic beverage market:** EUR 6.4bn

**Population:** ~8m

Hanoi, which sits on the banks of the red river, is the capital of Vietnam. Throughout most of its history since the 11<sup>th</sup> century, it has acted as a capital; including as the capital of French Indo China during colonial rule, resulting in an impact on the city which can still be seen in the city's architecture today. As the capital of Vietnam, it is the country's political centre. It is also a notable centre for other economic activity, though it is generally second in importance to Hồ Chí Minh City for business. Agriculture has historically been important for the city. While other sectors have been more important than the agricultural one in recent years, there have also been agricultural reforms with modern techniques being adopted. Recently various industrial parks have opened in order to house multinational corporations. Indeed, the city has become an FDI hotspot.

Hanoi has a reputation for its cuisine, with many famous Vietnamese dishes originating from the city; and street food is popular. In recent years, many fast food chains have appeared in the city. However, higher end restaurants can also be found in the city centre.

The Hanoi authorities have developed a master plan to transform the city into a modern metropolis. This includes plans to greatly transform methods of food distribution, with a push to reduce the distribution of food through wet markets and informal street vending. More specifically the plans foresee a drastic reduction of the number of permanent inner city markets; and an increase in the number of supermarkets from about 60 in 2014 to 1 000 by 2025.

**Sources:** Euromonitor International: Economies and Consumers, 2020 ; [www.vietnam-briefing.com](http://www.vietnam-briefing.com); <https://indochina-properties.com/>

## Haiphong



### **Key facts:**

**GDP growth (estimated):** ~12-15% per year

**Population:** 2m

Haiphong is some 80km from Hanoi. As well as being the second largest city in the north part of Vietnam, it is the most important maritime city. Major industries in Haiphong include shipping, logistics and food processing. Its proximity to China (200km away) means it is seen as a manufacturing base for the “China plus one” strategy (i.e. location for the outsourcing of some manufacturing from China); and therefore, the China ASEAN trade agreement could provide a major boost to the city.

In recent years the economy has grown quickly (at an estimated 15% per year); while the middle class is estimated to be growing at 12-15% per year. The low salaries in the manufacturing sector are a major attraction for companies investing in the city; however, they also result in limited average disposable income. Nonetheless, its size and geographical proximity to Hanoi may make it an interesting market to also consider if Hanoi is being targeted.

**Sources:** [www.vietnam-briefing.com](http://www.vietnam-briefing.com); <http://hanoitimes.vn/haiphong-city-of-heated-industrial-property-904.html> ; <https://www.ill.co.kr/content/dam/ill-com/documents/pdf/research/haiphong-industrial-report-2019.pdf>; [https://lcs-rnet.org/pdf/loCARNet\\_6th\\_presentations/P3\\_4\\_Do\\_Quang\\_Hung-Bangkok\\_the\\_6th\\_LoCARNet\\_3\\_11\\_2017.pdf](https://lcs-rnet.org/pdf/loCARNet_6th_presentations/P3_4_Do_Quang_Hung-Bangkok_the_6th_LoCARNet_3_11_2017.pdf); <https://www.alotrip.com/about-vietnam-economy/haiphong-economy>

## Đà Nẵng



### **Key facts:**

**Total GDP (estimated):** EUR 4bn

**Real GDP growth (estimated):** 8%

**Population:** 1.1m

Although only the fifth most populous city in Vietnam, Đà Nẵng is the largest city in the central region of Vietnam, and hence the economic centre of this geographical region. The city has an important port, serving not just central Vietnam, but also providing access to parts of landlocked Laos and northern Cambodia. The city is an important and growing tourist destination; it has almost 600 hotels and welcomes some 5.5m visitors each year. Its importance for tourism is not just due to its seaside location, but also to the access it provides to the tourist attractions of central Vietnam. Tourism is indeed one of the industries which has been identified as a motor of growth going forwards. However, various types of industry are also important for the city, with some multinational companies such as UAC establishing manufacturing sites in the city as part of their global supply chain, driven by the port and the skilled and economically attractive local labour force. GDP per capita remains substantially lower than that of Hanoi and Hồ Chí Minh City, but the city is targeting GDP growth rates of 12% per year over the coming 10 years. The population on the other hand has been growing at just over 3% per year in recent years.

**Sources:** [https://assets.kpmg/content/dam/kpmg/vn/pdf/publication/2017/Invest%20in%20Da%20Nang%202017\\_English.pdf](https://assets.kpmg/content/dam/kpmg/vn/pdf/publication/2017/Invest%20in%20Da%20Nang%202017_English.pdf) ; <http://ven.vn/da-nang-sets-economic-goals-towards-2030-33163.html> ; <https://vietnamnews.vn/economy/506356/huge-investment-to-touch-down-in-da-nang.html> ; <https://vietnamnews.vn/economy/506356/huge-investment-to-touch-down-in-da-nang.html>

## 2.3 Domestic agricultural production and regions

The agricultural sector is historically an important part of the Vietnam economy. The 12 month growing season makes it favourable for agricultural production. However, one barrier is that agriculture has traditionally been driven by manual processes.



Rice is the most important crop produced in Vietnam; it occupies about 20% of all farmland in the country, and the country is a major rice exporter. Production is concentrated around the two main river deltas (Red River and Mekong).

These two river deltas are overall the most important agricultural production areas for the country. In addition to rice, other crops grown in these areas include banana, coconut and citrus fruits. Sugarcane, cassava, nuts and maize are grown in various regions of the country; and a large volume of coffee is produced in the highland areas of the country. In terms of livestock production, pork dominates, accounting for approximately  $\frac{3}{4}$  of all meat production, and despite the historically fragmented production system, the country has been a net exporter of this meat. On the other hand, it is a small producer of other meats, and indeed is not self-sufficient in them (see section 5.1 for more details). There is considerable production and export of Vietnamese seafood products, which form an important source of protein alongside meat.<sup>1</sup>

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<sup>1</sup> <https://www.netherlandsworldwide.nl/countries/vietnam/doing-business/key-sectors/agriculture>  
<https://borgenproject.org/agriculture-in-vietnam/>  
[http://factsanddetails.com/southeast-asia/Vietnam/sub5\\_9g/entry-3480.html](http://factsanddetails.com/southeast-asia/Vietnam/sub5_9g/entry-3480.html)



## 3 Introduction to the food and beverage market and consumers

### 3.1 Overview of the food and beverage market and demand for imported products

#### 3.1.1 F&B market summary

As noted above, Vietnam has strong agricultural production. This is supported by a good proportion of the land being arable (roughly 22%); a 12 month per year growing season, allowing more than one harvest; the abundance of water; and the high historical importance of the agricultural sector. However, production is focused on a certain number of products, with rice, maize, rubber, coffee and pork dominating. Subsequently there are certain products, such as dairy and types of meat other than pork, in which the country has a major deficit. Furthermore, production remains quite labour intensive. Rural areas are highly dependent on agriculture, and many farm sizes around the two river deltas are small (1 hectare or less).

Vietnam's food processing sector has grown rapidly in recent years, generally at a rate ahead of that of GDP. The food processing sector is now estimated to account for 15% of GDP and for 40% of exports. Indeed, exports are considered particularly important for the sector. However, food consumption is also growing rapidly and indeed recent indications suggest that the growth in food consumption is outstripping the growth of the Vietnamese food processing sector.<sup>2</sup>

#### 3.1.2 International trade in F&B

Based on the most recent comprehensive and coherent data available (2017), the value of food products imported into Vietnam is marginally greater than the value of food products exported by the country. The East Asia region is the most important region of origin for imports, followed closely by Latin America. Together these two regions account for almost 70% of food imports into Vietnam. In terms of individual countries, Argentina is the most important origin by some distance, followed by the USA, China and then Thailand.<sup>3</sup>

The EU has a deficit in agri-food products exported to Vietnam. Agri food imports into the EU from Vietnam in 2018 were valued at 2.5bn; over twice the 1.2bn value of exports from the EU to Vietnam. This is primarily due to the very large levels of import of coffee, tea and mate; these products account for some 51% of agri-food imports into the EU from Vietnam. While the evolution of both imports and exports has been volatile, they both show a longer-term positive trend (Figure 3-1).

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<sup>2</sup> <https://www.seavestor.com/vietnams-food-processing-industry-a-promising-option-for-foreign-investors/>  
<https://www.foodnavigator-asia.com/Article/2019/01/02/Prosperity-project-Vietnam-s-rapidly-growing-food-processing-industry-eyes-foreign-investment#>

<sup>3</sup> [https://wits.worldbank.org/CountryProfile/en/Country/VNM/Year/2016/TradeFlow/Import/Partner/by-country/Product/16-24\\_FoodProd](https://wits.worldbank.org/CountryProfile/en/Country/VNM/Year/2016/TradeFlow/Import/Partner/by-country/Product/16-24_FoodProd)

Figure 3-1: Structure of EU agri-food trade with Vietnam, 2008 to 2018



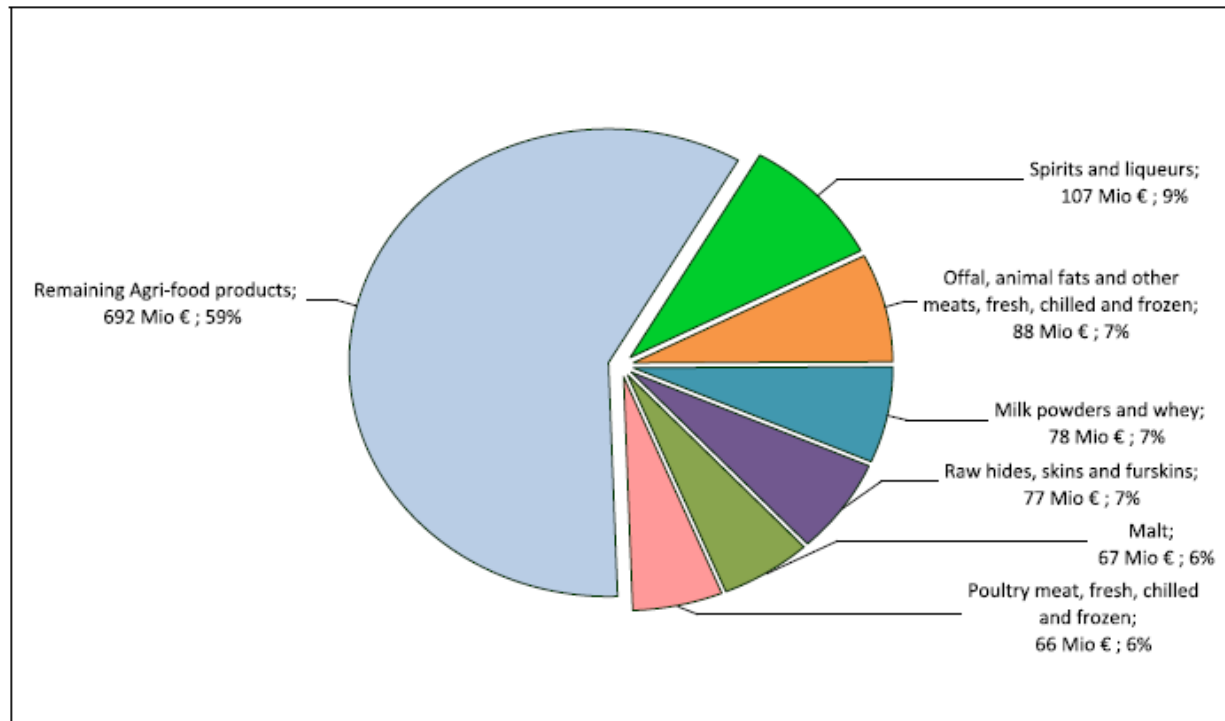
Source: European Commission: agri-food trade statistical factsheet, European Union – Vietnam. Based on Eurostat-COMEXT data.

The major exports from the EU to Vietnam are, in terms of value:

- **Fresh meat** - 16% of all exports by value - accounted mainly for by offal, animal fats etc (7%) and poultry meat (6%).
- **Spirits and liqueurs** - 9%
- **Milk powder** – 7%

Exports of fresh meat to Vietnam have grown particularly quickly in recent years, increasing over four-fold since 2014.

Figure 3-2: Top EU agri-food exports to Vietnam in 2018



Source: European Commission: agri-food trade statistical factsheet, European Union – Vietnam. Based on Eurostat-COMEXT data

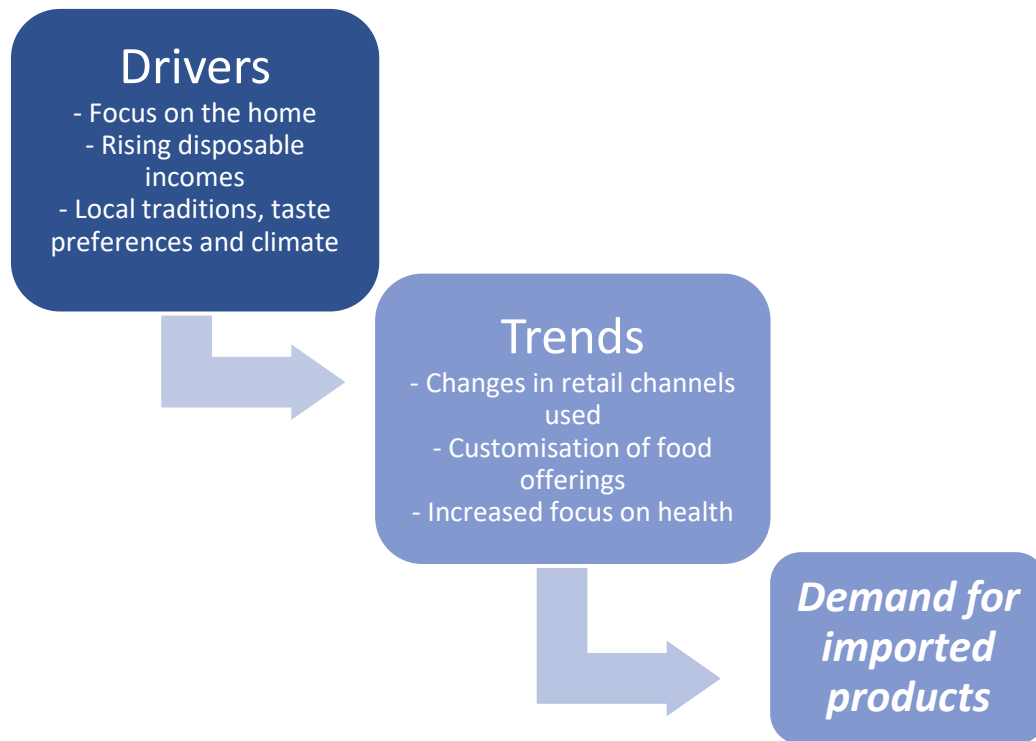
### 3.1.3 The market for imported F&B

As noted above, Vietnam has a strong agricultural sector and rapidly developing food processing sector. However, domestic agricultural production is strongly focused on certain crops/commodities, and in the coming years there is good demand for certain imported agri-food products, including notably dairy and some types of meat products. The Vietnamese retailing landscape is beginning to change, with supermarkets increasing in importance and foreign retailers either entering the market or showing interest in the market; fast food chains have increased in popularity in recent years; and tourism has increased. These three factors in turn are increasing demand for and accessibility to imported products; most notable certain processed ones such as cheese, wine, some spirits and pasta that are not widely domestically produced.<sup>4</sup>

<sup>4</sup> <https://www.austrade.gov.au/Australian/Export/Export-markets/Countries/Vietnam/Industries/food-and-beverage>  
<https://www.foodexport.org/get-started/country-market-profiles/southeast-asia/vietnam-country-profile>

## 3.2 Growth Drivers and Trends

Figure 3-3: Growth drivers and trends – the Vietnamese food and beverage market



Source: Agra CEAS based on European Commission agri-food factsheet; USDA GAIN reports, Euromonitor International and various (see footnotes).

As per Figure 3-3, the three key **drivers** of the Vietnamese market at present are as follow:

- **Focus on the home.** On average, the Vietnamese place a high importance on time with family, often prioritising it; and this time with family is generally concentrated in the home. Food is an important part of domestic social gatherings. Over half of Vietnamese consumers entertain, at their home, family and friends who do not live with them at least once a week. Furthermore, almost 90% cook at home at least weekly, and almost 60% order takeaway for consumption at home at least once a week. The importance of family and home time remains despite increasing pressure from working lives.
- **Rising disposable incomes:** as is the case with GDP per capita, disposable incomes in Vietnam have increased substantially, and this has had significant impacts on consumption habits. An example of this is meat consumption which has risen substantially in recent years. In the specific case of Vietnam's most popular meat, pork, a 20% increase in per capita consumption is forecast over the next 8 years to 2027. Certain domestic food processing industries, such as processed meat, are also further developing in response to changes in interest in food products spurred by these rises in disposable income. The size of the middle class is also growing alongside the increase in average disposable income.

- **Local traditions, palette and climate.** Traditionally, Vietnamese food relies heavily on natural, fresh ingredients, with herbs and spices used to add flavour. Indeed, freshness is an important overarching criterion for Vietnamese consumers. Steamed rice is considered a staple. Furthermore, the hot and humid climate of the country drives the demand for certain products, drinks in particular.<sup>5</sup>

The main **trends** at present of relevance to imported food products are as follow:

- **Ongoing changes in retail channels used.** As noted in the sections above, plus further explored in section 4.4.2, there is an ongoing move in urban areas away from traditional retail channels such as wet markets and small independent stores, to modern retail channels such as super and hyper markets and convenience stores. This trend further extends to online retail for food; some 30% of city dwellers are estimated to now buy groceries online at least weekly. While traditional channels including wet markets and small grocers remain the most popular channels at present for their convenience, retail modernisation policies are also trying to move consumers away from wet markets in large cities.<sup>6</sup>
- **Customisation of food offerings to local tastes.** While certain foreign food products – fast food chains in particular – have initially had success entering the Vietnamese market, they have often tended to struggle as their novelty wears off and the food becomes seen as bland (and also potentially unhealthy) when compared to local offerings. This has led to the customisation of products for the local market, using traditional ingredients or adapting traditional cuisine. This is particularly the case for fast food restaurants. Nonetheless, certain imported products have been successful in their own right – most notably farm products from Japan as well as Japanese restaurant food. These are well respected for both, their high quality and taste.<sup>7</sup>
- **Increased focus on health and food safety.** The healthiness of food – something which was previously taken for granted – is of increasing importance to Vietnamese consumers as the food products available evolve. Obesity and lifestyle related diseases have substantially increased in prevalence in Vietnam in recent years. Consumers are increasingly making choices to avoid negative dietary effects and reading labels of the food products they purchase. The functional food market has also grown fairly quickly in recent years as a result of this increased interest in healthiness coupled with the increased availability of processed food. However, this increased focus on health and wellness is yet to be extended to the widespread availability of organic products. Related to healthiness, food safety has also increased in importance among consumers in recent years.<sup>8</sup>

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<sup>5</sup> Euromonitor International: Economies and Consumers, 2020.

<https://english.vietnamnet.vn/fms/business/206116/vietnam-s--18-billion-pork-market-among-the-world-s-largest.html>

<http://www.tropentag.de/2015/abstracts/full/798.pdf><http://www.vietnamvisa-easy.com/blog/vietnamese-diet-and-eating-habits/>

<sup>6</sup> Euromonitor International: Economies and Consumers, 2020.

<sup>7</sup> <https://www.forbes.com/sites/davisbrett/2016/10/27/how-vietnams-dining-habits-are-changing-with-international-brands/#32125395905e>

<sup>8</sup> <https://www.vietnam-briefing.com/news/vietnam-snack-foods-market-knowing-your-consumers.html/>  
<https://bbgv.org/wp-content/uploads/2018/06/Vietnam-Food-Drink-Sector-Brief-BBGV-July2718.pdf>

Further details on consumer profiles and preferences are presented in section 3.3.

## 3.3 Consumer profiles and preferences

### 3.3.1.1 Consumer profiles

Two key demographic considerations must be borne in mind when identifying the profile of likely consumers of imported food products. These are:

- **The urban/rural divide of the population.** As noted in section 2.1.3, the majority of the population of Vietnam is rural; though the urban share is on the rise. Urban consumers have higher levels of average income; almost twice the level of disposable income; and better access to modern retail channels, making them the most numerous and accessible consumer of imported agri-food products.
- **Income levels and social classes.** Vietnam's income gap is among the highest in the region. The upper middle class and middle class combined account for under 15% of the population; while the other end of the scale, the working and non-working classes account for almost 60%. The richest 20% of the population possess over half of all disposable income.

In view of these two considerations, the consumers of imported food products are most likely to come from urban areas and higher social classes with more disposable income. In terms of demographics, the following groups stand out:

- **Millennials.** At 25 million, this demographic is currently the largest consumer group of the whole Vietnamese population by some distance; and as it ages it will remain important in the future as well. However, it is not only the size of this demographic that is attractive, but also their shopping habits and motivations. Older millennials (currently aged 30-39) are the least likely of all Vietnamese age demographics to focus on bargain hunting; the most likely to focus on the quality of items they purchase rather than the quantity; the second most likely (after the 40-49-year demographic) to be interested in buying ecological or ethically conscious goods; and have the second highest level of income.
- **Generation Z.** This “young adult” (under 25) demographic, either at the beginning of their working lives or completing studies does not yet have high levels of average income. However, going forward they are a key future demographic in Vietnam; not only due to their increasing incomes, but importantly also due to the different experiences they have lived compared to previous generations. The Vietnamese Generation Z grew up during a time of rapid change in the country, and is the first generation to have been exposed, to a great extent, to Western ideas at a young age. They embrace the concepts of individuality and the right to indulge more than previous generations.<sup>9</sup>

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<sup>9</sup> <https://www.vietnam-briefing.com/news/vietnams-new-age-consumers-generation-z.html/>

Euromonitor International: Economies and Consumers, 2020.

Two types of consumers, which span the groups above, may be particularly interesting targets:

- **Impulsive spenders** – this fairly numerous type of consumer appreciates premium and luxury products. However, as they also focus on prices, sales and discounts work well to attract them. Fundamentally, they are open to trying new products if the price is right. Ease of purchase is an important criterion for them, therefore sales through online channels can be attractive for them.
- **Undaunted strivers** – while less numerous, are particularly sensitive to the latest trends, and the branding is key to them. They are very open to trying new products, and celebrity endorsement and social media promotion can be effective in reaching them. This type of consumer generally has a higher level of income. They are more commonly male among the generation Z demographic, and female among the millennial demographic.<sup>10</sup>

### 3.3.2 Cultural Sensitivities and Other Considerations

#### 3.3.2.1 Traditional cuisine and the local palate

As noted in section 3.2, traditional Vietnamese food relies heavily on natural, fresh ingredients. Flavours can be strong – herbs are commonly used; chillies are a key ingredient; salty, fishy flavours are common due to the use of fish sauce and dried or fermented seafood; and in some cases, food is sweet. Rice is the key staple. There are slight differences in food preferences across the country. Spiciness is preferred in the centre and sweetness in the south, while a plainer taste may be accepted in the north. As noted in section 3.2 above, some types of foreign food have been judged to be quite bland against the background of the strong flavours in domestic cuisine.<sup>11</sup>

#### 3.3.2.2 Regional differences

As noted in section 2.2, in very general terms, Vietnam can be divided in three overarching geographical regions: north (including Hanoi), central and south (including Ho Chi Ming City). As noted above, each of these regions has its own preferences and specificities; and furthermore, due to the shape of Vietnam (long and thin), the distances between major markets are great (e.g. there are over 1 000 km between Hanoi and Hồ Chí Minh City). In view of these differences, it can be more efficient to consider targeting one region when first entering the market.<sup>12</sup>

#### 3.3.2.3 Colours

As it is the case in many other countries in the region, certain colours have specific associations. More specifically, the following associations exist:

- **Red** - happiness, love, luck, celebration
- **Yellow** – wealth, royalty, happiness, change
- **Green** – jealousy, lust

<sup>10</sup> Euromonitor International: Economies and Consumers, 2020.

<sup>11</sup> <https://www.vietnam-briefing.com/news/vietnam-snack-foods-market-knowing-your-consumers.html/>  
<https://www.seriousseats.com/2013/01/a-basic-introduction-to-vietnamese-food.html>

<sup>12</sup> <https://www.austrade.gov.au/Australian/Export/Export-markets/Countries/Vietnam/Industries/food-and-beverage>

- **Blue** – calmness, hope, growth
- **Purple** – nostalgia, sadness, fragility, tenderness
- **White** – purity, death
- **Black** – evil

These colour associations should be borne in mind when considering the suitability of a product's packaging for the Vietnamese market. For example, while there are many food and beverage products with green packaging in Vietnam, it may be wise to discuss with a local partner the suitability of such colour packaging bearing in mind the nature of the product and the message which may be communicated. The colour of packaging will be particularly important for any products which are intended to target the gift market.<sup>13</sup>

#### 3.3.2.4 Cultural symbols

In addition to the colour associations identified above, there are certain cultural symbols, and some of these may be used to communicate certain messages to consumers:

- **The dragon** – is considered a symbol of power or nobility.
- **The unicorn** – is considered a symbol of intelligence and goodness. Its use is reserved for very special occasions.
- **The tortoise** – represents longevity and perfection.
- **The phoenix** – is a symbol of peace.<sup>14</sup>

#### 3.3.2.5 Celebrations and festivals

The most important celebrations in Vietnam are:

- **Tết**, the Vietnamese new year. This normally falls in January or February. It is normally spent with family, and certain traditional foods are an important part of the celebration.
- **Tết Trung Thu**, the Vietnamese mid-autumn festival. This normally falls in September or October. A strong emphasis is placed on children during this festival.

There are a variety of important local festivals; for example, the bi-annual Hue festival in Hue city; and the monthly Hanoi lantern festival.

#### 3.3.2.6 Gift giving

Gift giving is common in Vietnam, particularly around important festivals and special occasions (e.g. housewarming, anniversaries). Food and drink products – notably alcohol, confectionery and fruit – are common gift products. The colour of the packaging of gift products is particularly important; red makes a

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<sup>13</sup> <https://baohouse.net/>; <https://www.omniglot.com/language/colours/vietnamese.php>

<sup>14</sup> <https://vovworld.vn/en-US/culture/sacred-animals-in-vietnamese-culture-and-architecture-166542.vov>; <https://missurasa.wordpress.com/2014/04/10/vietnam-culture-symbols-and-color-meanings/>;



good colour for gift packaging due to its connection to luck, while black makes a very poor colour due to its association with death (see also section 3.3.2.3).<sup>15</sup>

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<sup>15</sup> <https://guide.cmegeo.com/vietnamese-customs-and-etiquette/>; <https://culturalatlas.sbs.com.au/vietnamese-culture/vietnamese-culture-etiquette>

## 4 Market access and entry

This section provides details on the necessary requirements for entry into the Vietnamese market, outlining existing market access restrictions and explaining procedures. A summary of market access and entry is presented in section 4.1, in the form of a SWOT analysis.

### 4.1 Summary SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Increasing demand for imported products as incomes increase and</li> <li>▪ Structural shortage in some sectors.</li> <li>▪ Historical French influence in the country means familiarity with some European style products.</li> <li>▪ Several EU GIs are set to be protected under the EVFTA.</li> <li>▪ Vietnamese authorities have been placing greater importance on food safety.</li> <li>▪ Protection of intellectual property rights is largely in harmony with the international standards; Vietnam is party to the Madrid system.</li> <li>▪ A system to register GIs is in place.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Most categories of imported food and beverages must undergo inspections.</li> <li>▪ Weak legal framework for IPR protection and enforcement.</li> <li>▪ Strong agricultural production, albeit mainly focused on certain products.</li> <li>▪ Strong tradition of local cuisine which has impacted the palette, and limits consumption of some imported products.</li> <li>▪ Knowledge of Vietnamese language could greatly facilitate various aspects of exporting and staying in the market.</li> <li>▪ Demand for imported products concentrated in urban areas, which account for only 1/3 of the total population.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Under the EVFTA, at the end of the transition period, customs duties will be removed on several F&amp;B products.</li> <li>▪ Shift towards modern retailing channels (in some cases driven by local governments), driving demand for some product categories and increasing opportunities for imported products as a whole.</li> <li>▪ Potential long term opportunities among a large young population which is adopting different consumption habits from their predecessors (as a result of them growing up in a more open country).</li> <li>▪ Increased interest in food safety may provide opportunities for EU products which can demonstrate their safety.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strict food safety legislation and several certifications requested to clear shipments; hence, import procedures can be lengthy.</li> <li>▪ Multiple FTAs with other countries liberalising agri-food products are in place; and the likelihood of further deals in the future.</li> <li>▪ Competition from strong domestic production in some sectors, and from other countries in the region in other sectors.</li> <li>▪ Due to restrictions on advertising, other methods of boosting sales are important; and the presence of the product on the shelf is key.</li> </ul>

## 4.2 Food and beverage legislation and regulations

### 4.2.1 Import requirements/restrictions, customs procedures and documentation

#### Import requirements/restrictions

The customs clearance procedure involves five key steps, as outlined below:

1. **Preparation of documents for customs declaration:** the key documents are listed in Table 4-1. *Exporters should note that under the Vietnamese customs law, operators must keep relevant records for a period of five years and produce them upon request.*
2. **VNACCS Registration:** The VNACCS (Vietnam Automated Cargo and Port Consolidated System) is the automated customs clearance system for the electronic submission of the Customs Import Declaration and supporting documents. *Further information in Vietnamese is available [here](#).* Importers who intend to use the VNACCS/VCIS must first obtain an E-Customs Registration (instructions for the registration are provided [here](#)) and the relevant software, which may be downloaded from the [Customs website](#). Furthermore, they must have their digital signature verified by an agency approved by the customs authorities for this purpose.
3. **Open and send the customs declaration form:** Customs import declarations are to be submitted in advance or within 30 days of arrival. Exports will fall into one of three categories:
  - **Simplified inspection:** Goods in this category are exempted from inspection of paper documents and actual inspection.
  - **Ordinary inspection:** Goods in this category will be subject to documents inspection, as indicated in Table 4-1 and Table 4-2.
  - **Strict inspection:** Goods in this category will be subject to inspection of original documents (see Table 4-1 and Table 4-2) and actual shipments.
4. **Obtain the delivery order:** The operator must go to the carrier with the necessary documents to receive the delivery order. The documents requested typically include national ID, bill of lading with signature and title of the Director of the importing operator, as well as seal.
5. **Complete the import procedure:** in order to clear the shipments, the importer must:
  - **Simplified inspection:** Provide the customs declaration result and pay the import tax and VAT.
  - **Ordinary inspection:** Undergo the documents inspection. If the documents are deemed to be up to standard, the shipment can be cleared immediately. If not, the importer is questioned and may have to provide additional documents. If satisfactory, the goods can be cleared. Otherwise, the exporter will have to fill in and re-send the declaration form. If the form is reasonably revised, Customs are authorised to clear the goods; if not, the above steps will have to be repeated. If Customs suspect that the exporter gave false statements, goods may go through physical inspection (as is the case for red category imports).
  - **Strict inspection:** customs check the declaration result and documents following the same steps as in for yellow category imports. As soon as the declaration form and documents are deemed valid, the shipments are transferred to the goods inspection department. If

Customs detect errors in declaration, such as inaccurate weight or type of goods, the case is handled based on the degree of severity.<sup>16, 17</sup>

As outlined above, depending on the type of foodstuffs to be imported into Vietnam, the products may be subject to a State Quality Inspection. However, a variety of foodstuffs, such as pre-packaged processed foodstuffs, food additives, health supplements, etc., are exempt from such state inspections when a Product Declaration for Foodstuffs is presented.

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<sup>16</sup> Customs formality – Vietnam, [https://vn.kuehne-nagel.com/en\\_gb/other-links/learn-about-logistics/procedure-of-customs-clearance-and-importexport/customs-formality/](https://vn.kuehne-nagel.com/en_gb/other-links/learn-about-logistics/procedure-of-customs-clearance-and-importexport/customs-formality/)

<sup>17</sup> MADB: Overview of import procedures - Vietnam, <https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=>

Table 4-1: General requirements for goods exported to Vietnam (including F&amp;B)

Name	Description	To be prepared by	Language
<b>Air Waybill</b>	A document containing the details of the transportation of products by air and proving the transport contract between the consignor and the carrier's company. One Air Waybill may be used for the multiple transshipment of products.	Carrier (or his agent)	Usually EN
<b>Bill of Lading</b>	A document containing the details of the international transportation of products by sea.	Carrier (or his agent)	Usually EN
<b><u>Certificate of Non-Preferential Origin</u></b>	A document certifying the non-preferential origin of the goods to be imported. Only required if specifically requested by e.g. the importer. To be submitted in the original or electronically via the electronic data processing system implemented by Vietnam Customs.	Exporter	Usually EN
<b>Commercial Invoice</b>	A document containing the details of the transaction.	Exporter	EN
<b>Customs Import Declaration</b>	An official form for the customs clearance of goods. It also contains all information required for the assessment of the dutiable value of the shipment.	Importer	VIE
<b>Declaration of Dutiable Value</b>	A document containing all information for the assessment of the dutiable value of a shipment. Required for customs clearance for goods subject to valuation on the basis of their transaction value.	Importer	VIE
<b>Insurance Certificate</b>	A document proving that a contract for the insurance of the goods has been signed. May be required for customs clearance.	Insurance company of the importer/exporter	EN/VIE
<b><u>Manifest</u></b>	A document notifying the authorities of the arrival of a vessel/an aircraft and summarising the goods loaded therein.	Freight forwarder (or his agent)	EN/VIE
<b>Packing List</b>	A document containing the details of the shipment, including content of the packages, description of the goods, marks and numbers.	Exporter	EN/VIE
<b><u>Proof of Preferential Origin</u></b>	A document confirming the preferential origin of the goods to be imported. It is required if preferential treatment under an FTA or arrangement is claimed.	Exporter	Usually EN
<b>Rail Waybill</b>	A document containing the details of the international transportation of goods by rail.	Carrier (or his agent)	Usually EN

Source: European Commission Market Access Database.

Table 4-2: Specific requirements for exporting F&amp;B to Vietnam

Name	Description	Processing fee	Processing time	Period of validity	Applicable to*
<b>Certificate of Analysis</b>	A document certifying that microbiological and physical/chemical tests have been carried out by an appropriate laboratory in the country of export.	Depending on the country of origin	Depending on the country of origin	Depending on the country of origin	Fresh meat, Processed meat, F&V, Wine, Jam, Baby food.
<b>Certificate of Food Safety and Hygiene Standards</b>	A document certifying that high-risk foodstuffs comply with the Vietnamese hygiene and safety standards. The document is to be				High-risk foodstuffs (a).

Name	Description	Processing fee	Processing time	Period of validity	Applicable to*
	prepared by the importer in Vietnamese.				
<b>Certificate of Fumigation</b>	A document, to be prepared in Vietnamese or English, certifying that fumigation treatment has been conducted in accordance with the national quarantine requirements.				F&V.
<b>Certificate of Good Manufacturing Practice</b>	A document certifying that a manufacturing site and its manufacturing methods comply with the requirements of good manufacturing practice (GMP). The certificate may be prepared in any language, but a translation into English is recommendable.				Fresh meat, Processed meat, F&V, Wine, Jam, Baby food, Baby food.
<b>Certificate of Hygiene and Safety Inspection of Food Establishments</b>	A document, to be completed in Vietnamese, certifying that establishments handling high-risk foodstuffs have been subjected to an inspection and found to be in compliance with the Vietnamese food hygiene and safety standards. The certificate is to be applied for by the importer at an inspection body authorised by the Ministry of Health.	Between 200 000 and 500 000 VND.	15 days.	Unlimited as long as the establishment is compliant with the standards.	High-risk foodstuffs (a).
<b>Certificate of Statement of Product Standards</b>	A document certifying that foodstuffs comply with the relevant product quality standards. The document is to be applied for by the importer at the Ministry of Health, Department of Food Inspection.	Stipulated by the authority.	15 working days.	3 years.	All F&B products.
<b>Declaration of Conformity</b>	A document confirming that products and goods capable of causing unsafety, conform to the applied Vietnamese standards. The document is to be prepared by the producer in any language; a Vietnamese translation is recommendable.				Spirits.
<b>Free Sale Certificate</b>	A document confirming that the goods in question are freely sold in the country of export. The certificate is issued by Chambers of Commerce.				All F&B products.
<b>Import Licence for Alcoholic Beverages</b>	A document confirming that its bearer is authorised to import and deal in alcoholic beverages.	Stipulated by the authority.	15 days.	5 years.	Spirits, Wine.
<b>Letter of Authorisation</b>	A document proving that Vietnamese importers have been appointed as				Beer, Spirits.

Name	Description	Processing fee	Processing time	Period of validity	Applicable to*
	distributors of certain goods by the foreign exporter.				
<b>Permit to Import Species Subject to CITES and Other Endangered Species</b>	A document, to be completed in Vietnamese, permitting the import of species subject to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) or endangered species covered by the Vietnamese law. The permit is to be applied for by the importer at the CITES Management Authority of the Ministry of Agriculture.	Not stipulated.	About 10 working days.	Maximum 12 months.	Products subject to CITES.
<b>Phytosanitary Certificate</b>	A document confirming that plants and plant products to be imported have been inspected according to appropriate procedures, are free from quarantine pests and practically free from injurious pests and are considered to conform with the current phytosanitary regulations of the importing country. The certificate may be prepared in any language. An English translation may be required.	Depending on the country of origin	Depending on the country of origin	Depending on the country of origin	F&V, Olive oil.
<b>Phytosanitary Import Permit for Goods Subject to Pest Risk Analysis</b>	A document, to be completed in Vietnamese, permitting the import of plants and plant products subject to pest risk analysis. The permit is to be applied for by the importer at the Ministry of Agriculture, Plant Quarantine Division.	Depending on the kind of product and the pest risk analysis required.	Between 3 days and 3 years.	1 year.	F&V.
<b>Product Declaration for Foodstuffs</b>	A document confirming that foodstuffs have been declared with the Vietnamese authorities and are therefore exempt from state inspections. <u>May be required</u> for market access. The declaration is to be prepared by the importer in Vietnamese or in any other language if accompanied by a translation into Vietnamese.	N/A	7 working days.	Unlimited, as long as all data provided remains unchanged.	All F&B products.
<b>Quarantine Certificate for Animal Products</b>	A document certifying that certain animal products have been subjected to quarantine and that their importation has been permitted.				Products of animal origin other than meat, animal flour and meals, and aquaculture species.

Name	Description	Processing fee	Processing time	Period of validity	Applicable to*
<b>Quarantine Certificate for Animal Flours and Meals</b>	A document certifying that animal flours and meals have been subjected to quarantine and that their importation has been permitted. The certificate is to be applied for by the importer at the local quarantine station operating under the Ministry of Agriculture, Department of Animal Health in Vietnamese.	40 000 VND.	Depending on the specific kind of product.	Valid for a single importation only.	Animal flours and meals.
<b>Quarantine Registration</b>	A document, to be completed in Vietnamese, proving that an importer has registered for quarantine at the customs office of entry. The registration is to be applied for by the importer at the local quarantine station operating under the Ministry of Agriculture and the National Agro-Forestry-Fisheries Quality Assurance Department.	120,000 VND per lot.	7 days.	Depending on the specific kind of product.	Fresh meat, Processed meat, Dairy, F&V, Pasta, Pet food.
<b>State Quality Inspection of Imported Goods</b>	Quality inspection at the customs office of entry. The Ministry of Industry and Trade (MOIT) is responsible for the inspection.	Depending on the specific kind of goods.			Dairy, Olive oil, Cereal bars, Pasta, Biscuits, Baked goods, Beer.
<b>Table of Standards Applied in the Facility</b>	A document certifying that the relevant quality standards for foodstuffs are being applied in the importer's facility. The document is to be prepared by the importer in Vietnamese.				All F&B products.
<b>Veterinary Health Certificate for Animal Products</b>	A document confirming that products of animal origin have been inspected according to appropriate procedures, are not contaminated, do not carry any contagious diseases and are conform with Vietnamese veterinary regulations. The certificate may be prepared in any language, if accompanied by a Vietnamese translation.	Depending on the country of origin.	Depending on the country of origin.	Depending on the country of origin.	Fresh meat, Processed meat, Dairy, Pasta, Pet food.

(a) Namely products at the greatest risk of microbial contamination because they are processed or stored within the temperature range of 5°C to 65°C in an unsterilized environment.

Note: In several cases only a few products within a certain food category are affected by those requirements. Further details are provided within each Market Snapshot, in section 4.4.

Source: European Commission Market Access Database.



#### 4.2.2 Food safety and other food certification requirements

Driven by frequent cases of food scandals, the Vietnamese government has taken food safety very seriously over the past 20 years. In 2011, the **Law on Food Safety 55/2010/QH12** entered into force. This act provides for:

- rights and obligations of organisations and individuals in assuring food safety;
- conditions for assuring safety of foods and food production, trade, transport, import and export;
- food advertisement and labelling;
- food testing;
- food safety risk analysis;
- prevention of food safety incidents;
- food safety information, education and communication;
- responsibilities of state management of food safety.<sup>18</sup>

Depending on the type of product, the following bodies are responsible for implementing Law 55/2010/HQ12, as provided for in Inter-Ministerial Circular 13/2014/TTLB-BYT-BNNPTNT-BCT:

- **Ministry of Health (MOH)**: responsible for most pre-packed and processed food products;
- **Ministry of Agriculture and Rural Development (MARD)**: responsible for agricultural products;
- **Ministry of Industry and Trade (MOIT)**: responsible for higher-risk foodstuffs, such as alcoholic beverages, processed milk, edible oil etc.<sup>19</sup>

Please note that *any addition of a nutrient, mineral, or additive is enough to consider the product a nutritional food and, subsequently for the responsibility of food safety rules implementation to shift from MARD/MOIT to MOH.*

In accordance with this piece of legislation, all imported food products are **subject to food safety inspections**, except in some cases, for example concerning certain pre-packaged processed foodstuffs. Imported food is only granted customs clearance once inspection results confirm that the shipments meet import requirements. As outlined in section 4.2.1, the Food Safety Law provides for three categories of food inspection: 1) Strict Inspection; 2) Ordinary Inspection; and 3) Simplified Inspection.

Implementing Decree 38/2012/ND-CP allows domestic producers, importers and exporters to ensure they apply the Law on Food Safety provisions. It includes:

- Declaration of conformity to technical regulations or food safety Regulations;
- Safety requirements for genetically engineered foods;
- Granting and withdrawing food safety certificates for establishments that meet food safety requirements;
- State inspection on food safety for imported and exported foods;

<sup>18</sup> FAOLEX, <http://extwprlegs1.fao.org/docs/pdf/vie99786.pdf>

<sup>19</sup> Food Regulation in Vietnam, <https://food.chemlinked.com/foodpedia/food-regulation-vietnam#Vietnam%20Food%20Management%20Authority>

- Labelling of food products;
- Delegation of responsibilities for the state management of food safety to the relevant Ministries including MOH, MARD, and MOIT.

In 2018, Decree 38 was replaced by **Decree 115/2018/ND-CP**, which included some amendments compared to the previous decree, with a view to:

- Streamlining and clarify a number of roles and responsibilities of Vietnam’s ministries in relation to food import regulations;
- Reducing regulatory burdens;
- Enhancing international trade of goods.

The 2018 Decree also imposes **stricter penalties and further sanctions for violations of the food safety legislation**. Notably, the act triples fines (up to 40 million VND, about EUR 1 600) for:

- Falsifying conformity test results;
- Providing false claims, declarations or information about product safety;
- Marketing products and assuring the public that they meet conformity standards, when they have not undergone food safety tests.

Furthermore, the Decree doubles fines for importing products that fail to meet a specified national standard or technical regulations. On top of that, products deemed unsafe may be recalled, confiscated, or destroyed.<sup>20, 21, 22</sup>

### Specific technical regulations for certain food products

There are roughly 30 technical regulations for certain food products which set out standards and limits. Many of these relate to products not specifically covered in section 5 of this handbook (e.g. special medical products, fortified food, mineral water); while some relate to specific aspects of food more broadly (e.g. radiation contamination, melamine cross contamination and specific aspects of certain food additives). Notable categories in this handbook which may be impacted by technical regulations relating to certain categories of product are:

- Processed baby food
- Wine
- Spirits
- Beer
- Dairy

A brief overview of the technical regulations will be provided in the corresponding sections.

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<sup>20</sup> GAIN Report: Vietnam – Food and Agricultural Import Regulations and Standards, [https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative Hanoi Vietnam 12-28-2017.pdf](https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Food%20and%20Agricultural%20Import%20Regulations%20and%20Standards%20-%20Narrative%20Hanoi%20Vietnam%2012-28-2017.pdf)

<sup>21</sup> Vietnam’s Food Safety Regulations, <https://www.vietnam-briefing.com/news/vietnam-food-safety-regulations.html/>

<sup>22</sup> Vietnam issues civil penalties for unsafe FCMs, <https://chemicalwatch.com/70799/vietnam-issues-civil-penalties-for-unsafe-fcms>

### Food additives

**Circular 27/2012/TT-BYT** contains guidance on food additives and formalises the food additive regulations contained in the aforementioned law on food safety. This has subsequently been amended by further circulars/amendments, with a 2015 circular providing the full list of additives approved for use and their maximum use levels. In June 2018 a draft amendment to the list of food additives was published, and this ultimately replaced previous circulars at the end of August 2019. The circular, which contains a list of authorised additives and their maximum levels, is available in Vietnamese only at:

<http://www.vfa.gov.vn/van-ban/thong-tu-so-242019tt-byt-quy-dinh-ve-quan-ly-va-su-dung-phu-gia-thuc-pham.html>

Key points to retain are:

- Vietnam adopts the use of additives in food in accordance with Codex General Standard for Food Additives (GSFA) STAN 192-1995.
- Historically there have been some small challenges with additive used in wine that are not on the codex list. The new circular does allow the use of some additives in wine that are not on the codex list, though it is worth checking the list thoroughly if an additive not on the codex list is to be used.
- Additives on the list can only be used for the prescribed food items within the limits stated.
- Going forward, it is foreseen to update the list of additives every two years, or when needed.

### Pesticides

Circular 50/2016/TT-BYT, containing an updated list of maximum residue levels (MRLs) for pesticides in food was published in December 2016, and entered into force in July 2017. This circular updated and supplemented the previous list of MRLs for some 205 compounds in a variety of food products. It should be noted that a few substances (such as Captan) are not registered for use in Vietnam; and that in some cases, MRLs are different from those in the EU.

The original Vietnamese text of the circular with MRLs is available at: <https://thuvienphapluat.vn/van-ban/The-thao-Y-te/Thong-tu-50-2016-TT-BYT-gioi-han-toi-da-du-luong-thuoc-bao-ve-thuc-vat-trong-thuc-pham-337490.aspx>

Some unofficial translations into English can also be found online by searching for the circular name.

#### 4.2.3 Labelling Requirements

In accordance with Decree 43/2017/ND-CP, labels of food and foodstuffs must bear the following information (in Vietnamese):

- product name
- ingredients or ingredient quantities (for foodstuffs)
- product quantity
- production date (DD-MM-YY format)
- expiration or use by date (DD-MM-YY format)

- instructions for use and storage (for foodstuffs)
- name of the person and the organisation responsible for the product (both manufacturer and importer for imported goods)
- country of origin
- number of receipt of conformity to food safety or Declaration of Conformity
- recommendations or warnings on food safety, if applicable.

For imported products with labelling that has not sufficiently represented mandatory information in Vietnamese, a secondary label containing with the necessary information in Vietnamese is required.

Special provisions apply to pre-packed genetically modified foods containing at least one genetically modified ingredient which makes up over 5% of the total amount of ingredients. Namely, the phrase “*biến đổi gen*” (genetically modified) must be written on the product label next to the names of the genetically modified ingredients.

Food additives must be indicated on labels along with their class name and international code. The phrase “Use for food” (“*Dùng cho thực phẩm*” in Vietnamese) must be written after the additive name in bold letters of 2mm height minimum.

Labels of alcoholic beverages must bear the following details (in Vietnamese):

- product name
- name of the person and the organisation responsible for the product (both manufacturer and importer)
- country of origin
- quantity
- ethanol (alcohol) content
- instructions for storage (in case of wine)
- expiration date (if any)
- lot number (if any)

Food and drink products can also bear two labels (in the original language and Vietnamese). In this case, however, the foreign label should present the same content and have the same dimension of /be smaller than the Vietnamese label.

In addition, labelling of functional food, food additives, irradiated food, and genetically modified food must meet the following criteria:

- Functional food must contain the phrase “functional food” and must not imply in any way that the food can replace medicine;
- Food additives must contain the phrase “food additive” and contain information on scope, dosage, and use;
- Irradiated food must contain the phrase “irradiated food”;

- Genetically modified food must contain the phrase “genetically modified food”.<sup>23, 24</sup>

#### 4.2.4 Protection of intellectual property rights, including geographical Indications (GIs)

##### IPR protection framework

Vietnam is a member of the WTO and World Intellectual Property Organization (WIPO). Consequently, protection of intellectual property rights is largely in harmony with the international standards of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). Furthermore, Vietnam is a party to the Patent Cooperation Treaty (PCT) and the Madrid Agreement Concerning the International Registration of Marks (the **Madrid System**). Patent and trademark applicants may use these international systems for filing international patent and trademark applications for requesting protection in Vietnam. However, Vietnam’s IP enforcement mechanisms still need enhancement and awareness of the importance of IPR protection among Vietnamese consumers needs to be raised.

In accordance with the 2005 [Law on Intellectual Property](#), in order to protect its copyright, a **trademark is to be registered if exporters wish to market a certain product under a specific brand/trade name in Vietnam**. Exporters must submit an application to the Intellectual Property Office of Vietnam (IPVN), under the Ministry of Science and Technology.

The application is to be completed in Vietnamese and submitted in the original by post or electronically via the IPVN’s online public service portal available [here](#). The processing time is one month. The application for registration is to be published publicly within two months from the filing date. The registration certificate is valid for ten years. The processing fees are outlined below:

- 180 000 VND (about EUR 7) for paper applications without digital database of the contents;
- 150 000 VND (about EUR 6) for paper applications with digital database of the contents;
- 100 000 VND (about EUR 4) for online applications;
- 600 000 VND (about EUR 24) for priority right applications.<sup>25, 26</sup>

##### Vietnam’s Geographical Indication (GI) protection system

In accordance with the Law on Intellectual Property, “A *geographical indication means a sign which identifies a product as originating from a specific region, locality, territory or country*”. Similarly, to the EU GIs system, in Vietnam protection can be ensured provided that the good in question satisfies the following conditions:

- The product bearing the GI originates from the area, locality, territory or country corresponding to such geographical indication;

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<sup>23</sup> MADB: Overview of import procedures - Vietnam,

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=>

<sup>24</sup> Food Regulation in Vietnam, <https://food.chemlinked.com/foodpedia/food-regulation-vietnam#Vietnam%20Food%20Management%20Authority>

<sup>25</sup> Vietnam - Protecting Intellectual Property, <https://www.export.gov/article?id=Vietnam-Protecting-Intellectual-Property>

<sup>26</sup> MADB – Trademark Registration,

[https://madb.europa.eu/madb/viewPageIFPubli.htm?countryid=VN&hscod=&doc=reg\\_tm.html](https://madb.europa.eu/madb/viewPageIFPubli.htm?countryid=VN&hscod=&doc=reg_tm.html)

- The product bearing the geographical indication has a reputation, quality or characteristics mainly attributable to geographical conditions of the area, locality, territory or country corresponding to such geographical indication.

On the contrary, in the following specific cases protection cannot be provided:

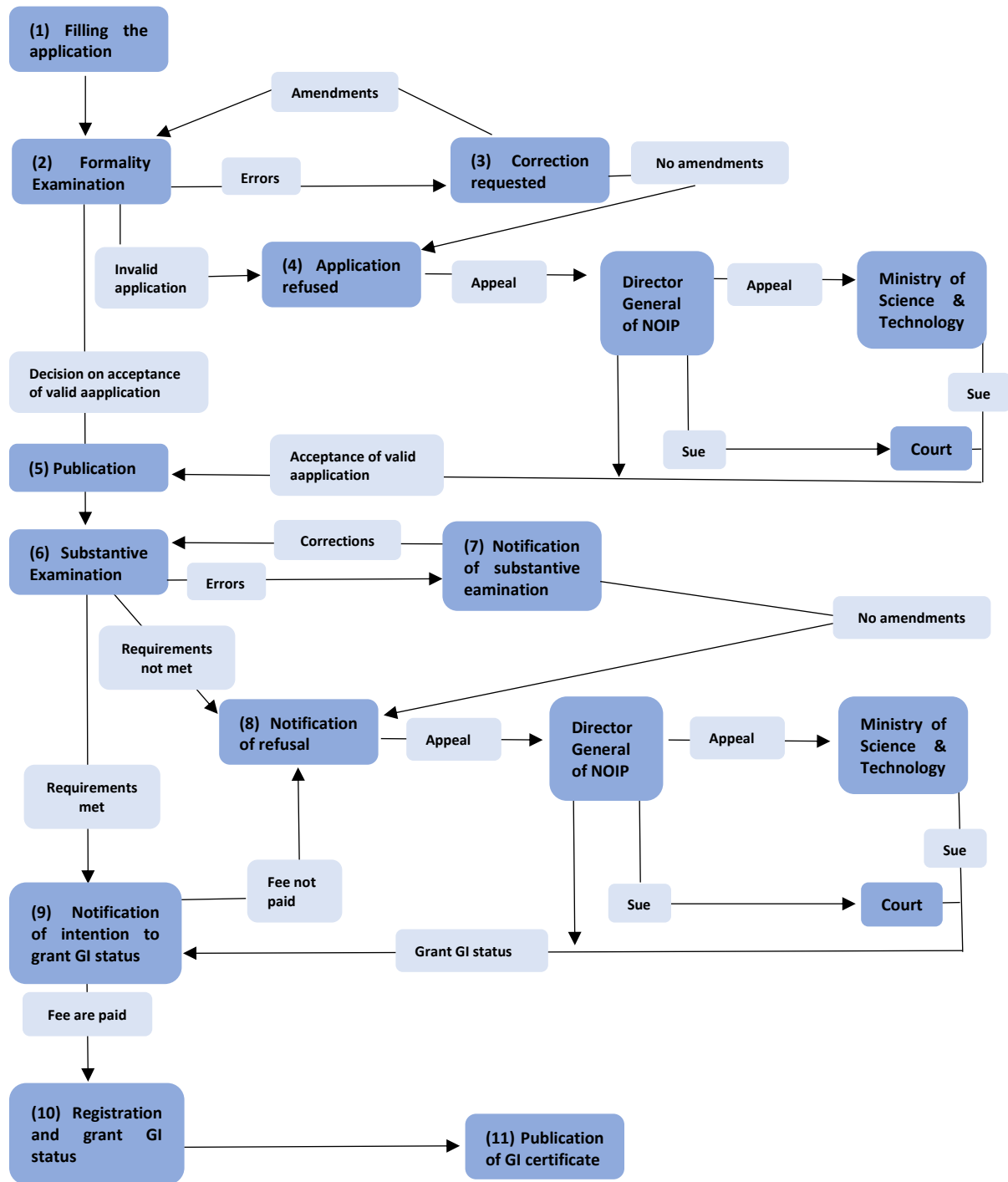
- Names have become generic names of products in Vietnam;
- GIs of foreign countries where they are not or no longer protected/no longer used;
- GIs identical with or similar to a protected mark, where the use of such mark is likely to cause a confusion as to the origin of products;
- GIs which mislead consumers as to the real origin of products.<sup>27</sup>

The procedure for the registration of a geographical indication is outlined in Figure 4-1 below.

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<sup>27</sup> Intellectual Property Office of Vietnam – Geographical Indications, [http://noip.gov.vn/en\\_US/web/english/overview3](http://noip.gov.vn/en_US/web/english/overview3)

Figure 4-1: Overview of registration for a GI in Vietnam



Source: Agra CEAS based on Ministry of Science and Technology, Intellectual Property Office of Vietnam, [http://noip.gov.vn/en\\_US/web/english/procedures-for-obtaining-a-geographical-indication](http://noip.gov.vn/en_US/web/english/procedures-for-obtaining-a-geographical-indication)

However, exporters must bear in mind that under the EVFTA, 169 well-known European food and drinks geographical indications (GIs) will be protected from imitation on the Vietnamese market (further details are provided in section 4.3.3; a full list of GIs that will be protected in Vietnam is available in section 9).

#### 4.2.5 Relevant authorities for IPR and GI protection and further contacts

<p><b>Copyright Office of Viet Nam (COV)</b>   (844) 382 36 908, (844) 384 70 485   <a href="mailto:cbqtg@hn.vnn.vn">cbqtg@hn.vnn.vn</a>   <a href="http://www.cov.gov.vn">www.cov.gov.vn</a></p>
<p><b>Intellectual Property Office of Viet Nam (IP Viet Nam)</b>   (844) 3558 8217, (844) 3858 3069, (844) 3557 2091   <a href="mailto:vietnamipo@noip.gov.vn">vietnamipo@noip.gov.vn</a>, <a href="mailto:phidinhhuu@noip.gov.vn">phidinhhuu@noip.gov.vn</a>   <a href="http://www.noip.gov.vn">www.noip.gov.vn</a></p>

### 4.3 International trade

#### 4.3.1 Vietnam and foreign trade

The [Ministry of Industry and Trade \(MOIT\)](#) has the primary responsibility for trade policy in Vietnam. Over the last 20 years, Vietnam's trade policy has been aimed at ensuring trade expansion to support the country's industrialisation. To this end, Vietnam became a member of the WTO in 2007. More recently, as a trade-oriented country, Vietnam has been largely backing bilateral and multilateral trade deals, as provided for in the 2011-2020 Socio-Economic Development Plan.

#### 4.3.2 Key trade agreements, present and future

Vietnam has been supporting trade liberalisation in recent times, as demonstrated by the several agreements concluded over the past fifteen years (see Table 4-3). Vietnam had also signed the Bilateral Trade Agreement with the US; this entered into force in 2001, prior to Vietnam's WTO accession, and it introduced various international trade and WTO principles.

Table 4-3: Chronological list of Vietnam's trade/economic agreements with third countries/regions

Partner/s	Type of agreement	Entry into force
China (a)	Comprehensive Economic Cooperation Agreement	2005
Korea (a)	Comprehensive Economic Cooperation Agreement	2007
Japan	Economic Partnership Agreement	2009
Australia, New Zealand (a)	Free Trade Agreement	2010
India	Comprehensive Economic Cooperation Agreement	2010
Chile	Free Trade Agreement	2012
Republic of Korea	Free Trade Agreement	2015



Partner/s	Type of agreement	Entry into force
Armenia, Belarus, Russia, Kazakhstan, Kyrgyz Republic	Free Trade Agreement	2016
Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore	Comprehensive and Progressive Agreement for Trans-Pacific Partnership	2018
Hong Kong	Free Trade Agreement	2019

(a) Signed under the ASEAN umbrella.

Source: Agra CEAS based on Asia Regional Integration Center, <https://aric.adb.org/fta-country>

Vietnam mostly concluded agreements with Asian countries. Yet, in recent years, the government strategy has been to approach also European and American countries, for trade purposes. Indeed, the EU-Vietnam FTA has been ratified by the European Parliament (see section 4.3.3 below); and furthermore, the following agreements are under negotiation:

- **Vietnam-European Union Free Trade Association Free Trade Agreement:** negotiations were launched in 2012.
- **Regional Comprehensive Economic Partnership**, with Australia, Brunei Darussalam, Cambodia, China, India, Indonesia, Japan, Korea, Lao PDR, Malaysia, Myanmar, New Zealand, Philippines, Singapore and Thailand. Negotiations were launched in 2013.
- **Vietnam-Israel Free Trade Agreement:** negotiations were launched in 2015.

On top of that, in the long term, Vietnam is likely to start negotiating the following agreements:

- East Asia Free Trade Area (ASEAN+3),
- Comprehensive Economic Partnership for East Asia (CEPEA/ASEAN+6),
- ASEAN-Pakistan Free Trade Agreement,
- ASEAN-Eurasian Economic Union Free Trade Agreement,
- ASEAN-Canada FTA,
- Free Trade Area of the Asia Pacific,
- Vietnam-Ukraine FTA,
- Pakistan-Vietnam Free Trade Agreement.<sup>28</sup>

### 4.3.3 EU-Vietnam Free Trade Agreement (EVFTA)

After seven years of negotiations, the **EU and Vietnam signed a Trade Agreement and an Investment Protection Agreement on 30 June 2019**. The agreements were ratified by the European Parliament in February 2020, and at the time of writing notification of closure of procedures by the two parties is pending, after which it will enter into force.<sup>29, 30</sup>

<sup>28</sup> Asia Regional Integration Center – FTAs Vietnam, <https://aric.adb.org/fta-country>

<sup>29</sup> European Commission – Trade, <https://ec.europa.eu/trade/policy/countries-and-regions/countries/vietnam/>

<sup>30</sup> LEGISLATIVE TRAIN SCHEDULE: Eu-Vietnam Free Trade Agreement (EVFTA), <http://www.europarl.europa.eu/legislative-train/theme-a-balanced-and-progressive-trade-policy-to-harness-globalisation/file-eu-vietnam-fta>

As soon as the EVFTA enters into force, EU's exports to Vietnam will be mostly fully liberalised, and usually in no more than 7 years (except poultry and beer). Examples of benefits from tariff elimination in the agri-food sector are set out below:

- Beef will be duty free after 3 years;
- Dairy products and processed tomatoes will be duty free after 5 years;
- Chocolate will be duty free after 5-7 years;
- Frozen pork meat, food preparations, wine, spirits, and pasta will be duty free after 7 years;
- Chicken and beer will be fully liberalised after 10 years<sup>31</sup>.

The FTA will also reduce many non-tariff barriers to trade with Vietnam. The EU and Vietnam have agreed to go beyond the rules set out in the WTO Technical Barriers to Trade agreement. In particular, Vietnam has committed to increasing the use of international standards when drafting its regulations. The agreement also contains a chapter on sanitary and phytosanitary measures, to make trade in plant and animal products easier. Notably, Vietnam will recognise the EU as a single entity for the purposes of authorising EU animal and plant imports.<sup>32, 33</sup>

Furthermore, under the EVFTA, **169 well-known European food and drinks geographical indications (GIs) will be protected from imitation on the Vietnamese market.** This will benefit European farmers and small businesses producing these traditional products. Notable examples of GIs that will receive protection are:

- Alcoholic beverages: *Grappa, Vinho Verde, La Mancha wine, Münchener Bier, Swedish Vodka*;
- Processed meat: *Jamón de Teruel, Prosciutto di Parma, Canard à foie gras du Sud-Ouest*;
- Dairy: *Comté, Feta, Queso Manchego, Gorgonzola*.

A full list of GIs that will be protected in Vietnam is available in section 9. It should be noted that for some GIs – e.g. Asiago, Champagne, Feta, Fontina and Gorgonzola, special solutions had to be found. For example, due to the existence of a local sparkling wine product “sham bahn”, a transition period of 10 years for full protection exists; while for the cheese products there is a clause which allows other producers who had used the terms in Vietnam in good faith before 2017 to continue to do so.

**Current import duties and taxes for the export of food to Vietnam can be consulted here:**

[http://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat\\_id=AT&from=publi](http://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat_id=AT&from=publi)

<sup>31</sup> Delegation of the EU to Vietnam: Guide to the Eu-Vietnam Trade and Investment Agreements, [https://trade.ec.europa.eu/doclib/docs/2016/june/tradoc\\_154622.pdf](https://trade.ec.europa.eu/doclib/docs/2016/june/tradoc_154622.pdf)

<sup>32</sup> EU-Vietnam: Council adopts decisions to sign trade and investment agreements, <https://www.consilium.europa.eu/en/press/press-releases/2019/06/25/eu-vietnam-council-adopts-decisions-to-sign-trade-and-investment-agreements/>

<sup>33</sup> EU-Vietnam Trade Agreement – memo, <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1922>

#### 4.3.4 WTO disputes and other trade barriers

Vietnam is currently involved in four WTO disputes, three of which affect the food and beverage sector, as outlined below:

- **Protection of Intellectual Property Rights:** Vietnam's legal framework for IPR protection and enforcement still suffers from a number of weaknesses, including a lack of protection of Geographic Indications (except for wines and spirits). Nonetheless, the enter into force of the EVFTA is set to improve the situation (see section 4.3.3).
- **Restrictions on animals and animal products related to Bovine Spongiform Encephalopathy (BSE):** Vietnam does not allow the import of all products deemed risk-free irrespective of BSE country status and does not allow the import of other products under the conditions laid down for countries with controlled or undetermined BSE risk not clear. Nevertheless, in 2015, Vietnam allowed exports from France and eliminated the associated BSE restriction. In 2017, it granted market access to Spanish beef and in 2018 to Belgian and Dutch beef.
- **Market access procedures for fruits and vegetables:** There are many pending applications from several EU Member States for products such as pears, apples, citrus fruits, kiwi, grapes. Applications submitted by EU MS are treated individually and only one application per Member State is under review, which includes the Pest Risk Assessment. Some applications were submitted in 2014/2015 and no progress was recorded at the beginning of 2019.

**Further information, as well as an up to date list of trade barriers can be found here:**

[https://madb.europa.eu/madb/barriers\\_result.htm?isSps=false&countries=VN](https://madb.europa.eu/madb/barriers_result.htm?isSps=false&countries=VN)

#### 4.3.5 Summary of key trade barriers

Access to the Vietnamese market is currently challenging for European companies, although the recently signed EVFTA will improve access and create new opportunities for EU exporters. Vietnamese Food safety legislation is rather strict, with several imported F&B products having to undergo inspections. The large number of certifications requested to import some products, and the long time needed to obtain those certificates, may also make the procedure lengthy, particularly for SMEs. That has particularly been the case for fruits and vegetables. Furthermore, despite the government effort to protect IPRs, difficulties in the enforcement of current legislation may pose a challenge to EU producers of quality goods with intellectual property, as described in detail in section 4.2.4.

Current tariffs to access the Vietnamese market are relatively high. Nonetheless, as a result of the EVFTA, tariffs on several agri-food products will be phased out over the years. The Trade Agreement also guarantees protection to several EU geographical indications in the Vietnamese market. The deal is therefore expected to significantly boost EU exports to Vietnam, especially for key EU food and beverage products, such as cheese, hams, and liqueurs (see section 4.3.3).

## 4.4 Operating in the Vietnamese food and beverage market

### 4.4.1 Logistical services and transportation infrastructure

Due to extensive coastline, long and thin shape and three different regions of the country, the combination of shipping to the hubs in each region and road transport are the most commonly used logistical methods.

#### Shipping

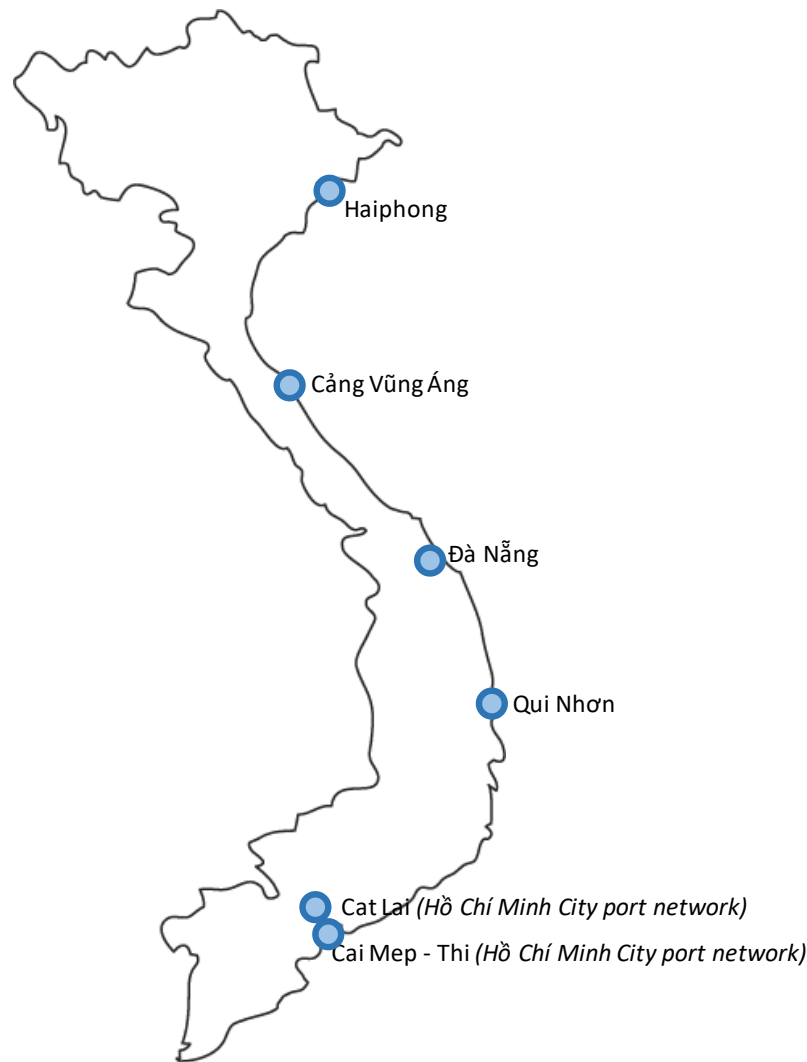
With a coastline of over 3 200 km, it is unsurprising that maritime transport is an important route for goods entering Vietnam. While there are 320 ports in Vietnam as a whole, transport of goods to and from the country is mainly focused around a handful of ports, namely:

- **North region:** Hai Phong, under 100km from Hanoi. A deep water container terminal opened at the port in 2018, hence avoiding the need for transshipment via Hong Kong or Singapore
- **Central region:** Da Nang, Qui Nhon and Cảng Vũng Áng.
- **South region:** the network of ports around Hồ Chí Minh City, which together create the 5<sup>th</sup> largest port in ASEAN, and account for around 2/3 of port shipments in Vietnam. Notably ports include Cai Mep (deep water) and Cat Lai.<sup>34</sup>

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<sup>34</sup> <https://www.vietnam-briefing.com/news/port-infrastructure-vietnam-3-hubs-for-importers-exporters.html/> ; <https://www.searates.com/maritime/vietnam.html>

Figure 4-2: Major ports and terminals in Vietnam



Source: Agra CEAS based on World Ports Network

### Air freight

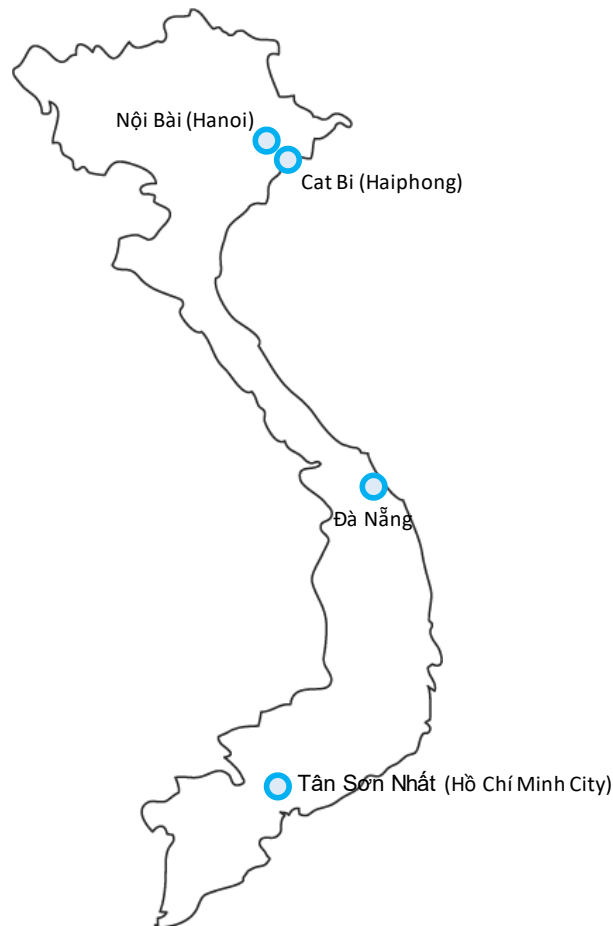
Air freight accounts for around ¼ of the value of goods traded into and out of Vietnam, though air freight is growing at around 9% per year. While Vietnam has over 20 airports, only half of these are international. The main airports for air cargo freight are:

- Noi Bai International Airport, Hanoi
- Tan Son Nhat International Airport, Hồ Chí Minh City

There are also various plans for further developing airports in the country. Most notably, the above two airports are being expanded, and a new airport Long Thanh International Airport is being built 30km from Hồ Chí Minh City.<sup>35</sup>

<sup>35</sup> <https://www.export.gov/article?id=Vietnam-Aviation> ;  
<https://www.netherlandsworldwide.nl/countries/vietnam/doing-business/key-sectors/logistics> ;

Figure 4-3: Main International cargo airports in Vietnam



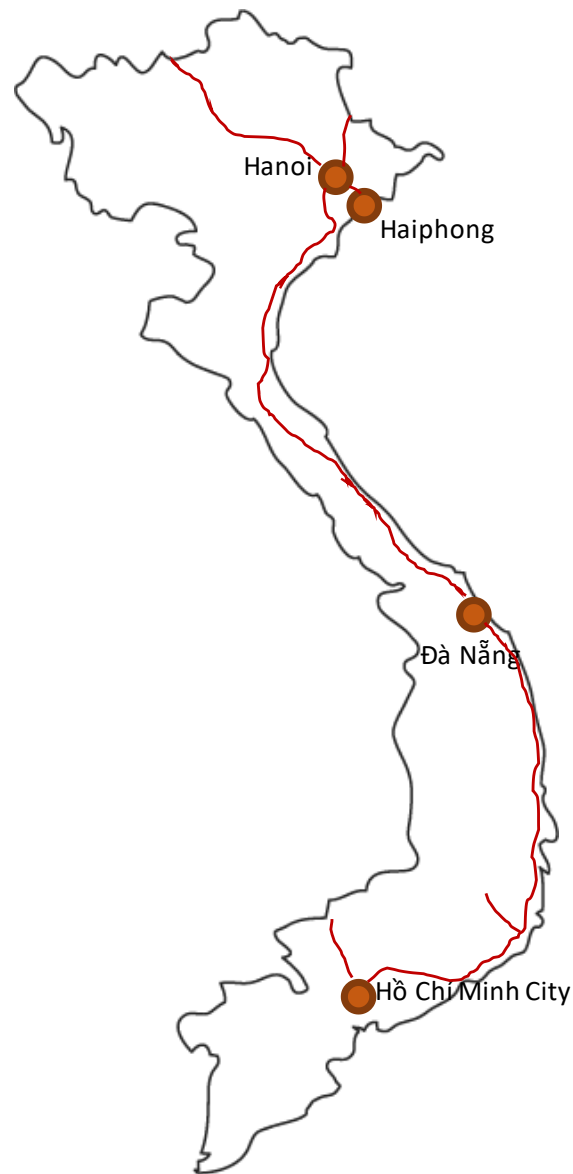
Source: Agra CEAS based on various

### Rail freight

Vietnam's rail network is limited – just 3 200km at present – and hence accounts for only a very small proportion of freight transport. The Viet Nam Railway Cooperation is the sole operator of services in the country. There are plans to further develop the rail network; but at present is generally not interesting due to its small size and slow travel times.<sup>36</sup>

[https://fnm-vietnam.com/air-freight-vietnam/#Noi\\_Bai\\_International\\_Airport\\_of\\_Hanoi](https://fnm-vietnam.com/air-freight-vietnam/#Noi_Bai_International_Airport_of_Hanoi) ;  
[https://www.joc.com/air-cargo/international-air-freight/vietnam-set-rapid-air-cargo-growth-must-expand-network-says-iata\\_20140827.html](https://www.joc.com/air-cargo/international-air-freight/vietnam-set-rapid-air-cargo-growth-must-expand-network-says-iata_20140827.html)

<sup>36</sup> <https://www.netherlandsworldwide.nl/countries/vietnam/doing-business/key-sectors/logistics> ;  
<https://dlca.logcluster.org/display/public/DLCA/2.4+Viet+Nam+Railway+Assessment>

*Figure 4-4: Railway network in Vietnam*

Source: Agra CEAS based on dlca.logcluster.org

### Road Freight

Road freight is the most important method of transporting goods in Vietnam, accounting for around  $\frac{3}{4}$  of all freight transport. The road network is extensive – over 250 000 km – however, under  $\frac{1}{5}$  of this is paved, and  $\frac{2}{5}$  can be considered to be in poor condition. The poor condition of the road network can create challenges with freight transport.<sup>37</sup>

<sup>37</sup> <https://fnm-vietnam.com/truck-freight-vietnam/> ;  
<https://www.netherlandsworldwide.nl/countries/vietnam/doing-business/key-sectors/logistics>

## Waterway freight

Vietnam has an extensive river network. Some 224 river ports take advantage of this. Waterway transport therefore accounts for around 1/5 of freight transport. However, a limited percentage of the waterway network is under formal management; and transport down waterways is very dependent on climatic conditions.

## 4.4.2 Distribution

### 4.4.2.1 Retail channel overview

Traditional wet markets and small independent stores are historically the main distribution channels of food and drink in Vietnam, and they continue to dominate the overall landscape. However, both modern retailers and e-commerce are rapidly increasing in importance, particularly in urban areas.<sup>38</sup>

#### Small grocery retailers

This channel remains the most popular in Vietnam for the purchase of food and drink products; and is of key importance in rural areas. Convenience, or even the fact that they are the only accessible option in some areas, drive their popularity.

#### Wet markets

Wet markets continue to play an important role in the food and beverage landscape in Vietnam. That said, their importance is subsiding in urban areas in particular as super/hypermarkets, convenience stores and e-commerce rapidly increase in popularity, boosted by pushes to modernise retail channels. This is reflected by the evolution of the number of wet markets in Vietnam – the number has remained static over the last five years at around 8 500; while the number of supermarkets and convenience stores have rapidly increased over the same period; and wet markets are now less important for food and drink distribution in urban areas than super/hypermarkets. However, overall, they remain one of the preferred choices of channel for food and drink purchases; with prices a particular attraction of wet markets.

#### Supermarkets & hypermarkets

The number of supermarkets and hypermarkets in Vietnam doubled over the period 2012-2017 and is expected to continue to rapidly increase going forwards. The popularity of these channels in urban areas has been driven by the need for convenience and increased interest in food safety. In Hanoi, there is an active retail modernisation policy to increase the number of supermarkets in the city at the expense of traditional wet markets. Over the last ten years an increasing number of foreign supermarket chains have entered the country as restrictions on foreign ownership reside. More recently, supermarket chains have increasingly expanded their network out of the large tier 1 cities (led by Hanoi and Hồ Chí Minh City) to second tier cities and provinces.

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<sup>38</sup> Euromonitor International: Economies and Consumers, 2020 ; USDA Vietnam Retail Foods, Sector Report 2018; Deloitte Retail in Vietnam - <https://www2.deloitte.com/content/dam/Deloitte/vn/Documents/consumer-business/vn-cb-vietnam-consumer-retail-2019.pdf>; <https://a4nh.cgiar.org/2018/05/09/markets-in-vietnam-a-snapshot-of-transforming-food-systems/>; <https://link.springer.com/article/10.1007/s10460-015-9645-4>; <https://journals.sagepub.com/doi/full/10.1177/0956247819858019>



Supermarkets are focused in urban areas and are most commonly found in shopping malls; subsequently they may attract consumers as part of a wider shopping trip. Supermarkets and hypermarkets are particularly popular among young, middle class consumers in these urban areas. These consumers may even use these outlets for the purchase of fresh produce as the pre-selection of fresh produce by supermarkets bypasses the consumer's need to assess the varied quality of products at wet markets.

There are a large number of super/hypermarket chains in Vietnam – both local and foreign – meaning there is effectively a high level of fragmentation. Among the larger super/hypermarket chains are: Big C, Co.opmart, Auchan, Vingroup and AEON. Local supermarket chains account for the majority of supermarket sales. In some cases, the larger supermarkets can make good potential partners for companies that are wishing to enter the market.<sup>39</sup>

### **Convenience stores**

Convenience stores have rapidly increased in popularity in Vietnam in recent years, with the number of outlets increasing almost five-fold over the period 2012-2017 and sales over six-fold, as they challenge traditional small independent grocers. This rapid growth is expected to continue going forwards, with the country expected to be the fastest growing market in the region for convenience stores in coming years. However, convenience stores currently account for a small share of all retail channels – about 5% in urban areas, and a negligible share in rural areas.

Foreign chains hold a high market share amongst convenience stores. While there are numerous chains, the most popular ones are: Bach Hoa Xanh, Circle K, Co-op, Family Mart and B's Mart.

### **eCommerce**

In general terms, e-commerce is a channel of growing importance in Vietnam, and this recently also extends to food and grocery shopping. According to one survey, some 30% of consumers purchase grocery shopping through e-commerce channels at least once a week. Some supermarket chains such as VinGroup have established e-commerce channels; and dedicated grocery shopping websites such as Chopp.vn have emerged.

### **Hotels, restaurants, and cafés**

The food service channel is estimated to have grown at almost twice the rate of GDP in recent years, driven by a range of economic and social factors (including notably increasing incomes); as well as increasing tourism. The range of outlets available is varied, though as noted there has been increasing interest in restaurants serving food from specific foreign countries in recent years (e.g. Korea and Japan). In general terms, the chain for food and beverage imports intended for food service passes through

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<sup>39</sup> Euromonitor International: Economies and Consumers, 2020; Deloitte – Retail in Vietnam, 2014 & 2019.

importers and/or wholesalers before reaching the food service industry itself. That said, a direct tie up with larger food service operators such as Lotteria, Jollibee and King BBQ may be possible.<sup>40</sup>

#### 4.4.2.2 Intermediaries

Importers generally play an important role in helping imported foods reach shop shelves in Vietnam, as they will deal with distribution to wholesalers and retailers. That said, some supermarket chains have started directly importing selected products such as fresh fruit and fresh meat in recent years, and indeed a tie-up with larger, more prestigious retailers can be a good way of entering the market. While it may be possible to find importers with a strong network throughout the whole country, many importers are based in either Hanoi or Hồ Chí Minh City, and will focus primarily on the north or south geographical regions respectively. As noted in section 3.3.2.2, it may make more sense to focus on one of these regions when first entering the Vietnamese market. While which of these two cities is more attractive will depend on the precise product being imported, as a general rule, Hồ Chí Minh City may show slightly more potential due to slightly greater presence of modern retail stores and the larger foreign population. Alternatively, it may be possible to find an importer to work with in one of the major cities and appoint a local agent for other major cities (including e.g. the third largest city, Da Nang).

While as a general rule, there are no minimum quantities required by importers or local partners over the longer term, some may initially request minimum quantities as a means of building trust. Further notable tips when approaching potential partners in Vietnam are listed below:

- **First impressions are important.** Importers and agents are likely to initially examine any product documentation and it is therefore important that it is of a good quality. Overall, first impressions, created both by documentation and personal contact are key.
- **Face to face meetings are important at the beginning.** Furthermore, initial face to face meetings without follow up visits are likely to have limited success as it is considered “cold” calling or sending offers without first establishing a relationship. Once the relationship is established it can rely more on phone and email contact. Nonetheless, maintaining a good relationship is of vital importance to long term success in Vietnam.
- **Understanding needs and specificities in the initial phase can help.** Local partners often feel that foreign partners do not take enough time to understand specific needs and constraints they face. This may in turn lead to the initial interest of potential partners residing as difficulties from the constraints they face emerge and the foreign partner does not try to understand them. Discussing these needs and constraints may assist.
- **Care needs to be taken with the terms of agreement, while respecting the constraints that local partners face.** For example, many partners will be small or medium sized businesses which rely on loans to run their business, and hence may push for certain payment terms. While these

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<sup>40</sup> <https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Food%20Service%20-%20Hotel%20Restaurant%20Institutional%20Ho%20Chi%20Minh%20City%20Vietnam%207-24-2019.pdf>;  
<https://www5.agr.gc.ca/eng/industry-markets-and-trade/international-agri-food-market-intelligence/reports/foodservice-profile-in-vietnam/?id=1466442833486>

constraints should be clearly understood (as noted above), caution should also be exercised in agreeing to e.g. strongly deferred payment terms or excessive marketing budgets.

- **Find out about the partner's other business activities.** Some companies which import food and beverages may actually be conglomerates with investments in other business areas; and subsequently the food import business may receive less attention (and may even be discontinued at short notice if other businesses become the main focus). It is worthwhile establishing whether or not a business is specialised in food import from the outset and how long the company has been involved in food and beverage export.
- **Match the strength of the potential partner's network to your product and target market(s).** It is preferable to assess the strength of the potential partner's network in terms of: (a) nature of the product, i.e. the extent to which they have experience with this kind of product; (b) overall geographical reach; (c) geographical strength by region. As noted above, due to the geography of Vietnam it is common that importers are strong in certain geographical areas and weaker in others.
- **Once in the market, keep an eye on changes to relevant policies and import regulations.** Not all local operators pay close attention to changes in policies and import regulations, and therefore partners cannot always be relied on for updates on changes and potential adjustments. It is therefore recommended that an eye be kept on any changes to policies and regulations that may impact the imported product. The various links in this handbook can assist with this. Nonetheless, as can be seen throughout this handbook, the regulatory situation for many products is fairly stable.

#### **Business Contact Database:**

A database of importers, wholesalers, retailers and distributors can be found in section 8.5

*N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these individuals, organisations or firms and no corresponding responsibility or liability is accepted by the authors.*

### **4.4.3 Business environment**

Vietnam is ranked 70th out of 190 countries in the World bank's report on ease of doing business, with the digitalisation of the country judged as facilitating various aspects, including the payment of taxes. As already seen in section 2.1.2, the economy is growing quickly and steadily and the economy has been opened up to foreign investment and foreign ownership in most sectors, at least to some extent; hence allowing the establishment of foreign owned entities in most sectors. Nonetheless, exporters should be aware of certain particularities of the business environment:

- Foreign exchange controls exist, and hence the Vietnamese Dong is not freely convertible. Foreign investors are permitted to transfer abroad profits and income earned in Vietnam, while capital can be transferred abroad upon liquidation. As changes to the rules on foreign exchange occur periodically, it is worth periodically checking for any amendments to rules.
- Generally, all payments and contracts made in Vietnam must be in Vietnamese Dong.

While business may be conducted in English, Vietnamese is often preferred. Face to face business meetings are generally considered important.<sup>41</sup>

#### 4.4.4 Key operational considerations and challenges: summary

Key challenges to bear in mind when operating in the Vietnamese market are:

- Protection of your IP and challenges around this, if your product possesses notable IP.
- The preference to conduct business in Vietnamese, and the official publication of any updated regulations only in Vietnamese.
- The existence of foreign exchange controls.
- The challenges posed by the geography of the country and the internal transportation network, which may in turn make it more attractive to target specific markets within the country.

#### 4.4.5 Other relevant information

##### 4.4.5.1 Methods of payment in Vietnam

The vast majority of transactions in Vietnam are conducted in cash at present, though there is a strong ongoing push towards cashless payment methods. An estimated 30% of the Vietnamese population currently have formal bank accounts. Credit and debit cards transactions have increased greatly in recent years, but still constitute a minority of transactions. While smartphone penetration is high, mobile payment systems are not currently popular.

For business to business payments, bank drafts or electronic fund transfers are often the easiest option as companies may be reluctant to use letters of credit due to collateral requirements and additional costs.<sup>42</sup>

##### 4.4.5.2 Travel from the EU to Vietnam

Nationals of certain EU countries are exempt from requiring a visa to enter Vietnam for short durations. At the time of writing, this list includes Denmark, Finland and Sweden. An exemption from obtaining a visa in advance has also recently been granted for 15 days stays for citizens of: France, Germany, Italy, Spain and UK. This exemption is scheduled to run till 2021.

Nonetheless, it is strongly advised that you contact the Vietnamese embassy in your country well in advance of any travel to Vietnam to confirm current visa requirements. They are also likely to provide the easiest way to obtain the required visa, even though an online e-visa application system exists (<https://immigration.gov.vn/web/guest/home>). There are various travel agencies which offer services to assist with a special visa on arrival procedure for a fee; however, it is best to confirm current visa

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<sup>41</sup> <https://www.pwc.com/vn/en/publications/2019/pwc-vietnam-dbg-2019.pdf>  
<https://www.vietnam-briefing.com/news/foreign-exchange-management-vietnam-new-circular-takes-effect.html/>  
<https://www.worldbank.org/en/country/vietnam/overview>

<sup>42</sup> Euromonitor International: Economies and Consumers, 2020; <https://www.vietnam-briefing.com/news/vietnams-payment-preferences-4-trends-watch.html/> ;  
<https://www.export.gov/article?id=Vietnam-Methods-of-Payment>

requirements with the Vietnamese embassy in your country prior to engaging the services of such an agency.

## 5 Market Snapshots for Selected Products

This section provides specific information for various food and beverage categories and products. This information covers three main categories:

- **Consumption:** data on the evolution of consumption; consumer profiles and any notable consumer trends;
- **Offer:** domestic production; imports and exports; the competitive landscape; relevant specific customs procedures/import considerations;
- **Distribution:** main distribution channels used; domestic and imported offer.

Furthermore, each category contains a SWOT analysis and a key takeaways message.

Fresh meat	Fresh Fruit & Vegetables	Dairy
Wine	Spirits	Olive oil
Chocolate & Confectionery	Beer	Processed meat
Pet food	Prepared baby food	Jams
Pasta	Baked goods	Biscuits & cereal bars

## 5.1 Fresh meat

### 5.1.1 SWOT analysis

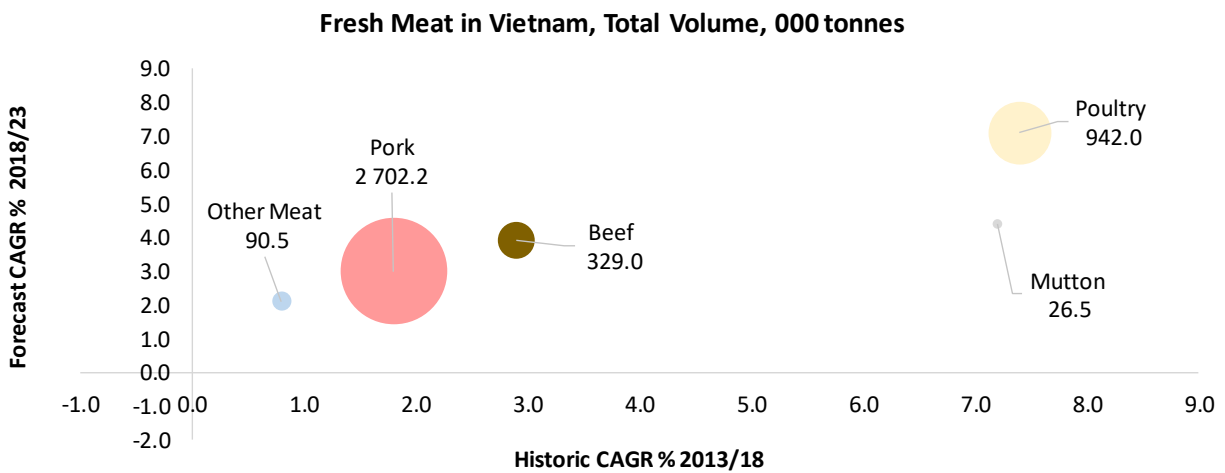
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Demand has risen rapidly, but per capita consumption is still low compared to western countries.</li> <li>▪ Demand for poultry in particular is growing quickly.</li> <li>▪ Domestic production is generally highly fragmented.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Vietnamese consumer places a high emphasis on the freshness of meat, which by default favours local producers.</li> <li>▪ Fresh meat is generally purchased unpackaged at wet markets, again favouring very local producers.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ High production costs for domestic producers provide opportunities across the board to some extent.</li> <li>▪ Strong deficits in beef and poultry production mean a high level of imports required to meet demand. Food service channel may be interesting.</li> <li>▪ Concerns about bacteria and antibiotic use in domestic meat may favour some imported products; while domestic disease outbreaks such as African swine fever have created temporary shortages and hence short term opportunities for exporters.</li> </ul> <p>Potential opportunities in the currently less competitive food service channel.</p>	<ul style="list-style-type: none"> <li>▪ There is a trend towards the integration of domestic production to make it more competitive.</li> <li>▪ The US holds a strong position in the poultry and beef markets. Australia is carving out a niche in high quality beef following the removal of tariffs on beef. India is important for bovine meat.</li> </ul>

### 5.1.2 Consumption

#### 5.1.2.1 Evolution of consumption

Consumption of all major types of meat in Vietnam has increased in recent years at a rate above that of the population. Pork is the most popular meat in the country, accounting for approximately 2/3 of all meat consumed. Consumption of pork grew at 1.8% per year over the period 2013-18 and is forecast to grow even more quickly going forwards to 2023 at 3.0%. The second most popular meat is poultry, which accounts for roughly ¼ of meat consumed. The volume of poultry has increased rapidly in recent years at 7.4% per year. This growth is expected to slow going forwards, but at 7.1% per year, the growth of this segment will continue to outstrip all other meat types. Consumption of beef is fairly minor at a bit under 10% of all meat consumed; and that of mutton is negligible, though rapidly growing (Figure 5-1).

Figure 5-1: Evolution and forecast of fresh meat market (000 tonnes) in Vietnam, 2013-2023; total volume



Source: Euromonitor International: Fresh Food, 2020.

### 5.1.2.2 Consumer profile and purchase criteria

#### Consumers

The rapid increase in income has been a key driver for the increase in per capita consumption of meat in Vietnam; and the increase in population has further boosted overall demand for meat. Nonetheless, per capita consumption of meat in Vietnam, while broadly in line with neighbours such as Thailand and Cambodia, still significantly lags that of China and of the western world. Meat – pork in particular – is consumed by more or less the whole population in some quantity. There are however certain factors which can lead to higher per capita consumption among the Vietnamese population. This includes: higher levels of income; being urban-based (rather than rural); and to some extent, the level of education. Consumption levels have also been shown to be slightly higher in the north of the country (Red River Delta and Northern mountain areas) than elsewhere.<sup>43</sup>

#### Drivers and method of consumption

Meat is now a key source of protein in Vietnam. Historically, pork is the main meat consumed in Vietnam, and remains so to this day. This is both due to a combination of tradition (pork has historically been the meat of choice; partly due to cultural endorsement from the neighbouring Chinese) and practicality (pork is widely produced in the country, partly boosted by the fact that pigs eat inedible waste). The preference for pork largely transcends income and class. Poultry and beef have also traditionally been consumed, but recently poultry in particular has been boosted by interest in foreign/imported products in recent years.

The use of meat in traditional Vietnamese dishes is a key driver of overall demand for meat. Popular dishes such as beef *pho*, chicken *pho* and *Thit Kho Tau* (pork belly with eggs) drive demand for certain cuts such as flank steak, chuck and certain other steak cuts and pork belly. However, some types of popular foreign food such as Korean barbecue are also increasingly driving demand for specific cuts of meat; while good

<sup>43</sup> <https://pdfs.semanticscholar.org/2af4/24c939afee4120e5ca50b7862337fb4e2518.pdf>



quality sirloin, t-bone and ribeye steak are in demand from consumers after premium beef cuts (particularly in restaurants). In the specific case of poultry, there is a clear preference for “dark” meat, most notably as drumsticks, leg quarters and wing tips.<sup>44</sup>

It is interesting to note that various studies have shown that meals consumed outside the home in Vietnam comprise considerably higher volumes of meat than meals consumed at home. While meat will form an ingredient of home-cooked meals, it is likely to only be a small part, with rice and vegetables more dominant. Outside the home, the proportion of meat in dishes such as pho has been observed to generally be higher. Furthermore, non-traditional food service outlets such as steakhouses, Korean BBQ restaurants, Japanese restaurants and even fast food outlets offer foods that incorporate meat to a great extent (or as the main ingredient).

### Purchase criteria

A strong emphasis is placed on freshness of meat - pork in particular. Meat is generally cooked by consumers very soon after purchase, and the idea of chilled meat is still emerging. However, in recent years increased attention has been also paid to the safety of meat following: (1) the discovery of bacteria in pork sold in wet markets (salmonella in particular); and (2) cases of the heavy use of antibiotics (including some banned for use in animals) found in meat in Vietnam. Thirdly, nutritional content is increasingly playing a role in the choice to purchase certain meats such as poultry. While price may be a consideration in the purchase of meat, the three criteria above often trump price, particularly in the case of less frequently consumed meats such as beef. Origin may also play a minor role in the purchase decision of these meats. Finally, as is noted in the sub-section above on drivers, there are clear preferences for certain cuts of meat, and these obviously play an important role in the purchasing decision.<sup>45</sup>

### Meat on retailers' shelves in Vietnam

Imported meat – which is often sold frozen – does not tend to be discounted as this can raise alarm bells among consumers regarding the quality of the meat. Pricing inevitably varies greatly by meat type and cut, but in very broad terms retail prices are:

- **Mid-range:** +/-VND 250 000 – 500 000 (EUR 10-20) / kg
- **Premium:** +/- VND 500 000 – 1 000 000 (EUR 20-40) / kg
- **Super premium:** over VND 1 000 000 (EUR 40) / kg

The economy segment would be under VND 250 000 per kg; though it is rare to find economy imported beef; some economy imported poultry and pork can be found on the market.

<sup>44</sup> <https://news.ilri.org/2017/03/15/a-deep-dive-inside-vietnams-pork-foodshed-to-determine-food-safety-issues-and-their-practical-resolutions/>

<sup>45</sup> <https://thediomat.com/2018/06/vietnams-meat-boom/>; <https://relocationvietnam.com/blog/business-talk-chicken-consumption-in-vietnam>; <https://www.mla.com.au/prices-markets/market-news/australian-beef-gains-strong-momentum-in-vietnam/#>



Consumers tend to purchase 500g or 1kg packs of meat; and this is reflected by the pack sizes which are found on shelves. Display and quality packaging are important, and it is common for origin to be clearly indicated through some means (see below).



Pictures: © Agra CEAS / Euromonitor International, 2020.

### 5.1.2.3 Recent market trends

Pork prices stabilised in 2018, following a volatile year in 2017 during which periods of oversupply and shortage impacted the market. Both individual actors and the government learnt from the experience of that year. It should be noted that the Vietnamese government has an interest in maintaining a stable pork market given it is the country's most popular meat; avoiding volatility in the pork market therefore helps contribute to broader stability. The government therefore tries to create a healthy environment for players in the market and encourages co-operation along the chain when necessary. While there have been increasing recent cases of African swine fever reported in Vietnam following a first outbreak in early 2019, a combination of market forces and government direction kept prices stable through to late 2019, even if impacts on herd size and production have been substantial. Going forward, some upward pressure on prices is expected due to the pressures on domestic production, but price increases are expected nonetheless to remain fairly low. The current situation with African swine fever outbreaks in the country does create some uncertainty, however. Indeed, it was estimated in the run-up to the 2020 lunar new year that substantial pork shortages could be expected - as much as 500 000 tonnes – due to issues with domestic production. No data is yet available on the scale of the actual shortage after the event, or how any shortfall was filled.

Demand for poultry has increased rapidly in recent years and is expected to continue to do so going forward, with the retail market forecast to grow quickly (6.5%), but the food service market even quicker (around 8%). Good supply – both domestic and imported – along with an affordable price are factors which have, and are expected to continue to support demand for poultry.

The market for beef in Vietnam is beginning to mature following several years of expansion marked by a rapid growth of imports. It is nonetheless forecast to grow at 3.9% per year in the coming years, which is more quickly than pork (3.0%). As is the case with poultry, the food service sector is forecast to be a notable driver of this demand.

Finally, interest in chilled meat has increased of late, partly fuelled by interests in food safety. As inferred in section 5.1.2.2 above, meat is generally purchased fresh (warm) and consumed quickly after slaughter without being chilled. However, this is slowly changing.<sup>46</sup>

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<sup>46</sup> Euromonitor International 2019: Fresh foods;

<http://country.eiu.com/article.aspx?articleid=978169681&Country=Vietnam&topic=Economy>;

<https://vietnamnews.vn/economy/538566/pork-supply-to-meet-demand-on-domestic-market-next-months.html#DC946u8bTUF1iDjK.97>

<https://vietnamnews.vn/economy/537021/pork-supply-to-meet-market-demand-by-tet-festival.html#k8BCwDz5zZbXvjeS.97>;

<https://www.mla.com.au/prices-markets/market-news/australian-beef-gains-strong-momentum-in-vietnam/#>

### 5.1.3 Offer

#### 5.1.3.1 Domestic production

Domestic production of meat is dominated by pork. Pigs lend themselves well to the traditional small scale agricultural system in Vietnam, as they can act as a recycling and inedible waste disposal system for these farms. Production of beef in Vietnam on the other hand is severely restrained by the lack of grassland in the country. As a result, while there is sufficient domestic production to meet demand for pork, there are significant shortfalls in domestic production of bovine meat and poultry.

The vast majority of livestock for meat in Vietnam – as much as 85% - is raised on small scale farms. One of the consequences of this is that there can be inconsistency in terms of breeds and quality. Another consequence is that there are limited productivity gains; and as a result of this, the production cost of meat in Vietnam has tended to be higher than that of imported meat. Furthermore, as the majority of animal feed in Vietnam is imported, the costs of inputs for production in the country are high. As a result of all these factors combined, there have been some opportunities for importers. However, recently some local companies have attempted to integrate operations along the whole production chain in order to be price competitive vis-à-vis imports. Examples of such companies include Dabaco Group and Hoa Phat Group. Nonetheless, a large part of production is based on unintegrated, small scale production, and manual slaughtering remains common. The largest fresh meat processors in Vietnam are Vissan JSC, CP Vietnam Livestock Corp and Ngoc Ha Co Ltd.<sup>47</sup>

In addition to the challenges outlined above, the Vietnamese meat production sector has faced further challenges in recent years which may be partially linked to the nature of the sector outlined above. There have been various cases of diseases – first foot and mouth disease, and most recently, African swine fever, which has led to widescale culling and restrictions on trade. The situation with African swine fever has been complicated by some poor biosafety practices (such as the dumping of infected corpses on riverbeds) despite official advice to report any outbreak so that it can be managed. Furthermore, there have been concerns about the safety of domestic production due to the detection of bacteria in pork and the use of antibiotics (including ones which are not authorised for animals).

#### 5.1.3.2 Imports and exports

Vietnam is a strong net importer of meat; in 2018 the value of imports reached over 400m EUR, dwarfing the value of exports by a ratio of six to one. Furthermore, the value of imports more than doubled over the period 2014-18. The value of exports has fluctuated over the same period, peaking in 2016 at just under 100m EUR before falling back to around 70m EUR in 2018 (Figure 5-2).

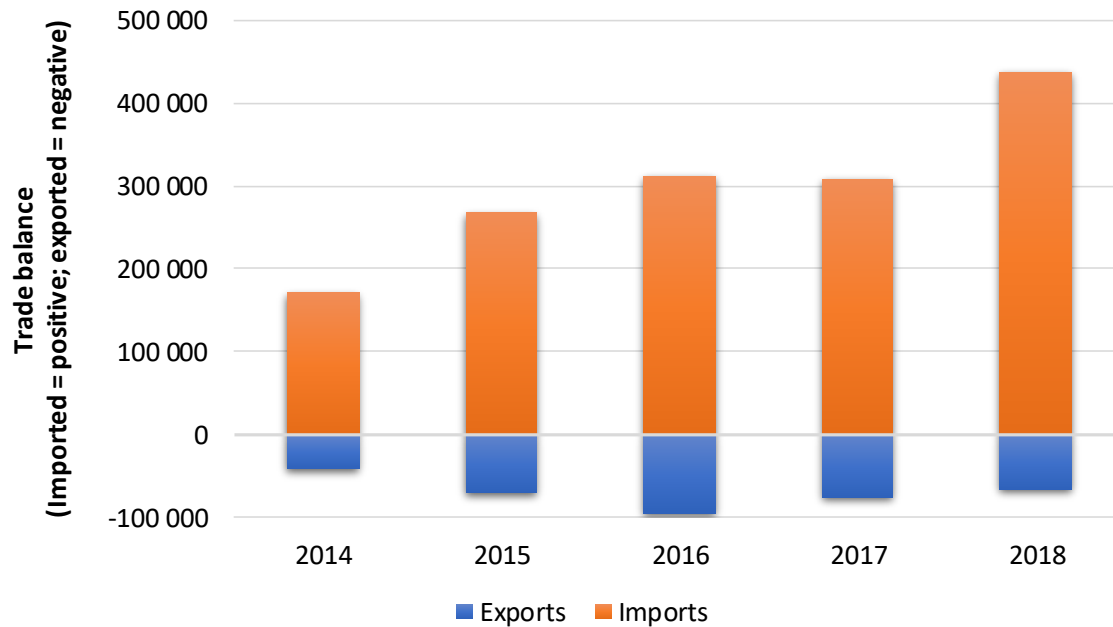
Bovine meat accounts for roughly half of all imports, while poultry meat accounts for a further two fifths. Pigmeat (pork) accounts for a fraction of imports, and ultimately exports of pigmeat outweigh imports,

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<sup>47</sup> [http://ap.ftc.agnet.org/ap\\_db.php?id=684](http://ap.ftc.agnet.org/ap_db.php?id=684); <https://www.porkbusiness.com/article/vietnam-increase-pork-production-following-asf-outbreaks>; Euromonitor International; Fresh Foods, 2020.

reflecting Vietnam’s strong pigmeat production (Figure 5-3). Bovine meat is predominantly imported in the form of frozen, boneless cuts. It should be noted that beef for the higher value markets in Vietnam is often imported.<sup>48</sup> Poultry is generally imported in the form of frozen cuts and edible offal.

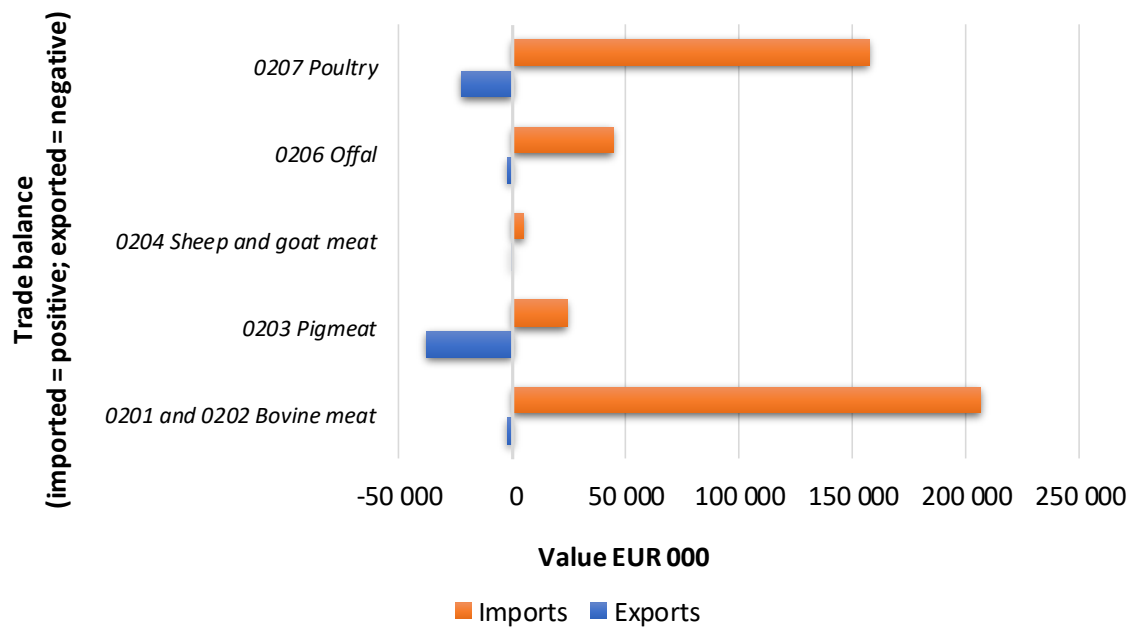
Figure 5-2: Trade balance (imports and exports) of fresh meat in Vietnam, 2014-18; 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

<sup>48</sup> <http://www.asiabeefnetwork.com/country-profiles/viet-nam/beef-markets-consumption/>

Figure 5-3: Trade balance (imports and exports) of fresh meat in Vietnam, by type, 2018; value 000 EUR

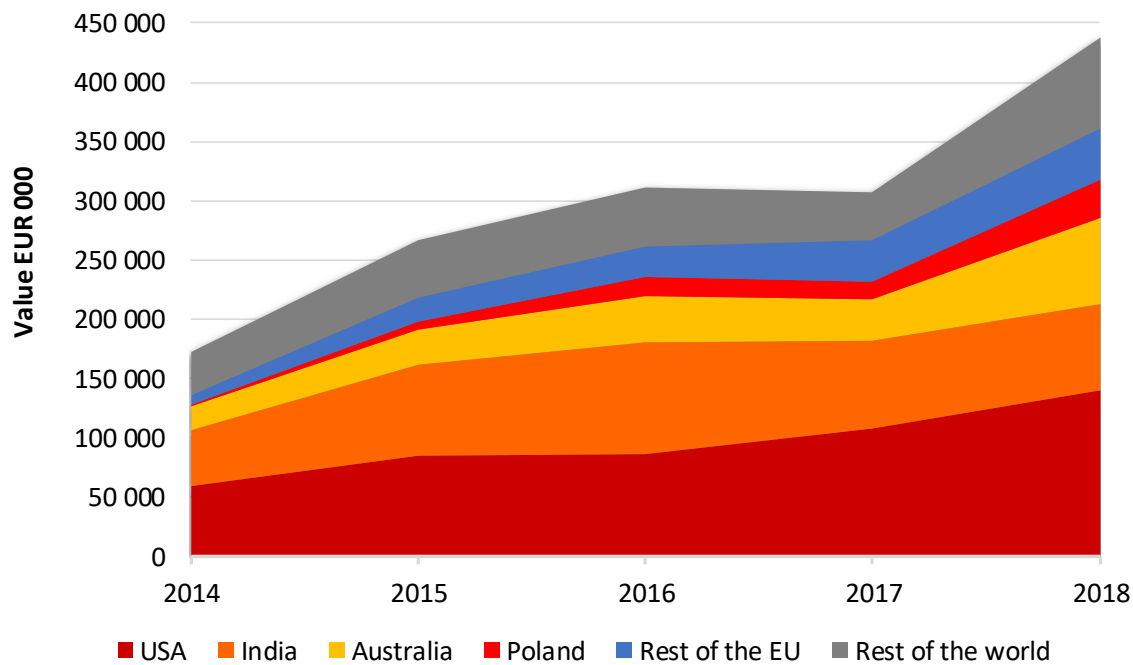


Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
 Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

The USA is the main origin of fresh meat imports, accounting for a bit over a quarter of all imports; roughly half of which is poultry, and the other half bovine meat. It is followed by India, which almost exclusively exports bovine meat to Vietnam (it is the largest bovine meat exporter). Australia is the third largest exporter, with the elimination of tariffs on beef at the beginning of 2018 boosting the country's high quality beef exports to Vietnam. Among EU countries, Poland stands out, with the country exporting a substantial volume of poultry. The rest of the EU accounts for roughly 10% of Vietnamese imports (Figure 5-4).



Figure 5-4: Vietnamese imports of fresh meat by country, 2014-18; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
 Data for CN code 0201, 0202, 0203, 0204, 0206, 0207.

### 5.1.3.3 EU GI products

No EU fresh meat products are registered as GIs in Vietnam nor are on the list for registration under the EU-Vietnam FTA.

### 5.1.3.4 Main competitors

The competitive landscape varies by meat type:

- **Pork:** domestic production dominates the market, and so the main competitors are large domestic Vietnamese companies such as Vissan JSC, CP Vietnam Livestock Corp, Dabaco Group and Ngoc Ha Co Ltd. However, domestic pork production does remain largely fragmented due to the small size of farms; and furthermore, has been recently impacted by outbreaks of African swine fever, providing opportunities for importers, albeit maybe only temporary. Indeed, the first half of 2019 saw very strong pork imports from the EU. Furthermore, imported pork often has a price advantage over domestic pork, which can be expensive for consumers.
- **Bovine meat:** India is the largest exporter of beef to Vietnam, followed by the US. Australia has emerged as an important competitor recently, boosted by the elimination of tariffs on Australian beef.
- **Poultry:** Vietnam is dependent on imports of predominantly frozen poultrymeat. The US accounts for roughly half of poultry imports into Vietnam. The remainder of imports is fairly fragmented, with South Korea, Brazil and EU countries – led by Poland – accounting for most of the rest. Indeed, the use of the latest frozen meat preservation technology by Polish producers, along with the prioritisation of the market is resulting in a continued increase in the importance of Polish poultry.

- **Sheep and goat meat:** imports are quite small and accounted for almost entirely by Australia and New Zealand.

Some importers of meat have been turning their attention to the food service sector of late as the off-trade channels tend to be dominated by the larger producers/origins identified above. There are some food service operators which directly import meat in significant quantities for use in their outlets.

#### 5.1.4 Specific market entry requirements

##### Market Access and Entry

In order to export meat to Vietnam, the competent authority of the country of export must have completed a successful application for export of that product from their country. As the situation with applications is frequently changing (and furthermore, disease outbreaks may affect access temporarily – see below), it is recommended that you contact the ministry of agriculture in your Member State in order to determine whether or not your country is approved for exports of the meat product in question. Nonetheless, as a starting point the following list (in Vietnamese) with a link to approved establishments in each country can be found at the following link:

<http://cucthuy.gov.vn/Pages/danh-sach-cac-doanh-nghiep-cua-22-nuoc-du-dieu-kien-xuat-khau-thuc-pham-co-nguon-goc-dong-vat-tren-can-vao-viet-nam.aspx>

Furthermore, for an establishment to export, it must have been recommended by the competent authority of the country in question and approved by the Vietnamese authorities. This is set to change under the EVFTA with the introduction of pre-listing (i.e. it will only be necessary for the approved competent authority of the country in question to provide the list of establishments which comply with the requirements of the Vietnamese authorities, and the Vietnamese authorities have a set time frame of 45 days to approve these establishments without prior inspection, or to request extra information; any rejection will have to be justified).

As outlined in section 4.2.1, meat producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the product is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2; including notably the provisions of Circular 25/2016/TT-BNNPTNT providing for the quarantine of terrestrial animals products, which includes the quarantine registration and certificate referred to below.

In terms of tariffs, currently European meat exporters face duties of between 7 and 40% for the meats covered in this section. Nonetheless, thanks to the EU-Vietnam FTA, **duties on most fresh meats are to be entirely eliminated over periods spanning up to 10 years** from when the Agreement enters into force.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=02>



### Customs procedures

A detailed list of standard documents required for the import of meat into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2). As stated in these tables, it should be noted that this includes a **veterinary health certificate; quarantine certificate for animal products; quarantine registration; and certificate of analysis.**

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

**Bovine fresh:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=0201>

**Bovine frozen:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=0202>

**Pigmeat:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=0203>

**Sheep / goat meat:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=0204>

**Offal:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=0206>

**Poultry:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=0207>

### Standards, SPS measures

Vietnam has placed some restrictions on exports of beef, irrespective of BSE country status, hence deviating from WHO and OIE guidelines. Vietnam does not recognise the BSE status assessment made by the OIE and instead requires its own risk assessment. This has led to the different treatment of countries with the same OIE BSE country status. Market access has been provided to some EU Member States for some products (e.g. France, Spain, Belgium, Netherlands) though exports of some cuts from these countries can still face challenges.

Vietnam does generally accept regionalisation, though the definition of a region is different from the EU; therefore, regionalisation is often applied by Vietnamese authorities to wider provinces, rather than the smaller zones. The EVFTA contains a clause that regionalisation in line with the OIE standards and SPS Agreement will be recognised, and hence this should be the basis for regionalisation in the case of disease outbreaks following entry into force.

**Up to date information on appropriate documents concerning SPS barriers:**

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

### Labelling

As set out in section 4.2.3, meat exporters must comply with generic labelling requirements set out in Decree 43/2017/ND-CP.

### 5.1.5 Distribution

The retail channel accounts for 59% of meat distributed in Vietnam by volume, with food service and institutional channels accounting for the remaining 41% (Figure 5-5).

Figure 5-5: Distribution of fresh meat in Vietnam



Source: Euromonitor International: Fresh foods, 2020.

Wet markets are the preferred place of purchase of fresh food for Vietnamese consumers, accounting for  $\frac{3}{4}$  of all fresh food distribution; and fresh meat is no exception to this rule. Indeed, in many rural areas, wet markets are the only channel for fresh food distribution. Supermarkets and hypermarkets are increasing their shares of fresh food distribution, which now stands at almost 13%. Increased concerns about food safety are driving consumers to these channels. While this trend is likely to continue, wet markets will surely remain the main distribution channel of fresh meat for the foreseeable future.

Against the background above, unsurprisingly over 90% of retail meat is sold unpackaged. While the proportion of meat sold as packaged has increased in recent years, unpackaged meat will continue to dominate.

As noted in the previous sections, some producers are now directly targeting the food service sector due to strong competition in the retail sector. In addition to general opportunities in the food service sector, there are niche opportunities such as high quality beef cuts (see section 5.1.2.2).

Finally, it should be noted that imports of meat can only officially be undertaken by a Vietnamese company that is approved as a trader in meat and poultry products; therefore, the identification of a suitable, approved partner is of key importance, whichever end consumer distribution channel is of primary interest.

### 5.1.6 Challenges for EU products

Market entry poses a challenge – the competent authorities of the exporting country must be approved before an operator from that country can export, and at the time of writing several EU Member States are not authorised for export. While facilities must be authorised as well, the EVFTA will remove this requirement and introduce pre-listing. Furthermore, some restrictions on beef imports exist which are justified by the Vietnamese authorities through BSE.

#### Market Takeaway: Fresh meat

**Consumption:** rising. Pork the dominant meat, though demand for poultry in particular is growing quickly.

**Competition:** domestic producers for pork. US, India and Australia for other meats. EU countries gaining in importance.

**Distribution:** retail fresh meat mainly distributed unpackaged and through wet markets. Food service increasingly an interesting channel.

**Challenges:** market entry has challenges, though the EVFTA will remove some of these.

**Opportunities:** dark meat poultry cuts, predominantly boneless beef cuts. Disease outbreaks combined with high domestic production costs may create short term or sporadic opportunities for pork.

## 5.2 Fresh fruit and vegetables

### 5.2.1 SWOT analysis

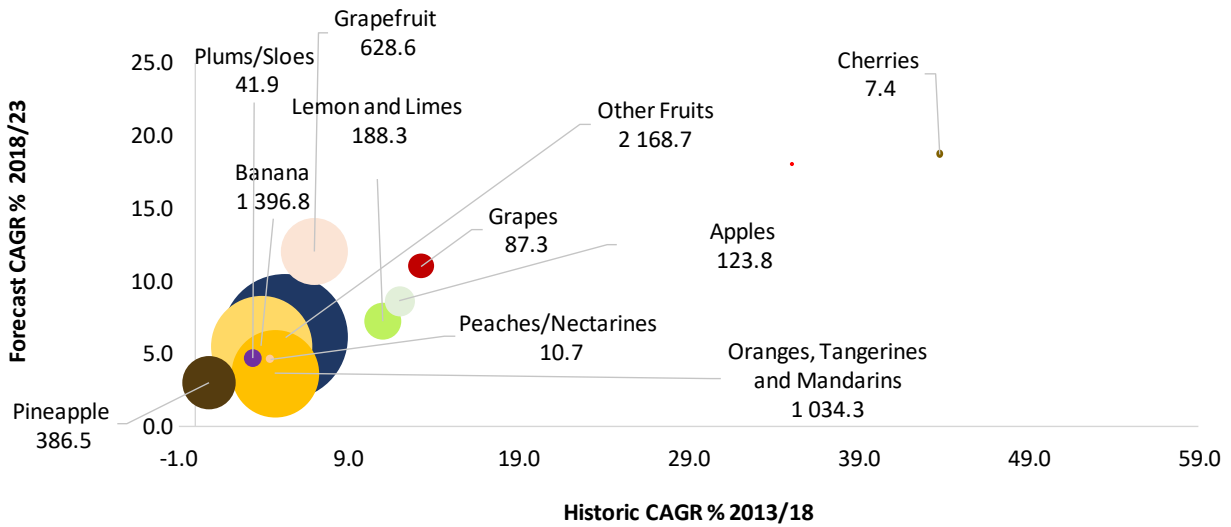
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Fruit and vegetables historically comprise an important part of the diet, and consumption of them continues to grow.</li> <li>▪ Consumers tend to prioritise food safety and a few other factors over price.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consumption is concentrated on certain traditional fruit and vegetables which are generally not produced by European countries.</li> <li>▪ There is a strong trade surplus of fruit and the country is almost self-sufficient in vegetables.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ As production becomes increasingly export-orientated, some gaps in the domestic market are beginning to emerge.</li> <li>▪ Some niche markets e.g. cherries and grapes are growing quickly, and the country is not self-sufficient in these fruits. Apples and kiwis are also quite popular.</li> </ul> <p>Concerns about the cleanliness of mass domestically produced fruit and veg has created opportunities for branded and organic fruit and veg that importers may be able to take advantage of.</p>	<ul style="list-style-type: none"> <li>▪ Some domestic producers are large; and several of these have developed brands that consumers trust.</li> <li>▪ Strong competition from importers. China and Cambodia dominate the imported vegetable market, for example.</li> <li>▪ Market access is granted on a per product, per country basis and considerable time may be before this occurs.</li> </ul>

### 5.2.2 Consumption

#### 5.2.2.1 Evolution of consumption

Consumption of most types of fruit in Vietnam has increased rapidly in recent years; by as much as 44% per year in the case of cherries, albeit from a small base. With the exception of the category of “other fruits”, the most popular fruits in Vietnam are bananas, followed by the category of oranges, tangerines and mandarins. Consumption of both of these categories grew at a rate faster than that of the population itself over the period 2013-18; bananas at 3.9%, and oranges, tangerines and mandarins at 4.7%. Grapefruit is also popular, and consumption of it grew at some 7% per year over the same period. Apples, lemons and limes are also consumed in notable volumes (Figure 5-6).

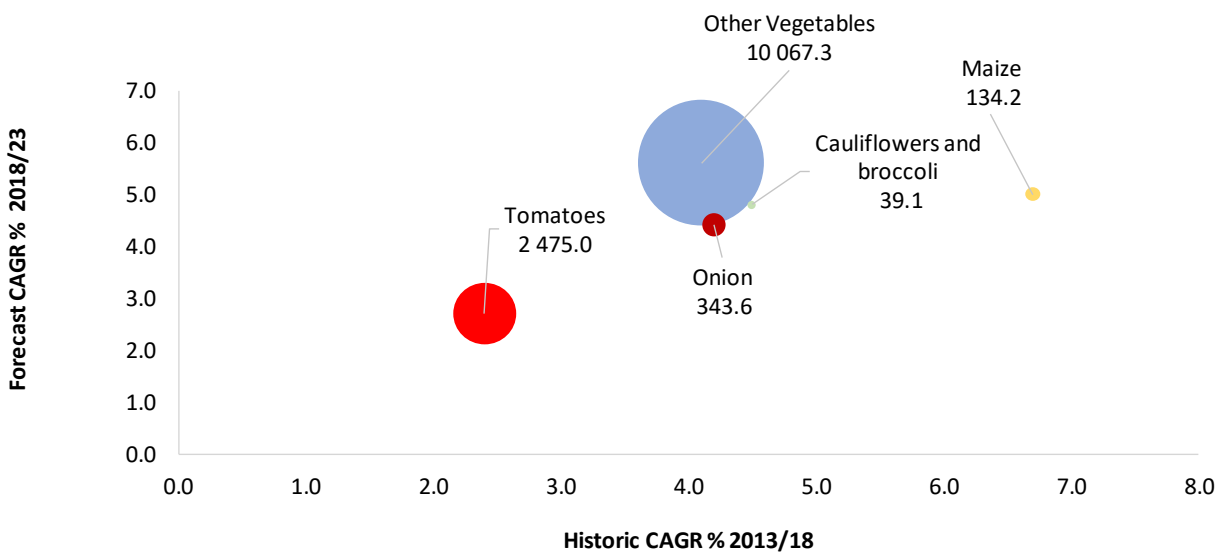
Figure 5-6: Evolution and forecast of fruits market (000 tonnes) in Vietnam, 2013-2023; total volume



Source: Euromonitor International: Fresh Food, 2020.

Consumption of vegetables has also increased rapidly, albeit generally at a slightly lower rate than that of fruit. The broad group of other vegetables account for the vast majority of consumption, and the market for these grew at 4.1% per year between 2013 and 2018. Tomatoes are very popular, accounting for roughly 20% of vegetable consumption, though the market is more mature and slow growing (2.4% per year between 2013 and 2018). Maize has been the fastest growing category in recent years (6.7% per year), though the market for the crop remains comparatively small (Figure 5-7).

Figure 5-7: Evolution and forecast of vegetables market (000 tonnes) in Vietnam, 2013-2023; total volume



Source: Euromonitor International Ltd: Fresh Food 2018.

### 5.2.2.2 Consumer profile and purchase criteria

#### Consumers

Vietnam has a diverse, abundant and affordable supply of fruit which is attainable for all consumers. The most popular fruits among consumers as a whole therefore include the domestically produced fruits of banana, pomelo, watermelon and guava, which are available across the country year round; though local availability varies between regions. However, predominantly imported fruits such as apples, grapes and cherries are gaining popularity among certain consumers as well.

Vegetables have been a key part of the traditional diet for all consumers, with local vegetables the most popular. The most common local vegetables include water spinach, cabbage, bamboo and chayote. Indeed, the Vietnamese market for vegetables is primarily focused on those which are used as part of traditional cuisine.<sup>49</sup>

#### Drivers and method of consumption

Urban consumers tend to eat fruit after meals, while rural consumers may consume fruit at different points of the day, due to their ready availability in rural areas. Demand for fruit, both fresh and processed, is boosted around the time of festivals, as it is often given as a gift. This is particularly true for imported fruits around the time of the lunar new year, due to their perceived quality. Popular fruits gifted during Tet vary by region, with availability playing a notable role. More specifically the following fruit are commonly gifted:

- **Northern Vietnam:** orange, banana, pomelo, green apple, pear.
- **Southern Vietnam:** watermelon, papaya, mango, pineapple, coconut, dragon fruit.

In addition to the inherent popularity of imported fruit around the new year period, it should be noted that the price of fruit in general tends to be greater during this period by a factor of 1.5 to 2 times, making the market more potentially attractive for imported fruit.

Vegetables on the other hand tend to be consumed as part of meals by both sets of consumers. Traditional Vietnamese cuisine relies on vegetables to a high extent (more so than e.g. meat); and the components of traditional meals are a notable driver for the consumption of many vegetables. Among vegetables commonly produced in Europe, cabbage and lettuce stand out as being used in Vietnamese cuisine to a notable extent. Despite traditional usage being the key driver of vegetable consumption, it should be noted that the market for starch roots – potatoes in particular – is witnessing rapid growth, driven by higher consumption of finger foods, including fried potatoes. Broccoli is also slowly gaining popularity.<sup>50</sup>

Consumption of both fruit and vegetables tends to be highest in the south eastern and Mekong river regions of Vietnam, which are also some of the richest.

<sup>49</sup> <https://english.vov.vn/economy/imported-fruit-increasingly-preferred-by-vietnamese-consumers-355991.vov>; <https://www.agroberichtenbuitenland.nl/actueel/nieuws/2018/06/27/vietnam-spends-usd385-million-on-fruits-veggies-from-china-and-thailand>

<sup>50</sup> <https://www.freshplaza.com/article/9139613/vietnam-is-a-market-of-interest-for-chilean-fruit-exporters/>; [https://www.aseankorea.org/aseanZone/downloadFile2.asp?boa\\_filenum=1575](https://www.aseankorea.org/aseanZone/downloadFile2.asp?boa_filenum=1575)

### Purchase criteria

Food safety has been identified as the number one purchase criterion for fresh fruit and vegetables in most cases. There are some regional differences in the importance of this criterion, with consumers in Hanoi and other northern cities putting a higher importance on this criterion than those in Hồ Chí Minh City, particularly in the case of fruit. Freshness is generally second, followed by taste and origin as the next most important criteria. While consumers do take into account price, it is generally not their main consideration when purchasing fruit and vegetables; though the natural variations in price caused by the seasonality of local harvest does lead to seasonal peaks and troughs in demand. In the specific case of vegetables, the extent to which residues from pesticides and growth stimulants are present plays an increasingly important role in the purchasing decision, with some producers offering residue-free “clear” vegetables to meet this demand.

Despite the importance of food safety, it has been shown that consumers are not currently substantially influenced by specific labelling information such as production method/certification (e.g. organic) or brand. The safety of fruit and vegetables is generally judged by a combination of the outlet through which it is purchased (taking into account any previous experiences with this outlet), origin and brand (if used). That said, there are signs that the organic status of fruit and vegetables is beginning to attract more attention, partly linked to the recent trend in “clear” vegetables noted above. This plugs into a wider trend of a strive for quality fruit and vegetables among higher income consumers, with organic often used as a proxy for quality by this group.<sup>51</sup>

#### Fruit and vegetables on retailers’ shelves in Vietnam

Prices inevitably vary by type of fruit, but in very broad terms, retail prices for imported fruit are as follows:

- **Economy:** VND 110 000-200 000 (EUR 4.40-8.80) / kg
- **Medium:** VND 200 000-320 000 (EUR 8.80-12.70) / kg
- **Premium:** above VND 320 000 (EUR 12.70) / kg

While discounts may be offered in some cases, they do not have a notable impact on purchases of imported fruit.

<sup>51</sup> Euromonitor International: Fresh foods, 2020. [https://www.adelaide.edu.au/global-food/system/files/media/documents/2019-03/Urban\\_Consumer\\_Survey\\_Factsheet\\_10.pdf](https://www.adelaide.edu.au/global-food/system/files/media/documents/2019-03/Urban_Consumer_Survey_Factsheet_10.pdf); [https://www.adelaide.edu.au/global-food/system/files/media/documents/2019-03/Urban\\_Consumer\\_Survey\\_Factsheet\\_09.pdf](https://www.adelaide.edu.au/global-food/system/files/media/documents/2019-03/Urban_Consumer_Survey_Factsheet_09.pdf)







Imported fruit and vegetables are often sold loose. In the cases they are sold pre-packed, transparent packaging is most commonly used. It is common for the origin, along with any certifications/characteristics (e.g. organic) to be highlighted (see photos above).

*Pictures: © Agra CEAS / Euromonitor International, 2020.*

### 5.2.2.3 Recent market trends

Demand for fruit and vegetables is forecast to continue to rise strongly going forward. The market for cherries and strawberries in particular is forecast to grow rapidly at 18.7% and 18.0% per year over the period to 2023.

While Vietnam has strong domestic fruit production, it is increasingly being exported as the government helps producers to scale up production and increase quality to meet the requirements of foreign markets. One impact of this is that the quality of fruit on the domestic market is also increasing. Another consequence is that there are early signs of some gaps emerging which could be filled by imported products; particularly given that imported fruits have been increasing in popularity in recent years.

There is an emerging trend of demand for “clear” vegetables – that is to say, vegetables without residues from pesticides or growth stimulants. However, there are challenges for these vegetables. Firstly, the “clear” vegetables available so far have been priced substantially higher than normal vegetables; and though price is not the primary consideration of Vietnamese consumers when purchasing fruit and vegetables (see above), consumers have not been willing to pay the substantial premium for them. Secondly, there have been concerns about the quality control of such vegetables, with only a few larger domestic producers really able to ensure a quality control that consumers trust, albeit at high market prices. As noted above, this has led to higher income consumers in particular focusing on organic status and / or origin as a proxy for quality and clear status.

## 5.2.3 Offer

### 5.2.3.1 Domestic production

A wide range of fruit and vegetable products are grown in Vietnam. The wet, tropical, temperate and subtropical climate lends itself to year round production; and the diversified ecology allows a range of different fruit and vegetables to be grown. Different types of vegetables are cultivated more or less across the country, with production particularly strong around the red river delta and in the south east. Fruit cultivation, on the other hand, varies more between regions with subtropical fruits (such as lychee, apricots and plums) grown in the north, and tropical fruits (such as mango, durian and avocado) produced in the south. Production has historically been concentrated on the types of fruit and vegetables which are traditionally consumed domestically (and as noted above, their traditional consumption itself was a result of their domestic availability). However, an increased focus has been placed on production for export, with potato, cucumber, bean, corn, cabbage, mango and pineapple identified as vegetables and fruits with strong export market potential.

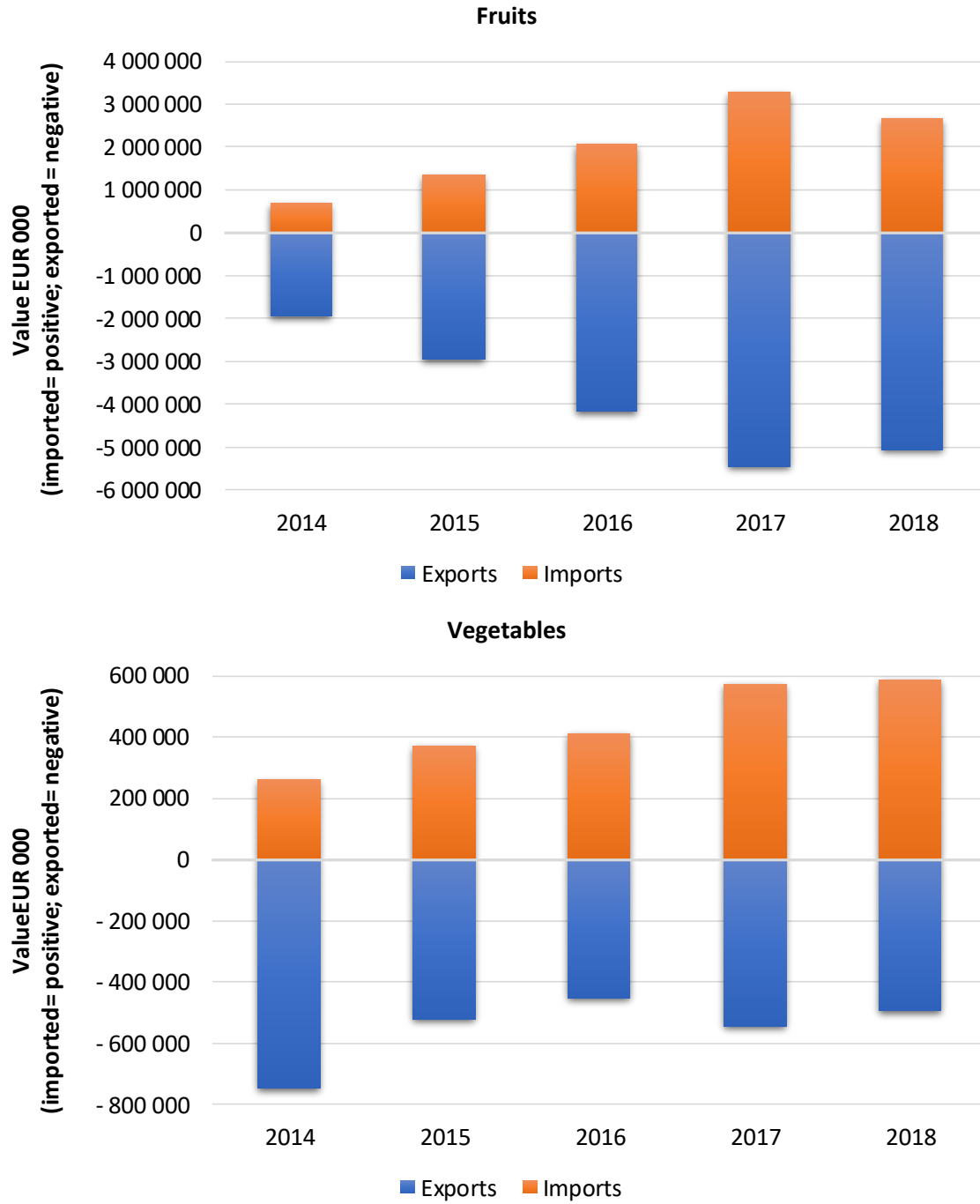
There are big players in the market with concentrated farms; Vietnam National Vegetable, Fruit And Agricultural Product Corporation JSC, VinEco Agricultural Investment, and Mekostar are examples. Furthermore, various domestic players have developed brands of fruit and vegetables; for example, Quang Tri and Van Noi organic vegetables. This has been one way of addressing the food safety concerns of consumers; and brands are particularly important for fruit. Nonetheless, domestic production does face some challenges, most notably with the supply chain. The geographical distribution of production across the country and the limited co-operation between different actors in the supply chain (farmers, wholesalers, retailers etc.) lead to differences in quality, fluctuations in supply and challenges in getting perishable products to market before it degrades.

### 5.2.3.2 Imports and exports

Vietnam is a substantial net exporter of fruit, with the value of exports reaching over 5bn EUR in 2018; just under double the value of imports. The value of both imports and exports peaked in 2017 before falling back slightly in 2018 (Figure 5-8), with the 1:2 ratio of imports to exports roughly stable throughout the period. Looking at the selected fresh fruit types, in 2018 Vietnam was a heavy net exporter of strawberries and other berries, with exports reaching 150m EUR approx. in 2018. On the other hand, among the selected categories, fresh fruits in which Vietnam was a significant net importer include: cherries; apples, quinces and pears; and grapes (Figure 5-9).

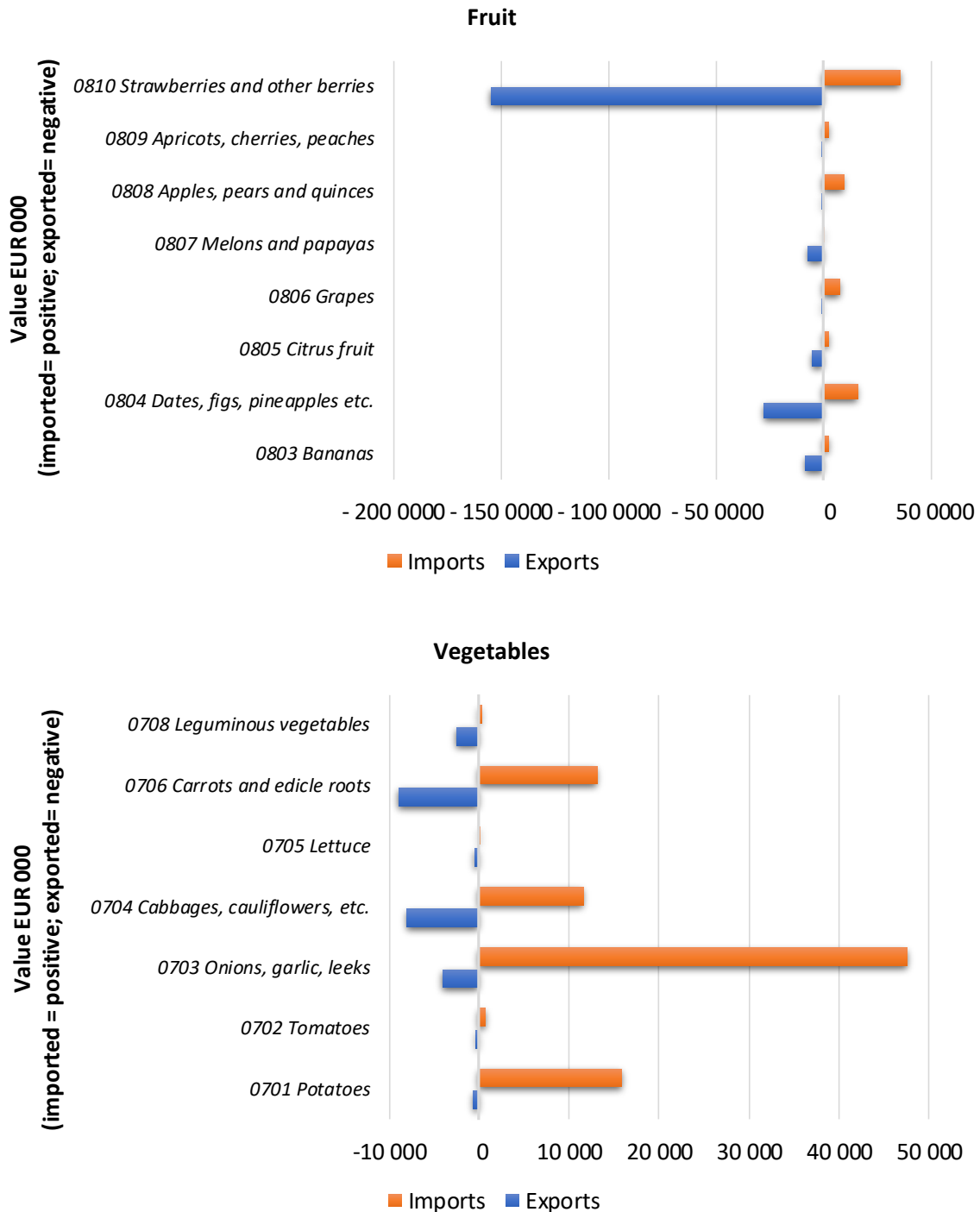
Vietnam has slowly moved towards becoming a net importer of vegetables in value terms. In 2014 the country was a significant net exporter of vegetables but this positive trade balance was eroded in the following two years and by 2017 the country was a significant net importer; a trend that only accelerated in 2017, with imports reaching almost 600m compared to exports of just under 500m (Figure 5-8). The country is a fairly heavy net importer of onions, garlic and leeks. Potatoes, cabbages and cauliflower are further product categories which are imported in high volumes in net terms.

Figure 5-8: Trade balance (imports and exports) of fruits and vegetables in Vietnam, 2014-18; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 07 and 08.

Figure 5-9: Trade balance of fruit and vegetables by type, 2018 (value 000 EUR; selected types only)



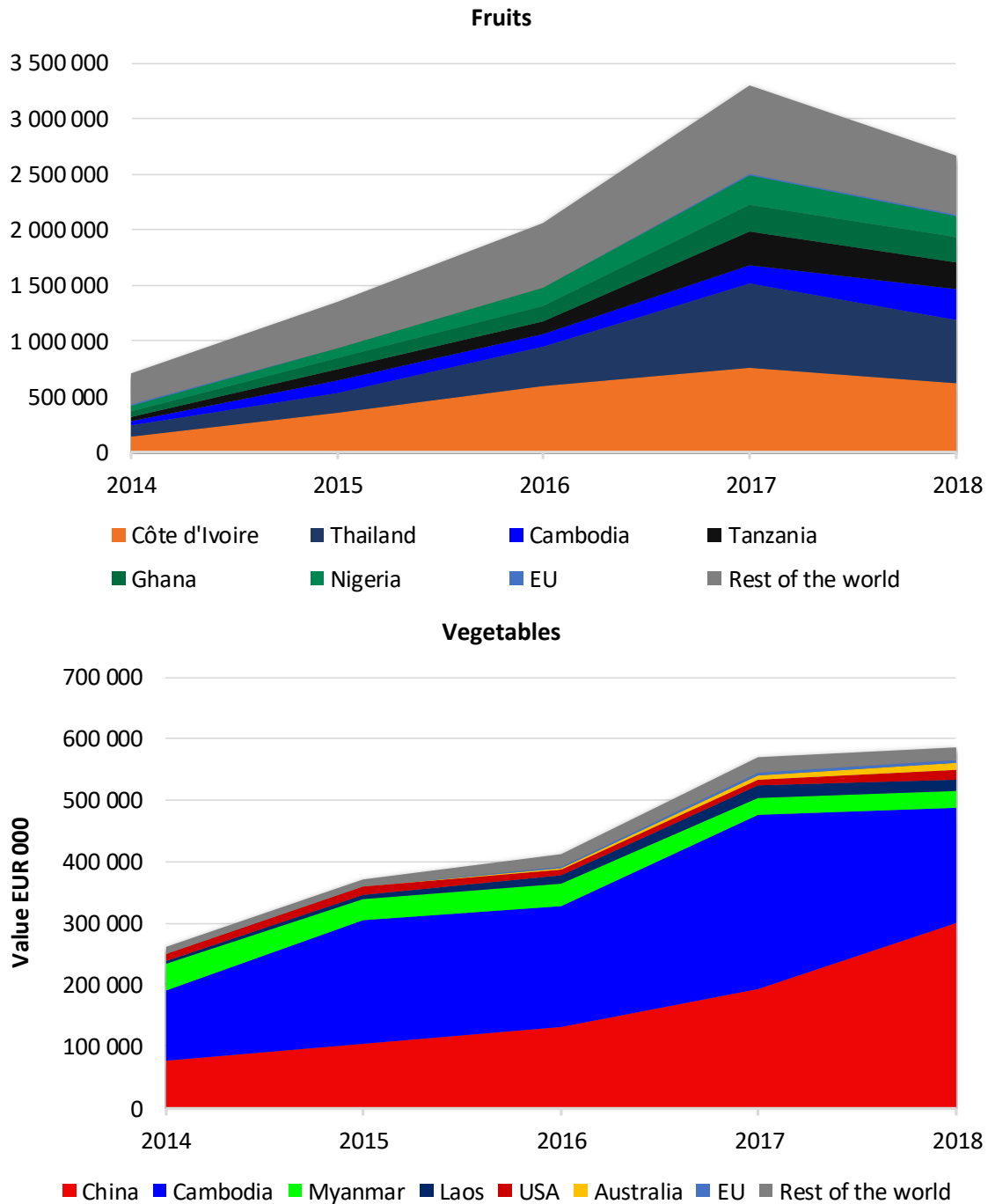
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Note: names for CN codes abbreviated in most cases.

Only indicated CN codes presented in these figures. 6 codes for fruit and 7 codes for vegetables are missing, which is why individual figures do not add up to totals in previous graphs.

With regard to the sources of imports, the Ivory Coast and Thailand are the two main sources of imports of fruit; while China and Cambodia are the two main sources of vegetables. EU countries account for small fractions of imports of both fruit and vegetables. Imports of Thai fruits were boosted in 2017 by the removal of bans on the import of mangoes, longans, lychees and rambutans; as well as the presence of Thai retailers in the country.

Figure 5-10: Vietnamese imports of fruits and vegetables by country, 2014-18; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 07 and 08.

### 5.2.3.3 EU GI products

The following fresh fruit and vegetable products will be protected as GIs in Vietnam once the EU-Vietnam FTA enters into force:

- Cítricos Valencianos; Cítrics Valencians (orange, Spain)
- Pêra Rocha do Oeste (pear, Portugal)
- Kiwi latina (kiwi, Italy)
- Elia Kalamatas (table olive, Greece)

The dried and processed Pruneaux d'Agen (prunes, France) will also be recognised as GIs, though they can be considered processed fruit rather than fresh.

#### 5.2.3.4 Main competitors

There is strong domestic production of both fruit and vegetables, with Vietnam being a notable net exporter of fruit. While an increasing proportion of domestic production is being sent for export, the majority remains on the domestic market. Furthermore, some importers provide notable competition. China and Cambodia combined provide over 80% of imports of vegetables. The Ivory Coast and Thailand are important importers of fruit. Finally, certain countries are preferred by consumers for certain products, as follows:

- **China**- cabbage, potatoes, orange, carrots, pomegranate, pear, plum.
- **Thailand**- durian, mango, Siamese custard apple, jackfruit, rambutan.
- **New Zealand, Australia**- apples, oranges, pears, kiwis, cherries and grapes.

EU countries unfortunately currently account for a small, near negligible proportion of imports of both fruit and vegetables, though opportunities are emerging.

#### 5.2.4 Specific market entry requirements

##### Market access and entry

In order to export fruit and vegetable products to Vietnam, the competent authority of the country of export must have completed a successful application for export of that product from their country. This process can take a long time; and only one application per Member State is reviewed at a time. As the situation with applications is frequently changing, it is recommended that you contact the ministry of agriculture in your Member State in order to determine whether or not your country is approved for exports of the fruit or vegetable in question.

As outlined in section 4.2.1, fruit and vegetable producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the product is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2.

In terms of tariffs, currently European fruit and vegetable exporters generally face duties of between 10 and 30% for fruit and vegetables, depending on the product (though for some specific products the tariffs are slightly higher and for others lower). Nonetheless, thanks to the EU-Vietnam FTA, **duties on most fruit**

and vegetable products are to be entirely eliminated over periods of between three and five years from when the Agreement enters into force.

Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=07>

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=08>

### Customs procedures

A detailed list of standard documents required for the import of fresh fruit and vegetables into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2). As stated in these tables, it should be noted that this includes a **certificate of fumigation**, **phytosanitary certificate** and **phytosanitary import permit for goods subject to pest risk Analysis**.

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website by entering the four digit CN code, e.g.:

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=0706> for  
carrots, turnips etc

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=0808> for  
apples, pears and quinces

### Standards, SPS measures

As noted above, the market access procedure for a country to obtain access to the Vietnamese market for their fruit and vegetables can be time consuming.

Furthermore, as stated in section 4.2, it should be noted that some active substances which may be used in the EU (such as Captan) are not registered for use on produce sold in Vietnam; and the MRLs for some pesticides in Vietnam are different from those in Europe. As noted in that section, Circular 50/2016/TT-BYT, containing an updated list of maximum residue levels (MRLs) for pesticides in food was published in December 2016, and entered into force in July 2017. The original Vietnamese text of the circular with MRLs is available at: <https://thuvienphapluat.vn/van-ban/The-thao-Y-te/Thong-tu-50-2016-TT-BYT-gioi-han-toi-da-du-luong-thuoc-bao-ve-thuc-vat-trong-thuc-pham-337490.aspx>

Finally, it should be noted that Vietnam can have strict cold treatment requirements for fruit and vegetables; though the precise nature of these requirements (e.g. number of days, temperature, transit rules) can currently vary depending on the market access protocol in place.

Up to date information on appropriate documents concerning SPS barriers:

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)



## Labelling

As set out in section 4.2.3, fruit and vegetable exporters must comply with generic labelling requirements set out in Decree 43/2017/ND-CP.

### 5.2.5 Distribution

The retail channel is the most important distribution channel for both fruit and vegetables, though its importance is notably greater in the case of fruit (Figure 5-11).

Figure 5-11: Distribution of fruit (left) and vegetables (right) in Vietnam



Source: Euromonitor International: Fresh Foods, 2020

Among the various types of retail outlets for fresh fruit, wet and street markets dominate. They are estimated to account for somewhere between 55 and 75% of fresh fruit distribution, and as much as 95% of fresh vegetable distribution in some areas. Supermarkets are estimated to account for up to 12% of fresh fruit distribution and under 10% of fresh vegetable distribution. Distribution of fresh fruit reflects the pattern of distribution of fresh food more broadly, while that of fresh vegetables is even more oriented to traditional outlets. Interestingly, the limited evidence available does not suggest that middle or high income consumers are significantly more likely to purchase their fruit in supermarkets than low income consumers. However, it is worth noting that imported fruit are more likely to enter the market through modern retail channels such as hyper/supermarkets.<sup>52</sup>

<sup>52</sup> Euromonitor International: Fresh Food, 2020; [https://www.adelaide.edu.au/global-food/system/files/media/documents/2019-03/Urban\\_Consumer\\_Survey\\_Factsheet\\_10.pdf](https://www.adelaide.edu.au/global-food/system/files/media/documents/2019-03/Urban_Consumer_Survey_Factsheet_10.pdf); <http://www.hxcorp.com.vn/news/2319-vietnam%E2%80%99s-fruit-and-vegetable-imports-and-export-considerably-rise.html>

### 5.2.6 Challenges for EU products

Countries must apply to export individual products, and this application – which can take several years – has to be approved before exports can begin. Requirements for cold treatment vary between countries/products based on the final protocol for export; and some parameters may provide challenges as well. Some care may be needed with regards to the active substances used and MRLs on fruit and vegetables.

#### **Market Takeaway: Fresh fruit and vegetables**

**Consumption:** high and growing consumption; though focused on traditional, locally produced fruit and vegetables. Safety an important purchase criterion.

**Competition:** strong domestic production, with some recognised brands. China and Cambodia dominate fruit imports. EU with a minor share of both fruit and vegetable imports.

**Distribution:** vast majority through traditional channels such as wet markets. Food service more important for vegetables than for fruit.

**Challenges:** access needs to be agreed on a country by country and product by product basis; and this can take time. Cold treatment and MRL requirements may be challenging in some specific cases.

**Opportunities:** some fast-growing niche fruits with domestic supply shortages, such as cherries, grapes, apples and kiwis. Increasing interest in residue-free and high-quality F&V, which may in turn favour importers.

## 5.3 Dairy

### 5.3.1 SWOT analysis

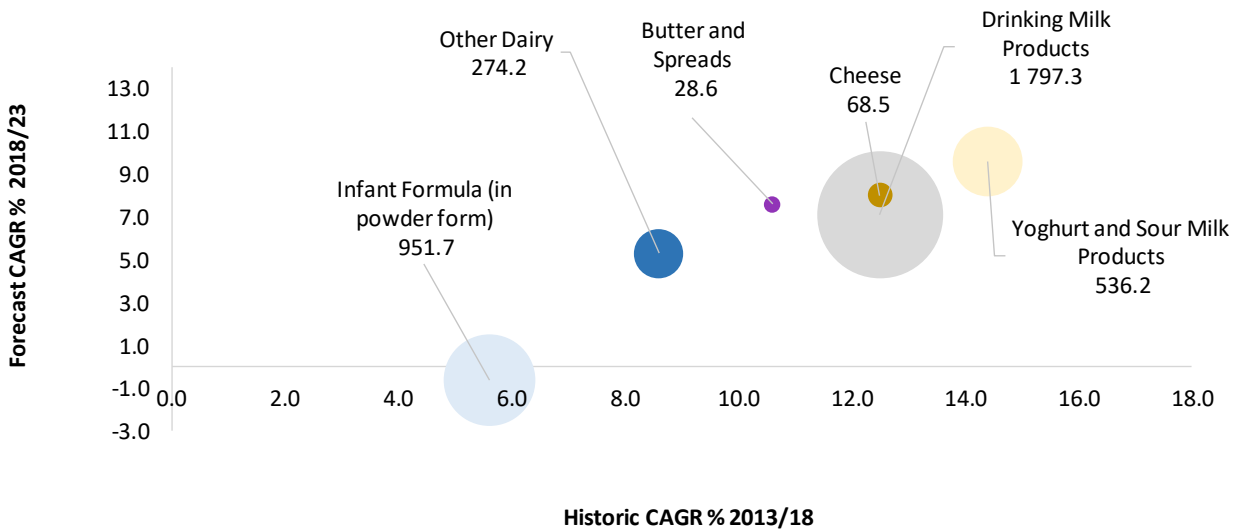
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Consumption of dairy products rapidly increasing.</li> <li>▪ Low domestic production of dairy, and hence a substantial structural shortage. The shortage in production is particularly noticeable around Hanoi.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Despite the growth in consumption of dairy, per capita consumption remains low compared to most other countries.</li> <li>▪ No traditional usage and low consumer awareness of products such as cheese and butter.</li> <li>▪ Soft, processed cheese is currently the dominant cheese in the limited cheese market.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Cheese market is emerging, and the protection to be offered to some GI products under the FTA may offer opportunities for cheeses other than soft processed.</li> <li>▪ Food service channel important for butter and cheese; and provide a way of introducing consumers to these non-traditional products.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vinamilk dominates various categories, and New Zealand holds a strong position among importers for several categories.</li> <li>▪ Rapid increases in domestic production as local producers try to fill the substantial structural shortage.</li> <li>▪ Cold chain and logistics may restrict the reach of imported dairy products.</li> </ul>

### 5.3.2 Consumption

#### 5.3.2.1 Evolution of consumption

The market for most dairy products in Vietnam has grown fairly quickly in recent years in both volume and value terms (Figure 5-12). However, per capita consumption remains low when compared to most other countries. For example, per capita consumption of drinking milk products – by far the largest market by volume in 2018 – was only 12.5kg – considerably lower than the western world and even than many other countries in the region. Drinking milk products do not only dominate the market in volume terms, but also in value terms (roughly 50% of all covered dairy categories). The market for drinking milk grew at a rapid 12.5% per year in value terms over the period 2013-18; and is forecast to continue to grow quickly, albeit slightly less so (7.1% per year) over the period 2019-23. Powder-form infant formula is the next highest value market, followed by yoghurt and sour milk products; the latter of which, at 14.4% per year, grew even more quickly than drinking milk over the period 2013-18. The market for cheese is currently relatively small at only 69m, but it also grew at an impressive 12.5% per year over the period 2013-18 and is forecast to grow at 8% per year going forward. The market for butter and spreads is even smaller (29m EUR) and has grown slightly more slowly (10.6% per year); though margarine and spreads account for 2/3 of this market. The market for other dairy – which has grown more slowly than other dairy products – primarily comprises condensed milk.

Figure 5-12: Evolution and forecast of dairy market (retail value, EUR millions) in Vietnam, 2013-2023



Source: Euromonitor International: Packaged Food, 2020.

### 5.3.2.2 Consumer profile and purchase criteria

#### Consumers

Dairy is not traditionally consumed in large quantities in Vietnam. This is largely due to low historical production (and hence availability) meaning that the traditional diet has developed more around other agricultural products. However, as income and living standards increased and the country increasingly opened up to trade, consumption has increased. Nonetheless, as noted in section 5.3.2.1, per capita consumption of dairy products remains low even compared to that of neighbouring countries.

Consumption of dairy products is considerably higher in urban areas than in rural areas. Urban consumers generally spend about three times more on dairy products than rural ones. Furthermore, there is a relationship between the consumption of dairy products among urban consumers and the level of income. Consumption by low income groups is notably lower than that of middle and higher income groups. While the consumption of dairy products among higher income groups is greater than that of middle income groups, this difference is less marked. Consumers with a high awareness of health and nutrition issues may also be more likely to consume dairy products; and indeed, increasing awareness of these issues among the population more broadly is one of the drivers of increased dairy consumption.

In the specific case of **drinking milk**, children have been a notable target consumer group in Vietnam due to the positive impacts it is expected to have on bone strength. Increasingly, health conscious young adults and the elderly have been targeted for fresh milk consumption. **Cheese** consumers also have certain specificities. As cheese is mainly imported, it is expensive, and hence its consumption is restricted to higher income groups. The main consumer group of soft spreadable cheese (the most popular cheese in Vietnam) is children. Similarly, consumption of **butter** is mainly imported so also primarily restricted to more affluent consumers. The one dairy product which is quite widely consumed by the Vietnamese

population is condensed milk (under other dairy); there is a longer history of consumption of the product dating back to the 1980s, and it is particularly popular among slightly older generations.<sup>53</sup>

### Drivers and method of consumption

The drivers of dairy consumption vary across the different categories of dairy:

- **Fresh (drinking) milk:** interest in health/wellbeing, combined with increased affordability, are key drivers of drinking milk consumption. Plain milk is preferred over flavoured (the former accounts for almost 60% of the market in volume terms compared to 20% for the latter; with powdered milk and milk alternatives such as soy accounting for the balance). Almost all plain milk in Vietnam is shelf-stable whole milk.
- **Yoghurt:** is strongly associated with health benefits (including digestion aid and strengthening the immune system) by many consumers. The perceived health benefits are therefore a strong driver of yoghurt consumption. Indeed, some domestic producers market their products based on associating them with selected health benefits, therefore reinforcing the importance of this driver. Yoghurt is also strongly associated with beauty care in Vietnam, and hence may also be used as face or hair mask; or as a cleaner which may assist natural skin lightening, prevent acne and reduce the signs of aging. While plain yoghurt is the most preferred type, drinking yoghurt has gained momentum in recent years.
- **Cheese** is not a traditional product in Vietnam. Its consumption is therefore primarily driven by interest in western food and lifestyles. This includes also the use of cheese in westernised food service outlets; most notably in pizza fast food outlets. In view of the lack of traditional use of cheese in Vietnamese cuisine, consumer knowledge of different types of products and brands remains limited. It is unsurprising therefore that cheese consumers are mainly focused in urban areas.

Spreadable processed cheese is the most popular type of cheese in Vietnam, accounting for around 85% of the retail cheese market in both volume and value terms; this is mainly consumed by children, and often as a snack (generally on crackers). Cheese cannot yet be considered part of the daily Vietnamese diet and is not commonly consumed at home by groups other than children (who are often fed it due to the connection with high calcium content and perceived impact of this on growth). The importance of the food service channel for cheese should therefore not be underestimated.

- **Butter**, like cheese, is also not a traditionally consumed product. However, the growth of western style food service outlets using butter in recent years has introduced it to Vietnamese consumers; and demand has fed through to retail channels. Bakery goods are a key driver of butter consumption in Vietnam. On one hand, bakery chains in the food service channel have multiplied in recent years. On the other hand, there is a trend towards home baking (particularly among young adults) which increases demand for butter. Nonetheless, the market for butter remains very small, with margarine often used for applications that butter may be preferred for elsewhere

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<sup>53</sup> Euromonitor International: Packaged foods, 2020; EVBN: Vietnam Dairy.

in the world – particularly in the home. Food service is therefore a key driver of butter consumption.

- **Condensed milk** (which accounts for the vast majority of sales under **other dairy**) has long been used both as a comfort snack (e.g. to dip bread in) and as an additive to hot beverages such as coffee in order to reduce bitterness.

### Purchase criteria

While there is some brand loyalty for dairy products (particularly established ones such as **drinking milk** and **yoghurt**), consumers have repeatedly shown that they are open to trying new products. Indeed, consumers have increasingly requested innovation among dairy products. Nonetheless, consumers are cautious on food safety issues; there have been several cases of issues with infant milk imported from China that have tainted the wider dairy market to an extent. Indeed, this concern about food safety can be considered one of the reasons that consumers pay attention to dairy brands.

In addition to food safety, consumers are increasingly interested in the health and wellness benefits of dairy. Consequently, consumers are paying increasing attention to the fortification of products, and indeed to whether a product is organic or the easier to digest A2 milk.

With regard to **cheese**, consumer knowledge is low; and as noted above, soft processed cheese dominates and the market for cheese is restricted to a small part of Vietnamese society. Subsequently, there are no clear purchase criteria as such. However, it is worth noting that the larger soft processed cheese companies have invested in marketing/advertising to promote sales, and this has been successful. Furthermore, in the absence of clear purchasing criteria and connection between dairy products and some positive impacts on health, highlighting the nutritional benefits of cheese may encourage purchase.

Similarly, knowledge of **butter** is low; and indeed, consumers often cannot differentiate between butter and margarine, so tend to opt for the latter for domestic consumption; and it should be remembered that food service is an important channel for butter consumption.

Consumers of **condensed milk** are strongly brand loyal, with two companies – Vinamilk and Royal FrieslandCampina dominating the market, and one Vinamilk brand holding a 70% share of the market. Price is also an important consideration for these consumers, partly explaining the popularity of the local Vinamilk brands. Finally, consumers do pay attention to packaging. Thin plastic wall containers are preferred (particularly for use in coffee and tea), followed by small metal cans.

### Dairy products on retailers' shelves in Vietnam

Given that dairy products are seen as a source of nutrition by consumers, it is common for packages to contain information which communicates the credentials of the product; for example, properties with a positive impact on health or the vitamin/mineral content. Against this background, organic certification may be found on many products.



The exact form of packaging varies between dairy categories. Cartons are popular for drinking milk and yoghurt; while paper boxes are considered classy/premium packaging for cheese. Plastic covers for cheese should be avoided as far as possible (see below).



The use of samples at the point of purchase is becoming increasingly popular for new cheeses and drinking yoghurts. Some cheese products are now placed e.g. surrounded by bread/crackers as subtle indications of how they could be consumed (see below).



In terms of price, local cheese products generally retail for under VND 100 000 (EUR 4) for 250 grams. The price of imported cheeses varies, but as a general rule they are under VND 400 000 (EUR 16) for 250g; products priced above this cannot expect to sell well.

*Pictures: © Agra CEAS / Euromonitor International, 2020.*

### 5.3.2.3 Recent market trends

The market for **drinking milk** products is forecast to grow fairly rapidly going forwards (7.1% per year in value terms). Domestic milk producers are increasingly targeting the market segments which have not historically consumed milk in such high quantities. Initially there was a push for consumer groups beyond children (notably young adults and the elderly); and presently domestic producers are looking at ways of targeting the rural market. However, this is not without challenges; milk products are generally not seen as essential, and there are logistical challenges in distributing these products to rural consumers. Existing consumers of drinking milk products are asking for more variety (and in some cases, functional ingredients), meaning innovation in this segment is likely to be important going forwards.

The value of the **yoghurt** market is expected to grow more quickly, at almost 10% per year going forward. The two trends which are being observed in the market at present are: (1) the increasing use of yoghurt externally for beauty purposes (see above); and (2) new ways of serving yoghurt for consumption. With



regard to the latter, yoghurt is increasingly being used as a topping or an ingredient in other dishes (e.g. cheesecake, biscuits, tarts).

The **cheese** market is forecast to continue its fast growth, with 8.0% per year expected for the period to 2023. As noted above, consumers tend to lack the knowledge of different cheeses; and the main market is for soft processed cheese consumed as a snack by children. However, there are signs that new markets and consumers are emerging. Some bloggers are presenting new ways of consuming cheese; for example, melted cheddar on top of noodles; cheese in a roll with a sausage; or cheese melted on top of fried chicken. As a result, cheese is beginning to be incorporated into more typical Vietnamese cuisine; and even new, innovative types of cheeses (including plant based ones such as those from the popular start-up *Kashew*) are entering the market. Furthermore, it is also found in an increasing number of street/fast food; for example, tea with cheese jelly and sweet potato sticks with cheese condiments. These new methods of consumption are likely to drive demand for some types of cheese other than soft processed over the next years. That said, given that knowledge of cheese other than soft processed remains low among consumers – partly as manufacturers have not made efforts to change this - efforts may be needed to boost any positive aspects of new cheese products.

The minor category of **butter** expected to grow at over 10% per year in the period to 2024, albeit from a small base. As noted above, as well as a continued increase in food service use there is an emerging trend of butter being used in home baking. However, two major challenges are that consumers are generally not aware of advantages in nutrition that butter can provide in some respects or the difference in taste of butter when compared to margarine; and margarine is substantially cheaper. Demand for other dairy is expected to grow more slowly than that for the other major dairy categories. **Condensed milk** is forecast to continue to dominate. Cream and coffee whiteners remain a new concept in Vietnam with a small market, and in the absence of marketing activities it is likely that condensed milk will continue to be preferred by them for adding to hot beverages, at least in the home.

### 5.3.3 Offer

#### 5.3.3.1 Domestic production

Vietnam's dairy industry is still developing. Fresh milk production increased at almost 15% per year over the period 2001-17. Nonetheless, the country is still strongly reliant on imports to meet demand; self-sufficiency for milk is currently estimated to be between 50-70%, having increased rapidly from just over 10% at the beginning of the millennium.

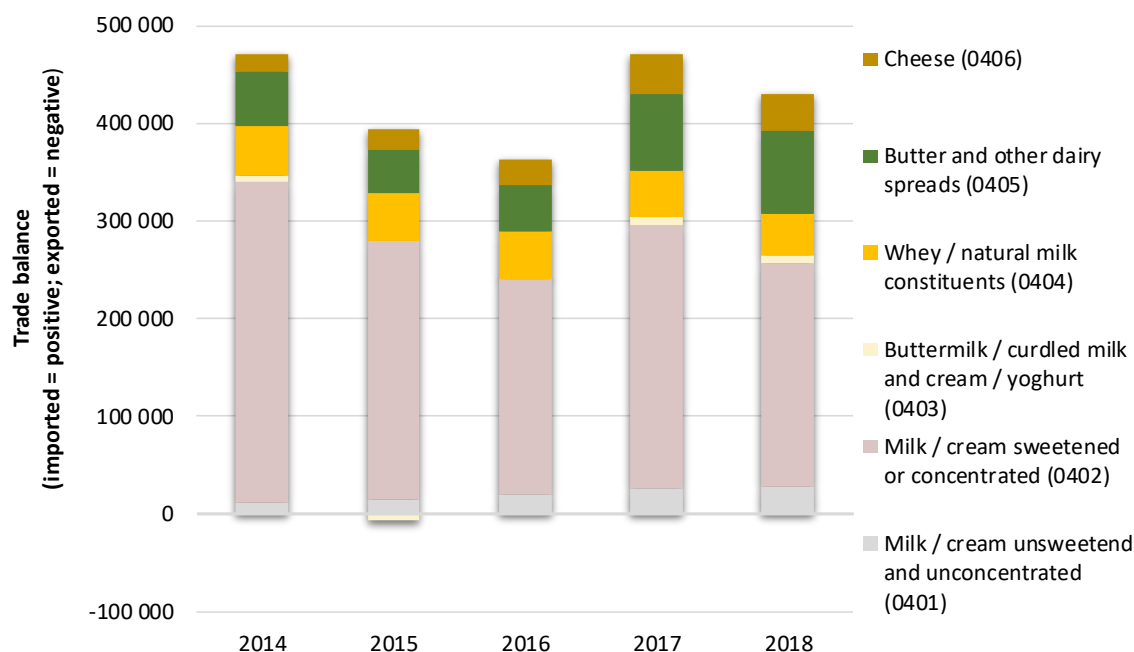
Milk production in Vietnam is strongly concentrated in a handful of provinces. Most notably, the largest cow herd in the country can be found in Hồ Chí Minh and the Mekong delta; together these regions account for over half of the country's total cow herd. Historically, herd sizes per farm are low, for example, the majority of farms in the Hồ Chí Minh area had herd sizes of under 10 cows until recently. However, this is beginning to change, driven particularly by larger companies investing in bigger farms (and most recently, in mega farms).

Vinamilk is an important producer across all dairy categories. It holds over 40% of the drinking milk market; almost 2/3 of the yoghurt market; and almost all the condensed milk market. The company and its brands are well recognised by consumers and is their preferred brand. However, various multinationals such as FrieslandCampina, Fonterra, Bel and Nestle have invested and are in some cases producing locally and are beginning to cannibalise Vinamilks' share in some segments. Moreover, there are also some smaller local producers.<sup>54</sup>

### 5.3.3.2 Imports and exports

Vietnam is a strong net importer of dairy products. The level of imports fluctuated around the 400bn EUR level for the period 2014-18. Exports, on the other hand, were negligible; unsurprising given the low level of domestic production which falls well short of domestic demand. Sweetened milk accounts for the majority (over 60%) of dairy imports – just under 250bn EUR in 2019. Imports of butter and spreads are the second most important at around 85bn, followed by cheese and whey (Figure 5-13).

Figure 5-13: Trade balance (imports and exports) of dairy in Vietnam, 2014-18; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
CN codes in brackets.

In terms of countries of origin, New Zealand is a major source for multiple products. It accounts for around 40% of imports for the major category of sweetened/concentrated milk; almost all imports of butter and dairy spreads; roughly one third of cheese imports and half of unsweetened milk imports. Other important non-EU players for the dairy categories include: the USA (roughly 1/3 of

<sup>54</sup> <http://www.lrrd.org/lrrd31/9/hoang31133.html> ; Vietnam Dairy, EVBN report; Euromonitor International: Packaged foods, 2020.

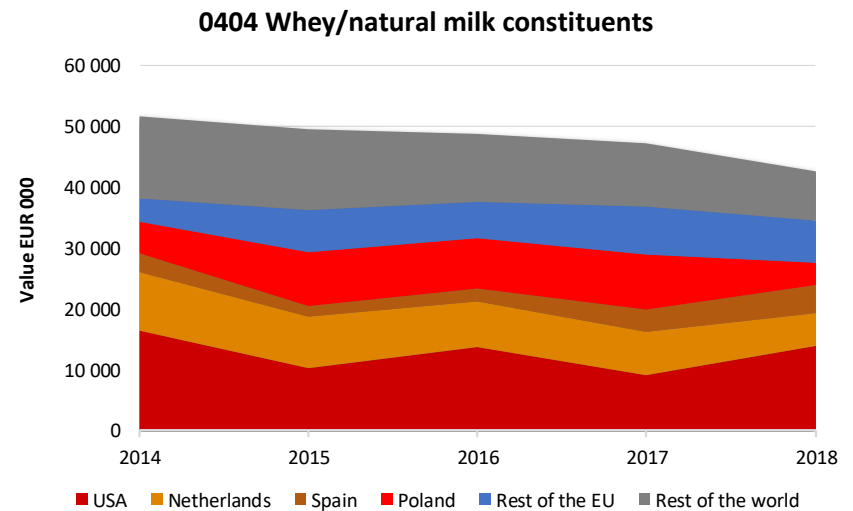
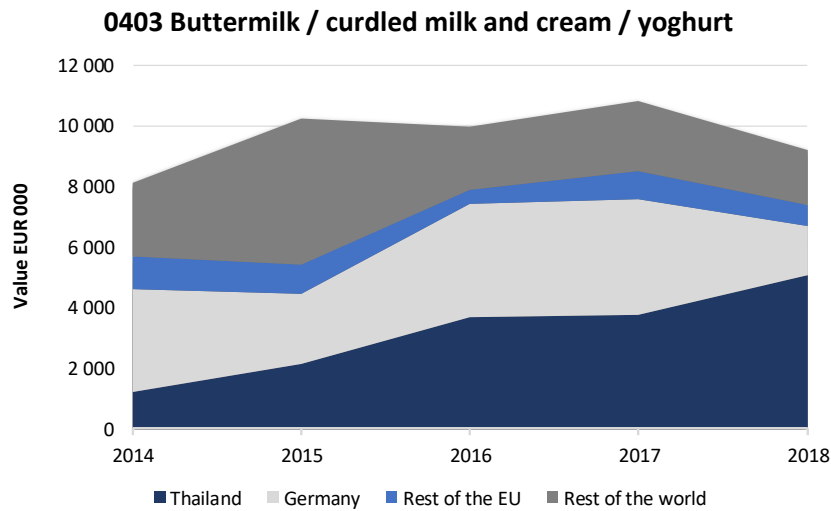
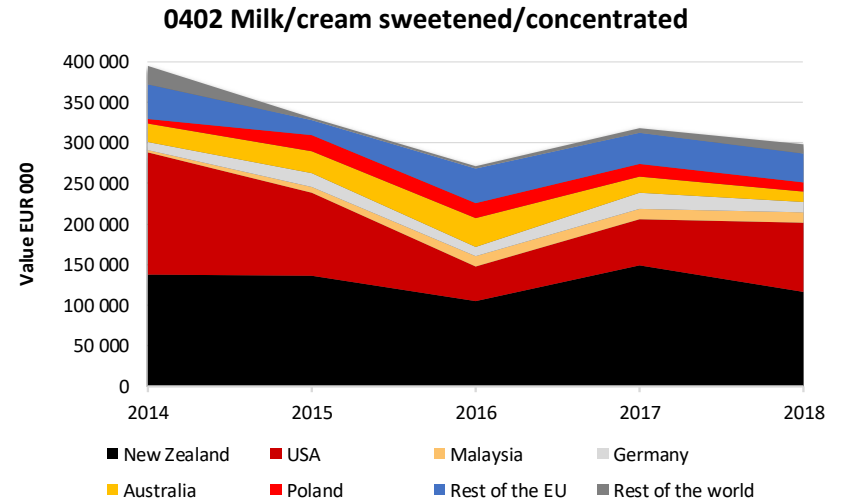
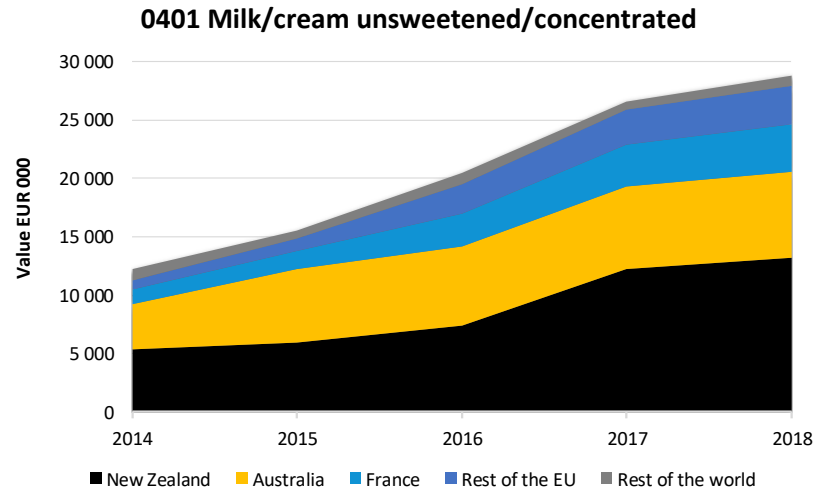
sweetened/concentrated milk imports and a similar share of whey imports); and Australia and Thailand, which have strong positions in the smaller markets of unsweetened milk and buttermilk.

EU countries – France and Germany in particular - are important sources of dairy imports for several products. More specifically:

- **Unsweetened/unconcentrated milk/cream:** France accounts for about 1/8th of imports, and the rest of the EU a further 1/8<sup>th</sup>.
- **Sweetened/concentrated milk/cream:** Germany and Poland have small shares of imports, however, given the very high volume of this market, the absolute amounts are quite high (13m EUR and 11m EUR). The rest of the EU accounts for around 36m EUR of imports.
- **Buttermilk:** Germany is the second biggest importer, accounting for around 1/6 of imports.
- **Whey:** the Netherlands, Spain and Poland are all important importers. Combined they account for 1/3 of imports. Whey primarily is destined for the infant formula nutrition and sports supplement markets.
- **Cheese:** France is the number 2 importer, and Germany the number 3 importer, each accounting for around 1/5 of importers.

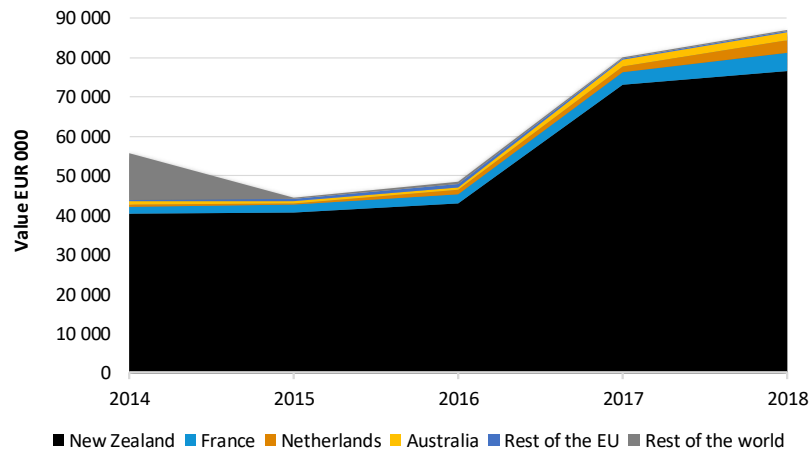
Market Entry Handbook

Figure 5-14: Vietnamese imports of different dairy categories by country, 2014-18; value EUR 000

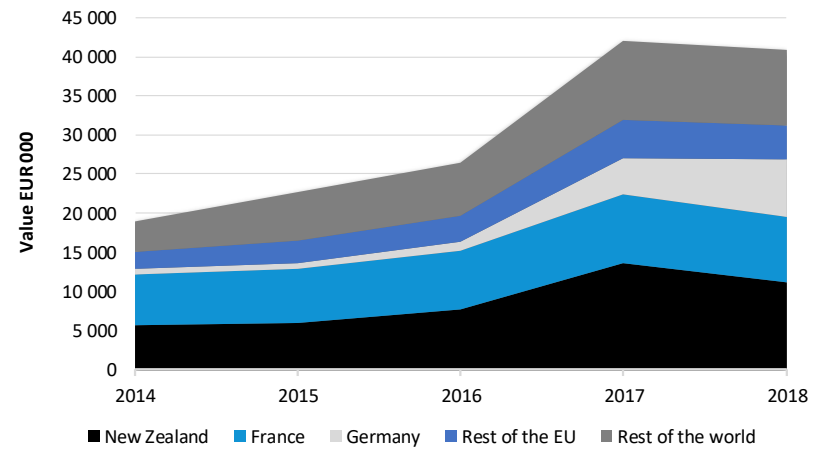


Market Entry Handbook

**0405 Butter/dairy spreads/**



**0406 Cheese**



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

CN codes in brackets.

### 5.3.3.3 EU GI products

A number of dairy products with GI – all cheeses – are set to receive protection under the EU-Vietnam FTA. More specifically, these are:

- Danablu – Cheese, Denmark
- Queso Manchego – Cheese, Spain
- Brie de Meaux - Cheese, France
- Camembert de Normandie – Cheese, France
- Comté – Cheese, France
- Emmental de Savoie – Cheese, France
- Reblochon; Reblochon de Savoie – Cheese, France
- Roquefort – Cheese, France
- Κασέρι (Kasseri) – Cheese, Greece
- Φέτα (Feta) – Cheese, Greece\*
- Fontina – Cheese, Italy\*
- Gorgonzola – Cheese, Italy\*
- Grana Padano – Cheese, Italy
- Mozzarella di Bufala Campana – Cheese, Italy
- Parmigiano Reggiano - Cheese, Italy
- Pecorino Romano – Cheese, Italy
- Provolone Valpadana – Cheese, Italy
- Taleggio - Cheese, Italy
- Gouda Holland - Cheese, Netherlands
- Queijo S. Jorge – Cheese, Portugal

Feta, Fontina and Gorgonzola have clauses allowing other producers who used these terms before 2017 in Vietnam in good faith to continue to do so.

### 5.3.3.4 Main competitors

While there is a structural shortage of dairy in Vietnam, Vinamilk accounts for the majority of local production and holds a formidable market share in several categories. Multinationals have entered the market and some engage in local dairy production. Nonetheless, imports remain substantial. New Zealand is an important source of imports across multiple categories and has advantages in that, alongside Australia it is geographically closer and has a reputation in Vietnam for quality dairy products. Nonetheless, EU countries also have a notable share of imports for multiple categories.

While the cheese market is dominated by mainly large multinationals/importers (Groupe Bel in particular which has a dominant share), these tend to use intermediaries to distribute their products, meaning their promotional activities may not be fully tailored to the Vietnamese consumer. Opportunities may

therefore be available for importers who examine carefully, and then respond to Vietnamese consumer needs and preferences.<sup>55</sup>

The condensed milk market is a big market in Vietnam, but it is already very saturated and distribution, which occurs mainly through independent grocers, is very fragmented. Differentiation of some kind – whether through focusing on benefits or intended uses/consumption methods – is important for any new products.

### 5.3.4 Specific market entry requirements

As outlined in section 4.2.1, dairy producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the product is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2.

In terms of tariffs, currently dairy products are generally subject to between 5 and 20% tariffs (with cheese, for example, subject to 10%). Nonetheless, thanks to the EU-Vietnam FTA, **duties are set to be entirely eliminated over a three to five-year timescale** after the Agreement enters into force.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=04>

### Customs procedures

A detailed list of standard documents required for the import of dairy products into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2 ). Furthermore, as outlined in in section 4.2.1, quarantine registration, a quarantine certificate for animal products and a veterinary health certificate for animal products are generally required for dairy products exported to Vietnam.

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website by entering the 4 digit CN code, for example 0406 for cheese is below:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=0406>

### Standards, SPS measures

Various circulars set out the technical regulations for different dairy products.

<sup>55</sup> Euromonitor International: Packaged foods, 2020.

Product	Circular	Web link (Vietnamese)
Fermented dairy products	41/2010/TT-BYT	<a href="https://thuvienphapluat.vn/van-ban/the-thao-y-te/Circular-No-41-2010-TT-BYT-national-technical-regulation-for-fermented-milk-products-309476.aspx">https://thuvienphapluat.vn/van-ban/the-thao-y-te/Circular-No-41-2010-TT-BYT-national-technical-regulation-for-fermented-milk-products-309476.aspx</a>
Dairy fats	33/2010/TT-BYT	<a href="https://thuvienphapluat.vn/van-ban/Thuong-mai/Thong-tu-33-2010-TT-BYT-Quy-chuan-ky-thuat-quoc-gia-cac-san-pham-107524.aspx?tab=2">https://thuvienphapluat.vn/van-ban/Thuong-mai/Thong-tu-33-2010-TT-BYT-Quy-chuan-ky-thuat-quoc-gia-cac-san-pham-107524.aspx?tab=2</a>
Cheese	32/2010/TT-BYT	<a href="https://thuvienphapluat.vn/van-ban/thuong-mai/Thong-tu-32-2010-TT-BYT-Quy-chuan-ky-thuat-quoc-gia-cac-san-pham-107523.aspx">https://thuvienphapluat.vn/van-ban/thuong-mai/Thong-tu-32-2010-TT-BYT-Quy-chuan-ky-thuat-quoc-gia-cac-san-pham-107523.aspx</a>
Powdered milk products	31/2010/TT-BYT	<a href="https://thuvienphapluat.vn/van-ban/Thuong-mai/Circular-31-2010-TT-BYT-National-technical-regulation-for-powder-milk-products-361517.aspx">https://thuvienphapluat.vn/van-ban/Thuong-mai/Circular-31-2010-TT-BYT-National-technical-regulation-for-powder-milk-products-361517.aspx</a>
Liquid milk products	30/2010/TT-BYT	<a href="https://thuvienphapluat.vn/van-ban/thuong-mai/Thong-tu-30-2010-TT-BYT-Quy-chuan-ky-thuat-quoc-gia-san-pham-sua-dang-long-107521.aspx">https://thuvienphapluat.vn/van-ban/thuong-mai/Thong-tu-30-2010-TT-BYT-Quy-chuan-ky-thuat-quoc-gia-san-pham-sua-dang-long-107521.aspx</a>

They generally cover: physiochemical and microbial norms; contaminant levels; and testing methods.

Sanitary and Phytosanitary measures concerning the import of dairy products into Vietnam are in line with international standards.

**Up to date information on appropriate documents concerning SPS barriers:**  
[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

### Labelling

As set out in section 4.2.3, dairy exporters must comply with generic labelling requirements set out in Decree 43/2017/ND-CP.

### 5.3.5 Distribution

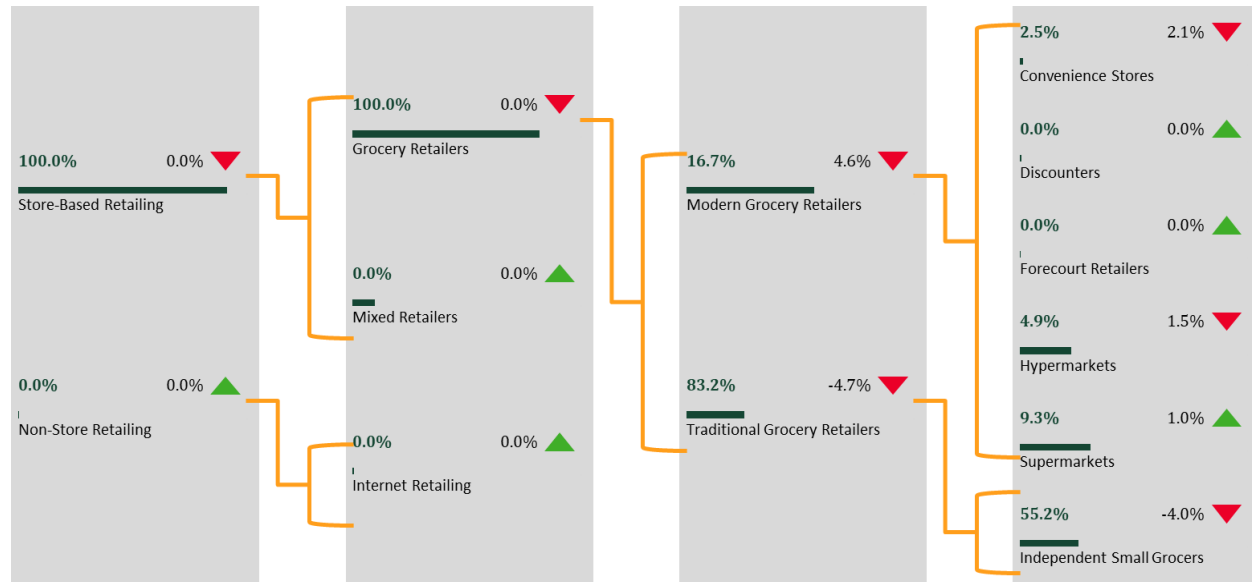
Dairy as a whole is distributed mainly through traditional retailers, above all small independent ones (Figure 5-15). However, it must be remembered that drinking milk products dominate the dairy market, and hence skew the picture for distribution of dairy overall. Indeed, while the overall picture of dairy is a fair reflection of the distribution of drinking milk (and indeed condensed milk), there are specificities for other dairy categories. More specifically:

- For **butter**, the food service channel is very important. Any butter sold through retail outlets tends to be through more modern ones (supermarkets/hypermarkets).
- For **cheese**, modern retail outlets are important – around half of all cheese for domestic consumption is distributed through these; and they are the main outlet for more specialised cheeses (i.e. cheeses other than the more mass market soft, processed cheese). It must also be remembered that food service is a very important channel for cheese.



- For **yoghurt**, while traditional retailers remain the dominant distribution method, their importance is rapidly falling at the expense of modern retailers, who now account for around 30% of distribution. This is partly driven by the better cold chain infrastructure they possess.

Figure 5-15: Distribution channel overview of dairy in Vietnam (2018); all dairy products; retail value



Source: Euromonitor International: Packaged Food, 2020.

### 5.3.6 Challenges for EU products

While consumption is increasing, it is coming from a low base; and there is strong competition notably from New Zealand and domestic producer Vinamilk in some product sectors. Indeed, New Zealand and Australia have advantages in terms of geographical proximity (and hence transportation costs) plus are associated with quality dairy products in Vietnam. Cold storage infrastructure, though improving, provides some challenges with the transport and distribution of dairy products across the whole country.

#### Market Takeaway: Dairy

**Consumption:** rapidly increasing. Drinking milk dominates the market, and condensed milk popular. No traditional use of butter and cheese; consumer awareness of these products is low but improving.

**Competition:** domestic supply shortage. Nonetheless, local company Vinamilk dominates local production and holds a high share for various categories. New Zealand a geographically close important source of imports with a good reputation.

**Distribution:** traditional retailers dominant for drinking and condensed milk. Food service and modern retailers important for butter and cheese.

**Challenges:** cold storage infrastructure may make transport and distribution difficult in some parts of the country.

**Opportunities:** niche opportunities in the emerging cheese and butter markets for companies which carve out their niches while responding specifically to the needs of Vietnamese consumers – who still have fairly low knowledge of

*these products. As current cheese consumers are mainly young, there may be some longer-term opportunities among them.*

## 5.4 Wine

### 5.4.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Wine sales are set to record a positive performance in volume and value terms.</li> <li>▪ EU products are perceived as high quality/premium.</li> <li>▪ Vietnam has a large number of Western expatriates and tourists, who have a taste for wine.</li> <li>▪ Domestic production of wine is limited; wines produced in Vietnam are usually lower quality.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Total consumption of wine is very low, due to the absence of a wine culture and the high prices of imported products.</li> <li>▪ The wine category faces strong competition from beer.</li> <li>▪ Due to the large amount of documentation to be produced, the market access procedures can be lengthy.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Wine will be fully duty-free after 7 years from the enter into force of the EVFTA.</li> <li>▪ Wealthy consumers prefer imported wines, with French and Italian wines particularly well seen.</li> <li>▪ Consumption of wine among women is on the rise; women are more open to new wines.</li> <li>▪ 87 wine GIs will be protected under the EVFTA.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Chile dominates exports to Vietnam in terms of value and volume; Australia is set to gain better market access under the TPP trade agreement.</li> <li>▪ Currently, exporters face high duties and taxes.</li> <li>▪ Advertising alcoholic drinks of 15% ABV or more is prohibited.</li> </ul>

### 5.4.2 Consumption

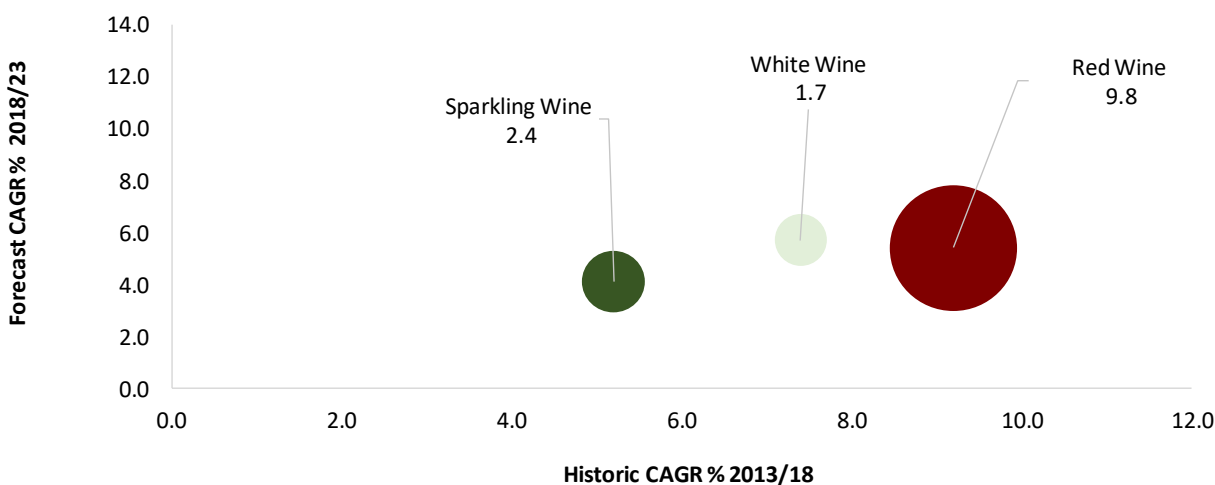
#### 5.4.2.1 Evolution of consumption

Despite the strong competition from beer, which is way more popular in Vietnam, wine sales recorded a positive performance over the past five years (2013-18). Notably, in 2018 wine recorded a slightly stronger total volume growth. In 2013-18, total consumption of wine increased by 5.2%, with red and white wine taking the lead, growing by 9.2% and 7.4% respectively (Figure 5-16).

Red and sparkling wines, yet, were the most popular types of wine in Vietnam in 2018, with sales volume of 9.8 and 2.4 million litres respectively. Consumption within other categories of wine was relatively low, amounting to 1.7 million (white wine). Consumption of rosé wine is very low at only 33 000 litres, a fraction of the 14m litres of wine consumed in Vietnam.

Per capita consumption of wine, which is minimal compared to European countries, is expected to remain broadly stable at 0.5-0.6 litres over the next five years.

Figure 5-16: Evolution and forecast of wine market (million litres) in Vietnam, 2013-2023; total volume



Source: Euromonitor International: Alcoholic Drinks, 2019.

#### 5.4.2.2 Consumer profile and purchase criteria

##### Consumers

In terms of the drinking culture, the majority of Vietnamese consumers tend to choose beer over wine, as beer is available at more affordable prices. Wine indeed is considered too expensive for low-income consumers. In addition, beer appears more suitable for drinking with Vietnamese cuisines than wine. As a result, wine remains a niche market. The beverage is indeed highly popular amongst the following consumers:

- **Tourists and Western expatriates** in larger cities such as Hồ Chí Minh and Hanoi, who are growing in number year by year.
- **Middle- and high-income Vietnamese** living in larger cities and are more exposed to the Western culture. Amongst those consumers, men account for most purchases of wine, as in the Vietnamese culture, drinking alcohol is primarily a male activity. Statistically, the typical wine drinker in Vietnam is male and prefers red, tannic and powerful wines with high levels of alcohol. Nonetheless, as women are increasingly entering the business world and obtaining more purchasing power, they show more interest in wine. Women tend to prefer lighter, fruitier wines, with Riesling, Glera based sparkling wine and Merlot quite popular among them. On top of that, unlike men, who are tendentially conservative, women are more open to new wines, often attending outings at wine bars and wine tastings. This makes them a clear target market for imported products.

Wine preferences largely vary across the country and between age groups, as outlined below:

- **Southern Vietnam:** given the warm and humid climate, Southern consumers often have a preference for light and rather sweet wines.
- **Central Vietnam:** consumers from these areas prefer full-bodied, strong wines, usually red ones. Here wines with high alcohol percentages are booming.
- **Older consumers** prefer to buy red and classic wine from French origins like Bordeaux.

- **Younger consumers** like to experiment and have access to more types of wine. They may experiment with pairings.

In general, high-income Vietnamese, typically believe imported products, especially from EU countries and the US, are superior to local products. Notably, French products have historically enjoyed great popularity amongst Vietnamese consumers, with Bordeaux wine taking the lead. The name of this product is indeed also commonly used as a general term for wine. Italian wine is also strongly associated with quality by Vietnamese consumers.<sup>56, 57, 58, 59</sup>

### **Drivers and method of consumption**

Sales of wine usually peak at the end and beginning of the year, when people purchase such products as gifts, with new year and lunar new year notable boosters of consumption over this period. Indeed, such festivals combined account for around 65% of all wine consumption. French wine is usually preferred to Chilean wine when it comes to gift-giving for festivals, as the latter is considered too cheap for an appropriate present. Nonetheless, Chilean wine may be a part of lower price gift baskets, and furthermore the price advantage of Chilean wine may make it preferred in other situations.

There are further notable drivers for wine consumption and situations during which wine is more likely to be consumed. These include: the Vietnamese winter; Valentine's day; and cultural rituals (e.g. weddings, housewarmings, funerals). As it is perceived as a high-quality product, wine has also become a staple of business dinners.

Despite these various drivers, one of the main challenges in bringing wine on the tables of Vietnamese consumers is the difficulty of pairing the drink with staple Vietnamese dishes.<sup>60</sup>

### **Purchase criteria**

For most low-income consumers price is the key purchase criterion in the limited cases they purchase wine; however, this kind of consumer is more likely to opt for more affordable beer. On the contrary, wealthier consumers with a taste for wine generally place more importance on quality, brand credibility and original packaging. As a result, they usually have a preference for European wines over domestic products. Amongst middle- and high-income consumers, colour is also gaining importance as a purchase criterion; an increasing number of them indeed selects red wine for their health benefits. Nonetheless, it

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<sup>56</sup> Market Insight: Vietnam's Wine Industry, <https://www.vietnam-briefing.com/news/market-insight-vietnams-wine-industry.html/>

<sup>57</sup> Euromonitor International: Alcoholic Drinks, 2019.

<sup>58</sup> Progetto Hanoi - Focus Food & Beverage Vietnam: Il Mercato Del Vino, <http://www.agrilegal.it/approfondimenti/progetto-hanoi-focus-food-beverage-vietnam-il-mercato-del-vino>

<sup>59</sup> Pays de La Loire, Fiche Pays : Vietnam, [http://www.foodloire.fr/fileadmin/user\\_upload/Pays\\_de\\_la\\_Loire/050\\_Eve-FoodLoire/Cibler\\_vos\\_actions/Salons/Fiche\\_pays - Vietnam.pdf](http://www.foodloire.fr/fileadmin/user_upload/Pays_de_la_Loire/050_Eve-FoodLoire/Cibler_vos_actions/Salons/Fiche_pays_-_Vietnam.pdf)

<sup>60</sup> Market Insight: Vietnam's Wine Industry, <https://www.vietnam-briefing.com/news/market-insight-vietnams-wine-industry.html/>

is worth bearing in mind the various nuances between consumers groups outlined in the “Consumer” subsection above when considering purchase criteria.<sup>61</sup>

### Wine on retailers’ shelves in Vietnam

Imported wine commonly retails at the following prices:

- Economy – under VND 300 000 (12 EUR) per 750ml
- Mid – VND 300 000 to 600 000 (12-24 EUR) per 750ml
- Premium – Above VND 600 000 (24 EUR) per 750ml

As is the case with spirits, discounts are generally not effective for boosting sales, though promotions or slight discounts may be offered during peak periods.

Making products stand out can be challenging, particularly in mainstream supermarkets where many different products may share a small shelf space (see below). Ranges in mainstream modern retail outlets – convenience stores in particular – can be very limited.



The situation with product displays is different in specialist / gourmet stores, where wines tend to be more spaciouly organised and displayed (see below).

<sup>61</sup> Progetto Hanoi - Focus Food & Beverage Vietnam: Il Mercato Del Vino, <http://www.agrilegal.it/approfondimenti/progetto-hanoi-focus-food-beverage-vietnam-il-mercato-del-vino>





Wine is often in luxurious packaging; particularly if it is targeting the gift market. Imported wine will almost always be sold in 750ml glass bottles.

Given that the knowledge levels of consumers around wines remains low, consumers may consult with staff about product type, taste and brand history to assist choice. This may make the presence of trained staff, or distribution through more specialist outlets beneficial, particularly for premium products.

*Pictures: © Agra CEAS / Euromonitor International, 2020.*

### 5.4.2.3 Recent market trends

Over the next years, wine is projected to continue its positive performance in total volume terms, although it is also expected to face stronger competition from beer. Sales of red and white wine are predicted to lead the growth in the sector, rising by 5.4% and 5.7% respectively. Nevertheless, sparkling wine and rosé wine are also set to record a positive growth of 4.1% each.<sup>62</sup>

No overarching recent or ongoing trends in the wine market stand out. As seen in section 5.4.2.2 above, while middle-higher income urban-based men could be considered the main consumer of wine in

<sup>62</sup> Euromonitor International: Alcoholic Drinks, 2019.

Vietnam, this is somewhat of a simplification; other consumers exist and there are various nuances in wine preferences depending on a range of factors. The more experimental younger demographic and the growing female demographic are interesting, growing consumer segments.

### 5.4.3 Offer

#### 5.4.3.1 Domestic production

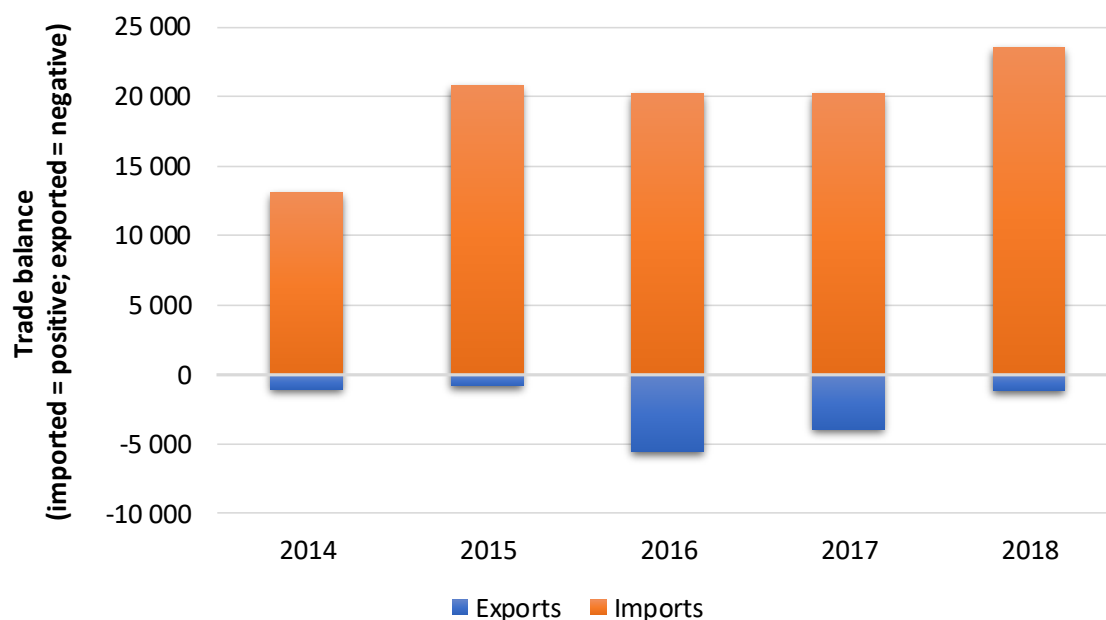
In Vietnam, there are approximately 15 wine producers, with a total annual capacity of approximately 1.5 to 2 million litres, with Vang Dalat winery being the largest one. However, their market share is quite limited in comparison to imported wines with a good reputation for quality.

Nonetheless, Vietnam is planning grape growing for wine production in the provinces such as Ninh Thuan and Lam Dong. One of the largest vine-growing areas in Vietnam is Ninh Thuan, with about 2 500 hectares.

#### 5.4.3.2 Imports and exports

As domestic production of wine is limited, local consumption mainly relies on imports. In terms of value, imports have tendentially grown in recent years, peaking in 2018, when they reached a value of EUR 23.5 million (Figure 5-17).

Figure 5-17: Trade balance (imports and exports) of wine in Vietnam, 2014-18; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 2204.

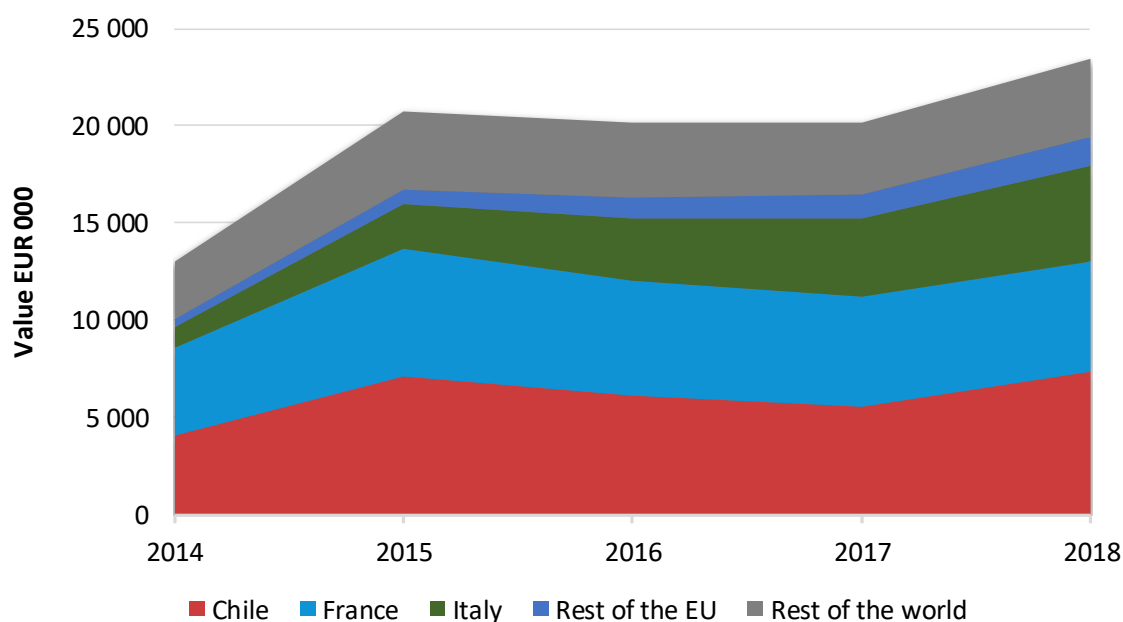
In 2018, Vietnam mostly imported wine from Chile, which benefits of lower tariffs compared to other countries, under the Chile-Vietnam FTA in force since 2012. Chilean wine is an affordable product, appropriate for social gatherings and easier to pair with Vietnamese foods. Imported value of Chilean



wine exports, which has largely fluctuated between 2014 and 2018, exceeded EUR 7.3 million in 2018. While Chilean wine accounts for around 1/3 of imports in value terms, it is estimated to account for over 40% in volume terms.

With a value of approximately EUR 5.7 and 4.9 million respectively, French and Italian products have large shares of imports behind Chile. French wines used to be the most popular in the Vietnamese market. However, as the wine market has grown in Vietnam, the dominance of the French wines has been slowly falling.<sup>63</sup> The rest of the EU accounted for the remaining 6.3% of total Vietnamese imports of wine by value, 75% of which were imports from Spain (Figure 5-18). It should also be noted that, while Australia currently accounts for less than 8% of total imports by value, this share is set to significantly grow. The main reason is that both Australia and Vietnam have signed the Trans-Pacific Partnership trade agreement, which will result in a number of import taxes being reduced in the next years.

Figure 5-18: Vietnamese imports of wine by country, 2014-18; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 2204.

### 5.4.3.3 EU GI products

As listed in section 9, following the entry into force of the EU-Vietnam Free Trade Agreement, 87 wine products are set to be recognised as Geographical Indications in Vietnam, including French (24), Spanish (21), and Italian (20) ones. The other wines that are set to be protected in Vietnam are produced in Croatia, Cyprus, Germany, Greece, Hungary, Portugal, Romania and Slovakia. Popular examples of GIs that

<sup>63</sup> Market Insight: Vietnam's Wine Industry, <https://www.vietnam-briefing.com/news/market-insight-vietnams-wine-industry.html/>

will be recognised in Vietnam include French Beaujolais, Bordeaux and Champagne<sup>64</sup>, Spanish Alicante and Málaga, Italian Prosecco and Barolo, Portuguese Vinho Verde, and Greek Samos.

#### 5.4.3.4 Main competitors

As outlined in section 5.4.3.2, Chile is the largest importer of wine into Vietnam. On top of that, Australian wines are also expected to increase their market share over the next years. Nonetheless, EU producers have an important share of the market (around 60% of imports). Domestic production, on the contrary, is relatively low, but dynamic.

In 2018, from an individual company/brand point of view, wine was a fragmented category, with the presence of many small imported brands. In terms of company shares indeed Thang Long Liquor is the leader in wine in Vietnam in total volume terms, though this includes the production of non-grape wine. The success of the company is due to its unceasing efforts to develop new high-quality products. Despite being a local player, its products are commonly purchased also by wealthier consumers thanks to their high quality. Over the forecast period, Thang Long Liquor is projected to maintain its lead in wine, as the company is expected to invest more in marketing and advertising activities to build a strong reputation. In addition, the company has a plan to improve its distribution network in main cities such as Hanoi and Hồ Chí Minh City.<sup>65</sup>

#### 5.4.4 Specific market entry requirements

##### Market Access and Entry

As outlined in section 4.2.1, wine producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the wine is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2. Decree No. 105/2017/ND-CP regulates liquor trading (including alcohol imports); however, the provisions of this decree are intended for the Vietnam based importer/distributor (rather than the foreign based exporter).

In terms of tariffs, currently European wines are subject to high duties, i.e. 50% in addition to 25% excise duties and 10% VAT. Nonetheless, thanks to the EU-Vietnam FTA, EU wines will be **fully duty-free after seven years** from the entry into force of the agreement. Therefore, while at present exporting EU wine to Vietnam is fairly burdensome in terms of tariffs, the situation is set to significantly improve over the next years, providing substantial business opportunities to EU producers.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=2204>

<sup>64</sup> With a 10-year transition clause, see also section 4.3.3.

<sup>65</sup> Euromonitor International: Alcoholic Drinks, 2019.

### Customs procedures

A detailed list of standard documents required for import wine into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2). Furthermore, as outlined in in section 4.2.1, a Certificate of Analysis and an Import Licence for Alcoholic Beverages are specifically requested for wine imported into Vietnam.

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=2204>

### Standards, SPS measures

Circular 45/2010/TT-BYT sets out the food safety norms and requirements on management of food grade alcohol used to produce alcoholic beverages and its related products. This includes wine. In summary, this circular covers:

- The requirements for food grade alcohol
- Chemical norms for alcoholic beverages (maximum levels of certain components)
- Heavy metals in alcoholic beverages
- Microbiological norms for chemical beverages
- Acceptable testing methods

The Circular can be found in Vietnamese at the following address: <https://thuvienphapluat.vn/van-ban/The-thao-Y-te/Circular-45-2010-TT-BYT-promulgation-national-technical-regulation-alcoholic-beverages-316065.aspx>

Some translations in English may also be found by searching online.

Historically there have been some challenges with additives which can be used in wine, though as noted in section 4.2.2, the list of additives has recently been updated.

Sanitary and Phytosanitary measures concerning the import of wine into Vietnam are in line with international standards.

**Up to date information on appropriate documents concerning SPS barriers:**

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

### Labelling

As set out in section 4.2.3, wine must comply with specific labelling rules, as provided for in Decree 43/2017/ND-CP. Notably, labels of wine must bear the following details:

- product name
- name of the person and the organisation responsible for the product (both manufacturer and importer)
- country of origin
- quantity

- ethanol (alcohol) content
- instructions for storage
- expiration date (if any)
- lot number (if any)

#### Advertising limits

In accordance with the Law on Advertising, advertising wine products of 15% ABV or more is prohibited. In response to the law, players in wine have started to advertise their products through bars and restaurants. Commercial posters and promotions are common practices to attract consumers in restaurants. Wine traders also take advantage of advertising posters in retail outlets, as well as wine-tasting events.<sup>66</sup>

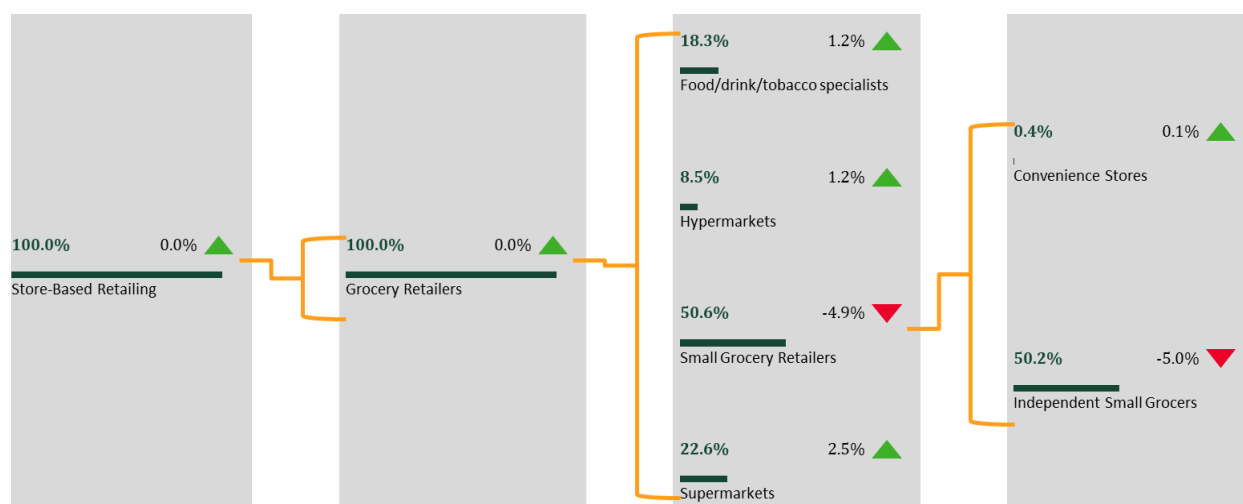
### 5.4.5 Distribution

In Vietnam, wine is mostly distributed through on-trade channel, which account for 71% of the total volume. On-trade purchases mostly takes place at hotels and restaurants; though there are an increasing number of dedicated wine bars such as *Cork & Bottle*, *La Cave*, *Soi & Meo*, *Brix* and *Le Corto*. Wine can also be found in some pubs.

As reported in Figure 5-19, all wine distributed through off-trade channels is sold at store-based retailers, specifically grocery retailers. Of these, in 2018 the majority were small grocery retailers (51%) - mostly independent small grocers - and supermarkets (23%), followed by food/ drink/ tobacco specialists (18%), and hypermarkets (8%). However, in 2018 independent small grocers share dropped off.

Potential exporters must bear in mind that the Vietnamese government prohibits the sale of wine online.

Figure 5-19: Distribution channel overview of wine in Vietnam (2018); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2019.

<sup>66</sup> Euromonitor International: Alcoholic Drinks, 2019.

It should be noted that importers must be in possession of a licence. Currently, there are about 100 licensed importers of wine, which are concentrated in Hồ Chí Minh City (60%) and Hanoi (35%).<sup>67</sup>

#### 5.4.6 Challenges for EU products

Vietnamese consumers have a preference for affordable beer over expensive wine, hence consumption of the latter remains very low and concentrated amongst few high-income Vietnamese, tourists and expatriates. On top of that, EU exporters face high duties and taxes to penetrate the Vietnamese market, which in turn has a strong impact on the final price of the product. Consequently, EU exports are experiencing an increasing competition from Chilean wines, which benefit of lower import duties and can be offered at lower prices.

#### Market Takeaway: Wine

**Consumption:** Although limited, total consumption is on the rise; Red wine accounts for 77% of the market.

**Competition:** EU exporters face the strong competition of Chilean producers, who have better market access; Domestic production does not currently pose a challenge; Australia is set to gain better market access under the TPP trade agreement.

**Distribution:** Wines are mostly purchased at on-trade channels; off-trade purchases mostly take place at independent small grocers and supermarkets.

**Challenges:** Vietnamese do not have a wine culture; Exporters currently face high tariffs and taxes; market access procedures can be lengthy.

**Opportunities:** Under the EVFTA, market access conditions will improve for EU exporters; consumption is growing amongst wealthy consumers, especially women. French and Italian wines in particular perceived as high quality.

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<sup>67</sup> Pays de La Loire, Fiche Pays : Vietnam, [http://www.foodloire.fr/fileadmin/user\\_upload/Pays\\_de\\_la\\_Loire/050\\_Eve-FoodLoire/Cibler\\_vos\\_actions/Salons/Fiche\\_pays - Vietnam.pdf](http://www.foodloire.fr/fileadmin/user_upload/Pays_de_la_Loire/050_Eve-FoodLoire/Cibler_vos_actions/Salons/Fiche_pays_-_Vietnam.pdf)

## 5.5 Spirits

### 5.5.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ EU producers account for most exports of spirits to Vietnam in terms of value.</li> <li>▪ EU spirits are perceived as high-quality products.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vietnamese mostly consume abundant local rice wine/spirits.</li> <li>▪ Sales are highly fragmented.</li> <li>▪ Consumption of spirits is slowing down.</li> <li>▪ The average consumer is price sensitive.</li> <li>▪ Spirits face increasing competition from beer.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Spirits will be fully duty-free after 7 years from the enter into force of the EVFTA.</li> <li>▪ 24 spirits GIs will be protected under the EVFTA.</li> <li>▪ Wealthier consumers have a taste for premium imported spirits, and premium spirits are increasingly seen as a status symbol.</li> <li>▪ Consumption of spirits amongst women is on the rise.</li> <li>▪ On-trade channels may offer potential for imported spirits.</li> </ul>	<ul style="list-style-type: none"> <li>▪ South Korea is a considerable exporter in terms of value, and Japanese whisky gaining in popularity.</li> <li>▪ Currently, exporters face high import duties and taxes.</li> <li>▪ Advertising alcoholic drinks of 15% ABV or more is prohibited.</li> <li>▪ Contraband and parallel trade account for most sales in the category.</li> </ul>

### 5.5.2 Consumption

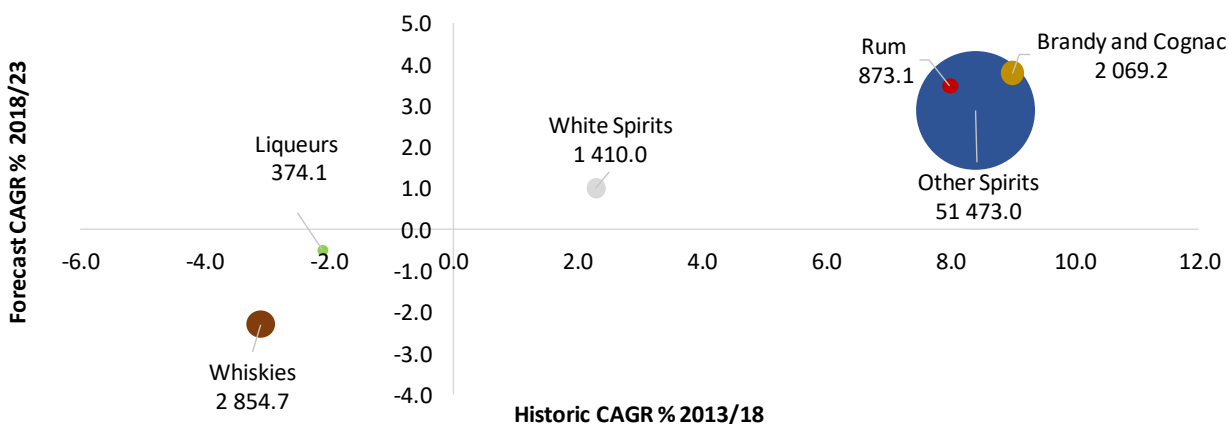
#### 5.5.2.1 Evolution of consumption

The Vietnamese drink substantial volumes of spirits. However, in the last years growth in the category was highly impacted by two factors. First, the sector is facing more intense competition from beer, which better catches consumers' attention thanks to the high level of marketing and advertising activities. Second, Vietnam saw many natural disasters in 2018, such as typhoons, tropical depressions and thunderstorms, which affected low-income consumers. Since the key purchasers of local white spirits are low-income consumers, players in the category struggled to maintain their growth in 2018.

Despite that, total consumption of spirits reached nearly 59.1 million litres in 2018. With 51.5 million litres, the "Other spirits", which includes national specialties accounted for 87% of total volume of sales followed far behind by whiskies (5%, or 2.9 million litres), brandy and cognac (4%), white spirits (2%), rum and liqueurs (about 2% together).

As outlined in Figure 5-20, the 2013-18 growth rate largely varied between categories. Other spirits, brandy and cognac, as well as rum recorded the fastest growing rate (above 8% each). On the contrary, whiskies and liqueurs fell, while white spirits recorded a moderate growth. Per capita consumption of spirits has grown from 0.5 litres to 0.6 between 2013 and 2016 and is set to go up to 0.7 litres in the next few years. In 2018, per capita consumption slightly varied between categories, peaking to 0.6 litres in the categories of other spirits.

Figure 5-20: Evolution and forecast of spirits market (000 litres) in Vietnam, 2013-2023; total volume



Source: Euromonitor International: Alcoholic Drinks, 2019.

### 5.5.2.2 Consumer profile and purchase criteria

#### Consumers

In Vietnam, men are the main consumer of spirits. However, some women drink sweeter and easier to drink products, such as Baileys Irish Cream and Sheridan. Men, on the contrary, have a preference for stronger drinks without the flavour of milk, as they are familiar with the bitter and traditional taste of other common alcoholic drinks, such as beer and wine.

Vietnamese white spirits account for the dominant share of sales within spirits. Consumers, however, tend to prefer beer to spirits, as the latter are considered very unhealthy, due to their higher alcohol content. Nevertheless, local white spirits are traditionally consumed by many Vietnamese consumers on a daily basis after work. The key purchasers of local white spirits are low-income consumers, while imported spirits are mostly sold amongst high-income consumers. Younger consumers form a specific demographic; they tend to be open to trying new brands and flavours, as long as they fit within their budget. As a result of this, flavoured vodka/white spirits have been quite popular in this consumer group.<sup>68</sup>

#### Drivers and method of consumption

In Vietnam, domestic spirits, which tend to be very strong, are mostly purchased by adult men. Drinking rice wine, for example, is a social activity; groups of friends or colleagues commonly gather to drink rice wine after work. Drinking this beverage is also common on the occasion of business meetings.

Imported spirits are mostly consumed at bars and clubs. Middle aged higher income consumers tend to see imported spirits as a way of trading up from beer or local spirits, and men in particular are likely to consume imported spirits neat in order to savour the taste. Wealthy Vietnamese women on the other

<sup>68</sup> Euromonitor International: Alcoholic Drinks, 2019.



hand, who now account for a large share of foreign brands sales, are more likely to consumer spirits in cocktails.

### Purchase criteria

The main purchase criterion for the average Vietnamese is price. Subsequently, most consumers prefer beer and cheap domestic spirits to imported spirits, and price may even play a role in the purchase decision for imported spirits. Nonetheless, wealthier consumers give more importance to quality and, in particular brand reputation when choosing imported spirits. Finally, taste and smoothness of the spirit are important purchase drivers for consumers in Vietnam. Strong, classic and bitter taste are favoured by males but sweeter taste with fruity aroma or cream based are favoured by women.

#### Spirits on retailers' shelves in Vietnam

Typical retail price ranges for imported spirits are as follow:

- Mid-range – 400 000 to 1 500 000 VND (EUR 16-60) per litre
- Premium – above 1 500 000 VND (EUR 60) per litre

Discounts are generally not very popular or effective for spirits. That said, bundled gift packs, lucky draws and slight 10-20% discounts may be used during peak seasons.

Shelf placement for spirit products can be important, with bottles that sit more distinctly likely to attract attention. In specialist stores – which is where consumers are more likely to go to purchase imported spirits – products tend to be arranged to stand out more distinctly by default (see below).





This is not necessarily the case in more general supermarkets and convenience stores, where products may be tightly packed (below). Nonetheless, special displays may help make products stand out (bottom below).



In terms of packaging, boxes may be used to help premium products stand out (see top image). Bottles are generally 700ml, 750ml or 1 litre.

*Pictures: © Agra CEAS / Euromonitor International, 2020.*

### 5.5.2.3 Recent market trends

Over the next years, sales in the spirits category are projected to grow at a slower pace, namely at 2.9%, mainly due to the strong competition from beer. Sales of brandy and cognac, as well as rum are predicted to lead the growth in the sector, rising by 3.8% and 3.5% respectively. Whiskies negative growth will also

record slight improvements. Cream-based liqueurs sales are also expected to continue to decline strongly, due to the lack of interest amongst consumers, unless key players carry out marketing activities and strategies to better target consumers.<sup>69</sup>

Consumers increasingly view the consumption of premium alcoholic drinks as a status symbol; particularly middle-to-high-income consumers. This in turn provides a positive outlook for imported spirits. However, Japanese whisky has been very popular of late, and there is an on-going craze for South Korean shochu/soju. Therefore, while the market for imported spirits is growing, these trends are threats for European producers.

On trade channels show some potential going forward. One notable trend of late in on-trade channels is the use of combo offers that includes a bottle of spirits (often imported), a non-alcoholic beverage as a potential mixer and a fruit platter or starter. Generally, this is priced within VND1 500 000 - 3 000 000 (EUR 60-120) range depending on the type of spirits and number of guests. This has been used as a way of both increasing revenues for the bar and adding perceived value for consumers. Furthermore, younger consumers, who are increasingly consuming spirits, tend to do so through on-trade channels; and promotions/discounts through these channels are being used by some operators to boost sales.

### 5.5.3 Offer

#### 5.5.3.1 Domestic production

Vietnam is a major producer of spirits, with over 22m litres produced in 2018 and the current growth in production estimated at around 9% per year. The most famous local product is rice wine, made by fermenting glutinous rice with yeast. Another popular drink is *Ruou Mau Son*, which can only be produced at an 800 - 1 000 metres height above sea level. *Ruou Ran* (Snake wine) is also largely produced. Furthermore, the country is famous for a large variety of infused spirits, made from herbs such as ginseng, liquorice, cinnamon, amongst other herbs. There is also local production of other spirits such as whisky.

#### 5.5.3.2 Imports and exports

As Vietnam is a heavy producer of spirits, exports exceed imports. Nonetheless, as outlined in Figure 5-21, the difference in value between exports and imports has minimised over the last years. Indeed, exports value fell from EUR 98.8 in 2015 to EUR 41.1 million in 2018. Similarly, the value of imports reached its low point in 2018, down to EUR 33.4 million.

As depicted in Figure 5-22, volumes of whiskies accounted for over three quarter imports of spirits by volume, followed by vodka (15%), liqueurs and cordials (5%), gin and Geneva (2%), and rum (1%)

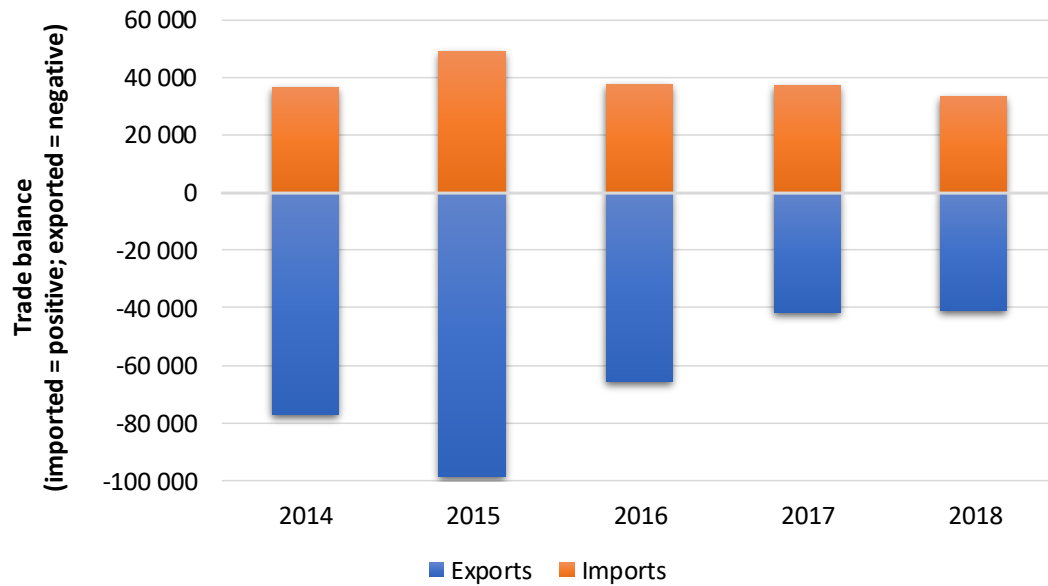
In 2018, France **was the leading exporter of spirits to Vietnam in terms of value**. The value of French exports was indeed estimated at EUR 13.5 million. The United Kingdom followed, with total shipments

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<sup>69</sup> Euromonitor International: Alcoholic Drinks, 2019.

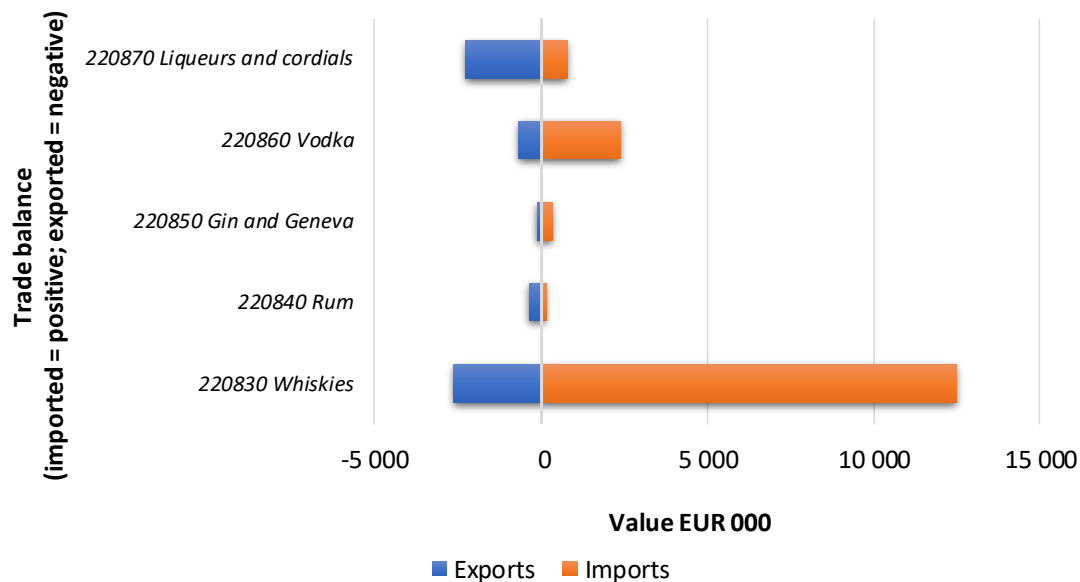
value of EUR 11.2 million. South Korea was also a notable exporter in terms of volume. Exports from the rest of the EU were, on the contrary, negligible.

Figure 5-21: Trade balance (imports and exports) of spirits in Vietnam, 2014-18; EUR 000



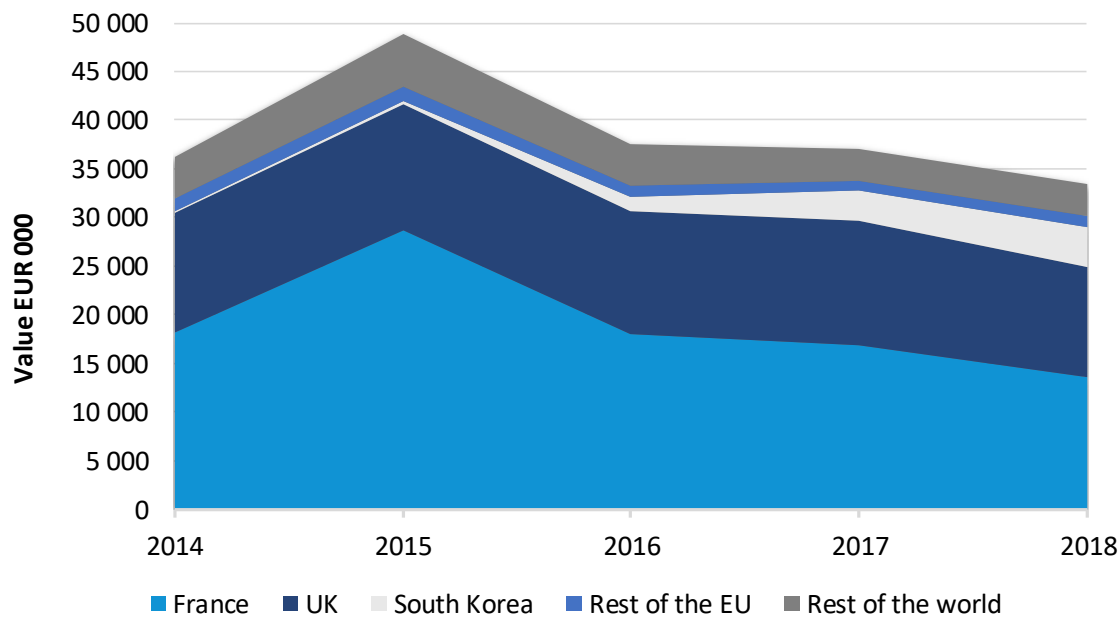
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 2208.

Figure 5-22: Trade balance (imports and exports) of spirits in Vietnam, by type, 2018; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Spirit names shortened. CN codes before spirit name.

Figure 5-23: Vietnamese imports of spirits by country, 2014-18; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 2208.

### 5.5.3.3 EU GI products

As listed in section 9, following the entry into force of the EU-Vietnam Free Trade Agreement, 24 spirits will be recognised as Geographical Indications in Vietnam. Products that will be protected in Vietnam are produced in Austria, Germany, Belgium, Spain, Finland, France, Greece, Croatia, Hungary, Ireland, Italy, Lithuania, Netherlands, Poland, Sweden and the UK. Popular examples of GIs that will be recognised in Vietnam include French Cognac, Greek ouzo, Italian Grappa, Irish cream, and Polish vodka.

### 5.5.3.4 Main competitors

As outlined in sections 5.5.3.1 and 5.5.3.2, not only Vietnam is a large producer of spirits, but it also imports spirits from non-EU countries, such as South Korea. That said, France and the UK lead imports into the country. Japanese whisky is also gaining considerable ground at present.

In terms of market share, the category is highly fragmented. Indeed, although Hanoi Liquor led spirits in 2018, it accounted for only a small share of total volume sales. Small players in spirits, classified under “others”, accounted for more than three quarters of sales in 2018.<sup>70</sup>

<sup>70</sup> Euromonitor International: Alcoholic Drinks, 2019.

## 5.5.4 Specific market entry requirements

### Market Access and Entry

As outlined in section 4.2.1, spirits producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the spirit is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2. Decree No. 105/2017/ND-CP regulates liquor trading (including alcohol imports); however, the provisions of this decree are intended for the Vietnam based importer/distributor (rather than the foreign based exporter).

In terms of tariffs, currently European spirits are subject to high duties, i.e. 45% in addition to a 10% VAT and a Special Consumption Tax of 35%, which applies only to products with an ABV of 20% or above. Nonetheless, thanks to the EU-Vietnam FTA, EU spirits will be **fully duty-free after seven years** from the entry into force of the agreement. Therefore, while exporting EU spirits to Vietnam is pretty burdensome in tariff terms at present, the situation is set to significantly improve over the next years, providing substantial business opportunities to EU producers.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=2208>

### Customs procedures

A detailed list of standard documents required for import spirits into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2). Furthermore, as outlined in section 4.2.1, an Import Licence for Alcoholic Beverages is specifically requested for spirits imported into Vietnam.

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=2208>

### Standards, SPS measures

Circular 45/2010/TT-BYT sets out the food safety norms and requirements on management of food grade alcohol used to produce alcoholic beverages and its related products. This includes spirits. In summary, this circular covers:

- The requirements for food grade alcohol
- Chemical norms for alcoholic beverages (maximum levels of certain components)
- Heavy metals in alcoholic beverages
- Microbiological norms for chemical beverages
- Acceptable testing methods

The Circular can be found in Vietnamese at the following address: <https://thuvienphapluat.vn/van-ban/The-thao-Y-te/Circular-45-2010-TT-BYT-promulgation-national-technical-regulation-alcoholic-beverages-316065.aspx>

Some translations into English of this circular may also be found by searching online.

Sanitary and Phytosanitary measures concerning the import of spirits into Vietnam are in line with international standards.

**Up to date information on appropriate documents concerning SPS barriers:**

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

### Labelling

As set out in section 4.2.3, spirits must comply with specific labelling rules, as provided for in Decree 43/2017/ND-CP. Notably, labels of spirits must bear the following details:

- product name
- name of the person and the organisation responsible for the product (both manufacturer and importer)
- country of origin
- quantity
- ethanol (alcohol) content
- expiration date (if any)
- lot number (if any)

### Advertising limits

In accordance with the Law on Advertising, advertising spirits of 15% ABV or more is prohibited. In response to the law, players in spirits have started to advertise their products through - and work closely with - bars and restaurants. Commercial posters and promotions are common practices to attract consumers in restaurants.<sup>71</sup>

### 5.5.5 Distribution

In Vietnam, spirits are mostly distributed through on-trade channel, which account for 72% of the total volume. On-trade purchases mostly takes place at hotels, restaurants and pubs. The importance of the on-trade channel is particularly pronounced for imported spirits.

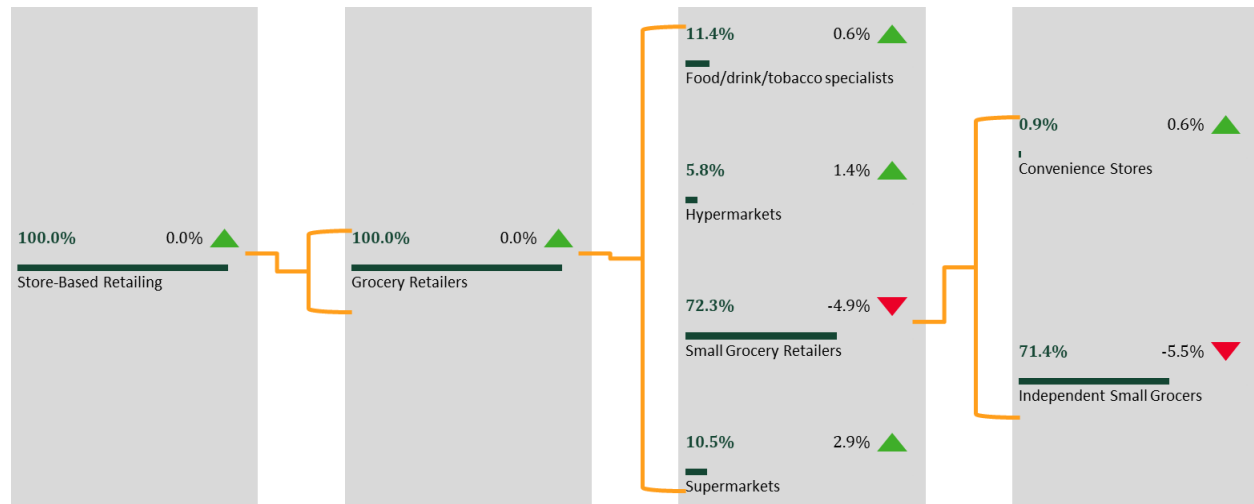
As depicted in Figure 5-24, all spirits distributed through off-trade channels are sold at store-based retailers, specifically grocery retailers. Of these, in 2018 the large majority were small grocery retailers (72%) - mostly independent small grocers – followed by food/ drink/ tobacco specialists and supermarkets (about 11% each) and hypermarkets (6%). However, in 2018 independent small grocers share dropped off by 5.5%.

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<sup>71</sup> Euromonitor International: Alcoholic Drinks, 2019.

Potential exporters must bear in mind that the Vietnamese government prohibits the sale of spirits online.

Figure 5-24: Distribution channel overview of spirits in Vietnam (2018); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2019.

#### Contraband/parallel trade

Contraband/parallel trade is an issue in the sector, with approximately **80-90% of the spirits sold being smuggled**. This type of trade is prominent, as the import tax on alcoholic drinks is very high. The prices of contraband products are usually 30-50% lower than the prices in official off-trade outlets, though in fact the majority of contraband spirits ultimately reach consumers through on-trade channels. **Hennessy, Rémy Martin, Martell Cordon Bleu and Johnnie Walker are brands that are often sold through contraband/parallel trade.**<sup>72</sup>

#### 5.5.6 Challenges for EU products

Vietnamese average consumers are rather price-sensitive, hence they have a preference for affordable local products, such as rice wine. Domestic production and imports from non-EU countries account for most share of local consumption. On top of that, EU exporters face high duties and taxes to penetrate the Vietnamese spirits market, which in turn has a strong impact on the final price of the product.

<sup>72</sup> Euromonitor International: Alcoholic Drinks, 2019.

**Market Takeaway: Spirits**

**Consumption:** sales are expected to slow down, compared to last five years, due to competition from beer. Consumption of sweet and lighter spirits is on the rise amongst women.

**Competition:** Vietnam is a large producer of spirits; South Korea is a large exporter in terms of value.

**Distribution:** Spirits are mostly purchased at bars, hotels and restaurants; nonetheless, independent small grocers are the main off-trade distribution channel.

**Challenges:** Contraband is widespread, as it concerns over 80% sales of spirits; currently, EU exporters face high duties and taxes; overall, market access can be burdensome and slow.

**Opportunities:** Spirits will be fully duty-free after 7 years from the enter into force of the EVFTA; wealthy consumers appreciate high-quality imported spirits; and premium spirits are increasingly seen as a status symbol.



## 5.6 Olive oil

### 5.6.1 SWOT analysis

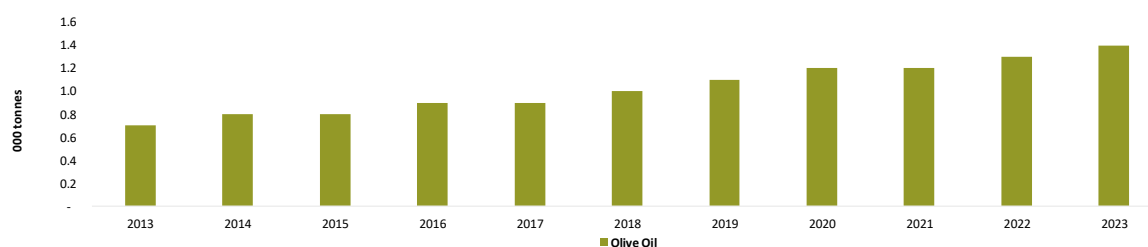
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Olive oil sales are growing at a fast pace.</li> <li>▪ Vietnamese are aware of EU olive oil thanks to the French cultural influence.</li> <li>▪ EU countries account for most exports of olive oil to Vietnam.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consumption of olive oil is rather limited compared to other vegetable oils, and hence knowledge of different olive oils is low.</li> <li>▪ Olive oil is not commonly used for cooking purposes.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ With the entry into force of the EVFTA, 7 olive oil GIs will be protected in Vietnam.</li> <li>▪ Under the EVFTA, import duties will be entirely eliminated after 4 years.</li> <li>▪ Associations with health and beauty may provide some opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Importers face a 5% import duty and a 10% VAT.</li> </ul>

### 5.6.2 Consumption

#### 5.6.2.1 Evolution of consumption

As outlined in Figure 5-25, consumption of olive oil has recorded a stable growth and is expected to remain on the upward trend. The market size indeed grew from 700 tonnes in 2013 to 1 000 tonnes in 2018. Nonetheless, due to a lack of olive oil culture, sales in the sector remain marginal compared to sales in other edible oils segments, in particular soybean oil.

Figure 5-25: Evolution and forecast of market for olive oil (size; million litres) and olive oil consumption per capita, in Vietnam; 2013-2023



Source: Euromonitor International: Packaged Food, 2020.

Note: figures for 2019 to 2023 based on forecasts.

#### 5.6.2.2 Consumer profile and purchase criteria

##### Consumers

Vietnamese consumers are familiar with olive oil due to the historical French influences. Nonetheless, consumers of olive oil remain a niche, mostly constituted by expats and health-conscious Vietnamese with a high income. More specifically, consumers of olive oil are more likely to have the following characteristics:

- **Female:** particularly as women tend to hold the decision-making power when it comes to purchase cooking ingredients.
- **Aged between 22-40:** as these younger generations are aware of the health benefits of olive oil and are willing to purchase good quality olive oil.
- **Big city based:** the consumer awareness of healthier vegetable oils is increasing in Vietnam, which is leading into a shift from animal fats to vegetable oils. This can particularly be seen in big cities with consumers that are, on average, more educated, more conscious about health and have greater accessibility to modern retail channels such as supermarket, department stores, etc.
- **Mid- and high-income:** as the price of olive oil is high for the average consumer.

### **Drivers and method of consumption**

In Vietnam, olive oil is not commonly used to cook; it is mostly used raw, as a salad topping or in other raw forms. Furthermore, olive oil is also consumed as a food reinforcement, with some consumers having a tablespoon a day as a medicine; and some Vietnamese women use olive oil for beauty purposes (e.g. the preparation of face masks due to its antioxidant properties, or in hair care products). However, probably the main driver of olive oil consumption in Vietnam is high end restaurants and hotels.

Consumers preferences for olive oil in Vietnam are still in a nascent phase, with consumers still learning about different tastes. The more prominent olive oils currently on the market are extra virgin and extra light olive oils. These types, along with virgin olive oil, are generally preferred by female consumers due to the health benefits; though their high prices put many consumers off. In the rare cases that olive oil is used for cooking, it is more likely that pomace or extra light olive oils will be used.

### **Purchase criteria**

Consumers of olive oil are mainly driven by health and food safety consideration. Indeed, olive oil is well-known for its healthy properties and hence appreciated by the Vietnamese population. Therefore, the preferences for types outlined above (extra virgin and extra light) play a notable role, alongside country of origin (with EU olive oils preferred); this is particularly true of higher income young consumers. Nonetheless, olive oil remains a niche market, due to the high price at which this product is offered on the Vietnamese market; and indeed, price can also be an important criterion, particularly for food service purchasers and the limited consumer group which chooses to use olive oil for cooking.

#### **Olive oil on retailers' shelves in Vietnam**

As noted above, olive oil is not common in Vietnam. Subsequently, stores which stock it tend to carry only a couple of brands. It is common for olive oil to be on the shelf surrounded by other types of oil, or in some cases, sauces (see below).



As is normally the case elsewhere, glass bottles are preferred for packaging. A range of sizes tend to be available, though smaller sizes (e.g. 250ml) are quite popular – unsurprising given it is a comparatively expensive oil which tends not to be consumed on a daily basis.

Given the range of sizes available, it is difficult to generalise about retail prices. Generally, a price of under VND 110 000 (EUR 4.35) is normal for small bottles; however larger bottles (e.g. 1 litre) and premium products can be found at prices up to VND 350 000 (EUR 14)

Sometimes olive oil is promoted by offering a gift with it such as a glass bowl or dish (see below).



Pictures: © Agra CEAS / Euromonitor International, 2020.

### 5.6.2.3 Recent market trends

Within the edible oil category, olive oil saw the highest value growth of 12% in 2019. Consumption of olive oil is set to grow at a 6.6% rate, reaching 1 500 tonnes in 2023.<sup>73</sup>

## 5.6.3 Offer

### 5.6.3.1 Domestic production

Vietnam production of vegetable oil is focused on other products than olive oil (indeed there is no domestic olive oil production). Among other oils, palm oil notably accounts for about three quarters of

<sup>73</sup> Euromonitor International: Alcoholic Drinks, 2019.

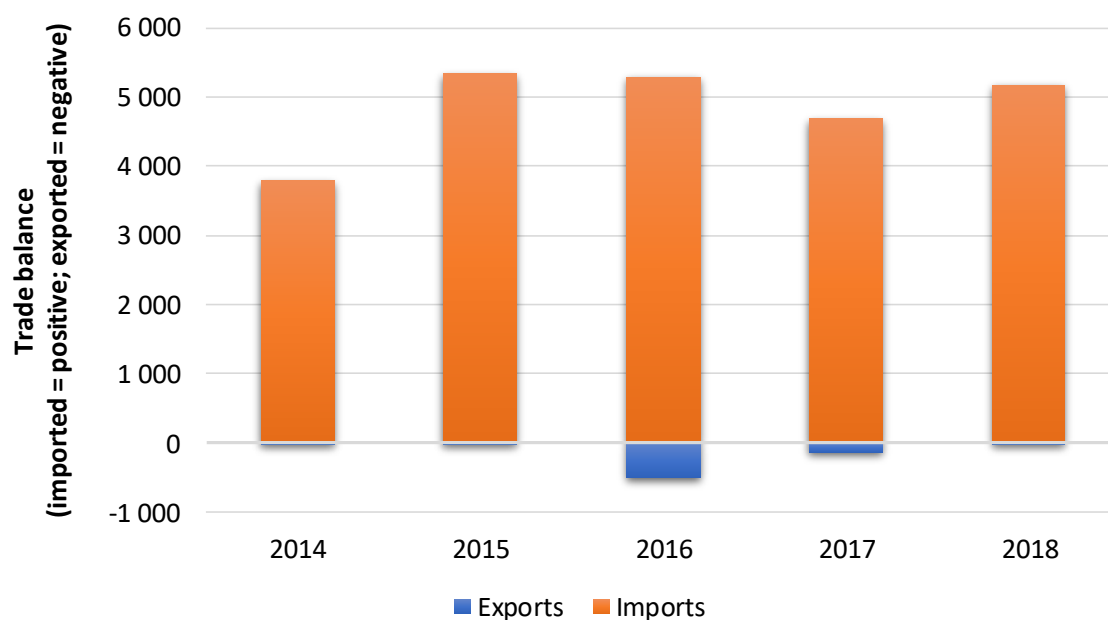
the production of edible oils, followed by soybean oil (23%) and other vegetable oils, accounting for the remaining 7%.<sup>74</sup>

### 5.6.3.2 Imports and exports

As shown in Figure 5-26, due to a lack of production, supply of olive oil heavily relies on imports. The value of imports fluctuates and was about EUR 5.2 million in 2018.

The majority of imports by value were shipped from Italy and Spain, in 2018 (Figure 5-27), which value amounted to EUR 2.6 and 2.2 million respectively.

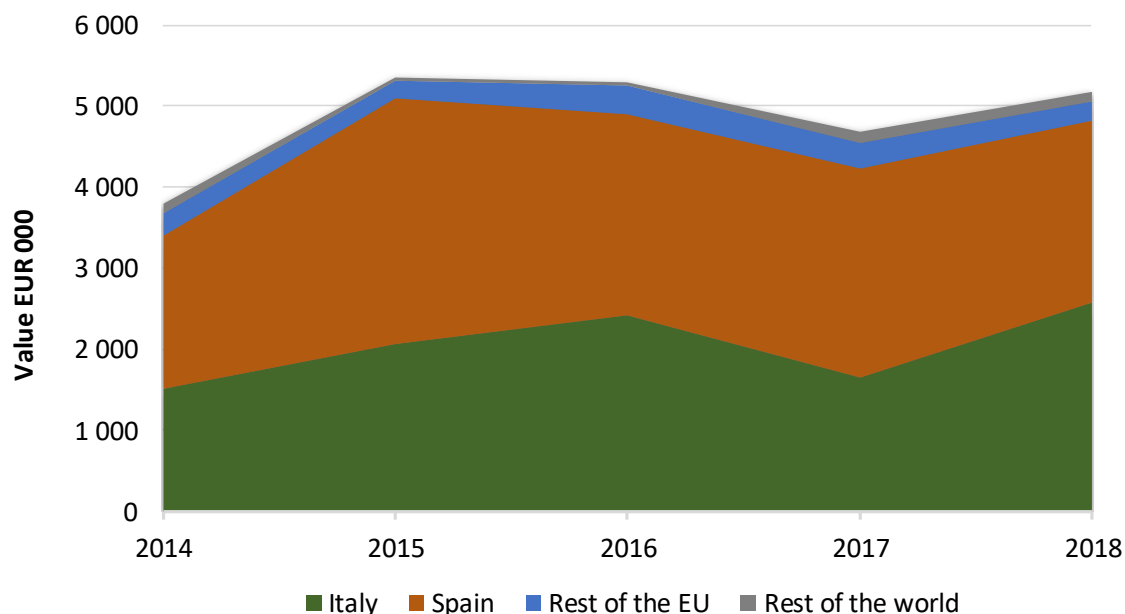
Figure 5-26: Trade balance (imports and exports) of olive oil in Vietnam, 2014-2018; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 1509.

<sup>74</sup> Production and consumption of vegetable oils in Vietnam to 2025, <http://www.vegetableoilhx.com/news/production-and-consumption-of-vegetable-oils-in-vietnam-to-2025/208.html>

Figure 5-27: Vietnamese imports of olive oil by country, 2014-2018; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 1509.

### 5.6.3.3 EU GI products

As reported in section 9, following the entry into force of the EU-Vietnam Free Trade Agreement, seven olive oil products will be recognised as Geographical Indications in Vietnam. Those products are manufactured in Spain (5) and Greece (2). Famous GIs that will receive protection in Vietnam are Spanish *Priego de Córdoba* and Greek *Καλαμάτα (Kalamata)* olive oil.

### 5.6.3.4 Main competitors

Vietnam is not a producer of olive oil. Furthermore, as set out in section 5.6.3.2 almost all imported olive oil has European origins. Brands which are particularly popular in Vietnam at present include Fragata and Borges (both Spanish); though there are several Italian and Greek products also on the market.

## 5.6.4 Specific market entry requirements

### Market Access and Entry

As outlined in section 4.2.1, olive oil producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the product is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2.

In terms of tariffs, currently most European olive oil (including virgin qualities) are subject a 5% duty. Only products under tariff lines 1509.90.91 and 1509.90.99 are subject to a higher rate tariff of 20%.



Nonetheless, thanks to the EU-Vietnam FTA, **duties are set to be entirely eliminated after four years** since the Agreement enters into force.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=1509>

### Customs procedures

A detailed list of standard documents required for the import olive oil into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2 ). Furthermore, as outlined in in section 4.2.1, a State Quality Inspection of Imported Goods and a Phytosanitary Certificate are specifically requested to export olive oil to Vietnam.

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=1509>

### Standards, SPS measures

Sanitary and Phytosanitary measures concerning the import of olive oil into Vietnam are in line with international standards.

**Up to date information on appropriate documents concerning SPS barriers:**

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

### Labelling

As set out in section 4.2.3, olive oil exporters must comply with generic labelling requirements set out in Decree 43/2017/ND-CP.

### 5.6.5 Distribution

As Figure 5-28 indicates, in Vietnam, off-trade edible oils, including olive oil, are mostly distributed through store-based retailers, namely grocery retailers (99.9% of total off-trade sales in 2018). Of these, in 2018 the large majority were traditional grocery retailers (91%) - mostly independent small grocers – followed by modern grocery retailers (9.3%). However, in 2018 independent small grocers share dropped off by approximately 4%, while modern grocery retailers grew by 3%.

However, in the specific case of olive oil, high end on-trade food outlets (e.g. restaurants and hotels) play an important role in distribution.

Figure 5-28: Distribution channels overview of edible oils (including olive oil) in Vietnam (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

### 5.6.6 Challenges for EU products

Olive oil is not commonly used as a cooking oil. Indeed, olive oil accounts for a small share of the vegetables oils market. Therefore, consumption of this product is limited in Vietnam. On top of that, importers face some tariff burdens when accessing the Vietnamese market.

#### Market Takeaway: Olive oil

**Consumption:** Though limited, consumption is on the rise, due to health and food safety concerns.

**Competition:** Domestic production is virtually zero; the EU dominates imports and those from non-EU countries are negligible.

**Distribution:** Olive oil is mostly distributed through traditional grocery retailers.

**Challenges:** The use of olive oil is limited in Vietnam; Importers face 5% import duties.

**Opportunities:** Consumption of olive oil is on the rise amongst health-conscious, higher income consumers.



## 5.7 Chocolate and confectionery

### 5.7.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ A rapidly growing consumer market.</li> <li>▪ International brands are regarded as superior to domestic brands.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vietnam's economy is closely linked to ASEAN Economies and this is reflected in imports of chocolate and confectionery products.</li> <li>▪ China , Malaysia and the USA have a comparative advantage in trade.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ EUVFTA Agreement will lower barriers to trade.</li> <li>▪ Gift giving culture around the events of Valentine's day and Tet leads to a predictable surge in demand.</li> <li>▪ Demand for imported premium products in on the rise.</li> <li>▪ Various potential niches for EU products – generally at the higher end - though price still needs to be attractive.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Domestic brands are beginning to gain a foothold in the market.</li> <li>▪ Regional competitors offer products attractive to Vietnamese tastes at low prices.</li> <li>▪ Increasing health consciousness among consumers starting to impact the market.</li> </ul>

### 5.7.2 Consumption

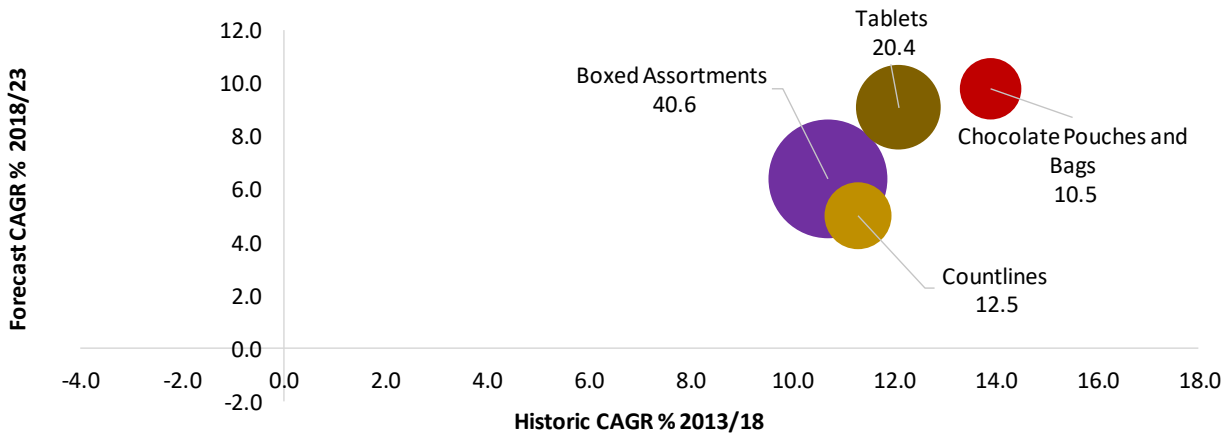
#### 5.7.2.1 Evolution of consumption

Consumption of chocolate in Vietnam has risen dramatically in recent years. The continued association of the major cultural holiday of Tet and Valentine's day with chocolate and confectionery gift-giving has allowed these products to see a continued high compound annual growth rate (CAGR).

Box assortments of chocolate have grown very rapidly in Vietnam (by 6.7% per year in volume terms between 2013-2018) with 2.7 tonnes being consumed and the market worth almost EUR 41 m in 2018. Other successful chocolate products in Vietnam were chocolate pouches, of which consumption grew by 6.9% in volume terms, while tablets and conlines grew 3.2% and 3.1% respectively in 2013-2018. All markets grew even more quickly in value terms – above 10% per year (Figure 5-29).

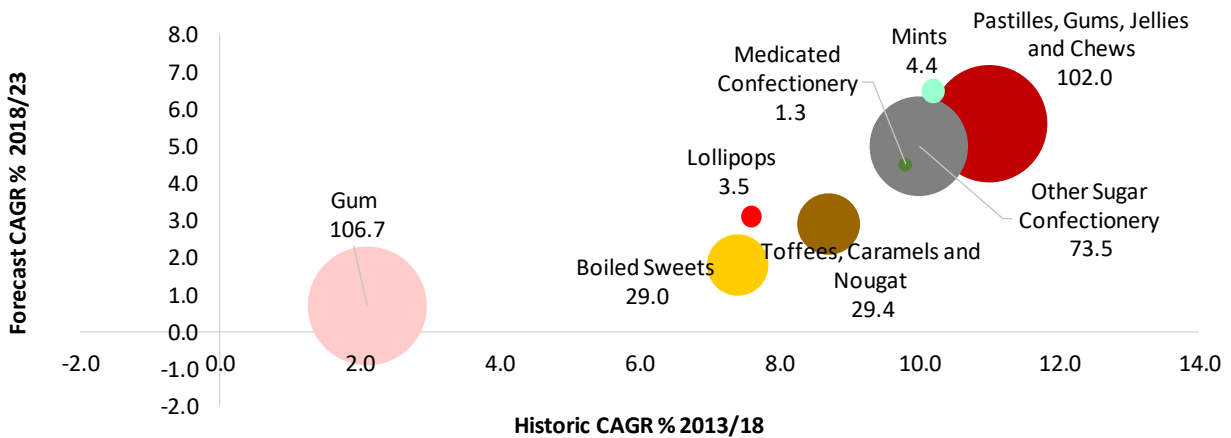
Continuing the trend from chocolate, confectionery products have also largely seen growth rates over the past number of years. In 2018, 38 200 tonnes of pastilles, gums, jellies, and chews were consumed in Vietnam worth some EUR 102m, making it the second largest segment after the mature gum segment (which was worth EUR 106.7m). The various other, smaller categories grew at between 7 and 11% per year in value terms over the period 2013-18 (Figure 5-30).

Figure 5-29: Evolution and forecast of chocolate confectionery market in Vietnam, 2013-2023; retail value EUR millions



Source: Euromonitor International: Packaged Food, 2020.

Figure 5-30: Evolution and forecast of sugar confectionery market in Vietnam, 2013-2023; retail value EUR millions



Source: Euromonitor International: Packaged Food, 2020.

### 5.7.2.2 Consumer profile and purchase criteria

#### Consumers

Consumers of sugar confectionery and chocolate products in Vietnam span across all social classes. With an increase in access to these products, driven by the rise of modern retail outlets and the incorporation of chocolate and confectionery productions into wet market stalls, chocolate and confectionery products are readily available in Vietnam. Furthermore, given the rise of disposable incomes in Vietnam, the purchase of chocolate and confectionery products has become much more common for Vietnamese consumers than in previous decades. Most notably, higher disposable incomes are also increasing the demand for premium chocolate which in turn increases demand for chocolate imported from abroad.

Traditionally the consumption of chocolate and confectionery goods in Vietnam was a rare event, which is why many consumers in the country attach a luxury tag to these products; and only international brands were available as domestic production is a quite recent development. This explains why even today a large portion of Vietnamese consumers associate chocolate and confectionery products with luxury. However, this is fading as consumption becomes a daily occurrence for many consumers and the luxury label attached solely to international brands is fading, as domestic products begin to grow in quality and market share.

### **Drivers and method of consumption**

In Vietnam, the two biggest events of the year for chocolate and confectionery sales are Valentine's day and the local Tet celebrations. Tet and Valentine's day in collaboration with a culture of gift-giving in Vietnam leads to a surge in demand for chocolate and confectionery products that is seized upon by local and international producers who typically increase the marketing of their products during these events to maximize their sales safe in the knowledge that consumers will be seeking to purchase their products as gifts. As exposure to western culture in Vietnam increases, other special events such as International Women's day, Christmas and Halloween are beginning to see increases in demand for chocolate and confectionery as well.

While the aforementioned events are a key driver of consumption, as noted above consumption is also increasingly becoming a daily occurrence for some consumers; particularly domestically produced, readily affordable products as a temporary snack to alleviate hunger.<sup>75</sup>

### **Purchase criteria**

Consumers of Chocolate and confectionery good are driven by events such as Tet and Valentine's day to purchase these products as gift giving is a cultural norm in Vietnam. Packaging is particularly important for these products, as gifts may be chosen on the basis that the packaging has a premium feel. Indeed, some manufacturers produce special packaging / editions (e.g. pink packaging, roses on packaging) in order to attract consumer purchases during these peak periods.

Though consumers are open to trying new products, there is a certain amount of brand loyalty in the chocolate confectionery market, particularly when consumed for everyday / personal consumption (rather than as a gift). Loyalty in the sugar confectionery market, on the other hand, is fairly low.

Other purchasing criteria that consumers typically use for the purchase of chocolate and sugar confectionery are:

- **Price.** This will be a consideration for the majority of consumers. It also explains the popularity of many mass-market economy and mid-priced multinational brands in Vietnam. Nonetheless there is a more upper class/premium segment which will prioritise premium status over price.
- **Health considerations.** With increasing attention on health, consumers are increasingly paying attention to nutrition, hygiene and quality aspects of confectionery.

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<sup>75</sup> Euromonitor International: Packaged Food, 2020.

- **Packaging.** Vietnamese consumers are increasingly choosing packaged foods - including confectionery – on the basis of packaging, with convenient yet premium looking packaging attracting consumers' attention.

The availability of products in the stores that consumers frequent also normally plays a role in the purchasing decision.

### Chocolate and sugar confectionery on retailers' shelves in Vietnam

Overall, flexible plastic packaging is the most common form of packaging for confectionery products (below right). For chocolate bars, the shape of the bar is important and the use of eye-catching packaging is quite common (below left). However, consumers generally associate imported chocolate with flashier, more premium packaging. This is connected to the general perception mentioned above that imported confectionery is more associated with luxury.



Notably, confectionery that is intended for gifting increasingly uses metal tins or boxes of some description (see below). There is also a trend in customised packaging for gifting, whereby consumers can get the name or picture of their loved ones on the packaging. Special packaging or editions of

products for important occasions such as Tet is common, and on such occasions, consumers may be willing to pay more for luxury products.



Retail prices of confectionery and chocolate vary greatly depending on the intended end market. Imported chocolate intended more for gifting can commonly be found at around EUR 3-4 equivalent per 100g. However, cheaper imported products can be found on the market, most notably those sold in large packages (1kg plus) and/or those which may be considered suitable for regular consumption as well as gifting.

*Pictures: © Agra CEAS / Euromonitor International, 2020.*



### 5.7.2.3 Recent market trends

Vietnamese consumers have developed a love for sugar confectionery. Volume and value growth of sugar confectionery is expected to continue to see a strong CAGRs over the forecast period (2018-2023). Four out of the five leading confectionery companies in Vietnam were international brands in 2018. The Vietnamese mindset that domestic chocolates are of lesser quality has been in place for a long time, largely because for a long time Vietnam production technology was underdeveloped and not competitive compared to international producers. Also, domestic players rarely conducted activities to increase their brand recognition in the country or to tout their quality to potential consumers. Until recently all of these factors have ensured the leadership of international players in most categories. However, this is slowly changing and brands like Marou have shown that premium chocolate domestic production in Vietnam is possible. Subsequently, the growth in domestic production of chocolate and confectionery products, which is becoming more economically viable in Vietnam, may pose a threat to the dominant market position of international brands in the upcoming years.

Currently, sales of both chocolate and sugar confectionery are expected to rise over the 2019-2024 forecast period, albeit at a slower rate than the last five years. Chocolate pouches and bags will have the highest growth rate among chocolate confectionery, at 9.8% per year in value terms; followed by tablets at 9.1% . Growth in the sugar confectionery market is forecast to be slower, mints expected to be the fastest grower at 6.5% per year followed by pastilles, gums, jellies and chews at 5.6% per year. Nonetheless, increased health consciousness among consumers may impact both the rate of growth and patterns of consumption going forwards. Indeed, some impacts of health consciousness on the market can already be seen, for example:<sup>76</sup>

- **Smaller sized packs** to combat falls in volumes and to help alleviate consumer concerns about high sugar intake from confectionery.
- **Increased interest in medicated confectionery** which consumers perceive to have lower levels of sugar.
- **Demand for sugar free gum**, and the introduction of various new flavours by manufacturers to satisfy increased consumer interest in this category.
- **Interest in dark chocolate**, particularly among purchasers of more premium chocolate products.

Finally, there are some products and flavours which have fared better in Vietnam of late and which are likely to continue to do well going forwards. Chocolate tablets have a long standing presence in Vietnam; they are seen as a flexible product that can be suitable both for special occasions and for personal consumption and boosted by widespread availability. Countlines and pouches have fared well recently due to their convenience; and as they are mainly purchased for personal consumption, volumes tend to be more consistent throughout the year. Among chocolate flavours, there has been great interest in green tea flavour, boosted by the perception that green tea is healthy. Producers have launched products with green tea both as countlines for normal consumption and premium products for special occasions. Finally, with regard to chocolates, some local producers are creating artisanal flavours, including for

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<sup>76</sup> Euromonitor International: Packaged Food, 2020.

example *pho* flavour which combines various spices - star anise, cardamom, coriander, fennel, cloves, cinnamon, and pepper – which feature in the country's traditional soup dish with the same name.

In terms of sugar confectionery, jelly products - whether in food, drink or confectionery form - have fared well of late in Vietnam. Jelly based confectionery is therefore an attractive category. While children are the main consumers of this product, such products are ultimately consumed by people of all ages. Secondly, the mint segment, though small, has grown very quickly of late.

### 5.7.3 Offer

#### 5.7.3.1 Domestic production

There are now over 200 companies producing sugar or chocolate confectionery in Vietnam; four times the 50 or so companies which existed in 2010. Companies like Mauro chocolate, who produced their chocolate exclusively in Vietnam, have shown that it is possible to domestically produce across the value chain chocolate in Vietnam and generate revenue. International brands however continue to have the largest share of chocolate sales in Vietnam helped in part by the luxury tag that International products tend to have in Vietnam and the perception that domestic products are of poorer quality. The variable consumer loyalty for sugar confectionery products has allowed domestic producers to gain a strong foothold in the market. The market in Vietnam is however fragmented along regional lines. For example, Biscafun Confectionery and Hai Chau Confectionery are strong players in central Vietnam, while Haiha Confectionery is stronger in the north.<sup>77</sup>

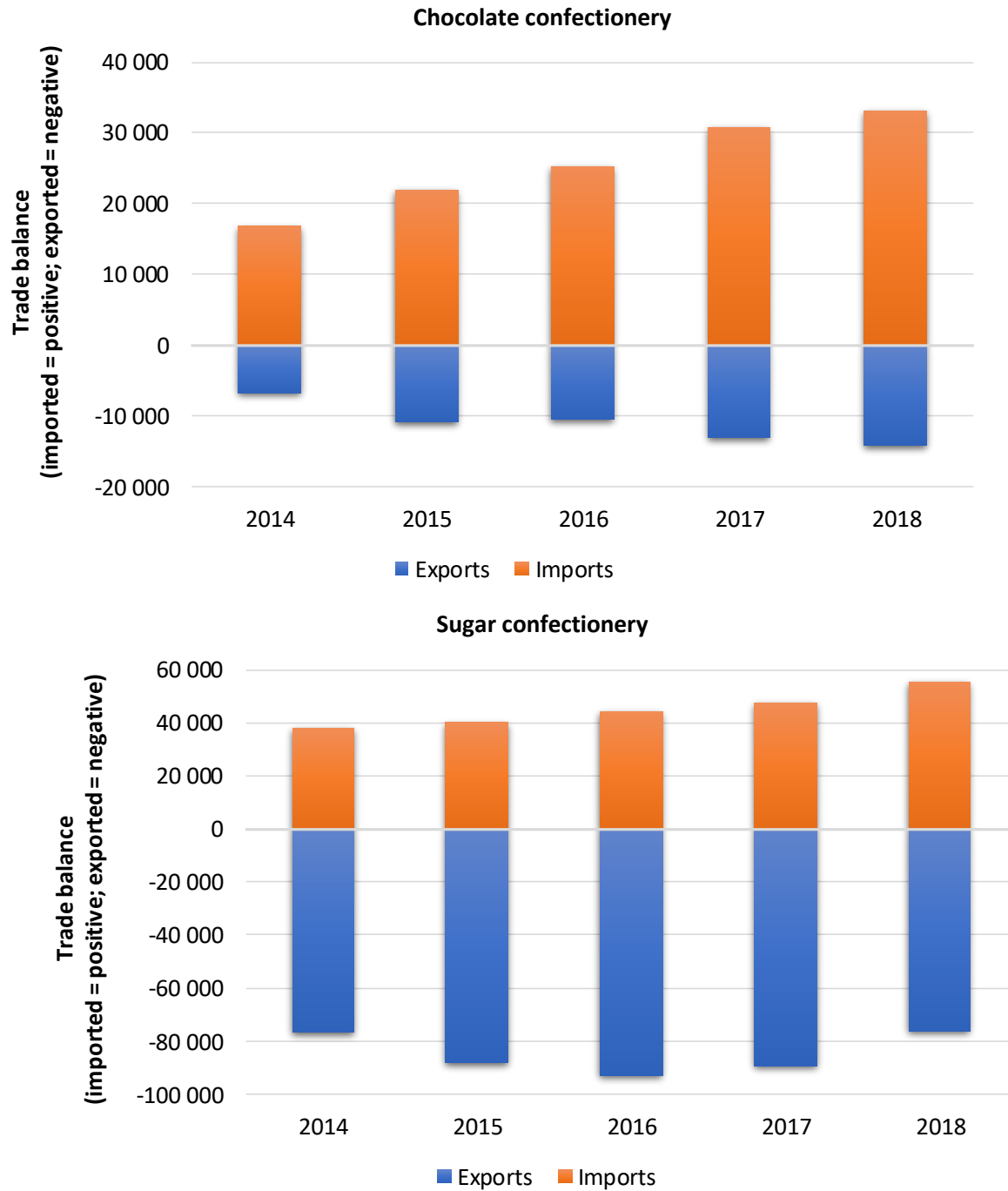
#### 5.7.3.2 Imports and exports

As observed in Figure 5-31, Vietnam imports much more chocolate products than it exports. This is largely due to a lack of large-scale production of these products in Vietnam, although exports continue to grow each year. Vietnam imports a large share of chocolate from United States, China, and Malaysia. These three countries indeed account for 44% of Vietnam's chocolate imports in terms of value. The EU represents 19% of Vietnam's chocolate imports in terms of value. Sugar confectionery production in Vietnam continues to grow steadily and this is reflected in Figure 5-31, showing that the country exports more of these products than it imports. Vietnam imports are closely tied to ASEAN nations with Indonesia, Malaysia, the Philippines, and Thailand accounting for 61.7% of Vietnam's confectionery imports in terms of value. Vietnamese imports of sugar confectionery from the EU are minor. The largest EU exporter was Belgium, which accounted for just 2.6% of total confectionery imports to Vietnam in terms of value.

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<sup>77</sup> Euromonitor International: Packaged Food, 2020..

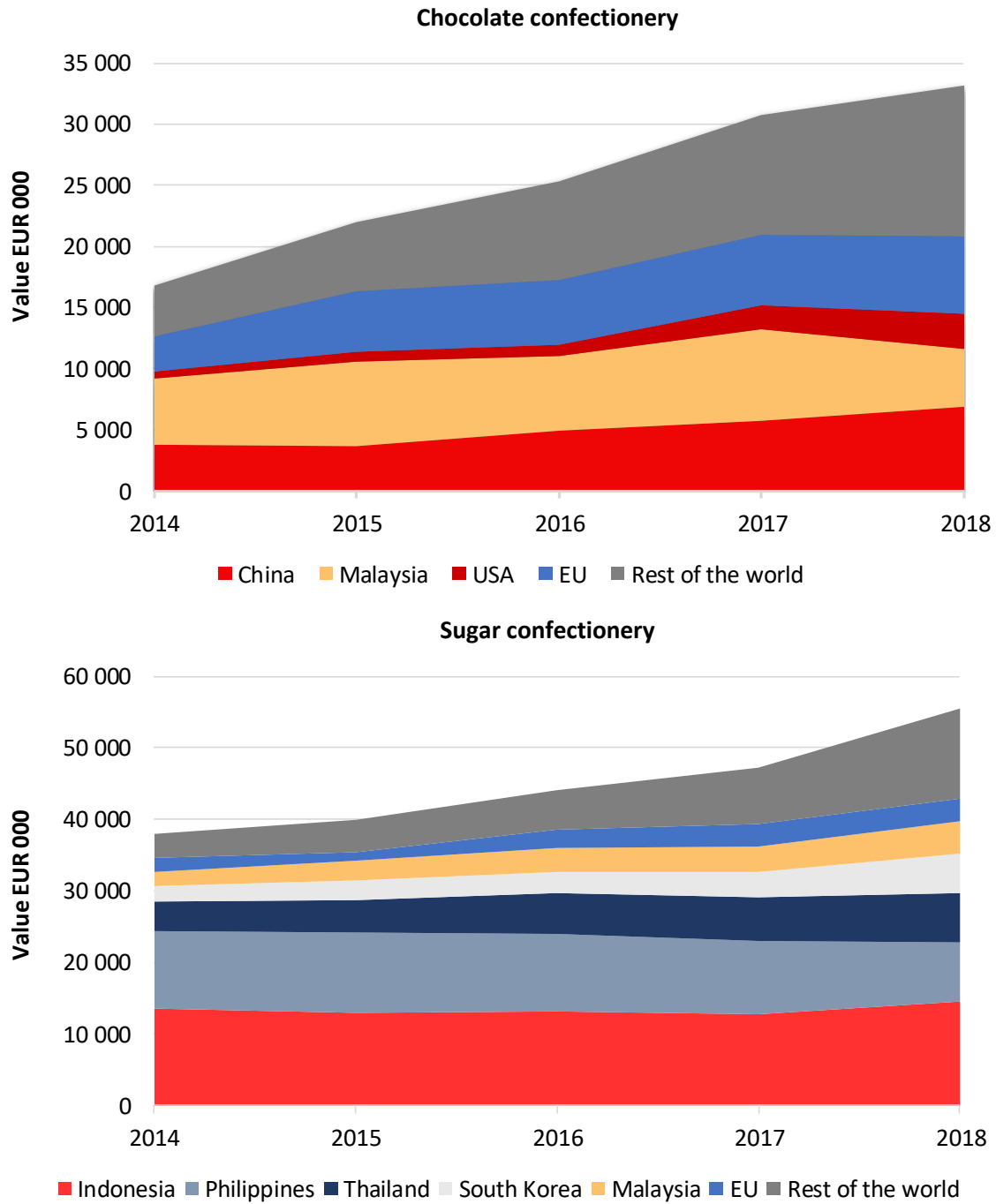
Figure 5-31: Trade balance (imports and exports) of confectionery in Vietnam, 2014-18; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 1806 and 1704.



Figure 5-32: Vietnamese imports of confectionery by country, 2014-18; EUR 000



Source:

Trade Map, International Trade Centre - <https://www.trademap.org/>  
 Data for CN code 1806 and 1704.

### 5.7.3.3 EU GI products

Two confectionery products will be recognised as a Geographic indication in Vietnam, once the EU-Vietnam free trade deal enters into force. These are Jigona from Spain and Masticha Chiou from Greece (see also section 9).

### 5.7.3.4 Main competitors

As outlined in section 5.7.3.1, domestic production continues to grow in Vietnam, hence posing a challenge for EU producers. Vietnam is also a member of ASEAN, which means Vietnam aligns its economy more closely with its geographic neighbours than the EU, and this is also reflected in Vietnam's confectionery imports, with four out of the top five biggest sources for confectionery in terms of value being ASEAN nations (Indonesia, Malaysia, Philippines and Thailand – see section 5.7.3.2). Chocolate imports are different largely due to a lack of large scale cocoa production in ASEAN nations with only Malaysia being in the top five countries that Vietnam imports chocolate from (in terms of value). Germany and Belgium both have a respectable fifth and sixth position, which will be bolstered by the EUVFTA agreement. However, Malaysia, the USA and China enjoy larger shares than the EU of chocolate and confectionery imports into Vietnam. Products from China and Malaysia in particular enjoy significant cost advantages over European products plus often use flavours closer to those Vietnamese tastes largely explaining their popularity.

## 5.7.4 Specific market entry requirements

### Market Access and Entry

As outlined in section 4.2.1, chocolate and sugar confectionery producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the product is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2.

In terms of tariffs, currently European chocolate is subject to duties ranging between 13 and 25%. Similarly, tariffs on sugar confectionery products range between 15-25%. Nonetheless, thanks to the EU-Vietnam FTA, EU chocolate and confectionery products will be fully duty-free after five to seven years (depending on the type of product) from the entry into force of the agreement. Therefore, the situation with tariffs is set to significantly improve over the next years, providing substantial business opportunities to EU producers.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=1806>

and

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=1704>

### Customs procedures

A detailed list of standard documents required for import chocolate and sugar confectionery into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2).

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=1806>

and

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=1704>

### **Standards, SPS measures**

Sanitary and Phytosanitary measures concerning the import of chocolate and confectionery into Vietnam are in line with international standards.

**Up to date information on appropriate documents concerning SPS barriers:**

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

### **Labelling**

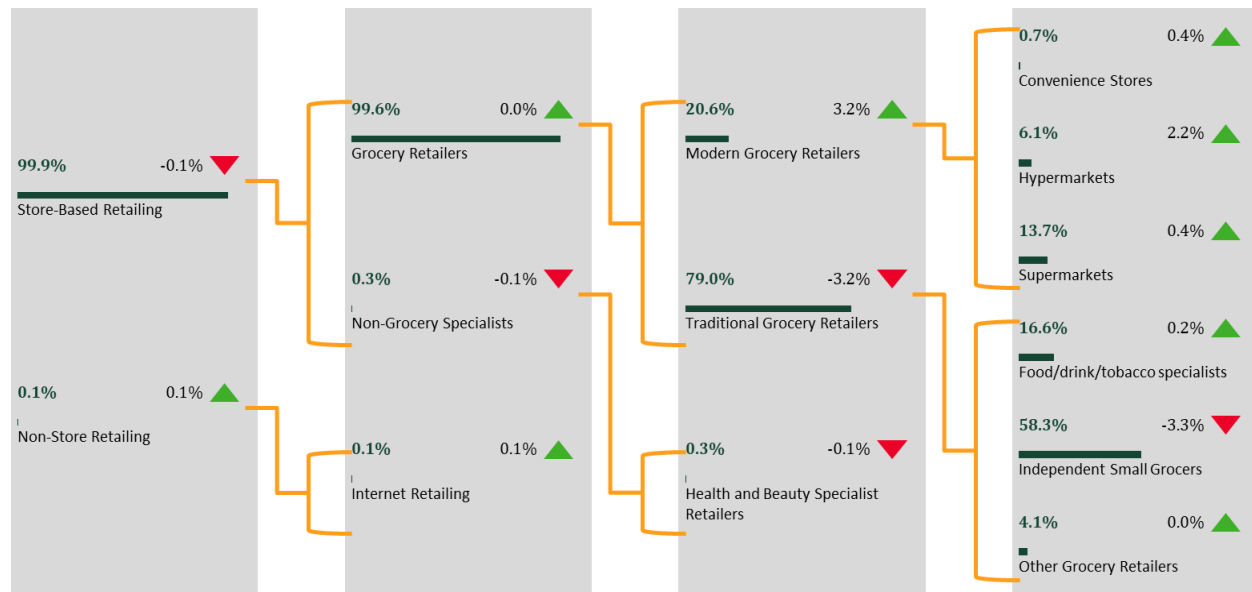
As set out in section 4.2.3, chocolate and confectionery exporters must comply with generic labelling requirements set out in Decree 43/2017/ND-CP.

### **5.7.5 Distribution**

As showed in Figure 5 29, the distribution of chocolate and confectionery is almost entirely sourced from grocery retailers, which account for 99.7% of total sales in the category. Traditional grocery retailers retain 79% of distribution source, however modern retail outlets are quickly catching up and with a distribution share of 20% and the gap is expected to continue to converge for the next number of years. Modern retailers are growing exponentially in Vietnam, which explains why their distribution of chocolate and confectionery products as a whole also continues to rise.

Over half sales take place through independent small grocers although this share continues to decline, while hypermarkets, convenience stores, food specialist and supermarkets are gaining ground.

Figure 5-33: Distribution channel overview of all confectionery in Vietnam (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

### 5.7.6 Challenges for EU products

While demand for confectionery and chocolate products continues to grow in Vietnam, so does domestic production. Neighbouring countries are also beginning to scale up production in this sector and offer cheap products in a largely price-focused market with flavours that are close to Vietnamese tastes. International products do hold an advantage in that they are perceived to be of better quality from the perspective of a Vietnamese consumer than local products. Despite this, the USA, China and Malaysia, which benefit of easier market access conditions under FTAs with Vietnam, continue to outperform EU producers; the thorough entry into force of the EVFTA will change this.

#### Market Takeaway: Chocolate and confectionery

**Consumption:** Consumption of chocolate and sugar confectionery goods continue to grow each year. A rising youth population combined with growing expendable incomes among Vietnamese consumers is leading to growth in demand for chocolate and confectionery products.

**Competition:** Domestic producers are starting to gain a foothold in the Vietnamese market. Neighbouring countries, who are also members of ASEAN are starting to scale up domestic production. The USA, China and Malaysia continue to outpace EU producers in Vietnam.

**Distribution:** Chocolate and confectionery are mostly distributed through retail outlets which have grown significantly in Vietnam in the past decade. Also distributed through wet market stalls.

**Challenges:** Growing competition from domestic producers who are now labelling their products as premium poses a challenge. Price and availability are often key considerations. Another challenge is the existent barriers to trade, although the EVFTA should help alleviate these problems.

**Opportunities:** A market that heavily associates chocolate and confectionery goods with the events of Valentine's day and Tet, combined with a culture of consumer gift giving gives producers the opportunity to track a predictable spike in demand during these periods. EU products should focus on the more premium end of the market with

*differentiation through elements such as packaging and perceived healthiness; but should also still ensure the price is attractive.*

## 5.8 Beer

### 5.8.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Vietnamese are amongst the top beer consumers in Asia.</li> <li>▪ Beer consumption is on the rise, at the expense of wine and spirits categories, due to its lower alcohol content and price.</li> <li>▪ EU Member States account for most exports in terms of value.</li> <li>▪ Per capita consumption of beer is very high.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Average consumer is price sensitive.</li> <li>▪ Local beers are affordable for lower-income consumers.</li> <li>▪ Imports of beer are relatively low.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Beer will be fully duty-free after 10 years from the entering into force of the EVFTA.</li> <li>▪ 4 beer GIs will be protected under the EVFTA.</li> <li>▪ Consumer base is expanding, with e.g. more women drinking beer.</li> <li>▪ The nascent craft beer industry indicates that consumers are beginning to show interest in new types of beers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vietnam is the third largest beer producer in Asia.</li> <li>▪ Thailand and Mexico are significant competitors.</li> <li>▪ Currently, exporters face high import duties and taxes.</li> </ul>

### 5.8.2 Consumption

#### 5.8.2.1 Evolution of consumption

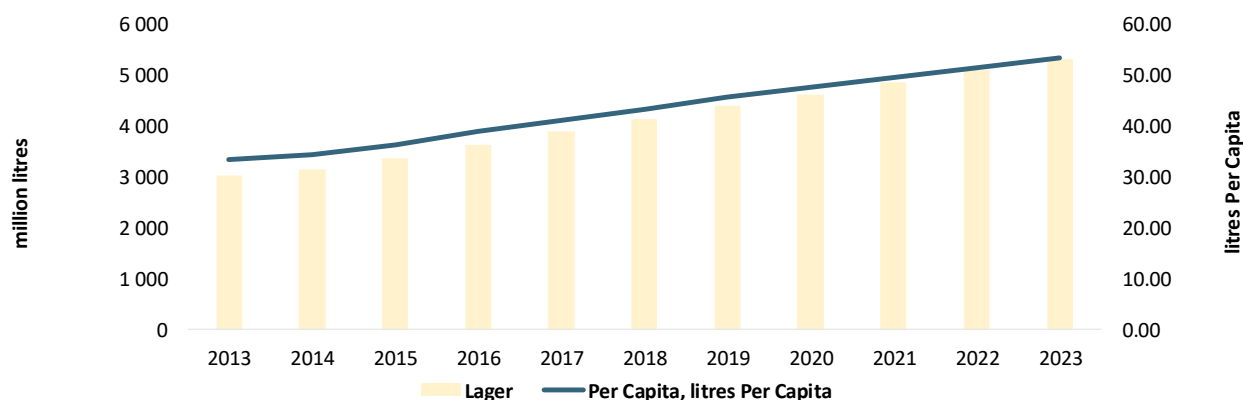
Vietnamese are heavy consumers of beer, which indeed accounts for over 90% of total alcoholic beverages consumption in Vietnam by volume. Consequently, Vietnam is amongst the world's top 15 beer-consuming countries. Lager dominates the beer market. Consumption of lager reached over 4.1 billion litres in 2018 and is set to grow at a fast rate, exceeding 5.3 billion litres in 2023. Sales within the category have grown over the last years, at a 6.4% annual rate. While other types of beer are present in the country, their market shares are negligible. Craft beer is the largest of these niche markets. Ale and stout have very little demand.

Per capita consumption of beer subsequently grew from about 34 litres to 43 between 2013 and 2018, making the country the third-largest per capita consumer in Asia, just behind China and Japan, and is set to go up to over 53 litres in the next few years.<sup>78 79</sup>

<sup>78</sup> Euromonitor International: Alcoholic Drinks, 2019.

<sup>79</sup> Beer makers enjoy higher consumption, <https://en.vietnamplus.vn/beer-makers-enjoy-higher-consumption/161989.vnp>

Figure 5-34: Evolution and forecast of market for lager beer (size; million litres) and lager consumption per capita, in Vietnam; 2013-2023



Source: Euromonitor International: Alcoholic Drinks, 2019.

### 5.8.2.2 Consumer profile and purchase criteria

Brought by the French, beer first came to Vietnam in the 19<sup>th</sup> century. Since then the sector has been growing at very fast rates and beer has become the national drink. Due to low prices (in Vietnam, beer is cheaper than milk), consumption of beer is indeed tremendous in this country.

#### Consumers

Beer is very popular amongst Vietnamese, who generally consider it to be less harmful than other alcoholic drinks, due to its lower alcohol content. In addition, the price of beer is more affordable compared with wine and spirits. Consequently, beer is popular amongst Vietnamese consumers with various incomes. However, imported beers, which are offered at higher prices, are mostly purchased by: (1) higher-income, urban Vietnamese males in the 25-45 age range; and (2) expats living in large cities. Premium craft beer is still a novel concept in Vietnam, though it targets the same higher income and expat segment as imported beers. Beer with a light, malt taste is generally preferred by the Vietnamese, though with craft beer beginning to emerge, new flavours are entering the market.<sup>80</sup>

#### Drivers and method of consumption

In Vietnam, beer is a social drink and is an important component of Vietnamese culture. Not only this product is associated with parties, it is also commonly served at various types of events, celebrations, friendly gatherings and reunions. Furthermore, Vietnamese businessmen often take clients out for a beer when they are negotiating business deals, with premium beer common for such events. Premium beer may also be consumed during important festivals, as well as increasingly around football matches. Finally, beer may also be paired with food, such as seafood, tofu and various other types of side dishes.<sup>81</sup>

<sup>80</sup> Euromonitor International: Alcoholic Drinks, 2019.

<sup>81</sup> Beers in Vietnam - A Complete Guide For Lager Lovers, <https://www.holidify.com/pages/beers-in-vietnam-829.html>

**Purchase criteria**

Low-income consumers tend to be highly price-sensitive; hence, they have a preference for domestic beers that are offered at affordable prices, or in some cases cheap imported beers. While price may also play a role for wealthier consumers, they may be more interested in high quality beers and those with lower alcoholic content.

There is generally quite strong brand loyalty in the beer market in Vietnam, though this brand loyalty resides when it comes to imported and craft beer. For these beers, international recognition (e.g. awards) is more likely to influence the initial purchasing decision than the brand. Nonetheless, the importance of brands for the long term should not be underestimated. For this reason, large producers have started to actively target young consumers through promotional activities including event sponsorship. In on-trade channels it is common to find promotional staff whose job it is to introduce the beer to potential clients – another way of promoting the brand.

**Beer on retailers' shelves in Vietnam**

Imported beer tends to be premium, and hence retails at around VND 55 000 (2.20 EUR) per half litre. It is however possible to find cheaper imported beer at half this price, as well as very specialist imported beers at over twice this price.

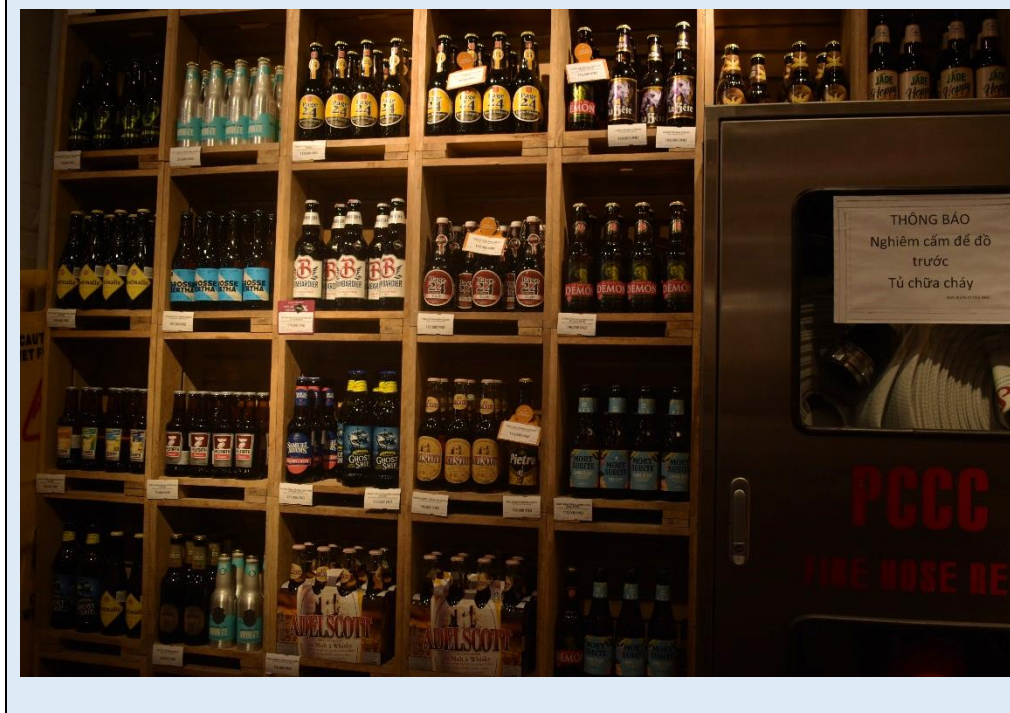
In terms of pricing promotion, the most common method is a multipack discount or 6 for the price of 5.

The majority of shelf space is generally dedicated to local/locally brewed brands, making it important for imported brands to use other techniques to attract attention (see below).





While some specialist beers may be sold through supermarkets, they are more likely to be found in specialist/gourmet stores (see below).



Packaging of beer varies greatly between products and channels:

- Glass bottles are fairly standard in on-trade channels due to a deposit system.
- Metal beverage cans are the standard for lager sold through off trade channels; and metal cans are even considered premium packaging in Vietnam, leading to even economy brands adopting this packaging. Tall, slim cans may make products appear more premium.
- Vintage style glass bottles are preferred for craft and specialist beers.

Generally smaller sizes (250-300ml) work better for imported beers as the consumers who are willing to try new products tend to buy smaller packs. The picture below demonstrates some of these points on packaging.



Limited editions or distinctive packaging are used by many beer brands around special festivals (most notably Lunar New Year).

*Pictures: © Agra CEAS / Euromonitor International, 2020.*

### 5.8.2.3 Recent market trends

Over the next years, the beer category is projected to record a positive performance, mostly due to an expanding consumer base (see section 5.8.2.2). Sales are indeed set to grow at 5.2%, a much higher rate compared to spirits.<sup>82</sup>

As noted above, the concept of craft beer is quite new in Vietnam. It is however beginning to gain some pace, and further developments can be expected. Very recently craft beer producers have become dynamic in searching and developing new flavours to adapt with Vietnamese cuisine, resulting in the introduction of craft beer with coffee, chocolate, green rice, pomelo, and Vietnamese spices. Notable innovative players in the craft beer space include Pasteur Street Beer, East West Brewing, Heart of Darkness and Platinum.

Fruity and aromatic beers have also been gaining some traction among Vietnamese women, and various types of fruity or aromatic beer – including some types of wheat beer – can be found in Vietnam.

Finally, as noted in section 5.8.5, while on-trade is the most important channel, off-trade is gaining in popularity.

## 5.8.3 Offer

### 5.8.3.1 Domestic production

Vietnam is the third largest producer of beer in Asia (just behind China and Japan). In 2018, Vietnam produced 4.6 billion litres of beer and production volumes have grown at over 10% per year in recent years. Domestic manufacturers subsequently dominate the local beer market. As noted above, the craft beer industry in Vietnam is in a very nascent stage. 30 craft breweries existed in 2018, and combined they produced just 29m litres, or 0.7% of Vietnam's beer production. Increases in production are however expected in coming years.<sup>83</sup>

### 5.8.3.2 Imports and exports

Due to the large domestic production, in Vietnam, exports largely exceed imports of beer. However, imports have tendentially grown in recent years, peaking in 2018, when they reached a value of nearly EUR 10.7 million (Figure 5-35). On the contrary, exports value, which strongly fluctuated between 2013 and 2018, fell to EUR 56.4 million last year.

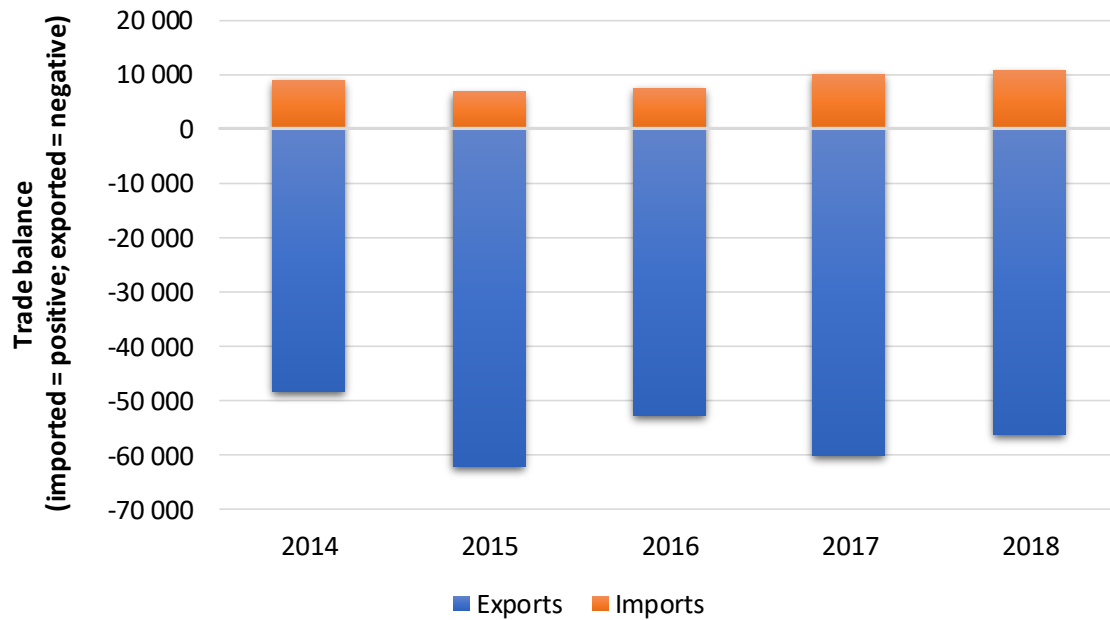
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<sup>82</sup> Beers in Vietnam - A Complete Guide For Lager Lovers, <https://www.holidify.com/pages/beers-in-vietnam-829.html>

<sup>83</sup> VN to produce 4 billion litre of beer in 2017, <http://vietnamnews.vn/economy/350559/vn-to-produce-4-billion-litre-of-beer-in-2017.html#z2BJDrKKBBGsbeCT.99>



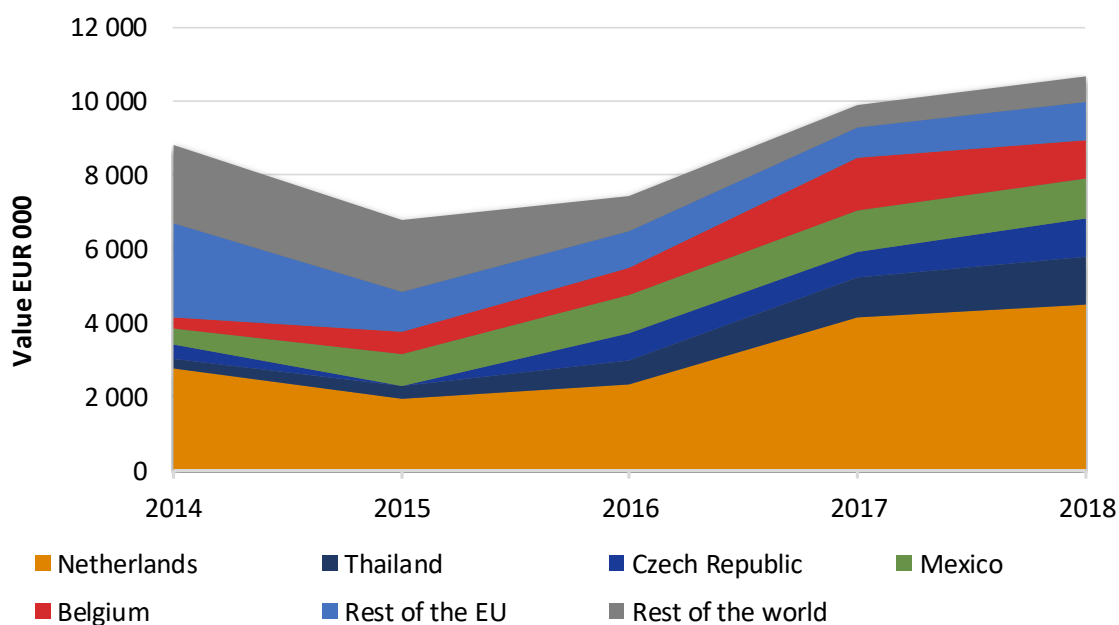
Figure 5-35: Trade balance (imports and exports) of beer in Vietnam, 2014-18; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 2203.

As depicted in Figure 5-36, imports of beer into Vietnam are slightly fragmented. Nonetheless, in 2018, EU countries led exports of beer to Vietnam in terms of value. Notably, the value of Dutch exports was estimated at EUR 4.5 million. Thailand followed, with total shipments value of EUR 1.3 million. The Czech Republic, Mexico and Belgium were also outstanding exporters in terms of volume. The value of exports from the rest of the EU reached EUR 1 million in the EU, with Germany taking the lead.

Figure 5-36: Vietnamese imports of beer by country, 2014-18; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 2203.

### 5.8.3.3 EU GI products

As reported in section 9, following the entry into force of the EU-Vietnam Free Trade Agreement, four beer products will be recognised as Geographical Indications in Vietnam, from the Czech Republic and Germany:

- Czech Republic: *České pivo*, *Českobudějovické pivo*;
- Germany: *Bayerisches Bier*, *Münchener Bier*.

### 5.8.3.4 Main competitors

As outlined in section 5.8.3.1, Vietnamese production of beer is wide enough to satisfy the internal demand. As a result, imports of beer are relatively limited compared to exports. Regardless of the fact that most imports of beer in terms of value are shipped from EU countries. Thai and Mexican companies pose a challenge to EU exporters (see section 5.8.3.2).

Beer in Vietnam still has a great deal of room for growth. Nonetheless, it is not easy for players to survive and to gain market share. This is due to the fact that the category is becoming increasingly competitive. Notably, small producers/exporters face the force competition of key players such as Saigon Alcohol Beer & Beverages Corp (Sabeco) and Vietnam Brewery (Heineken), which can count on wide networks and strong brand recognition.<sup>84</sup>

<sup>84</sup> Euromonitor International: Alcoholic Drinks, 2019.

## 5.8.4 Specific market entry requirements

### Market Access and Entry

As outlined in section 4.2.1, beer producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the beer product is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2.

In terms of tariffs, currently European beers are subject to high duties, i.e. 35% in addition to a 10% VAT and a Special Consumption Tax of 65%. Nonetheless, thanks to the EU-Vietnam FTA, EU beers will be **fully duty-free after ten years** from the entry into force of the agreement. Therefore, the situation is set to significantly improve over the next years, providing substantial business opportunities to EU producers.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=2203>

### Customs procedures

A detailed list of standard documents required for the import beer into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2 ). Furthermore, as outlined in in section 4.2.1, a Letter of Authorisation and a State Quality Inspection of Imported Goods are specifically requested to export beers to Vietnam.

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=2203>

### Standards, SPS measures

Circular 45/2010/TT-BYT sets out the food safety norms and requirements on management of food grade alcohol used to produce alcoholic beverages and its related products. This includes beer. In summary, this circular covers:

- The requirements for food grade alcohol
- Chemical norms for alcoholic beverages (maximum levels of certain components)
- Heavy metals in alcoholic beverages
- Microbiological norms for chemical beverages
- Acceptable testing methods

The Circular can be found in Vietnamese at the following address: <https://thuvienphapluat.vn/van-ban/The-thao-Y-te/Circular-45-2010-TT-BYT-promulgation-national-technical-regulation-alcoholic-beverages-316065.aspx>

Some translations into English of this circular may also be found by searching online.

Sanitary and Phytosanitary measures concerning the import of beer into Vietnam are in line with international standards.

**Up to date information on appropriate documents concerning SPS barriers:**

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

### Labelling

As set out in section 4.2.3, beer must comply with specific labelling rules, as provided for in Decree 43/2017/ND-CP. Notably, labels of beer must bear the following details:

- product name
- name of the person and the organisation responsible for the product (both manufacturer and importer)
- country of origin
- quantity
- ethanol (alcohol) content<sup>85</sup>
- expiration date (if any)
- lot number (if any)

### 5.8.5 Distribution

In Vietnam, beer is mostly distributed through on-trade channels, which account for 70% of the total volume. On-trade purchases mostly takes place at hotels, restaurants and pubs. That said, off-trade is rapidly gaining in importance for beer distribution.

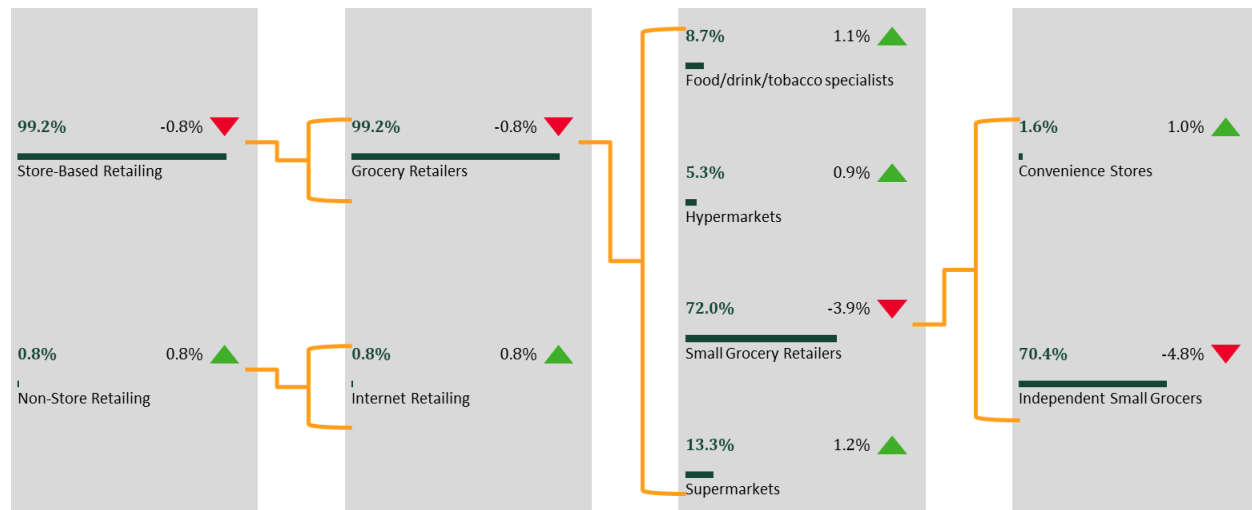
As indicated in Figure 5-37, nearly all beer distributed through off-trade channels is sold at store-based retailers, specifically grocery retailers (99.2%). Of these, in 2018 the large majority were small grocery retailers (72%) - mostly independent small grocers (70.4%) – followed by supermarkets (13%), food/ drink/ tobacco specialists (9%) and hypermarkets (5%). However, in 2018 independent small grocers share dropped off by 4.8%.

Against this background, in the last years internet retailing has been seeing a development in the number of internet retailers and transactions, thanks to rapid growth in internet users and better transportation. In general, the internet retailers' service and delivery are improving, hence bringing consumers assurance and comfort when shopping online. As such, more and more Vietnamese consumers have started to use internet retailing more frequently; some on a daily basis. Key players in beer are trying to build their internet retailing distribution by cooperating with popular internet retailers such as tiki.vn or adayroi.com to sell their products online, to reach more consumers and increase their sales.

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<sup>85</sup> Strictly speaking this is not required for beers under 5% as this is not defined as liquor according to Decree No. 105/2017/ND-CP on liquor trading. However, it is almost always indicated.

Figure 5-37: Distribution channel overview of beer in Vietnam (2018); off-trade volume



Source: Euromonitor International: Alcoholic Drinks, 2019.

### 5.8.6 Challenges for EU products

EU exporters face the fierce competition of domestic beer producers, which products are low-priced and widely available across the whole country. Imported beers are indeed too pricey for the average Vietnamese consumer. Furthermore, EU exporters face high import duties and taxes to penetrate the Vietnamese beer market, which in turn has a strong impact on the final price of the product making it even harder for many consumers to afford. However, the entry into force of the EVFTA will progressively improve the situation with tariffs.

#### Market Takeaway: Beer

**Consumption:** Beer is the most popular alcoholic beverages category in volume terms; and the consumer base is indeed expanding.

**Competition:** Vietnam is a heavy beer producer; products imported from Mexico and Thailand pose also a challenge to EU imported beers.

**Distribution:** Beer is mostly distributed through the on-trade channel; Independent small grocers account for most off-trade sales; Online purchases are becoming more common.

**Challenges:** Domestic production is plentiful and available to consumers cheaply. Market access can provide challenges.

**Opportunities:** Beer will be fully duty-free after 10 years from the entering into force of the EVFTA. The nascent craft beer industry suggests consumers are warming to tastes other than the traditional, dominant lager.



## 5.9 Processed meat

### 5.9.1 SWOT analysis

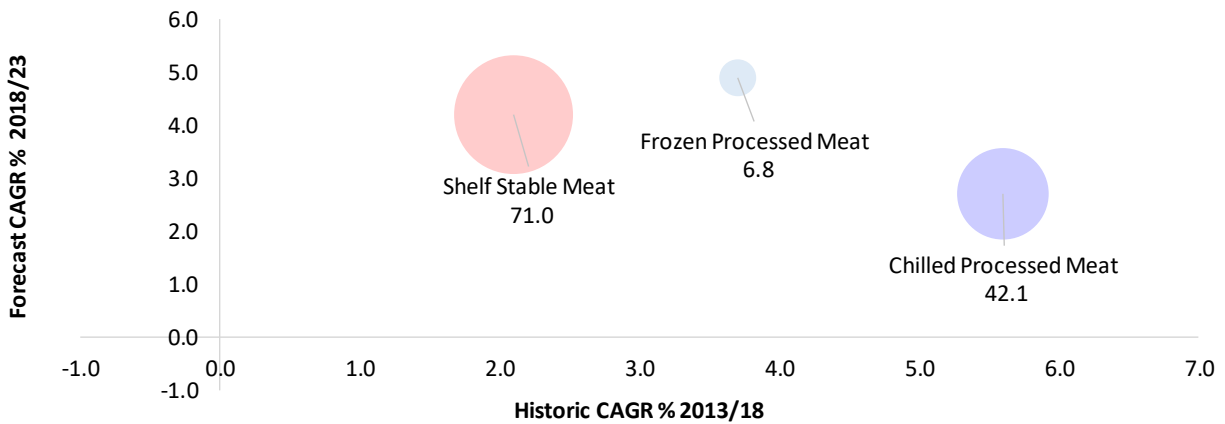
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Vietnam has a culture of cold cuts/charcuterie style products which dates from the times the French were in the country.</li> <li>▪ Various different methods of consumption mean that products may be used as part of a recipe, consumed with bread, consumed as a snack, etc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Market is limited in size.</li> <li>▪ Shelf stable meat the dominant segment, albeit only marginally.</li> <li>▪ Small independent retailers account for the majority of distribution.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Tariffs to be reduced under the EVFTA.</li> <li>▪ GI protection for various processed meat products to be introduced under EVFTA.</li> <li>▪ Similarities between some traditional products and EU charcuterie products may make this an interesting market.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong domestic production, including of charcuterie style products which could be in competition with European GI products.</li> <li>▪ Market access can be challenging in some cases.</li> </ul>

### 5.9.2 Consumption

#### 5.9.2.1 Evolution of consumption

Shelf stable processed meat accounts for the majority of the retail market in value terms, with the market worth 71m EUR in 2018, having grown at 2.1% per year over the period 2013-18. Chilled processed meat grew considerably faster at 5.6% per year over the same period, though the market size remains smaller. The market for frozen processed meat is small in value terms, though it accounts for a notable share of all processed meat consumption in volume terms. All categories are expected to grow going forward over the period to 2023 at rates between 2.7 and 4.3% per year (Figure 5-38). The vast majority of all processed meat consumed in Vietnam is red meat; only in the case of shelf stable meat is there a market for poultry of any notable size.

Figure 5-38: Evolution and forecast of processed meat in Vietnam, 2013-2023; retail value EUR millions



Source: Euromonitor International: Packaged Food, 2020.

### 5.9.2.2 Consumer profile and purchase criteria

#### Consumers

Chilled and frozen processed meat has become accessible to consumers across the country. The main reason for this is related to improvements in cold storage across Vietnam. Firstly, the number of chillers and freezers has increased and they can be increasingly found in rural areas as well as urban ones; secondly improvements in the electricity grid has made it possible to reliably run them; and thirdly, cold storage logistics are improving. The result of this is that chilled and frozen meat products can now be both shipped to and sold in more rural areas, greatly expanding the range of consumers. It should nonetheless be noted that certain processed meat products are engrained in Vietnamese cuisine (see below), and so have been consumed by a wide group of consumers for many years, even if these products are domestically or informally produced.<sup>86</sup>

#### Drivers and method of consumption

As is the case with fresh meat, increases in income and living standards have driven demand for processed meat consumption. Furthermore, as the country increasingly opens up to other types of cuisine, a wider range of processed meat products are available. That said, the range of such foreign products in food service outlets tends to be greater than the range available in retailers; and Vietnam does have its own traditional processed meat products.

Methods of consumption vary depending on the product. There are various traditional Vietnamese cold cut products such as *cha lua* (steamed pork sausage) and *cha bo* (beef sausage). Some of these were impacted by the French influence in the country. These may be added to traditional dishes, consumed as part of a meal, or used as part of *bahn mi* sandwiches. Indeed, *bahn mi* sandwiches themselves – which are filled Vietnamese baguettes - have their origins in the period that France was present in Vietnam.

<sup>86</sup> Euromonitor International: Packaged foods, 2020.

Local manufacturers also produce products intended either for snacking, or for convenience consumption. Finally, some foreign processed meat products are more commonly found in food service outlets as part of a restaurant experience; though these products may also be purchased for domestic consumption in a few, generally more specialised retailers<sup>87</sup>.

### **Purchase criteria**

Freshness is an important criterion of food in general in Vietnam, and processed meat is no exception to this. It is for this reason that the improvements in cold storage technology have been so important in the expansion of processed meat in the country.

There is a certain level of brand loyalty in the area of processed meat, with some local companies which have a positive image and deep understanding of local preferences benefitting from this. Nonetheless, some foreign players which have managed to respond positively to local needs have overcome this barrier.

As noted above, there are certain traditional products which are popular in the processed meat space and which fit Vietnamese taste preferences. Nonetheless, the fact that the Vietnamese are already accustomed to consuming cold cut/charcuterie products provides some an anchor from which they can try other similar products of a foreign origin<sup>88</sup>.

### **5.9.2.3 Recent market trends**

Consumption of chilled processed meat has increased rapidly in recent years, aided by the improvements in chilling infrastructure which were referred to above, allowing such products to be distributed more widely across the country. The growth of processed meat products going forward is expected to remain quite strong, though patterns of growth between the subcategories is forecast to be different going forward. The small segment of frozen processed meat is expected to grow the fastest, at 4.9% per year over the period 2019-2023, while shelf stable meat is forecast to grow almost as quickly at 4.2% per year over the same period. The growth of chilled processed meat, which was rapid over the period to 2018, is expected to slow to 2.7% per year going forwards.

Recent events which are worth taking into account when looking forwards are:

- Outbreaks of African swine fever in Vietnam, which have constrained production (see next section). Consumers generally have not yet linked this disease to processed meat, so consumption of processed meat products has not suffered as a result. However, this could change going forward.

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<sup>87</sup> <https://www.itourvn.com/blog/different-types-of-vietnamese-cold-cuts>; <https://vietcetera.com/en/charcuterie-boards-a-guide-to-the-vietnamese-meat-platter/>

<sup>88</sup> Euromonitor International: Packaged foods, 2020; <https://www.itourvn.com/blog/different-types-of-vietnamese-cold-cuts>; <https://vietcetera.com/en/charcuterie-boards-a-guide-to-the-vietnamese-meat-platter/>

- There has been increased recent interest in certain other types of cuisine such as South Korean in recent years, leading to the introduction on to the market of processed meat products from such countries.
- Chilled meat substitutes, such as tofu, have gained popularity in Vietnam in recent years. Processed seafood is also in high demand and growing quickly; indeed, in recent years the market for processed seafood has been both larger and faster growing than the market for processed meat.
- There has recently been a strong spike in imports of some European cold meat processed products, more specifically from: Austria (Bacon); Germany (Sausage and Ham); Spain (Ham); France (Ham, Frois gras); and Italy (Dried salted beef, Mortadella and Ham). The long term drivers for this trend are busy lifestyles and segments of the young population looking towards such products for convenience. However, arguably production issues with pigmeat in Vietnam (see also section 5.1.3.1) have provided a further short term boost, creating this pronounced spike.<sup>89</sup>

### 5.9.3 Offer

#### 5.9.3.1 Domestic production

There is notable production of processed meat products in Vietnam. Vietnamese companies tend to be active in both the processed meat and processed seafood sectors. Vissan and Thai-owned but locally producing Royal Food Company are the largest domestic players, each accounting for around 1/5 of the market, with the rest of production more fragmented. The larger local brands have a long history in the market and a good understanding of domestic consumer preferences, allowing them to introduce suitable new products (for example, Vissan introduced 13 new products between mid-2018 and mid 2019).

Nonetheless, domestic producers have faced challenges. Firstly, the opening up of the Vietnamese market has meant they have had to adapt in order to be able to compete with other companies. Secondly, recent outbreaks of African swine fever have affected pork supply in Vietnam and hence presented domestic manufacturers with challenges to secure raw materials. Traditionally, producers of processed meat products have preferred to purchase their meat products locally, whether it be from local producers/distributors or importers based in Vietnam – as this circumvents the need for these producers to deal with import procedures.<sup>90</sup>

#### 5.9.3.2 Imports and exports

Exports of processed meat from Vietnam have outweighed imports in most recent years, with exports growing greatly in 2017 and 2018 (Figure 5-39).

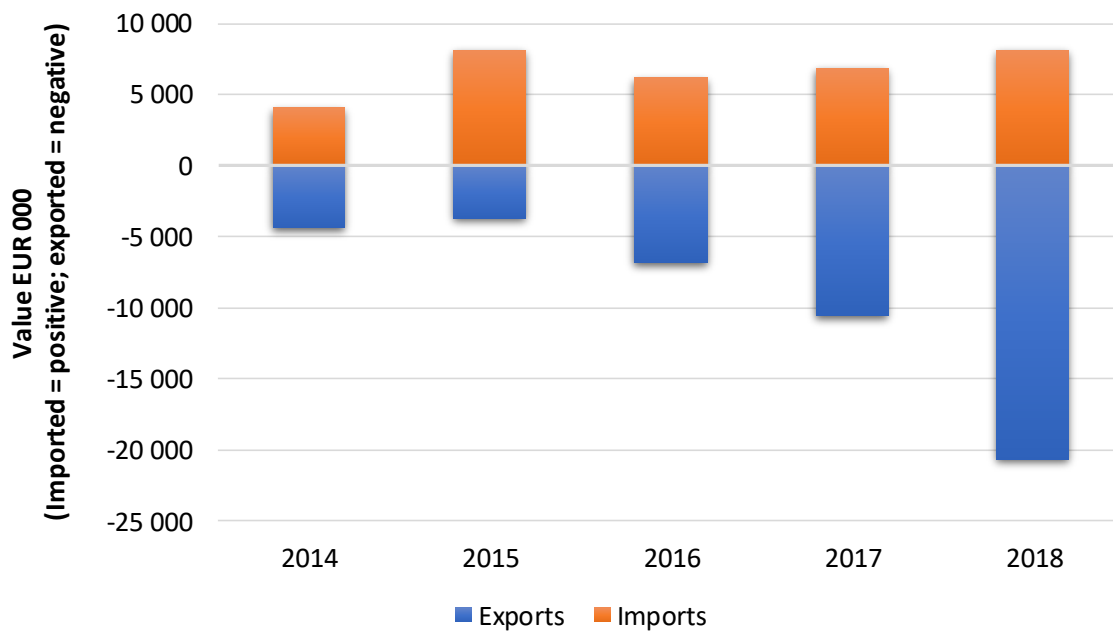
In terms of origin of imports, the USA leads the way with a share of just over 1/3; followed by Malaysia. The EU combined accounts for nearly 1/3 of imports into Vietnam; with Italy standing out in particular (Figure 5-40).

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<sup>89</sup> Euromonitor International: Packaged foods, 2020.

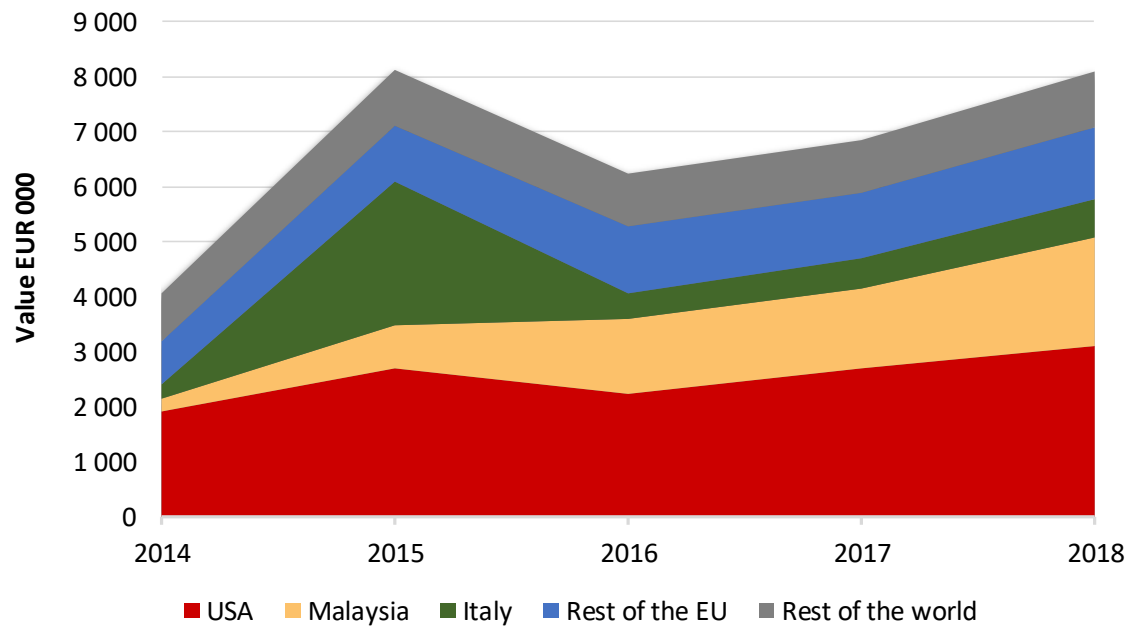
<sup>90</sup> Euromonitor International: Packaged foods, 2020; EVBN Report: Vietnam Meat Sector, Edition 2016.

Figure 5-39: Trade balance (imports and exports) of processed meat in Vietnam, 2014-18; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
 Data for CN codes 0210, 1601, 1602.

Figure 5-40: Vietnamese imports of processed meat by country, 2014-18; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
 Data for CN code 0210, 1601, 1602.

### 5.9.3.3 EU GI products

Eleven GIs for processed meat are set to be protected in Vietnam under the EU-Vietnam FTA. These are:

- Tiroler Speck; Bacon; Austria
- Nürnberger Bratwürste / Nürnberger Rostbratwürste; Sausage ; Germany
- Schwarzwälder Schinken; Ham; Germany
- Jabugo; Ham; Spain
- Jamón de Teruel/Paleta de Teruel; Ham; Spain
- Canard à foie gras du Sud-Ouest (Chalosse, Gascogne, Gers, Landes, Périgord, Quercy); Processed meat product of duck; France
- Jambon de Bayonne; Ham; France
- Bresola della Valtellina; Dried salted beef; Italy
- Prosciutto di Parma; Ham; Italy
- Prosciutto di San Daniele; Ham; Italy
- Prosciutto Toscano; Ham; Italy

### 5.9.3.4 Main competitors

Domestic production is the main source of competition in Vietnam, and indeed exports significantly outweighs imports. While there are two large Vietnamese companies with significant shares (Vissan and Royal Food Company) , the majority local production is more fragmented. Domestic producers have a long history in the sector, though they do increasingly face challenges from outside competition and the supply of raw materials. The US and EU stand out as notable importers into Vietnam of processed meat products.

## 5.9.4 Specific market entry requirements

### Market Access and Entry

In order to export processed meat products to Vietnam, the competent authority of the country of export must have completed a successful application for export of that product from their country (as is the case for fresh meat). As the situation with applications is frequently changing (and furthermore, disease outbreaks may affect access temporarily – see below), it is recommended that you contact the Ministry of agriculture in your Member State in order to determine whether or not your country is approved for exports of the meat product in question. Nonetheless, as a starting point the following list (in Vietnamese) with a link to approved establishments in each country can be found at the following link:

<http://cucthuy.gov.vn/Pages/danh-sach-cac-doanh-nghiep-cua-22-nuoc-du-dieu-kien-xuat-khau-thuc-pham-co-nguon-goc-dong-vat-tren-can-vao-viet-nam.aspx>

Furthermore, for an establishment to export, it must have been recommended by the competent authority of the country in question and approved by the Vietnamese authorities. This is set to change under the EVFTA with the introduction of pre-listing (i.e. it will only be necessary for the approved competent authority of the country in question to provide the list of establishments which comply with the requirements of the Vietnamese authorities, and the Vietnamese authorities have a set time frame of

45 days to approve these establishments without prior inspection, or to request extra information; any rejection will have to be justified).

As outlined in section 4.2.1, processed meat producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the product is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2; including notably the provisions of Circular 25/2016/TT-BNNPTNT providing for the quarantine of terrestrial animals products, which includes the quarantine registration and certificate referred to below.

In terms of tariffs, currently European meat exporters face duties of between 10 and 40% for processed meats, depending on the product. Nonetheless, thanks to the EU-Vietnam FTA, **duties on most processed meats are to be entirely eliminated over periods spanning up to 10 years** from when the Agreement enters into force.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=0210>

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=1601>

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=1602>

### Customs procedures

A detailed list of standard documents required for the import of processed meat into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2). As stated in these tables, it should be noted that this includes a **veterinary health certificate; quarantine certificate for animal products; quarantine registration; and certificate of analysis.**

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=0210>

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=1601>

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=1602>

### Standards, SPS measures

As noted in section 5.1.4, Vietnam has placed some restrictions on imports of beef, irrespective of BSE country status, hence deviating from WHO and OIE guidelines; and these can apply to processed products as well. More information can be found in that section.

Vietnam does generally accept regionalisation, though the definition of a region is different from the EU; therefore, regionalisation is often applied by Vietnamese authorities to wider provinces, rather than the

smaller zones. The EVFTA contains a clause that regionalisation in line with the OIE standards and SPS Agreement will be recognised, and hence this should be the basis for regionalisation in the case of disease outbreaks following entry into force.

**Up to date information on appropriate documents concerning SPS barriers:**

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

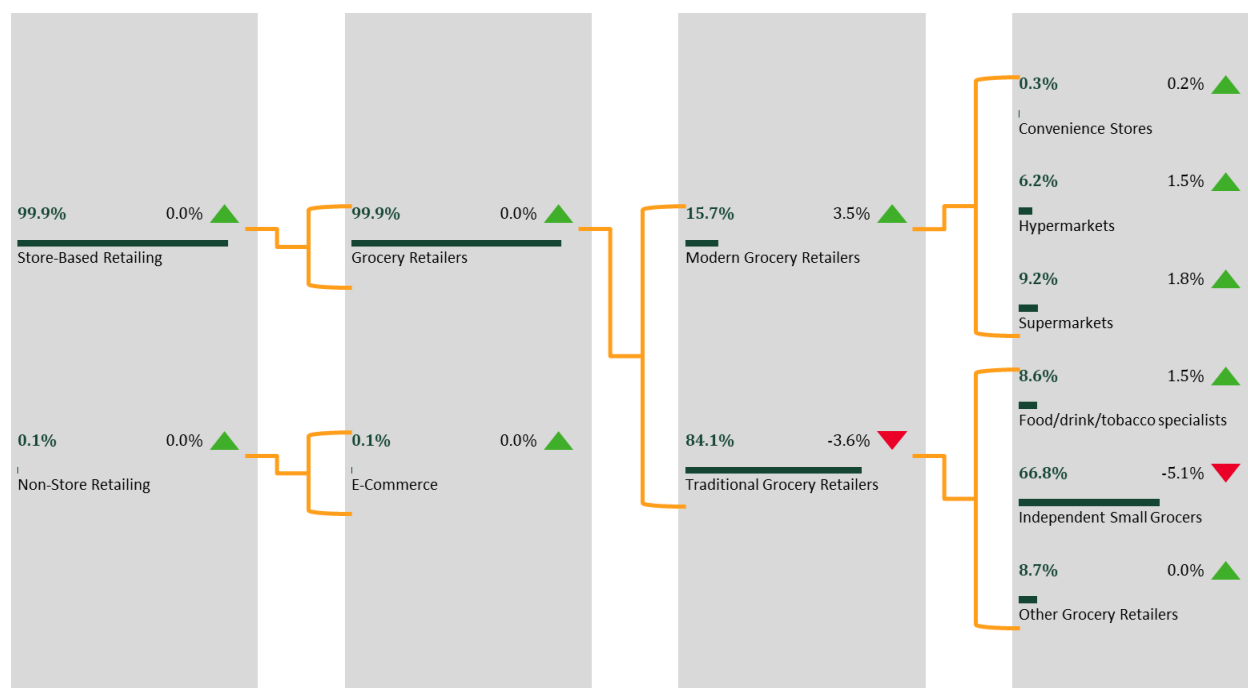
## Labelling

As set out in section 4.2.3, processed meat exporters must comply with generic labelling requirements set out in Decree 43/2017/ND-CP.

## 5.9.5 Distribution

The off-trade channel is dominant for processed meat distribution, accounting for around ¾ of shelf stable meat and the vast majority of chilled processed meat distribution in volume terms. Among retail channels, independent small grocers stand out accounting for 2/3 of processed meat and seafood distribution. Modern grocery retailers, including supermarkets and hypermarkets, account for 16% (Figure 5-41).

Figure 5-41: Distribution of processed meat and seafood in Vietnam (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

## 5.9.6 Challenges for EU products

Domestic production of processed meat is strong, and local producers dominate the market. Import requirements for products considered fresh or frozen are burdensome (though some of these



requirements do not apply to cured charcuterie products). Disease outbreaks in regions of EU countries have historically caused some challenges due to a lack of recognition of regionalisation.

#### **Market Takeaway: Processed meat**

**Consumption:** tradition of consumption, albeit in fairly small volumes. Shelf stable meat the dominant segment.

**Competition:** predominantly longer established local companies, though the US and EU stand out among importers

**Distribution:** Small independent grocers the main channel. Off trade considerably more important than on trade.

**Challenges:** strong competition, market access may be more challenging for certain products.

**Opportunities:** tariffs are scheduled to be reduced under the EVFTA and some GIs are to be protected. A tradition of consuming cold cuts/charcuterie in Vietnam may provide an anchor point for the introduction of some similar EU products.

## 5.10 Pet food

### 5.10.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>A growing youth population that is increasingly receptive to western ideals and norms regarding pets.</li> </ul>	<ul style="list-style-type: none"> <li>Dogs still perceived as beasts by large share of the community and not as a domestic animal.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>The rise of pet ownership amongst a youth population with rising disposable incomes</li> </ul>	<ul style="list-style-type: none"> <li>Growth of domestic and regional production of pet food products.</li> </ul>

### 5.10.2 Consumption

#### 5.10.2.1 Evolution of consumption

Led by dog and cat food, sales within the category of pet food boasted high growth figures in Vietnam in 2018. Most owners of dogs in Vietnam were teenagers, students and young adults which ensures a healthy and growing market for producers as these owners are likely to earning more expendable incomes to spend on their pets as they begin to progress in their careers. Vietnamese consumers purchased nearly EUR 13 million of dog food, nearly EUR 4 million of cat food, as well as about EUR 2.5 million of other types of pet food (mostly fish food). Over the period 2013-18, volumes of dog and cat food sales grew by 15.2% and 15.7% respectively. Fish and bird food also grew rapidly at 12.8% and 14.2% per year (Figure 5-42).

Figure 5-42: Evolution and forecast of pet food market in Vietnam, 2013-2023; retail value EUR millions



Source: Euromonitor International: Pet Care, 2020.

### 5.10.2.2 Consumer profile and purchase criteria

#### Consumers

As shown in Figure 5-42, cat and dog food largely dominate in purchasing sales of pet food in Vietnam. There are a number of reasons to explain this and these also to explain why the markets for these products have grown so quickly in recent years. In Vietnam dogs and cats are beginning to be domesticated (and in some cases, humanised) by sections of the population that are young and more receptive to western cultural norms. Dogs, traditionally viewed in Vietnam as a savage and inherently unpredictable and untameable beasts - especially large and medium-sized dogs - are now becoming more accepted in society. Cats are also benefiting from a change in cultural norms towards the acceptance of cats as pets. As many owners are young and only just beginning to start their careers it can be expected that the growth in cat and dog food products will grow as the average incomes of their owners also grow. The trend among increased ownership and humanisation is particularly strong in large cities.<sup>91</sup>

#### Drivers and methods of consumption

The key driver for the market is the growing pet animal population. A large push by companies to help promote and sustain the increasing humanisation of cats and dogs is seeing results as year on year the purchase of cat and dog food products continues to grow. Cat breeding is controlled by recently passed breeding laws, and the fact that parliament has debated cat breeding and passed laws to control it is a clear sign of the rising popularity of keeping cats as pets. The expansion of retail outlets such as supermarkets has also further driven this growth in demand for pet food products as these retailers have more room to diversify their products which allows them to sell pet food on a large scale. Regarding dogs, veterinary clinics, pet specialists and dog food manufacturers are also increasingly promoting dog food for specific conditions and needs, such as digestive problems and allergies, with such products typically positioned in the premium and super premium segments.<sup>92</sup>

#### Purchase criteria

Dog food is widely available in Vietnam through the large numbers of retail outlets in the country. With prepared dog food so easy to obtain, more dog owners are making the switch to from the traditional method of feeding dogs' leftovers from human meals to packaged, prepared dog food. It is expected that this will remain the case throughout the upcoming years, with the wide availability of dog food likely to make it more convenient to keep dogs as pets, creating a virtuous cycle whereby the mere presence of dog food on retail shelves encourages consumers to get a dog, increasing demand and justifying the efforts of manufacturers and brand owners to widen distribution. Rising disposable incomes and the pet humanisation trend are likely to support further expansion in the range of premium cat food available in Vietnam as the owners of pedigree cats living in urban areas are increasingly likely to treat their pet cats as fully-fledged family members, making them want to ensure that their feline nutritional needs are properly met. The average pet owner will be largely driven by

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<sup>91</sup> Euromonitor International: Pet Care, 2020; <https://www.petfoodindustry.com/articles/8320-vietnam-pet-ownership-pet-food-manufacturing-growing>

<sup>92</sup> Euromonitor International: Pet Care, 2020; <https://www.petfoodindustry.com/articles/8320-vietnam-pet-ownership-pet-food-manufacturing-growing>

the price of the product while those with a higher disposable income / purchasing premium products may be more likely to focus on brand.<sup>93</sup>

### 5.10.2.3 Recent market trends

Premiumisation of cat food is an ongoing trend brought as a result of increasing incomes, the humanisation of cats and dogs and the specialisation by manufactures of products for specific breeds of pets. Premiumisation refers to consumers increasingly purchasing premium products for their pet's consumptions as pets are increasingly perceived to be a member of the family. Companies are catching on to this trend with one recent example from Royal Canine who have stepped up advertisement and production of their premium pet food products in Vietnam.

## 5.10.3 Offer

### 5.10.3.1 Domestic production

Vietnam domestic production of cat and dog food remain small but is growing and represents a sizable amount of the products sold in the country. Companies that operate their manufacturing in China are also slowly moving some production into Vietnam. Local company HappyChews Pet Foods Company was founded in 2013. It quickly became a prominent manufacturer and supplier of dry pet foods items like rawhide for dog dental health, both for the domestic market and export markets (U.S. and Japan). Its current capacity is 6 000 metric tons/year. Other companies that wish to operate in Vietnam typically do so by partnering with local OEM solutions providers like Total Pet food Vietnam Co. which partners for various stages of the production processes from manufacturing to warehousing services.<sup>94</sup>

### 5.10.3.2 Imports and exports

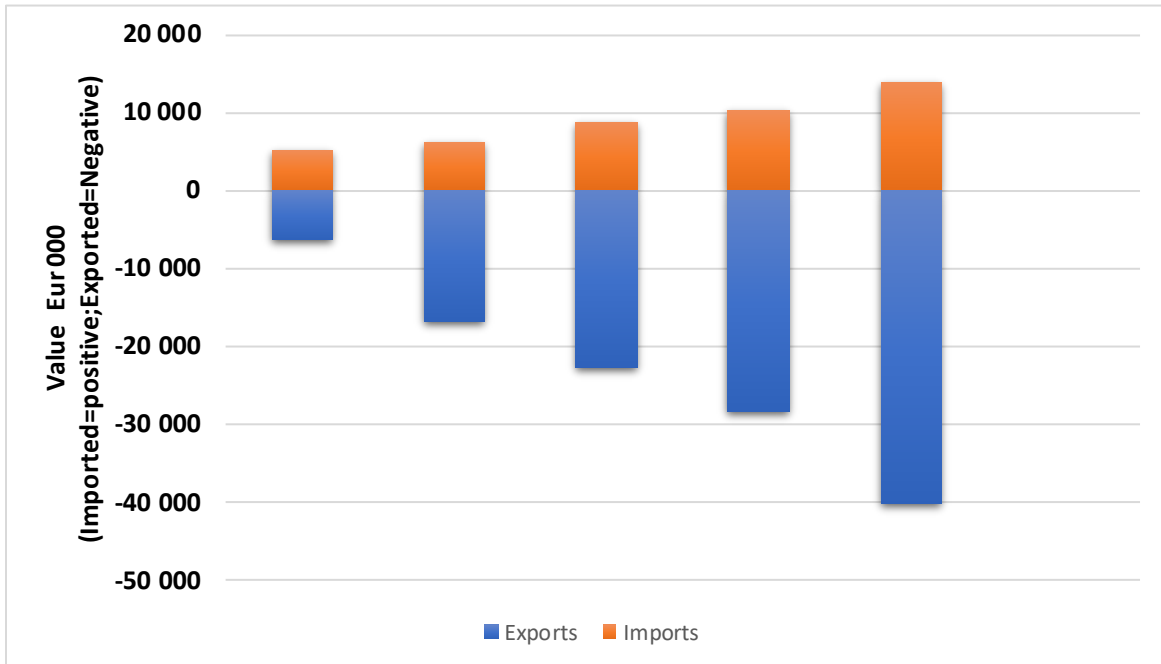
Vietnam is a significant net exporter of dog and cat food, with exports about three times greater than imports. Both imports and exports have steadily and quickly increased in recent years, with imports increased 2.5-fold since 2014 and exports six-fold over the same period (Figure 5-43).

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<sup>93</sup> Euromonitor International: Pet Care, 2020; <https://www.petfoodindustry.com/articles/8320-vietnam-pet-ownership-pet-food-manufacturing-growing>

<sup>94</sup> Euromonitor International: Pet Care, 2020; <https://www.petfoodindustry.com/articles/8320-vietnam-pet-ownership-pet-food-manufacturing-growing>

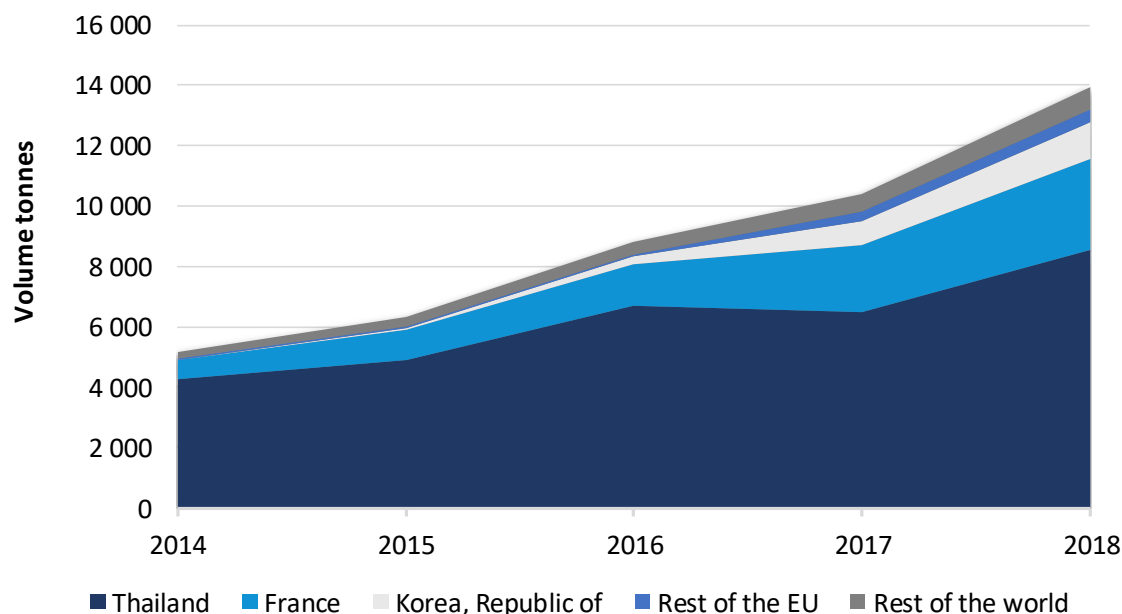
Figure 5-43: Trade balance (imports and exports) of pet food (dog and cat food) in Vietnam, 2014-18; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 230910.

In terms of sources of imports, Thailand is the main source accounting for over 60% of all imports. France follows in second place, and accounts for just over 20%. The remainder is fairly fragmented between various countries (Figure 5-44).

Figure 5-44: Vietnamese imports of pet food (dog and cat food) by country, 2014-18; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 230910.

### 5.10.3.3 EU GI products

There are no EU GIs in reference to pet food that are active in Vietnam and none are foreseen under the EVFTA.

### 5.10.3.4 Main competitors

The main competitors in this market are from the domestic producers themselves and from Thailand. As stated in section 5.10.3.2 Thailand represents over 60% of Vietnam's total imports of pet food. The EU however represents around a quarter of pet food imports to Vietnam with France alone accounting for almost 22%.

Some foreign based companies have entered into partnerships with local companies for productions. Others more recently have been entering into distribution agreements with private firms of late in order to enter the market. For example, in late 2018 Avivagen Inc. partnered with Viphavet Co. Ltd. for distribution in order to market its Vivamune Health Chews to local pet owners.

## 5.10.4 Specific market entry requirements

### Market Access and Entry

As outlined in section 4.2.1, pet food producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the product is exported to Vietnam for

the first time or not. Imported products must comply with laws on animal feed, notably Circular No. 66/2011/TT-BNNPTNT and Circular 20/2017/TT-BNNPTNT.

In terms of tariffs, cat and dog food producers are subject a 7% duty, and thanks to the EU-Vietnam FTA, **duties are set to be entirely eliminated four years** after the Agreement enters into force.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=230910>

### Customs procedures

A detailed list of standard documents required for pet food into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2 ). Most notably, a quarantine certificate for animal products and veterinary health certificate for animal products are necessary.

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<https://madb.europa.eu/madb/datasetPreviewIpubli.htm?countries=VN&hscod=230910>

### Standards, SPS measures

Sanitary and Phytosanitary measures concerning the import of pet food into Vietnam are in line with international standards.

**Up to date information on appropriate documents concerning SPS barriers:**

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

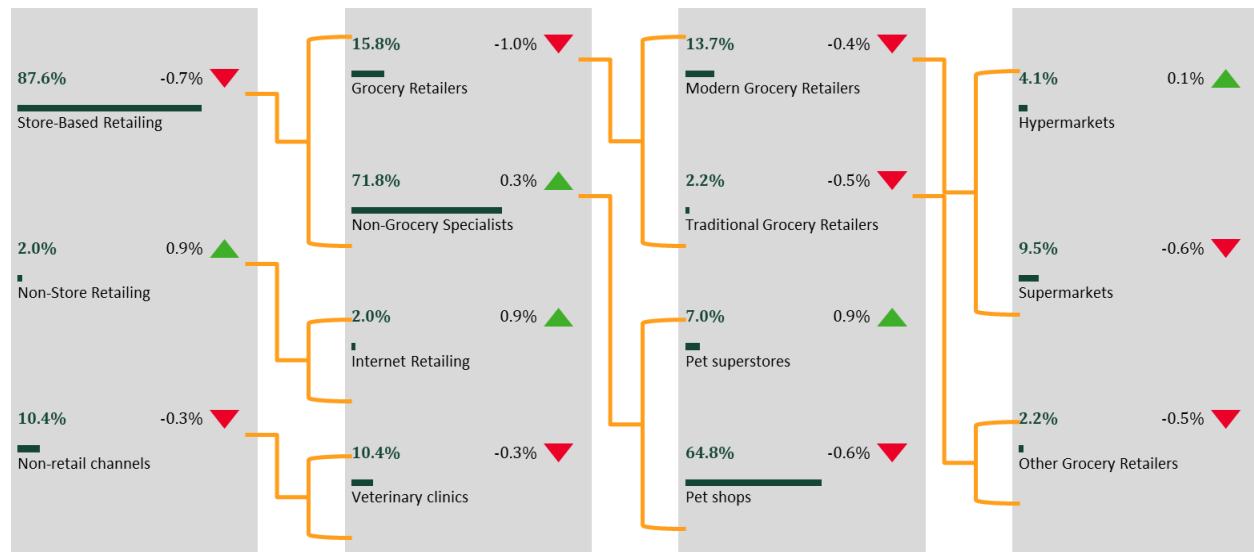
### Labelling

Pet food exporters must comply with generic labelling requirements for all products set out in Decree 43/2017/ND-CP. This includes the name of the good; name and address of responsible entity; origin; other details in conformity with the nature of the good; plus, quantity, date of manufacture, expiry date, ingredient qualities, instructions for usage/storage and any warnings.

### 5.10.5 Distribution

Pet shops account for the majority of distribution of pet food in Vietnam (65%). However, their importance has been falling in recent years at the expense of pet superstores. Indeed, the emergence of pet superstores reflects the broader retailing trend towards larger, modern retailers. Modern grocery retailers also account for a notable share of pet food distribution (13.7% - Figure 5-45).

Figure 5-45: Distribution channel overview of pet food in Vietnam (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

### 5.10.6 Challenges for EU products

The main challenges for EU pet food producers come from the growing domestic production of pet food and from the growing production of pet food in neighbouring countries such as Thailand and Malaysia.

#### Market Takeaway: Pet food

**Consumption:** Growing and growing due to the increased humanization of domestic animals in Vietnam, with young people generally the owners.

**Competition:** Thailand accounts for over 60% of Vietnam's pet food imports which poses a threat as well as domestic production which both greater than demand and increasing.

**Distribution:** Pet food typically sold through smaller non-grocery outlets such as pet shops; however, this is changing due to the rapid growth of modern retail in the country.

**Challenges:** Competing with domestic and regional producers will pose a challenge to EU producers that currently have a 25% share in Vietnamese pet food imports.

**Opportunities:** A growing youth population that is more receptive to western ideals and norms combines to create a rise in pet ownership which corresponds to a rise in pet food consumption.



## 5.11 Prepared baby food

### 5.11.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Porridge is readily available in a large number of Vietnamese households and is fed to babies.</li> <li>▪ A growing population with parents that have a growing income.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inability to advertise products aimed at babies under the age of 2.</li> <li>▪ Preference for breast feeding.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ EUVFTA Agreement will see the removal of tariffs as high as 35%.</li> <li>▪ Some scope for innovation tailored to the local market situation and consumer preferences.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Government advocacy in favour of breast feeding.</li> <li>▪ Increased competition from fresh and shelf stable milk.</li> </ul>

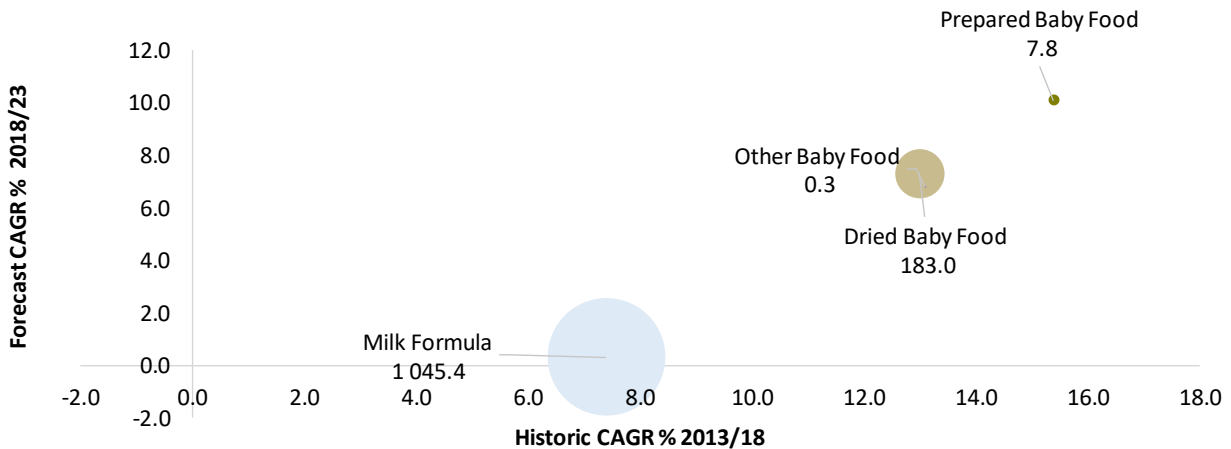
### 5.11.2 Consumption

#### 5.11.2.1 Evolution of consumption

Milk formula is by far the largest category of baby food in Vietnam, worth some EUR 1.05bn in 2018. The category grew rapidly at 7.3% over the period 2013-18, but growth is set to stagnate going forwards. This is because the market for baby food in Vietnam is going through a phase of transition. New government regulations prevent the advertisements of baby food and formulas for babies under the age of two which has obviously impacted the effectiveness of advertising campaigns for both domestic and international brands. Furthermore, with a government campaign backed by nursing groups in favour of breast feeding there is effectively a negative atmosphere for baby food producers.

Dried baby food is the second category, with a market worth EUR 183m. The market for prepared baby food on the other hand is small, worth only EUR 7.8m. Both of these grew at over 13% during the period 2013-18 and are forecast to continue to grow, albeit at a slightly less rapid pace going forwards (Figure 5-46).

Figure 5-46: Evolution and forecast of prepared baby food in Vietnam, 2013-2023; retail value EUR million



Source: Euromonitor International: Packaged Food, 2020.

### 5.11.2.2 Consumer profile and purchase criteria

#### Consumers

While the population continues to grow with a fertility rate of 1.95 in 2019, the consumption of baby food products continues to stagnate due to the combination of factors discussed in section 5.11.2.1. Breast feeding is promoted by nursing groups and the government has made a clear stance that advocates and promotes the practise of breast feeding over baby food consumption which has resonated with consumers in Vietnam leading to a negative environment for baby foods producers to innovate and advertise their products. Urban mothers with more access to retail markets selling baby formula are more likely to purchase this product , while rural mothers without access are more likely to breast feed their babies instead.

#### Drivers and method of consumption

Much of the main drivers on consumption come from the segment of the population that choose to prioritise the consumption of baby food products over breast feeding. One product which is seeing such growth is porridge which is performing well with the baby food sector and is readily available in Vietnamese consumer homes. However, as it is typically sold dried for preparation at home it is not suitable for busy mothers or convenient consumption outside the home. Some prepared porridge products have been introduced recently to overcome this challenge.

#### Purchase criteria

Consumers of prepared baby food products are driven to these products for factors such as not wishing to breast feed their children and believing that these products are superior for the development of their kids. The government of Vietnam has been actively advocating against the purchase of these products

which results in fewer consumers than may otherwise exist. In some cases, convenience is a notable consideration of consumers<sup>95</sup>.

### 5.11.2.3 Recent market trends

Government intervention combined with the perception within the mindset of Vietnamese consumers that breast feeding is superior to baby food products continues to threaten the consumption of baby food products. As a result of government policies/restrictions (see section 5.11.2.1), a strategy employed by many producers has been to focus on developing and promoting products aimed at 2- to 4-year-olds, with a secondary goal of keeping their brands in consumers' minds for younger age groups. This indeed explains the reasonable recent performance of growing up formula (compared to other milk formula categories). Growing-up formula milk is by far the largest category of infant milk in Vietnam with a market worth some 726m EUR in 2019.

Vietnamese consumers are also increasingly showing a preference towards fresh or shelf stable milk products as a substitute for baby food. The reasons for this are that they are considered less processed (fresh milk in particular); it is convenient due to minimal preparation; and it can be consumed by the whole family.

Finally, as noted above, porridge is a popular product to feed to babies in Vietnam; and recently some companies have been producing fresh packaged porridge driven by the aim to make porridge convenient. This product is likely to continue to grow in popularity in coming years<sup>96</sup>.

## 5.11.3 Offer

### 5.11.3.1 Domestic production

Domestic companies like Vietnam Dairy Products (Vinamilk) maintain a lead in baby food with a 29% value share. Saigon Food's SG food brand ranked second on the strength of its packaged porridge products. Domestic producers have a large percentage of the total market share which is unlikely to change as international brands are increasingly aware of the restrictive nature of advertising their products in Vietnam and the general consensus among consumers that breast feeding is superior.

### 5.11.3.2 Imports and exports

**Note:** *identifying trade data on baby food is complicated as it can be potentially captured under a wide range of HS codes, many of which will either (1) also include products other than those intended for infants and/or (2) are of minor importance for the baby food market overall. The data provided in this section covers only the following HS code:*

- 190110 - Food, preparations, infant

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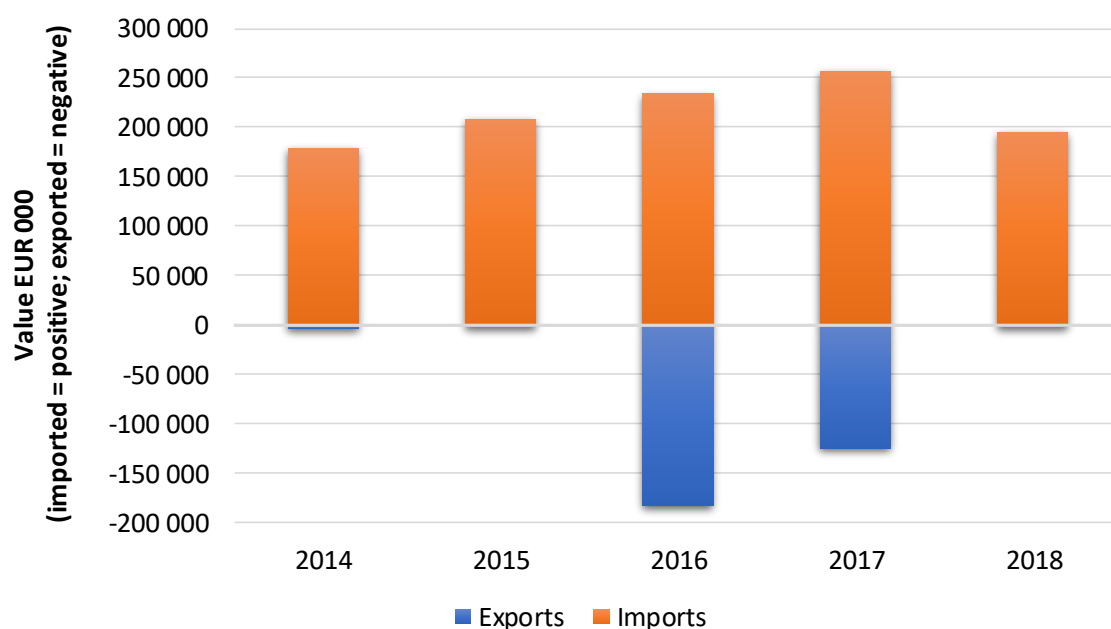
<sup>95</sup> Euromonitor International: Packaged foods, 2020.

<sup>96</sup> Euromonitor International: Packaged foods, 2020.

*It should be noted that a large part of formula milk imports is likely to have been captured in trade under HS Code 0402, which was presented in section 5.3.3.2 on trade in dairy products. As outlined in that section, Vietnam is a major importer of the broader HS code of 0402 as a whole, with New Zealand and the USA the main sources. Germany and Poland stand out as notable import sources among EU members.*

Vietnam is a notable net importer of infant food, with imports of some EUR 194m in 2018. Imports remained fairly stable over the period 2014-18. Exports, on the other hand, varied greatly between years, with strong exports recorded in 2016 and 17 (Figure 5-47), though subsequent export data for 2018 is considered incomplete.

Figure 5-47: Trade balance (imports and exports) of food preparations for infant use in Vietnam, 2014-18; value EUR 000



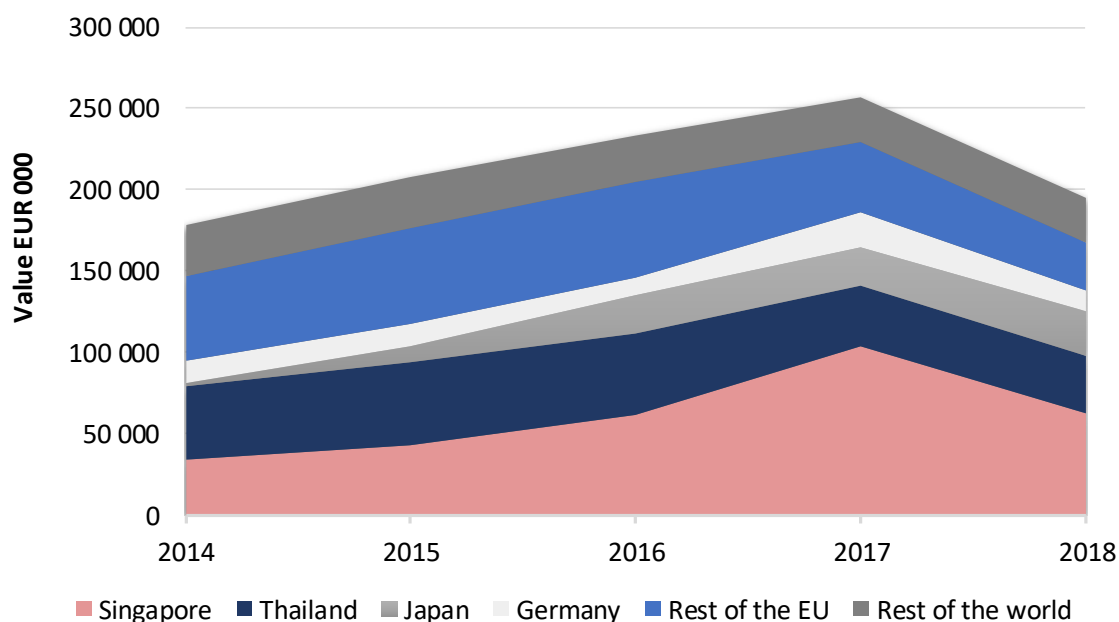
Source: Trade Map, International Trade Centre - <https://www.trademap.org/>

Data for CN code 190110

Export data for 2018 is considered incomplete.

In terms of origin of imports, Singapore is recorded as the most important source. It should, however, be noted that a fair proportion of imports from Singapore are likely to have originated from another country and have been subsequently shipped through Singapore. Thailand, Japan and Germany stand out as other important origins; and indeed, the EU as a whole accounts for around 1/3 of imports (Figure 5-48).

Figure 5-48: Vietnamese imports of food preparations for infant use by country, 2014-18; value EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
 Data for CN code 190110

### 5.11.3.3 EU GI products

Currently there are no EU GI products listed under the EUVFTA agreement that relate to baby food.

### 5.11.3.4 Main competitors

While domestic production is strong and certain players such as Vinamilk hold high market shares, government advocacy against baby food consumption limits innovation amongst domestic producers and this leads to a market that has the potential to be very competitive amongst international players. While Singapore is recorded as the source of a lot of imports, the main foreign competitors in the market are most likely Thailand and Japan, who have a sizeable share in baby food exports to Vietnam.

### 5.11.4 Specific market entry requirements

As outlined in section 4.2.1, baby food producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the product is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2.

In terms of tariffs, currently baby food products are generally subject to between 15 and 40% tariffs, with the exact tariff depending upon the CN code of the product. Nonetheless, thanks to the EU-Vietnam FTA, most of these **duties are set to be entirely eliminated, generally over a seven-year timescale** after the Agreement enters into force.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website, by entering the relevant 4 or 6 digit CN code, e.g. preparations from malt extracts suitable for infants (190110):**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=190110>

### Customs procedures

A detailed list of standard documents required for the import of prepared baby food products into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2).

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website by entering the 4 or 6 digit CN code, , e.g. preparations from malt extracts suitable for infants (190110):**

<https://madb.europa.eu/madb/datasetPreviewIpubli.htm?countries=VN&hscod=190110>

### Standards, SPS measures

Various circulars set out the technical regulations for different baby food products.

Product	Circular	Web link (Vietnamese)
Nutritious cereal products for children aged from 6 to 36 months	Circular 23/2012/TT-BYT	<a href="https://thuvienphapluat.vn/van-ban/The-thao-Y-te/Circular-No-23-2012-TT-BYT-processed-cereal-based-foods-for-infants-from-6th-month-204119.aspx">https://thuvienphapluat.vn/van-ban/The-thao-Y-te/Circular-No-23-2012-TT-BYT-processed-cereal-based-foods-for-infants-from-6th-month-204119.aspx</a>
Supplementation formula products for children aged from 6 to 36 months	Circular 22/2012/TT-BYT	<a href="https://thuvienphapluat.vn/van-ban/the-thao-y-te/thong-tu-22-2012-tt-byt-quy-chuan-ky-thuat-quoc-gia-doi-voi-san-pham-dinh-duong-154183.aspx">https://thuvienphapluat.vn/van-ban/the-thao-y-te/thong-tu-22-2012-tt-byt-quy-chuan-ky-thuat-quoc-gia-doi-voi-san-pham-dinh-duong-154183.aspx</a>
Supplementation formula products for children aged 0 to 12 months	Circular 20/2012/TT-BYT	<a href="https://thuvienphapluat.vn/van-ban/The-thao-Y-te/Thong-tu-20-2012-TT-BYT-Quy-chuan-ky-thuat-quoc-gia-doi-voi-san-pham-dinh-duong-154180.aspx">https://thuvienphapluat.vn/van-ban/The-thao-Y-te/Thong-tu-20-2012-TT-BYT-Quy-chuan-ky-thuat-quoc-gia-doi-voi-san-pham-dinh-duong-154180.aspx</a>

They generally cover: technical provisions on minimum compositions criteria and maximum limits for contaminants; and testing methods. If your product falls into one of these categories, these circulars should be consulted to ensure compliance with the provisions.

Sanitary and Phytosanitary measures concerning the import of prepared baby food products into Vietnam are in line with international standards.

**Up to date information on appropriate documents concerning SPS barriers:**

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

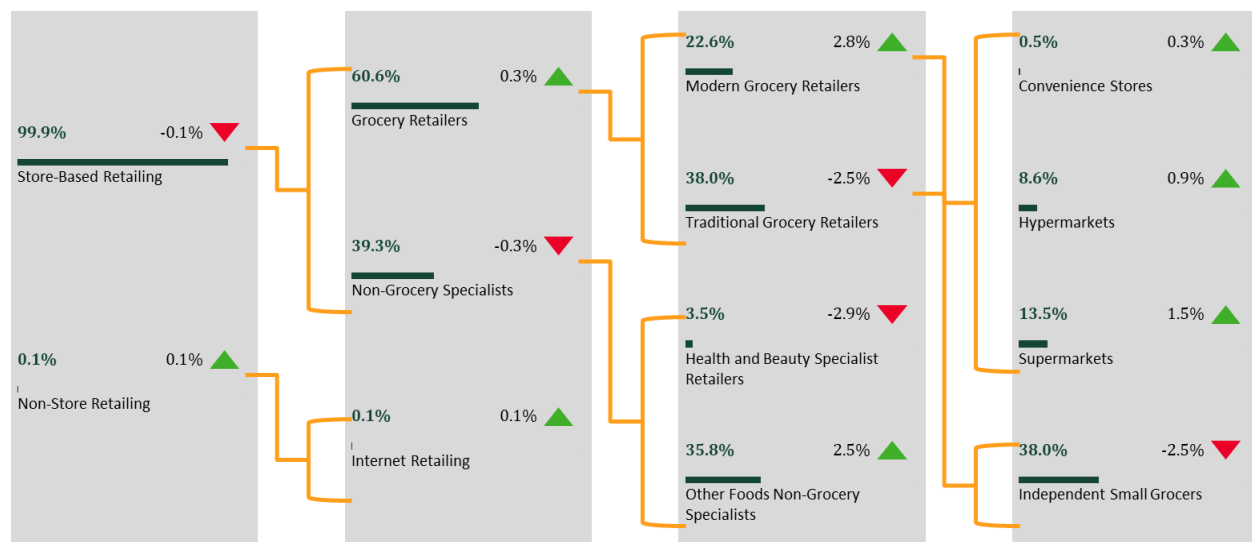
## Labelling

As set out in section 4.2.3, prepared baby food exporters must comply with generic labelling requirements set out in Decree 43/2017/ND-CP.

### 5.11.5 Distribution

The distribution of baby food in Vietnam is quite divided among different channels. Non grocery specialists and independent small grocers each account for almost 40% of distribution. Modern grocery retailers, led by supermarkets, account for the remaining 20%+ (Figure 5-49). As per the wider trend among retailer in Vietnam, the importance of independent small grocers for distribution is falling at the expense of the other channels identified above.

Figure 5-49: Distribution channel overview of prepared baby food in Vietnam (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

### 5.11.6 Challenges for EU products

The main challenges for EU producers are entering a market with a negative atmosphere led in part due to government advocacy against baby food consumption (most notably milk formula) in favour of breast feeding and the government passing laws such as banning the advertisement of baby food products aimed at babies aged under the age of 2.

**Market Takeaway: Prepared baby food**

**Consumption:** Consumed through formula powder, however other products such as porridge are increasingly fed to babies

**Competition:** Instant milk poses a significant challenge to producers amongst a Vietnamese consumer base that is increasingly leaning toward convenience products.

**Distribution:** Distributed across many retailers with independent small grocers and non-grocery specialists combined accounting for just under 80% of distribution.

**Challenges:** A government that advocates in favour of breast feeding and restricts producer's ability to advertise their products

**Opportunities:** potential for some innovation to address local consumer interest and trends.



## 5.12 Jams

### 5.12.1 SWOT analysis

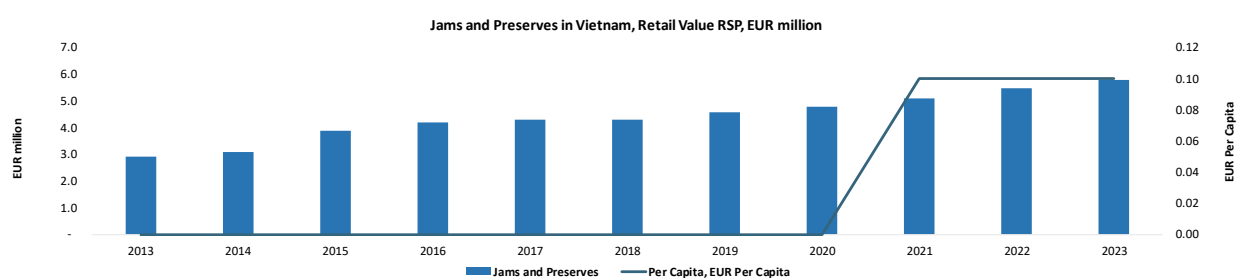
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Growing in popularity</li> <li>▪ Bakers are increasingly incorporating jam into their products</li> <li>▪ The variety of jam in Vietnam helps to increase its demand</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vietnam exports more jam than it imports</li> <li>▪ There is a wild variety of fruit already present in Vietnam</li> <li>▪ Jam is not a part of the traditional Vietnamese diet and is only popular amongst a very small segment of the population</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Youth population is more receptive to jam consumption and will have more income to spend on the product as they begin to progress in their careers</li> <li>▪ The EUVFTA agreement will reduce the high tariffs of Jam currently in place (35 – 40%)</li> </ul>	<ul style="list-style-type: none"> <li>▪ China and Thailand both have a 14.3% share in Vietnamese jam imports</li> <li>▪ A growing health conscious population may reduce the sales of jam products.</li> </ul>

### 5.12.2 Consumption

#### 5.12.2.1 Evolution of consumption

As illustrated in Figure 5-50, total sales of jam and preserves recorded a positive year on year growth between 2012-2013 and forecasted to continue growing. While the market is small, jam and preserves have had a value growth of 11% in Vietnam in 2019 alone.

Figure 5-50: Evolution and forecast of market for jams and preserves (EUR million) and per capita (EUR) jams and preserves consumption in Vietnam, 2013-2023



Source: Euromonitor International: Packaged Food, 2020.

#### 5.12.2.2 Consumer profile and purchase criteria

##### Consumers

Westernisation has played a large role in the growth of jam consumption in Vietnam as jam is not part of the traditional Vietnamese diet. Its consumption is primarily accounted for by a younger consumer base that is interested in trying and exploring new products, particularly from the west.

### **Drivers and method of consumption**

As noted above, in 2019 jams continued to post high-value growth figures and an increasingly wide range of products is available. These aim to meet the demands of a consumer base that is increasingly adopting western food and consumption patterns. Jam in Vietnam is commonly used in drinks and baked goods; and foodservice and bakery outlets have been influential in popularising jam both in terms of usage and the flavours available. The wide variety of fruits available in Vietnam also drives domestic production which results in more exposure and promotion of jam products.

### **Purchase criteria**

Consumers of jams purchase the product to bring additional value to other food products such as bread or baked goods; and hence this added value will be a purchase criterion. Jam consumers are largely younger segments of the population which typically have a lower level of disposable incomes, meaning price is often a factor taken into account. This consumer does present an opportunity however as younger people will begin to start their careers and over time will have more money to spend on products such as jam and preservatives. This helps explain why the growth rate of 11% was achieved in 2019.

### **5.12.2.3 Recent market trends**

Jam and preserves continue to grow year on year and as illustrated in Figure 5-50 the market is forecast to be worth almost EUR 6m by 2023. This is largely being driven from the westernisation trends in consumption and ideals. As noted above, jam is increasingly also being popularised by bakeries in Vietnam which helps to drive up demand for the product, and it is likely that bakeries will continue to play a key role going forwards.

## **5.12.3 Offer**

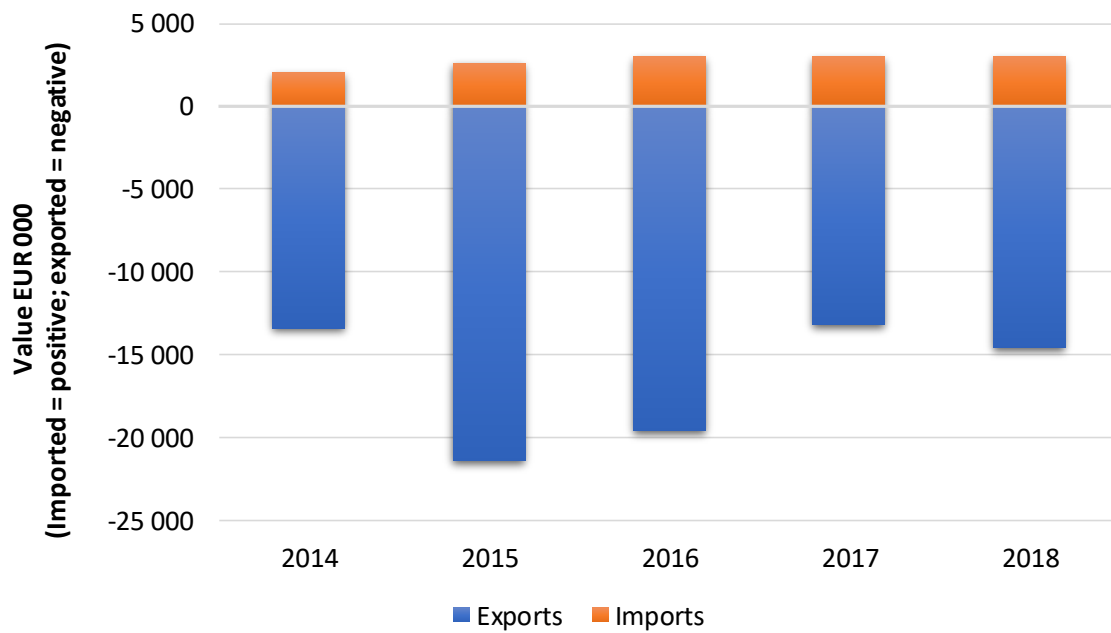
### **5.12.3.1 Domestic production**

The major domestic player in this market is Golden farm, which surpassed Spanish company Angel Camacho Alimentacion to have the largest value share in the country. As Golden farm is a domestic producer - though they import many of their key ingredients, including from Europe - they have established a strong distribution network throughout Vietnam which gives them an edge in the market as they can reassure and advertise to Vietnamese consumers about the quality of their products. As jam and preservatives have grown over the past years Golden farm has been the largest beneficiary.

### **5.12.3.2 Imports and exports**

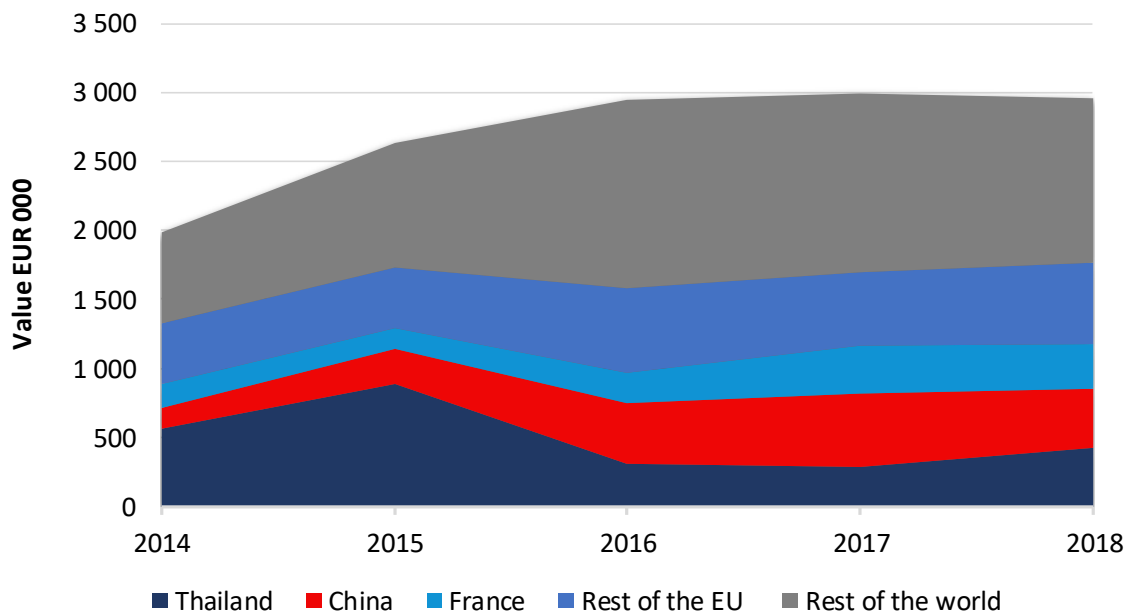
As outlined in Figure 5-51, Vietnam exports far more jam and preserves than it imports, this is largely due to the wide variety of fruits available in Vietnam and the success of domestic producers such as Golden Farm. Thailand and China both accounted for 14.3% of Vietnam's total jam and preserves imports while France holds the highest share out of EU producers at 11.2% (Figure 5-52). Most of Vietnam's exports go to the countries of China, Malaysia and the Philippines with the highest importer of Vietnamese jam and preservative from the EU being the Netherlands which accounted for 6% of Vietnam's total jam and preservative exports.

Figure 5-51: Trade balance (imports and exports) of jams in Vietnam, 2014-18; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 2007.

Figure 5-52: Vietnamese imports of jams by country, 2014-18; EUR 000



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 2007.

### 5.12.3.3 EU GI products

At present, there are no EU GI products concerning jam and preservatives in Vietnam. Please refer to section 9 for a full list of EU GI products in Vietnam.

### 5.12.3.4 Main competitors

Given that domestic production is high due to the abundance of fruits available in Vietnam the main competition in this sector consists of domestic producers. China and Thailand each also account for around 15% of Vietnam's imports which poses another threat to EU producers

### 5.12.4 Specific market entry requirements

As outlined in section 4.2.1, jam producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the product is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2.

In terms of tariffs, currently European jam exporters face high duties of 35-40%. Nonetheless, thanks to the EU-Vietnam FTA, **duties on jams are set to be entirely eliminated after five to seven years** from when the Agreement enters into force.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=2007>

#### Customs procedures

A detailed list of standard documents required for the import of jam into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2).

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=2007>

#### Standards, SPS measures

Sanitary and Phytosanitary measures concerning the import of jam into Vietnam are in line with international standards.

**Up to date information on appropriate documents concerning SPS barriers:**

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

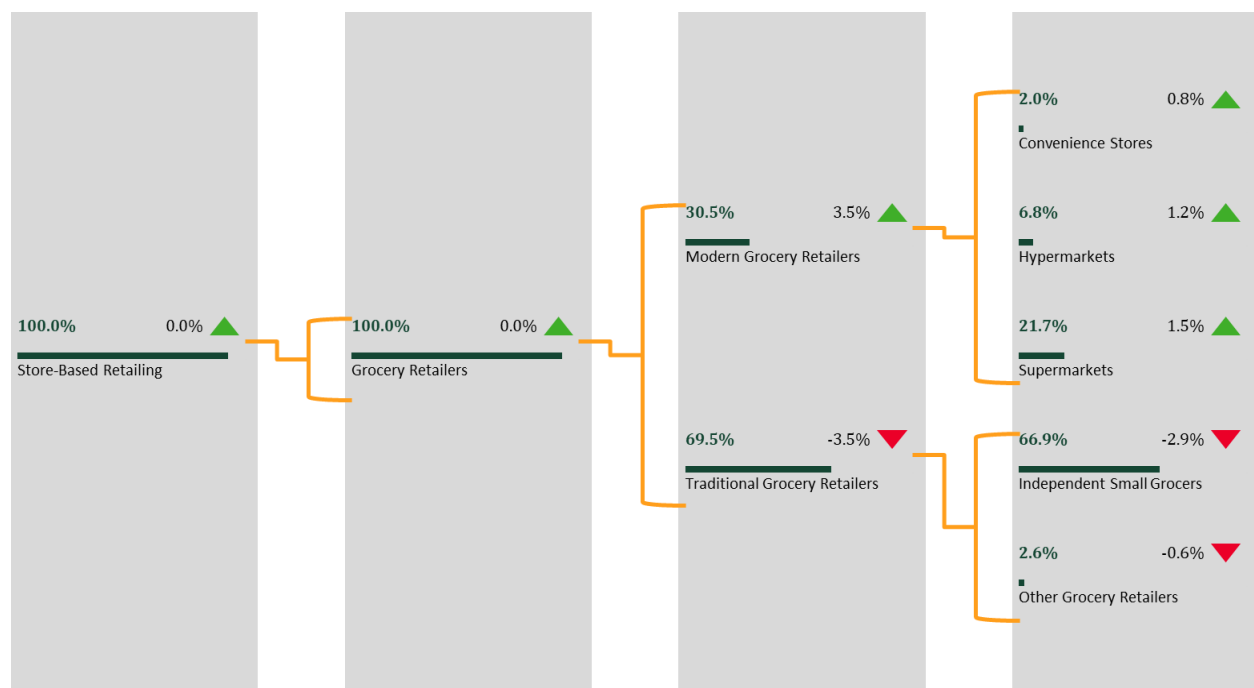
## Labelling

As set out in section 4.2.3, jam exporters must comply with generic labelling requirements set out in Decree 43/2017/ND-CP.

### 5.12.5 Distribution

As can be seen from Figure 5-53, all of the jam distributed in Vietnam is distributed from Grocery retailers. This leads to a split of 70% for traditional grocer retailers and 30% for modern grocery retailers although as observed in the figure below and a trend in other sections, modern grocery retailers are closing the gap and continuing to grow while traditional grocery retailers continue to decline.

Figure 5-53 :Distribution channel overview of butter and spreads (including jams) in Vietnam (2018); retail value



Source: Euromonitor International: Packaged food, 2020.

### 5.12.6 Challenges for EU products

As stated previously the main challenges for EU products of Jam and preserves in Vietnam is that there exists already in Vietnam a wide variety of fruits and the infrastructure to process them into jam, leading to significant domestic production. This means that Vietnam exports more jam products than it imports. The little jam that Vietnam does import comes largely from Thailand and China. There is room to be optimistic however, jam is increasingly popular in the country and combined with the soon to enter into force EUVFTA agreement will give EU producers the tools to impact and grow in this rapidly expanding, though small, market.

**Market Takeaway: Jams**

**Consumption:** Jam is increasingly consumed as part of a drink or incorporated into a baked goods.

**Competition:** Domestic producers with access to a large amount of fresh fruits.

**Distribution:** Distributed across retail chain, primarily through traditional retailers though increasingly through modern supermarkets.

**Challenges:** Domestic producers that have set up and divided the market pose a challenge for EU goods

**Opportunities:** The EUVFTA will lead to the removal of tariffs that are as high as 35-40% presently.

## 5.13 Pasta

### 5.13.1 SWOT analysis

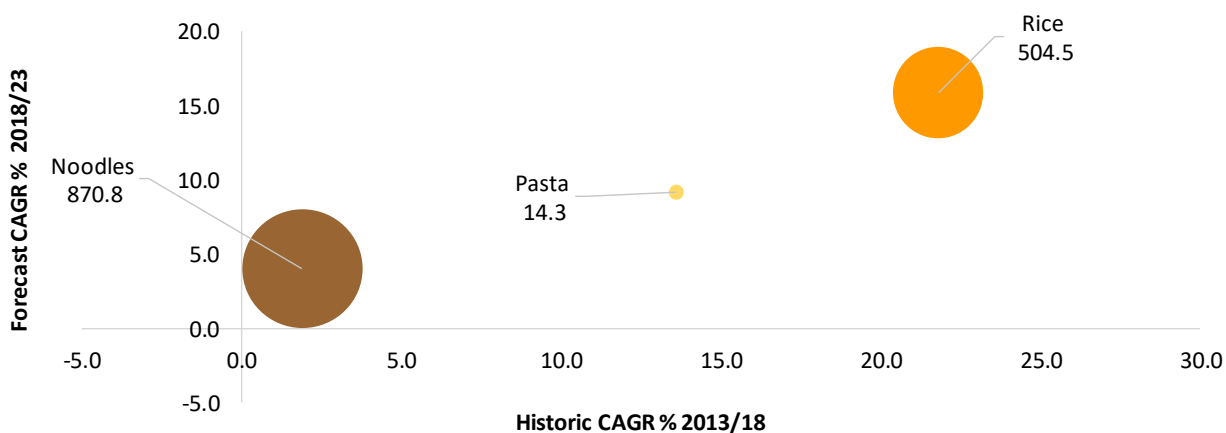
STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Sales in pasta noted fast growing rates.</li> <li>▪ Pasta is deemed to be healthy and nutritious.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The pasta segment is underdeveloped.</li> <li>▪ Vietnamese prefer noodles (a staple food) to pasta.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ Premiumisation drives sales in pasta, with wealthy consumers being the main target for this segment.</li> <li>▪ Health-conscious consumers are a key target.</li> <li>▪ Under the EVFTA, pasta exports will be duty-free after 7 years.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Asian countries account for most exports of pasta to Vietnam in terms of value.</li> <li>▪ Heavy local production of noodles poses a challenge to pasta exporters.</li> <li>▪ Pasta exporters face high import duty.</li> </ul>

### 5.13.2 Consumption

#### 5.13.2.1 Evolution of consumption

In Vietnam, consumption of pasta - which is currently insignificant compared to rice and noodles - is however expanding, providing valuable new opportunities for EU exporters. Sales indeed increased at an annual rate of 13.6% between 2013-2018, with the market reaching EUR 14.2m. Furthermore, pasta sales are projected to see sustained growth of 9.2 % per year in the coming years (Figure 5-54). Per capita consumption of pasta, which slightly grew between 2013 and 2018, is expected to moderately increase in the future, up to 0.2 kg in 2023.

Figure 5-54: Evolution and forecast of market for pasta, rice and noodles (retail value EUR millions) in Vietnam, 2013-2023



Source: Euromonitor International: Packaged Food, 2020.

Note: figures for 2019 to 2023 based on forecasts.

### 5.13.2.2 Consumer profile and purchase criteria

#### Consumers

In Vietnam, noodles and rice are staples and are used in many traditional dishes. Indeed, Vietnam ranks fifth globally in instant noodle consumption. The domestic pasta market is consequently still underdeveloped, although sales in the segment are very dynamic. Pasta is mostly purchased by expats and consumers in urban areas, who are increasingly adopting westernised lifestyle. Furthermore, more health-oriented wealthy consumers are more and more using pasta as a noodles swap, as the latter, especially in their instant versions, is deemed to be less healthy.

#### Drivers and method of consumption

Premiumisation is driving growth of pasta in Vietnam, as improved income has strengthened demand for higher quality products. However, pasta is mostly eaten when dining out, notably at Italian and other European restaurants, which presence in the Vietnamese market is significantly increasing. Since noodles are a staple, Vietnamese consumers have a clear preference for long types of pasta, such as spaghetti.

#### Purchase criteria

The main drivers for the purchase of pasta are quality, authenticity and health. Pasta is indeed considered a rather healthy, nutritious food and generally a premium quality product. Consumers of pasta, who are usually middle- or high-income people, tend to give less importance to price. Nonetheless, the average Vietnamese consumer, who is price-sensitive, is more likely to purchase affordable noodles instead of pasta.

### 5.13.2.3 Recent market trends

Despite the competition from the noodles segment, pasta is one of the fastest growing packaged food categories in Vietnam. Indeed, sales in pasta are set to perform well over the next five years, growing at a 6.2% annual rate.<sup>97</sup>

## 5.13.3 Offer

### 5.13.3.1 Domestic production

Vietnam counts several manufacturers of noodles (rather than pasta), with 50 enterprises engaged in producing instant varieties. Local players hold leading value shares in all categories: Loc Troi Group and Safoco rank first in rice and pasta, respectively, and Masan Consumer and Uniben hold the second and third positions in noodles. These manufacturers not only understand the local consumers' preferences, but also have strong marketing activities, develop new products and keep expanding their distribution networks.<sup>98</sup>

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<sup>97</sup> Euromonitor International: Packaged Food, 2020.

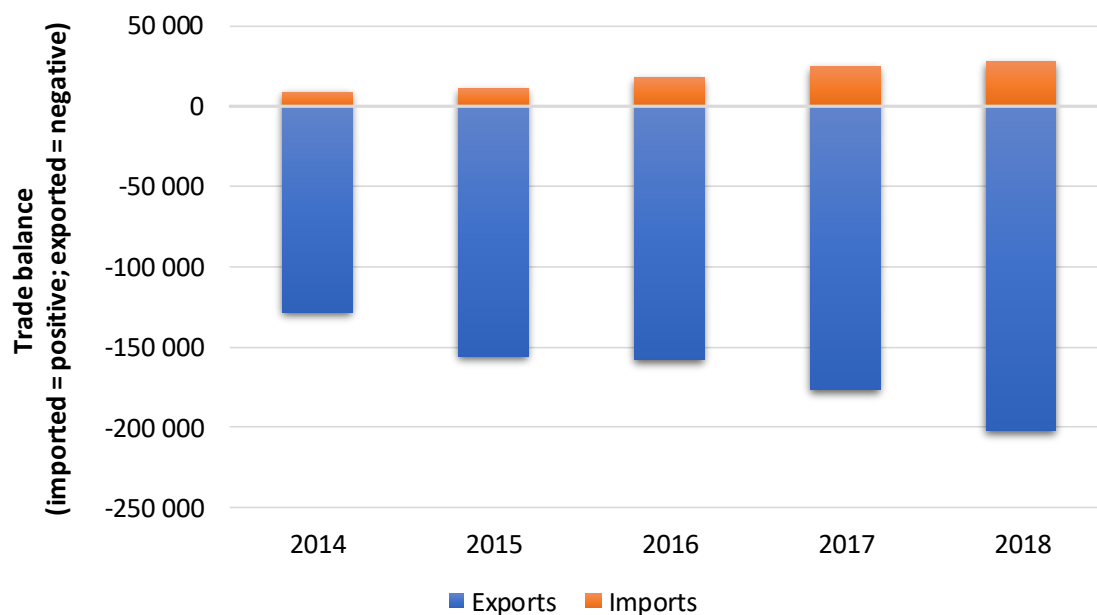
<sup>98</sup> Euromonitor International: Packaged Food, 2020.



### 5.13.3.2 Imports and exports

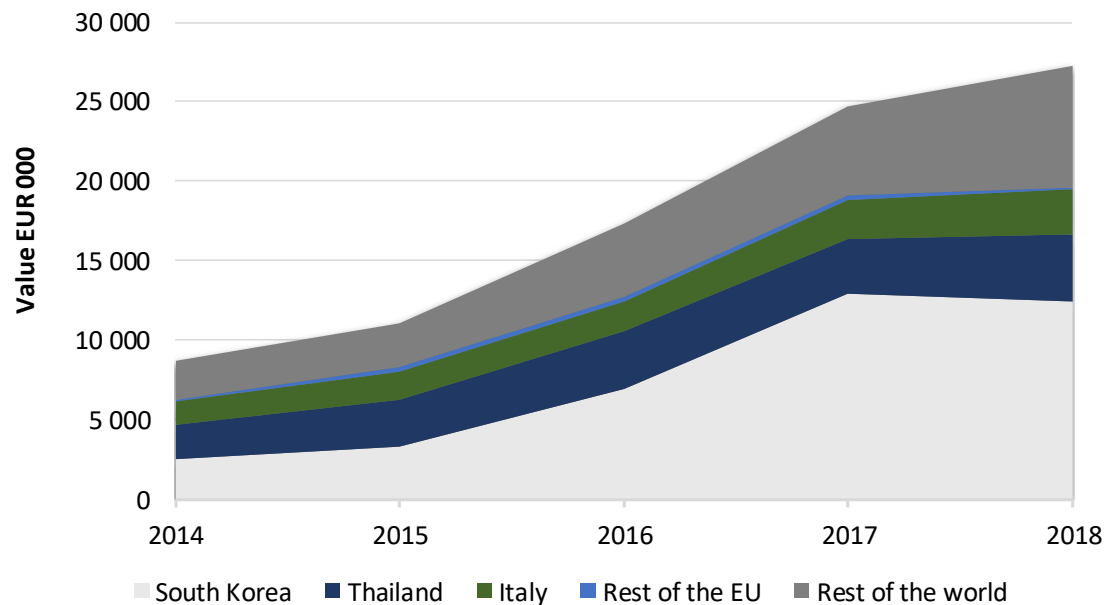
Due to the considerable production volumes of noodles, Vietnam is a net exporter of pasta, noodles and couscous as a group, with data on pasta unfortunately not separable from this wider group (Figure 5-55). Nonetheless, imports saw a sustained growth since 2014, peaking in 2018, when they reached a value of EUR 27.2 million. As depicted in Figure 5-56, in terms of value, most imports of pasta came from non-EU countries. Nonetheless, once the EVFTA comes into effect, European exporters will increase their share in the Vietnamese pasta market. With shipments valued EUR 12.4 million, South Korea was the leading exporter of pasta, noodles and couscous to Vietnam in 2018. The country exports indeed benefit from a Comprehensive Economic Cooperation Agreement with Vietnam, in place since 2007. Thailand, which exports were valued over EUR 4 million, followed. Italy ranked third, while other EU countries accounted for a negligible share of exports in terms of value.

Figure 5-55: Trade balance (imports and exports) of pasta, noodles and couscous in Vietnam, 2014-18; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 1902.

Figure 5-56: Vietnamese imports of pasta, noodles and couscous by country, 2014-2018; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN code 1902.

### 5.13.3.3 Main competitors

As reported in section 5.13.3.1, the Vietnamese market for noodles and pasta combined is dominated by large producers, which focus on noodles - a staple for Vietnamese consumers. In terms of imports, EU faces the competition of Asian countries, notably South Korea and Thailand, which exports are highly valued, though it is not possible to entirely separate data on pasta from that on pasta, noodles and couscous combined (see section 5.13.3.2).

### 5.13.4 Specific market entry requirements

#### Market Access and Entry

As outlined in section 4.2.1, pasta producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the product is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2.

In terms of tariffs, currently European pasta exporters face duties of 20-40%. Nonetheless, thanks to the EU-Vietnam FTA, **duties on uncooked pasta are set to be entirely eliminated after seven years** since the Agreement enters into force.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=1902>

### Customs procedures

A detailed list of standard documents required for the import of pasta into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2).

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=1902>

### Standards, SPS measures

Sanitary and Phytosanitary measures concerning the import of pasta into Vietnam are in line with international standards.

**Up to date information on appropriate documents concerning SPS barriers:**

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

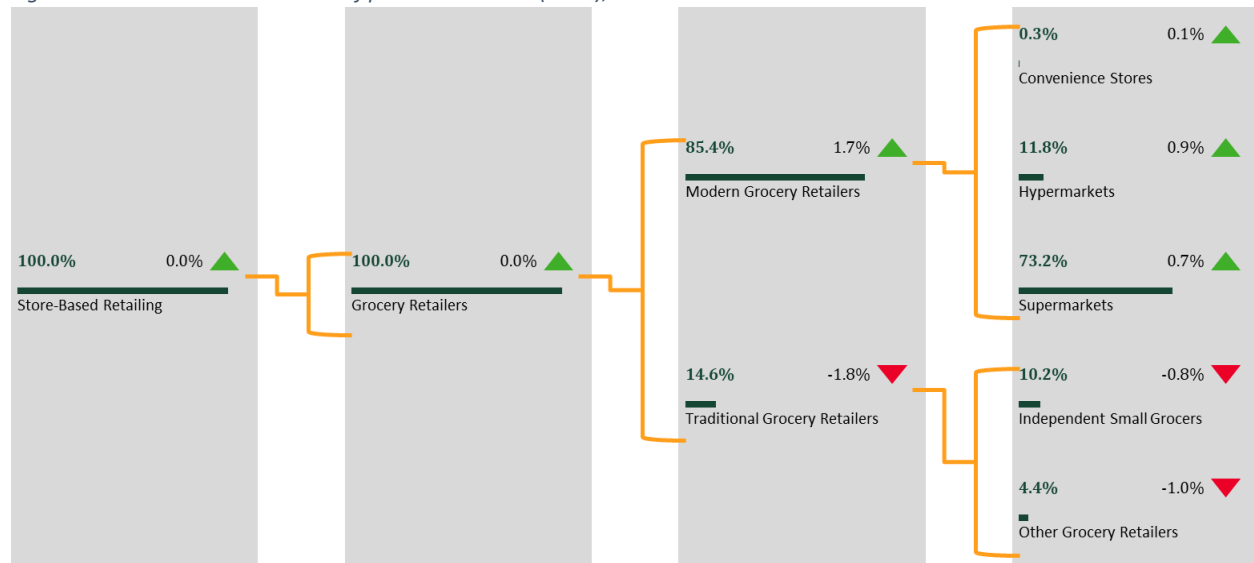
### Labelling

As set out in section 4.2.3, pasta exporters must comply with generic labelling requirements set out in Decree 43/2017/ND-CP.

#### 5.13.5 Distribution

As described in Figure 5-57, **sales of pasta rely on store-based retailing**, in Vietnam. In 2018, modern grocery retailers (especially supermarket) were the main distribution channel for pasta (accounting for over 85% of total sales in terms of value); unsurprising given the status of pasta as a niche product for higher income consumers. Traditional grocery retailers followed, with independent small grocers accounting for most of the sales in the category. However, unlike modern grocery retailers, traditional ones are losing ground.

Figure 5-57: Distribution channels of pasta in Vietnam (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

### 5.13.6 Challenges for EU products

Vietnamese consumers are accustomed to noodles (a staple food in the country), which hence account for the vast majority of sales in the broader category of pasta and noodles. Pasta is indeed a niche market, with expats and wealthy consumers being major customers of this product. Furthermore, EU exporters face high duties and taxes to access the Vietnamese pasta market, which in turn has a strong impact on the final price of the product.

#### Market Takeaway: Pasta

**Consumption:** Although rather limited, consumption noted fast growing rates and is projected to continue to perform well over the next year.

**Competition:** Domestic producers and other Asian exporters focusing on noodles dominate the broader pasta and noodles market.

**Distribution:** Pasta is mostly sold through supermarkets and hypermarkets, which are growing in importance.

**Challenges:** Pasta consumption is rather limited, being rice and noodles staple food. EU exporters currently face high import tariffs.

**Opportunities:** Under the EVFTA, market access for EU pasta will improve. High-quality pasta is gaining ground amongst wealthier and health-oriented consumers.

## 5.14 Baked goods

### 5.14.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ Consumption of baked good products continues to grow.</li> <li>▪ Vietnamese consumers increasingly associate baked goods as a go to snack.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Domestic producers are abundant.</li> <li>▪ Vietnam exports more baked goods then it imports.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ The EU – Vietnam free trade agreement presents a window of opportunity to increase baked goods exports to the country.</li> <li>▪ The lingering perception that foreign goods are of a superior quality amongst some members of the public.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Vietnam imports most of its baked goods from neighbouring countries.</li> <li>▪ Domestic producers can market their products more effectively to the Vietnamese consumer base.</li> </ul>

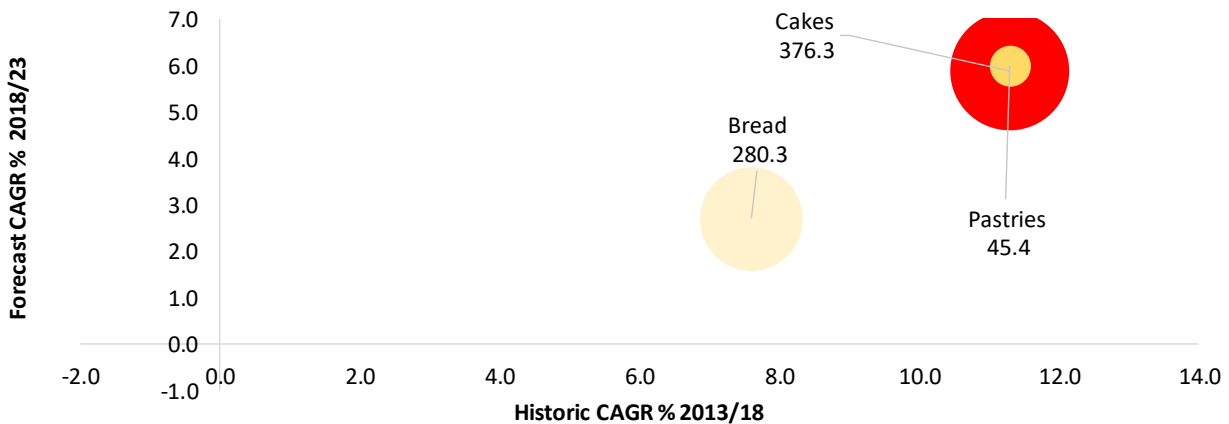
### 5.14.2 Consumption

#### 5.14.2.1 Evolution of consumption

The consumption of baked goods continues to rise annually in Vietnam as the country is increasingly adopting western consumption habits. Cakes is the largest market by value as well as the fastest growing over the period 2013-18. It was worth EUR 376m in 2018, having grown in value by 11.3% per year over the period 2013-18. Bread followed, with the market worth EUR 280m in 2018. While pastries are the smallest segment, it has grown as quickly as the average unit price of baked goods rose by 5% with packaged cakes posting a 7% increase in 2019. Products such as bread and cakes are increasingly popular in Vietnam and are becoming a part of the staple diet of the country. Baked goods typically are not consumed as a meal in their own right, rather as an add on aimed to temporary satisfy the hunger of consumers<sup>99</sup>

<sup>99</sup> Euromonitor International Ltd, Packaged Food, 2020

Figure 5-58: Evolution and forecast of baked goods market in Vietnam, 2013-2023; retail value, EUR million



Source: Euromonitor International: Packaged Food, 2020.

#### 5.14.2.2 Consumer profile and purchase criteria

##### Consumers

Consumers of baked goods in Vietnam spread across all social classes and amongst rural and urban populations. Naturally, higher quality baked goods (Imported products) will have a higher price and will only be consumed by members of the population with a higher income, however the abundance of domestic brands producing baked goods in the country allows for consumers of all incomes to obtain and consume baked goods.

##### Drivers and method of consumption

With such an abundance to choose from, consumers have the luxury of expecting producers to add additional value to their products in order to entice consumers. An example of this is the push from producers in the country to emphasise the freshness of their products. A fair proportion of goods have been sold as packaged historically, but there is increasing interest in unpackaged goods, boosted by small urban bakery shops producing their own goods. Only packaged cakes stand out as a segment which is bucking this trend. Sandwich outlets are common in Vietnam and are easily spotted by the typical “Banh Mi” sign indicating that the retail outlet sells baked goods and sandwiches.<sup>100</sup>

##### Purchase criteria

Baked goods are purchased not as meals but rather as an additional food that temporarily satisfy consumers’ hunger on their way to work, school etc. This places an incentive for distributors to make the purchase of baked goods as convenient as possible; and is a further factor which has boosted the emergence of small urban bakery shops. The purchase of baked goods takes place across the retail chain from modern supermarkets to traditional wet markets.

<sup>100</sup> On the hunt for Vietnams best Banh mi, CNN, (25.09/18) Available at <https://edition.cnn.com/travel/article/best-banh-mi-hoi-an-vietnam/index.html>

### 5.14.2.3 Recent market trends

Local companies hold three of the top five positions in the baked goods market. However, international players Mondelez Kinh Do and Orion Food Vina hold the largest value shares and the gap between domestic brands and the leading international brands is quite big in the country. Looking ahead, the market for baked goods will continue to rise as incomes in the country rise and the availability of baked goods continues to increase.

### 5.14.3 Offer

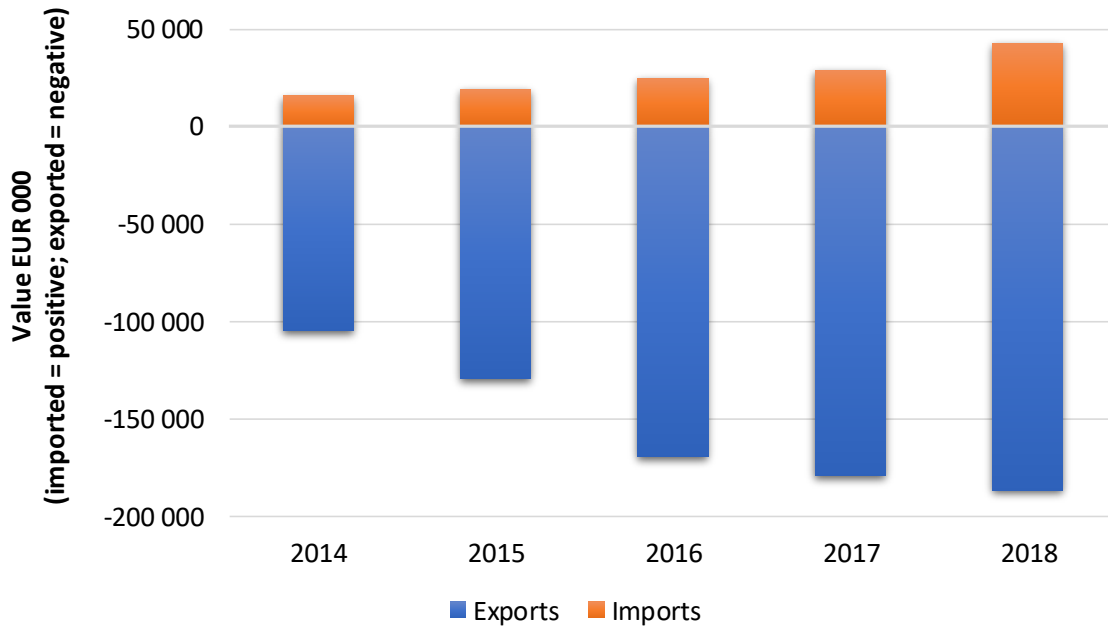
#### 5.14.3.1 Domestic production

Domestic producers are numerous in the country. As stated in section 5.14.2.3, three out of the top five companies with the largest market share of baked goods are domestic companies, though it is also worth noting that none of the three hold a market share above 5%. International brands do hold an advantage over domestic ones in relation to technological development and production practises that make them more efficient and also allows them to market their products throughout Vietnam. This leads to a situation where many local producers choose to focus on the regionalisation of their products for example, Nhu Lan Bakery is only well known in Hồ Chí Minh City, whereas Bao Ngoc is strong in northern Vietnam. Indeed, local production is fairly fragmented, even though a fair proportion of goods are sold as packaged.

#### 5.14.3.2 Imports and exports

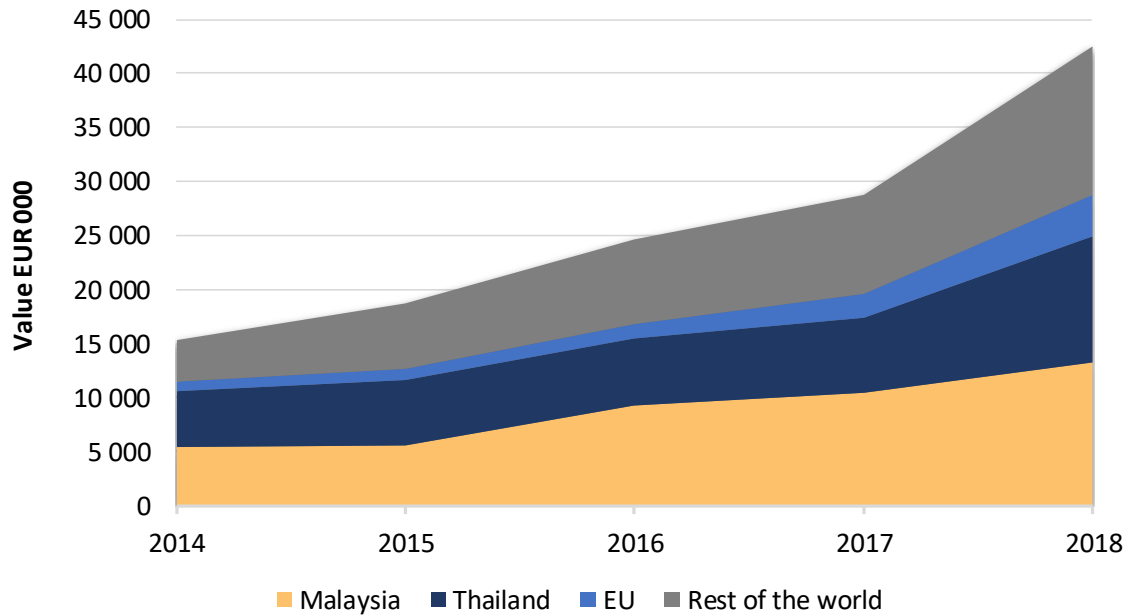
As observed in the figure 5-61, Vietnam exports more baked goods than it imports. Out of the amount that it does import, most of the products are coming from their neighbouring nations such as Malaysia, Indonesia and Thailand. The United States also exports more baked goods to Vietnam than the biggest exporter in the EU, Germany.

Figure 5-59: Trade balance (imports and exports) of baked goods in Vietnam, 2014-18; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
 Data for CN codes 190510, 190520, 190540, 190590.

Figure 5-60: Vietnamese imports of baked goods by country, 2014-18; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
 Data for CN codes 190510, 190520, 190540, 190590.



#### **5.14.3.3 EU GI products**

Currently there are no EU baked goods products in the EU-Vietnam free trade agreement that are scheduled to be protected as a GI. For a full list of GI products please refer to section 9.

#### **5.14.3.4 Main competitors**

The main competitors for EU baked goods in Vietnam are the crowded domestic producers that already exist in the country. EU producers also face a disadvantage as their products will struggle to compete in terms of freshness with Vietnamese products after arriving in the country. Vietnam also exports more baked goods than it imports and the imports it does receive largely come from nearby nations such as Indonesia, Malaysia and Thailand.

#### 5.14.4 Specific market entry requirements

As outlined in section 4.2.1, baked goods producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the product is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2.

In terms of tariffs, currently European baked good exporters face duties of between 10 and 40% (depending on the product / CN code). Nonetheless, thanks to the EU-Vietnam FTA, **duties on baked goods are set to be entirely eliminated after five years** from when the Agreement enters into force.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=1905>

#### Customs procedures

A detailed list of standard documents required for the import of baked goods into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2).

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<https://madb.europa.eu/madb/datasetPreviewIpubli.htm?countries=VN&hscod=1905>

#### Standards, SPS measures

Sanitary and Phytosanitary measures concerning the import of baked goods into Vietnam are in line with international standards.

**Up to date information on appropriate documents concerning SPS barriers:**

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

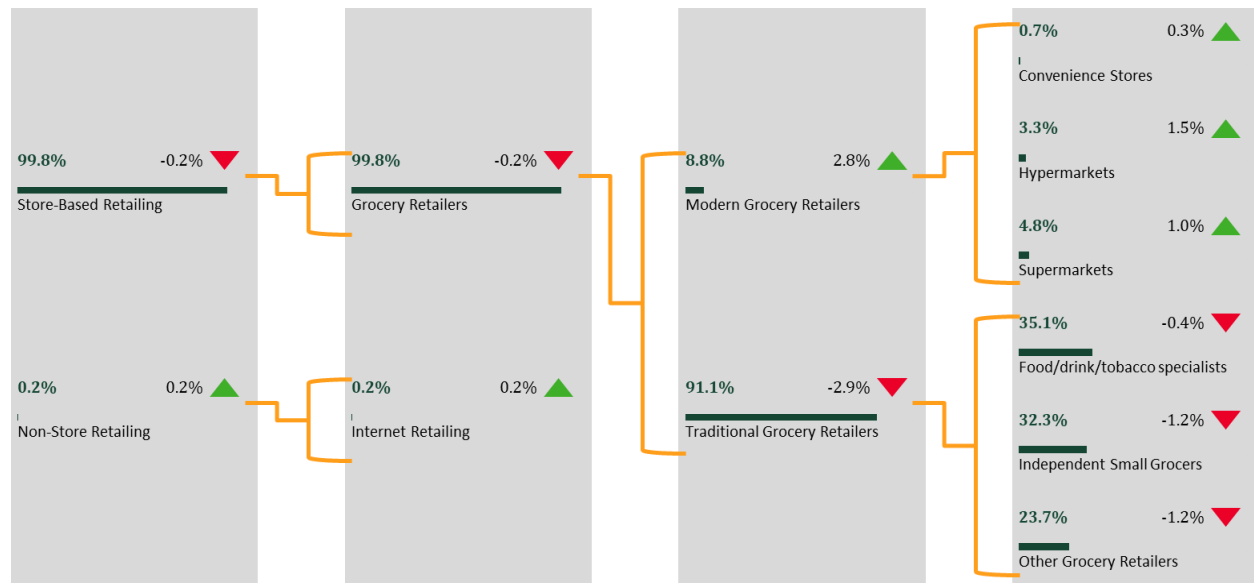
#### Labelling

As set out in section 4.2.3, baked good exporters must comply with generic labelling requirements set out in Decree 43/2017/ND-CP.

#### 5.14.5 Distribution

As shown in Figure 5-61, the absolute majority of baked good sales come from traditional grocery retailers with distribution split roughly equally between specialists, independent small grocers and other grocery retailers. This hold on the market already shows signs of beginning to decline and is likely to continue this trend as it has been in other sectors as modern grocery retailers begin to continue growing and gaining a larger market share at the expense of traditional grocery retailers.

Figure 5-61: Distribution channel overview of baked goods in Vietnam (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

#### 5.14.6 Challenges for EU products

As observed, EU products face a number of challenges when entering this market in Vietnam. Domestic producers are numerous and can leverage the freshness of their products as a marketing tool to entice consumers. EU Products will also have to compete with competition from neighbouring countries like Thailand and Malaysia who have companies set up in Vietnam with a large market share.

#### Market Takeaway: Baked goods

**Consumption:** Baked goods consumed typically as a method to alleviate temporary hunger

**Competition:** Domestic and neighbouring nations have a dominant share of the market

**Distribution:** across many different retailers. As a versatile product, the retailer that sells food will likely sell baked goods; and specialist shops are also fairly common.

**Challenges:** Entering a market that already has an abundance of domestic and regional selections for consumers to choose from.

**Opportunities:** The EVFTA deal presents an opportunity for EU goods to compete in the country.

## 5.15 Biscuits and cereal bars

### 5.15.1 SWOT analysis

STRENGTHS (+)	WEAKNESSES (-)
<ul style="list-style-type: none"> <li>▪ The sales of biscuits and cereal bars are set to continue growing as western consumptions trends grow in the country.</li> <li>▪ International producers have a more efficient and innovative production line when compared to domestic producers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ A large abundance of domestic producers that tend to regionalise their products.</li> <li>▪ Many consumers of these products view them as a snack rather than a food item that can be incorporated into a full meal.</li> </ul>
OPPORTUNITIES (+)	THREATS (-)
<ul style="list-style-type: none"> <li>▪ A growing consumer market with a tradition of gift giving which leads to an increase in biscuit sales.</li> <li>▪ An increasingly busy consumer base which increasingly incorporates “Quick Meals” such as cereal bars into their diets.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Domestic producers with a more throughout understanding of advertising to the Vietnamese consumer.</li> </ul>

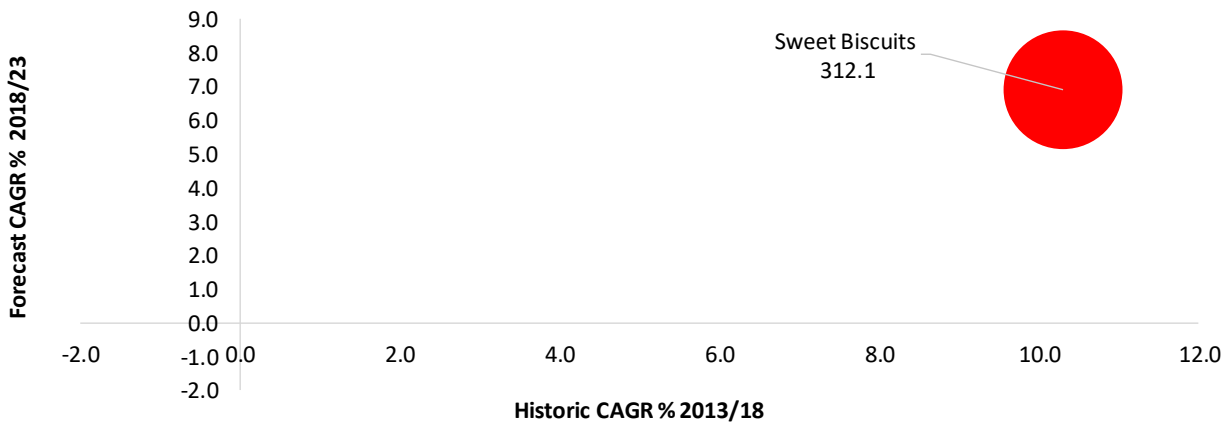
### 5.15.2 Consumption

#### 5.15.2.1 Evolution of consumption

Biscuits, like many products, continue to benefit from the increasing westernisation of Vietnamese consumer habits. The market is worth EUR 312m, having grown at just over 10% per year during the period 2013-18 (Figure 5-62).

Cereal bars, on the other hand, are not popular in Vietnam, with the market for such products negligible. Consumption of these products is limited to a niche segment of primarily expatriates. The Vietnamese tend to consume, cheap, readily available products such as fried rice, sticky rice, Bun Bo Hue, and Banh Mi in place of cereal bars. For this reason, no data on cereal bars is available.

Figure 5-62: Evolution and forecast of sweet biscuits in Vietnam, 2013-2023; total volume



Source: Euromonitor International: Packaged Food, 2020.

### 5.15.2.2 Consumer profile and purchase criteria

#### Consumers

Consumers of these products vary and all income classes can readily afford these products. Much of the consumption of these products is done with the intention of alleviating temporary hunger and many consumers view biscuits as a snack rather than products that could be incorporated into a full meal. There is also an important gift market for biscuit products (see below).

#### Drivers and method of consumption

Looking at drivers and methods of consumption by type of good:

- **Plain Biscuits**, which account for almost half of sweet biscuit sales, are a preferred gift item during the events of Tet and Valentine's day. These events typically lead to a rise in sales for plain biscuits products. Though they are particularly important for gifting, due to the large market size plain biscuits are also where most producers in Vietnam are active throughout the year.
- **Wafers**, which account for about 20% of sweet biscuit sales, have seen a steady growth in sales and despite limited innovation in the segment, this looks likely to continue as producers have firmly allocated their positions and developed a stable market size over time. In part should lead to a continued CAGR in wafer sales for the upcoming forecast period of 2019-2024.
- **Luxury imported biscuits**, like plain biscuits, are also popular during the events of Tet and Valentine's day. Products like Danish cookies and butter cookies are sold at higher prices due to the continuing mindset amongst Vietnamese consumers that international brands are superior to domestic ones.

Much like the baked goods market, the abundance of domestic producers affords Vietnamese consumers the luxury of expecting additional value to the production of biscuits and cereal bars products. This comes

in the form of an emphasis by producers on promoting the freshness of their products and through the advertising of their products on Vietnamese media outlets.

### **Purchase criteria**

As noted above, freshness and healthiness are criteria of increasing importance. Novelty and new tastes can also be an important criterion in some cases; though brand reputation/awareness can play a role in the wafer market in particular.

With regard specifically to purchases for gifting – particularly in relation to Tet – packaging is an important consideration. Tins or paper boxes are preferred over plastic bags, with the ability to display Tet messages to recipients as a bonus. This type of packaging is also coherent with the luxury tag and premium pricing which is prevalent around Tet.

### **5.15.2.3 Recent market trends**

The consumption of biscuits continues to grow annually in Vietnam due in a large part to the continued availability of these products across retail outlets. Consumption is forecast to grow at almost 7% in the coming years.

Recently some companies have tried to profit from a health and wellness trend by introducing products fortified with vitamins and/or minerals. Milk-free, egg-free and palm oil free biscuits have also been introduced by a couple of companies to address dietary and social trends. The interest in healthy products is likely to continue going forwards, and hence healthy products with new, natural-based tastes may do well in coming years.

Also, the gifting of these products - in particular biscuits during the events of Tet and Valentine's day - is also driving the growth of consumption. The consumption of these products can be expected to continue to grow as incomes also increase across the country during the upcoming years.

## **5.15.3 Offer**

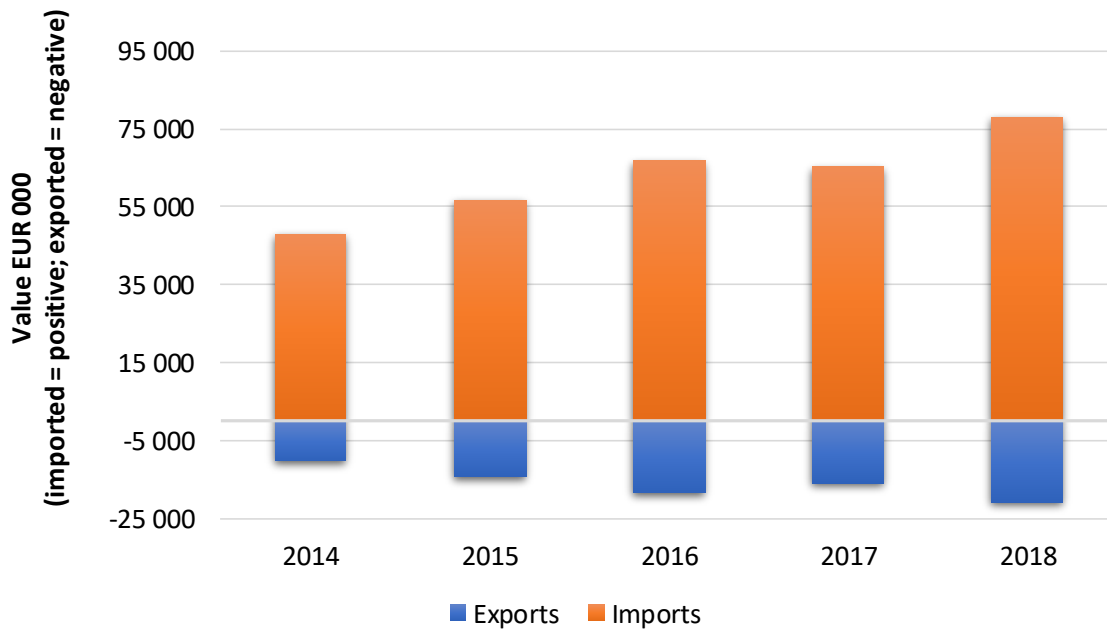
### **5.15.3.1 Domestic production**

As previously stated, domestic production of biscuits plays an important role in the market in Vietnam. A large part of local production is attributable to the local operations of international companies, such as the market leader in Vietnam, Mondelez Kinh Do Vietnam. There are some entirely local companies such as Bien Hoa Confectionery. The combination of the westernisation trend and the presence of multinationals means that original biscuits brands from Western countries such as LU's "butter cookies from France" and "genuine Danish butter cookies", which are considered as premium and high-quality products, can be found in Vietnam alongside local production.

### **5.15.3.2 Imports and exports**

Vietnam is a significant net importer of biscuits, with imports of just over EUR 75m compared to exports of around EUR 20m. The level of imports has steadily increased in recent years (Figure 5-63).

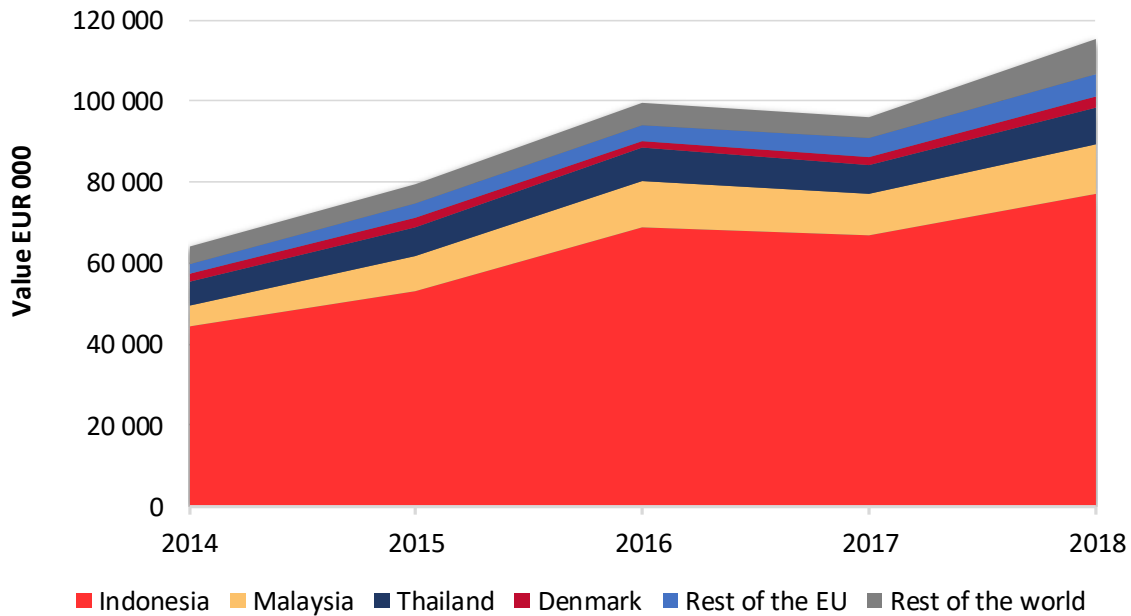
Figure 5-63: Trade balance (imports and exports) of biscuits, waffles and wafers in Vietnam, 2014-18; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
Data for CN codes 190531 and 190532.

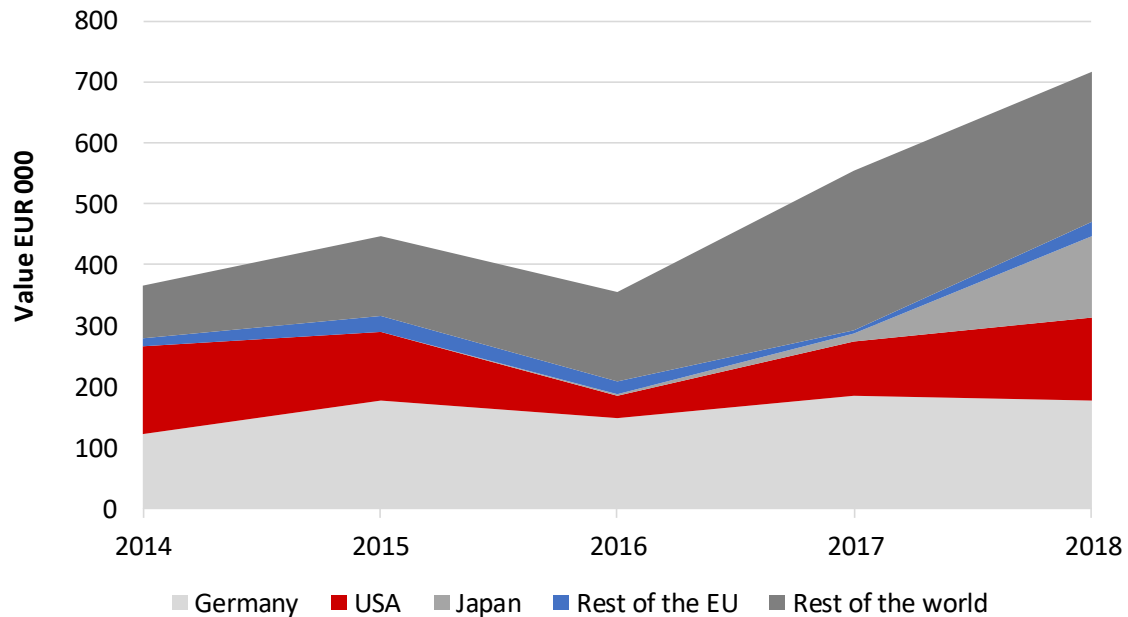
In terms of origin, Indonesia is the number one origin of biscuits, accounting for some ¾ of imports. Indonesian companies such as Mayora Indah and Kaldu Sari Nabati have notable shares of the Vietnamese market. Malaysia and Thailand between them account for a further 15% of imports, while the EU, led by Denmark, account for around 5% (Figure 5-64). As noted in section 5.15.2.1 above, the market for snack bars is very small. It is therefore unsurprising that imports were worth only EUR 700 000 in 2018. Germany was the large exporter with just over EUR 100 000 of product (Figure 5-65).

Figure 5-64: Vietnamese imports of biscuits, waffles and wafers by country, 2014-18; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
 Data for CN codes 190531 and 190532.

Figure 5-65: Vietnamese imports of cereal bars by country, 2014-18; value 000 EUR



Source: Trade Map, International Trade Centre - <https://www.trademap.org/>  
 Data for CN code 1904200000.



### 5.15.3.3 Main competitors

The main competitors in this market will come from two sources. Firstly, from the continued progress of domestic producers (including those which are part of multinationals) that year on year will continue to technologically improve and make ground on international producers based outside Vietnam. Secondly, from producers from nearby nations (Indonesia in particular) with established markets in Vietnam, who will continue to hold brand and cultural advantages in the marketing of their products. Nonetheless, the niche for certain European products does exist.

### 5.15.4 Specific market entry requirements

As outlined in section 4.2.1, biscuit and cereal bar producers must first of all complete the VNACCS Registration and submit a custom import declaration in order to ship their products to Vietnam. A simplified, ordinary or strict inspection may then take place, depending on e.g. whether the product is exported to Vietnam for the first time or not. Imported products must comply with Law on Food Safety 55/2010/QH12, as well as all further food and safety rules, as reported in section 4.2.2.

In terms of tariffs, currently European biscuit and cereal bar exporters face duties of 35%. Nonetheless, thanks to the EU-Vietnam FTA, **duties on biscuits are set to be entirely eliminated after five years and on cereal bars after seven years** from when the Agreement enters into force.

**Detailed information on import duties and Rules of Origin can be consulted on the European Commission website:**

<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=190531>  
<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=190532>  
<https://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=VN&hscod=190402>

### Customs procedures

A detailed list of standard documents required for the import of biscuits and cereal bars into Vietnam is presented in section 4.2.1 (Table 4-1 and Table 4-2).

**Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:**

<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=190531>  
<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=190532>  
<https://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=VN&hscod=190402>

### Standards, SPS measures

Sanitary and Phytosanitary measures concerning the import of biscuits and cereal bars into Vietnam are in line with international standards.

**Up to date information on appropriate documents concerning SPS barriers:**

[https://madb.europa.eu/madb/sps\\_barriers\\_result.htm?isSps=true&countries=VN](https://madb.europa.eu/madb/sps_barriers_result.htm?isSps=true&countries=VN)

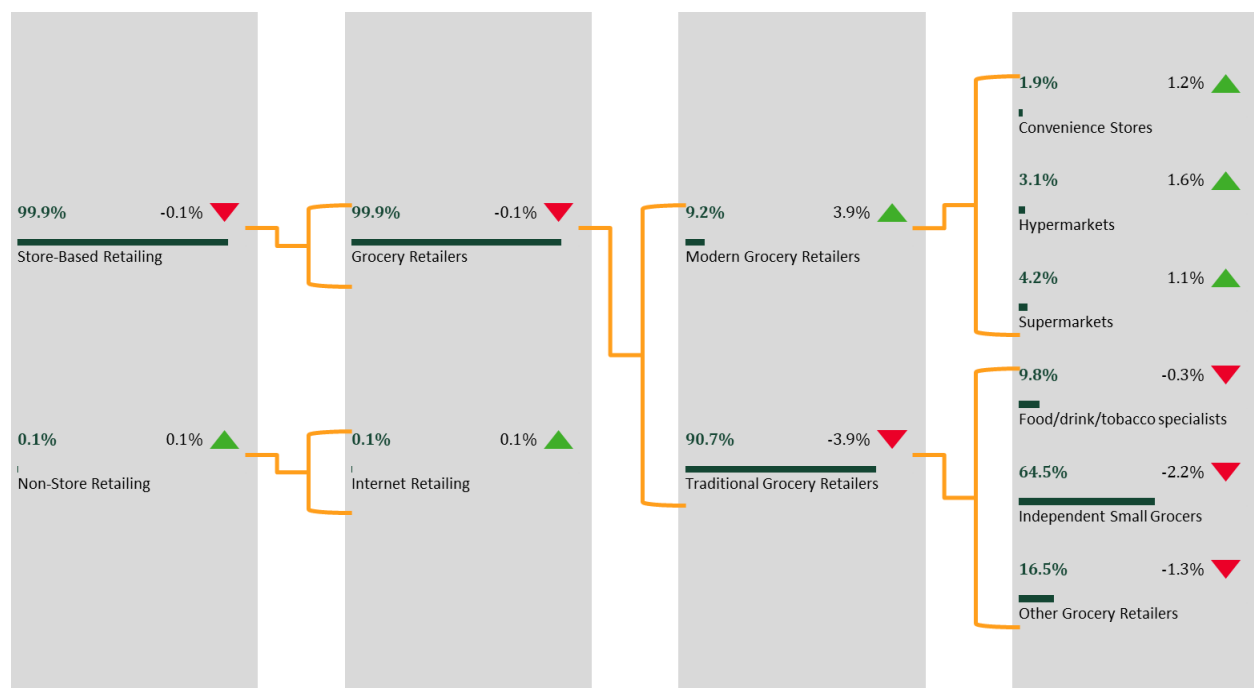
## Labelling

As set out in section 4.2.3, biscuits and cereal bar exporters must comply with generic labelling requirements set out in Decree 43/2017/ND-CP.

### 5.15.5 Distribution

Biscuits are almost exclusively sold through store based retailing, with traditional grocery retailers accounting for over 90% of all sales. The role of modern retails such as supermarkets and hypermarkets in the distribution of biscuits remains minor, though it is increasing (Figure 5-66).

Figure 5-66: Distribution channel overview of sweet biscuits in Vietnam (2018); retail value



Source: Euromonitor International: Packaged Food, 2020.

### 5.15.6 Challenges for EU products

Challenges posed to EU products include tough competition from domestic and regional producers, and the decline of the perception that western brands are superior to international ones. EU products which depend on their brand / luxury tag within the mindset of the Vietnamese consumers will have to continue to promote the higher quality of their products comparing to domestically produced ones. Furthermore, there can be challenges with smuggled and counterfeit products on the market around the festival of Tet; though the Vietnamese government has recently taken strong actions to address these issues.

**Market Takeaway: Biscuits and cereal bars**

**Consumption:** gifting an important driver.

**Competition:** Strong local production (sometimes from the local operations of multinationals). Indonesia dominant among importers.

**Distribution:** Store retailing, more specifically traditional retailers, dominate.

**Challenges:** decreased importance placed on western brands; some counterfeiting issues around Tet.

**Opportunities:** niche opportunities, particularly around the time of festivals.

## 6 Communication

### 6.1 Communication strategy

Marketing and advertising in Vietnam pose many challenges, which stem from a mass media environment that is heavily regulated by the state. The aim of this section is to breakdown each section of the mass media landscape in Vietnam and to introduce the main communication channels (new and traditional media, as well as fairs) available in Vietnam, as well as key regulations for the advertisement of F&B.

#### 6.1.1 Online & Digital Media

With a population of more than 96 million, a median age of approximately 30 years, and internet penetration standing at over 64 million, or just over 67% of the local population, Vietnam is a young and rapidly growing dynamic market, representing a huge commercial opportunity for brands and marketers. In Vietnam, nearly all adults (97%), have a mobile phone 67% of whom own a smart phone.

Currently, domestic messaging platform Zalo and Facebook are the most popular messaging and social media platforms in Vietnam. Other popular platforms include Twitter, Instagram, and YouTube. Digital media in Vietnam has a wider potential than other media outlets, as government regulations in the online space have yet to be implemented as stringently as in out media outlets.

Digital advertising agencies (see box below) may provide companies with support to develop a successful digital marketing strategy.

#### **Vietnamese Main Digital Advertising Agencies:**

*Ants Programmatic*, <https://ants.vn/>

*Phibious*, <http://phibious.com/contact-us/>

*Primal*, <https://www.primal.com.vn/>

*OhYeah*, <https://ohyeah.vn/>

*Omega Digital*, <https://www.omegadigital.org/>

*TP Link*, <https://www.tp-link.com/vn/>

*AUN Viet Nam*, <http://aun-vietnam.com.vn/>

Digital marketing in Vietnam has recorded a considerable increase, hence changing the traditional marketing mix, with internet becoming a core part of companies' communication strategy. The main reason is that companies seek to take advantage of a less stringently regulated platform to advertise their products. Internet advertising has proved successful for several companies, in terms of enhancing brand awareness and online brand presence, as well as penetrating a specific target market. The way online and social medias can be used in Vietnam for marketing purposes is further analysed in the sections below.

#### 6.1.1.1 Social media platforms

Social media marketing is growing in importance in Vietnam, considering that:

- There were 58 million Facebook users and 62 million Google accounts in Vietnam as of August 2019;
- 91% of Vietnamese citizens use the internet at least once a day;
- On average Vietnamese citizens spend 7 hours per day on the Internet, which includes 2 and a half hours on social media platforms.

### **Facebook and Zalo**

Facebook usage is extremely popular in Vietnam; overall, the country ranks seventh globally for active Facebook users. There are 58 million Facebook users in the country; the most populous city in the country Hồ Chí Minh city and its metro area ranks in the top ten cities globally with Facebook users, with around 14 million profiles. Facebook users in Vietnam are mostly between 18 and 34 years old, of which about 52% are male. The users primarily engage with video and photo posts or use Facebook Messenger as their main social media messenger. In Vietnam, Facebook is also a popular platform for selling goods and services, which is a common practice in South East Asian countries.

Zalo, a domestic messaging software, is also hugely popular in Vietnam and in neighbouring nations. Around 80% of smartphones in Vietnam have Zalo downloaded, which represents 33 million frequent users of the software. Zalo has introduced the Zalo Pay feature. Like most e-wallet services out there, Zalo Pay allows users to link a payment card to make peer-to-peer payments, pay via NFC, QR codes, as well as purchase products and services online, mobile top-ups, and pay their utility bills which further enhances the attractiveness of downloading the app.

### **6.1.2 Traditional Media**

Traditional media play a prevailing role in the daily life of the average citizen of Vietnam. At the beginning of the last century the habitual consumption was of national and regional traditional printed newspapers; as of today, the consumption of electronic media (television and radio) in digital form, either from mobile phones, computers or tablets, has become the norm.

Penetration of traditional media in Vietnam is set out below:

- **Television:** The average Vietnamese citizen spends 2 hours and 30 minutes daily watching TV. Over 90% of Vietnam's urban population own televisions, and nation-wide penetration is greater than 87%. There are approximately 60 local and one national broadcaster (VTV). With the emergence of satellite dishes and cable networks, many households also watch international networks (CNBC, CNN, StarTV). As a result of television being such an important media, several foreign brands make heavy investments in television advertising campaigns.
- **Print media:** With a literacy rate of 93.2%, print media is also very popular in Vietnam. Regulations place limits on space allocated for advertisements. There are over 400 newspapers and other publications in Vietnam, but few have nationwide circulation. English newspapers and publications include the Saigon Times Daily, Vietnam News, Vietnam Economic Times, Thanh Nien English News, and Vietnam Investment Review.
- **Radio:** Radio is rather popular in Vietnam, with the National radio station the Voice of Vietnam reaching 90% of households in country. Radio advertising is not as widely used for product promotion as other platforms, but radio ad volume is growing. This is largely due to improvements in

programming, such as the inclusion of English lessons and international music, along with the standard selection of Vietnamese pop music. Today, the audience represents a cross-section of the population with growing incomes.

### 6.1.3 Fairs and exhibitions

In addition to the digital approach, some companies decide to advertise their products on various trade fairs. Trade fairs are numerous and cover a broad range of sectors and are generally becoming a more attractive and sophisticated method for product promotion and industry networking. Many exhibitions are co-sponsored by government ministries, State Owned Enterprises, and industry associations. There are a number of common venues that host trade fairs in the country such as the Giang Vo Exhibition Centre, the National Convention Centre, and the Viet-Xo Cultural House in Hanoi. In Hồ Chí Minh City, the Reunification Palace, international hotels, the Hồ Chí Minh City International Exhibition and Convention Centre, and the newly opened Saigon Exhibition and Convention Centre (SECC) are the main venues.

A list of upcoming exhibitions is included in section 8.3. Updated lists may be found online on websites such as:

- <https://10times.com/vietnam>
- [www.tradefairdates.com/Fairs-Vietnam-Z236-S1.html](http://www.tradefairdates.com/Fairs-Vietnam-Z236-S1.html)

A list for 2020 can also be found in section 8.4.

## 6.2 Advertising regulations

Advertising remains heavily regulated by the Vietnamese government. In principle, only companies licensed in Vietnam may place advertisements. Limits on advertising and promotional expenditures exist for companies and are tied to a percentage of total sales. The government's current regulations essentially prevent domestic enterprises from investing more than ten percent of their total spending on advertising. Arbitrary enforcement and interpretation of the regulations continue to hinder the development of the advertising industry in Vietnam. Advertisements must comply with the Vietnamese code of conduct in advertising.<sup>101</sup> The main takeaways from the code of conduct legislation are:

- Advertisements should be socially responsible and be in line with the social and cultural norms of Vietnam.
- Advertisements should not affect negatively the image of the country, people, or government authorities of Vietnam.
- Advertisements should not include messages that ridicule or discredit the reputation of the Party, the Government, the legal system, or the implementation of the law in Vietnam.
- The image of the National Emblem, the Communist Party's symbol, and the National Flag can only be used in advertising content that respects, honours and expresses patriotism, or expresses the heritage and traditions of Vietnamese people.

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<sup>101</sup> [http://info.wfa.be/Vietnam\\_Code-of-Conduct-in-Advertising\\_2017-11-03\\_EN.docx](http://info.wfa.be/Vietnam_Code-of-Conduct-in-Advertising_2017-11-03_EN.docx)

- Advertisements that contain national symbols or images of other countries must be respectful, and not have a negative effect on the foreign relations of Vietnam.
- Advertisements of any product or service should not depict an act of drinking alcohol or using tobacco products or other products that are prohibited from advertising
- Advertisements that contain comparisons to highlight the improvement of a product “before” and “after” an invention or renovation with respect to its quality, must be supported by adequate scientific evidence, which should be available upon request by the Evaluation Panel of Advertising Products.

## 7 Vietnamese Etiquette

### 7.1 Quick facts

- As members of a collectivist society, the Vietnamese often prioritise the needs of the group over those of the individual; so, the welfare of family or the community will be favoured over business or individual concerns.
- It is very important to ‘save face’ in Vietnamese culture. This often means avoiding confrontation rather than directly and publicly tackling issues.
- It is advisable to arrange a meeting week in advance as this practise is normal in Vietnam
- The Vietnamese place a high emphasis on personal relationships; expect the first number of meeting to revolve around building a relationship.
- Typically, Vietnamese business organisations are hierarchical. Decisions and ideas come from the top, down, and often the eldest member influences decision making.
- It is common to give gifts, such as fruit or flowers to meetings in Vietnam as a token of appreciation.<sup>102 103</sup>

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<sup>102</sup> Vietnam.doingbusinessguide.uk Available at <http://www.vietnam.doingbusinessguide.co.uk/the-guide/business-etiquette,-language-and-culture/>

<sup>103</sup> Business Etiquette in Vietnam – Customs and Tips, Vietnam Briefing (09/07/19)



## 7.2 Key DOs and DON'Ts

Dos	Don'ts
<ul style="list-style-type: none"> <li>• Face to Face meetings are preferred in the Vietnamese culture.</li> <li>• It is important to address potential business partners correctly – if they have a Vietnamese name this means starting with the surname, followed by middle name and then the first name.</li> <li>• It is essential to respect elder members attending any meetings. Vietnamese businesses are very hierarchal orientated, and the most senior individual will usually have a lot of influence on the direction of the company.</li> <li>• In Vietnam it is normal to greet people by shaking both hands, maintaining eye contact and bowing your head a little is considered common and courteous.</li> <li>• When giving or receiving business cards do so by holding it with both hands and ensure you show proper respect to it by looking at it carefully</li> </ul>	<ul style="list-style-type: none"> <li>• In Vietnam, being late is perceived as rude and so you should ensure that you arrive at meetings at the agreed upon time</li> <li>• In Vietnam, you should not cross your arms or stand with your hands on your hips. Also, the whole hand, instead of one finger, should be used to point.</li> <li>• It is strongly recommended to present documents in Vietnamese and bring a Vietnamese translator to a meeting.</li> </ul>

## 8 Directory of Trade Support Projects, Organisations, and Service Providers

There are a variety of services available, both within the EU and in Vietnam, for producers wishing to export to Vietnam. These service providers include EU funded projects, services provided by Member States and their embassies, other organisations and service providers, as well as buyers, importers and distributors.

- Section 8.1 contains the project profiles for EU funded initiatives operating in Vietnam.
- Section 8.2 contains the contact information for Member State embassies within Vietnam
- Section 8.3 contains a listing of service providers including some information on the services available.
- Section 8.4 provides a calendar of exhibitions, trade shows, and other events to be held in Vietnam in 2019-20.
- Section 8.5 contains a database of professionals' contacts (buyers, importers and distributors).

### 8.1 European Union Organisations

Certain EU funded, or co-funded, projects within Vietnam offer a range of business facilitation services and information providing important insights into the Vietnamese market. Depending on your company profile these services can be free or fee based; and are available for companies from any EU Member State.



#### EU-Vietnam Business Network (EVBN)

The EU-Vietnam Business Network (EVBN) is a project co-funded by the European Union and established in 2014. The overall objective of EU-Vietnam Business Network (EVBN) is to increase exports and investments of the EU to Vietnam in particular by Small and Medium Enterprises (SMEs), as well as strengthening the EU Business sector in Vietnam by facilitating market access.

#### Contacts

📍 15th floor, The Landmark, 5B Ton Duc Thang, District 1, Hồ Chí Minh City

☎ (+84) 28 3823 9515

✉ mayte.pernas@evbn.org (Project Director);

thuy.le@evbn.org (Business Development)

💻 evbn.org




### European Chamber of Commerce in Vietnam


Established in 1998, the Chamber currently represents 900 European businesses. With offices in both Hanoi and Hồ Chí Minh City, EuroCham's mission is to represent the business interests of its European members in Vietnam, and to improve the business environment in Vietnam for the benefit of all businesses.


#### Contacts

 Room 2B, 15 Floor, The Landmark Building 5B Ton Duc Thang, District 1 5B

Ton Duc Thang, District 1, Hồ Chí Minh City

 (+84) 28 3827 2715

 info-hcm@eurochamvn.org


 www.eurochamvn.org

### Central and Eastern European Chamber of Commerce in Vietnam (CEEC)


CEEC is an independent non-profit organisation, which supports CEE companies which are already active in Vietnam and advise new entrants on the challenges in this market. The Chamber represents companies from 15 countries (Austria, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, North Macedonia, Montenegro, Poland, Romania, Serbia, Slovak Republic, and Slovenia).




#### Contacts

 Unit 08, 3B Floor, Horizon Tower, 40 Cat Linh, Dong Da District, Hanoi

 (+84) 24 3936 1031 (ext. 201)





































 office@ceecvn.org

 ceecvn.org

## 8.2 Directory of EU Member State Embassies/Consulates

EU MS	Address	Contact information
<b>Austria</b> (Embassy)	c/o "Prime Center" 53, Quang Trung, 8th Floor Hai Ba Trung District, Hanoi	 (+84) 24 3943 3050-3  hanoi-ob@bmeia.gv.at  www.bmeia.gv.at/oeb-hanoi

EU MS	Address	Contact information
<b>Belgium</b> (Embassy)	Hanoi Towers 9th floor 49 Hai Ba Trung Street, Hoan Kiem District, Hanoi	☎ (+84) 24 393 461 79 ✉ hanoi@diplobel.fed.be 💻 vietnam.diplomatie.belgium.be
<b>Bulgaria</b> (Embassy)	5 Nui Chuc street, Van Phuk P.O. Box 10, Hanoi	☎ (+84) 24 3845 2908 ✉ embassy.hanoi@mfa.bg 💻 www.mfa.bg/embassies/vietnam
<b>Croatia</b> (Embassy in Malaysia is responsible for Vietnam)	Level 35, Vista Tower, The Intermark, 348 Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia	☎ +603-21815037 ✉ croemb.kuala-lumpur@mvep.hr
<b>Cyprus</b> (Honorary Consulate)	Vietnam 149B Truong Dinh, Ward 9, District 3, Hồ Chí Minh City	☎ (+84) 28 2229 4499 ✉ info@cyprusconsulate.vn
<b>Czechia</b> (Embassy)	13 Chu Van An, Hanoi	☎ (+84) 24 3845 4131 ✉ hanoi@embassy.mzv.cz 💻 www.mzv.cz/hanoi
<b>Denmark</b> (Embassy)	BIDV Tower, 7th Floor, 194 Tran Quang Khai Street, Hoan Kiem District, Hanoi	☎ (+84) 24 3823 1888 ✉ hanamb@um.dk 💻 vietnam.um.dk
<b>Estonia</b> (Honorary Consulate)	34 Nguyen Thi Nghia Street, Dist 1 Hồ Chí Minh City	☎ (+84) 28 3925 0217 / 22 ✉ do.van.muoi@mfa.ee
<b>Finland</b> (Embassy)	24th floor, Lotte Center Hanoi, 54 Lieu Giai Ba Dinh, Hanoi	☎ (+84) 24 38 266 788 ✉ sanomat.han@formin.fi 💻 www.finland.org.vn
<b>France</b> (Embassy)	57 Tran Hung Dao Street, Hanoi	☎ (+84) 24 39 44 57 00 ✉ https://vn.ambafrance.org/Nous-ecrire 💻 vn.ambafrance.org
<b>Germany</b> (Embassy)	29, Tran Phu B.P. 39, Hanoi	☎ (+84) (24) 3267 3335 ✉ info@hanoi.diplo.de 💻 www.hanoi.diplo.de
<b>Greece</b> (Embassy)	27-29 Au Co, Tay Ho District, Hanoi	☎ (+84) 24 3715 2254 ✉ gremb.han@mfa.gr 💻 www.mfa.gr/hanoi
<b>Hungary</b> (Embassy)	9th floor, Hanoi Lake View Residence 28 Thanh Nien Road, Tay Ho, Hanoi	☎ (+84) 24 3771-5714 / 5 ✉ mission.hoi@mfa.gov.hu 💻 hanoi.mfa.gov.hu
<b>Ireland</b> (Embassy)	2nd floor, Sentinel Place 41A Ly Thai To, Hoan Kiem District, Hanoi	☎ (+84) 24-3974-3291 ✉

EU MS	Address	Contact information
		 <a href="http://www.dfa.ie/irish-embassy/vietnam">www.dfa.ie/irish-embassy/vietnam</a>
<b>Italy</b> (Embassy)	9, Le Phung Hieu Street, Hoan Kiem, Hanoi	 (+84) 24 3825 6256  <a href="mailto:ambasciata.hanoi@esteri.it">ambasciata.hanoi@esteri.it</a>  <a href="http://ambhanoi.esteri.it/ambasciata_hanoi/it">ambhanoi.esteri.it/ambasciata_hanoi/it</a>
<b>Latvia</b>		  
<b>Lithuania</b> (Honorary Consulate)	Ha Hoi Street 24H, Hoan Kiem District, Hanoi	 (+84) 43 9746 116  <a href="mailto:hoaitv@galaxy.com.vn">hoaitv@galaxy.com.vn</a> 
<b>Luxembourg</b> (Embassy in Thailand is responsible for Vietnam)	Ambassade du Grand-Duché de Luxembourg à Bangkok, Q House Lumpini 17th Floor, 1 South Sathorn Road, Tungmahamek Sathorn, Bangkok 10120	 (+66 2) 677 7360  <a href="mailto:bangkok.amb@mae.etat.lu">bangkok.amb@mae.etat.lu</a>  <a href="http://bangkok.mae.lu">bangkok.mae.lu</a>
<b>Malta</b> (Honorary Consulate)	12th Floor, Petro Vietnam Tower 5 Le Duan Street, District 1, Hồ Chí Minh City	 (+84) 28 5404 6868  <a href="mailto:malta.consulate@imperial.vn">malta.consulate@imperial.vn</a>
<b>Netherlands</b> (Embassy)	BIDV Tower, 7th floor, 194 Tran Quang Khai Street, Hoan Kiem District, Hanoi	 (+84) 24 3831 56 50  <a href="mailto:han@minbuza.nl">han@minbuza.nl</a>  <a href="http://www.nederlandwereldwijd.nl/landen/vietnam">www.nederlandwereldwijd.nl/landen/vietnam</a>
<b>Poland</b> (Embassy)	3 Chua Mot Cot, Hanoi	 (+84) 24 38 452 027  <a href="mailto:hanoi.amb.sekretariat@msz.gov.pl">hanoi.amb.sekretariat@msz.gov.pl</a>  <a href="http://www.hanoi.msz.gov.pl">www.hanoi.msz.gov.pl</a>
<b>Portugal</b> (Honorary Consulate)	c/o Hotel Pullman Hanoi, 40 Cat Linh Street, Hanoi	 (+84) 903 915 713  <a href="mailto:secretary@hon.con.portugal.com.vn">secretary@hon.con.portugal.com.vn</a> 
<b>Romania</b> (Embassy)	5, Le Hong Phong Street, Hanoi	 (+84) 24 3845 2014  <a href="mailto:hanoi@mae.ro">hanoi@mae.ro</a>  <a href="http://hanoi.mae.ro">hanoi.mae.ro</a>
<b>Slovakia</b> (Embassy)	12 Ba Huyen Thanh Quan, Ba Dinh District, Hanoi	 (+84) 24 3734 7601 / 2  <a href="mailto:emb.hanoi@mzv.sk">emb.hanoi@mzv.sk</a>  <a href="http://www.mzv.sk/web/hanoi">www.mzv.sk/web/hanoi</a>
<b>Slovenia</b>		  
<b>Spain</b> (Embassy)	4, Le Hong Phong, Ba Dinh District, Hanoi	 (+84) 24 3771 52 07 / 8  <a href="mailto:emb.hanoi@maec.es">emb.hanoi@maec.es</a>  <a href="http://www.exteriores.gob.es/Embajadas/Hanoi">www.exteriores.gob.es/Embajadas/Hanoi</a>

EU MS	Address	Contact information
<b>Sweden</b> (Embassy)	Daeha Business Center, 15th floor 360 Kim Ma Street, Ba Dinh District, Hanoi	☎ (+84) 24 3726 04 00 ✉ ambassaden.hanoi@gov.se 💻 www.swedenabroad.com/hanoi
<b>United Kingdom</b> (Embassy)	Central Building, 4th floor, 31 Hai Ba Trung, Hanoi	☎ (+84) (24) 3936 0500 ✉ generalenquiries.vietnam@fco.gov.uk 💻 www.gov.uk/government/world/vietnam

### 8.3 Other organisations and service providers

Service provider	Address	Contact information
<b>SERVICES FOR AUSTRIAN COMPANIES</b>		
<b>Advantage Austria in Hồ Chí Minh City</b>	Saigon Centre, Tower 1, Unit 1 Level 13, 65 Le Loi, District 1 Hồ Chí Minh City	☎ +84 28 7109 9781 ✉ hochiminhcity@advantageaustria.org 💻 www.advantageaustria.org/co
<b>SERVICES FOR BELGIAN COMPANIES</b>		
<b>Belgian-Luxembourg Chamber of Commerce in Vietnam</b>	15th Floor, the Landmark, 05B Ton Duc Thang, District 1, Hồ Chí Minh-City	☎ (+84) 28 38 224 029 ✉ info@beluxcham.com 💻 www.beluxcham.com
<b>Flanders Investment &amp; Trade</b>	Somerset Grand Hanoi 49 Hai Ba Trung Street, 9th floor, Hanoi	☎ (+84) 24 3 934 61 72 ✉ hanoi@fitagency.com 💻 https://www.flandersinvestmentandtrade.com/en/contact/foreign-offices/viet-nam
<b>Wallonia Export &amp; Investment</b>	Bureau commercial de la Région Wallonne, Lim Tower, 23rd fl. 9-11, Ton Duc Thang Street D1, Hồ Chí Minh City	☎ (+32) 283821 92 28 /2292421 84 40 ✉ hochiminhville@awex-wallonia.com 💻 https://www.awex-export.be/fr/marches-et-secteurs/vietnam
<b>SERVICES FOR BRITISH COMPANIES</b>		
<b>British Business Group Vietnam</b>	25 Lê Duẩn, Bến Nghé, 1, Hồ Chí Minh	☎ (+84) 28 3829 8430 ✉ info@bbgv.org 💻 bbgv.org
<b>SERVICES FOR BULGARIAN COMPANIES</b>		
<b>Bulgarian Chamber of Commerce &amp; Industry</b>	17, Adriana Budevskva Str. Sofia 1463, Bulgaria	☎ (+359 2) 8117 400 ; 987 26 31 ✉ bcci@bccci.bg 💻 www.bcci.bg
<b>SERVICES FOR CROATIAN COMPANIES</b>		
<b>Croatian Chamber of Economy</b>	Rooseveltovej trg 2, 10000 Zagreb, Croatia	✉ investicije@hgk.hr; hgk@hgk.hr 💻 www.investincroatia.hr
<b>SERVICES FOR CZECH COMPANIES</b>		
<b>Czech Chamber of Commerce</b>	Florentinum, Na Florenci 2116/15, 110 00 Praha 1	☎ +420 266 721 300 ✉ office@komora.cz

Service provider	Address	Contact information
		komora.cz
<b>SERVICES FOR CYPRIOT COMPANIES</b>		
<b>Cyprus Chamber of Commerce and Industry</b>	38, Grivas Dhigenis Ave. & 3, Deligiorgis Str., P.O.Box 21455, 1509 Nicosia	+357 22889800 chamber@ccci.org.cy
<b>SERVICES FOR DANISH COMPANIES</b>		
<b>Danish Chamber of Commerce</b>	Dansk Erhverv, Børsen, DK-1217 Copenhagen K	+61 8 9848 2065 info@danskerhverv.dk www.danskerhverv.dk
<b>SERVICES FOR DUTCH COMPANIES</b>		
<b>Netherlands-Vietnam Chamber of Commerce</b>	<i>Not available</i>	www.vietnamchamber.nl
<b>Dutch Business Association in Vietnam</b>	15F The Landmark, 5B Ton Duc Thang, Dist 1, Hồ Chí Minh City	(+84) 28 3822 4019 info@dbav.org.vn dbav.org.vn
<b>SERVICES FOR ESTONIAN COMPANIES</b>		
<b>Estonian Chamber of Commerce &amp; Industry</b>	Toom-Kooli 17, 10130 Tallinn	+372 604 0060 koda@koda.ee
<b>SERVICES FOR FINNISH COMPANIES</b>		
<b>Business Finland Trade Center in Vietnam</b>	Floor 5, Somerset Chancellor Court, 21-23 Nguyen Thi Minh Khai Street, District 1, Hồ Chí Minh City	(+84) 90 118 1223 kinh.pham@businessfinland.fi www.businessfinland.fi/en/locations/asia-india-and-oceania/vietnam
<b>SERVICES FOR FRENCH COMPANIES</b>		
<b>France-Vietnam Chamber of Commerce &amp; Industry</b>	Landmark building, 15e étage 5B Ton Duc Thang, District 1, Hồ Chí Minh City	(+84) 28 3825 8625 (ext.113, 105) rose.dechampeaux@ccifv.org; bquynh.nguyendac@ccifv.org ccifv.org
<b>Business France in Vietnam</b>	27 Nguyen Thi Minh Khai, District 1, Hồ Chí Minh City	(+84) 8 35 20 68 00 www.businessfrance.fr
<b>SERVICES FOR GERMAN COMPANIES</b>		
<b>Germany Industry &amp; Commerce in Hồ Chí Minh City</b>	Deutsches Haus Hồ Chí Minh, 4th Floor, 33 Le Duan Blvd, District 1, Hồ Chí Minh City	(+84) 28 3823 9775 info@vietnam.ahk.de vietnam.ahk.de
<b>Germany Industry &amp; Commerce in Hanoi</b>	Lotte Center Hanoi, East Tower, 18th Floor, 1803-1804, 54 Lieu Giai Street, Ba Dinh District, Hanoi	(+84) 24 3825 1420 info@vietnam.ahk.de vietnam.ahk.de
<b>German Business Association in Vietnam</b>	4th floor - Deutsches Haus Hồ Chí Minh City, 33 Le Duan Blvd, District 1, Hồ Chí Minh City	+84 28 3823 9772 info@gba-vietnam.org www.gba-vietnam.org

Service provider	Address	Contact information
<b>SERVICES FOR GREEK COMPANIES</b>		
<b>Enterprise Greece – Invest &amp; Trade</b>	109 Vasilissis Sophias Avenue, 115 21 Athens, Greece	☎ +30 210 335 5700 ✉ info@enterprisegreece.gov.gr
<b>SERVICES FOR HUNGARIAN COMPANIES</b>		
<b>Hungarian Export Promotion Agency</b>	1095 Budapest, Ipar utca 5	☎ 06 1 810 1600 ✉ info@hepa.hu 💻 hepa.hu
<b>SERVICES FOR IRISH COMPANIES</b>		
<b>Irish Business Association Vietnam</b>	<i>Not available</i>	☎ 0903 351 462 ✉ ibavmailbox@gmail.com 💻 www.facebook.com/irishbusinessassociation vietnam
<b>SERVICES FOR ITALIAN COMPANIES</b>		
<b>Italian Trade Agency in Vietnam</b>	Saigon Trade Center - Floor 22, Unit 2205 - 37 Ton Duc Thang Street, Ben Nghe Ward, District 1, Hồ Chí Minh City	☎ (+84) 28 3822 8813 ✉ hochiminh@ice.it 💻 www.ice.it/it/mercati/vietnam
<b>Italian Chamber of Commerce in Hồ Chí Minh City</b>	Room 2B, 15th floor, The Landmark Building, 5B Ton Duc Thang St., District 1, Hồ Chí Minh City	☎ (+84) 28 3822 4059 ✉ info@icham.org 💻 icham.org
<b>Italian Chamber of Commerce in Hanoi</b>	Casa Italia, 18 Le Phung Hieu St., Hoan Kiem District, Hanoi	☎ (+84) 24 3824 5997 ✉ info@icham.org 💻 icham.org
<b>SERVICES FOR LATVIAN COMPANIES</b>		
<b>Latvian Chamber of commerce and industry</b>	35 Krisjana Valdemara str., Riga, LV-1010, Latvia	☎ +371 67225592 ✉ info@chamber.lv
<b>SERVICES FOR LITHUANIAN COMPANIES</b>		
<b>Lithuanian-Vietnamese Association for Economic and Culture Cooperation</b>	Gedimino pr.28/2 – 513, Vilnius, Lithuania	☎ +370 698 40082 ✉ info@lvecc.lt 💻 lvecc.lt
<b>SERVICES FOR LUXEMBURG COMPANIES</b>		
<b>Belgian-Luxembourg Chamber of Commerce in Vietnam</b>	15th Floor, the Landmark, 05B Ton Duc Thang, District 1, Hồ Chí Minh-City	☎ (+84) 28 38 224 029 ✉ info@beluxcham.com 💻 www.beluxcham.com
<b>SERVICES FOR MALTESE COMPANIES</b>		
<b>The Malta Chamber of Commerce, Enterprise and Industry</b>	64, Republic Street, Valletta, Malta	<i>Not available</i>
<b>SERVICES FOR POLISH COMPANIES</b>		



Service provider	Address	Contact information
<b>Polish Investment and Trade Agency in Hồ Chí Minh</b>	Sun Wah Tower, 14th floor, room 1401, 115 Nguyen Hue, District 1, Hồ Chí Minh City	☎ (+84) 28 3821 9990 (ext. 104) ✉ piotr.harasimowicz@paih.gov.pl; hanh.ngan@paih.gov.pl 🌐 vietnam.trade.gov.pl
<b>SERVICES FOR PORTUGUESE COMPANIES</b>		
<b>Chamber of Commerce and Industry Portugal-Vietnam</b>	Tầng 46F, toà nhà Bitexco, số 02 Đường Hải Triều, Quận 1, Thành phố Hồ Chí Minh	☎ (+84) 28 6287 5929 🌐 www.ccipv.com
<b>SERVICES FOR ROMANIAN COMPANIES</b>		
<b>Chamber of Commerce and Industry of Romania</b>	Address: 2, Octavian Goga Blvd, sector 3, 030982 Bucharest	☎ +40 21 3117534 ✉ narcis.pirna@ccir.ro 🌐 www.ccir.ro
<b>SERVICES FOR SLOVAK COMPANIES</b>		
<b>Slovak Chamber of Commerce &amp; Industry</b>	Gorkého 9, 81603 Bratislava, Slovakia	☎ +421 2 54433272
<b>SERVICES FOR SLOVENIAN COMPANIES</b>		
<b>Chamber of Commerce and Industry of Slovenia</b>	Dimičeva 13, SI-1504 Ljubljana	☎ +386 1 5898 000 ✉ info@gzs.si
<b>SERVICES FOR SPANISH COMPANIES</b>		
<b>Spanish Chamber of Commerce in Vietnam</b>	Room 2B, 15 Floor, The Landmark Building, 5B Ton Duc Thang, District 1, Hồ Chí Minh City	☎ (+84) 28 3827 2715 ✉ spanishchambervn@gmail.com 🌐 spanishchambervn.com
<b>Economic and Commercial Office of Spain in Hồ Chí Minh City</b>	701-702, 7 Floor, Diamond Plaza, 34 Le Duan, District 1, Hồ Chí Minh City	☎ (+84) 28 3825 0173 ✉ hochiminhcity@comercio.mineco.es 🌐 vietnam.oficinascomerciales.es
<b>SERVICES FOR SWEDISH COMPANIES</b>		
<b>Business Sweden in Vietnam</b>	Daeha Centre, 15th floor, 360 Kim Ma Street, Hanoi	☎ (+84) 24 3211 5722 🌐 www.business-sweden.se/en/contact/offices-abroad/Vietnam/Hanoi

## 8.4 Calendar of trade events and exhibitions in 2020

Event	Date	Recurrence	Venue	Organiser Details
<b>MARCH 2020</b>				
<b>ProPak Vietnam</b>	24-26	Annual	Saigon Exhibition and Convention Center, Hồ Chí Minh	Mr. Marek Szandrowski ☎ +44 (0)20 7560 4321 ✉ marek.szandrowski@ubm.com 🌐 www.propakvietnam.com

Event	Date	Recurrence	Venue	Organiser Details
<b>APRIL 2020</b>				
<b>Vietnam Expo Hanoi</b>	15-18	Annual	International Centre of Exhibition, Hanoi	☎ (+84) 24 3825 5546 (Ext. 446) ✉ expo@vinexad.com.vn 🌐 www.vietnamexpo.com.vn
<b>Vietnam Food &amp; Hotel Expo</b>	23-25	New event	Danang International Fair Centre, Danang	☎ (+84) 28 6287-8196 ✉ viet@asiafireworks.com 🌐 vietfoodhotel.com
<b>MAY 2020</b>				
<b>Vietnam Int'l Cafe Show</b>	28-30	Annual	Saigon Exhibition and Convention Center, Hồ Chí Minh	☎ (+84) 28 3823 6050 ✉ info@cafeshown.com.vn 🌐 cafeshow.com.vn
<b>JUNE 2020</b>				
<b>Vietnam International Premium Products Fair</b>	4-7	Annual	Saigon Exhibition and Convention Center, Hồ Chí Minh	☎ (+84) 93 451 1953 ✉ nhann.coex@gmail.com 🌐 vipremium.vn
<b>JULY 2020</b>				
<b>Food Ingredients Vietnam</b>	1-3	Biennial	Saigon Exhibition and Convention Center, Hồ Chí Minh	🌐 www.figlobal.com
<b>AUGUST 2020</b>				
<b>Vietfood &amp; Beverage</b>	13-15	Annual	Saigon Exhibition and Convention Center, Hồ Chí Minh	☎ (+84) 24 3825 5546 (Ext. 436) ✉ vietfood@vinexad.com.vn 🌐 hcm.foodexvietnam.com
<b>Vietnam Fisheries International Exhibition</b>	26-28	Annual	Saigon Exhibition and Convention Center, Hồ Chí Minh	Ms. Lam Xuan Dao ☎ (+84) 28 6281 0432 (Ext. 24) ✉ xuandao@vasep.com.vn 🌐 vietfish.com.vn
<b>OCTOBER 2020</b>				
<b>Vietstock Expo &amp; Forum</b>	14-16	Biennial	Saigon Exhibition and Convention Center, Hồ Chí Minh	☎ (+84) 28 3622 2588 ✉ thao.nguyen@ubm.com 🌐 www.vietstock.org
<b>NOVEMBER 2020</b>				
<b>Food &amp; Hotel Hanoi</b>	25-27	Biennial	International Centre of Exhibition, Hanoi	Ms. Celine Dong ☎ +84 28 3622 2588 ✉ celine.dong@ubm.com 🌐 foodnhotelhanoi.com

## 8.5 Database of professionals' contacts








































### List of relevant buyers, importers and distributors

Company name	Type	Area of interest	Contact information
<b>1955 Bottleshop</b>	Import/ Distribution	Wine, Spirits	☎ (+84) 28 3620 9155 ✉ info@1955bottleshop.com 💻 1955bottleshop.com
<b>ABC Pet</b>	Import/ Distribution	Pet Food	☎ (+84) 8 62714780 ✉ kinhdoanh@abcpet.net 💻 www.abcpet.net
<b>ACE foods</b>	Import/Distribution	F&B	☎ (+84) 24 3783 2562 ✉ info@acefoods.vn 💻 www.acefoods.vn
<b>Adayroi</b>	E-commerce	F&B	☎ (+84) 24 3975 9566 ✉ hoptac_kinhdoanh@adayroi.com 💻 www.adayroi.com
<b>ADT Wine</b>	Import/ Distribution	Wine	☎ (+84) 24 3732 1638 ✉ adtltd@yahoo.com 💻 www.adtwine.vn
<b>Aeon Citimart</b>	Retail	F&B	☎ (+84) 28 3929 1068 ✉ cskh@aeoncitimart.vn 💻 www.aeonicitimart.vn
<b>Agrovet.H Animal Health</b>	Import/ Distribution	Pet food	☎ (+84) 4 38553607 ✉ info@agroveth.com 💻 agroveth.com
<b>AJ Wine Trading Limited Co.</b>	Import/ Distribution	Wine, Spirits	☎ (+84) 258 376 2772 ✉ flow@ajwine.vn 💻 ajwine.vn
<b>Alchemy Asia</b>	Import/ Distribution	Wine, Spirits	☎ (+84) 28 3822 1666 ✉ sales.admin@alchemy-asia.com 💻 alchemy-asia.com
<b>Amisu Services Supplying Co., Ltd</b>	Import/ Distribution	Chocolate & Confectionery	☎ 0437480805 ✉ amisuvietnam@gmail.com 💻 amisu.com.vn
<b>Annam Gourmet</b>	Import/ Distribution	Gourmet foodstuff and beverages	☎ (+84) 28 38235800 ✉ info@annam-gourmet.com 💻 annam-gourmet.com
<b>Annam Group</b>	Import/ Distribution	Packaged foodstuff, Wine, Beer	☎ (+84) 28 3 512 6400 ✉ info.vietnam@annam-finefood.com 💻 annam-group.com

<b>An Tu - ATC Vietnam Co., Ltd</b>	Import/ Distribution	Processed F&V, Olive oil	☎ (+84) 8 6287 2027 ✉ antu.company@gmail.com 💻 antu.com.vn
<b>Asia Shine</b>	Distribution	Dairy, Olive oil, Biscuits, Processed meat etc.	☎ (+84) 28 3991 4043 ✉ info@asia-shine.com.vn 💻 asia-shine.com.vn
<b>Bach Hoa XANH</b>	Retail / E-commerce	F&B	☎ (+84) 28 3622 9900 ✉ lienhe@bachhoaxanh.com 💻 www.bachhoaxanh.com
<b>Ben Thanh Foods</b>	Import/ Distribution	Beer	☎ (+84) 28 544 96307 ✉ benthanhfoods@gmail.com 💻 benthanhfoods.com.vn
<b>Bluebird Wine Spirit</b>	Import/ Distribution	Wine, Spirits	☎ (+84) 024 37220891 ✉ info@bluebirdwine.com 💻 bluebirdwine.com
<b>Boutique Cellar</b>	Import/ Distribution	Wine	☎ (+84) 8 3821 8425 ✉ sale@fwb.com.vn 💻 fwb.com.vn
<b>CCTN</b>	Import/ Distribution / E-commerce	Chocolate & Confectionery, Biscuits	☎ (+84) 28 36 100 225 ✉ sales@cctn.com.vn 💻 cctn.com.vn
<b>Central Mart</b>	Retail	F&B	☎ +84 82 222 6868
<b>Classic Fine Foods</b>	Import/ Distribution	Meat, Dairy, Pasta, Jams, F&V, etc.	☎ +84 24 3873 6079/ 80 ✉ hanoisales@classicfinefoods.com.vn 💻 www.classicfinefoods.com
<b>Co-opmart Supermarket</b>	Retail	F&B	☎ (+84) 8 38 360 143 ✉ thuematbang@coopmart.vn 💻 www.co-opmart.com.vn
<b>Daloc</b>	Import/ Distribution	Wine, Spirits	☎ (+84) 24 38 262 076 ✉ info@daloc.vn 💻 daloc.vn
<b>Delimera</b>	Import/ Distribution	Greek foodstuff	☎ (+84) 904 999 193 ✉ info@delimera.com.vn 💻 www.delimera.com.vn
<b>Duong Nguyen Trading Service Food Co., Ltd</b>	Import/ Distribution	Pet food	☎ (+84) 9369 59101
<b>EB Vietnam</b>	Import/ Distribution	Wine	☎ (+84) 8 6255 6628
<b>Echo Vietnam</b>	Import/Distribution	F&B inc. olive oil, spaghetti, specialist quality foods	☎ (+84) 024 3513 1911 ✉ info@echovietnam.vn 💻 www.echovietnam.vn

<b>Food Mart</b>	Import/ Distribution	Gourmet foodstuff, Dairy, F&V etc.	☎ (+84) 8 823 1653 ✉ foodmarthanoi@fpt.vn 💻 foodmart.com.vn
<b>Food Source International</b>	Import/ Distribution	Meat, Dairy products	☎ (+84) 28 6680 1169 ✉ info@foodsource.com.vn 💻 foodsource.com.vn
<b>Fresh Foods</b>	Import/ Distribution	Fresh meat, fruit	☎ (+84) 438716138 ✉ contact@freshfoods.vn 💻 freshfoods.vn
<b>Good Food</b>	Import/ Distribution	Processed F&V, Meat, Dairy	☎ (+84) 28 3512 5248 ✉ order.hcm@goodfood.com.vn 💻 goodfood.com.vn
<b>Hanoi Food Import</b>	Import/ Distribution	Agricultural products	☎ (+84) 24 371 50 321 ✉ info@vihafood.com 💻 <a href="http://www.vihafood.com">www.vihafood.com</a>
<b>Hanoi Nutrition Food</b>	Import	F&B	☎ (+84) 24 36461372 ✉ hanufood09@gmail.com
<b>High Food Company Ltd</b>	Import/Distribution	F&B inc meat, alcohol, dairy, fruit	☎ (+84) 24 394 3371 ✉ service@hifood.com.vn 💻 hifood.com.vn
<b>Hoang Lan</b>	Import/ Distribution	Cheese, Olive oil, Butter	☎ (+84) 24 3514 7322 ✉ hoanglantrading@hcm.fpt.vn 💻 hoanglangroup.com
<b>Hong Luc Trading Private Enterprise</b>	Import/Distribution	Beer	☎ (+84) 28 38425596
<b>Huong Thuy LLC-</b>	Import	F&B	☎ (+84) 28 3620 9955 ✉ info@huongthuy.com.vn 💻 huongthuy.com
<b>Huytuan</b>	Import/Distribution	Meat	☎ (+84) 08 6278 9935 ✉ vannguyen@huytuanfood.com.vn 💻 huytuanfood.com.vn
<b>Hyperion Asia</b>	Import/Distribution	Confectionery, Bread, Pasta etc.	☎ (+84) 28 2253 7399 ✉ info@hyperion-asia.com 💻 hyperion-asia.com
<b>Interwine</b>	Import/ Distribution	Wine	☎ (+84) 8 85449 0679 ✉ Sales@interwine.vn 💻 www.interwine.vn
<b>ItalTrade Co., Ltd</b>	Import/ Distribution	Italian foodstuff	☎ (+84) 27 2373 875 5/6 ✉ info@italtrade.org; sales@italtrade.org; fabiano@italtrade.org

			italtrade.org
<b>Jollibee</b>	Food service	F&B	(+84) 28 3930 9081 jollibee.com.vn
<b>KhiemTo</b>	Import/ Distribution	Pet food	(+84) 90 6828 260
<b>La International Trading Vietnam Co., Ltd</b>	Import/ Distribution	Wine, Beer	(+84) 9380 71741 athena@lainternationaltrading.com lainternationaltrading.com
<b>La Maison Imported Foods</b>	Import/ Distribution	Meat	(+84) 28 38 16 3826 lienhe@lamaison.com.vn www.lamaison.com.vn
<b>Lacavin</b>	Import/ Distribution	Wine	lacavin.com
<b>Lan Ngoc Indochina</b>	Import/ Distribution	Wine	(+84) 8 2216 8075
<b>Lotteria</b>	Food service	F&B / fast food	(+84) 85 416 1072/79 marketing@lotteria.vn lotteria.vn
<b>Lũng Pet Shop</b>	Import/ Distribution	Pet food	(+84) 907027934
<b>Malthop</b>	Import/ Distribution	Wine, Beer	(+84) 24 37833147 info@malthop.com.vn malthop.com.vn
<b>MOAN Pet shop</b>	Import/ Distribution	Pet Food	(+84) 8 933772828
<b>Nam Phuong Co., Ltd</b>	Import/ Distribution	Confectionery, Wine	(+84) 24 3540 0005 haongoc.namphuong@yahoo.com.vn
<b>Ngoc Cuong</b>	Import/ Distribution	Meat	0989891764 thucphamtuoisong.bizz.vn
<b>Phú &amp; EM Group</b>	Import/ Distribution	Wine	(+84) 8 3 8 984 890 phuem.com
<b>Phuong Ha</b>	Retail	F&B	(+84) 8 3914 1318 www.phuonghahamnghi.vn
<b>PV Beer</b>	Import/ Distribution	Beer	(+84) 28 38955349
<b>Quang Ninh Seaproducts Import - Export Company</b>	Import/ Distribution	Fish, Seafood	(+84) 33 3825190/6 vietaz.com
<b>Red Apron</b>	Import/ Distribution	Wine, Spirits	redapron@celliersvn.com redapron.vn
<b>Redsun ITI</b>	Food service	F&B – various restaurant types	marketing@redsun-iti.vn redsun-iti.com.vn/
<b>Ricky</b>	Import	Confectionery, Biscuits	(+84) 243 7282 898 info@richy.com.vn www.richy.com.vn

<b>Ru o u Vang</b>	Import/ Distribution	Wine	 <a href="http://www.vangnhap.com">www.vangnhap.com</a>
<b>Saigon Import Export &amp; Distribution</b>	Import/ Distribution	Processed fruit	 +84 918855141  <a href="mailto:info@saigontpc.com">info@saigontpc.com</a>  <a href="http://www.saigontpc.com">www.saigontpc.com</a>
<b>Sayzzo Distribution &amp; Co</b>	Import/ Distribution	Wine	 (+84) 9 8278 8446
<b>Sendo</b>	E-commerce	F&B	 <a href="mailto:lienhe@sendo.vn">lienhe@sendo.vn</a>  <a href="http://sendo.vn">sendo.vn</a>
<b>Shopee</b>	E-commerce	F&B	 <a href="http://shopee.vn">shopee.vn</a>
<b>Sola Hung Thinh</b>	Import/ Distribution	Wine, Spirits	 (+84) 28 3940 6888  <a href="mailto:info@solagroup.vn">info@solagroup.vn</a>  <a href="http://htwine.vn">htwine.vn</a>
<b>theWarehouse</b>	Import/ Distribution	Fine wines	 (+84) 28 3825 8826  <a href="http://warehouse-asia.com">warehouse-asia.com</a>
<b>The Fine Foods</b>	Import/ Distribution	Chocolate	 (+84) 91 82 88 998  <a href="mailto:info@thfinefoods.com">info@thfinefoods.com</a>  <a href="http://thfinefoods.com">thfinefoods.com</a>
<b>The Organik Shop</b>	Retail	Fresh and procsed F&V	 (+84) 914 870 076  <a href="mailto:onlinedatat@organik.vn">onlinedatat@organik.vn</a>  <a href="http://organik.vn">organik.vn</a>
<b>The Pavillion</b>	Import/ Distribution	Wine	 (+84) 8 3943 2902
<b>The Vine Group Vietnam</b>	Wholesale/ Distribution	Wine	 (+84) 4 3719 8321  <a href="http://vine-group.com">vine-group.com</a>
<b>Tiki</b>	E-commerce	F&B	 <a href="http://tiki.vn">tiki.vn</a>
<b>T.K. Distribution</b>	Import/ Distribution	Wine	 (+84) 2854 318 840  <a href="mailto:t.k.corporationvn@gmail.com">t.k.corporationvn@gmail.com</a>  <a href="http://tkco.vn">tkco.vn</a>
<b>TMT Co., Ltd</b>	Import/ Distribution	Packaged foodstuff	 (+84) 8 3995 5666  <a href="mailto:tmtcom-vn@vnn.vn">tmtcom-vn@vnn.vn</a>  <a href="http://www.tmtdistribution.com">www.tmtdistribution.com</a>
<b>Trivin SA</b>	Import/ Distribution	French wine	 (+84) 43 512 26 21  <a href="mailto:info@trivin-sa.fr">info@trivin-sa.fr</a>  <a href="http://trivin-sa.com">trivin-sa.com</a>
<b>V-Stars</b>	Import/ Distribution	Milk, Fruit	 (+84) 24 3 878 3838  <a href="mailto:vstarsmarketing@gmail.com">vstarsmarketing@gmail.com</a>  <a href="http://www.v-starsgroup.vn">www.v-starsgroup.vn</a>
<b>Vangnhap</b>	Import/ Distribution	Wine	 <a href="http://www.vangnhap.com">www.vangnhap.com</a>
<b>Van Kim Trading Co., Ltd</b>	Import/ Distribution	Chocolate & Confectionery, Biscuits, Snacks etc.	 (+84) 28 3636 3598  <a href="mailto:vankimnvi@yahoo.com">vankimnvi@yahoo.com</a>  <a href="http://vankimtrading.com">vankimtrading.com</a>

<b>Van Thinh Phu Trading-Services-Producing JSC</b>	Import/ Distribution	F&B (notably biscuits, confectionery snacks)	☎ (+84) 24 3782 45386 ✉ info@vanthinhphu.com 💻 vanthinhphu.com
<b>Vinmart</b>	Retail (supermarket)	F&B	☎ (+84) 28 7108 1368 ✉ cskh@vinmart.com 💻 vinmartplus.vn
<b>Vinfruits</b>	Import/ Distribution/ E-commerce	Fresh and processed F&V	☎ 091 4411 293 ✉ hello.vinfruits@gmail.com 💻 vinfruits.com
<b>Vinifera</b>	Import/ Distribution	Wine	☎ (+848) 35 21 08 60 ✉ vinifera@viniferavn.com 💻 viniferavn.com
<b>Vive Wine Company</b>	Import/ Distribution	Wine	☎ (+84) 8 6291 0357 ✉ thuy@vive.vn 💻 vive.vn
<b>VQ pets supplies</b>	Import/ Distribution	Pet food	☎ (+84) 977520707
<b>Wine Embassy Boutique</b>	Wholesale	Wine, Spirits	☎ (+84) 28 3636 3932 ✉ we.boutique@wineembassy.com.vn 💻 shop-en.wineembassy.vn



## 9 European Geographical Indications (GIs) to be protected under the EU-Vietnam FTA

Geographic Indication (GI)name	Product type
<b>Austria</b>	
Steirisches Kürbiskernöl	Pumpkin seed oil
Tiroler Speck	Bacon
Inländerrum	Spirit
Jägertee/Jagertee/Jagatee	Spirit
<b>Cyprus</b>	
Ζιβανία/Τζιβανία/Ζιβάνα/Zivania	Spirit
Κουμανδάρια/Commandaria	Wine
<b>Czech Republic</b>	
České pivo	Beer
Českobudějovické pivo	Beer
Žatecký chmel	Hops
<b>Germany</b>	
Bayerisches Bier	Beer
Lübecker Marzipan	Marzipan
Nürnberger Bratwürste; Nürnberger Rostbratwürste	Sausage
Münchener Bier	Beer
Schwarzwälder Schinken	Ham
Franken	Wine
Mittelrhein	Wine
Mosel	Wine
Rheingau	Wine
Rheinhessen	Wine
<b>Germany, Austria, Belgium</b>	
Korn/Kornbrand	Spirit
<b>Denmark</b>	
Danablu	Cheese
<b>Spain</b>	
Antequera	Olive oil
Azafrán de la Mancha	Saffron
Baena	Olive oil
Cítricos Valencianos; Cítrics Valencians <sup>104</sup>	Oranges, mandarins and lemons
Jabugo	Ham
Jamón de Teruel/Paleta de Teruel	Ham
Jijona	Nougat

<sup>104</sup> Varietal names containing or consisting of "Valencia" may continue to be used on similar product, provided the consumer is not misled on the nature of such term or the precise origin of product.

Geographic Indication (GI)name	Product type
Priego de Córdoba	Olive oil
Queso Manchego	Cheese
Sierra de Segura	Olive oil
Sierra Mágina	Olive oil
Turrón de Alicante	Nougat
Brandy de Jerez	Spirit
Pacharán navarro	Spirit
Alicante	Wine
Bierzo	Wine
Cataluña	Wine
Cava	Wine
Empordà	Wine
Jerez-Xérès-Sherry	Wine
Jumilla	Wine
La Mancha	Wine
Málaga	Wine
Manzanilla-Sanlúcar de Barrameda	Wine
Navarra	Wine
Penedès	Wine
Priorat	Wine
Rías Baixas	Wine
Ribera del Duero	Wine
Rioja	Wine
Rueda	Wine
Somontano	Wine
Toro	Wine
Valdepeñas	Wine
Valencia	Wine
<b>Finland</b>	
Suomalainen Vodka/Finsk Vodka/Vodka of Finland	Spirit
<b>France</b>	
Brie <sup>105</sup> de Meaux	Cheese
Camembert <sup>106</sup> de Normandie	Cheese
Canard à foie gras du Sud-Ouest (Chalosse, Gascogne, Gers, Landes, Périgord, Quercy)	Processed meat product of duck
Comté	Cheese
Emmental <sup>107</sup> de Savoie	Cheese

<sup>105</sup> The protection of the term "brie" is not sought.

<sup>106</sup> The protection of the term "camembert" is not sought.

<sup>107</sup> The protection of the term "emmental" is not sought.

Geographic Indication (GI)name	Product type
Jambon de Bayonne	Ham
Pruneaux d'Agen; Pruneaux d'Agen mi-cuits	Prunes
Reblochon; Reblochon de Savoie	Cheese
Roquefort	Cheese
Armagnac	Spirit
Calvados	Spirit
Cognac; Eau-de-vie de Cognac; Eau-de-vie des Charentes	Spirit
Alsace/Vin d'Alsace	Wine
Anjou	Wine
Beaujolais	Wine
Bordeaux	Wine
Bourgogne	Wine
Chablis	Wine
Champagne	Wine
Châteauneuf-du-Pape	Wine
Languedoc	Wine
Côtes de Provence	Wine
Côtes du Rhône	Wine
Côtes du Roussillon	Wine
Graves	Wine
Bergerac	Wine
Haut-Médoc	Wine
Margaux	Wine
Médoc	Wine
Pomerol	Wine
Pays d'Oc	Wine
Saint-Emilion	Wine
Sauternes	Wine
Touraine	Wine
Ventoux	Wine
Val de Loire	Wine
<b>Greece</b>	
Ελιά Καλαμάτας <sup>108</sup> (Elia Kalamatas)	Table olive
Oils and animal fats O	
Κασέρι (Kasseri)	Cheese
Φέτα (Feta)	Cheese
Καλαμάτα (Kalamata)	Olive oil

<sup>108</sup> The varietal name "Kalamata" may continue to be used on similar product, provided that the consumer is not misled on the nature of such term or the precise origin of product.

Geographic Indication (GI)name	Product type
Μαστίχα Χίου (Masticha Chiou)	Natural gum and chewing gum
Σητεία Λασιθίου Κρήτης (Sitia Lasithiou Kritis)	Olive oil
Νεμέα (Nemea)	Wine
Ρετσίνα Αττικής (Retsina Attikis)	Wine
Πελοποννησιακός (Peloponnese)	Wine
Σάμος (Samos)	Wine
<b>Greece; Cyprus</b>	
Ούζο (Ouzo)	Spirit
<b>Croatia</b>	
Dingač	Wine
<b>Hungary</b>	
Pálinka	Spirit
Törkölypálinka	Spirit Spirit
Tokaj/Tokaji	Wine
<b>Ireland</b>	
Irish Cream	Spirit
Irish Whiskey/Uisce Beatha Eireannach/Irish Whisky	Spirit
<b>Italy</b>	
Aceto Balsamico di Modena	Vinegar
Asiago	Cheese
Bresaola della Valtellina	Dried salted beef
Fontina	Cheese
Gorgonzola	Cheese
Grana Padano	Cheese
Kiwi Latina	Kiwi
Mela Alto Adige; Südtiroler Apfel	Apple
Mortadella Bologna	Mortadella
Mozzarella <sup>109</sup> di Bufala Campana	Cheese
Parmigiano <sup>110</sup> Reggiano	Cheese
Pecorino <sup>111</sup> Romano	Cheese
Prosciutto di Parma	Ham
Prosciutto di San Daniele	Ham
Prosciutto Toscano	Ham
Provolone <sup>112</sup> Valpadana	Cheese

<sup>109</sup> The protection of the term "mozzarella" is not sought.

<sup>110</sup> The provisions of Article 6 shall in no way prejudice the right of any person to use, or to register in Viet Nam a trademark containing or consisting of the term "parmesan". This does not apply in respect of any use that would mislead the public as to the geographical origin of the good.

<sup>111</sup> The protection of the term "pecorino" is not sought.

<sup>112</sup> The protection of the term "provolone" is not sought.

Geographic Indication (GI)name	Product type
Taleggio	Cheese
Grappa	Spirit
Acqui/Brachetto d'Acqui	Wine
Asti	Wine
Barbaresco	Wine
Bardolino Superiore	Wine
Barolo	Wine
Brunello di Montalcino	Wine
Chianti	Wine
Conegliano Valdobbiadene - Prosecco	Wine
Prosecco	Wine
Dolcetto d'Alba	Wine
Franciacorta	Wine
Lambrusco di Sorbara	Wine
Lambrusco Grasparossa di Castelvetro	Wine
Marsala	Wine
Montepulciano d'Abruzzo	Wine
Sicilia	Wine
Soave	Wine
Toscana/Toscano	Wine
Veneto	Wine
Vino Nobile di Montepulciano	Wine
<b>Lithuania</b>	
Originali lietuviška degtinė /Original Lithuanian vodka	Spirit
<b>Netherlands</b>	
Gouda <sup>113</sup> Holland	Cheese
<b>Belgium, Netherlands, France, Germany</b>	
Genièvre/Jenever/Genever	Spirit
<b>Poland</b>	
Polish Cherry	Spirit
Polska Wódka/Polish vodka	Spirit
Wódka ziołowa z Niziny Północnopodlaskiej aromatyzowana ekstraktem z trawy żubrowej (Herbal vodka from the North Podlasie Lowland aromatised with an extract of bison grass)	Spirit
<b>Portugal</b>	
Pêra Rocha do Oeste	Pear
Queijo S. Jorge	Cheese
Alentejo	Wine

<sup>113</sup> The protection of the term "gouda" is not sought.

Geographic Indication (GI)name	Product type
Dão	Wine
Douro	Wine
Madeira	Wine
Porto/Port/Oporto	Wine
Vinho Verde	Wine
<b>Romania</b>	
Cotnari	Wine
Dealu Mare	Wine
Murfatlar	Wine
<b>Sweden</b>	
Svensk Vodka/Swedish Vodka	Spirit
<b>Slovakia</b>	
Vinohradnícka oblasť Tokaj	Wine
<b>United Kingdom</b>	
Scottish Farmed	Salmon
Scotch Whisky	Spirit

Source: Annex 12A of the EU-Vietnam Free Trade Agreement

