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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I. 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 the operationalization of the 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.

i. 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 an overview of the business climate. This section contains information on: the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, and the status of Geographical Indications and Intellectual Property protection. The information contained within this section is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If Section 2 got you interested in the market but you want to find out more information relevant for your product then check out the Market Snapshots for Selected Products. 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 way. 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.
1. VIETNAM FACT SHEET

**Vietnam Fact Sheet**

**Country Profile**
- Location: Southeastern Asia, bordering the Gulf of Thailand, Gulf of Tonkin, and South China Sea, alongside China, Laos, and Cambodia.
- Capital: Hanoi.
- Population (est.): 91.7 million.
- Ethnic Groups: Vietnamese 85%-90%, Chinese, Hmong, Thai, Khmer, Cham, various mountain groups.
- Religions: Buddhist, Hoa Hao, Cao Dai, Christian (predominantly Roman Catholic, some Protestant), indigenous beliefs, Hindu and Muslim.
- Language: The official language is Vietnamese. Some people also speak regional dialects and Chinese.
- Weather: tropical in south; monsoonal in north.
- Temperature in November: around 25° (Hanoi), 30° (Ho Chi Minh).

**Economy Overview**
- GDP: US$ 193.6 billion
- GDP per capita: US$ 2,111.1 (lower middle income)
- GDP growth: 6.7%
- Currency: Dong (VND)
- Inflation: 0.6% (2015)
- Exchange Rate: EUR 1 = VND 24,659.37

With a single party political system, Vietnam is a development success story. Political and economic reforms launched in 1986 have transformed the country from one of the poorest in the world, with per capita income around US $100, to lower middle income status within a quarter of a century with per capita income of around US$2,100 by the end of 2015. Vietnam’s per capita GDP growth since 1990 has been among the fastest in the world, averaging 5.5 percent a year since 1990, and 6.4 percent per year in the 2000s.

**Culture and Customs**
- A person’s reputation, dignity, and prestige are extremely important to the Vietnamese. Foreigners must be aware of their words and actions in order to avoid making a bad impression. Never accuse someone of poor performance or reprimand publicly.
- In general, the Vietnamese are collectivists. The individual is seen as secondary to the group - whether the family, school or company.
- As with most group-oriented societies there are also hierarchical structures. In Vietnam these are very much based upon age and status.
- Avoid public displays of affection with a member of the opposite sex.
- Vietnamese behave very formal in public; therefore, avoid actions such as touch someone’s head or shoulder, point with the finger or stand with your hands on your hips.

**Business Etiquette**
- Appointments are required and should be made several weeks in advance.
- The Vietnamese are punctual and expect others to be so too.
- Dress conservatively.
- The Vietnamese shake hands with both men and women at both the beginning and the end of a meeting. If a Vietnamese does not extend his or her handshake, a slight bow of head will suffice. Some Vietnamese use a two-handed shake, with the left hand on top of the right wrist.
- Bring a large supply of business cards and advertising material, but not presenting your card often can be construed as your company is not genuine or you have something to hide, so please prepare the necessary materials prior to your visit. Business cards are exchanged on initial meetings and should be presented with both hands. When receiving business cards ensure you show proper respect to it and do not simply glance at it and put it on the table.
- Relationships are critical to successful business partnerships. Always invest time in building a good relationship based on both personal and business lines. Any initial meeting should be solely used as a “getting to know you” meeting.
- You will usually be served tea and something to eat. Be sure to sample them. Failure to taste or drink a small amount of anything is considered impolite.
- Negotiations can be slow so it is important to bear in mind that decisions have to go through a lot of red tape and also group consultation. Be patient.
- Business gift giving is fairly common at the end of a meeting or during a meal in honour of your business associates. Gifts should be small and not expensive. Something with your company logo or something typical from your country, both make excellent gifts.

**Safety and Emergency Contact**
- Although most visits to Vietnam are trouble free, there has been a reported increase in incidents of personal belongings and bags being snatched. Some thieves have resorted to physical violence, though this is not common.
- There have been reports of arguments over hotel, restaurant or taxi bills turning violent or abusive.
- Police phone number: Area code + 113
- Ambulance and rescue: Area code + 115
- Ho Chi Minh: Police Station District 1: (08) 38297373/
  Institut du Coeur (CMI Vietnam): (08) 38272366.
Figure 1 Map of Vietnam

1 U.S. Department of State, Vietnam, available at: https://www.state.gov/p/eap/ci/vm/
1.1 Key economic figures “at a glance”

Table 1 Key Economic Figures

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<tbody>
<tr>
<td>GDP (Billions of EUR)</td>
<td>121.1</td>
<td>128.4</td>
<td>139.9</td>
<td>172.6</td>
<td>182</td>
</tr>
<tr>
<td>GDP growth % (real annual)</td>
<td>6.7% in 2015</td>
<td>6.2% in 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP % by sector (Jan-Jun 2017)</td>
<td>Agriculture, forestry and fishery sectors 15.06%</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>Industry and construction 32.76%</td>
<td></td>
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<tr>
<td></td>
<td>Services 41.84%</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>GDP per capita (EUR)</td>
<td>1,363</td>
<td>1,431</td>
<td>1,541</td>
<td>1,881</td>
<td>1,963</td>
</tr>
<tr>
<td>Inflation</td>
<td>0.6% in 2015</td>
<td>2.7% in 2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal exports and main destinations (Jan-March 2017)</td>
<td>Telephones, mobile phones, computers, electrical products, textiles and garments, machine, equipment, tools and instruments, foot-wears, wood, and wooden products, fishery products, coffee.</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>EU28 (18.4%); United States (19.4%); China (13.9%); Japan (8.5%); South Korea (7.1%).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal imports and main regions (Jan-March 2017)</td>
<td>Machinery, equipment, tools, computers, electrical products, textile, leather and foot wear material and auxiliaries group, telephones, mobie phones and parts thereof, iron and steel, plastic, petroleum products, chemical products.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>China (27.2%); South Korea (21.4%); Japan (8%); ASEAN (13.9%); EU28 (6.0%).</td>
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The World Bank, IMF, EUROSTAT.

Vietnam is a developing economy with bright middle- and long-term growth prospects. Key economic indicators consistently showed positive performance during the last decade where GDP per capita grew at an average of 6.4% in the 2000s, making it one of the fastest growing economies in the world.2 The current outlook reflects a successful - albeit ongoing - evolution from a centrally-planned economy into a more dynamic, market-oriented system. Nevertheless, Vietnam remains far from becoming a liberal economy with the continued inclusion of government subsidization and stated-owned enterprises as major tenets. At the same time, strict central control can still encumber free growth in this so-called “socialist oriented market economy”.

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Recent economic development has nonetheless delivered positive societal impacts. Rapid urbanization and improvement of living standards have reduced levels of poverty and in substantially. According to the World Bank, over 40 million people have escaped poverty over the last two decades in Vietnam as the proportion of the population living below the national poverty line (GSO-WB Poverty line) dropped from 60% in 1993 to 13.5% in 2014. It has also been reported that the Vietnamese population is now, on average, better educated and has a higher life expectancy than most countries with a similar per capita income.  

While the Vietnamese government aims to further industrialize the country, agriculture still accounts for almost half the workforce, which has hindered job creation in manufacturing and service industries. This sectoral composition is likely to impede productivity growth in the economy as it creates labor shortages in other sectors.

In 2010, the Government of Vietnam released its Socio-Economic Development Strategy for the period of 2011-2020. The strategy is a logical continuation of the “Doi Moi” policy, which served to support private enterprises and empower market forces in Vietnam over the last twenty years. The current plan aims to work towards sustainable growth and development by addressing key inefficiencies in the Vietnamese economy, which include limitations in infrastructure as well as bureaucracy and high corruption levels. Vietnam’s ranking in the World Bank’s *Ease of Doing Business* annual review was 90 (out of 189 economies) in 2016, which suggests that there is space for improvements in the business environment.

Foreign investments are particularly encouraged by the Government of Vietnam. However, this is caveated by several sectors wherein the government maintains local protectionism and favoritism, in particular for agriculture. Controlling inflation is also an important objective to maintain sustainable growth. The government has made significant strides in the controlling inflation over the past few years. In 2010, the inflation rate was recorded at 8.9%; however, by 2015, the rate dropped to 0.9%. As a result, it has been found that Vietnamese consumers are generally more optimistic and are able to purchase more goods and services with their increased disposable incomes.

Rising disposable incomes have further increased consumer demand for international products; consumer expenditure on food and beverages (F&B) is growing well ahead of several other product categories. From 2010 to 2015, disposable income increased (in real terms) by 32%, creating new opportunities for European exporters. In turn, consumer

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4 Ibid, p.7
spending increased 33% over the same period, driven in large part by expenditures from a burgeoning middle-class.\textsuperscript{9}

Vietnam is expected to transform into a modern, industrialized economy with upper-middle or high-income status by 2035. Until that year, more than half the population is expected to reach the global middle class; these consumers are willing to pay more, particularly for healthy and ecological products.\textsuperscript{10}

Over the next decade, Vietnam’s economy will see even deeper integration into the regional and global economy, as well as increasing demand for foreign products at least partly in tandem with an influx of foreign investment. Continued macroeconomic liberalization and further government cooperation will be essential to sustaining this trajectory.

\textbf{1.2 Food trade statistics, specifically showing opportunities and existing or likely competitors to EU food exports}

According to the Vietnam Exporter Guide 2015, Vietnamese consumers spend a significant portion of their disposable income on food items.\textsuperscript{11} It has further been reported that over half of total consumer expenditure is spent on basic food items like rice, salt, sugar, meat, vegetable oil, and sauces. However, the average household does not allocate much to high-value processed food products. Nevertheless, recent consumer surveys point to an increase in spending on high-value F&B. This is reflected in the fact that in 2014 Vietnam imported over 8.03€ billion in consumer-oriented agricultural products, edible fishery products being the main import category.\textsuperscript{12}

Of the EU’s 2015 export basket to Vietnam, agricultural products accounted for 12.9% of the total value.\textsuperscript{13} On the other hand, Vietnamese agri-food products accounted for around 7.6% of total Vietnamese exports to the EU, approximately 2€ billion. The top five EU agri-food exports to Vietnam and their respective market shares in 2015 were pet food (9.1%); malt (7.7%); spirits, liqueurs and vermouth (7.3%); and milk powders and whey (7.1%).

In 2015, the main exporters to Vietnam and their respective market shares were: China (34.7%); South Korea (14.5%); Japan (6.6%); Singapore (6.3%); and the European Union (5%).\textsuperscript{14}

It has also been reported that the agricultural products that are currently in high demand in Vietnam are: dairy products, alcoholic drinks, chilled and frozen meat, packaged foods,

\textsuperscript{9}© Source: Euromonitor International “Consumer Lifestyles in Vietnam,” 2015  
\textsuperscript{12}Ibid, pp. 4  
\textsuperscript{14}©Trade Map, International Trade Centre, www.trademap.org
frozen poultry, fresh fruits, dried fruits and nuts, confectionary foods, snack foods, condiments and juices.\textsuperscript{15}

1.3 \textit{General information on distribution and logistics infrastructure}

The first step to doing business in Vietnam is to identify a local import partner or representative, or to otherwise develop a relationship with one of the established food trading and distribution companies. Such distribution companies are able to extend the distribution network to not only supermarkets, hotels and restaurants, but also wet- and open-air markets, independent and specialty retail shops.\textsuperscript{16} Currently, there is only a handful of well-organized food trading and distribution companies in Vietnam suited for imports of EU agri-foods. These companies tend to be somewhat transient, so it is advisable to visit Vietnam and research the company’s customer lists and achievements before market entry.

Vietnam’s retail food landscape is mainly comprised of traditional wet markets and small independent stores, which is regarded as ideal for small-quantity and high-frequency food purchases.\textsuperscript{17} Moreover, as a result of low rental and operational costs, it has been reported that traditional retailers have benefitted from offering convenience, package-size flexibility and low prices, particularly for fresh food. This has further led to their continued dominance over modern grocery retailers.

Vietnam’s limited distribution infrastructure has been noted as a significant constraint to market entry for international products, including EU products. It is well-established that distribution systems in Vietnam are often equipped with out-of-date technology, where inadequate or fragmented cold chains place foodstuffs are at higher risk for improper handling and spoilage.\textsuperscript{18}

In terms of transportation options, Doing Business in Vietnam (2013) states that “\textit{sea and air are the more used shipping options for entry of goods in Vietnam}”.\textsuperscript{19} Furthermore, Haiphong, Da Nang and Saigon are most frequented international seaports, while Noi Bai and Tan San Nhat are the busiest international airports in Vietnam.

\textsuperscript{18} Ibid, pp. 14
2. THE VIETNAMESE FOOD AND BEVERAGE MARKET

2.1 Market Size and Share

Vietnam has a population of approximately 92 million people (13th largest in the world), which is expected to grow to 96 million by 2020.\textsuperscript{20} Vietnam is also hailed as one of the fastest growing countries in ASEAN, having achieved an average GDP growth rate of around 6% between 2000 and 2014.\textsuperscript{21} Furthermore, the Vietnamese economy is projected to continue to grow by 6.2% in 2018. Projections for economic and population growth signal increased opportunities for EU imported goods in the Vietnamese market.

As Vietnamese consumers spend more as a portion of overall income compared to other ASEAN countries, and are benefitting from aggregate income growth, they are increasingly likely to spend on certain high-value foods. These high-value foods include dairy products (UHT and fresh milk, yogurt, cheese etc.) meats, eggs, fresh fruits, imported vegetables, confectionary, snack foods, and packaged food items.\textsuperscript{22} Across these product categories, the EU is recognized as a reliable producer and exporter in terms of quality, safety, nutrition, and taste, which is seen as highly advantageous for EU producers seeking to enter the Vietnamese market.

In 2016, Vietnam’s total imports of agriculture and fishery products from the EU amounted to 3.5€ million, trending upwards from 2.8€ million in 2014.\textsuperscript{23} Whereas EU Member States have traditionally been significant trading partners for Vietnam, they are likely to face new and increased competition from entering and established agri-food producers in the region and internationally. Leveraging product reputation and in-demand categories of EU agri-food exports will be vital for maintaining healthy trade with Vietnam as it continues to grow.

\textit{EU-Vietnam Bilateral Trade}

In terms of food production, Vietnam is relatively self-sufficient. With the rise in disposable incomes that have in turn led to significant improvements in technology and infrastructure, imports are also expected to rise.\textsuperscript{24} Importantly, the market for high-value food products in Vietnam is substantial and is growing across a wide variety of categories. Therefore, European producers stand to benefit from such growing trends and must position themselves appropriately to maximize potential business opportunities.

In 2015, total trade in goods between the EU and Vietnam amounted to 38€ billion.\textsuperscript{25} Total EU imports from Vietnam amounted to approximately 30€ billion, while total exports from

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the EU to Vietnam accounted for approximately 8€ billion. It is important to note that over the period 2011-2015, the EU’s exports to Vietnam increased by 25%. These figures exclude trade in services and bilateral investment flows.

The EU is Vietnam’s second largest trading partner after China. After the US, the EU is second largest export market for Vietnam. Since 2015, Vietnam has been the EU’s second largest trade partner among the 10 ASEAN member countries (after Singapore) and, amongst them, the largest exporter of goods to the EU.

In 2015, the main exporters to Vietnam and their respective market shares were: China (34.7%); Korea, Republic of (14.5%); Japan (6.6%); Singapore (6.3%); Hong Kong, China (5.2%); and the European Union (5%).

As it relates to the EU’s exports to Vietnam, agricultural products accounted for 12.9% of its total exports in 2015. These exports amounted to approximately 1€ billion. On the other hand, Vietnamese agri-food exports to the EU accounted for 7.6% of total Vietnamese exports to the EU. These amounted to approximately 2€ billion.

The top five EU agri-food exports to Vietnam and their respective market shares in 2015 were:

1. Raw hides, skins and furskins (12%);
2. Pet food (9%);
3. Malt (8%);
4. Spirits, liqueurs and vermouth (7%); and
5. Milk powders and whey (7%).

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27 ©Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)

The EU-Vietnam Free Trade Agreement

On December 2, 2015, European Commission President Jean-Claude Juncker and former Vietnamese Prime Minister Nguyễn Tấn Dũng announced that the EU and Vietnam had concluded negotiations on a free trade agreement (FTA). The agreement with Vietnam is considered among the most ambitious and comprehensive FTAs that the EU has concluded to date with a middle-income country. As such, it sets a new benchmark for Europe’s engagement with emerging economies. The FTA ratification is expected by the end of 2018.

The EU-Vietnam FTA has already achieved widespread coverage with 65% of EU exports to Vietnam entering duty-free from ratification of the FTA. The remaining 35% of trade – except for a few products – will be liberalized after 10 years. On the other hand, the EU will liberalize 71% of its imports from Vietnam from entry-into-force of the agreement, while approximately 99% of Vietnamese imports will enter the EU market at duty-free rates after seven years.

Furthermore, custom duties will be removed over a transitional period (of a maximum period of seven years for Vietnamese goods and 10 years for EU goods) in order to assist domestic producers to gradually adapt. Consumers from both sides will benefit from lower prices and exporters from strengthened competitiveness. Examples of EU agricultural exports that will benefit from tariff elimination in Vietnam and accompanying timelines are listed below:

- Frozen pork meat will be duty free after 7 years;
- Dairy products will be duty-free after 5 years;

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30 Ibid
31 Ibid
Food preparations will be duty-free after 7 years;
• Chicken will be fully liberalized after 10 years;
• Liberalization as at entry into force for salmon, halibut, trout and rock lobster. Other fisheries are scheduled for liberalization after 3 years;
• Wines and spirits will be liberalized after 7 years; and
• Beer will be liberalized after 10 years.

Figure 3 Average Tariff Rates for Industrial Products, Agricultural Products and Fisheries in Vietnam

Figure 3 above reveals the average tariff rates for industrial products, agricultural products and fisheries in Vietnam and the process by which tariffs will be eliminated on EU products over the ten-year transitional period. It is important to note that average tariffs on agricultural products will be reduced from 67.7% from entry into force of the agreement to 2.6% in the tenth year. The average tariffs on fisheries will be reduced from 86.7% from entry into force of the agreement to zero tariffs in the seventh year.

EU GIs in Vietnam

In 2016, 56 Geographical Indications (GIs) under "sui generis" system were in force in Vietnam.32 Recently, however, GI registrations have become more popular; foreign GI associations are now more likely to register GIs in Vietnam as law-enforcement are becoming more sophisticated and more aware of IPR, particularly for foreign rights holders.

As outlined in the "List of Protected GIs in Viet Nam"33, Vietnam has registered 2 GIs from the European Union countries. These are: Cognac from France (Registration No. 00003)
and Scotch Whiskey from Scotland (Registration No. 0023). Furthermore, the EU-Vietnam FTA contains comprehensive provisions on the mutual protection of GIs. Vietnam has agreed to protect 169 GIs from the European Union countries.\textsuperscript{34}

\section*{2.2 Growth Drivers and Trends}

In recent times, Vietnam’s retail food has been growing at a rapid pace. This has been due to a number of factors, which include robust economic growth, rising income levels, a large young population, a growing middle class, and increasing exposure to a Western lifestyle.\textsuperscript{35} Moreover, a large majority of urban consumers now prefer international grocery retailers over traditional ones. This trend has been a driving force behind increased imports of Western food products in Vietnam and can be very beneficial for EU exporters.

\textbf{Rising income levels}

Owing to rising disposable incomes in Vietnam, there has been an increased demand for premium products. This increased demand has also withstood the recent slowdown in economic activity. Furthermore, consumers that fall in high income brackets are at the helm, expanding and seeking to purchase more premium products, including higher-priced health and wellness options. These consumers are also willing to pay considerably more for basic commodities, such as organic vegetables.\textsuperscript{36}

\textbf{A youthful population and a rising middle class}

Vietnam’s consumer market is still considered to be in the early stages of development. However, it is regarded as one of the fastest growing markets in Southeast Asia due to a youthful population, robust economic growth and rising disposable income. Notably, a vast majority of the population falls below 25 years of age. As a result, international fast food chains continue to strengthen their presence in Vietnam, thereby appealing to these young consumers. There is also a growing middle class in Vietnam, where both parents are working, thereby leaving less time for food shopping.

\textbf{An increase in the number of “working” women}

In recent years, the labour force participation rate for Vietnamese women has increased. As a result, disposable income has increased in many households, which has in turn led to an increased demand for higher-value food products.\textsuperscript{37}

\textbf{Growing health consciousness pervades many food categories}

Several government health campaigns have been initiated to promote the consumption of healthy foods, including fresh foods like nuts, seafood, fruits and vegetables.\textsuperscript{38} Additionally, consumers have now become more sophisticated in their understanding of healthy eating

as wellness habits are gaining popularity. Although this is an emerging trend, it has been noted that there is more room for growth. Manufacturers are also increasingly involved in advertising the health benefits of their products.

**Shift from Traditional “Wet” Markets to Supermarkets and Shopping Malls**

As Vietnamese consumers shift their preferences towards an international shopping experience, the demand for imported packaged and frozen foods is likely to grow. At the same time, Vietnamese consumers are gaining significant exposure to popular food items from the West through modern grocery shops and supermarkets.\(^3^9\) In like manner, there have been improvements to cool chain technologies, which have in turn resulted in the expansion of frozen foods and seafood distribution throughout the country. It has been reported that there are several opportunities available for EU producers, especially in the supply of a number of food items which are deemed to be free of contaminants.

2.3 Market Access and Entry

This section provides details on the requirements for entry into the Vietnamese market, explaining where market access restrictions exist and what procedures are needed to overcome them.

**Market Entry**

Market entrants to Vietnam are advised to first identify a local partner, representative, or importer with good understanding of the domestic market. It is recommended that the selected representative be a trusted and co-interested party who, in turn, will be able to provide advice on a range of issues, including distribution channels, customs procedures and food inspections.

Importantly, Vietnam is noted to be a market where “personal relationships are important”. Therefore, this requires significant investment of time and physical presence. It is also recommended that regular updates are provided to the local representative on the product to be sold, including relevant developments and modifications. Additionally, regular visits to the market are encouraged in order to further enhance interaction with the local representative.

As legal issues are known to be complex in Vietnam, soliciting a local lawyer is considered to be essential. It has been reported that foreign companies are subjected to at least 15 bureaucratic inspections per year, which may include occasional, unclear and complex administrative licensing procedures.41

Although corruption is not viewed as widespread obstacle, it is often times seen as “a part of the game” that has to be accepted by most companies.42 In many ways, it is seen as an alternative way of avoiding lingering and unproductive controversy. In like manner, it has been reported that favoritism is sometimes practiced by authorities towards local state-owned enterprises.

**Distribution Channels**

There are four basic modes for the distribution of imported foods in Vietnam, which are listed below:43

1) Exporters $\Rightarrow$ Importers/Distributors $\Rightarrow$ Big Modern Retailers

2) Exporters $\Rightarrow$ Importers/Distributors $\Rightarrow$ Wholesalers $\Rightarrow$ Retailers

3) Exporters $\Rightarrow$ Local Agent $\Rightarrow$ Importers/Distributors/Wholesalers $\Rightarrow$ Retailers

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42 Ibid.
4) Exporters ⇔ Big Modern Retailers (Metro, Saigon Coop, Big C, Maximart, Citimart, Fivimart)

Figure 4 Illustration of Distribution Channels in Vietnam


The first and second modes are the most popular channels of distribution in Vietnam and are highly recommended. Notably, most food importers in Vietnam also serve as distributors and are known to directly distribute their products to major retailers in the urban areas. 

Alternatively, wholesalers and their agents are tasked with product distribution to the small retailers in both rural and urban areas. Modern retailers have been noted to source their products directly through importers and distributors. There are only a few mega retailers that purchase products directly from foreign suppliers. These retailers include: Metro, Big C, Coopmart (Saigon Co-op), Fivimart, Maximart and Citimart.

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46 Ibid.
Retail Channels

In terms of retail channel composition, it has been reported that local chains account for the large majority of grocery sales, amounting to approximately 95% of grocery sales.\(^{47}\) Nevertheless, foreign-invested retailers are slowly expanding their operations in Vietnam, and are helping to cultivate a competitive environment for the modern Vietnamese retail sector. Traditional wet markets and small independent stores are the dominant players on the retail food landscape as they are ideal for small and high-frequency purchases. It has further been observed that due to low rental and operational costs, these traditional retailers significantly benefit from offering convenience-sized packages and low prices, especially for fresh food.

In many of the key urban centres such as Hanoi, Ho Chi Minh City, Hai Phong, Danang, Can Tho, Nha Trang, Quang Ninh and Binh Duong, there are a growing number of consumers that are shifting their preferences towards modern retailers. These include supermarkets, hypermarkets, mini-marts, convenience stores, and department stores.

The only brand name of hypermarkets in Vietnam is Big C, which stores due to its size “are usually located on the outskirts of the city” \(^{48}\). The most famous supermarkets in Vietnam are Fivimart, Civimart, Intimex and Co.opmart, which offer “more or less similar goods and services”\(^{49}\). Although the retail prices in supermarkets tend to be higher compared to hypermarkets, they are better fitted for regular, personal consumers.

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\(^{47}\) Ibid.


\(^{49}\) Ibid
The modern retail concept has grown tremendously over the past few decades in Vietnam, moving from only 2 supermarkets in the late 1990s to over 420 in 2012. It has been reported that before 1996, open-air wet markets and small private shops were the most popular retail outlets in Vietnam. However, since that time, there has been a steady transition away from a traditional shopping experience to a more modern one. Most of the modern supermarkets and shopping outlets are based in Ho Chi Minh City and Hanoi. Notably, Hanoi has over 38 modern stores, while Ho Chi Minh City has more than 65.

### Vietnam’s Grocery Retail Outlets by Channel, units

<table>
<thead>
<tr>
<th>Retail Channel</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modern Grocery</td>
<td>885</td>
<td>1090</td>
<td>931</td>
<td>726</td>
<td>806</td>
</tr>
<tr>
<td>-- Convenience Stores</td>
<td>621</td>
<td>785</td>
<td>568</td>
<td>305</td>
<td>362</td>
</tr>
<tr>
<td>-- Hypermarkets</td>
<td>9</td>
<td>10</td>
<td>16</td>
<td>21</td>
<td>23</td>
</tr>
<tr>
<td>-- Supermarkets</td>
<td>255</td>
<td>295</td>
<td>347</td>
<td>400</td>
<td>421</td>
</tr>
<tr>
<td>Traditional Grocery</td>
<td>596,580</td>
<td>608,269</td>
<td>618,743</td>
<td>623,548</td>
<td>630,402</td>
</tr>
<tr>
<td>-- Food/Drink/Tobacco Specialists</td>
<td>6,770</td>
<td>7,080</td>
<td>7,380</td>
<td>7,655</td>
<td>7,805</td>
</tr>
<tr>
<td>-- Independent Small Grocers</td>
<td>212,200</td>
<td>213,800</td>
<td>215,297</td>
<td>216,393</td>
<td>216,865</td>
</tr>
<tr>
<td>-- Other Grocery Retailers</td>
<td>377,610</td>
<td>387,389</td>
<td>396,966</td>
<td>399,500</td>
<td>405,732</td>
</tr>
<tr>
<td><strong>Total Grocery Retail Outlets</strong></td>
<td>597,465</td>
<td>609,359</td>
<td>619,674</td>
<td>624,274</td>
<td>631,288</td>
</tr>
</tbody>
</table>

Source: Euromonitor

### 2.4 Key Markets by Geography

Vietnam occupies the eastern coastline of the Southeast Asian peninsula, and shares land borders with China to the north, and Laos and Cambodia to the west. Its coastline provides direct access to the Gulf of Thailand and the East Sea.

Hanoi is the capital of Vietnam and is located in the north of the country, while Ho Chi Minh City is situated in the south. Other major cities include Hai Phong, Da Nang, Hue, Vinh, Quy Nhon, Nha Trang, Can Tho, and Da Lat. Ho Chi Minh City (formerly Saigon) is

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51 Ibid
the largest commercial centre (with a population of over 7 million). Industrial parks are situated around both Ho Chi Minh City and Hanoi.

Vietnam has developed two independent and dominant core-periphery urban systems. Importantly, Vietnam’s rapid economic growth is driven by both Ho Chi Minh City and Hanoi. These two urban systems are characterized by high levels of growth and industrial concentration, which extend to surrounding areas. As is the case with other rapidly developing countries that are in early and intermediate stages of urbanization, economic growth is propelled by a single or few major economic nodes. While growth is concentrated in these two core urban systems, Hanoi and Ho Chi Minh City manifest different economic growth trajectories. This is mainly driven by different conditions of economic geography in the two cities.

Infrastructure
According to the Vietnam Retail Foods Sector Report 2013, Vietnam has limited distribution infrastructure. The distribution systems are often equipped with obsolete technology and inadequate or fragmented cold chains. This can serve as a significant constraint to importing products, especially perishable products.

In terms of transportation options, Doing Business in Vietnam (2013) states that “sea and air are the more used shipping options for entry of goods in Vietnam”. Furthermore, “Haiphong, Da Nang and Saigon are most frequented international seaports, while Noi Bai and Tan San Nhat are the busiest international airports in Vietnam”.

2.5 Customs, SPS Requirements and Labelling

Customs Procedures
Vietnam fully conforms to the WTO principles on customs fees and valuation as outlined in the WTO Customs Valuation Agreement, which aims to harmonize trade procedures. The general inspection procedure is summarized as follows:

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In Vietnam, the imported goods are inspected by the General Department of Customs, which determines and collects import duties on behalf of the relevant government agencies. **Documents required for import include** customs declaration, commercial invoice, purchase and sale contract, import permit (if required), bill of lading, packing list, certification of origin, certificate of registration for quality inspection.\(^{56}\)

**Customs procedures** are undertaken at customs offices at international sea and river ports, international civil airports and railway stations, international post offices as well as at offices established elsewhere in the country.\(^{57}\)

Supported by the World Bank, The General Department of Vietnam customs is implementing a modernization project, which allows electronic submission of customs declarations and processing by Customs. Moreover, the customs administration is working on the automated cargo clearance system and customs database system, which is expected to reduce the incidence of physical inspection of cargoes to less than 7% by 2020.\(^{58}\)

**Entry point inspections** - State Testing Agency or State Controlled Agency are the responsible food quality and safety inspection entities, carrying out entry point examinations on behalf of all Ministries of Vietnamese government. The examinations are based on Vietnamese Standards and Technical Standards; CODEX standards are applied in the absence of Vietnamese reference.\(^{59}\)

**The inspection for sanitary and phytosanitary standards** must be carried out for imports of goods originating from animal, plants and marine sources by the competent agencies under the Ministry of Agriculture and Rural Development.

The entry-point inspections by STAs may take place at a sea or river port, airport or at a public or private importer’s warehouse, however, the latter must be approved by the agencies based on the prior company request. For specific products (meat and dairy) the inspection at importer's warehouses is not allowed.\(^{60}\)

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\(^{56}\) Ibid, pp. 18

\(^{57}\) Ibid


\(^{60}\) Ibid, pp. 16-17
**SPS Requirements in Vietnam**

There are many supporting documents that importers of food and agricultural products must present to the Vietnamese authorities. It is important to note that several governmental institutions are responsible for SPS-related matters in Vietnam. The relevant ministries, agencies and the areas of their responsibilities: 61

*Table 3 SPS Administration System in Vietnam*

<table>
<thead>
<tr>
<th>Governmental institution</th>
<th>Department</th>
<th>Area of responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Agriculture and Rural Development</td>
<td>National Agro-Forestry-Fisheries Quality Assurance, Department of Animal Health, Plant Protection Department</td>
<td>Quality and safety of agro-forestry-fishery products, animal and plant quarantine, agro-chemical and veterinary drugs</td>
</tr>
<tr>
<td>Ministry of Industry and Technology</td>
<td>Export and Import Department</td>
<td>Milk processing, soft drinks, beverages, cigarettes</td>
</tr>
<tr>
<td>Ministry of Health</td>
<td>Vietnam Food Administration</td>
<td>Food safety standards, zoonotic diseases, processed foods, industrial processed foods</td>
</tr>
<tr>
<td>Ministry of Science and Technology</td>
<td>STAMEQ</td>
<td>Products standards and technical regulations</td>
</tr>
</tbody>
</table>

Several WTO Members have used the SPS Committee on various occasions to raise specific concerns about Vietnam concerning its ban on imports of offal products as from 7 July 2010. 62 However, “Vietnam announced that on 1 September 2013, they will lift the remaining ban on white offal”. 63 Nonetheless, it has been reported that Vietnam is imposing several new conditions on imports of white offal, such as: a limitation to use only three ports of entry into Vietnam and additional registration and certification requirements. Below is the list of all required SPS export certificates required by the Vietnamese government.

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### Sanitary and Phytosanitary Inspection and Export Certificates

**Table 4 Sanitary and Phytosanitary Inspection and Export Certificates**

<table>
<thead>
<tr>
<th>Product</th>
<th>Documents</th>
<th>Basis</th>
<th>Government Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All processed food items</strong></td>
<td>Certificate of GMP, HACCP or equivalent</td>
<td>Food Safety and Hygiene</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td></td>
<td>Certificate of analysis (test results)</td>
<td>Food Quality and Standards</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td><strong>Special foods/Functional foods</strong></td>
<td>Certificate of GMP or HACCP or equivalent</td>
<td>Food Safety and Hygiene</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td></td>
<td>Certificate of analysis</td>
<td>Food Quality and Standards</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td></td>
<td>Results of clinical test</td>
<td>Food supplemental value functioned to improve human health</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td><strong>Special foods/Nutritious foods for infants</strong></td>
<td>Certificate of GMP or HACCP or equivalent</td>
<td>Food Safety and Hygiene</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td></td>
<td>Certificate of analysis (test results)</td>
<td>Food Quality and Standards</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td><strong>Special Foods/ GM Foods and irradiated foods</strong></td>
<td>Certificate of GMP or HACCP or equivalent</td>
<td>Food Safety, Quality and Standards</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td></td>
<td>Certificate of analysis (test results)</td>
<td>Food Safety and Hygiene</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td></td>
<td>Certificate of free sale</td>
<td>Food Quality and Standards</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td><strong>Food ingredients/additives</strong></td>
<td>Certificate of GMP or HACCP or equivalent</td>
<td>Food Safety and Quality</td>
<td>MARD</td>
</tr>
<tr>
<td></td>
<td>Certificate of free sale</td>
<td>Food Safety and Hygiene</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td></td>
<td>Certificate of analysis (test results)</td>
<td>Food Safety and Hygiene</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td><strong>Feed ingredients</strong></td>
<td>Certificate of HACCP, of GMP or equivalent</td>
<td>Food Quality and Standards</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td></td>
<td>Certificate of free sale</td>
<td>Product Quality and Safety</td>
<td>MARD/DLP</td>
</tr>
<tr>
<td>Plants and Plant products with minimum processing</td>
<td>Test results</td>
<td>Product Quality, Safety and Hygiene</td>
<td>MARD</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>--------------</td>
<td>-------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Plants and Plant products with minimum processing</td>
<td>Phytosanitary Certificate</td>
<td>Plant Health Protection</td>
<td>MARD/DLP</td>
</tr>
<tr>
<td>Certificate of free sale</td>
<td>Product Quality Standards</td>
<td>MARD/PPD</td>
<td></td>
</tr>
</tbody>
</table>

(Plant Genetics including seeds, fruit, vegetable, grain, oilseeds, forest products, etc.)

<table>
<thead>
<tr>
<th>Forest products</th>
<th>Export Certificate</th>
<th>Plant Health Protection</th>
<th>MARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processed plant products</td>
<td>Health Certificate with additional requirements depending on the product and place or origin</td>
<td>Animal Health Protection and Human Health Protection</td>
<td>MARD/PPD</td>
</tr>
<tr>
<td>Animals and animal products (except animal genetics, meat and poultry products)</td>
<td>Health Certificate</td>
<td>Animal Health Protection and Human Health Protection</td>
<td>MARD/DAH</td>
</tr>
<tr>
<td>Dairy Products</td>
<td>Certificate of HACCP, of GMP or equivalent Health Certificate</td>
<td>Animal Health Protection and Human Health Protection</td>
<td>MOH/VFA,MARD/DAH</td>
</tr>
<tr>
<td>Animal genetics</td>
<td>Certificate of free sale</td>
<td>Animal Health Protection and Human Health Protection</td>
<td>MARD/DAH</td>
</tr>
<tr>
<td></td>
<td>Certificate of analysis (test results)</td>
<td>Food Safety, Quality and Standards</td>
<td>MOH/VFA</td>
</tr>
<tr>
<td></td>
<td>Health Certificate</td>
<td>Animal Health Protection</td>
<td>MARD/DAH</td>
</tr>
<tr>
<td></td>
<td>Certificate of inspection of export animals</td>
<td>Animal Health Protection</td>
<td>MARD/DAH</td>
</tr>
<tr>
<td></td>
<td>Animal pedigree document</td>
<td>Genetic Quality</td>
<td>MARD/DLP</td>
</tr>
<tr>
<td>Meat and poultry products</td>
<td>Export Certificate</td>
<td>Product Quality, Safety and Hygiene</td>
<td>MARD/DAH</td>
</tr>
<tr>
<td>Swine offal products (for heart, liver and kidney only)</td>
<td>Export Certificate</td>
<td>Product Quality, Safety and Hygiene</td>
<td>MARD/DAH</td>
</tr>
<tr>
<td>Aquatic animal products except live aquatic animals</td>
<td>Health Certificate (Export Certificate)</td>
<td>Food Safety and Hygiene</td>
<td>MARD/NAFIQAD</td>
</tr>
<tr>
<td>Live aquatic animals</td>
<td>HACCP Certificate or equal document Health Certificate</td>
<td>Aqua Health Protection</td>
<td>MARD/DAH</td>
</tr>
</tbody>
</table>

Notes: MoH - Ministry of Health, VFA - Vietnam Food Administration, MARD - Ministry of Agriculture and Rural Development, DLP - Department of Livestock Production, PPD - Plant Protection Department, DAH - Department of Animal Health, NAFIQAD - National Agro Forestry Fisheries Quality Assurance

Labelling

With regards to the labelling of goods, it should be noted that Vietnamese law imposes strict requirements, including specific requirements on labelling timeline for use of prepackaged food and special provisions for functional food, food additives, irradiated food, and genetically modified food. These regulations apply to goods produced domestically and imported.

It is essential that labels are in Vietnamese and the mandatory contents are covered. Depending on the specific requirements, the contents of food can also be described in a foreign language; however, the description must match the information in Vietnamese and the font size of that description should not be larger than that of the corresponding one’s in Vietnamese.  

The mandatory labelling contents include the following:

- product name;
- composition;
- production date;
- product weight;
- direction for use and storage instruction;
- timeline for use;
- name of the person or the organization responsible for the goods;
- origin;
- number of receipts of conformity statement or certificate in accordance with the provisions of food safety; and
- recommendations or warning on food safety.

In like manner, depending on the category of products, the timeline for use shall be recorded with the following phrases:

- "hạn sử dụng" [expiry date],
- "sử dụng đến ngày" [use until date] or
- "sử dụng tốt nhất trước ngày" [best used before date].

Other specific labelling requirements

In the case of food additives, irradiated food, functional food and genetically modified food, besides the mandatory labelling contents, the following provisions must also be included on the label:

1) For food additives, the class name and international code must be included; in case of more than 2 additives, their names should be outlined in order of weight. Also, the phrase "Use for food" (Dùng cho thực phẩm in Vietnamese) must be included below the name of food additive (in bold letters, minimum height of 2mm).

2) For irradiated food, the phrase "thực phẩm đã qua chiếu xạ" [irradiated food] must be recorded.

3) Functional food

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65 Ibid, pp.7
66 Ibid, pp. 9
There are four sub-groups within this category: i) supplementary food ii) health supplement, food supplement and dietary supplement, iii) food for special medical purposes or medical food, iv) food for special dietary use.

The relevant sub-group name together with nutrient contents should be displayed on the label. For a sub-group iii) food for special medical purposes or medical food, the label must specify the objective of use, product utility, recommended dosage and special precautions/side effects.

For a sub-group ii) health supplement, food supplement and dietary supplement, the statement “This product is not a medicine, nor effective to replace medicine” (in contrasting color, with letters at least 1.2 mm in height) must be listed after use recommendations/product side effects. If the product name includes one of the main active ingredients, the quantity of such ingredients must be displayed on the label.

4) For genetically-modified food, the phrase “thúc phẩm biến đổi gen” [genetically modified food] must be recorded.

Packaging

The Ministry of Health has issued three national technical regulations on food safety and hygiene for packages, containers and equipment directly in contact with food in keeping with the Food Safety Law and the Standard and Technical Regulation Law as follows:

- QCVN 12-1:2011/BYT on food safety and hygiene for synthetic resin packages, containers and equipment in direct contact with food
- QCVN 12-2:2011/BYT on food safety and hygiene for rubber packages containers and equipment in direct contact with food
- QCVN 12-3:2011/BYT on food safety and hygiene for metallic packages containers and equipment in direct contact with food

According to the Law on Food Safety, prior to the circulation of food packages, containers and equipment that have been in direct contact with food into the Vietnamese market, an Announcement of Conformity with technical regulations must be registered with Ministry of Health. Decree 38/2012 and Circular 19/2012/TT-BYT dated November 9, 2012 provides guidelines on the Announcement on Conformity with Technical Regulations and Food Safety Regulations for food as well as food packages, containers and equipment in direct contact with food.

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67 Ibid, pp. 6
68 Ibid, pp. 8
2.6 The Status of Geographical Indications (GIs) and Intellectual Property (IP) Protection

Vietnam became the WTO's 150th Member on 11 January 2007. From the date of its accession to the WTO, Vietnam agreed to comply with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights without recourse to any transitional period. It is also a member of the World Intellectual Property Organization (21 July 1976) and is a signatory to the Paris Convention (2 July 1976).


Geographical Indications (GIs)

Protection of GIs in Vietnam is provided by the Law on Intellectual Property which took effect in 2006. According to the Vietnam’s IP Law (Paragraph 22, Article 4): "A geographical indication means a sign which identifies a product as originating from a specific region, locality, territory or country". In Vietnam, GIs can be protected by a "sui generis system" and also by alternative legal tools of certification mark and collective mark.70

According to the WIPO statistics database, 897 GIs were in force in Vietnam in 2016. Among these, 841 were trademarks while the remaining 56 GIs were classified under “sui generis” systems, which protect against any commercial use (direct or indirect) and product imitation.71

Protection

Vietnam’s Law on Intellectual Property provides for the protection of GIs, including appellations of origin for all products, through registration at the National Office of Intellectual Property (NOIP). Once registered, the protection has an indefinite duration from the date of grant of the certificate by the NOIP. Articles 4 and 79 of Vietnam’s IP Law detail the concept and the protection requirements of a GI. These Laws correspond to Article 22.1 of the TRIPS Agreement. Furthermore, Article 129.3 of the Law provides additional protection for GIs for wines and spirits.72

The EU-Vietnam FTA also creates extensive provisions on the protection of European GIs in Vietnam.73 For example, Champagne will be fully protected after a transition period of

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10 years, during which all uses incompatible with the GI protection, including translations and transliterations in Vietnamese script will be phased out. Altogether, 169 Many other EU GIs will be automatically protected from entry into force of the FTA.

**Enforcement**
In cases where your GI is infringed in Vietnam, there are three main avenues of enforcement which can be pursued. These avenues are: administrative actions, civil litigation, and criminal prosecution. However, it has been noted that hiring an attorney to engage in private mediation can be more effective in the event of infringement. Nevertheless, an overview of the three main avenues of enforcement in Vietnam is listed below:

**Administrative actions**
The most common route for companies to take in the event of infringement is administrative action. Administrative action is known to be both cost-effective and time-efficient. It is also a good way to deal with small-scale infringers, as well as to gather evidence for larger scale infringements. Additionally, engaging in administrative action is considered especially effective as it can put an immediate halt to ongoing IPR infringement. This is due to the nature of the remedies available and speed of case handling.

Depending on the nature and extent of the infringement, there are several government bodies that may be contacted to seek redress. If the correct enforcement bodies are contacted and involved, it has been reported that they are usually quick in their assessment of the situation and further in the issuance of appropriate penalties. There are a range of penalties that can be issued, which include the following: cease and desist orders, revocation of business licenses, monetary fines, and/or the confiscation and destruction of infringing goods. Although these penalties may not be as harsh as those available through civil litigation or criminal prosecution, they are seen as more practical and offer a fast timeline to halting the activities of infringers, with the possibility of obtaining damages.

**Civil litigation**
In the event of larger infringements, civil litigation is recommended. However, there have only been a few instances where IPR infringement cases have been brought before the Vietnamese civil courts. This is partially due to the lack of proper IP training and human resources within the judicial system, which can result in somewhat unpredictable case outcomes. In order to better improve the civil system to cater to such cases, the Vietnamese authorities have been working alongside international organizations and related bodies in the area of resource development planning.

In civil actions, right holders can request provisional measures such as preliminary injunctions, as well as claim actual damages or loss of earnings. Where actual loss cannot be determined however, the maximum award is currently set at approximately 18,000€.

**Criminal prosecution**
It has also been found that criminal prosecution is rare in cases of IPR infringement. However, it offers the most severe penalties for the infringer.

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75 Ibid
Where there has been intentional reproduction or distribution of work to the public which is deemed as a 'commercial scale', then criminal charges may be brought against infringers. However, the term 'commercial scale' has yet to be officially defined in law and there is not enough precedence to determine an estimate.

Furthermore, it has been reported that criminal cases usually take around 12 months, with a further 12-month appeal proceeding. Penalties for copyright infringement include a monetary fine of up to 38,000€ and imprisonment for up to three years. As such, favorable rulings can provide a valuable deterrent to potential future infringers.

Importantly, the Vietnamese law explicitly states that criminal proceedings for GI infringement can only be initiated upon the request of the ‘victim’. Moreover, it should be noted that ‘victims’ are defined by law as individuals, which further suggests that company owned marks cannot be defended in the criminal courts. As a result, this prevents companies from making use of the Vietnamese criminal court system for the protection of GIs unless an individual GI producer can be presented as the plaintiff.

Registration as a GI

The application for a GI must be filed directly or by mail to the National Office of Intellectual Property of Vietnam (NOIP) or at its offices in Ho Chi Minh City or Da Nang. The right to register a geographical indication is granted to organizations and individuals as well as collective organizations representing organizations producing product with GIs. Also, individuals and administrative management agencies pertain the right to register geographical indications. Non-permanent residents of Vietnam as well as foreign organizations without a production or trading establishment in Vietnam are only allowed to file applications through a legal representation in Vietnam.

The following documents must be presented with a GI application:

a) A request made in a standard form provided by The National Office of Intellectual Property of Vietnam (NOIP);

b) Documents and information identifying the GI (particular characteristics and quality of products with geographical indication and a map of the geographical area);

c) If the application is registered through a legal representation, power of attorney must be presented;

d) Documents proving the right to registration, if acquired by the applicant from another person;

e) Receipt of fees and charges.

It is important to note that all the aforementioned documents must be filed in Vietnamese with the exception of the documents listed in points c) and d) Other documents may be presented in another language but must be translated into Vietnamese at the request of NOIP. A similar treatment will be applied for the submission of supporting documentation.

The costs involved in GI registration in Vietnam are the following:

76 Ibid
77 Ibid
78 Ibid
- the filing fee of VND 180,000 (approximately EUR 7)
- the publication fee of VND 120,000 (approximately EUR 4)
- the examination of the application fee of VND 420,000 (approximately EUR 15)
- the fees for obtaining a certificate, publication of a decision on granting a GI and registering the certificate cost VND 120,000 (approximately EUR 4) each.

**Supervision and Administration**

As the leading agency for the State’s administration of intellectual property rights, the National Office of Intellectual Property of Vietnam (NOIP) regularly provides answers and guidance on the implementation of intellectual property laws and regulations.

**Competent authorities for GI protection**

**The National Office of Intellectual Property (NOIP)**

384-386, Nguyen Trai Street  
Thanh Xuan District  
Ha Noi City  
Telephone (844) 3558 8217  
(844) 3858 3069  
(844) 3557 2091  
Telefax (844) 3557 2090  
(844) 3858 3328  
(844) 3858 8449  
E-mail address: congnhethongtin@noip.gov.vn / vietnamipo@noip.gov.vn  
Website address: www.noip.gov.vn

**Legislation, Regulations and Administrative Measures**


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3. MARKET SNAPSHOTS FOR SELECTED PRODUCTS

This section provides specific information for various food and beverage categories and products. This information includes a market snapshot containing analysis of the market size, trends, distribution, and consumer profiles and sensitivities. Additional information regarding market entry, import procedures, and considerations for intellectual property are also included.

Within the following category specific market snapshots products have been aggregated and analyzed according to the Harmonized System (HS) codes. For some product categories a single HS 4 entry will be covered whilst for others there will be multiple HS 4 categories across different HS 2 chapters. See Figure below for specific HS 4 codes covered in the following product category sections.

*Table 5 Product Classification Table*

<table>
<thead>
<tr>
<th>Product Category</th>
<th>HS 2 Chapters/ HS 4 Codes</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wine and Vermouth</td>
<td>2204 and 2205</td>
<td>Wine and aromatized wines</td>
</tr>
<tr>
<td>Spirits</td>
<td>2208</td>
<td>Spirits of an alcoholic strength of less than 80%</td>
</tr>
<tr>
<td>Beer</td>
<td>2203</td>
<td>Beer made from malt</td>
</tr>
<tr>
<td>Fresh and Processed Meat</td>
<td>0201,0202,0203,0204,0206,0207,0210,1601 and 1602</td>
<td>Fresh meat covers the meat and edible offal of beef, pork, lamb and poultry; processed meat covers edible meat or offal that has been salted, is in brine or is dried or smoked, sausages and similar products of offal and meat and other prepared or preserved meat or offal.</td>
</tr>
<tr>
<td>Olive Oil</td>
<td>1509 and 1510</td>
<td>Olive Oil and its fractions and other oils produced from olives.</td>
</tr>
<tr>
<td>Fresh Fruits and Vegetables</td>
<td>07 and 08</td>
<td>All products under these chapter headings</td>
</tr>
<tr>
<td>Processed Fruits and Vegetables</td>
<td>20</td>
<td>All products under these chapter headings</td>
</tr>
<tr>
<td>Dairy Products</td>
<td>0401,0402,0403,0404,0405 and 0406</td>
<td>Includes milk and cream not concentrated or sweetened, milk and cream concentrated or sweetened, buttermilk and yoghurt, whey and natural milk products, butter, cheese and curd.</td>
</tr>
<tr>
<td>Processed Cereals</td>
<td>1902 and 1904</td>
<td>Pasta and couscous, and breakfast cereals and cereal bars</td>
</tr>
<tr>
<td>Product Category</td>
<td>HS Code(s)</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
<td>--------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Bread, Pastry, Cakes, Biscuits and other bakery products</td>
<td>1905</td>
<td>Products include bread, biscuits, wafers, cakes and pastries</td>
</tr>
<tr>
<td>Chocolate and Derived Products, and Confectionery</td>
<td>1806, 1704</td>
<td>Chocolate and other food preparations containing cocoa, Sugar confectionary (including white chocolate, not containing cocoa)</td>
</tr>
<tr>
<td>Honey</td>
<td>0409</td>
<td>Includes natural honey</td>
</tr>
<tr>
<td>Gum Resins and Plant Extracts</td>
<td>1301 and 1302</td>
<td>Includes gum resins, vegetable saps and extracts; pectic substances, pectinates and pectates, agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products.</td>
</tr>
<tr>
<td>Cotton and Live Plants</td>
<td>52, 06</td>
<td>Includes all forms of cotton, bulbs, live plants, cut flowers and ornamental foliage</td>
</tr>
</tbody>
</table>

Harmonized Commodity and Coding Description System
## 3.1 Wine

### Strengths
- Westernized market
- High consumption rate of Western alcoholic products
- Rising disposable income
- Strong French influence on the market

### Weaknesses
- Highly competitive and saturated market, hard to build loyal customer base
- No advertisement for wines allowed in the media

### Opportunities
- Wine consumption in Vietnam is predicted to rise due to the rise in disposable income

### Threats
- Increasing health-consciousness could negatively affect the demand for wine
- Potential rise in retail prices could negatively affect the demand for wines

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**Consumption**

As income levels and the population size increase in Vietnam, alcohol consumption has simultaneously increased and will continue to increase in the coming years. Of the range of alcoholic beverages, beer remains the most popular among Vietnamese, representing the virtual totality of alcohol consumed by volume. By comparison, spirits and wine are far less consumed. Nevertheless, in recent years, spirits and wine consumption have been increasing to match rising income levels and shifting consumer preferences.  

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The consumption of wine and spirits in Vietnam reached 70 million liters in 2015; this number is forecasted to increase to 100 million liters in 2020. Compared to beer sector, wine and spirits is an “infant” industry in Vietnam. This has been influenced by the absence of international investment and relatively higher prices for this type of alcohol. Additionally, the consumption of wine and spirits is concentrated in urban centers (Hanoi, Ho Chi Minh City and Da Nang) due to existing income inequality in urban and rural areas.  

**Consumer Trends**

The future of the wine market in Vietnam looks very optimistic. According to WineBusiness.com, this optimistic is cushioned by Vietnam’s “huge and growing population of 91 million and its French heritage, which makes sipping a glass of chilled Sauvignon Blanc or Chardonnay with a spicy Vietnamese fish dish or a bowl of pho even more feasible”.  

The consumption habits of the Vietnamese consumers shift towards higher-value alcoholic drink products as the disposable incomes of Vietnamese population rise. This trend is particularly found in urban centers as the spread of the modern trade channels (AEON, B’s Mart and Circle K) impacts the increase in spirits and wine sales.

In Vietnam, wine consumption is often times associated with sophistication and internationalization. Additionally, the booming tourism sector in Vietnam has been a major conduit for boosting wine consumption. As tourist arrivals are expected to increase in the coming years, this is likely to further drive the demand for on-trade wines, particularly in restaurants, hotels, and bars.

Unlike the practice in many European countries, Vietnamese consumers often prefer to purchase wine from supermarkets as opposed to wine shops. Moreover, there is no major price differential between supermarkets and wine shops. Consumers also tend to feel more comfortable in supermarkets as there is less pressure to have superior knowledge about the intricacies of wine.

Overall, it has been found that even basic knowledge about wines is limited in Vietnam and is mostly concentrated amongst middle to high income groups. Consumers tend to have little to no knowledge about wines, while store staff is not fully equipped to provide them with expert information. Nevertheless, there are growing opportunities for consumers to expand their knowledge of wines and for wine producers to boost their sales in the market.

Bolstered by an increase in imports and a surge domestic demand, there has also been an expansion of locally produced wine. As a result, Vietnamese premium wine is in a good place to develop and local consumers are waiting for Vietnamese wine producers to expand offerings in the coming years.

It should be noted that the demand for wine in Vietnam is seasonal. Demand is highest at year-end celebrations, during the Tet festival (Lunar New Year) around February every year.

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82 Ibid, pp.16
year, Christmas holiday, as well as for New Year celebrations.\textsuperscript{86} It has been estimated between 60% and 70% of the wine sales occur during these periods.

\textit{Consumer Profiles}

Red wines are the bestselling wines in Vietnam and continue to "\textit{fastest growth in terms of total volume}".\textsuperscript{87} This is followed by white wine and sparkling wine, respectively. Taken as a whole, imported wines are noted to have prestige appeal; however, there is competition from locally produced wine since they are more affordable.

Although the wine market in Vietnam is known to be male-dominated, an evolving trend has emerged with regard to the female alcohol consumer. Many Vietnamese women are gradually becoming more exposed to global trends in the food and beverage industry. This may be of additional interest to wine sellers as women tend to be much more open to new wines than male consumers. Often times they attend functions at wine bars and wine tastings, which make them very promising target consumers.

According to the research conducted by Vietnam Supply Chain, 82% of alcoholic beverages is consumed out-of-home due to a popular trend of drinking to socialize.\textsuperscript{88} Another research conducted by Ipsos UU has showed that regional differences in alcohol consumption behavior exist. The research findings are summarized below:\textsuperscript{89}:

- North – “Trend followers”, attention on packaging, extensive knowledge of different brands;
- Central - Tend to choose local brands, high brand loyalty and less willing to experiment;
- South - Extensive knowledge of different brands and willingness to try new ones

\textit{Challenges for EU Producers}

In comparison to the EU market, the market for alcoholic beverages in Vietnam is far less regulated. There is, for example, no legal drinking age in Vietnam. In contrast, the Vietnamese legislation prohibits the advertisement and the promotion of wines and spirits that exceeding 15% of alcohol by volume in almost all media. This legislation does not apply to beers and ready to drink packaged beverages.

The prevailing challenge for EU producers will be to build a loyal consumer base, whether it is in the premium category for high value alcoholic beverages or it caters to more price-sensitive Vietnamese consumers.

\textit{Offer}

\textit{Domestic Offer}

There are only a few wineries in Vietnam in comparison to what exists in the EU. Wineries in Vietnam range from four to fifteen, although “<..>there are only four to five companies producing grape wine <..>”. The largest winery is Vang Dalat Winery, which is owned by

\textsuperscript{89} Ibid, p24
Ladofoods. Other major producers include Halico and Thang Long Liquor Company that both have operations in Hanoi. 90

The following is a synopsis of the profiles of the major wine producers in Vietnam:

**Ladofoods—** Lamdong Foodstuffs JSC (Ladofoods) is famous for its two popular wine brands – Dalat Red Wines and Dalat White Wines. “The company uses French and Italian winemaking technologies and techniques to make sure it meets international standards in liquor production and wine storage”. 91

Even though the Dalat Wine brand has been in existence since 1999, “and though present in the market for 15 years, Ladofood, the owner of Da Lat Wine brand, still found it difficult to conquer Vietnamese drinkers’ hearts”. 92 Drawing on a novel approach in 2012, Ladofoods decided to import new grape varieties and to hire foreign experts to guide farmers in the cultivation of grapes. “However, only two years later could Ladofood choose suitable grape varieties”. 93 However, now Ladofoods is one of the most popular wine makers in Vietnam and the business is doing well.

**Halico—** Hanoi Liquor Company (Halico) “is one of the main producers of wine and spirits in Vietnam”, controlling approximately 41% of the market share in the Vietnamese liquor market. 94 Currently, the company is predominantly focused on increasing its production of light grape and sparkling wines, but hopes to expand their vineyard area to benefit from Vietnam’s lucrative wine market.

**Thang Long Liquor Company—** This Company is also “one of the top producers and distributors of wine in Vietnam”, specializing in the production of wine from tropical fruits. Its main manufacturing facility is currently located in the Ninh Thuan province; however,

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93 Ibid
it is noted that this Company has operations in the northern and southern regions of Vietnam.\textsuperscript{95}

\textit{Imports}

According to the International Trade Centre, the top wine importer to Vietnamese market in 2016 was Malaysia (17%); the country was followed by France (15.9%), Chile (13.8%) and Hong Kong (12.3%).\textsuperscript{96}

The main EU wine producers increased their exports to Vietnam in the period between 2012-2016. French exports grew by 6% in wine product category, while it increased by 58% in vermouth category. Italian exports showed a significant growth in both product categories – 38% for wines and 56% for vermouths. Spanish wine exports increased by 17% during the same period.\textsuperscript{97}

\textit{Figure 6 Vietnam's Imports of Wine 2011-2015}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{VietnamImports.png}
\caption{Vietnam's Imports of Wine 2011-2015}
\end{figure}

\textit{Exports}

According to the ITC data, the total value of Vietnamese wine exports in 2016 amounted to approximately EUR 320 thousand. The largest export destination was Qatar (45%), followed by Hong Kong (27%) and Philippines (9%).\textsuperscript{98}

\begin{flushright}
\textsuperscript{95} Ibid \textsuperscript{97}©Trade Map, International Trade Centre, available at \url{https://www.trademap.org} \\
\textsuperscript{96} Ibid \textsuperscript{98} Ibid \textsuperscript{99} Ibid
\end{flushright}
GI Labelling

Vietnam has an established recognition in place for GIs and foreign companies can also apply for PDO and PGI recognition. Currently, there is no EU wine which is registered as a GI in Vietnam. However, the EU-Vietnam FTA contains comprehensive provisions on the mutual protection of GIs. Vietnam has agreed to protect 169 GIs from the EU, including wines. Table 7 below shows the GI wines from the EU which are protected under the EU-Vietnam FTA.\(^{101}\)

Table 6 List of GI Wines from the EU protected under the EU-Vietnam FTA

<table>
<thead>
<tr>
<th>Country</th>
<th>Designation Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyprus</td>
<td>Κουμανδαρία /Commandaria</td>
</tr>
<tr>
<td>Germany</td>
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<tr>
<td></td>
<td>1. Franken</td>
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<tr>
<td></td>
<td>2. Mittelrhein</td>
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<tr>
<td></td>
<td>3. Mosel</td>
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<td></td>
<td>4. Rheingau</td>
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<td></td>
<td>5. Rheinhessen</td>
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<tr>
<td>Spain</td>
<td></td>
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<tr>
<td></td>
<td>1. Alicante</td>
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<tr>
<td></td>
<td>2. Bierzo</td>
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<tr>
<td></td>
<td>3. Cataluña</td>
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<tr>
<td></td>
<td>4. Cava</td>
</tr>
<tr>
<td></td>
<td>5. Empordà</td>
</tr>
<tr>
<td></td>
<td>6. Jerez-Xérès-Sherry</td>
</tr>
<tr>
<td></td>
<td>7. Jumilla</td>
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<tr>
<td></td>
<td>8. La Mancha</td>
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<td></td>
<td>9. Málaga</td>
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<tr>
<td></td>
<td>10. Manzanilla-Sanlúcar de Barram</td>
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<tr>
<td></td>
<td>11. Navarra</td>
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<tr>
<td></td>
<td>12. Penedès</td>
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<tr>
<td></td>
<td>13. Priorat</td>
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<td></td>
<td>14. Rías Baixas</td>
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<tr>
<td></td>
<td>15. Ribera del Duero</td>
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<td></td>
<td>16. Rioja</td>
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<td></td>
<td>17. Rueda</td>
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<tr>
<td></td>
<td>18. Somontano</td>
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</tbody>
</table>

\(^{100}\) Ibid

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<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>19.</td>
<td>Toro</td>
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<tr>
<td>20.</td>
<td>Valdepeñas</td>
</tr>
<tr>
<td>21.</td>
<td>Valencia</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Alsace/Vin d'Alsace</td>
</tr>
<tr>
<td>2.</td>
<td>Anjou</td>
</tr>
<tr>
<td>3.</td>
<td>Beaujolais</td>
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<tr>
<td>4.</td>
<td>Bordeaux</td>
</tr>
<tr>
<td>5.</td>
<td>Bourgogne</td>
</tr>
<tr>
<td>6.</td>
<td>Chablis</td>
</tr>
<tr>
<td>7.</td>
<td>Champagne</td>
</tr>
<tr>
<td>8.</td>
<td>Châteauneuf-du-Pape</td>
</tr>
<tr>
<td>9.</td>
<td>Coteaux du Languedoc</td>
</tr>
<tr>
<td>10.</td>
<td>Languedoc</td>
</tr>
<tr>
<td>11.</td>
<td>Côtes de Provence</td>
</tr>
<tr>
<td>12.</td>
<td>Côtes du Rhône</td>
</tr>
<tr>
<td>13.</td>
<td>Côtes du Roussillon</td>
</tr>
<tr>
<td>14.</td>
<td>Graves</td>
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<tr>
<td>15.</td>
<td>Bergerac</td>
</tr>
<tr>
<td>16.</td>
<td>Haut-Médoc</td>
</tr>
<tr>
<td>17.</td>
<td>Margaux</td>
</tr>
<tr>
<td>18.</td>
<td>Médoc</td>
</tr>
<tr>
<td>19.</td>
<td>Pomerol</td>
</tr>
<tr>
<td>20.</td>
<td>Pays d'Oc</td>
</tr>
<tr>
<td>21.</td>
<td>Saint-Emilion</td>
</tr>
<tr>
<td>22.</td>
<td>Sauternes</td>
</tr>
<tr>
<td>23.</td>
<td>Touraine</td>
</tr>
<tr>
<td>24.</td>
<td>Ventoux</td>
</tr>
<tr>
<td>25.</td>
<td>Val de Loire</td>
</tr>
<tr>
<td><strong>Greece</strong></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Νεμέα (transcription into Latin Alphabet: Nemea)</td>
</tr>
<tr>
<td>2.</td>
<td>Ρετσίνα Αττικής (transcription into Latin alphabet: Retsina Attikis)</td>
</tr>
<tr>
<td>3.</td>
<td>Πελοποννησιακός (transcription into Latin alphabet: Peloponnese)</td>
</tr>
<tr>
<td>4.</td>
<td>Σάμος (transcription into Latin Alphabet: Samos)</td>
</tr>
<tr>
<td><strong>Croatia</strong></td>
<td>Dingač</td>
</tr>
<tr>
<td><strong>Hungary</strong></td>
<td>Tokaj/Tokaji</td>
</tr>
<tr>
<td><strong>Italy</strong></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Acqui / Brachetto d'Acqui</td>
</tr>
<tr>
<td>2.</td>
<td>Asti</td>
</tr>
<tr>
<td>3.</td>
<td>Barbaresco</td>
</tr>
<tr>
<td>4.</td>
<td>Bardolino Superiore</td>
</tr>
<tr>
<td>5.</td>
<td>Barolo</td>
</tr>
<tr>
<td>6.</td>
<td>Brunello di Montalcino</td>
</tr>
<tr>
<td>7.</td>
<td>Chianti</td>
</tr>
<tr>
<td>8.</td>
<td>Conegliano Valdobbiadene - Prosecco</td>
</tr>
<tr>
<td>9.</td>
<td>Prosecco</td>
</tr>
<tr>
<td>10.</td>
<td>Dolcetto d'Alba</td>
</tr>
<tr>
<td>11.</td>
<td>Franciacorta</td>
</tr>
<tr>
<td>12.</td>
<td>Lambrusco di Sorbara</td>
</tr>
<tr>
<td>13.</td>
<td>Lambrusco Grasparossa di Castelvetro</td>
</tr>
<tr>
<td>14.</td>
<td>Marsala</td>
</tr>
<tr>
<td>15.</td>
<td>Montepulciano d'Abruzzo</td>
</tr>
<tr>
<td>16.</td>
<td>Sicilia</td>
</tr>
<tr>
<td>17.</td>
<td>Soave</td>
</tr>
<tr>
<td>18.</td>
<td>Toscana/Toscano</td>
</tr>
</tbody>
</table>
Supplying Markets

Currently, the local wine market features wines from such areas as France, Italy, Chile, USA, and Australia:

**French wines** are very popular in Vietnam, the most well-known of which is Bordeaux. However, estimates retrieved from the International Trade Centre reveal that Vietnamese consumers are slowly shifting their preferences away from French wine. In 2010, French wine exports to Vietnam accounted for 35.3% of the market, while in 2015 this number has dropped to 34.5%. Meanwhile, over the same period, imports from Italy and Chile have grown exponentially. In the case of Chile, the 2011 bilateral trade agreement with Vietnam has largely accounted for this massive increase.

Comparatively speaking, **Italian wines** account for a lower market share than French wines. However, in recent times, Italian wines have been gaining relative success in the Vietnamese market. In 2010, Italian exports of wine to the Vietnamese market amounted to approximately 490€ thousand compared to approximately 2.2€ million in 2015, which is almost a five-fold increase. In terms of market share, the market share for Italian wines in Vietnam was 4.9%, while in 2015, the market share increased to 10.8%. It has been noted that Italian wines has become more popular in Vietnam due to the perception that Italy is a country that produces high quality and healthy foods and beverages.

**Chilean wines** have become increasingly popular in Vietnam. This has been the case because of its affordability and the ease with which it can be paired with Vietnamese foods. In 2010, Chilean wine exports to Vietnam amounted to 2.7€ million. By 2015, these exports increased substantially to 7.1€ million. Importantly, as exports have increased, so has the market share for Chilean wines. In 2015, Chilean and French wines were forerunners, each accounting for 34.5% of market share. As a result of the free trade agreement between Vietnam and Chile, the amount of Chilean wine available in the Vietnamese market has increased due to significantly lower customs duties.

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102 ©Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)
103 Ibid
104 Ibid
Local Competitors
In terms of availability, Vang Dalat from Ladofoods is the easiest one to find as it is available in almost every restaurant and corner store in Vietnam. It’s “hearty blend of crushed red grapes and fermented mulberry juice” only makes the red wine brand more attractive to the Vietnamese consumer.

In 2015, Ladora Winery from Ladofoods officially launched a premium Vietnamese wine, namely Chateau Dalat. It is Vietnam’s first premium wine. With its quality products and strong and fascinating tastes, Chateau Dalat has quickly conquered the local market. It also immediately attracted the attention of providers of wine gourmet and distributors. Indeed, the success of Chateau Dalat offers new prospects for premium local wine. Moreover, it has sparked renewed confidence and inspiration in Vietnamese wine producers. 

Challenges for EU Producers
While there have been positive developments that have sought to liberalize the Vietnamese economy, it has been found that there are still some protectionist policies that exist within the wine industry. Taxes imposed on wine include 50% import duty, 30% special consumption tax and 10% VAT. Furthermore, it has been found that changes in SCT calculation, as regulated in Law 106/2016/QH13 and the enforced Decree 108/2015, have adversely affected exports of wine into Vietnam.

Specific Customs and SPS Requirements
Owing to the results of the EU-Vietnam FTA negotiations, the import tariff on wines will be liberalized after 7 years from the date of entry into force. The FTA is expected to come into force in 2018. Besides the import tariffs which will decrease over the years after the FTA implementation, EU wine exporters/producers in Vietnam will still be liable for Value

Added Tax of 10% and Special Sales Tax, applied to alcoholic products. For wine and spirits (alcohol by volume lower than 20°) the tax rate of 35% is applied.\textsuperscript{109}

\textbf{Market entry}

The common practice employed by foreign distributors of beverage products is setting up a trading company in Vietnam. This is because Vietnam allows beverage imports and distribution for companies, registered and investing in Vietnam. Additionally, the local presence allows such foreign companies to improve their quality control and react quicker in comparison to their counterparts based overseas.\textsuperscript{110}

Another mode of market entry is a cooperation with local companies. This provides a foreign investor with an advantage on the Vietnamese market as the domestic company has a network and understands the market. In some cases, this market entry transforms local companies into wholly owned foreign companies as the foreign firm invests to further exploit the market opportunities in Vietnam.\textsuperscript{111}

The following are some important rules surrounding the wine production business according to the Decree no.105/2017/ND-CP dated 14 Sep 2017, which was issued by the Government of Vietnam on November September 14 that is replacing the Decree No. 94/2012/ND-CP dated November 12, 2012 and stiffening some regulations.\textsuperscript{112}

Wine shall be imported into Vietnam through only international border gates. According to the new rules, “\textit{Alcohol importers do not have to submit additional document “the written appointment or authorization as an official distributor or importer of the producer or trader, or the agent contract of the producer or trader of those items”}”\textsuperscript{113}

According to the Law, except the provisions at Article 12 of this Decree, only wine products with legal brands shall be consumed in Vietnam. Such products must have their brands in proper line with regulations on brand. As for export wine, it's necessary to make brand name for goods in accordance with requirements of importers as long as those requirements do not mislead the nature of goods and do not violate Vietnam laws as well as importers ones.

Wine produced for sales at home and wine imported to consume in Vietnam must be stamped on their packages as stipulated by the Ministry of Finance (excluding producing wine by traditional manual methods for selling to the enterprises licensed to produce wine for further processing).

From January 1st, 2014, wine products for domestic uses must be stamped. The Ministry of Finance makes provisions on printing, stamp issuance and management of stamps for both domestic wine products and imported ones. Stamps for domestic and imported wine products shall only be granted for individuals, organizations who attain registration certificate of wine production or business registration certificate of wine products distribution. Wine products for export, purchase or exhibition abroad must be stamped properly according to the law of the importing country.

\textsuperscript{109} “Vietnam’s beverage industry “EU – Vietnam Business Network (EVBN), available at \url{http://evbn.org/vietnam-beverage-industry-report/}
\textsuperscript{110} “Vietnam’s beverage industry “EU – Vietnam Business Network (EVBN), available at \url{http://evbn.org/vietnam-beverage-industry-report/}
\textsuperscript{111} Ibid, pp. 28
Imported wine products may include finished bottle or can or barrel wine products for immediate uses and wine in the form of semi-finished and ancillary materials for making up finished wine in Vietnam. Imported wine must acquire legal documents according to current laws and acquire standards of imported wine stamping as provided in Article 15 of this Decree. Imported wine must have brand as provided in Article 14 of this Decree and other regulations of relevant laws.

Only enterprises occupying business registration certificate of wine products distribution are capable of importing wine directing and may take responsibilities for imported wine quality and safety. According to the new rules, "in the case of importing semi-finished alcohol, enterprises can only sell to the enterprises which have "industrial alcohol production license". Enterprises with "industrial alcohol production license" are allowed to import or entrust the import of semi-finished alcohol for the production of alcohol."\(^\text{114}\)

**Importer Registration**

All imported and domestically produced foods, other than fresh fruits and meat, require a Food Standards Registration Certificate from the Vietnam Food Administration in the Ministry of Health.\(^\text{115}\) This certificate is valid for three years. In addition, imports of a broad range of agricultural products require an automatic import license from the Ministry of Industry and Trade for each import consignment. Therefore, an importer must present the following documents to obtain the license from the Ministry: a business registration certificate, import contract, commercial invoice, payment document (such as a letter of credit), and a bill of lading.\(^\text{116}\)

**Special Consumption Tax**

On April 6, 2016, the National Assembly of Vietnam passed Law 106/2016/QH13 (Law 106) on amending and adding a number of articles to Law on Value Added Tax, the Law on Special Consumption Tax (SCT), and the Law on Tax Management.\(^\text{117}\) The Law will adversely affect imports of alcoholic beverages by changing the tax basis for how the special consumption tax is collected. It will come into force on July 1, 2016. As articulated in Article 1 (4), the SCT rates that apply to all alcoholic beverages will be increased by 5% every year in 2016 and 2018.\(^\text{118}\)

Hence, in the case of wine where alcohol content is less than 20% by volume, the following increases will apply to SCT rates:

- January 1, 2016: from 25% to 30%
- January 1, 2018: from 30% to 35%

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\(^{114}\) Ibid.


\(^{116}\) Ibid.


Overall, the new Law regulation will make wine more expensive following its entry into force on January 1, 2016 and may be a significant impediment for EU wine exporters.

**Product-Specific Labelling**

Besides the compulsory labelling requirements which are required for all imported goods into Vietnam, labels for alcoholic products, including wine, must contain\(^{119}\):

- Quantity;
- Ethanol contents;
- Expiration date (if any);
- Instructions for storage (for wines);
- Warnings (if any); and
- Lot number (if any).

**Distribution**

For foreign companies to export food and beverage products and distribute them through both wholesale and retail channels, they are required to be registered in Vietnam as well as to have an investment license.\(^{120}\) If a foreign company does not have an investment license for distribution and invoicing, they must work with an authorized agent or distributor in order to sell their products in Vietnam. For a commission, a typical agent will provide market research, marketing and promotion, as well as after sales service to consumers. Distributors may also decide to purchase goods from foreign companies for resale. In some cases, distributors can also sometimes perform the functions of an agent.

The majority of alcoholic drinks were distributed through on-trade channels due to rising common perception of drinking to socialize.\(^{121}\) According to information retrieved from Euromonitor International and VPBS Research, on-trade distribution of alcoholic drinks in Vietnam accounted for 82.6% of the market share, while off-trade channels accounted for 17.4% of the market share.

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Challenges for EU Producers
EU producers who are seeking to sell their wines in the Vietnamese market may find the market challenging for a number of reasons. The main reason is that consumers have very limited information about wines. Additionally, it has been noted that consumers may feel less comfortable in wine shop as they tend to feel pressured to select the right wine. Salespersons have also been found to be poorly trained and not well equipped to handle consumers’ queries. As a result, consumers tend to prefer to make their wine purchases in supermarkets. Furthermore, it has been found that the outward appearance of many wine shops is uninviting, making them unappealing to customers.
3.2 Spirits

Consumption
It has been reported that Vietnamese consumers have started to consume more alcohol. “According to Pham Thi Hoang Anh, director of non-governmental organisation HealthBridge, Viet Nam consumes over 3 billion litres of beer and nearly 68 million litres of alcohol each year, costing US$3 billion a year”. Additionally, it has been found that “57.72 per cent of Vietnamese households often use alcohol”. With regard to spirits consumption, general statistics shows that spirits are not so popular in Vietnam than wines and beer. However, hard liquor consumption is also on the rise, as in 2015 Vietnamese people drank about “342 million litres of spirits last year [2015] – a 40 per cent increase from

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123 Ibid.
2010." This however, makes up about 3.5 liters of hard liquor per year per person, which is well below the average in many European countries.

**Consumer Trends**

The following are a few trends related to spirits consumption in Vietnam:

- The results of a “survey [conducted by HealthBridge] showed that alcohol and beer are on their [average Vietnamese Consumer] regular daily food list, and not just on holidays”.

- As a result of a growing young population and the emergence of an increasingly affluent and urban middle class, consumers increasingly prefer to socialize in restaurants with the consumption of alcoholic drinks. Moreover, there will also likely be a shift towards more premium products over the forecast period.

- It has been found that “consumers generally prefer spirits such as vodka, cognac, brandy and whiskey to wine”. As expatriates and tourists are one of the main consumer groups in wine and spirits sector, the growing tourism sector is likely to increase sales of wine and spirits in Vietnam.

- According to various sources, consumption of alcohol in Vietnam is expected to increase. Together with this, also spirits’ consumption is expected to increase.

It is forecasted that Scotch whisky exports to Vietnam could be boosted after the EU and Vietnam reached a deal over a free trade agreement (FTA). The Scotch Whisky Association (SWA) believes that the deal should encourage future expansion in Vietnam for the industry. The FTA will help gradually phase out the import tariff as well as tackling other trade restrictions.

**Consumer Profiles**

Spirits are consumed mainly in hotels, restaurants, bars, clubs, nightclubs, parties and events attended by more affluent consumers who are willing to pay for luxury drinks. Additionally, a small but steadily increasing number of women are joining the men at the bar, also drinking hard liquor.

**Challenges for EU Producers**

One of the major barriers that exist in the alcoholic drink industry in Vietnam is the prohibition of advertising and the promotion of wines and spirits in all forms of media. This is the case for spirits that are equivalent to more than 15% of alcohol by volume. However, there are no advertising restrictions on beer and ready-to-drink beverages.

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130 Ibid.
Offer

Domestic Offer
The spirit industry in Vietnam has enormous potential, especially whisky and vodka, due to major investments coming from the largest international player, Diageo Plc. Moreover, under the Trans-Pacific Partnership Agreement which was signed at the end of 2015, it is anticipated that there will be a reduction in the import tax on spirits. This is likely to have a strong negative effect on local producers of spirits. Thus, domestic players are likely to invest more in order to improve their product quality and service, as well as their distribution networks, in order to survive and grow.

Imports
Over the period 2010-2015, the value of spirits imports into the Vietnamese market grew by an astounding 113%.

According to the International Trade Centre, imports in 2010 were recorded at approximately 23€ million but increased to 49€ million by 2015. Imports of spirits from the EU accounted for 88% of the market share in 2015. The major countries from which Vietnam imported and their respective market shares are as follows: France (59%), the United Kingdom (27%), Russia (6%) and the United States of America (1%).

The figure below shows the trends in Vietnamese imports from the EU over the period 2010-2015.

Figure 9 Vietnam’s Imports of Spirits from the EU

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134 Ibid
Exports
In 2015, exports of spirits from Vietnam were estimated at 10,052 tonnes.\textsuperscript{135} The value of exports grew exponentially from 2010 – an over six-fold increase. Exports in 2013 were estimated at 68€ million compared to 99€ million in 2015. The major export destinations and their respective market shares in 2015 were: China (47.3%), Papua New Guinea (23.5%) and Japan (8.2%).

Figure 10 Vietnamese Exports of Spirits

GI Labelling
Vietnam has an established GIs registration system in place and foreign companies can also apply for PDO and PGI recognition. Currently, there are only two spirits which are registered GIs from the EU in Vietnam. These are Cognac from France (Registration no: 00003) and Scotch Whisky from Scotland (Registration no: 00023).\textsuperscript{137} However, the EU-Vietnam FTA contains comprehensive provisions on the mutual protection of GIs. Vietnam has agreed to protect 169 GIs from the EU, including spirits.\textsuperscript{138} Table 9 shows the GI spirits from the EU which are protected under the EU-Vietnam FTA.

Table 7 List of European Union GIs protected under the EU-Vietnam FTA\textsuperscript{139}

<table>
<thead>
<tr>
<th>Country</th>
<th>Designation Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>1. Inländerrum</td>
</tr>
<tr>
<td></td>
<td>2. Jägertee/Jagertee/Jagatee</td>
</tr>
<tr>
<td>Cyprus</td>
<td>1. Zιβαβia/Tζβαβia/Zιβαβia/Zivania</td>
</tr>
<tr>
<td>Germany, Austria, Belgium (German speaking Community)</td>
<td>1. Korn/Kornbrand</td>
</tr>
<tr>
<td>Denmark</td>
<td>1. Brandy de Jerez</td>
</tr>
<tr>
<td></td>
<td>2. Pacharán navarro</td>
</tr>
<tr>
<td>Finland</td>
<td>1. Suomalainen Vodka/Finsk</td>
</tr>
</tbody>
</table>

\textsuperscript{135} ©Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)
\textsuperscript{136} Ibid
\textsuperscript{139} Ibid
<table>
<thead>
<tr>
<th>Country</th>
<th>Spirits and Variations</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>Vodka/Vodka of Finland 1. Armagnac 2. Calvados 3. Cognac ; Eau-de-vie de Cognac ;</td>
</tr>
<tr>
<td></td>
<td>Eau-de-vie des Charentes</td>
</tr>
<tr>
<td>Greece, Cyprus</td>
<td>1. Oúζο (transcription into Latin alphabet: Ouzo)</td>
</tr>
<tr>
<td>Hungary</td>
<td>1. Pálinka 2. Törkölfpálinka</td>
</tr>
<tr>
<td>Ireland</td>
<td>1. Irish Cream 2. Irish Whiskey/Usce Beatha Eireannach/Irish Whisky</td>
</tr>
<tr>
<td>Italy</td>
<td>1. Grappa</td>
</tr>
<tr>
<td>Lithuania</td>
<td>1. Originali lietuviška degtinė</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>1. Genièvre/Jenever/Genever</td>
</tr>
<tr>
<td>Poland</td>
<td>1. Polish Cherry 2. Polska Wódka/Polish vodka 3. Wódka ziołowa z Niziny Północnopodlaskiej aromatyzowana ekstraktem z trawy żubrowej / Herbal vodka from the North Podlasie Lowland aromatised with an extract of bison grass</td>
</tr>
<tr>
<td>Sweden</td>
<td>1. Svensk Vodka/Swedish Vodka</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1. Scotch Whisky</td>
</tr>
</tbody>
</table>
**Local Competitors**

Hanoi Liquor JSC (Halico) continued to dominate spirits in 2015 with a total volume share of 52%. The main reason for this is its longstanding prestige and the wide distribution of its brands. In 2013, the company was listed in the Top 100 Vietnamese companies and was awarded with the Vietnam Golden Star prize. In addition, its strategic partnership with Diageo Plc represents a significant venture into the fast-growing branded spirits industry in Vietnam. Halico produces a range of popular, reasonably priced, rice-based vodkas, including Hanoi Vodka, Nep Moi and Lua Moi.

In addition to the investment in Halico, Diageo has a joint venture with Sabeco, another state-owned brewer, to produce a local whiskey brand called Wall Street.

**Specific Customs and SPS Requirements**

Owing to the results of the EU-Vietnam FTA negotiations, the import tariff on spirits will be liberalized after 7 years from the date of entry into force. The FTA is expected to come into force in 2018.

On April 6, 2016, the National Assembly of Vietnam passed Law 106/2016/QH13 (Law 106) on amending and adding a number of articles to Law on Value Added Tax, the Law on Special Consumption Tax (SCT), and the Law on Tax Management. The Law will adversely affect imports of alcoholic beverages by changing the tax basis for how the special consumption tax is collected. It will come into force on July 1, 2016. As articulated in Article 1 (4), the SCT rates that apply to all alcoholic beverages will be increased by 5% from 2016 to 2018. In the case of spirits where alcoholic content is 20% by volume and above, the following increases in rates should apply:

- January 1, 2016: from 50% to 55% ad valorem
- January 1, 2017: from 55% to 60%
- January 1, 2018: from 60% to 65%

**Importer Registration**

All imported and domestically produced foods, other than fresh fruits and meat, require a Food Standards Registration Certificate from the Vietnam Food Administration in the

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Ministry of Health.\textsuperscript{142} This certificate is valid for three years. In addition, imports of a broad range of agricultural products require an automatic import license from the Ministry of Industry and Trade for each import consignment. Therefore, an importer must present the following documents to obtain the license from the Ministry: a business registration certificate, import contract, commercial invoice, payment document (such as a letter of credit), and a bill of lading.\textsuperscript{143}

**Product-Specific Labelling**

Besides the compulsory labelling requirements which are required for all imported goods into Vietnam, labels for alcoholic products, including spirits, must contain\textsuperscript{144}:

- Quantity;
- Ethanol contents;
- Expiration date (if any);
- Instructions for storage (for wines);
- Warnings (if any); and
- Lot number (if any).

**Distribution**

In order to export food to Vietnam and distribute it through both wholesale and retail channels, companies need to be registered in Vietnam and have an investment license.\textsuperscript{145} If a foreign company does not have an investment license for distribution and invoicing, then it must work with an authorized agent or distributor in order to sell its products in Vietnam. A typical agent will also provide market research, marketing and promotion and after sales service to consumers. Additionally, distributors will purchase goods from foreign companies for resale, and can also sometimes perform the functions of an agent.

*Figure 11 On and Off Trade Market Share in Alcoholic Beverages, Vietnam*

3.3 Beer

**Consumption**

With a population of 93 million and a beer-drinking culture, Vietnam is an attractive market for EU beer exports. Vietnam has been the top beer-consuming nation in South East Asia since 2010 and is now "among the 25 countries with the highest increase rates of alcohol and beer consumption".  

In particular, beer consumption in Vietnam has continuously increased since 2013 when per capita consumption amounted to 33.9 liters of beer. In 2018, the number is expected to reach 40 liters and is forecasted to increase up to 42.6 liters of beer by 2020. Beer is also the most popular alcoholic drink in Vietnam.

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**Consumer Trends**

Since the 1900s, “beer drinking has become a culture” in Vietnam. As Vietnam has hot and humid temperatures all year round, beer is wildly popular for its taste and coolness, which can immediately freeze the heat and thirst.

Beer is regarded by Vietnamese consumers as a necessity, either in business meetings or in informal gatherings of friends. Some consumers also have a habit of drinking beer during their meal to help them easily digest food. This trend has supported the growth of alcoholic drinks as large numbers of beer restaurants have opened on streets, especially around universities and industrial parks.

It has also been found that more formal restaurants have been built in recent years to cater to the more affluent income groups. Furthermore, these restaurants are known to offer customers “diverse kinds of beer bottles and cans, along with fresh beer, draught beer in small keg (2l) and imported beer from countries such as Germany, Czech or Australia”. Overall, formal restaurants tend to be cleaner than street-side options; “but the price is often 15 -20% higher”.

As a result of increasing income levels and busier lifestyles, Vietnamese people tended to eat out more often. Moreover, the foodservice industry saw big developments in terms of new outlets and revenue streams. All the above factors contributed to healthy growth of beer via the on-trade channel in the country.

Despite imported beers being more expensive than local beers, “Vietnam’s middle and high income consumers are developing a stronger taste for foreign brands”. In addition, “prices range from VND20,000 – 40,000 (US$1 – 2), between double and four times the cost of domestic beer.” Nevertheless, even though local beer brands are preferred, there has been an increase in sales of foreign beer brands in recent times.

Competition is getting tougher for domestic brewers as foreign rivals increased their shares within the country’s beer industry after Vietnam joined the Trans-Pacific Partnership (TPP). Under the TPP, Vietnam will remove its tax on imported beer from 35 % to 0 %. Thus, both local and foreign beer manufacturers are expected to make more effort in order to win lucrative shares within the Vietnamese market.

Glass bottles were popular within on-trade channels, where a deposit system was employed and food outlets paid a deposit for bottles. Metal beverage cans seemed to be more popular within off-trade channels as they were easier to store and transport.

Draught beer was previously produced by unbranded manufacturers with doubtful quality. However, over the review period, on-trade channels saw increasing numbers of food outlets serving draught beer, originating from Germany, Belgium, or the Czech Republic. This draught beer was brewed in the food outlet and was offered at a considerably higher price than normal beer. Although the sales of draught beer were still negligible in 2011, draught beer is expected see high growth rates over the forecast period.

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151 Ibid.
154 Ibid.
Consumer Profiles
In the past, imported beer was mostly sold to high-income earners but there have been emerging trends. As the prices of beer have decreased and disposable incomes have increased, there has been an influx of middle-income consumers who are demanding imported beer.

Offer

Domestic Offer
Vietnam is seeking to boost its beer output over the next several years to meet an expected rise in demand at home and abroad. It is estimated that the Government of Vietnam “aims to produce 4.1 billion liters of beer in 2020, up from 3.4 billion liters in 2015”\(^ {157}\). Furthermore, the growth prospects for beer after 2020 are predicted to remain strong. “Beer output will be raised to 4.6 billion liters in 2025 and 5.5 billion in 2035, according to the blueprint that was recently released by the Ministry of Industry and Trade.”\(^ {158}\)

According to information retrieved from the Vietnam Supply Chain, lager is the main type of beer in Vietnam.\(^ {159}\) Vietnamese consumers are very familiar with the taste of lager; however, they are also open to trying new tastes. Other types of beer such as dark beer, stout and low-alcohols are not very popular in the country. Consequently, standard lager holds the lion’s share, with its majority shares of 67% of total lager sales due to pricing strategies that appeal to still low disposal-income per capita. Additionally, there was a large gap of at least 43% higher in unit price range of each segment including premium, standard and economy.\(^ {160}\)

Imports
Over the period 2010-2015, the value of beer imports into the Vietnamese market grew by approximately 208%.\(^ {161}\) According to the International Trade Centre, imports in 2010 were recorded at approximately €2 million but increased to approximately €5 million by 2015. Imports of beer from the EU accounted for around 55% of the total market share for imports in 2015. The major countries from which Vietnam imported and their respective market shares in 2015 were as follows: Netherlands (28.6%), Germany (13.5%), Mexico (12.7%), and the United States of America (9.6%). The figure below shows the trends in Vietnamese imports from the EU over the period 2010-2015.


\(^{158}\) Ibid.

\(^{159}\) "Beverage Supply Chain." Vietnam Supply Chain, [http://vietnamsupplychain.com/assets/files/54bf1207b86eaVSC_BeverageSupplyChain_2015.pdf](http://vietnamsupplychain.com/assets/files/54bf1207b86eaVSC_BeverageSupplyChain_2015.pdf)


\(^{161}\) ©Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)
With regard to imported beer, brands from Australia, the US, the Czech Republic and Germany were among the most popular in Vietnam.\footnote{Ibid} Imported brands came with higher prices, thus catering to the premium segment of the market. Although imported premium lager saw robust growth in 2011, the category remained minimal in terms of volume sales. Many Vietnamese consumers found that the prices of imported beer were too expensive, compared to domestic beer.

Presently, the number of imported brands is much more than domestic brands. It has been reported that “at the beer section of a Big C store in District 2, imported beer accounts for two-thirds of the selection, including brands such as Japan’s Asahi, Corona, German brands Oettinger and Bitburger and Royal Dutch”.\footnote{“Demand for imported beer surges.” Viet Nam News, Sept. 2014, \url{http://vietnamnews.vn/economy/260111/demand-for-imported-beer-surges.html#p4jpWVMbIe20odoX.99}} In addition to a growing supermarket presence, advertisements are also appearing online in a bid to attract more buyers.

**Exports**

According to data retrieved from the International Trade Centre, Vietnam exported 71,501 tonnes of beer in 2015.\footnote{© Trade Map, International Trade Centre, \url{www.trademap.org}} Vietnamese exports of beer amounted to approximately 18€ million in 2010. This amount increased to 62€ million in 2015. The main export destinations for Vietnamese beer and their respective market shares in 2015 were as follows: Singapore (45.2%), Japan (13.8%), Australia (10%) and Hong Kong, China (6.8%).

GI Labelling

Vietnam has an established GIs registration system in place and foreign companies can also apply for PDO and PGI recognition. Currently, there are no beers from the EU which are registered as GIs in Vietnam. However, the EU-Vietnam FTA contains comprehensive provisions on the mutual protection of GIs. Vietnam has agreed to protect 169 GIs from the EU, including beers.\textsuperscript{167} Table 10 shows the GI beers from the EU which are protected under the EU-Vietnam FTA.

Table 8 List of European GI Beers recognized under the EU-Vietnam FTA\textsuperscript{168}

<table>
<thead>
<tr>
<th>Country</th>
<th>Designation Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>1. České pivo</td>
</tr>
<tr>
<td></td>
<td>2. Českobudějovické pivo</td>
</tr>
<tr>
<td>Germany</td>
<td>1. Bayerisches Bier</td>
</tr>
<tr>
<td></td>
<td>2. Münchener Bier</td>
</tr>
</tbody>
</table>

\textsuperscript{166} Ibid
\textsuperscript{168} Ibid
Local Competitors

In 2015, Saigon Alcohol Beer & Beverages Corp (Sabeco) remained the biggest player in beer with a total volume share of 46%. The company is also the biggest player in 2017. The company employed active marketing and held a wide distribution network, especially in southern Vietnam where drinking is a very popular daily routine. Moreover, its prestigious brand names, longstanding presence, reasonable prices and good tasting products were other reasons which helped the company to successfully protect its leading position over the review period. The company also tried to tap into the premium segment to compete with other premium standard lager brands.

There are a number of famous beer producers in Vietnam, but "the most popular are Hanoi Beer, Saigon Beer and Huda Beer". In the Northern part of Vietnam, Hanoi Beer is also noted as one of the pioneers in beer production in the previous century. There are also different product types that range from traditional draught beer to modern bottled and canned beer. Further, it has been reported that the "price for bottles and cans of Hanoi Beer varies for 6,000 to 15,000 (28 to 75 US cents) [25-70 € cents] and for a 50l keg of draught beer, it is around 350,000 VND ($17.5) [15 EUR]".

The figure below provides a comprehensive overview of the market shares for beer in Vietnam in 2013 and the respective shares per beer brand.

Figure 14 Beer Market and Brand Shares (2015)

Source

171 Ibid.
Specific Customs and SPS Requirements

Foreign beers are subject to a 35% import tax, a 50% special consumption tax, and a 10% value-added tax.\(^{173}\) Owing to the results of the EU-Vietnam FTA negotiations, the import tariff on beers will be liberalized after 10 years from the date of entry into force. The FTA is expected to come into force in 2018.

Special Consumption Tax: On April 6, 2016, the National Assembly of Vietnam passed Law 106/2016/QH13 (Law 106) on amending and adding a number of articles to Law on Value Added Tax, the Law on Special Consumption Tax (SCT), and the Law on Tax Management. The Law will adversely affect imports of alcoholic beverages by changing the tax basis for how the special consumption tax is collected. It will come into force on July 1, 2016. As articulated in Article 1 (4), the SCT rates that apply to all alcoholic beverages will be increased by 5% from 2016 to 2018. In the case of beer, SCT rates will increase by 5% for every year from 2016 to 2018 as follows:

- January 1, 2016: from 50% to 55%
- January 1, 2017: from 55% to 60%
- January 1, 2018: from 60% to 65%

Importer Registration

All imported and domestically produced foods, other than fresh fruits and meat, require a Food Standards Registration Certificate from the Vietnam Food Administration in the Ministry of Health.\(^{174}\) This certificate is valid for three years. In addition, imports of a broad range of agricultural products require an automatic import license from the Ministry of Industry and Trade for each import consignment. Therefore, an importer must present the following documents to obtain the license from the Ministry: a business registration certificate, import contract, commercial invoice, payment document (such as a letter of credit), and a bill of lading.\(^{175}\)

Product-Specific Labelling

Besides the compulsory labelling requirements which are required for all imported goods into Vietnam, labels for alcoholic products, including beer, must contain\(^{176}\):

- Quantity;
- Ethanol contents;
- Expiration date (if any);
- Instructions for storage (for wines);
- Warnings (if any); and
- Lot number (if any).


\(^{175}\) Ibid.

Challenges for EU Producers

According to information retrieved from Vietnam Net Bridge, “economists have proposed a higher luxury tax on beer, liquor and wine products”.\(^\text{177}\) This could adversely affect EU exports of beer to Vietnam and will undoubtedly lead to higher prices for beer. This could be discouraging for sales of foreign beer as imported beers are already more expensive than local beers.

**Distribution**

In order to export food to Vietnam and distribute it through both wholesale and retail channels, companies need to be registered in Vietnam and have an investment license.\(^\text{178}\) If a foreign company does not have an investment license for distribution and invoicing, then it must work with an authorized agent or distributor in order to sell its products in Vietnam. A typical agent will also provide market research, marketing and promotion and after sales service to consumers. Additionally, distributors will purchase goods from foreign companies for resale, and can also sometimes perform the functions of an agent.

It was also found that most alcoholic drinks were distributed through trade channels. This is due to the growing perception of drinking for socializing purposes in Vietnam. On-trade distribution of alcoholic drinks counted for 82.6% of the market share and off-trade channels only accounted for 17.4% of the market share in Vietnam.\(^\text{179}\)

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\(^{179}\) Ibid
Figure 15 On Trade and Off Trade Market Share in Alcoholic Beverages, Vietnam

![Diagram showing market share in Vietnam](source)

**Source**

**Geography and Major Markets**

In Southern Vietnam, drinking is a very popular daily routine. The figure below reveals that 59% of beer consumption takes place in Southern Vietnam compared to 35% in Northern Vietnam.

According to information retrieved from Vietnam Online, "Hanoi Beer was the pioneer in beer production and famous in the North of Vietnam from the previous century". However, in the Middle and South of Vietnam, people tend to prefer Huda (Hue Beer) and Saigon beer. The figure below shows the distribution of beer in Vietnam by respective beer brands.

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180 Ibid
Figure 16 Distribution of Beer in Vietnam by Respective Beer Brands

Vietnam Supply Chain\textsuperscript{183}

\textsuperscript{183}Vietnam Supply Chain, "Beverage Supply Chain." available at: http://vietnamsupplychain.com/assets/files/54bf1207b86eaVSC_BeverageSupplyChain_2015.pdf
3.4 Fresh and Processed Meat

Consumption
It has been reported that overall consumption of meat in Vietnam has risen sharply over the last decade, "rising by over 100% from 2000 to 2014 to reach 39 kg per year". Furthermore, it has long been established that pork is the country’s primary meat product, as it accounts for around 75% of total meat consumption. Vietnam’s imports of pork meat increased to 102 million tonnes in 2014, showcasing a remarkable upturn of 16% in quantity and 18.7% in value over 2013.

Consumer Trends
As is the case with other food categories, as a result of a rise in disposable incomes, population growth and urbanization, meat consumption in Vietnam has increased significantly over the last decade. In 2015, “the EU has targeted to boost meat exports to Vietnam by 5% over the figures for 2014 she [Ms Agnieszka Różanska, managing director of UPEMI] said, adding that Vietnamese love of pork is fuelling the growth”. The trend towards increased pork consumption is also visible in 2017 and is expected to continue.

It should be noted that Vietnam is one of world’s top pork consumption countries and stands second in Asia, only after China.

In terms of chicken meat, Vietnamese tend to prefer fresh chicken, which is estimated to be more expensive than frozen chicken. It has also been reported that the Vietnamese are fond of dark-meat chicken (leg quarters, drumsticks and wings).

“The ratio of red meat in the diet is still very low in Vietnamese and the demand and potential for red meat consumption in Vietnam is huge”, said the spokesperson from the Union of Producers and Employers of the meat industry in Poland. From 2016-2017, red meat imports to Vietnam from the EU have grown, but the real growth is expected once the FTA kicks in.

The demand for imported beef has grown significantly in Vietnam as a result of an increase in demand from middle and high-income groups. The demand for imported beef has grown rapidly, prominently due to the growth of the Vietnamese middle class. For example, “the growing number of supermarkets and the development of meat-oriented chain restaurants have created a huge opportunity for Australia in the live-beef export market; live buffalo exports to Vietnam are also flourishing”. Typically, much of the imported beef has been for high-end outlets, luxury hotels and restaurants which target expatriates and wealthy Vietnamese.

The demand for foreign meat products in general is on the rise as explained by Mr. BT Tee, Deputy Chief, Vietnam Representative Office, Singapore Exhibition Services organiser of Food&HotelVietnam2015, one of the most prominent trade shows in Vietnam: “Economic growth, a flourishing hospitality and food services industry and changing

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consumer tastes have certainly given rise to a surge in demand for imported meats in Vietnam. This presents a great opportunity for international meat suppliers”.  

**Consumer Profiles**

"Buying fresh meat after slaughtering from wet market is still practiced by 86 per cent of Vietnamese people”. This is related to the fact that when visiting super-markets and convenience stores, Vietnamese people do not normally buy processed food. This tendency has been progressively changing recently, due to consumers opting to use modern retail channels for purchasing. The trend of buying meat products in supermarkets is expected to grow within the next 5 years.

Vietnamese consumers eat meat on a regular basis, as especially pork and chicken meat are found in many traditional Vietnamese dishes.

**Offer**

**Domestic Offer**

As stated above, meat consumption is rising in Vietnam, including that of poultry meat and pork meat. To meet the higher demand from local market, local poultry and pork production has significantly risen over the past five years, while beef production has remained stable.

A table below shows the trends of beef, chicken and pork production during the past 4 years. These trends are expected to continue for the next 5 years as well.

*Figure 17 Vietnam’s Meat Production*

<table>
<thead>
<tr>
<th>Year</th>
<th>Pork</th>
<th>Poultry</th>
<th>Beef</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1000</td>
<td>500</td>
<td>0</td>
</tr>
<tr>
<td>2015</td>
<td>1500</td>
<td>1000</td>
<td>500</td>
</tr>
<tr>
<td>2016</td>
<td>2000</td>
<td>1500</td>
<td>1000</td>
</tr>
<tr>
<td>2017</td>
<td>2500</td>
<td>2000</td>
<td>1500</td>
</tr>
</tbody>
</table>

It should be noted that Vietnam is a net importer of poultry and pork meat and a net exporter of beef meat.

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Imports

“Vietnam’s beef and pork product imports from the European Union (EU) have increased 70 times in 2014, compared with 2012”, industry experts have said. In like manner, statistics retrieved from the International Trade Centre reveal that Vietnam imported 79€ million worth of meat and edible meat offal (HS Chapter 02) in 2010. This amount increased to 272€ million by 2015. The main countries from which Vietnam imported meat and edible meat offal in 2015 and their respective market shares were: US (31.8%), India (28.4%), Australia (11 %) and Brazil (7.9%). The figure below shows trends in imports for several categories of meat and edible meat offal over the period 2010-2015.

Key exporters of pork to the Vietnamese market are the US and Canada. As the local beef is of low quality and the cattle production is limited, recently Vietnam has imported considerable amounts of beef from Australia, India, New Zealand, Argentina and the United States, resulting in the steady increase in total beef imports.

Figure 18 Vietnam’s Imports of Meat and Edible Meat Offal

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197 ©Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)


199 ©Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)
As it relates to processed meat imports, specifically HS codes 1601 (i.e. prepared or preserved meat, offal or blood (excluding sausages and similar products, etc.) and 1602 (sausages and similar products, of meat, offal or blood; etc.), imports into Vietnam in 2015 amounted to 1.1€ million and 3.5€ million, respectively.

Imports of products that fall under the HS 1601 category came mainly from Italy (66.4 %), Australia (9.2%) and France (7.6%). The EU’s market share in this category was 81.1%.

Imports of products that fall under the HS 1602 category came mainly from the US (26.7%), Malaysia (20.6%), Denmark (14%) and Thailand (9.4%). The EU’s market share in this category was 28.3%.

*Figure 19 Vietnam’s Imports of Processed Meat*
Exports

In 2010, Vietnamese exports of products that fall under the HS category 02 (Meat and Edible Meat Offal) amounted to 30€ million. By 2015, exports increased to 77€ million. The main export destinations for such products and their respective market shares were: Hong Kong, China (63.7%), China (15%), Malaysia (10.5%), and Belgium (3.9%).

Exports of products that fall under the HS 1601 category amounted to 661,000€ and went mainly to Myanmar and Cambodia.

Exports of products that fall under the HS 1602 category amounted to 2€ million and went mainly to China, Hong Kong, China, and South Korea.

Vietnamese Imports of EU Meat and Meat Products

The Vietnamese government has agreed to import fresh and frozen meats from the US, Canada, Australia, and European Union (EU), which provides the opportunity for European-standard meat products to get an important footing in the Vietnamese market. “Currently there are more than 100 meat exporters from the EU licensed by Vietnam veterinary


201 Ibid
202 Ibid
authorities to ship meat to Vietnam, said Ms Agnieszka Rózanska, managing director of UPEMI”.

By mid-2014, “Viet Nam imported more than $85 million [80 million EUR] worth of frozen meats from 19 markets, up $12 million [10 million EUR] from the same period in 2013”. Similarly, around 2.7€ million worth of EU meat imports arrived in Vietnam in the beginning of 2014, which is seven times the amount that was imported in the same period in 2013. As shown in the graph above, in 2017 the EU meat exports (including meat offal) amounted to 39 million EUR.

For 2015, the EU has targeted to boost meat exports to Vietnam by 5% over the figures for 2014 given that Vietnamese love of pork is fueling the growth. In 2013, “Vietnam imported only 744 tons of pork from the EU but in 2014, that number bellied up to 6,149 tons”.

With its young growing population, the country presents promising prospects for, most especially, Polish meat exports both in the short term and the long term. “Poland uses the latest frozen meat preservation technology. Its meat products can be preserved for up to 18 months and still remained stable— far surpassing the 14-21 days Vietnamese meat can be preserved”. They were hopeful that the decision by the governmental officials would spill over and have a positive effect on their ability to gain access to other markets in the region as well. The union has also undertaken a campaign to promote the quality and flavor of the meat European meat processors will ship to the market with the aim of bolstering sales throughout the nation.

**Information Note about French Exports of Meat to Vietnam**

In 2015, “Vietnam has given to go-ahead to 23 beef producers in France to start exporting beef”. The licenses allowing French beef to be sold in Vietnam were issued based on the assessment of the disease control situations on cattle farms in France, conducted by the Department of Animal Health, with its results released in early March this year, according to the ministry. French beef exports to France were banned for some time. There are many French enterprises specializing in processing unit terrestrial animal products, including beef, pork, chicken, and duck, which are eligible to export their products to Vietnam. Since early this year, the ministry has also granted certification to 16 countries and territories so that they can ship meat to Vietnam, bringing the total number to 31 worldwide. 13 out of 19 Eurozone countries are included in that figure, according to the ministry.

**GI Labelling**

Vietnam has an established GIs registration system in place and foreign companies can also apply for PDO and PGI recognition. Currently, there are no meats or meat products from the EU which are registered as GIs in Vietnam. However, the EU-Vietnam FTA contains comprehensive provisions on the mutual protection of GIs. Vietnam has agreed
to protect 169 GIs from the EU, including fresh, frozen, processed and dry-cured meats.\textsuperscript{209}

Table below shows the GI meat and meat products from the EU that are protected under the EU-Vietnam FTA.

Table 9 List of European GI Meat products listed under EU-Vietnam FTA

<table>
<thead>
<tr>
<th>Country</th>
<th>Designation Name</th>
<th>Product Class</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>1. Tiroler Speck</td>
<td>Fresh, frozen and processed meats</td>
<td>Bacon</td>
</tr>
</tbody>
</table>
| Germany | 1. Nürnberger Bratwürste  
Nürnberger Rostbratwürste  
2. Schwarzwälder Schinken | Fresh, frozen and processed meats | Sausage  
Ham |
| Spain   | 1. Jamón de Huelva  
2. Jamón de Teruel | Dry-cured meats | Ham  
Ham |
| France  | 1. Canard à foie gras du Sud-Ouest  
(Chalosse, Gascogne, Gers, Landes, Périgord, Quercy)  
2. Jambon de Bayonne | Dry-cured meats | Fresh, frozen and processed meats  
Ham |
| Italy   | 1. Bresaola della Valtellina  
2. Mortadella Bologna  
3. Prosciutto di Parma  
4. Prosciutto di S. Daniele  
5. Prosciutto Toscano | Fresh, frozen and processed meats | Dried salted beef  
Mortadella  
Ham  
Ham  
Ham |

Local Competitors

In 2015, Vissan Co continued to be the leading player in processed meat and seafood, recording a 24% value share. The company had many competitive advantages, including its long-term presence, a strong brand name, good reputation, good product quality and an effective and wide distribution network. Besides, the company owned a very diverse product portfolio in both processed and raw meat and seafood. As a result, over the review period, the company continuously reinforced its leading position within the category. In 2015, it was first in shelf stable red meat, shelf stable processed poultry, chilled processed red meat, frozen processed poultry and the fastest growing category of frozen processed seafood. It was second only in shelf stable seafood, recording a 5% value share.

Specific Customs and SPS Requirements

The prevailing tariff rates for boneless chilled/frozen beef cuts are 14% and bone-in chilled/frozen beef cuts are 20%. For frozen poultry cuts the prevailing tariff rates are 20% and chilled poultry cuts are 40%. Furthermore, frozen pork cuts are 15% and chilled pork cuts are 25%.

Following the EU-Vietnam FTA, frozen pork meat will be duty free after 7 years and beef after 3 years, while chicken will be fully liberalized after 10 years. The FTA is expected to enter ratification period in 2018.

Company Registration

According to the Ministry of Agriculture and Rural Development’s (MARD) Circular, import requirements for foodstuffs of animal origin and aquatic origin and for exports of foodstuffs of animal origin and aquatic animal origin to Vietnam, all food business operators (FBOs), who produce these foods, are subject to registration to the MARD/National Agro-Forestry and Fishery Quality Assurance Department (NAFIQAD).

Export Certificates

In order to import food and agriculture products into Vietnam, the Government of Vietnam requires a variety of export certificates. In general, the Vietnam Food Administration

(VFA) under the Ministry of Health (MOH) requires a certificate of Good Manufacturing Practice (GMP) or HACCP for imports of all processed food items and food ingredients. A certificate of analysis is required for processed foods and food ingredients/additives, . The tests may be done in Vietnam at a much lower cost. Additionally, animal and plant health certificates for imports plant, plant products, animals and animal products are required by the Department of Animal Health (DAH) and the Plant Protection Department (PPD) under the Ministry of Agriculture and Rural Development (MARD). Specifically, importing meats, meat products and aquatic products specific health certificates are required. Finally, a certificate of GMP and a certificate of free sale for imports of all feed ingredients is required by the Department of Livestock Production (DLP) that operates under MARD.213

Application dossiers for inspection of imported of animal products for human consumption (meat, offal, eggs, milk and products containing these ingredients) must include214:

A letter requesting quarantine inspection of imports of animal products
Trading/Business License
HACCP certificate from food producing agencies
Certificate of free sale (a copy with the company’s stamp)
Other permission granted by authorized agencies in accordance with the regulations.

213 Ibid
Product-Specific Labelling
Labeling is exempted for raw and fresh foodstuffs, unpacked processed foodstuffs which are for sale directly to consumers.

However, packaged processed meat products need to follow the regular product packaging requirements. As stipulated in Point 1, Article 5, the mandatory labelling contents include: product name; composition; product quantity; production date; timeline for use; instruction for use and storage; name of the person and the organization responsible for the product; origin; number of Receipt of Conformity to Food Safety or Certification on Conformity to Food Safety Regulation (received from the Ministry of Health); and recommendations or warning on food safety.215

Challenges to EU Producers
Some European producers have shifted their attention to the high-end market of hotels and restaurants and domestic processing businesses because the market in Vietnam is relatively competitive. These producers have found that they could not compete with Australian and American meat in prices in off-trade distribution channel.

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3.5 Olive Oil

Strengths
- Olive oil is gaining popularity in Vietnam
- Rising disposable income increases the demand for olive oil
- Low domestic production encourages imports

Weaknesses
- Highly competitive market
- Palm oil is more popular in Vietnam, causing heavy competition for olive oil

Opportunities
- Consumers are becoming more health-conscious and prefer high-quality organic olive oil, which offers opportunities to EU producers.

Threats
- South-East Asian countries like Malaysia and Thailand are exporting more palm oil to neighboring countries including Vietnam, making palm oil even more affordable in Vietnam

Consumption

The common vegetable oils that Vietnamese consumers use are palm oil, soybean oil, olive oil, sesame oil, peanut oil, sunflower oil and rapeseed oil. In the oils and fats category, palm oil has been very popular in Vietnam, palm oil has accounted for approximately 70 per cent of market share in Vietnam, while the other categories of oil account for much lesser percentage of market share. In 2015 total cooking oil “consumption was 920,000 tons” in Vietnam\(^\text{216}\).

In 2013, Vietnam’s vegetable oil consumption per capita was estimated to be 8.6-8.7 kg per person a year which was below the world average of 13.5 kg per person a year.\(^\text{217}\) The Ministry of Trade and Industry and local producers’ forecast that per capita consumption will


increase to 16 kg per person per year by 2020, and 18.5 kg by 2025.\textsuperscript{218}

**Consumer Trends**

The consumer awareness of healthier vegetable oils is increasing in Vietnam, which is leading into a shift from animal fats to vegetable oils.\textsuperscript{219} This can particularly be seen in big cities where the consumption of costlier refined oils, such as imported olive and other oils, has grown profoundly recently.

Vietnam is very much devoted to health, beauty and healthy lifestyle, “and through its Government it recommends the use of olive juice, preferably virgin olive oil from Spain”.\textsuperscript{220} However, olive oil is relatively expensive for many consumers.

In smaller cities and rural areas, many Vietnamese consumers have started the use vegetable and seed oil instead of animal fats and home-made vegetable and seed oil.\textsuperscript{221} This trend is highly due to better living standards, better disposable income and a better knowledge of the health benefits of vegetable and seed oil compared with animal fats. Additionally, as a result of convenience as well as the efforts of manufacturers and distributors, consumers have started to buy more packaged oil products instead of producing home-made ones. In addition, butter and olive oil were more favoured thanks to their better taste and health reasons.

**Offer**

**Domestic Offer**

The vegetable oil industry in Vietnam produces various types of products for both the local and export markets.\textsuperscript{222} The main four categories of vegetable oil products in the Vietnamese market are:

- **Cooking oil:** The most common oil that is comprised mostly of pure refined palm oil, but also includes blended olein with soy oil;
- **Salad oil:** High quality, high value oil that includes for example pure sesame oil, peanut oil, soybean oil, rice bran oil, imported olive oil, canola oil, corn oil;
- **Nutritional oil:** Oil that is supplemented with nutrients such as vitamin A, D, E and DHA; and
- **Solid oil (vegetable fat):** Oil that includes frying shortening, bakery shortening, margarine, etc.

According to local producers, palm oil is the main vegetable oil product, accounting for about 70% of the market. Soy oil accounts for about 23%, while other vegetable oils account for 7% of the market.

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\textsuperscript{218} Ibid
\textsuperscript{219} Ibid.
**Imports**

Vietnam began importing olive oil only in the 2000s. Although its growth rate has been steadily increased year after year, about 44% on average, definite value of olive oil exports to Vietnam is still quite limited.

According to statistics retrieved from the International Trade Centre, imports of olive oil (i.e. products that fall under HS 1509 and 1510) amounted to approximately 1€ million in 2010. By 2014, imports increased to approximately 4€ million. Imports came almost exclusively from EU countries, with the exception of Singapore. For olive oil that falls under the category HS 1509, Spain was the dominant exporter and accounted for 50.1% of the market share in 2014. This was followed by Italy (39.8%) and Greece (6.8%). Vietnam imported 1,243 tonnes of olive oil under HS code 1509 in 2014. On the other hand, for olive oil that falls under the category HS 1510, Italy was the dominant player in the market in 2014 and accounted for 99% of the market share. Vietnam imported 143 tonnes of olive oil under HS code 1510 in 2014. In 2015 Vietnam imported about 1516 tonnes of olive oil under HS 1509.  

*Figure 22 Vietnam's Imports of Olive Oil in 2015*

![ITC Trade Map](https://www.trademap.org)

**Export**

Currently, there is no official export volume data available for vegetable oils including olive oil. According to trade data from Global Trade Atlas, in the first 7 months of 2017, Vietnam’s exports of all types of animal or vegetable oils and fats reached an estimated 59 Thousand Metric Tons (TMT). Of total Vietnamese vegetable and animal oil and fat exports, crude and refined soy oil accounted for 43 percent (25.5 TMT); palm oil, copra oil accounted for 6.6 percent (3.9 TMT); and other vegetable oils and fats for 70.6 percent. No clear data is given for the olive oil either.

According to ITC Trade Map, Vietnam exported olive oil for the value of 24 000 EUR. The main export destinations were the neighboring countries of Lao People’s Democratic Republic, China and Cambodia.

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223 ©Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)
224 ©Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)
226 ©Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)
Overall, Vietnam is a net importer of olive oil.

**GI Labelling**

Vietnam has an established GIs registration system in place and foreign companies can also apply for PDO and PGI recognition. Currently, there are no olive oils from the EU which are registered as GIs in Vietnam. However, the EU-Vietnam FTA contains comprehensive provisions on the mutual protection of GIs. Vietnam has agreed to protect 169 GIs from the EU, including olive oils. Table 12 shows the GI olive oils from the EU that are protected under the EU-Vietnam FTA.

*Figure 23 List of European Union GIs, Protected by EU-Vietnam FTA*

<table>
<thead>
<tr>
<th>Country</th>
<th>Designation Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>1. Antequera</td>
</tr>
<tr>
<td></td>
<td>2. Baena</td>
</tr>
<tr>
<td></td>
<td>3. Priego de Córdoba</td>
</tr>
<tr>
<td></td>
<td>4. Sierra de Segura</td>
</tr>
<tr>
<td></td>
<td>5. Sierra Mágina</td>
</tr>
<tr>
<td>Greece</td>
<td>1. Καλαμάτα (transcription into Latin alphabet: Kalamata)</td>
</tr>
<tr>
<td></td>
<td>2. Σητεία Λασιθίου Κρήτης (transcription into Latin alphabet: Sitia Lasithiou Kritis)</td>
</tr>
</tbody>
</table>

**Local Competitors**

In 2014-2015, Cai Lan Oils & Fats Industries Co Ltd (CALOFIC) continued to lead in oils and fats in Vietnam with a 39% value share. The company strengthened its leading position in the year, thanks to its nationwide distribution network and a diverse product portfolio in oils and fats. Besides this, the company was very active in promotional and marketing activities. With a strong financial budget, it was able to run television ads with famous actors/actresses such as Mr Hoai Linh and Mr Binh Minh during prime time and on national channels such as HTV and VTV. As a result, in 2014-2015, the company recorded a good performance and maintained its leadership in the category. CALOFIC’s main brands include *Neptune Gold*, *Meizan*, and *Olivoilà*. (*Olivoilà* is imported from Italy.) *Tuong An Vegetable Oil JSC and Golden Hope Nha Be Edible Oils Co* are also dominant players in the oils and fats industry in Vietnam.

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Specific Customs and SPS Requirements

Decision 11039 from The Ministry of Industry and Trade provides additional detail of which products are under MOIT’s food safety jurisdiction.\(^{229}\) In relation to food and agriculture products, before being granted customs clearance, **vegetable oil products, flour and starch products (not including products that have micronutrient supplements and functional products)** which are managed by MOH, are subject to quality, technical, and food safety regulations of MOIT.

These products are then governed by MOIT’s Circular 28/2013/TT-BCT dated November 6, 2013 outlining the inspection procedures for food safety of imported foodstuff under the management responsibility of MOIT.

Owing to the results of the EU-Vietnam FTA negotiations, import tariffs on products categorized under HS 1509 will be liberalized after 3 years from the date of entry into force. On the other hand, import tariffs on all products categorized under HS 1510 will be fully liberalized after 10 years from the date of entry into force. The FTA is expected to come into force in 2018.

Distribution
Olive oil is mainly distributed to on-trade channels through high-class restaurants and hotels. However, there is the existence of a bottleneck “that is rapidly saturated when a product is already inside the distributor's catalog in sufficient quantity.” In relation to olive oil, the supply overwhelms the small number of importers.230

Thus, while there is a significant demand for olive oil, international (mostly Spanish) supply nonetheless outweighs local supply. In this situation, the importer ends up being responsible for controlling the market access which often means that new firms expel the already established brands.

Thus, in Vietnam, where Spain dominates 50% of the sector, the entry of new Spanish olive oils is carried out at the expense of kicking out others that are already in their place.

Challenges to EU Producers
Low profitability still discourages further investment and development in the vegetable oil industry in general in Vietnam. However, the above-mentioned positive trends of rising olive oil consumption and the coming into force of the EU-Vietnam FTA should allow European companies to overcome these challenges.

3.6 Fresh Fruits and Vegetables

Consumption
As an integral part of the Vietnamese diet, vegetables led the consumption category in 2012. At that time, fruits were listed as second biggest food category and third within fastest growing food categories. This trend is still evident in 2017. Currently Vietnam is one of the biggest fruit and vegetables consumer in the world.

Fruits are an important part of the Vietnamese diet, and consumption of fresh fruits is high. However, inadequate handling and distribution facilities, for example poor cold chain infrastructure, hinder the great sales potential of the products. Fruits are sold at a premium over Chinese varieties and domestic varieties.\footnote{U.S. Department of Agriculture, "Vietnam: Export Guide 2015", GAIN Report, March 2015, pp. 30, available at: https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Exporter%20Guide_Hanoi_Vietnam_3-27-2015.pdf} Fierce competition between China, Australia, New Zealand, South Africa, and Chile for the Vietnamese market has developed recently. Moreover, under the ASEAN-China FTA, since January 1, 2012, exports of fresh fruits from these countries to Vietnam have also been tariff free, while on the other hand, a rate of 10% tariff has been imposed to table-grapes, apples and pears imported from Most Favored Nations. Additionally, large quantities of pineapples, citrus
fruits and table grapes are grown locally and sold at very cheap during the harvest season.\textsuperscript{232}

"In general, consumption of fruit per capita in Vietnam is 0.9 kg (Table 6) in a month which translates to about 10.8 kg/person/year. The value has slightly changed during the last 10 years, from 0.8 to 1.0 kg/person/month. In addition, there is a gap in fruit consumption per capita between the urban and rural areas."\textsuperscript{233} This is natural, as rural areas in Vietnam are still relatively poor. "According to the data of the General Statistics Office, the population in urban areas consume 1.5 times as much fruit as those in rural areas".\textsuperscript{234} Furthermore, fruit consumption also varies based on different levels of economic development and living habits, among the different geographical regions. The regions with the highest consumption of fruit are The Southeast and Mekong River Delta followed closely by the Red River Delta and Northeast. This is likely due to the regions being the main fruit production areas and their populations earn higher income than other regions. "In 2012, fruit consumption in the five regions of Red River Delta, Northeast, South Central Coast, Southeast and Mekong River Delta reached the same value of 1.0 kg/person/month, which translates to 12 kg/person/year. Among the regions, people in the North Central Coast consumed the smallest fruit amount with the most recent data available was 0.7 kg/person/month, which results in 8.4 kg/person/year (2012).\textsuperscript{235}

Purchase decision on fruits and vegetables depends on the seasonality that also determines the price and quality of the product. Firstly, in-season fruit of vegetable creates increased supply and sets lower market prices that results in greater sales. With off-season fruits and vegetables, high quality is scarce and less suppliers are on the market, thereby prices go up and also the demand decreases. Quality is another criterion that derives the purchase decision. Quality has great influence on the price of fruit and higher incomes shoppers are often willing to spend significantly more for untarnished fruits and vegetables.

Fruit quality is made up by the fruit cultivar and is which defined by the fruit characteristics, such as taste, flavor, color and shape referring to fruit size, level of physical damage (bruises) and uniformity. For example, "'Da Xanh' pomelo – which is green-peeled and tastes sweet and gently sour - is usually 2-3 times more expensive than other pomelo cultivars. A bunch of 'Chuoi Tay' banana of big-size fruit, with high uniformity and nice appearance (without bruises and spots) can cost 1.5 times as much as the smaller one".\textsuperscript{236}

\textit{Consumer Profiles}

Consumer profiles vary significantly among those living in urban and other industrial areas and those living in remote countryside. Households that possess their own land either for commercial or non-commercial purposes can grow or produce several F&B products themselves. Secondly, the latter group are less affected by imported appetites because of lack of supply of and exposure to these products. In sum, the consumer choices are dependent on the geographical locality, disposable income level, household size, awareness on imported goods as well as culturally and religiously driven appetites.

\textsuperscript{232} Ibid
\textsuperscript{234} Ibid
\textsuperscript{235} Ibid
\textsuperscript{236} Nguyen Quoc Hung, "Overview of Fruit Production, Marketing, and Research and Development System in Vietnam", Food and Fertilizer Technology Center, available at: www.fftc.agnet.org/library.php?func=view&id=20150804112243&type_id=4
According to the Fruit Republic, “fruits play a very important role in the Vietnamese culture. Fruits are consumed after lunch and dinner and during work breaks in the morning and afternoon. Fruits are also used as gifts, offered in temples and at family altars at home, in respect for the forefathers.”

**Consumer Trends**

Today, many full-service restaurants are adding fruit juice and smoothies or vegetarian dishes to their menus. Although, it is necessary to differentiate between consumers who are truly knowledgeable about nutritional and health-related issues and those who choose products based on advertising and health claims. In Vietnam, the latter exceeds the former and this fact needs to be considered by any players in the industry. In general, even though the number of health-conscious consumers is gradually increasing, most Vietnamese consumers simply listen and easily agree with what the manufacturers claim in their advertisements.

The demand for healthy food is expected to rise and thus it can be presumed that wellness products are strongly positioned for growth.

**Offer**

**Domestic Offer**

Out of the 27 identified tropical fruits in the country, Vietnamese State Agricultural Institutions, have identified eight fruits as the top articles: “banana, pineapple, citrus, mango, rambutan, dragon fruit, longan and lychee”. In 2015, fruits and vegetables exports hit a record of $1.8 billion and the numbers are continuously growing in 2016.

Vietnamese fruits have successfully entered more than 60 countries and territories in the world, even to strict markets like U.S., Japan and Australia, according to the Ministry of Agriculture and Rural Development’s estimate. Vietnam “vegetables and fruits not only maintained their growth rate in export, but also expanded their market”[for example, the first batch of large green mangoes that were grown in the northern mountain province of Sơn La were exported in 2017.]

As the importing markets continue to increase their quality requirements, the quarantine check remains among the biggest challenges to the Vietnam exported fruits and vegetables. To tackle this problem, the governmental institutions are providing instructions to the farmers in order to ensure that the production complied with requirements of importers. Applying technology in cultivation and following VietGap and GlobalGap standards will also help produce quality and safe products as it increases consumer confidence. Assuring food safety and hygiene still requires heightened attention among the Vietnamese farmers and re-organizing of food production on a larger regional or state scale.

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Vietnam’s fruit imports have significantly increased in the period between 2015 and 2016. According to the ITC data, the growth in imported value reached 32% in this period. As reflected in the figure above in 2015 Côte d’Ivoire was the main supplier of edible fruits and nuts to Vietnam, followed by Thailand, Cambodia and Ghana.

The value of fruit imports is increasing as many Vietnamese consumers have started to prefer commodities from Thailand, Malaysia, and Myanmar because of the higher quality and trust affiliated with those countries. Besides the price attribute, the locals are paying more attention to the quality and safety of the fruits and vegetables. Additionally, vegetables and fruits originating from the U.S., Australia and EU MS are also popular among the Vietnamese consumers. However, the price difference between Chinese fruits and those imported from U.S. or Europe is significant. Nevertheless, sales numbers of the Non-Asian fruits have shown an increase in the past years. Major imported fruit include tropical fruit, sub-tropical and temperate fruit, such as jackfruit, mangosteen, mango, orange, mandarin, longan from Thailand and other Asian countries; apple, plum, peach, grapes, cherries and olive from Australia, EU and the USA.

As a result of the EU Vietnam Free Trade Agreement (EUVFTA), farmers and businesses producing food and drinks with traditional methods will enjoy recognition and protection on the Vietnamese market at a comparable level to that of EU legislation. Among the 169 European Geographical Indications (GIs) indicated by the framework of EUVFTA, Vietnam will also register and protect:

- Cítricos Valencianos (Cítrics Valencians): citrus fruit from Spain
- Pruneaux d’Agen (Pruneaux d’Agen mi-cuits): prunes from France
- Pêra Rocha do Oeste: pears from Portugal
- Kiwi Latina: kiwi fruit from Italy
- Mela Alto Adige (Südtiroler Apfel): apple fruit from Italy

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241 ©Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)
In 2015, the coconut, Brazil nuts and cashew nuts were the main export articles under fruit category. In the period between 2012-2016, the value of exports of these products increased by 19%, reaching the total value of 2 billion EUR. The export value of fresh berries (strawberries, raspberries and blackberries) increased by 11% in the same period, however amounting to a significantly lower value of 0.6 billion EUR. The only major export articles under the vegetables and fruit category were coconuts, Brazil nuts and cashew nuts. In the period between 2012-2016, the value of exports of these products increased by 19%, reaching the total value of 2 billion EUR. The export value of fresh berries (strawberries, raspberries and blackberries) increased by 11% in the same period, however amounting to a significantly lower value of 0.6 billion EUR. The only major export articles under the tropical fruit category were coconuts, Brazil nuts and cashew nuts. In the period between 2012-2016, the value of exports of these products increased by 19%, reaching the total value of 2 billion EUR. The export value of fresh berries (strawberries, raspberries and blackberries) increased by 11% in the same period, however amounting to a significantly lower value of 0.6 billion EUR. 


ITC Trade Map©

category which experienced a decrease in the export value was melons (incl. watermelons and papayas), however still amounting to 30 million EUR in 2016.244

Dragon fruit is one of the main export articles of Vietnam. “Dragon fruit has recently become the most important fruit for export reading US$203 million in 2013, occupying 44% of total export value of top eight fruit. About 80% of its production goes to international trading. Dragon fruit of Vietnam is exported to more than 30 nations and territories all over the world. And China is the main export destination of dragon fruit. Most of the flow of fruit export to China is through border trade. In addition, Vietnam’s dragon fruit has reached markets in ASEAN, EU, US, Japan, Korea and Hong Kong. According to the data of SOFRI, export value of dragon fruit in 2013 was over eight times as much as that in 2008. Moreover, export value of dragon fruit has contributed to more than 40% of total fruit export in Vietnam since 2011. About 80% of dragon fruit is exported to China.”245

Labelling Options
While demand for healthier purchases is growing, farmers still encounter various challenges such as commodity quality and safety, post-harvest technologies and market access issues. Introducing a number of health improvement campaigns, the government is seeking to increase the consumption of healthy food products by promoting foods like fruits, nuts, vegetables and seafood. As it still is an emerging trend, previously mentioned healthy products has potential for growth. In 2012, the introduction of new products in naturally healthy (NH) category made the NH category the top seller in the health and wellness industry.246

Main Competitors
China is one of the top importers of fruit and vegetables in Vietnam: its agricultural commodities generally and fruit and vegetables commodities particularly dominate the market in Vietnam, “accounting for approximately 30% of the national export value”.247 Fruit and vegetables from China may enter Vietnam through direct import and mostly border trade. There are various reasons that make this neighbor

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244 ©Trade Map, International Trade Centre, www.trademap.org
country the leading fruit and vegetables exporter to Vietnam. These include sharing of borders, low prices and simple terms of payment, among others.

**Vegesa Company** is a corporation with expertise in supplying and exporting Vietnamese farm produce. Their main lines of commodities are fresh and processed fruits and vegetables, straw mushroom, cat’s ear mushroom, peppercorn and coffee-bean. It is one of the main traders in fruit and vegetables in Vietnam.

**Phu Thinh Food Processing Export JSC** is a Vietnamese fresh and processed fruits and vegetables selling company. Phu Thinh Food is a manufacturer in Mekong Delta with a line with output of about 9,000 tons per year. This company is also one of the largest fruit and vegetables trader in Vietnam.

**Specific Customs and SPS Requirements**
Products that fall under HS Chapters 07 and 08 currently face import tariffs that range from duty-free rates to 40%. However, owing to the results of the EU-Vietnam FTA negotiations, import tariffs on some fruits and vegetables will be immediately liberalized, while others will take up to 5 years to be fully liberalized. For example, trade in Kiwi fruit will be immediately liberalized once the FTA enters into force. The FTA is expected to enter ratification process in 2018.

**Challenges for EU Producers**
The local farmers are in a favored position compared to foreign companies. The State supports new households who are engaged in fruit production and cooperatives and companies who are doing business on fruit by exempting them from taxation in the first three years of harvest. The State has also implied a 30-50% tax reduction for fruit export enterprises. Therefore, EU companies have to compete with the local producers who enjoy favorable business conditions. Also, the price difference is considerable attribute among customers that sets the local products ahead of foreign goods. However, since higher quality and safety is affiliated with foreign goods, the price has come to play a decreasing role.

**Distribution**
During the main harvest season, Vietnamese farmers are often forced to accept low price as the excess supply of fruit increases bargaining power of fruit trading companies. In some cases, the farmers may prefer to leave their production unharvested rather than to sell it at an unacceptable price to collectors and traders. On the

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other hand, off-season production is highly profitable as the fruit prices may be double or three times higher compared to those during the main season. For example, “fruit price is normally 1.5-2.0 times higher in the Lunar New Year. In Tet holiday, a kilogram of "Cam Canh" orange – which is normally only 40-50 thousand VND/kg [1.43 EUR – 1.78 EUR per kg] - can cost 80-90 thousand VND” [2.85 – 3.21 EUR per kg].

In 2012, the ranking of the retail distribution channels in Vietnam showed that Independent Food Stores were the largest of all. The second most prevailing F&B outlet was Food/Drink Specialists which was followed by Supermarkets and then Convenience Stores. Total grocery retailing continues to experience strong growth, due to rising disposable household income levels and improvements in living standards. International modern grocery retailers are expected to continue to strengthen their presence in the country. However, the growth is expected to remain concentrated in big cities such as Ho Chi Minh, Hanoi and Danang. In these cities, consumers have higher disposable income levels and are willing to pay higher prices for a pleasant shopping environment and guaranteed product quality.

Challenges for EU Producers

European companies have to consider the significantly higher price tags that European fruits and vegetables have compared to those coming from Asia. As well as, for European companies find it more complicated to establish themselves in the Vietnamese market than for other ASEAN countries for example. The latter stems from differences in the cultural background and in the norms and regularities of the business landscape. Thereby, the EU chambers of commerce and other EU MS trade entities play a great role in helping with the market entry and commercializing EU products in Vietnam.

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3.7 Processed Fruits and Vegetables

Consumption
The change in consumers’ lifestyle in Vietnam is expected to affect the demand for processed and packaged foods. The demand is forecasted to increase significantly due to increasing population’s working hours and continuous emigration to urban areas for highly payed job opportunities. The factors such as young consumer base, improving per capita income and projected economic growth determines the positive forecasts for frozen processed foods. Specifically, the demand for products under this category is expected to double by 2017. Despite the higher average unit price for frozen food compared to preserved food, frozen food is preferred by the consumers as it is perceived to be healthier and fresher. Frozen fruits are more preferred when the desired fruit or vegetable is off-season therefore fresh products are low in supply and overpriced.

Also, particular fruits originate from certain geographical locations and are not available in across Vietnam. Hereby, frozen products allow reaching customers in longer distances while being fresher and healthier than same goods in processed nature.

**Consumer Trends**

Vietnamese increasingly explore various diets with a wider range of products. Vietnamese people consume vegetables and fruits in their daily meals. While the urban people often eat fresh fruits after meals and processed fruits on the occasions of holidays, the rural people often consume fresh fruits, climatically available in their places, due to their demand and in changeable points of time of the day. Therefore, the consumer habits in urban and rural areas disperse, the rural areas remain mostly untapped market potential for packaged, ready-made, processed fruits and vegetables that increasingly dominate the purchase decisions of urban consumers. Furthermore, approximately half of Vietnam’s population consists of consumers under the age of 30.254 The significant share of this young, more open-minded target group, whose disposable income is on the rise, offers great potentialities for foreign importers and their undiscovered processed fruit and vegetable products.

**Offer**

**Domestic Offer**

According to the Agro-Forestry Processing and Salt Industry Department, only 10% of fruits and vegetables of Vietnam is processed or exported, half of this share being canned products. For example, “It is claimed that loss of lychee during processing – which is only 10% of total production - is 25-30% due to lack of appropriate technologies and necessary infrastructure.” 255 A small share of banana, longan and lychee is dried for longer preservation, although their taste is reduced due to this process. In Vietnam, “there are about 100 establishments of fruit and vegetable processing that are at industrial scales with a total capacity of 300,000 tons per year.” 256

**Import**

Vietnam is still facing many technical as well as sanitary issues in order to perform to its absolute potential in the processed fruit and vegetable trade. Refrigeration infrastructure in Vietnam is improving but is still weak and does cause spoilage issues with fresh and frozen products.257 For a HORECA sector, not all of domestically grown foods can be used because of the poor quality. Nevertheless, the market of processed products is diversifying and expanding with an anticipated 30 % of growth rate by 2020. Therefore, is Vietnam a lucrative market for processed goods like fruit and vegetable powders, dried fruits and vegetables, condensed juices, sugar-soaked fruits, vegetable and fruit chips, frozen fruits and vegetables and preserved products258.

258 Ibid
Figure 26 Vietnam’s Imports of Processed Fruit and Vegetables

Export

As of the end of 2014, Vietnamese fruit and vegetables were exported to more than 60 countries and territories. However, the export of fruits and vegetables remains largely dependent on Asia; it also penetrates markets in Europe and the US. In 2015, the country targeted “to earn a turnover of $2 billion” and according to the Vietnam Trade Promotion Agency “to achieve this goal, fruit and vegetable products should be processed deeply to increase added value and ensure food hygiene and safety standards to expand exports to strict markets.”  

Vietnamese fruits and vegetables that are exported in processed form include frozen pineapples, canned pineapples, pickled cucumbers, canned rambutans with pineapple kernels, fresh and condensed fruit juices. Thieu litchi is mainly exported in dried form via non-merchant way to China. Exported pineapples are mainly canned, frozen and few fresh. Canned pineapple is a major export fruit product of Vietnamese vegetable and fruit sector.

As by the end of 2015, the Vietnam–Korea Free Trade Agreement (VKFTA) officially took effect, there is increasing trade in processed foods, including fruits and vegetables. Under VKFTA, Vietnam is granted with tariff incentives for 502 exports, including tropical fruits which are Vietnam’s export strengths. Also, Vietnam is the very first FTA partner of Korea to be granted with import license for garlics, gingers, and sweet potatoes, as these products are highly sensitive for Korea.

Vietnam’s vegetables exports have been relatively stable during the past five years amounting to around 15-20 million EUR, however fruit exports have increased rapidly from about 2 million EUR in 2011 to 35 million EUR in 2015. The main destination of Vietnam’s

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fruit exports are South Korea, Australia, Japan and the Netherlands. The main destinations for Vietnam’s vegetable exports are Japan, United States, Belgium and Germany.

Figure 27 Vietnam’s Exports of Processed Fruit and Vegetables

Labelling Options
In frozen and packaged food, health and wellness is also gaining in popularity, as consumers become more sophisticated in their understanding of healthy eating and manufacturers increasingly advertise the health benefits of their products.264

Main Competitors
VEGETIGI has been one of the leading Vietnam’s fruit and vegetable processors and exporters since 1977. In the company’s product assortment consumers can find fruit juices and concentrates, IQF frozen fruits (whole and cut), canned fruit and vegetables as well as other foodstuff products.

VEGETIGI was established in 1977 and it has been known as one of the leading processors and exporters of processed fruit and vegetable products in Vietnam. VEGETIGI offers different fruit and vegetable products including a wide range of fruit juices and juice concentrates in aseptic bags, frozen fruits in various cutting sizes, frozen whole fruits, fruit and vegetable products in cans.

Another large processed fruit and vegetable producer in Vietnam is Antesco. Established in 1975, it specializes in producing and exporting frozen and canned tropical vegetables and fruits including pineapples, green soybeans, okra, chillies, taro, mangos, papayas, dragon fruits, mangosteens, jack-fruits, etc. Furthermore, “Antesco is a well-known supplier in Europe”265

263 Ibid
Specific Customs and SPS Requirements

Products that fall under HS Chapter 20 currently face import tariffs that range between 15% and 40%.\(^\text{266}\) However, owing to the results of the EU-Vietnam FTA negotiations, import tariffs on some processed fruits and vegetables will be fully liberalized after 5 years, while others will take up to 7 years to be fully liberalized. The FTA is expected to come into force in 2018.

Distribution

In 2012, the ranking of the retail distribution channels in Vietnam showed that Independent Food Stores were the largest of all. The second most prevailing F&B outlet was Food/Drink Specialists which was followed by Supermarkets and then Convenience Stores. Total grocery retailing continues to experience strong growth, due to rising disposable household income levels and improvements in living standards. International modern grocery retailers are expected to continue to strengthen their presence in the country. However, the growth is expected to remain concentrated in big cities such as Ho Chi Minh, Hanoi and Danang. In these cities, consumers have higher disposable income levels and are willing to pay higher prices for a pleasant shopping environment and guaranteed product quality.\(^\text{267}\)


3.8 Dairy Products

Consumption
With a CAGR of 16.6% between 2010-2015, the Vietnamese dairy industry has been one of the fastest growing sectors in the country.\(^{268}\) The sector’s revenue comes mainly from the two product segments: powdered milk and drinking milk.\(^{269}\)

Strengths
- Consumers are willing to try foreign and exotic products
- Growing market for milk products
- Strong French influence for dairy

Weaknesses
- Relatively low consumption of dairy products
- Import regulations are very complicated and hard to follow

Opportunities
- Rising income is expected to drive up the consumption
- EU Vietnam FTA should increase the consumption of dairy products from the EU

Threats
- EU faces higher transportation costs and rising competition from Asia could threaten EU’s market share in Vietnam

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It is estimated that Vietnamese per capita milk consumption will reach 28 liters by 2020, which indicates potential market growth opportunity for dairy production in Vietnam. The domestic dairy companies have been investing into expansion of their production capacity of raw milk and dairy products in order to satisfy the local market demands. Moreover, the local companies have targeted different consumer segments such as female professionals and seniors in order to broaden dairy products’ customer base. A number of additional factors will impact the growth of dairy market in Vietnam:

- Growing population - with the annual growth rate of 1.2% and estimated 96 million population in 2020, Vietnamese dairy industry will potentially serve 5 million more customers over the next five years;
- Growing per capita dairy consumption - the dairy consumption per capita is projected to reach 28 liters by 2020, however it is still less milk products consumed per capita compared to Thailand (35 liters) and Singapore (45 liters);
- Emerging middle class – with a steadily growing economy and a stable unemployment rate, Vietnam is expected to have a middle class of 33 million people by 2020;
- Increasing health awareness – the Vietnamese government has launched a number of initiatives to improve population’s health by promoting the nutritional value of milk products;
- Large investments– large foreign and local investments should provide Vietnamese consumers with a wide choice of dairy products in different price and quality segments.

According to the EVBN Agrofood research report, the sub-categories of powdered milk and drinking milk showed a significant growth over the last decade. In 2013, powdered milk accounted for 45% of Vietnam’s dairy market and showed a CAGR of 10.1 in the period

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271 Ibid, pp.7
272 Ibid, pp.14
between 2010 and 2015. Even more remarkable, the drinking milk category recorded a CAGR of 18.9% during the same period and is projected to grow at 17% rate until 2020.

In spite of its low nutritional value, condensed milk remains a popular sweetener in coffee, fruit smoothies and other refreshment products. This product sub-category still accounts for 8.3% of the total value of the dairy industry. Due to the fact that other products are taking over the role of condensed milk, this category is moving to the maturity stage of the product life cycle. This means that the segment is expected to grow only marginally with an annual rate of 2.5%.273

**Consumer trends**

Vietnamese love to enjoy mostly breakfast and lunch outside their home. The continued Westernization has led to a boom of fast food chains and other Western lifestyle cafes selling bakery products or vegetarian options as fruit, vegetable and dairy-based smoothies. Also, because of the rising disposable incomes and more westernized behavior from Vietnamese consumers, the ice cream consumption is growing significantly. Between 2010 and 2015, the annual growth rate of this market segment was 13%, presenting plentiful growth opportunities for local and foreign companies.

Yoghurt and sour milk products is expected to grow strongly in Vietnam thanks to the anticipated recovery of the economy and improving living standards.274 In addition, consumers are expected to become more aware of the purported benefits of yoghurt and sour milk consumption, with many opting to consume such products on a more regular basis. With increasingly hectic lifestyles, more consumers are expected to switch from homemade to packaged yoghurt and sour milk products.

Vietnamese consumers perceive yoghurt as a healthy food with rich nutritional and digestion benefits. Hence, yoghurt is a fast-growing segment with an existing untapped potential. It is projected to grow exponentially at an annual rate of 24%, potentially reaching a volume of 240 000 tons by 2020.275

**Challenges for EU products**

EU producers bear higher shipping costs and longer transportation time than those producers in Asian or Oceanian region. Also, high tariffs, cumbersome and excessive customs, and non-science-based sanitary and phytosanitary requirements on animal and plant products persist burden the trade relations. The South East Asian Countries, China, New Zealand and Australia benefit from their Free Trade Agreements (FTA) with Vietnam that lower tariffs on imported food and beverage products. On a positive note, the EUVFTA which presumably will enter ratification phase in 2018 will ease those burdens on bilateral trade between EU MS and Vietnam on dairy products.

**Offer**

**Domestic Offer**

Local raw fresh milk supply only meets less than one-third of production demand.276 According to EU Vietnam Business Network research the sector faces a supply and demand imbalance in raw fresh milk as domestic herds (184,216 cows) were able to provide only 420,000 tons of raw milk, meeting only 28% of total domestic demand in 2013. Vietnam is ranked in the top 20 countries worldwide importing input materials for dairy production. In 2013, the country imported around 1.2 million tons of raw milk powder valued at 749€

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273 Ibid, pp.9-10
275 Ibid, pp. 13
276 Ibid
million. Thus, heavy dependence on imported materials brings the attendant risk of profit margins being squeezed out due to global price fluctuations. However, this risk is mitigated by strong consumer loyalty for prominent brands and because milk products are exposed to low price elasticity of demand relative to other categories. The Department of Livestock Production estimates local milk production will surge to 856,000 tons in 2017 (326,000 cows herd) and 1,000,000 tons (500,000 cows herd) by 2020, yet the supply will only meet 30% of local demand.277

The largest domestic dairy enterprise is Vinamilk which is in general dominating Vietnam’s Agrofood market (See Communication Section: Vinamilk’s example of a successful marketing campaign). Vinamilk purchases more than 60% of fresh milk from farmers across the country.

Imports
As Vietnam only meets around 30% of its dairy consumption needs, the country is a major dairy importer with 16.8% of all of its import products basing on dairy materials in 2013. According to EU Vietnam Business Network research, imported dairy ingredients include milk powder and raw milk products. Raw milk products are imported not only to produce milk but also to produce confectionery, functional foods, and nutritional foods, etc. Vietnam imports raw milk products mainly from New Zealand, America, Australia and Europe. Costs of raw milk account for approximately 65 to 70% of total input costs. Thus, any change in world production could cause price volatility and shortages that would negatively affect local production.278

As a result of the EU Vietnam Free Trade Agreement (EUVFTA), farmers and businesses producing food and drinks with traditional methods will enjoy recognition and protection on the Vietnamese market at a comparable level to that of EU legislation.279 Among the 169 European Geographical Indications (GIs) indicated by the framework of EUVFTA,

Vietnam will also register and protect Danablu cheese from Denmark, Queso Manchego cheese from Spain, Brie de Meaux cheese, Camembert de Normandie cheese, Comté cheese, Emmental de Savoie cheese, Reblochon; Reblochon de Savoie cheese and Roquefort cheese from France, Kasseri and Feta cheese from Greece, Asiago cheese, Fontina cheese, Gorgonzola cheese, Grana Padano cheese, Mozzarella di Bufala Campana cheese, Parmigiano Reggiano cheese, Pecorino Romano cheese, Provolone Valpadana cheese and Taleggio cheese from Italy, Gouda Holland cheese from The Netherlands and Queijo S. Jorge cheese from Portugal. All cheese from the EU that are protected as GIs under the EU-Vietnam FTA are listed in Table below.

Table 10 The List of European Union Cheeses protected under the EU-Vietnam FTA

<table>
<thead>
<tr>
<th>Country</th>
<th>Designation Name</th>
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<tbody>
<tr>
<td>Denmark</td>
<td>1. Danablu</td>
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<tr>
<td>Spain</td>
<td>1. Queso Manchego</td>
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<td>France</td>
<td>1. Brie de Meaux</td>
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<td></td>
<td>2. Camembert de Normandie</td>
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<td></td>
<td>3. Comté</td>
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<td></td>
<td>4. Emmental de Savoie</td>
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<td></td>
<td>5. Reblochon; Reblochon de Savoie</td>
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<td></td>
<td>6. Roquefort</td>
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<tr>
<td>Greece</td>
<td>1. Κασέρι (transcription into Latin alphabet: Kasseri)</td>
</tr>
<tr>
<td></td>
<td>2. Φέτα (transcription into Latin alphabet: Feta )</td>
</tr>
<tr>
<td>Italy</td>
<td>1. Asiago</td>
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<tr>
<td></td>
<td>2. Fontina</td>
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<td></td>
<td>3. Gorgonzola</td>
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<td></td>
<td>4. Grana Padano</td>
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<td></td>
<td>5. Mozzarella di Bufala Campana</td>
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<td></td>
<td>6. Parmigiano Reggiano</td>
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<td></td>
<td>7. Pecorino Romano</td>
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<td></td>
<td>8. Provolone Valpadana</td>
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<td></td>
<td>9. Taleggio</td>
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<tr>
<td>The Netherlands</td>
<td>1. Gouda Holland</td>
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<tr>
<td>Portugal</td>
<td>1. Queijo S. Jorge</td>
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</tbody>
</table>

The FTA is important for European producers as in 2015, Vietnamese cheese imports from the EU accounted over 10 million EUR. Exposure to Western culture had a positive impact on demand for cheese, as Vietnamese consumers tended to cook more Western dishes for their family. In addition, consumers also purchased more cheese for their children, considering it to be an important source of

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281 ©Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)
protein that can support healthy growth. Sales of cheese are expected to rise at a value CAGR of 7% at constant 2015 prices.282

Figure 29 Vietnam’s Imports of Dairy Products

Exports
Vietnamese companies need to keep efforts in ensuring product and packaging quality, stable supply, to have product manual in both English and local EU language, to comply and respect the international standards so as to meet increasing demands of consumers and compete with other products in the high-standard European markets. Currently, Vietnam’s main export articles in the dairy sector include milk and cream, as seen in the table below.

Labelling Options
In line with higher disposable incomes, higher education levels and higher living standards, Vietnamese people are becoming more aware of nutrition and their health, which is causing them to pay more attention to food safety and healthier meals. More people, especially those residing in big cities, are learning to watch the ingredients used to prepare the food they consume and to closely monitor the levels of fat, cholesterol and sodium.

Main Competitors
While dairy products are produced locally with acceptable quality, many products manufactured in Vietnam still strongly rely on imported food ingredients and additives. With the advantages of worldwide large-scale farming of cow herds, big production capacity and modern technologies, foreign players firmly control the local powdered milk market with 53.1% of market share in 2013. Conversely, local players dominate the drinking milk market.

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Vinamilk is currently the largest fresh milk collector. With a market share of 46% in 2015, it purchases more than 60% of fresh milk from farmers across the country.\(^\text{287}\) In 2013, Vinamilk continued to lead the yogurt market with 73% value share, as well as to dominate the condensed milk market with approximately 80% of the total sale value.

**TH True Milk** is another recognized dairy producer in Vietnam with a market share of approximately 17% in 2015.\(^\text{288}\) T.H. Group is established in the financial consultancy service of BAC A Joint Stock Bank which was established in 1994 in Nghe An, Vietnam. In 2010 they inaugurated a Milk Plant based on advanced farming technology from Israel with computerized management systems. The Project will be accomplished by 2020. The T.H. Milk Plant is built on the total area of 22 Ha in Nghe An Viet Nam and their main product will be Fresh Milk 100%. In late 2014, TH Food Chains JSC introduced a line of new products, namely TH True Milk Collagen, TH True Milk Canxi, TH True Milk Phytosterol. The company claims that TH True Milk Collagen is good for skin, TH True Milk Canxi is good for bone health and TH True Milk Phytosterol is good for the heart.

**Dutch Lady Brand** milk also has a notable market share in the Vietnamese dairy sector. The brand belongs to the Friesland Campina and their Dutch roots date back to 1871. Dutch Lady Brand milk occupies about 10% of the Vietnamese dairy market. In 2015, the Dutch Lady Vietnam Food & Beverage Co Ltd released a new product named Dutch Lady 100% Fresh Milk, with the claim that 100% its product is milk.

**Bel Vietnam Ltd** dominated cheese market in Vietnam, accounting for 78% of value sales in 2015. The company operates a diversified product portfolio that consists of many brands, including La Vache Qui Rit, Belcube and Babybel. Its distribution network covers both traditional and modern channels across the country, which gives it a competitive advantage. Bel Vietnam was also active in carrying out marketing and promotional activities and recorded the strongest increase in value share in 2015.\(^\text{289}\)

**Kinh Do** is one of the leading domestic brands on the Vietnamese ice cream market with its two brands named Celano and Merino accounting for a 37% value share in 2015\(^\text{290}\). From 2014 to 2015, besides strengthening its leading position, the company also recorded the fastest value growth within the food category.

**Challenges for EU Producers**

The geographical distance can be a burdensome disadvantage for the European companies. For example, the Australian suppliers, in comparison to the suppliers from Europe and U.S., can be quicker to respond to market needs than due to closer transport distances for both, container trade and bulk trade. This factor is specifically advantageous

\(^{287}\) Ibid.  
\(^{288}\) Ibid  
\(^{290}\) Ibid
For commodities such as wheat or dairy goods, given the many small to medium size Vietnamese food processors who prefer to buy in small amounts by the container load.

In the dairy market there is also tough competition from both New Zealand and Australia which are both known for good quality milk products. New Zealand, United States and Australia are also the top 3 exporters of dairy products to Vietnam.

Specific Customs and SPS requirements for import

Imports of foods originating from animal, plants, and marine sources must be inspected for sanitary and phytosanitary standards by competent quarantine agencies under the Ministry of Agriculture and Rural Development (MARD). The MARD Plant Protection Department (PPD) and Department of Animal Health (DAH) handle all sanitary and phytosanitary inspections for these products.

At the wholesale/retail distribution level, several city and provincial government agencies are involved in monitoring the quality and safety of food products, including offices of the Ministry of Health, the Department of Animal Health, the Ministry of Industry and Trade, and the Police Force. The General Department of Customs also inspects goods to determine and collect import duties and assess violations of compliance with required Customs formalities on behalf of all concerned agencies (Ministry of Finance, Ministry of Industry and Trade, Ministry of Health, Ministry of Agriculture, etc.).

Products that fall under the categories HS 0401-0406 currently face import tariffs that range from duty-free rates to 20%. However, owing to the results of the EU-Vietnam FTA negotiations, import tariffs on some dairy products will be fully liberalized after 3 years, while others will take up to 5 years to be fully liberalized. The FTA is expected to come into force in 2018.

**Distribution**

Local importers continue to play a major role in distributing and promoting imported products in Vietnam. Typically, local importers have their own sales agents and distribution fleet and are in direct contact with supermarkets, wholesalers, and in many cases, also with thousands of small-scale grocery stores. Some importers import a wide range of products with no particular loyalty to a specific product, brand or origin. Others are working exclusively to develop markets for specific labels. The latter tend to promote their products more heavily and may require more involvement from the exporter in order to penetrate the market.

In accordance with Vietnam’s WTO commitments, as of January 1, 2009, foreign-owned firms in Vietnam are allowed distribution rights. Some major foreign retail chains (The Saigon Union of Trading Co-operatives, Lotte Mart, Casino Guichard-Perrachon SA, NTUC Fairprice Co-operatives Ltd, and Aeon) have already set up their stores in Vietnam and others have closely studied the market for future investment. However, FAS Vietnam has not seen many distribution licenses being granted to foreign entities. In the meantime, U.S. businesses should continue to work with and through local importers/distributors. Quite often the importer and distributor are separate companies, each with its own required fees.

Supermarkets in Vietnam carry a wide range of goods, including food and drinks, cosmetics, clothing, shoes, home appliances, kitchen utensils, and even furniture. Most supermarkets devote about 40-50% of their physical space to food; the rest is divided among other goods. Increasingly, consumers are inclined to buy food from supermarkets because they are viewed as cleaner and more sanitary than traditional markets. There is also a growing acceptance of processed, packaged, and frozen food products, including meat and fish. Though local food products continue to be strong sellers because of a lower price, quality control has not yet reached international standards. Supermarket Managers report that consumer demand for imported foods is steadily increasing. Modern retail stores still only account for 20% of total food sales to Vietnamese consumers, but sales through such outlets have grown considerably over the last six years, with an annual

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294 Ibid, pp. 8
average growth rate of 20%. One should not, however, totally overlook the open-air or enclosed traditional markets, often referred to as “wet” markets. Many case-lots of imported goods (canned goods, nuts, wine, beer, and shelf-stable products) are sold through these markets, particularly in areas not yet served by modern supermarkets. According to major U.S. food importers, sales volumes to supermarkets are increasing, but are still under 50% of their total sales. To reach all Vietnamese consumers, exporters need to have a local partner capable of supplying both the modern channel (department stores, wholesale outlets, hypermarkets, supermarkets, convenience stores) and traditional channel (wet markets and “mom and pop” shops).

As only 30% of the population lives in urban areas where foodservice is more accessible, the total demand for foodservice is also limited. Foodservice outlets are chiefly in the form of small restaurants, cafés and beer garden type restaurants, which serve mostly local products. Foodservice outlet chains are still in their infancy and there are only a few locations present in the market. Management of foodservice chains is weak, thus hampering development and expansion. Management issues aside, the sector is expanding as it responds to strong economic growth, strong tourism growth, rising income levels (particularly disposable income), a growing middle class, a sizeable young population, and an increasing exposure to a Western lifestyle.

*Figure 31 Percentage Share of Food Service Outlets in Vietnam*

Vietnam’s HRI food service sector consists of over 550,000 outlets. The total consumer food service sales in Vietnam achieved an average growth of 8.8% per year during 2005-2011, and are forecast to grow at a slower, but still strong, rate of 5% during the next five years. Despite the recent worldwide economic slowdown and Vietnam economic slowdown, the outlook for high-value food and beverage exports to Vietnam is still very promising. The HRI foodservice sector continues to expand due to strong demand from both Vietnamese urban consumers and foreign tourists. The foodservice sector is expected to see further development on different levels. The number of outlets should continue to grow due to demand in new urbanized areas. Tougher competition will cause most outlets to diversify their menus, so as to offer new items to customers. Services are expected to be more diversified and professional. Marketing efforts should be focused on target

295 Ibid, pp. 10  
296 Ibid, pp. 21  
297 Ibid
audiences. Further development will be not only in major cities such as Hanoi, Ho Chi Minh City, Da Nang, Hai Phong, and Can Tho, but also in the areas around these cities. Chain outlets have seen fast growth and are planning to increase investment. Food served at chains is perceived as being of better quality by consumers.

_Challenges for EU Producers_

It is a real challenge for any food exporter to fully understand the complexity caused by overlapping and frequently-changed regulations on food standards and safety in Vietnam.299

298 Ibid, pp. 26
3.9 Processed Cereals

**Strengths**
- Consumers are willing to try foreign and new products
- Urban middle class is increasingly consuming breakfast cereals

**Weaknesses**
- Relatively low consumption of cereal products due to different consumption habits
- Cereals from USA take up a major market share

**Opportunities**
- Consumers are becoming more health-conscious and prefer high-quality organic products, which offers opportunities to EU producers.
- Rising income is expected to drive up the consumption

**Threats**
- Cereals from USA are generally more well-known and this could be a challenge for EU producers when entering to Vietnam’s market

**Consumption**
In the past years, the prevailing trend of following healthier lifestyles has induced greater consumption of breakfast cereals in the emerging Asian markets, including Vietnam. The greater half of the breakfast cereal products are directly linked and marketed under the umbrella of wellness or fitness. The cereals are advertised as fully nutritious meals, packed with components such as vitamins and fiber. Because of the more-aware consumer behavior that recognizes and values the impact a product has on personal health; Vietnamese consumers purchase more cereal products. Hereby, whether or the cereal products always are as healthy as advertised, the promotion of these products has significant effect on the purchase decisions. Also, due to higher exposure to Western lifestyles, and influence thereafter, local consumers are more familiar with breakfast cereals. Cereal bars and breakfast drinks, together with an increasing snacking culture, are another good on the market that allow faster and more convenient ways of consuming meals on-the-go. The busier every-day routines of younger people and households with both working adults/parents are another push factor that provides cereal manufacturers a potentiality for growth in this market.
sector. As Vietnamese Government aims for increased dairy consumption, also cereals could frequently be seen in the Vietnamese households’ breakfast diets.

While we witness larger interests in wellness and healthier eating habits, “good-for-you” products are strongly positioned for growth everywhere, including in Vietnam. Vietnam also has a quite established bakery sector. “The bakery sector represents between 35% and 40% of total flour use in Vietnam and is trending toward more western-style sandwich type breads and baguettes”.

In 2012, the ready-to-eat cereals were listed as 5th fastest growing category in the Vietnamese packaged food categories list.


In 2015, the cereals accounted for 3% in all EU Agri-food exports to Vietnam, having an increase of 57.1% from the previous year. (Agri-Food Trade Statistical Factsheet. European Union – Vietnam, 2016: 8)

Consumer Profiles

The main target groups of cereal product consumers can be households with children, younger individuals such as students, as well as physically active people who value fully nutritious meals and snacks to prepare for or recover from training sessions.

Consumer Trends

The combination effects of continuous economic growth, golden demographic structure, rapid urbanization, emergence of middle income earners and a mass grocery retail network, will fuel the growth of overall food consumption in the medium- and long-term. In the light of increasing food consumption, retaining a double-digit growth of 11.4% over the period of 2014 to 2018, baked goods are expected to register a CAGR of 6% in constant terms to reach VND22.8 trillion in 2019. Furthermore, the biscuits is expected to register a CAGR of 6% in constant value terms, and breakfast cereals is expected to register a CAGR of 9% in constant value terms to reach VND59 billion in 2019, according to the Euromonitor International Bakery in Vietnam Report 2015. Due to increasingly busy lifestyles and growing number of families where both of the parents are engaged in a full-time working schedule, people have less time to prepare their meals as well as enjoy these. Demand for faster and easier, half-prepared or ready-to-eat meals continues to grow. Also, the growing sales of packaged foods prove this trend. Furthermore, many Vietnamese consumers are likely to continue to opt for baked goods to replace traditional breakfast options such as noodles and other street food due to higher interest in wellness, and growing concern for food hygiene.

Offer

Domestic Offer

According to the World Bank\(^{303}\), Vietnamese domestic cereal production in 2014 was 50.2 million metric tons. The local brands producing baked goods continue to grow in quality and quantity. These local companies not only regularly launched new product developments but also further expanded their distribution networks, which helped them stay competitive and attract more consumers. Furthermore, the government’s continuous support for the promotion of Vietnam products and efforts by the Vietnamese retail union encouraged consumers to favor Vietnamese brands. As a result, in baked goods local brands had more advantages than international ones.\(^{304}\)

**Kinh Do Corp** remained the leading player with a 37 % value share in 2014. The company ranked first in both savory biscuits/crackers and sweet biscuits with 55 % and 32 % value shares in 2014, respectively. The good reputation, strong brand equity and well diversified product portfolio were the company’s competitive advantages. Furthermore, the company possessed an efficient distribution network across 64 cities of Vietnam covering both modern and traditional channels. Compared to other rivals in biscuits, Kinh Do Corp was more active in terms of marketing and promotional activities especially for special occasions such as the Lunar New Year.\(^{305}\)

**Vinacafe** is a Vietnam’s National Coffee Corporation that is also involved in the production, processing and distribution of instant cereal named *Ngũ cốc dinh dưỡng*.

**Bien Hoa Confectionery Corp** is one of the leading confectionery and bakery companies in Vietnam. They can provide about 15,000 tons of products per year to Vietnam’s market. Their range of products includes chocolate, biscuits, snacks, layer cakes, moon cakes, hard candies, soft candies and cereals, including instant cereals.

**Asia Saigon Food Ingredients** was established in 2008. Their plant is located in My Phuoc 3 Industrial Park, Binh Duong Province. It covers an area of more than 42,000 square meters, with standard workshop and modern production line of European processing technology. AFI is specialized in producing various non-dairy creamer products, as well as cereal flakes. Their cereal flakes include “Golden flakes” which combines 5 kinds of cereals in 1 product, including raw materials, various contents of protein, fat, dietary fiber, calcium. The second product is identified as “Oat flakes” which combines 6 kinds of cereal in 1 product, including raw materials, various contents of protein, fat, dietary fiber, calcium according to customer requirements.

Import

According to the Center for Information Industry and Commerce - Ministry of Industry and Trade (VITIC) showed that Vietnam imported 107.1 million confectionery and cereal products, which is still down about 42.28 % compared to import value over the same period last year. In 2008 the cereals were listed in the top 5 imported goods in Vietnam with a value of $443 million. In particular, products from Indonesia and Thailand accounted for over 50% of the import value. Specifically, items of confectionery and cereals imported

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\(^{303}\) World Bank, ”Cereal production (metric tons)” © World Bank, available at: [www.data.worldbank.org/indicator/AG.PRD.CREL.MT?locations=VN](http://www.data.worldbank.org/indicator/AG.PRD.CREL.MT?locations=VN), License: Creative Commons Attribution license (CC BY 3.0 IGO)


\(^{305}\) ©Ibid
from Indonesia accounted for 30.3 %, equivalent to 32.4 million, up 23 % from the same period last year. At the second place is Thailand with 22.8 million in import value, accounting for 21.37 % and increasing by 26.99 % compared to the previous year according to the EU- Vietnam Business Network Agrofood Research Report.306

Figure 32 Vietnam's Imports of Processed Cereals

Exports
Vietnam is one of the biggest cereals exporters of the world. It’s exports in 2015 amounted to 2.5 billion EUR in 2015 according to ITC trade map.308 Its major export markets are China, Indonesia, Philippines and Malaysia. None of the European Union countries figures in the top ten export destination of Vietnam. Ireland, which is the largest European importer of Vietnam’s cereals, only imports for the value of 8 million EUR of Vietnam’s cereals.309

309 Ibid
Main Competitors

**Kellogg Co** Kellogg Co is one of the leaders in sales of breakfast cereals in Vietnam. The company has a wide product variety in the category as well as a good distribution network. Consumers can easily find its products in most supermarkets/hypermarkets/convenience stores in big cities such as Ho Chi Minh City or Hanoi. It also has the widest selection available in the supermarkets. Its attractive packaging and good product quality and a well-known trade mark are its other competitive advantages.

**Masan Consumer** is a domestic, firmly established player in Vietnam’s Agrofood market which among other products produces instant cereal entitled Kachi. The cereal brand “Kachi” was launched already back in 2012 and the brand is still very popular amongst Vietnam’s consumers. The brand is also found in the major supermarkets of Vietnam.

Another significant player in the cereal’s market in Vietnam is **Nestlé**, officially operating in Vietnam since the 1990s. 90 % of Nestlé’s products in Vietnam are manufactured domestically in their factories distributed throughout the country. They now operate three factories that produce breakfast cereals in the country. With aims to thrive on the wellness phenomenon, nutrition and healthier product supply are highlighted within their domestic offer. Nestlé’s nutrition cereal is called NESVITA and it should be a healthier breakfast cereal alternative. Also, during a program entitled “Nutrition Education in School - Nestlé Healthy Kids”, which has been running since 2012 Nestlé Vietnam has coordinated with the Vietnam’s governmental authorities including

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310 Ibid
Ministry of Education and Training and the National Institute of Nutrition to provide computer labs, software, documents, and training materials on nutrition.

**Specific Customs and SPS requirements for Import**

Regulations for labelling require (with the exception of the trademark) that the following labels of domestically distributed products be in Vietnamese:

- name of product
- name and address of producer or trader liable for the product
- quantity
- composition
- quality standards
- production date
- manufacturing and expiration dates
- instructions for use and preservation
- Country of origin.

Exporters are advised to continually monitor legal requirements, as Vietnam’s commercial codes are frequently modified, and implementation can be inconsistent. Vietnamese importing companies can provide specific standards and requirements for the imported products in their sectors.

Products that fall under the categories HS 1902 and 1904 currently face import tariffs that range between 15% and 38%. However, owing to the results of the EU-Vietnam FTA negotiations, import tariffs on all of these products will be fully liberalized after 7 years from date of entry into force. The FTA is expected to enter ratification phase in 2018.

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Many Vietnamese consumers are becoming more familiar with breakfast cereals because of the larger availability at modern retailers as big supermarkets, hypermarkets and convenience stores. While the awareness among clients and supply on cereal products is rising, establishing business ties with local partners still requires careful considerations. It is often recommended that “exporters should undertake thorough market research to identify potential buyers and reliable distributors, as financial information on companies is generally not available”. The local experts can also support the exporters to set up physical presence; find trustworthy importers, distributors, wholesalers and retailers; provide legal advice on domestic legislation; translate contracts etc.

Increasingly, consumers are inclined to buy food from supermarkets because they are viewed as cleaner and more sanitary than traditional markets. Although local food products continue to be strong sellers because of a lower price, quality control has not yet reached international standards and the local consumers are beginning to pay closer attention to food quality and safety. Supermarket Managers report that consumer demand for imported foods is steadily increasing.

**Best practice example based on Masan Consumer**

Masan Consumer is a company 2000 that produces inter alia also instant cereals. “By 2014, Masan had developed a nationwide distribution network with 230 distributors, covering approximately 230,000 points of sale—one of the largest and deepest in Vietnam’s FMCG sector. In addition, they also implemented a state-of-the-art Distributor Management System (DMS) across all of their distributors, which provided them access to

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real-time data across the distribution network. To support the distributors throughout Vietnam, Masan provided geographical exclusivity and worked closely with them to ensure the effectiveness of their sales forces and smooth coordination.”

With the help of effective marketing strategies and expanding into areas where the growth is expected to be largest as well as tapping into rural markets, Masan has considerably been able to increase its market share in Vietnam. “Moreover, the growth of retail channels such as hypermarkets, supermarkets, convenience stores and independent small grocers in rural areas is expected to improve the distribution of Masan’s FMCG products and increase proximity to customers.”

Challenges for EU Producers
Companies doing business in or with Vietnam are advised to visit the market frequently or establish presence on ground to observe their business partners, subcontractors, market evolvements, as well as provide support to their counterparts. Due to the geographical distance between Europe and Vietnam, might find it more inconvenient to commute between those regions. Physical presence is also essential in establishing personal and trustworthy business relationships with key decision makers and in ensuring the quality of offered goods and services.

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317 Ibid
3.10 Bread, Pastry, Cakes, Biscuits and other bakery products

Consumption
Vietnam has seen rapid growth in the popularity of baked goods in the country, driven by changing consumer trend and preferences and by increased penetration of western products to Vietnam’s market. Also, over the last five years bigger cities, such as Ho Chi Minh City and Hanoi, have witnessed a boom in cafeteria-style outlets. Vietnamese tend to meet each other at cafeterias for breakfast in the morning or for socializing and dinners during after work hours. Moreover, next to the Vietnamese food available, modern cafeterias also offer Western-style fast food and freshly-baked bakery products. The increased popularity of visiting cafeterias leads to greater demand for bakery products.
According to research conducted by EU-Vietnam Business Network, as one of the popular alternatives to rice and noodles, bread retained its status as a primary consumption bakery product compared to other sub-categories (such as cakes and pastries) with VND8 trillion (320€ million) sales in 2013, equivalent to 76.8 % of total bakery market revenue. Thanks to the rising number of bakery outlets, sales value of unpackaged or artisanal products has grown gradually, reaching VND4.1 trillion (164€ million) and accounting for 39.6 % of total bakery sales. In 2013, packaged baked goods sales were VND6.3 trillion (252€ million). However, there is a low probability that unpackaged products will have a strong impact on the revenue of packaged goods, as each category serves different benefits. While packaged baked goods offers great convenience for busier lifestyles, consumers can enjoy more delicious taste of unpackaged or artisanal products served in the modern bakery outlets.  

In 2015, the **malt** accounted for 7.7 % in all EU Agri-food exports to Vietnam, having an increase of 15.1 % from the previous year. (Agri-Food Trade Statistical Factsheet. European Union – Vietnam, 2016: 4)  

In 2015, the **wheat** products accounted for 2.4 % in all EU Agri-food exports to Vietnam, having an increase of 44.4 % from the previous year. (Agri-Food Trade Statistical Factsheet. European Union – Vietnam, 2016: 4)  

In 2012, the white sandwich bread is one of the most popular type of packaged/industrial bread with a 79 % market share, followed by buns and rolls with 11 % and baguettes with 6 %. The same year, the noodles were third biggest category in the packaged food categories list in Vietnam. Pasta was listed as fourth fastest growing category in the Vietnamese packaged food categories list. This trend has continued well into 2017.  

According to research carried out by the EU-Vietnam Business Network, accounting for 42 % of the confectionery market value, biscuits, cookies and crackers recorded VND6.9 trillion (276€ million) sales in 2013, posting a CAGR of 9.2 % during 2010 to 2013. Since savory and plain biscuits and crackers contained less sugar and more vitamins, these two segments are considered healthier products among other subcategories. They remained the most consumed with reported sales of VND5.3 trillion (212€ million) or 76% of total category value in 2013.  

Ready-made bakery goods offer food consumption at great convenience. Sandwich breads are popular breakfast, lunch and snack meals that can be enjoyed on-the-go or prepared for children’s lunchboxes. Most dominantly, white sandwich bread is stacked at home for its quick and easy-to-prepare nature. As well as, baguettes, buns and rolls are other  

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growing articles due to their wider availability in supermarkets, hypermarkets and convenient stores.

**Consumer Profiles**
Consumers from the lower and higher income segments can be divided among the various bakery products available. For example, consumers who are more price conscious choose products from domestic manufacturers and are more willing to accept lower quality products. However, in general terms the local clientele is more exposed to globally prominent brand names and imported goods and more willing to pay higher price for imported bakery products. Vietnamese consumers enjoy meeting each other in cafeteria’s where they are starting to increasingly order some baked goods to accompany their cup of coffee.

**Consumer Trends**
Even as the consumption of wheat-based foods in Vietnam has been low, the locals are slowly but surely exploring more options of replacing rice-based diets with wheat-based products manly due to western influences. “This growth is predicted to be 3-8 per year and is largely due to changing lifestyles as consumers become more familiar with convenience and fast foods and as rural based populations move towards the cities for work opportunities.” The greater urbanization also stimulates these trends. According to the Australian Export Grains Innovation Centre, “the bakery sector represents between 35-40 of total flour use in Vietnam and is trending towards more western style sandwich type breads and baguettes.”

**Offer**

**Domestic Offer**
According to the research carried out by the EU-Vietnam Business Network, the bakery sector in Vietnam represents between 35 and 40 % of total flour use. The bakery market enjoyed a CAGR of 7.6 % over the period of 2010 to 2013, reaching VND10.4 trillion (416€ million) by the end of 2013. This was due in part to a new style of bakery outlet expanding quickly across Vietnam since 2010 and becoming more and more popular as a place for people to gather, similar to coffee shops. Kido’s Bakery, Onoré Bakery, Tous Le Jour, Paris Baguette, Bread Talk and Brodard Bakery are some examples of this new style of bakery in Vietnam. Baked goods is expected to register a CAGR of 6 % in constant terms to reach VND22.8 trillion in 2019.

Also, frozen bakery products are starting to take larger market share on the shelves of modern Vietnamese food retailers. A greater part of the frozen bakery products comprises of frozen dim sum, which is very popular and widely available in Vietnam. Popular dim sum in Vietnam includes shu mai, spring rolls, and dumplings. These products are complicated and time-consuming to prepare so frozen processed products are popular.

**Imports**
While all baking ingredients can be supplied domestically, most of the wheat flour used for baking is imported from overseas. Vietnam is a net importer of wheat. In 2013,

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322 Ibid
Australian milling wheat made up 70 to 80% of the total wheat imports. Although Australian wheat is forecasted to continue dominating Vietnam’s imports, it is expected to face increasing competition from India in 2015. Another competitor is the USA, which offers high quality wheat.\textsuperscript{325}

\textit{Figure 34 Vietnam’s Imports of Baked Goods}

Vietnam mainly imports baked goods from Indonesia, Malaysia, Thailand, South Korea, Denmark and France.

\textit{Exports}

Vietnam also exports a lot of baked goods (mainly breads and cakes) to China, Japan, United States and even to France. Vietnam’s exports of baked goods have been steadily growing for the past five years and are expected to continue growing.

\textit{Figure 35 Vietnam’s Exports of Baked Goods}


\textsuperscript{326} © Trade Map, International Trade Centre, www.trademap.org

\textsuperscript{327} © Trade Map, International Trade Centre, www.trademap.org
**Main Competition**

The bakery market is highly fragmented, in which Kinh Do notably has maintained its lead in market shares while other typical competitors such as NhuLan, Duc Phat, Orion Food Vina and Bibica (Bien Hoa Confectionery Corp) presented an average of 5% market share each.

**Kinh Do Corporation** is Vietnam’s largest confectionery and baked products corporation by both sales and production value. Over the last two decades, the company has developed plenty of products including various baked goods, confectionery, cakes, crackers, cookies, snacks and soft drinks. Kinh Do has a strong competitive advantage in packaged breads and pastries thanks to its years of presence in Vietnam and longtime reputation for good quality Vietnamese products. The corporation manages a wide variety of brand names and it also acts as a distributor for imported brand names.

**Nhu Lan Bakery**, a bakery chain in Ho Chi Minh city, is famous for its fresh, flavorful bread since it opened already back in 1972. The bakery's owner, Nguyen Thi Dau, started her career by selling bread on a small pushcart. The bakery sells a wide variety of baked goods, but the specialties of the bakery are, definitely, the famous Vietnamese *bahn mi* bread rolls.

**Topcake Joint Venture Co., Ltd** is another bakery entity that specializes in packaged various baked goods including cupcakes and confectionery. Topcake, a relatively new establishment, was established in 2009 based on a partnership among Australia, the Philippines and Vietnam.

The other players in the Vietnamese bakery market include **Duc Phat, Orion Food Vina** and **Bibica**.

**Challenges for EU Producers**

Some other countries, such as Australia and other ASEAN countries, are in a preferred situation compared to European Union MS. For example, trade between Vietnam and Australia is directly affected by the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA). The AANZFTA provides preferential tariffs for Australian exporters and investors in Vietnam. Among other benefits, the AANZFTA includes elimination of a 5% tariff by 2016 on wheat exports to Vietnam.
**Specific Customs and SPS requirements for Import**

Products that fall under the category HS 1905 currently face import tariffs that range between 10% and 40%. However, owing to the results of the EU-Vietnam FTA negotiations, import tariffs on products that fall under HS 1905 will be fully liberalized after 5 years from date of entry into force. The FTA is expected to enter the ratification process in 2018.

**Registration and sanitary regulations**

According to U.S. Department of Commerce, business entities, including foreign invested enterprises with a legally registered business license, may be engaged in direct import and export activities in Vietnam. However, according to Vietnam's regulations, foreign invested enterprises can import materials, equipment, and machinery only for establishing production lines and producing goods in accordance with their investment licenses. Under Vietnam's WTO commitments, trading rights are now open to all foreign invested enterprises, including wholly-owned enterprises. Vietnam facilitates an automatic import licensing system that requires importers of a wide category of goods to obtain a license from MOIT (Ministry of Industry and Trade) to get their goods through customs. Distribution rights for these entities are opened to joint venture investment with no limit on capital contribution, and since 2009 have been opened to wholly foreign invested enterprises.

According to the U.S. Department of Agriculture, Certificates of Origin (C/O) for all products must be issued by competent agencies as prescribed by the exporting country. These agencies usually include organizations such as the Ministries of Trade, Ministries of Industry, Ministries of Finance, and other organizations designated by the government of the exporting country, such as Chambers of Commerce, Chambers of Commerce and Industry, etc. If the C/O is issued by the manufacturer, it must be certified by the concerned competent agency or organization of the issuing country. C/Os submitted to Vietnam’s customs office must be original (not copies) and contain the following information:

1. The issuance number of the C/O.
2. Name and Address of the exporter, the exporting country.
3. Name and Address of importer, the importing country.
4. Information on transportation of the goods.
5. The trademark and label; quantity and type of packs; description of goods.
6. Weight
7. The origin of the goods

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331 Ibid
8. The enterprise requesting the C/O issuance (Enterprise’s name and date of request for issuance).

9. The C/O issuing organization (Name, date of issuance and its stamp)

According to the Laws of food safety released in October 2012, any organization registered as a manufacturer or distributor of food and beverage must be certificated by GMP, HACCP, and ISO 22000. Furthermore, according to EU Vietnam Business Network research report, regular examination (not more than twice a year) and sudden examination will occur to make sure there is no violation. The certificates will be expiring after 3 years and the organization needs to apply again.³³²

As explained in the EU-Vietnam Business Network research report, in order to proceed in the industry, an F&B company needs to go through a process and product testing by NIFC (National Institute of Food Control). Two stamps also called ISO/IEC Guide 65 are provided by NIFC. Since food safety is considered to be an issue in Vietnam, some organizations, manufacturers and food companies even use the mentioned stamps in their marketing campaigns.³³³

**Distribution**

Domestically, food is consumed mainly through commercial and traditional trade channels. According to 2013 data, traditional channels include around 780,000 of traditional markets and small private shops around the country which are suitable for small quantity and high-frequency food purchases. Traditional channels account for about 75 % of food retail value, while the remaining 25 % belongs to commercial channels including 447 supermarkets, hypermarkets, convenience stores and food service operators with significant presence of 560,000 restaurants and food outlets, and 12,500 hotels.³³⁴

A number of retailers covered by a distributor in each area depends directly on its capability. Usually the distributor with a wide presence in big cities has around 200-300 stores including showrooms in supermarkets and restaurants. In Ha Noi and Ho Chi Minh City, a regular big distributor has at least 7 key accounts (such as hotels, restaurants,

³³³ Ibid
³³⁴ Ibid
hypermarkets, etc.), that are considered as the main source of its income. From that point, the distributor expands and go deeper to the market.\textsuperscript{335}

**BreadTalk** is a chain of bakery outlets that operates within both, the ‘on’ and ‘off’ distribution channels. While most of their 15 stores in Ho Chi Minh City, Binh Duong province, Vung Tau province and Nha Trang City offer only take away purchase, some cater customers also in a café format on-site. BreadTalk Vietnam belongs to the BreadTalk Group Limited, a Singaporean origin bakery that was founded in 2000. It operates a chain of retail outlets through its subsidiary BreadTalk Pte Ltd, selling a wide variety of bread, cakes, buns and pastries.

**Tous Le Jours**, founded in 1996, is a worldwide operating bakery chain that focuses on the coffee, bakery and food market segments. In June 2007 it opened its first store in Ho Chi Minh City. As of 2016, they have established some 30 shops all across Vietnam.

**ABC Bakery**, belonging to the Asia Bakery & Confectionery Pte Ent, is a Vietnam originated bakery shop with 31 branches all over Ho Chi Minh City, Nha Trang & Can Tho, Vietnam and 5 in Cambodia. They serve wide range of bakery products such as bread, pastries, cakes and many more.

**Paris Baguette** is another global bakery-specific brand, established in 1986 and owning thousands of shops worldwide, including tens of stores in Vietnam.

### Challenges for EU Producers

According to EU-Vietnam Business Network Research Report, in general, establishment of a business for a foreign-owned company in Vietnam is considered to be much harder for SMEs than for global players carrying well-known names and brands. It usually takes authorities a long time to provide a license for SME – around 6-7 months or even longer. Legal issues can be very complex, a local lawyer is considered essential. Presently foreign companies are commonly subjected up to 15 bureaucratic inspections per year, as well as to some occasional, unclear and complex administrative licensing procedures.\textsuperscript{336}

\textsuperscript{335} Ibid

3.11 Chocolate and derived products and Confectionery

Consumption
According to Euromonitor International, chocolate confectionery is expected to see value sales rise at a Compounded Annual Growth Rate (CAGR) of 6% at constant 2015 prices over the forecast period. The expected recovery of the economy will have a positive impact on the performance of chocolate confectionery. In addition, in the context of higher disposable incomes and the growing influence of western culture, consumers will tend to purchase chocolate confectionery and confectionery on a more regular basis. Leading manufacturers are likely to upgrade the quality and packaging of their products in order to attract consumers.  

Consumer Profile
Consumer trends in urban areas:
- Low (but increasing) average income.
- Growing awareness and concern about nutrition, quality, hygiene, and food safety.

• (Clear indication of nutritional value on the package has been a good marketing strategy for health foods.)
• Brand loyalty; still receptive to new products.
• Western lifestyle is welcomed.
• Dining out has become more frequent.
• Advertisements and promotions are effective, particularly for children.

As the Vietnamese consumers are getting more affluent, they are also spending more money on chocolates and confectionery.

Even though, Vietnam’s chocolate consumption has grown rapidly over the past five years, the consumption has to be put into perspective. According to consultant Dennis Foo “while demand from customers is rising sharply, in absolute terms, the sales are still small. For instance, the Swiss are world champions in chocolate consumption: they eat around nine kilograms of chocolate a year each – that is the equivalent of eating 170 regular Snickers bars! While the average US American eats four kilograms a year, the people in Vietnam consume just a couple of hundreds of grams of chocolate each.”

Increasing chocolate consumption will be mainly concentrated in big cities like Ho Chi Minh City or Hanoi because “the urban population is expected to reach nearly half the country’s total population in 20 years and will drive consumer demand and brand proliferation. As a high share of confectionery products are consumed in urban areas, urbanisation will be a key growth driver for biscuit and confectionery demand.”

In Vietnam, chocolate and confectionery products are often given as a gift on special occasions (like the Lunar New Year or Valentine’s Day). This has led consumers to seek out products that have premium-style packaging or artisanal packaging. Many consumers prefer imported chocolate confectionery due to its perceived better quality and oftentimes more elegant packaging. Expatriates, especially western expatriates also prefer imported chocolate products, because of the perceived better quality and better familiarity with the products.

The EU chocolate producers are at the advantage on the Vietnamese chocolate and confectionery market because “the Vietnamese consumer does not trust the product of his own country yet,” and prefers imported goods which are perceived as higher quality. This is mainly true for urban middle class, that is increasingly concerned about the food safety issues in the country. At the same time, French chocolate producers in Vietnam note that “there is not likely to be much of a market for praline” as the Vietnamese consumers are not so much into praline products.

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339 Dennis Foo, How Vietnam is developing a sweet tooth – for chocolate”, LinkedIn, available at: https://www.linkedin.com/pulse/how-vietnam-developing-sweet-tooth-chocolate-dennis-foo/
342 Ibid
Consumer Trends

According to Euromonitor in 2015, the demand for sugar confectionery was affected by rising consumer awareness of health and wellness issues. Via the media, consumers learnt more about diseases or other health conditions that can be caused by consuming too much sugar, including high blood pressure and obesity. Thus, many became more careful about their daily sugar intake, reflecting their bid to stay fit and healthy. Consumer health-consciousness is also expected to have effect on the chocolate confectionery market.343

Rising consumer awareness regarding health and wellness issues presents a major threat to the growth of sugar confectionery. As consumers become more concerned about their appearance and health-related issues, for example with regards to their sugar intake, many are likely to opt to consume less sugar. In addition, sugar confectionery also faces competition from chocolate confectionery which, albeit a smaller category, is set to see stronger growth in both volume and value terms going forward.344

According to experts “Bagged self-lines/soft-lines registered the fastest volume growth rate (+10 %) within the chocolate category in 2012 and this trend will continue. Vietnamese consumers increasingly consume chocolate confecions as snacks and sometimes they only need to have a small portion each time. Therefore, consumers choose bagged self-lines/soft-lines thanks to this format’s flexibility, convenience and shareability”.345 This trend is true also in 2017 as consumers still tend to prefer small soft-lines for the convince of these products.

In general, standard boxed assortments are more frequently purchased as gifts by the Vietnamese. “Thus, domestic manufacturers paid more attention to improving packaging designs for standard boxed assortments compared to other categories. Most of the designs reflected premium and elegant elements, critical characteristics Vietnamese consumers look for when they purchase chocolate confectionery products.”346 In 2017, Vietnamese chocolate producers continue to pay attention to elegant package style as demand for elegant packaging is growing together with the increasing income of middle and higher-income consumers.

Offer

Domestic Offer

The Chocolate and confectionery market in Vietnam has been steadily growing for the past five years. The number of local sellers as well as the number of foreign chocolate and confectionery sellers has gone up gradually, a trend that is expected to continue for the foreseeable future.

344 Ibid
"Vietnamese state-owned companies plan to convert some coffee and rubber plantations to cocoa, delivering a significant boost to the country’s annual output," which could grow Vietnamese cocoa production "from 3,500 metric tons (MT) annually to 50,000 MT annually in the next eight years." This also means that domestic chocolate and chocolate confectionery production is expected to rise.

The government is also committed to seeing an increase in Vietnam’s chocolate and cocoa production, as "the Vietnam government has undertaken a number of initiatives to improve infrastructure, expand training and strengthen linkages among smallholder farmers and other actors in the supply chain of the segment [increased cocoa production]."

**Import**

As Vietnamese middle class is becoming more affluent and tends to prefer foreign chocolates and confectionery because of the quality and of nicer and more elegant packaging style. Vietnamese chocolate imports from the EU have grown gradually over the past 5 years.

*Figure 36 Vietnam’s Imports of Chocolate from the EU*

![Graph showing Vietnam's Imports of Chocolate from the EU from 2011 to 2016.](image)

Vietnam has also tried to protect local food manufacturers by imposing high import tariffs (from 15 to 40%) on selected food imports that compete with locally produced products (edible oil, confectionery, snack foods, juices, ice cream etc.).

Vietnam mainly imports Chocolate from Malaysia, China, Belgium and Germany as shown in the table below.

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Export
Vietnam exports chocolate and confectionary only in small quantities due to small production capacity and due to the fact that there are not many internationally well-known Vietnamese chocolate or confectionery brands.

Vietnamese export of chocolate and confectionery to the European Union has slightly grown over the past 5 years, but it has remained steady for the last 3 years.

Figure 38 Vietnam’s Exports of Chocolate to the EU

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Similar trends are true for Vietnamese exports to the rest of the world as shown in the graph below. The exports are clearly growing.

*Figure 39 Vietnam’s Exports of Chocolate (cocoa based)*

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**Labelling with Focus on PDO, PGI, TSG and Organic Labels**

Vietnam has an established GIs registration system in place and foreign companies can also apply for PDO and PGI recognition. Currently, there are no chocolate and confectionery products from the EU which are registered as GIs in Vietnam. However, the EU-Vietnam FTA contains comprehensive provisions on the mutual protection of GIs. Vietnam has agreed to protect 169 GIs from the EU, including the following confectionery products: Lübecker Marzipan from Germany and Jijona from Spain.

**Main Competitors**

Main players on the Vietnamese market in the field of chocolate and confectionery include: Belcholat, Storck KG, Mars and Hershey. Local main players include Mao Kinh Do Corporation, Bibica and Orion Food Vina.

**Belcholat JSC**

Belcholat JSC has been the market leader in Vietnamese chocolate and confectionery market for almost five years. In 2015 it had 13% of market share in Vietnamese chocolate confectionery market. Belcholat JSC is particularly popular because of its elegant packaging style, which Vietnamese consumers like, as it is a perfect chocolate confectionery for gifts.

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Storck KG

Storck KG is also popular on Vietnamese market for chocolate and confectionery. It has the market share of about 10% in Vietnam. Storck KG is popular amongst Vietnamese consumers because of its good quality chocolate confectionery and because of its elegant packaging style.

Mars

Mars is also very popular chocolate confectionery producer, praised amongst Vietnamese consumers. The most popular brand from Mars in Vietnam is the M&M’s, which the Vietnamese consumers like for its good quality chocolate and brand reputation as well as for convenience. Similarly to other big players on the market, Mars also holds about 5-10% of market share in Vietnam.

Marou

Marou is a local artisanal chocolate producing company, which was started by two Frenchmen Vincent and Samuel Marou. Currently Marou produce five different bars – all made from cocoa beans grown ethically in Vietnam, and all with a rich, engaging flavor. Marou is not only popular in Vietnam, but it has also gained international recognition. Vietnamese consumers love Marou chocolate because of its packaging style. “Every aspect of the of the way each bar looks, and feels has been carefully thought out, with particular care and attention being given to the wrapping.”

Challenges for EU Products

High-level of regulatory uncertainty negatively impacts importers in all channels. Some importers may also shy away from entering to the Vietnamese market because of the relatively high import tax on chocolate and confectionery.

According to EU-Vietnam Business Network Research report, despite some changes in Vietnamese’ life styles and consumer behavior towards western styles and an increase in awareness of health quality standards, some niches are still a price sensitive market. This could be an issue for small-scale artisanal chocolate or confectionery producers, who might not gain popularity on the market. Since artisanal chocolate and confectionery producers would need to sell their products at higher prices, they may also find themselves in a situation, where the Vietnamese consumers are not able to afford their products.

Specific customs and SPS requirements for import

According to the Vietnamese Law on Food Safety, food packages, containers and equipment in direct contact with food must register an Announcement of Conformity with technical regulations with Ministry of Health (MOH) before being circulated on the market.

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Decree 38/2012 and Circular 19/2012/TT-BYT dated November 9, 2012 providing guidelines on the Announcement on Conformity with Technical Regulations and Food Safety Regulations stipulate in detail the registration procedures of the Announcement of Technical Regulation Conformity for food as well as food packages, containers and equipment in direct contact with food.\textsuperscript{359}

Products that fall under the category HS 1806 currently face import tariffs that range between 12% and 30%, while those that fall under the category HS 1704 face import tariffs that range between 15% and 25%.\textsuperscript{360} However, owing to the results of the EU-Vietnam FTA negotiations, import tariffs for these products will be altogether liberalized after 7 years from date of entry into force. The FTA is expected to enter ratification phase in 2018.

**Distribution**

The distribution channel of chocolate products is relatively fragmented due to limited local production as explained in a study conducted in Finland: "Most of the Vietnamese confectionery products are mainly distributed through fragmented small private grocery retails and lack of a unified network. The international players, however, gain an upper hand in their technological advance and well-known brands, targeting the customers with bigger pockets."\textsuperscript{361}

The same study finds that Vietnamese consumers preferably purchase confectionery through physical locations. "This is due to a traditional purchasing habit of the local customers for long. The Vietnamese love to personally touch, see and feel the products in the shops."\textsuperscript{362} Thus, chocolate and confectionery products can be best sold via supermarkets, stores and convenience stores, where the consumers can touch, see and evaluate the products.

It is oftentimes easier to enter Vietnam’s market with the help of a major distributor that already has an established distribution network. For example, in 2016 Cadbury Shweppes entered Vietnam’s market by signing a partnership with Kinh Do. Kinh Do is the clear market leader in Vietnam and "will give the multinational nationwide exposure".\textsuperscript{363}


\textsuperscript{361} Nguyen, Duc Quang and Ha, Thi Thu Phuong, “Vietnamese Confectionery Market Analysis and Entry Plan”, Lahti University of Applied Sciences, 2013 available at: https://www.theseus.fi/bitstream/handle/10024/54850/Ha_Phuong.pdf?sequence=3

\textsuperscript{362} Ibid

Challenges for the EU Products

Vietnam’s consumers are becoming very value-conscious especially when the inflation spikes. Despite rapid growth, Vietnam is not sheltered from inflation and as prices hike, luxury products like chocolate are expected to take the hit, as consumers will ditch luxury products first.

In Vietnam, there are many import-export companies, both domestic and international who are involved in the distribution channel however, according to the Finnish study “In spite of numerous import companies, it is quite challenging to find the suitable partner for coordination. The import company is expected to be aware of the requirements specific to the particular commodities imported.” It goes especially for small domestic distributors, that the distributors are not always aware of all the requirements. It is always recommended to seek for more information from established business associations in the country to be sure to meet all the requirements.

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3.12 Honey

**Strengths**
- Consumers are willing to try foreign and new products
- Domestic honey production is dispersed and there is no clear market leader, imported honey is also highly regarded

**Weaknesses**
- Consumers still prefer to buy the cheapest honey on the market.
- Honey consumption is still relatively low
- Selling price of honey is relatively high

**Opportunities**
- Consumers prefer high-quality organic products, which offers opportunities to EU producers.
- As consumers become more health-conscious there can be increased demand for honey.

**Threats**
- China is able to produce honey at a lower price and could thus grab the largest market share if internal demand in Vietnam increases

**Consumption**
Vietnam is a traditional honey producing country. In 2013, honey production volume in the country amounted to 48,000 tons, making it one of the world’s top honey producers. However, most of the produce is generally exported abroad: in the same year more than 37,000 tons (77%) were exported.

Even though honey is a small sector that accounts for a small portion export revenue (around $100 million per year), it contributes significantly in job creation, poverty reduction, exploitation of available natural resources, lessening deforestation, as well as in the enhancement of living standards of ethnic minority people in mountainous regions such as Central Highlands and North West.

**Consumer Profile: Health Concerns**
In recent years, Vietnamese consumers have become more and more aware of healthy products, leading to a demand increase of raw natural products. Being popularly considered a “gift of nature”, honey has been filling many aspects of Vietnamese people's daily life, in particular: cosmetics and skincare products for cleansing and moisturizing; antibacterial and antiseptic products for healthcare; as well as in local cuisine, with a large part of the population preferring honey to other seasonings to cook.

**Consumer Trends**
As already mentioned, in recent years Vietnamese consumers have become more aware of the health benefits of honey. This has contributed to the development of the honey
market, with an increasing number of honey-made products (mint flowers, floral labels, forest flowers, lemon peach, royal jelly, etc) being nowadays sold in Vietnamese markets. This is reflected by a more diversified distribution of honey products, not anymore limited to small retail stores and wet markets, but now also appearing on bigger supermarkets and hypermarkets’ shelves nationwide. A lot of Vietnam’s honey is exported to other Asian countries and to the U.S. “Vietnamese honey is sold in these markets as a premium product, retailing at pharmacies, high-end supermarkets and department stores.”

On Vietnam’s market, here is now a trend towards polyfloral honeys, also known as wildflower honey varieties, which are produced by honey bees using the nectar from many different flower species. The main reason shaping this trend is not only because the unique and complex combination of flavors resulting from mixing many nectar qualities, but mostly because this type of honey is commonly perceived to be a “more pure” natural product with limited source of supply. Another reason is that in this case, farmers don’t have to take extra measures to make sure that the honey only comes from specific flowers. However, due to the absence of strong brands and market leaders for domestic consumers to evaluate the product’s real value, there currently are a wide range of prices and qualities for this product in the domestic Vietnam’s market.

**Offer**

**Domestic Market**

Domestic consumption accounts for only a small proportion of the production. The main types of honey products consumed domestically are monofloral honey products predominantly deriving from the nectar of one plant species. Monofloral honey is usually sold in Vietnam at a higher price than the average export price, ranging from 4€ to 45€ per kilogram.

The average retail price in the domestic market fluctuates between 200,000-300,000 VND / kilogram (8€ to 12€), while the average selling price for exports decreases to 40,000 VND (1.6€) per kilogram.

Due to low internal demand, beekeepers often experience price pressure that might even force them to lower market price below the production costs. At the same time honey production is also on the decrease in Vietnam, mainly due to climate change. It is reported that “Climate change has made Vietnam’s dry seasons longer and droughts more prolonged. This has forced beekeepers to move their hives more regularly to get the most from their Asian honeybees. In 2014, 35,000 colonies were recorded in Vietnam, but since then, they’ve noticed a 20 percent decrease in the number of beekeepers in the country.”

At the same time, Vietnam is still one of the largest producers of honey in the world. According to the statistics of the Vietnam Beekeepers Association, “Vietnam has around 1.5 million honey bee colonies and about 35,000 breeders focusing in northern, central highlands and Mekong Delta regions.”

According to the same study of Vietnamese Beekeeper’s Association, “Honey bee production has gradually shifted from small and scattered to intensive farming. Each

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breeder raises around 50-100, even 500-600 colonies. Bee keeping cooperatives and clubs have been set up to help improve production value and facilitate consumption.  

**Import of Honey Products**

Vietnam is a net exporter of honey products, as it exports about 90% of the honey it produces. Imports of foreign honey and derived products in Vietnam are extremely low, especially compared to its exports. According to ITC Trade map in 2015 imports amounted to 585 tons of honey, compared to over 25,000 tons exported in the same year.  

The main factors contributing to the low volume of imports are the high quantity of honey produced, as well as the relatively low price compared to foreign counterparts. In the country more than 35,000 people are engaged in honey industry.  

**Figure 40 Vietnam’s Imports of Honey**

![Image of Vietnam’s Imports of Honey](ITC Trade Map)

**Figure 41 Vietnam’s Imports of Honey from the EU**

![Image of Vietnam’s Imports of Honey from the EU](ITC Trade Map)

**Export of Honey Products**

In 2015 Vietnam ranked 7th in the world and the 3rd in Asia for total honey export value. Total exports in that year amounted to 92 million EUR, accounting for 5% of the world’s  

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368 Ibid.  
369 ©Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)  
370 ©Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)  
371 Ibid
honey exports.\textsuperscript{372} In terms of exports volume, in 2014 Vietnam exported more than “46,600 tons of honey, more than 90 percent of which was exported to the US market”.\textsuperscript{373} Most of the Vietnam’s honey exports come from the central regions, in particular Dak Lak Province.

Even though Vietnam is one of the major honey exporters, its honey exports to the European Union have started to take off only after July 2013, when the European Commission decided to lift the six-year old embargo on Vietnamese honey imports. “In 2015, Local producers shipped more than 80 tonnes of honey to the EU in the first quarter of this year alone, with more exporters targeting the lucrative market.” \textsuperscript{374} It still remains a very low percentage of total exports. However, Vietnamese honey exports to the EU are likely to benefit from the Free Trade Agreement recently signed by the two countries, which eliminated import taxes.

Figure 42 Vietnam’s Honey Exports

Currently, Vietnam continues to sell about 90% of its honey to the U.S and it’s trying to win over the European Union market, which could soon be possible because “Vietnam is now in the “third country list”, meaning that Vietnam has established the residue monitoring system and can prevent the export of poor quality honey that does not conform to EU requirements in a good way.”\textsuperscript{376}

Labelling Options for Honey in Vietnam

Vietnam’s domestic market there currently are 43 GI protected nationally produced products, only one of which being honey, the Meo Vac mint honey. Among Vietnam’s national GI products, however, only the Phu Quoc fish sauce enjoys GI status in Europe. With the entry into force of the EU-Vietnam Free Trade Agreement, the EU will recognize and protect in total 39 Vietnamese GIs, while Vietnam will do the same with 169 EU GIs.\textsuperscript{377}

\begin{itemize}
  \item \textsuperscript{372}©Trade Map, International Trade Centre, \url{www.trademap.org}
  \item \textsuperscript{375}©Trade Map, International Trade Centre, \url{www.trademap.org}
  \item \textsuperscript{377}For a detailed list of the products, please visit: \url{http://trade.ec.europa.eu/doclib/docs/2016/february/tradoc_154223.%20institutional%20-%20GIs%206.5a3%206.11wq%20rev2%20-%20for%20publication.pdf}, pp. 15-26.
\end{itemize}
Meo Vac mint honey is one of the most famous specialties of Vietnam honey and is produced in the Dong Van Plateau in Ha Giang area. Due to its rarity, the prices of this variety of honey are generally higher two to three times than average honey price in Vietnam.

The Meo Vac honey was listed as GI following the implementation of the project “Building Geographical Indication of “Meo Vac” for Meo Vac Mint Honey product – Ha Giang”, following raising concerns about non-Vietnamese honey, particularly Chinese, being labelled as Vietnamese and illegally traded in other countries. For example, in Chicago the Federal agents confiscated “195 barrels of bulk honey found in three shipping containers were falsely declared as originating from Vietnam to evade anti-dumping duties applicable to Chinese-origin honey”.378 The label of the products indicates the logo, the production facilities of each locality, as well as the households from where it was produced.

None of the EU honey products of geographical indications is featured in the list of the 169 GI products to be recognized by the EU-Vietnam Free Trade Agreement.

Main Competitors

Vietnamese brands are developing rapidly. Among the most famous brands, we find: long-established brands, including Vinapi (Honeybees Central JSC), Apidona (Dongnai Honeybee Corporation), Dakhoney (Dak Lak Honey JSC); and many new brands which are increasingly gaining market share, some examples include: Xuan Nguyen, Q Honey, Truong Tho, Phuong Nam, Honimore, Zemlya, etc.

Most of the honey products sold in supermarkets are relatively new brands established in a period not surpassing 10 years. On the contrary, large companies have little or no share at all of the domestic market, mainly because their primary targets are foreign markets, whose demand is higher than the domestic one. Producers for the domestic market are normally small producers, as “the investment is very low — the benefit is very high”.379

Specific Customs and SPS Requirements

The EU-Vietnam Free Trade Agreement will eliminate nearly all tariffs (over 99%). In particular, Vietnam will liberalise 65% of import duties on EU exports to Vietnam at entry into force, with the remainder of custom duties being gradually eliminated over a 10-year period. With respect to natural honey (HS code: 04090000), the 10% import duty on EU exports to Vietnam shall be removed at entry into force of the agreement. The same also applies to Vietnamese natural honey exports to the EU.380 The EU-Vietnam FTA is expected to enter ratification process in 2018.

380 For a detailed list of Vietnam’s tariff schedule under the FTA, please refer to: http://trade.ec.europa.eu/doclib/docs/2016/february/tradoc_154201.pdf ; for more information regarding the categories of each good, please refer to: http://trade.ec.europa.eu/doclib/docs/2016/february/tradoc_154199.pdf
With the EU-Vietnam Free Trade Agreement, which contains a chapter specifically addressing Sanitary and Phytosanitary measures (SPS), Vietnam has committed to increasing the use of international standards, in particular to applying the principles of the WTO SPS Agreement, with the intent to facilitate bilateral trade in plant and animal products.\footnote{For more information on the EU-Vietnam Free Trade Agreement’s SPS chapter, please visit: http://trade.ec.europa.eu/doclib/docs/2016/february/tradoc_154209.%20institutional%20-%20for%20publication.pdf; for more information on the WTO SPS Agreement, please visit: https://www.wto.org/ english/tratop_e/sps_e/spsagr_e.htm}

**Distribution**

As previously mentioned, the country’s traditional and main distribution channels for honey are small retail stores and wet markets. However, in recent years they are slowly giving way to larger supermarkets and hypermarkets who are distributed nationwide. Most of the honey products sold in the supermarkets are relatively new brands with a shorter history, while the “big players” only occupy a very small share of the domestic distribution.

**Challenges for the European Products**

The main challenges that European (and in general all foreign) products need to face and overcome in Vietnam is the extremely low quantity of the country’s honey imports. As was previously highlighted, in 2015 the country only imported 585 tons of honey, compared to 25,000 tons exported. The main reasons limiting honey imports are the low internal demand, and the abundant honey resources and producers that the country has.

In addition to difficulties in gaining market access, another challenge might come from the selling price in the country, which is still relatively low mainly because the country’s role
as major honey producer. In addition, prices are often very unstable and there have been years during which honey was sold at costs lower than their production costs.

In addition, despite honey is gradually appearing in supermarkets and hypermarkets, however traditional “mom & pop” stores still remain the first choice of local people for buying honey products, thus limiting the scope and potential of distribution channels.

Although with the entry into force of the EU-Vietnam Free Trade Agreement honey import duties were removed, however at current stage it seems unlikely that Vietnam will witness an increase demand of foreign honey.
3.13 Gum Resin and Plant Extracts

Consumption
Vietnam non-timber forest products (NTFP) are rich, but highly fragmented, few of which are used for industrial processing to export, the rest which is not industrial raw material is internally consumed in two ways:

1. Farmers sell their products at local markets
2. Farmers sell their products to wholesale traders

NTFPs’ production is mostly located in remote areas where most of the gums and resins could be found, plus market conditions are still less informed and inconvenient which has caused this sector some difficulties in development.

NTFPs which are only for domestic consumption have different demands for each region, but in general, they are not required much in terms of quantity and quality.

NTFPs market has following characters:

- Unorganised market: scramble for selling and purchasing still occurs frequently, smuggled goods across the border are out of control which affects price and manufacturing.
• Poor infrastructure in the producing area holds back the development of production and market.
• Lack of science and technology application.

However, gums and resins are mainly used in the food processing industry in Vietnam. According to United States Agricultural department, the Vietnamese food and beverage processing sectors continues to expand - registering strong growth over the past 5 years. Vietnam’s food manufacturing sector registered a growth at 9.0 per cent in 2016 while growth in the beverage sector was even higher, at 10.5 per cent. The U.S. DA claims that this expansion is driven by economic growth and macroeconomic stability, Vietnam’s deepening international economic integration, and a rapidly urbanizing, modern, and youthful population, which is shifting its diet to include more processed and packaged food products. As many local and foreign-invested food processors continue to establish 2 themselves in the Vietnamese market.382

As the food processing industry continues to grow, so is the demand for gums and resins.

Offer

Domestic Offer

According to the Department of Forestry: Vietnam strives to put NTFPs become a sub-sector of forestry production with exported value expected to “reach about $ 8.5-8,6 billion”, [around 5.3 billion EUR] of the whole industry.383

The natural forests consist mainly of a mixture of wood and non-wood species, dominated by broad-leaved association. Despite deforestation and degradation, the Vietnam forest flora is still species rich, comprising endogenous, endemic and exotic families and genera, of which many non-wood species are of high economical value. Out of 12,000 higher plant species so far inventoried, there are: 76 species giving aromatic resin, 600 species giving tannin, 93 species giving dyeing stuff, 160 species giving essential oil, 260 species giving fat oil, 1,498 species giving pharmaceutical products.

Below is an overview of the NTFP sector in Vietnam:

"Resource management: limited, particularly detailed knowledge is missing on what works where and with whom.

Legal aspects: overall still weakly developed, but increasingly gets attention. Some institutes and individual researchers work on tenure-related aspects.

Market research: the marketing unit of NTFP is competent, but smallish in relation to its future tasks. Other organizations, which have marketing units, meet the same constraint.

Food security in relation to the forest and subsistence uses of NTFPs by local communities: underdeveloped“.384
Import

Although, as we can see from the chart below Vietnam imports of the sub-chapter product has continued to increase, the import value of lac; natural gums, resins, gum-resins and oleoresins relatively remained stable in the period of 2005-2010.

*Figure 43 Vietnam’s Imports of Lac, Natural Gums, Resins, Gum-Resins and Oleoresins*

<table>
<thead>
<tr>
<th>Sub-Chapter</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
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<tbody>
<tr>
<td>Lac, natural gums, resins, gum-resins and oleoresins</td>
<td>$3,413,927</td>
<td>$2,579,095</td>
<td>$2,678,149</td>
<td>$2,644,854</td>
<td>$2,548,949</td>
<td>$2,551,470</td>
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<tr>
<td>Vegetable saps and extracts; pectic substances</td>
<td>$7,186,804</td>
<td>$9,218,432</td>
<td>$14,507,085</td>
<td>$23,375,842</td>
<td>$24,632,899</td>
<td>$26,661,020</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$10,600,731</strong></td>
<td><strong>$11,797,527</strong></td>
<td><strong>$17,285,234</strong></td>
<td><strong>$56,020,696</strong></td>
<td><strong>$57,181,348</strong></td>
<td><strong>$59,212,490</strong></td>
</tr>
</tbody>
</table>

United Nations Commodity Trade Statistics Database UN COMTRADE

Since 2010, Vietnam has become the major export destination in term of volume of Ethiopia’s gums and resins.

In 2015, the Vietnamese imports value of resins from Europe amounted to 16 € million.

In Vietnam, natural pine forests are tapped, but pine trees are also much planted. A few hundred tonnes of pine resin are used domestically in Vietnam in the paper industry and for the production of varnish. Laos exports a few hundred tonnes of pine resin to Vietnam.

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Export Vietnam NTFPs have been exported to more than 90 countries in the world, however, China remains the dominant player in the market largely overshadowing Vietnam as the latter largely lacks investment in manufacturing technology which often results in low prices. Furthermore, the product quality in Vietnam still doesn’t meet the requirements of many demanding markets.

Vietnam exports at present about 4500 tonnes of pine resin and derivatives. Japan is now the main customer. Unfortunately for the country, Vietnam has already gone into long term (20 years) delivery contracts with Japan on the basis of relatively low world market prices in the past. Vietnam also exports about 10 tonnes of benzoin – the resin which is used mainly in the fragrance industry, to France.

Vietnam Exports of Lac; natural gums, resins, gum-resins and oleoresins has significantly decreased from 2005 to 2010.

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Vietnam’s gum and resin exports started to pick up again in 2013 and Vietnam exports its gum and resin products mainly to China, Korea, India, Russia and Cambodia.

Some exporters in Vietnam:

- **Nghe An Container Joint Stock Company (Vinhconship)**
  

  Main markets: North America, South America, Eastern Europe, Southeast Asia

- **Quang Ninh Pine Stock Company**

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391 © Trade Map, International Trade Centre, [www.trademap.org](http://www.trademap.org)
Gi Labelling

Vietnam has an established GIs registration system in place and foreign companies can also apply for PDO and PGI recognition. Currently, there are no gums, resins and plant extracts from the EU which are registered as GIs in Vietnam. However, the EU-Vietnam FTA contains comprehensive provisions on the mutual protection of GIs. Vietnam has agreed to protect 169 GIs from the EU, including Μαστίχα Χίου (transcription into Latin alphabet: Masticha Chiou) from Greece which falls in the natural gums and resins product class.

Main Competitors

A significant number of collectors and buyers in local and regional marketplaces are involved in the business of bringing these products to market. Markets for these products do not operate in a systematic way because of inconsistencies in supply and demand.

External interventions could make the situation more favorable. Such interventions include expansion of the market to provide alternative selling options to the producers, and development of better linkages between primary producers and outside traders. These interventions would promote a healthy competition among producers and traders, thus helping the market function in a sustainable manner.

Gums and resins are principal components in food and pharmaceutical industries, however, the domestic demand varies from region to region and the product is not required much in term of quantity and quality. Therefore, it is considered to still offer lots of opportunities for new players, especially when consumers are more and more conscious of what they are using in daily life. G&M International™, Vina Aroma Food Co., Ltd., Chemicals & Key Solutions Co., Ltd., just to name a few are well-known flavors suppliers in the local market.

Specific customs and SPS requirements for import

According to the Vietnamese Law on Food Safety, food packages, containers and equipment in direct contact with food must register an Announcement of Conformity with technical regulations with Ministry of Health (MOH) before being circulated on the market. Decree 38/2012 and Circular 19/2012/TT-BYT dated November 9, 2012 providing guidelines on the Announcement on Conformity with Technical Regulations and Food Safety Regulations stipulate in detail the registration procedures of the Announcement of
Technical Regulation Conformity for food as well as food packages, containers and equipment in direct contact with food.\textsuperscript{392}

According to Point h, Clause 2, Article 1 of Circular No.40/2012/TT-BNNPTNT dated 15/8/2012, the Ministry of Agriculture and Rural Development, gums, resins and plant extracts are listed in the commodity that need to go through the inspection of imported product samples by the Quality Assurance and Testing Centre (QA&TC) and also register an Announcement of Conformity before being circulated on the market.

Products that fall under the categories HS 1301 and 1302 currently face an import tariff of 5\%\textsuperscript{393}. However, owing to the results of the EU-Vietnam FTA negotiations, the majority of import tariffs on the aforementioned HS categories will be fully liberalized after 3 years from the date of entry into force. The FTA is expected to come into force in 2018.

\textbf{Distribution}

Lang Son is one of the provinces with the largest forest area, about 80,000 ha, collecting resin at 12000-13000 tons/year. Vietnam produces more than 2000 tonnes of star anise seeds per annum. A small quantity is used domestically in tonicums. About 1600 tonnes of seeds are exported to Cuba, China and the Soviet Union. On top of that 200 - 250 tonnes of essential oil are shipped to France and Czechoslovakia. In China, the largest supplier of star anise to the world market, Vietnam star anise is blended and then exported to France. In France it is used as a raw material in the production of alcoholic beverages.\textsuperscript{394}

The world market price is at present approximately US \$ 7.50/kg for star anise oil, down from US $15/kg a few years ago. The price appears to have stabilized now and star anise oil is considered a fairly good product. Vietnam has one distillation plant for star anise at Lang Son and about eight manual production lines around Caobang and Lang Son. In Vientiane, Laos, a small quantity of star anise oil is distilled annually.\textsuperscript{395}

Gums and resins are widely used in the food industry for thickening agents, emulsifiers and stabilizers. Besides, they are also used in diet products and medicines.

Below are some trading companies among the largest local marketers and distributors of food additives and ingredients, pharmaceuticals, etc. in Vietnam:

\textsuperscript{395} Ibid
Viet My Service Trading Production Co., Ltd. – VMC Group
http://phugiathucphamvmc.com/

My Uc Science Technology Development Joint Stock Company
http://std.com.vn/home/

Vinh Nam Anh Co., Ltd.

Hong A – HAROMA
http://www.hongaharoma.com/gioi-thieu.html

NANOCHEM
http://www.nanochem.vn/about.html

Golden Frog

Challenges for the EU Products
Vietnam imports most of its gum and resin products from China\textsuperscript{396}, which is the most established player on the market. China is oftentimes able to provide cheap gum and resin products with which European high-quality products are often not able to compete. China is also able to export gums and resins in very large quantities. At the same time, Germany and Denmark have been able to export gums and resins to Vietnam for the value of 6 and 2 million EUR per year.\textsuperscript{397}

\textsuperscript{396} ©Trade Map, International Trade Centre, www.trademap.org
\textsuperscript{397} Ibid
3.14 Cotton and Live Plants

Strengths
• Strong market demand, especially during holidays like the Chinese New Year and Buddhist holidays

Weaknesses
• EU producers of flowers face comparative disadvantage over Asian producers because of transportation costs

Opportunities
• Rising disposable income might increase the demand for flowers and especially for exotic flowers from the EU.

Threats
• Local flower production is also relatively high and growing.
• Consumers are brand loyal and prefer local or Asian flowers and plants and could be hard to convince to try EU flowers.

Consumption
Vietnam’s cotton consumption has been increasing strongly at an average rate of 22%, per year, for the last five years. Domestic cotton consumption for marketing year (MY) 2014/2015 reached 935,900 tons, equivalent to 4.29 million bales, valued at $1.55 billion, a sharp increase of 35% in quantity and 11% in value over the previous year. Post estimates that Vietnam’s spinning industry will probably consume a volume of 1.17 million tons or 5.37 million bales in the MY2015/2016, up 25% over MY 2014/2015. Between 2012/13 and 2015/16, consumption of cotton in Vietnam doubled (see Figure 28).

For live plants, statistical information regarding the consumer levels of ornamental products in Vietnam isn't available, but the domestic consumption is estimated to be 150€ million per year, which is 1.75€ per capita.

**Consumer Profile**

Vietnam’s domestic cotton consumption continues to increase in order to meet strong demand from its expanding textile industry. Demand for yarns is strong, both for export and domestic markets. Vietnam is one of a very few countries in Asia that have expanded their yarn spinning sector in recent years. Vietnam is currently home to over 100 spinning mills with about 6.3 – 6.5 million spindles (equivalent) that generate an estimated capacity of over 900,000 tons of cotton-based and man-made yarns. Industry experts estimates that new and existing spinning projects being registered in 2015 will raise the number of spindles in Vietnam from 6.3 – 6.5 million in 2014/2015 to 8.2 million in 2016/2017. Moreover, Vietnam has signed trade pacts with several foreign trade partners. As a result, the country is currently benefiting from significant gains from different sources, including increasing cotton yarn imports from international markets, especially from China, Turkey and South Korea. Vietnam is likely to remain the fastest growing cotton consumer among worldwide largest spinners.400

Flowers play an important role in the Vietnamese (Buddhist) culture. Lunar new year in February, international women’s day (March 8) and various other (religious) celebrations are the basis of domestic flower consumption. According to statistics and estimations, Vietnam grows cut flowers, pot plant and ornamental trees on 13,200 ha, of which 4,500 ha are used for cut-flower production. The majority is sold in the domestic market. The Vietnamese floricultural sector can still be characterized as underdeveloped, though with good preconditions to develop into a professional industry. Export activities (and thus high-quality production) are relatively new for Vietnam. Foreign investors (from Taiwan and the Netherlands) in the central highlands of Lam Dong Province (Dalat) are forerunners in the professionalization commercial production and export.

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The majority of the consumers in Vietnam live in the major cities like HCMC (6 million inhabitants), Hanoi (3 million) and some other big cities like Danang, Hue and Can Tho. In terms of consuming cut flowers and living plants, governments and institutions are responsible for the biggest part of the demand, especially concerning pot plants, ornamental trees and bedding plants. Their demand increases during the holiday seasons such as the Lunar New Year.

The increasing urbanization of Vietnam is pushing the demand for cut flowers and living plant products. Wholesalers and retailers also take the opportunity to establish outlets and to work on diversification of their assortment. Individual consumer demand (mainly cut flowers and flowering pot plants) isn't developed yet and is concentrated around celebrations and gifts (instant satisfaction). Quality is hereby not the main consideration and average prices are low.

**Consumer Trends**

Vietnam continues to rely heavily on imported cotton to feed its growing spinning industry. Cotton imports are forecast to increase to 1.17 million tons or 5.37 million bales in 2015/2016, up 25% over 2014/2015. Based on several key factors that could affect Vietnam’s cotton consumption such as: 1) China’s policies remain largely unchanged, 2) global cotton price is likely stable at low level, 3) in addition to expansions of existing spinning mills, foreign investors either establish new spinning mills or relocate their mills to Vietnam to capture opportunities offered by several trade pacts that Vietnam has signed with other trade partners, Post forecasts Vietnam cotton consumption will continue to increase in MY 2016/2017 at a strong pace, in the region of 20% over the MY 2015/2016.401

In the floriculture sector, production in Southeast Asia was historically developed because of increasing need for low cost flowers by the European cut flower market place. Unlike other regions, such as Africa, South and Central America, in which cut flowers are mainly produced for export, in Asia the market potential for cut flowers has rapidly changed to include opportunities for supplying the local market as well. “This unique development is on account of the rapid strengthening of economies in the region, high population densities, and the consumer perception which has been promoted heavily by the European flower industry that the use of fresh flowers in one’s every-day life represents an improved, quality lifestyle”.402

**Offer**

**Domestic Offer**

In cotton, Vietnam's imports represent 7.6% of world imports. Its ranking in world imports is 3. Vietnam's exports represent 3.2% of world exports for this product. It’s ranking in world exports is 6. In live plants, Vietnam's imports represent 0.4% of world imports. It's ranking in world imports is 31. Vietnam's exports represent 0.2% of world exports for this product. It’s ranking in world exports is 34.403

According to U.S Department of Agriculture, Vietnam’s cotton planted area continues to shrink to an insignificant amount. Currently, domestic cotton supply is estimated less than

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401 Ibid
1% of the market demand. Declining cotton planted acreage means that Vietnam is becoming a net cotton importer.\textsuperscript{404}

According to U.S Department of Agriculture report, there are several reasons that help explain the dramatic decline of cotton planted area in Vietnam: \textsuperscript{405}

1) International cotton price has dropped in the last few years while local cotton production cost remained uncompetitive.

2) Cotton is facing increasingly tougher competition from other cash crops including coffee, cashew, corn, rubber, cassava and fresh fruits. These cash crops are more profitable to farmers.

3) Lesser incentives offered by state entities and no commitments made by cotton ginning mills to guarantee the farmers’ profit

4) Increasing investments in cattle livestock in the Central Highland region is taking over lots of cultivated land, including those for cotton plantation; and

5) China is importing less cotton and resulting in more exportable supply from international producers.

\textit{Import}

In cotton, the value of Vietnam’s cotton imports from the EU in 2015 was USD 21.5 million (19.2 € M.). Over the past 5 years, import levels have been relatively stable. While imports from some EU member states (such as Bulgaria and Belgium) have fallen in value, imports from other member states (e.g. Austria and Portugal) have risen (see in the table below\textsuperscript{Error! Reference source not found.}).

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure48.png}
\caption{Growth in Value of Vietnam’s Imports of Cotton form the EU}
\end{figure}

\footnotesize


\textsuperscript{405} Ibid

\textsuperscript{406} ©“Trade Map, International Trade Centre, \url{www.trademap.org}
The EU still plays a relatively minor part in Vietnam’s cotton imports. The country’s top five cotton suppliers include the U.S., India, Brazil, Australia and Cote d’Ivoire. These five countries make up 70% to 80% of the total cotton supply to Vietnam.\textsuperscript{407}

In live plants, the value of Vietnam’s imports from the EU in 2015 was 34\texteuro{} million, constituting 3.1% of all EU Agri-food exports to Vietnam that year. Bulb, roots and live plants are among the top 20 EU Agri-food exports to Vietnam in the period 2011-2015. In 2014, Vietnam’s share in imports of bulbs and corms exports from the EU was 5.5%.\textsuperscript{408} Over the past 5 years, imports from the EU to Vietnam have increased, most significantly between 2013 and 2015 (see the table below) This change is largely due to an increase in Vietnam’s imports from France in this period (see the table below\textsuperscript{Error! Reference source not found.}).

\textbf{Figure 49 Vietnam’s Imports of Live Plants form the EU}

\begin{center}
\includegraphics[width=\textwidth]{vietnams-imports-of-live-plants-from-the-eu.png}
\end{center}


In cotton, the value of exports from Vietnam to the EU in 2015 was USD 12.1 million (10.85€ M). Over the past 5 years, Vietnam’s exports of cotton flax and hemp and planting materials to the EU fluctuated, dropping by half between 2011 and 2012, but rising again between 2014 and 2015 (see Error! Reference source not found.). EU member states to whom exports from Vietnam changed most significantly between 2014 and 2015 are Portugal, the UK, Italy, Belgium and Poland.

European Commission

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In live plants, the value of exports of live plants from Vietnam to the EU was 4€ million. Over the past 5 years, the exported value has been relatively stable, apart from a fall in 1€ million in 2013. The share of this product in all EU Agri-food imports from Vietnam in 2015 was 0.2%.

**Labelling Options**

Vietnam has an established GIs registration system in place and foreign companies can also apply for PDO and PGI recognition. Currently, there are no EU GIs from the cotton and live plants product categories that are registered as GIs in Vietnam. Additionally, there is no protection for such product categories under the EU-Vietnam FTA.
Mapping Main Competitors on the Market

For cotton, import price steadily decreased during the first 6 months of MY 2015/2016. Production is projected to increase about 10%, price is likely stable at low level and stocks remain flat. These three key elements constitute opportunity for foreign cotton to be exported and compete successfully in the growing Vietnamese market.

In live plants, the area of cut flower production in Vietnam at present is rather small. "It is estimated that only 1,585 hectares are under cut flower production, which cover about 0.02 per cent of the total agricultural land. The major production areas are concentrated in big cities such as Hanoi, Ho Chi Minh City, Hai Phong and Dalat. The area under cut flowers has increased significantly during recent years and is likely to increase further in coming years. However, still big specialised cut flower farms do not exist. Cut flowers are mainly produced by small holders in their gardens."  

EU companies who serve Taiwan compete with many other international floriculture companies such as Taiwan Floriculture Exports Association (TFEA), Del Río Exotic Flowers - OBASHE, Oserian (Kenya), Orgil Greenhouses Agriculture consulting (USA), Qingdao Seawin Biotech Group Co., Ltd.(China) and Clover Organic Pvt. Ltd. (India).

Specific customs and SPS requirements for import

Cotton lint (HS code 5201 and 5203) has a zero tariff in Vietnam, but a 5% value added tax is assessed. Cotton yarn (HS code 5205-5206-5207) has a 5% tariff and a 10% value added tax. Commercialization of biotech cotton is not yet approved in Vietnam. Although confined field trials for biotech cotton are authorized, to date, field trials have not been conducted.

Owing to the results of the EU-Vietnam FTA negotiations, import tariffs on products that fall under HS Chapter 52 will be eliminated entirely and, as such, these products will be free of any customs duty on the date of entry into force. The FTA is expected to enter ratification phase in 2018.

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For live plants, Vietnam signed the UPOV 1991 agreement (Union internationale pour la Protection des Obtentions Vegetales) in 2006. In terms of plant breed rights (PBR), a variety can only be brought into production and commercial exchange when it is recognized officially by the Ministry of Agriculture and Rural Development MARD. All procedures are handled by the PVP office under MARD. Vietnam’s import duties on bulbs and flowers are being reduced in line with WTO commitments. For bulbs for propagation, the tariff is 0% and for all cut flowers, the current duty of 30% is scheduled to be reduced to 20% in 2010. Country specific requirements for imports of floricultural products can be found on the site of the Plantenziektekundige Dienst (www.minlnv.nl/pd) under ‘landeneisen’. There are no particular items or problems.

Products that fall under HS Chapter 06 currently face import tariffs that range from duty-free rates to 20%. However, owing to the results of the EU-Vietnam FTA negotiations, import tariffs for products that fall under the categories HS 0601-0602 will be eliminated entirely and, as such, these products will be free of any customs duty on the date of entry into force. On the other hand, products that fall under the categories HS 0603-0604 will be liberalized after 3 years from date of entry into force.

**Distribution**
The floriculture market in Vietnam is organised like in many Chinese provinces: wholesale markets and small scale and widespread distribution networks without transparency and without a closed cool chain. Distributors, vendors and small shops dominate the distribution. 65% of the flowers in the Hanoi market come from Tay Tuu village, Hai Duong, Ha Tay and Bac Ninh provinces. 35% comes from either Dalat or Kunming.

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4. COMMUNICATION

4.1 How does the consumer get influenced: By whom and How?

Before setting up shop in Vietnam, one should consider the country’s consumer market, including where and how to connect with the local customers. Vietnamese consumer base is increasingly exposed to Western imports and lifestyles. Even if the traditional “wet” markets are situated in their cultural scheme, modern food retailers occupy a growing market share. Modern supermarkets are associated with better hygiene and thereby higher food safety levels. Traditionally, Vietnamese prefer to shop daily for fresh food products since still many of the households do not have refrigerators and thereby cannot store their food for longer period. These traditional consumer habits are now being challenged by modern retailers and weekly shopping patterns.

Vietnamese have become more attentive to the impact what food products can have on consumer’s health, thus, they pay more attention to product’s quality, production methods, the packaging, nutrition labels, hygiene, and food safety. Local customers tend to buy F&B products based on the country of origin, since the quality of a product is linked with a certain country. Therefore, the locals especially prefer buying products which name clearly depicts the country of origin. Also, the packaging and labelling is directly related to how customers perceive the quality and safety of a product. Since the “wet” markets are less strict on the packaging and labeling requirements, the products sold there are perceived of lower safety level. And the opposite applies for modern retailers, since the modern supermarkets and minimarkets, in addition to legal requirements, have their own regulations for packaging and labeling before the products are put on the shelf.

There is growing purchasing power and middle class, including both parents, especially women, in the workforce who now have less time in their hands for groceries and meal preparation. The latter has created a higher demand for processed, packaged, frozen and ready-made meals, as well as, a larger number of individuals tend to enjoy their meals outside.

Also, a sizeable young population and modernizing consumer habits initiate greater use of online platforms when purchasing and searching information about F&B goods or services. In return, online campaigns on communication channels, such as blogs and vlogs, play great role and can have significant effect on company’s revenue.

In accessing local consumer base, partnering with local importers can be a lucrative option. The local market experts, assumingly aware of the domestic peculiarities and consumers’ wants, can help to select advertisement channels and pick the most suitable resellers. Typically, the local importers can put you in direct contact with grocery stores and wholesalers because they have established a pool of sales agents and distribution fleet.

In-store promotions are popular and are a recommended part of an advertising campaign in Vietnam. Setting up Point of purchase (POP) displays allow establishing actual contact with the possible client who can taste, smell and see the product in real-life. At the moment when the client is already in the store and ready to make a purchase, the POP can initiate an impulse buy of foreign food products that they may have a limited knowledge of. Also, displaying other promotional materials, such as roll-ups work in favor of attracting local consumers to new tastes. Another possibility to reach the local customer is to combine and sell two products together. For example, selling foreign cereal together with local milk product will automatically draw the local customer’s interest to the unfamiliar side product
provided that they are familiar or used to buying the local side product. Also, two foreign products can be combined which automatically guarantees a wider client base for both of the products instead of one. Foreign producers have to consider that not only the brand but also the product itself can be completely new to the local consumer. Hereby, we shall ask how to make cheese or Champagne or olives appealing for someone who has not come across with the product before. Often, the local consumers are not aware of the cooking options where the unfamiliar products shall be used or how they should be treated. Disseminating information materials along with the products, for example attaching mini-sized handbooks or leaflets with recipes where those products can be used, will make purchase decision easier. To conclude, post-promotion evaluation to analyze the campaign’s effectiveness and incremental return on investment for the company, is essential for improving the marketing decisions later in the future.

**Traditional Promotion Channels – TV, Radio and Print Periodicals**

“While major urban areas (HCMC, Hanoi, HaiPhong, Danang, and CanTho) have a growing number of modern outlets, much of the country still relies heavily on traditional marketing channels”. Almost all print media outlets are owned or controlled by the Communist Party of Vietnam (CPV), governmental institutions, or the army. “Several of these newspapers, such as Nguo`i Lao Dong, Thanh Nien and Tuoi Tre have attempted to become financially self-sustaining. Along with the popular online news site VietnamNet, they also have a fair degree of editorial independence, though ultimately, they are still subject to the CPV’s supervision”.

The most prevailing communication channel is television with a leading state-run medium named Vietnam Television (VTV) that broadcasts from Hanoi. The second most popular TV station is Ho Chi Minh Television (HTV) that is dominantly watched in southern Vietnam. Both of these stations are available on a free-of-charge national TV scheme. Also, Radio stations can be considered as advertisement channels for F&B products. In the occasions of long distance commuting from one part of the country to another, people tend to tune in to Radio stations. A popular, state-owned Radio channel is Voice of Vietnam (VoV) that has six radio networks, including VoV 5 with programmes in English, French and Russian. Another Radio station is entitled Xone FM that is more of entertainment nature and mostly caters to younger generation. The best-selling print periodicals are Tuoi Tre and Thanh Nien, which are run by youth organizations in Ho Chi Minh City.

**Modern Promotion Channels – Online Mediums**

In 2016, 52 % of Vietnamese population were regular internet users, with a “growth of 3.3 % from the year 2015”. Use of social media in Vietnam is also relatively high, “about 48% of Vietnam’s online population uses social media as a source for news at least once a day”. People rely more and more on smartphones. “The number of people using smartphones, among mobile phone users, accounts for 84 per cent in 2017, compared to

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78 per cent a year ago\textsuperscript{421} in 2015, for nine out of ten smartphone users, the device is their sole means of accessing the internet. Furthermore, 80 % of those users primarily visit social networks.

That being said, the consumer base is slowly but surely modernising and, with a considerable share of younger customers, online platforms offer great potentialities for product promotion. Thereby, we have listed some more populous social media platforms in Vietnam, including Zalo, ZingMe and Facebook.

**Social Media Platforms in Vietnam**

<table>
<thead>
<tr>
<th>Zalo</th>
<th>ZingMe</th>
<th>Facebook</th>
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<tbody>
<tr>
<td>A social media platform named Zalo is increasingly popular in Vietnam with over 20 million regular users. Zalo is more or less Vietnamese version of Facebook. As its content is only in Vietnamese, people with lack of English knowledge tend to prefer Zalo to Facebook. The majority of the users, 59 %, are in the age range of 18-25, and 24 % are in the age of 26-33. Therefore is the platform mostly popular among young people. Besides the chat function, Zalo hosts company pages that users can follow and thereby keep track with their latest updates. However, establishing a company page is charged. Currently, the Zalo platform is only accessible through a smartphone and not from a desk computer.</td>
<td>Another social media platform in Vietnam is ZingMe, a domestically-owned gaming and social networking platform. The ZingMe was more popular before Facebook entered the market and since then the ZingMe has been on the downside.</td>
<td>Facebook is the most dominant and populous social media platform in Vietnam with over 30 million regular users in 2016. Besides personal profiles and the chat function, Facebook also offers companies possibility to set up their company pages, forum groups, event pages etc. Additionally, many companies use Facebook to implement their promotional campaigns. Therefore, it successfully combines its three traits: practical communication, entertaining features and professional objectives.</td>
</tr>
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Vietnamese smartphone users more frequently download and regularly use various APPs, including those related to food and beverage industry. The most popular F&B APP in Vietnam is Lozi (\url{www.lozi.vn}). The food startup, launched in 2012, has received significant sums of foreign investments. The APP now boasts 600,000 registered users and receives 4 million unique visits each month. Laozi’s outlook is similar to Pinterest or Instagram.

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\textsuperscript{421} Viet Nam News, “Smartphone users cover 84% of VN population”, November 2017, available at: \url{http://vietnamnews.vn/economy/418482/smartphone-users-cover-84-of-vn-population.html#vDV1kD2eIiwPBDeq.97}
where the followers mostly post food and fashion related images. The Lozi functions also as a food-finder app allowing food ordering.

Some of the most popular food and beverage related magazines in Vietnam include:

- The most popular Vietnamese Cuisine Magazine “Mon Ngon Viet Nam” (www.monngonvietnam.vn) focuses on new food and beverage ingredients within Vietnam as well as outside.
- Vietnam's largest weekly Marketing & Family Magazine is entitled “Tiep Thi & Gia Dinh” (www.tiepthigiadinh.sunflower.vn) and is also available online.
- Oi Vietnam (www.oivietnam.com).
- The Body & Mind Magazine “Barcode Vietnam” (www.barcodemagazine.vn) focuses on topics of culture, lifestyle, fashion, beauty, health and the arts.
- Women Today Magazine entitled “Phụ nữ Ngày nay” (www.phunungaynay.vn / www.phunutoday.vn) addresses motherhood, as well as f&B topics related to it.
- Family Child Magazine “GIA ĐÌNH TRẺ” (www.giadinhvatetreem.vn) addresses parents who have children in the age range of 3-15 years.
- “DeLuxe” (www.deluxevietnam.com) is a luxury goods magazine focusing on property, interiors and lifestyle.

Some of the most popular food and beverage related online platforms in Vietnam include:

- Food and cooking related website - www.tapchimonngon.com;
- Food and beverage related website and blog - www.savourydays.com;
- Food and cooking related website - www.tapchiamthuc.com;
- Health Blog –“Sức Khỏe” www.blogsuckhoe.com;
- Food blog – “MAV” www.mav.vn;
- Website www.phutanutoday.vn hosts a F&B section entitled “Nau An”;
- Website www.eva.vn hosts a F&B section entitled “Bep Eva”;
- Website www.afamily.vn hosts a F&B section entitled “An Ngon”;
- Website www.marrybaby.vn hosts a F&B section entitled “Yeu Bep Gia Dinh”;
- Website www.amthuc365.vn hosts a variety of F&B related topics;
- Website www.bepgiadinh.vn includes various F&B topics from recipes, ingredients, articles and videos.

Some of the most popular food and beverage related TV shows in Vietnam include:

- “Món ngon Việt Nam” (www.monngonvietnam.vn) is the most popular F&B related TV show that is available on the VTV 3 channel, the free-of-charge national TV channel.
- “Thiên Đường Ăn Thức” is another F&B related TV show that is broadcast on the HTV 7 channel, the free-of-charge national TV channel.
- “Vua đầu bếp Việt Nam” (www.vuadaubep.vtv.vn) is the MasterChef Vietnam edition that is available on the VTV 3 channel.
- “Asian Food Channel” (AFC) (www.asianfoodchannel.com) is a food-focused channel that entertains viewers with a range of local and international content from reality, lifestyle to travelogue program formats. The platform mostly caters to expats and locals who are from middle- or upper-class. The AFC is available in more than 10 countries, including in Vietnam on SCTV (Channel 240), HTVC (TMS) (Channel 61), MyTV (Channel 109), OneTV (FPT) (Channel 139), Next TV (Channel 84), K+ (Channel 88), Hanoicab (Channel 29 Analog / 28 Digital). However, take note that these channels are not available on the free-of-charge national TV scheme.
4.2 Example of current communication campaigns made by main investor

**Example #1 - Coca-Cola Vietnam**

The Coca Cola Company started its first "Share a Coke" campaign in Vietnam in 2014. The campaign has performed successfully ever since and therefore was picked as an example for other companies seeking to enter Vietnam market. The "Share a Coke" campaign saw swapping the traditional Coca Cola label with a person’s name. Thereby, they personalized a beverage product in a relatively simple way by just naming it with various most popular local consumers’ names. While a number of names were automatically made available on the shelf, many more names were made available through the “Share a Coke” online store. Thereby, customers could go and pick names for their beverage online. The campaign has now been launched in more than 70 countries around the world. In the second phase of the campaign, the Coca-Cola Vietnam “Share a Coke” campaign also introduced 41 emoticons to the market. As the emoticons are increasingly shared on the online chat platforms, they are seen as an universal language to communicate with your client base. The Coca-Cola Vietnam also included local celebrities and bloggers to introduce their new campaign. As well as, they teamed up with local messaging platform Zalo in delivering the marketing messages. Furthermore, consumers were able to customise coke cans at retail outlets and by making their own stickers on Zalo platform. After four days of launching the second phase, consumers had downloaded already 1.3 million stickers in Vietnam. Strong emphasis in the Coca-Cola Vietnam marketing strategy has been put on the hands-on approach as people get to become part of the product design which brings them closer to the product. Customising the content means that one size does not have to fit all. Secondly, they use extensively visual campaigns, engaging digital platforms, and print media. For example, the entry page of the Coca-Cola Vietnam website contains inclusively videos.

**Example #2 - Vinamilk**

Vinamilk is a successful Vietnamese dairy corporation that derives from sustainable and environmentally safe production methods. They inaugurated their first dairy farm in Vietnam in 1976 and since then, they have expanded significantly. While pioneering the organic market in Vietnam, they have built 9 dairy farms nationwide and increased the total herd to 14,108 cows. Their mission is “to deliver the valuable nutrition to community with our respect, love and responsibility”. Their marketing campaign has a strong reference to environmental sustainability, ethic production and fairness. In 2008, the Vinamilk, together with the Vietnam Children’s Fund, released a campaign named “1 Million Milk Glasses” that targeted milk consumption among Vietnamese children. More than VND3 billion was pledged for the campaign in 2008 to address wider concerns related to children’s health. Vinamilk made another contribution of VND10 billion in 2010. This campaign is an example of Vinamilk’s strong commitments towards corporate social responsibility that, in a result, builds up trust and positive image on their company, products and brands on the local market. Vinamilk is very active and visible on several social media accounts. They hold several Facebook accounts in Vietnamese entitled “Vinamilk Baby Care,” “Vinamilk - Cúng Con Khỏn Lớn” (transl. Vinamilk - Along the Growing Wisdom), “Vinamilk - Bí Quyết Ngọn Khoe Từ Thiên Nhiên” (transl. Vinamilk - Delicious Healthy Secrets from Nature). Those three Facebook pages have all together 470,165 likes. Starting from 2014, Vinamilk also has a very successful YouTube channel where they are posting regularly videos and marketing campaigns. Vinamilk YouTube channel has 63 279 subscribers and 102 770 263 views, and some 140 videos available as of 2016. Thereby, they invest heavily in visual campaigns such as video advertisement.
5. DOS AND DON’TS

To avoid cultural misunderstandings, it is advisable to take into account the following information:

**DO**

- Give face. Order of seniority should be taken into account when giving out presents, and for sitting arrangements at meeting or business meals.
- Exchange business cards when meeting new contacts. Use both hands when handing in business cards or leaflets to others and remember to give out the card facing the recipient. Preferably take a minute to look at the business card, making a brief comment about the role, name or company of the person you have met is considered polite.
- When invited to meals, make an effort to try all dishes. You will be expected to return the favor by inviting the host later on for a meal of similar range. The main guest is expected to make the first move to leave. It is expected to thank the host and shaking hands will all participants.
- Dress conservatively. Western suits and ties are common in business meetings in spite of the hot weather, avoid bright colors. Women should wear conservative suits or dresses, high neckline and skirt not above their knees on neutral colors, ostentatious jewelry should be avoided.
- Arrange face-to-face meetings in the initial stages of the negotiation, then follow-up by emails, and/or calls.
- Get targeted legal counsel before closing deals with local companies.

**DON’T**

- Directly address a junior colleague/interpreter when a senior member of the company is in the room as this might be seen as disrespectful.
- Summon someone with a curled index finger is considered inappropriate. To beckon someone, extend your arm, palm down, and move your fingers in a scratching motion. Only beckon someone who has a "lower" status than you.
- Try to push negotiations too far on the first meeting. Closing deals in Vietnam require patience, and time. It is common to try to establish a personal bond before getting down to business.
- Get offended if locals ask for your age, family or money matters, as these are common topics for bonding in Vietnam.
- Assume business associates will speak fluent English, in particular those of higher rank. It will be wise to hire the services of English interpreters.
- Go back on your words, Vietnamese will see this as a lack of honesty.
- Directly contradict your counterpart, as this is considered very rude.
- Be late to a meeting. Respect is measured by punctuality.
- Give handkerchiefs, belts, ties, anything black or yellow flowers or chrysanthemums, marigolds, white roses. They have different meanings in the culture and mostly related to bad luck, funeral.

**Making contacts.** Referrals are in most cases essential in order to build business relations with locals. If you lack local insight in the market, you can contact business advisory
bodies, e.g.: chambers of commerce, embassy trade promotion bodies. Social networking is commonly the preamble of long-term business relationships. It is helpful to have contacts in the government/ministries, as they can easily activate a certain business network, contact should be made by your country’s trade promotion bodies. Most decisions are made by committee in Vietnam. Individual connections are not as important as in many other Asian countries, because no one holds absolute power to make a decision. You cannot rely on one person in a particular organization to safeguard your interests.

Bureaucracy. Difficulties dealing with customs or import procedures are not uncommon. Grey areas of Vietnamese legal framework also hinder external investment. It is highly advisable to have local support, an assistant or interpreter to help EU companies with all the necessary business procedures. In this sense, existing chambers of commerce and/or business networks can provide high valuable advice.

Greeting. When being introduced to local Vietnamese, western men and women are expected to shake hands. For addressing business partners, please remember that the surname comes first in Vietnamese culture. Use surnames or full names when addressing business contacts (Mr./Ms. X), unless it is clearly stated otherwise. In case of confusion, it is acceptable to ask for clarification.

Titles should be used when talking to a senior member of Vietnamese companies, and in particular, governmental bodies (e.g.: Director X or Chairman Y).

When a man greets a woman, it is advisable to wait for her to extend the hand first. If she doesn’t, it is better to greet her by bowing your head slightly.

When greeting someone, say “xin chao” (seen chow). The Vietnamese are delighted if a Westerner can properly say “xin chao” (because Vietnamese is a tonal language, “xin chao” can have six different meanings, only one of which is “Hello”).

Gift giving. Gift giving is important in Vietnam as it marks the connection between interpersonal social relations and your business network.

- Pay attention to the context. Hand gifts after the end of a successful business meeting, or after a business meal, in front of all participants.
- Always pass items with both hands.
- Express the reason of the gift, e.g.: to express appreciation, respect, or thanking your business counterparts.
- Avoid expensive and ostentatious gifts, in particular to government officials.
- Vietnamese may or may not open gifts in front of an audience. Leave the decision to them. The same applies for you, it is culturally acceptable either way.

Tipping. Tipping is not part of the culture in Vietnam, and you are not required to tip anywhere.
Giving face
- Vietnamese society is highly hierarchical.
- As with many other Asian nations, the face concept is very important in Vietnam.
- Paying respect according to your counterpart’s rank and seniority is very important.
- When invited for business meals, it is important to compliment the host.
- The most senior person should enter the room first, also sits first on a meeting.
- Reluctance to say “no” is common, as it would mean the interlocutor’s losing face. Vietnamese would try to avoid being explicit in this sense at all costs.

Structure of Meetings

- **Introduction and Exchange of Business Cards:** business meetings often open with an exchange of cards and shaking of hands. It has become quite common for both men and women to shake hands. Usually the most senior host will show his or her hand first, although this is not a strict rule. To show respect to high-ranking officials, lightly grasp their hand between both of yours. Do not kiss Vietnamese on cheeks or ladies’ hands as a form of greeting. It is also customary to present business cards at this time (see Business Card section for details).

- **Opening Discussion:** meetings can often be opened either by the host welcoming the visitor or by the visitor thanking the host for the reception, followed by the introduction of members of the two sides.

For the first meeting, the Vietnamese side normally starts discussion with introduction about its company including history, business lines, production capacity, export turnover and major markets etc. These introductions should not be interrupted. Instead, take notes while remaining attentive and then ask questions after the introduction has been brought to a close.

For the visitor, it is advisable to spend some time to introduce yourself and firm before moving to discussion of the issues you came to speak about. This introduction is important to the Vietnamese, who are often reluctant to commit to anything until they know a little about you.

- **Farewell:** as a good host, the Vietnamese party will not tell you how much time they have for you and rarely initiate the closure of the meeting. Instead, it is expected that the guest will signal a close of discussions. At the end of the meeting it is customary for both parties to stand and to shake hands.

Business Communication

- **Letters:** traditional business letter writing style is appropriate in Vietnam. For letters of introduction or other more personal matters, however, a handwritten letter will carry more weight than a typewritten one.

- **Phone Calls:** tend to be brief and to the point. They are not used as a substitute for personal meetings, so it is best to avoid trying to discuss substantive issues over the phone until you are sure the other party is accustomed to this style of communication (they rarely are).
- **Faxes and E-mails:** do not necessarily convey the same sense of urgency in Vietnam as they do in many countries. Because of the high telecommunication costs in Vietnam, many faxes or e-mails will not be answered or acknowledged immediately. Instead the Vietnamese party will wait until they have all the relevant information and then reply. Faxes and e-mails may also be delayed by the method of delivery. In many Vietnamese organizations, faxes and e-mails are not delivered directly to the person named but must first go through a central official in the organization, who then passes it on to the named party. Finally, if there is no interest in the contents of the fax or e-mail or a problem in providing an answer, the receiving parties may never reply. By having someone in the country representing your interests, you can alleviate some of this miscommunication.

**Body Language.** In Vietnam, actions may speak louder than words, especially in initial meetings with officials or businessmen unfamiliar with Western customs. For instance, crossing your legs, with your foot pointing towards the other party, is considered impolite in Vietnam, although many Vietnamese will forgive foreigners who do so. Dressing too casually for the first meeting may be taken as a sign of disrespect. Crossing your arms or putting your hands on your hips may be taken to mean that you are upset. Touching someone on the head or calling to the other party with your finger (palm upward) suggests you think the person is below you and is therefore considered quite rude. Women laughing loudly in public, drinking alcohol or smoking are considered abnormal by many people.

**The Smile.** Many foreigners misunderstand the meaning of the smile of Vietnamese. While Vietnamese smile for all the same reasons as people of other nationalities, a smile can also convey different, more subtle meanings. Two examples:

- **Lack of Understanding:** when a Vietnamese does not understand something that is said, it is very common for them to smile. They will rarely tell you they do not understand. If it is clear they do not understand, do not confront the issue directly as this may cause them to lose face. Instead, apologize for being unclear and try to explain it a different way. With officials or businesspeople, you have to do this indirectly. If the other person is a member of your staff, ask him/her to repeat back to you what you have said to make sure you did not make any mistakes in communicating.

- **Nervousness or Irritation:** Vietnamese people do smile sometimes when they are nervous or irritated (the opposite of Western approaches). For instance, if you become angry, you may notice that the Vietnamese party smiles or shows no expression at all. This shows that they are embarrassed for you. Foreigners are often nonplussed when they observe two Vietnamese riding motorbikes who nearly collide and then drive off smiling. This is not a sign of joy but nervousness or "I'm sorry. Forgive me" or "Take it easy. It is nothing serious."

**Get it down on Writing.** Westerners prefer doing business the standard way and that everything should be put in writing. Most Asians, including Vietnamese, have no objection to this except that in practice they rely more on personal relationships. (Please see more at Build Relationships section above). Good and tried-and-tested friends or partners may find it unnecessary to put small changes in an agreement in writing.

- Although, it is advisable to put all agreements in writing to protect the interests of both sides and avoid unnecessary disputes, getting everything in writing early on
is not the solution and can even backfire. A written agreement means nothing if the Vietnamese side has not time to fully understand and digest the contents. The Vietnamese may agree to something during discussions, especially if they are pressured. After having had time to think about the consequences, they may decide the agreement is not in their best interest and try to make changes.

- The best strategy is to be open and try to anticipate and address problems as well as possible solutions during the negotiations. Give the Vietnamese side some time to discuss and reach consensus among themselves before presenting a detailed contract or a written minute confirming points discussed and/or agreed in previous meetings for their signature.
## 6. SYNOPSIS

### 6.1 S.W.O.T. Analysis

<table>
<thead>
<tr>
<th>SWOT Analysis</th>
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<tbody>
<tr>
<td><strong>Strengths</strong></td>
<td><strong>Weaknesses</strong></td>
</tr>
<tr>
<td>General market entry:</td>
<td>General market entry</td>
</tr>
<tr>
<td>- Relatively new market for EU agri-food businesses;</td>
<td>- High level of corruption;</td>
</tr>
<tr>
<td>- Improving trade relations with the EU, aided by the EU-Vietnam FTA;</td>
<td>- Lacking infrastructure;</td>
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<tr>
<td>- Growing population;</td>
<td>- In business culture collectivism and strict hierarchical structures dominate;</td>
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<tr>
<td>- The disposable income of the people is rising steadily</td>
<td>- Vietnamese producers of local products get many governmental benefits (tax exemption for example);</td>
</tr>
<tr>
<td>- Strong yearly market growth at around 7%;</td>
<td>- Legal issues in Vietnam can be very complex and foreign companies are subjected up to 15 bureaucratic inspections a year;</td>
</tr>
<tr>
<td>- EU-Vietnam FTA would strengthen the protection of European GIs, including GI rights enforcement in case of infringement;</td>
<td>- It takes long time to acquire all relevant licenses to export to Vietnam (sometimes 6-7 months);</td>
</tr>
<tr>
<td><strong>Product and Consumer related:</strong></td>
<td><strong>Other existing trade barriers</strong></td>
</tr>
<tr>
<td>- Consumers value EU food as healthy, top quality;</td>
<td></td>
</tr>
<tr>
<td><strong>Product and Consumer related:</strong></td>
<td></td>
</tr>
<tr>
<td>- Vietnam is relatively self-sufficient in terms of food production;</td>
<td></td>
</tr>
<tr>
<td>- Currently, there is only a handful of well-organized food trading and/or distribution companies in Vietnam;</td>
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</table>
• Consumer expenditure on F&B has been gradually increasing and consumers now spend a considerable amount of their budget to F&B;
• Consumers are becoming aware of food safety issues and start to prefer healthier food;
• Strong presence of foreign communities that would prefer their traditional foreign food;
• Willingness to try new brands and also willingness to try foreign brands is relatively high amongst Vietnamese consumers.

Due to relatively low purchasing power, most modern retailers source their imported foods through importers and distributors;
Vietnam’s limited distribution infrastructure and facilities for perishable products is a significant constraint to importing products;
To reach more consumers, EU producers should also have access to traditional local distribution channels;
All packaged food needs to be labeled in Vietnamese;
Strict packaging regulations for some types of food;
Some food categories (meat for example) require a variety of export and health certificates;

Opportunities

General market entry:
• Opening up of sectors traditionally owned by the government;
• Government push on private international investment is expected to continue, creating opportunities o EU investors;
• “Doi Moi” policy that empowers private businesses and supports freer market is expected to continue;
• Vietnamese affluent middle class is expected to double by 2020, creating more demand for the EU products;
• Import of foreign food is growing, which creates opportunities for EU producers;
• The European GI protection in Vietnam after the entry into force of EU-Vietnam FTA is expected to increase sales of GI products, accompanied with greater returns on these products;

Threats

General market entry:
• High inflation might contribute to decrease in spending
• The Vietnamese government has the tendency to protect their own producers and production, especially in the agrifood sector, where EU products need to compete with local producers who enjoy favorable business conditions, this policy is also expected to continue;
• Personal relationships are important in order to enter Vietnamese market, EU producers who do not pay enough attention to cultivating good relationships with partners and distributors may have difficulties entering the market;
• Geographical distance can be disadvantageous, as Vietnamese small food processors would prefer to buy goods in small quantities, thus EU producers may not be able to respond to market needs on time.
6.2. Key Criteria for Success

**Product and consumer related:**
- Middle class is increasingly willing to pay more for ecological and healthy food, creating opportunities for the European eco-producers;
- Healthier lifestyle is expected to become more and more popular amongst Vietnamese consumers;
- Traditional wet markets are being replaced by supermarkets, which might increase the need for foreign food products;
- Market for many foreign goods is predicted to continue to expand (wine for example), which means more opportunities for EU producers;
- Vietnamese Government campaigns promote the health benefits deriving from milk consumption which in return boosts drinking of milk product, which creates opportunities for EU dairy producers;
- Vietnam is expected to explore ways to replace rice-based diet with more wheat-based diet, which could create more opportunities for the EU producers.

**Promotion**
- Vietnamese consumers still prefer local production in some product categories like fresh fruits and vegetables, this trend is very slow to change and could create barriers for EU products to win market share;
- Vietnam prohibits advertising and promotion of wines and spirits exceeding 15% in virtually all media, which makes it difficult for the foreign brands to win market share;
- Economists predict higher luxury tax for specific products like beer, liquor and wine;
- In many cases (fresh fruit for example) the EU products are more expensive and in case of economic hardships, EU products could be the first to lose market share.
Vietnamese middle class is getting more affluent and also more health-conscious. They are willing to pay more for the quality of the goods. Thus EU producers should pay attention to the quality of their products.

The Vietnamese government is promoting milk as a healthy product. Quality milk producers are likely to be successful at the market.

Vietnamese consumers have appetite for foreign brands (wines, chocolate, cereals etc.), which means that wine producers will have more opportunities on the market.

In order to be successful on the Vietnamese market, EU companies need to adapt to local consumer traditions. For example, for packaged food, Vietnamese consumers prefer smaller packages (especially for chocolate and confectionery). Thus EU producers should adapt accordingly.

If your product is not common on the Vietnamese market (olive oil or butter for example), chances are that Vietnamese consumers are not buying your product, because they don’t know where and how to use it. It would be wise to include a short introductory brochure with the product, telling consumers, where and how to use the product. Similarly, when planning a promotion campaign, advertisement should focus on introducing the function of the product.

Pay attention to your product packaging, as Vietnamese consumers like nice packaging that stands out from other products. If the packaging is distinct they are likely to remember the product and buy it again when they see the package. Younger Vietnamese consumers get their information about products on social media and e-commerce platforms, consider promoting your products on social media sites like Facebook.

Placement

With more than 96% share of sales in 2013, traditional wet markets and small independent stores dominate Vietnam’s retail food landscape.

Local chains still dominate the market. Foreign-invested retailers, despite expanding quickly, are still limited.

The only sufficiently popular hypermarket brand is the local Big C.

Supermarket, whose retail price is a bit higher compared with a hypermarket, is better fitted for weekly shopper

Price

Even though Vietnamese rising middle class is willing to pay more for quality goods and imported foreign goods, they are still relatively price sensitive and find foreign products too expensive. When calculating the price, thorough market research is recommended.

Considering traditional retailers’ dominance among the retail channels, package-size flexibility and low prices are a must in order to be on the same competitive level with other products (local food products continue to be strong sellers because of a lower price).
The first step to doing business in Vietnam is to develop a relationship with one of the established food trading and distribution companies: they are able to extend the distribution network to not only supermarkets, hotels and restaurants, but also wet/open-air markets and “mom and pop” retail shops, otherwise hard to reach.

It is also recommended to discuss the price with the local distributors, to determine what would be the realistic price on the market.
7. SUPPORT SERVICE DIRECTORY

7.1 European Union Organizations

Several EU funded or co-funded projects within Vietnam offer a range of business facilitation services and information providing important insights into the Vietnam market. Depending on your company profile these services can be free or fee-based and are available for companies from any EU Member State.

The 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 European Union (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. The EVBN will strengthen the EU business sector by facilitating market access in Vietnam by advocating and engaging primarily with the Government of Vietnam, the Vietnamese business sector and other stakeholders.

Contact:
Address: 15th floor, The Landmark, 5B Ton Duc Thang, District 1, Ho Chi Minh City, Vietnam
Website: http://www.evbn.org
Telephone: +84 (0)8 3823 9515
E-mail: info@evbn.org

The European Chambers of Commerce in Vietnam (EUROCHAM)

The European Chamber of Commerce in Vietnam (EUROCHAM) is one of the principle voices of the business community in Vietnam. The chamber was established in 1998 to help develop Vietnam into an attractive investment destination and trading partner for European business. EuroCham is the principal business organisation in Vietnam, which promotes European business interests and represents European member companies. EuroCham maintains close working relationships with the European Commission, European Union Delegation, and European Embassies in Vietnam. EuroCham’s mission is to serve the member companies by being the voice of European business in Vietnam and by lobbying on trade and investment related issues.

Contact:
Address: GF, Sofitel Plaza Hanoi, 1 Thanh Nien Road, Ba Dinh District, Hanoi, Vietnam
Website: http://www.eurochamvn.org/
Telephone: (84-4) 3 715 2228
E-mail: info-hn@eurochamvn.org
## Table 12 European Union Member States

<table>
<thead>
<tr>
<th>EU Member State</th>
<th>Address</th>
<th>Website</th>
<th>Contact information</th>
</tr>
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<tbody>
<tr>
<td>Austria</td>
<td>c/o &quot;Prime Center&quot;&lt;br&gt;53, Quang Trung, 8. Stock&lt;br&gt;Hai Ba Trung District, Hanoi</td>
<td><a href="https://www.bmeia.gv.at/botschaft/hanoi.html">https://www.bmeia.gv.at/botschaft/hanoi.html</a></td>
<td>Tel.: +844 3943 3050&lt;br&gt;Email: hanoi-ob(at)bmeia.gv.at</td>
</tr>
<tr>
<td>Belgium</td>
<td>Hanoi Towers - 9th fl. - 49&lt;br&gt;Hai Bà Trưng&lt;br&gt;Hanoi</td>
<td><a href="http://vietnam.diplomatie.belgium.be/en">http://vietnam.diplomatie.belgium.be/en</a></td>
<td>Tel.: +844 393 461 79&lt;br&gt;Email: <a href="mailto:hanoi@diplobel.fed.be">hanoi@diplobel.fed.be</a></td>
</tr>
<tr>
<td>Bulgaria</td>
<td>N.5 Nui Truc str., Van Phuc&lt;br&gt;Hanoi, P.O. Box 10</td>
<td><a href="http://www.mfa.bg/embassies/vietnam/setlang/en">http://www.mfa.bg/embassies/vietnam/setlang/en</a></td>
<td>Tel.: +844 3845 2908&lt;br&gt;Email: <a href="mailto:Embassy.Hanoi@mfa.bg">Embassy.Hanoi@mfa.bg</a></td>
</tr>
<tr>
<td>Cyprus</td>
<td>Embassy of the Republic of Cyprus in India covers&lt;br&gt;Vietnam&lt;br&gt;D- 64 Malcha Marg, Chanakyapuri&lt;br&gt;New Delhi -110 021 India</td>
<td><a href="http://www.mfa.gov.cy/mfa/mfa2006.nsf/All/E1B28D293692A729C22570C70039EDC4?OpenDocument">http://www.mfa.gov.cy/mfa/mfa2006.nsf/All/E1B28D293692A729C22570C70039EDC4?OpenDocument</a></td>
<td>Tel.:+ 91 11 26111156&lt;br&gt;E-mail: <a href="mailto:delhihc@mfa.gov.cy">delhihc@mfa.gov.cy</a></td>
</tr>
<tr>
<td>Denmark</td>
<td>7th Floor, BIDV Tower194&lt;br&gt;Tran Quang Khai Street.&lt;br&gt;Hanoi</td>
<td><a href="http://vietnam.um.dk/">http://vietnam.um.dk/</a></td>
<td>Tel +844 3823 1888&lt;br&gt;Email: <a href="mailto:hanamb@um.dk">hanamb@um.dk</a></td>
</tr>
<tr>
<td>Estonia</td>
<td>34 Nguyen Thi Nghia st,  &lt;br&gt;District 1, Ho Chi Minh City, Vietnam.</td>
<td><a href="http://estonia.vn/">http://estonia.vn/</a></td>
<td>Tel.: +848 39.25.72.76&lt;br&gt;Email: <a href="mailto:consulate@estonia.vn">consulate@estonia.vn</a></td>
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<tr>
<td><strong>Finland</strong></td>
<td>Lotte Center Hanoi, 24th floor 54 Lieu Giai street, Ba Dinh district Hanoi, Vietnam</td>
<td><a href="http://www.finland.org.vn/">http://www.finland.org.vn/</a></td>
<td>Tel.: +84 3826 6788 Email: <a href="mailto:sanomat.han@formin.fi">sanomat.han@formin.fi</a></td>
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<tr>
<td><strong>Hungary</strong></td>
<td>9. emelet, Hanoi Lake View Residence, 28 Thanh Nien út, Tay Ho kerület, Hanoi.</td>
<td><a href="http://www.mfa.gov.hu/kulkepvisel/t/VN/hu">http://www.mfa.gov.hu/kulkepvisel/t/VN/hu</a></td>
<td>Phone: +844 3771-5714, 3771-5715, 3771-5718 E-mail: <a href="mailto:mission.hoi@mfa.gov.hu">mission.hoi@mfa.gov.hu</a></td>
</tr>
<tr>
<td><strong>Ireland</strong></td>
<td>Sentinel Place, 41A Ly Thai To, Hoan Kiem, Hanoi.</td>
<td><a href="https://www.dfa.ie/irish-embassy/vietnam/">https://www.dfa.ie/irish-embassy/vietnam/</a></td>
<td>Tel.: +844 39743291</td>
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<tr>
<td><strong>Italy</strong></td>
<td>93 Nguyễn Du, Bến Nghé, Hồ Chí Minh, Vietnam</td>
<td><a href="http://www.ambhanoi.esteri.it/ambasciata_hanoi/it/">http://www.ambhanoi.esteri.it/ambasciata_hanoi/it/</a></td>
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| **Lithuania**   | Represented by the Lithuanian Embassy in Beijing  
#A-18 King’s Garden Villa, 18 Xiaoyun Road, Chaoyang District, 100125 Beijing, P.R. of China | https://www.urm.lt/default/en/embassycontacts | Tel.: +86 10 845 185 20  
Email : amb.cn@urm.lt, konsuliniaklausimai: consul.cn1@urm.lt |
| **Luxembourg**  | Represented by the Luxembourg Embassy in Bangkok, Thailand. | http://bangkok.mae.lu/en/TheEmbassy | Tel.: 66 (0)2 677 7360  
Email: Bangkok.amb@mae.etat.lu |
| **Malta**       | No representation | No representation | No representation |
| **Netherlands** | BIDV Tower 7th floor  
194 Tran Quang Khai Street | http://www.hollandinvietnam.org/ | Tel.: +844 3831 5650  
Email han@minbuza.nl  
Tel.: +844 384 520 27  
Email: hanoi.amb.sekretariat@msz.gov.pl  
Tel.: +84 8 3829 1967  
Email: germanemb.Hanoï@fpt.vn |
| **Poland**      | 3 Chua Mot Cot, Hanoi | http://www.hanoi.msz.gov.pl/pl/ | Tel.: +84 8 3829 1967  
Email: hanoi.amb.sekretariat@msz.gov.pl |
| **Portugal**    | Represented by the German Embassy in Vietnam. | http://www.hanoi.diplo.de/ | Tel: +86 10 6 468 11 54  
Email: sloembassy.beijing(at)gov.si |
Email: romambhan@fpt.vn |
| **Slovakia**    | 12 Ba Huyen Thanh Quan Str., Hanoi. | https://www.mzv.sk/web/hanoi-en | Tel.: 04-3 734 7601 – 3 704 7602  
Email: emb.hanoi@mzv.sk |
| **Slovenia**    | Represented by the Embassy of Slovenia in Beijing.  
No. 57, Block F, Ya Qu Yuan, King’s Garden Villas.  
18 Xiao Yun Road, Chao Yang district. 100600 BEIJING. P.R. of CHINA | http://www.mzz.gov.si/en/representations_abroad/asia_caucasus_and_near_east/vietnam/ | Tel: + 86 10 6 468 11 54  
Email: sloembassy.beijing(at)gov.si |
| **Spain**       | 4 Le Hong Phong, Ba Dinh District, Hanoi | http://www.exteriores.gob.es/Embajadas/Hanoi/es/Paginas/Inicio.aspx | Tel: +884 3771 52 07/08/09 |
7.2 Other Organisations and Service Providers

Other service providers that offer business facilitation and assistance for companies are often provided on a fee paying basis. These service providers often work with, or are part of, the commercial sections of their respective governments and embassies.

Table 13 Service Providers

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<td>Wiedner Hauptstraße 63 1045 Vienna, Austria</td>
<td>Tel: +43 5 90 900 Fax: +43 5 90 900 250 Email: <a href="mailto:office@wko.at">office@wko.at</a></td>
</tr>
<tr>
<td>Oesterreichische Kontrollbank Aktiengesellschaft aft (OeKB)</td>
<td><a href="http://www.oekb.at/">http://www.oekb.at/</a></td>
<td>Oesterreichische Kontrollbank Aktiengesellschaft Am Hof 4; Strauchgasse 3 1011 Vienna, Austria</td>
<td>Tel: +43 1 53127-2859 Fax: +43 1 53127-5698 Email: <a href="mailto:corporate.communications@oekb.at">corporate.communications@oekb.at</a></td>
</tr>
<tr>
<td>Brussels Invest &amp; Export</td>
<td><a href="http://www.invest-export.irisnet.be/en/nos-services">http://www.invest-export.irisnet.be/en/nos-services</a></td>
<td>Brussels Invest &amp; Export, Foreign trade and foreign investments service of the Brussels Regional Public Service Avenue Louise</td>
<td>Tel: +32 (0)2 800 40 00 Fax: +32 (0)2 800 40 01 Email: <a href="mailto:info@brusselsinvestexport.be">info@brusselsinvestexport.be</a></td>
</tr>
<tr>
<td>Service provider</td>
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<tr>
<td>Finexpo Service</td>
<td><a href="http://diplomatie.belgium.be/en/policy/economic_diplomacy/finexpo/">http://diplomatie.belgium.be/en/policy/economic_diplomacy/finexpo/</a></td>
<td>500/4 1050 Brussels, Belgium FPS Foreign Affairs, Foreign Trade and Development Cooperation, rue des Petits Carmes 15 1000 Brussels, Belgium</td>
<td>Email: <a href="mailto:finexpo@diplobel.fed.be">finexpo@diplobel.fed.be</a></td>
</tr>
<tr>
<td>Delcredere</td>
<td>Ducroire</td>
<td><a href="http://www.delcredereducroire.be/en/about-us/mission/">http://www.delcredereducroire.be/en/about-us/mission/</a></td>
<td>Delcredere - Ducroire Rue Montoyerstraat 3, 1000 Brussels, Belgium</td>
</tr>
<tr>
<td>Wallonia</td>
<td><a href="http://www.awex.be/de-DE/Pages/Home.aspx">http://www.awex.be/de-DE/Pages/Home.aspx</a></td>
<td>AWEX-Regionalbüro Eupen Hütte, 79/20 4700 Eupen Belgium</td>
<td>Tel: 32-87-56.82.19 Fax: 32-87-77.33.50 Email: <a href="mailto:mail@awex.be">mail@awex.be</a></td>
</tr>
<tr>
<td>Belgium Corporation for International Investment</td>
<td><a href="http://www.bmi-sbi.be/en/produits.html">http://www.bmi-sbi.be/en/produits.html</a></td>
<td>SBI Avenue de Tervueren 168, bte 9 B-1150 Brussels, Belgium</td>
<td>Tel: +32 2 776 01 00 Fax: +32 2 770 66 38 Email: <a href="mailto:info@bmi-sbi.be">info@bmi-sbi.be</a></td>
</tr>
<tr>
<td>Bulgarian Chamber of Commerce and Industry</td>
<td><a href="http://www.bcci.bg/bcci-services.html">http://www.bcci.bg/bcci-services.html</a></td>
<td>9 Iskar Str., 1058, Sofia, Bulgaria</td>
<td>Tel: +359 2 8117 400, 987 26 31 Fax: +359 2 987 32 09 Email: <a href="mailto:bcci@bcci.bg">bcci@bcci.bg</a></td>
</tr>
<tr>
<td>The National Customs Agency</td>
<td><a href="http://customs.bg/en/page/150">http://customs.bg/en/page/150</a></td>
<td>National Customs Agency Rakovski 47 Sofia 1202 Bulgaria</td>
<td>Tel: +359 2 9859 4210 Email: <a href="mailto:pr@customs.bg">pr@customs.bg</a></td>
</tr>
<tr>
<td>Trade Service</td>
<td><a href="http://www.mcit.gov.cy/mcit/trade/ts.nsf/All/5F12C634BFA9CF8FC2257BE10030AD5C?OpenDocument">http://www.mcit.gov.cy/mcit/trade/ts.nsf/All/5F12C634BFA9CF8FC2257BE10030AD5C?OpenDocument</a></td>
<td>Trade Service Ministry of Energy, Commerce, Industry and Tourism 1421 Nicosia Cyprus</td>
<td>Tel: +357 22 867123 Fax: +357 22 375120 Email: <a href="mailto:ts@mcit.gov.cy">ts@mcit.gov.cy</a></td>
</tr>
<tr>
<td>OEB: Cyprus Employers and</td>
<td><a href="http://en.oeb.org.cy/">http://en.oeb.org.cy/</a></td>
<td>2 Acropoleos Ave. &amp; Glafkou Str, P.O Box 21657 1511</td>
<td>Tel: +357 22 66 51 02 Fax: +357 22 66 94 59 Email:</td>
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<tr>
<td>Service provider</td>
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<td>Industrialists Federation</td>
<td><a href="http://www.gtai.de/GTAI/Navigation/EN/Trade/Service/information-service.html">http://www.gtai.de/GTAI/Navigation/EN/Trade/Service/information-service.html</a></td>
<td>Nicosia, Cyprus</td>
<td><a href="mailto:info@oeb.org.cy">info@oeb.org.cy</a></td>
</tr>
<tr>
<td>Germany Trade &amp; Invest</td>
<td><a href="http://www.gtai.de/GTAI/Navigation/EN/Trade/Service/information-service.html">http://www.gtai.de/GTAI/Navigation/EN/Trade/Service/information-service.html</a></td>
<td>Villemombler Straße 76 53123, Bonn, Germany</td>
<td>Tel: +49 228 249 93-0 Fax: +49 228 249 93-212</td>
</tr>
<tr>
<td>The Trade Council</td>
<td><a href="http://kina.um.dk/en/the-trade-council/products-and-services/">http://kina.um.dk/en/the-trade-council/products-and-services/</a></td>
<td>Ministry of Foreign Affairs of Denmark Asiatisk Plads 2 DK-1448, Copenhagen, Denmark</td>
<td>Tel: +45 33 92 05 00 Email: <a href="mailto:eksportraadet@um.dk">eksportraadet@um.dk</a></td>
</tr>
<tr>
<td>The Danish Business Authority</td>
<td><a href="http://danishbusinessauthority.dk/eu-and-international">http://danishbusinessauthority.dk/eu-and-international</a></td>
<td>Langelinie Allé 17 2100, Copenhagen, Denmark</td>
<td>Tel: +4535291000 Email: <a href="mailto:erst@erst.dk">erst@erst.dk</a></td>
</tr>
<tr>
<td>Estonian Chamber of Commerce and Industry</td>
<td><a href="http://www.koda.ee/en/chamber-of-commerce/services-2/">http://www.koda.ee/en/chamber-of-commerce/services-2/</a></td>
<td>Main office in Tallinn: Toom-Kooli 17 10130, Tallinn, Estonia</td>
<td>Tel: +372 604 0060 Fax: +372 604 0061 Email: <a href="mailto:koda@koda.ee">koda@koda.ee</a></td>
</tr>
<tr>
<td>Enterprise Greece</td>
<td><a href="http://www.investingreece.gov.gr/">http://www.investingreece.gov.gr/</a></td>
<td>109 Vasilisis Sophias Avenue 115 21 Athens, Greece</td>
<td>Tel: +30 210 335 5700 Fax: +30 210 324 2079 Email: <a href="mailto:info@enterprisegreece.gov.gr">info@enterprisegreece.gov.gr</a></td>
</tr>
<tr>
<td>Finnpartnership</td>
<td><a href="http://www.finnpartnership.fi/www/en/">http://www.finnpartnership.fi/www/en/</a></td>
<td>Uudenmaankatu 16 A, 3rd floor 00120 Helsinki, Finland</td>
<td>Tel: +358 9 348 434 Email: <a href="mailto:fp@finnpartnership.fi">fp@finnpartnership.fi</a></td>
</tr>
<tr>
<td>Nordic Project Fund</td>
<td><a href="http://www.nopef.com/pages/eng/nopef/about-nopef.php">http://www.nopef.com/pages/eng/nopef/about-nopef.php</a></td>
<td>Nordic Environment Finance Corporation NEFCO, PB 241, FI-00171 Helsingfors, Finland</td>
<td>Tel: +358 (0)10 618 003 Email: <a href="mailto:info@nopef.com">info@nopef.com</a></td>
</tr>
<tr>
<td>Viexpo</td>
<td><a href="http://www.viexpo.fi/services/">http://www.viexpo.fi/services/</a></td>
<td>Runeberginkatu 11 FI-68600 Pietarsaari, Finland</td>
<td>Tel: +358 6 781 6440 Email: <a href="mailto:viexpo@viexpo.fi">viexpo@viexpo.fi</a></td>
</tr>
<tr>
<td>Tekes</td>
<td><a href="http://www.tekes.fi/en/programmes-and-services/grow-and-go-global/">http://www.tekes.fi/en/programmes-and-services/grow-and-go-global/</a></td>
<td>P.O.Box 69, FI-00101 Helsinki, Finland Visiting</td>
<td>Tel: +358 29 50 55000 Email: <a href="mailto:kirjaamo@tekes.fi">kirjaamo@tekes.fi</a></td>
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<tr>
<td>Service provider</td>
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<tr>
<td>UCCIFE: Chambres de Commerce et d'Industrie Françaises à l'Étranger</td>
<td><a href="http://www.ccifrance-international.org/">http://www.ccifrance-international.org/</a></td>
<td>46 avenue de la Grande Armée, CS 50071, 75 858 Paris Cedex 17, France</td>
<td>Tel: +33 01 4069 3760 Fax: +33 01 4069 3783 Email: <a href="mailto:infos@uccife.org">infos@uccife.org</a></td>
</tr>
<tr>
<td>Budapest Chamber of Commerce and Industry (BCCI)</td>
<td><a href="http://www.bkik.hu/en#">http://www.bkik.hu/en#</a></td>
<td>Krisztina krt 99, 1016 Budapest, Hungary</td>
<td>Tel: +36 (1) 488 2000 Fax: +36 (1) 488 2108 Email: <a href="mailto:ugyfelszolgalat@bkik.hu">ugyfelszolgalat@bkik.hu</a></td>
</tr>
<tr>
<td>Hungarian Foundation for Enterprise Promotion</td>
<td><a href="http://www.mva.hu/english.php">http://www.mva.hu/english.php</a></td>
<td>Szépvölgyi út 135., Budapest, III. 1277 Budapest 23, Pf: 4, Hungary</td>
<td>Tel: +36 1 883 0800 Fax: +36 1 883 0841 Email: <a href="mailto:info@mva.hu">info@mva.hu</a></td>
</tr>
<tr>
<td>Bord Bia (Irish Food Board)</td>
<td><a href="http://www.ice.gov.it/home.htm">http://www.ice.gov.it/home.htm</a></td>
<td>Via Liszt 21, 00144 Roma, Italy</td>
<td>Tel: +39 06 5992 9439 Email: <a href="mailto:ice@pec.ice.it">ice@pec.ice.it</a></td>
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<tr>
<td>Italian Trade Agency</td>
<td><a href="http://imprese.regione.emilia-romagna.it/">http://imprese.regione.emilia-romagna.it/</a></td>
<td>Viale Aldo Moro 44, 40127 Bologna, Italy</td>
<td>Tel: +39 051 5276309 Email: <a href="mailto:sportelloestro@regione.emilia-romagna.it">sportelloestro@regione.emilia-romagna.it</a></td>
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<tr>
<td>Regione Emilia Romagne</td>
<td><a href="http://chamber.lt/EN/Home/Services">http://chamber.lt/EN/Home/Services</a></td>
<td>Kaunas Chamber of Commerce K. Donelaicio str. 8, 44213 Kaunas, Lithuania</td>
<td>Tel: +370 37 229212 Email: <a href="mailto:chamber@chamber.lt">chamber@chamber.lt</a></td>
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<tr>
<td>Kaunas Chamber of Commerce, Industry and Crafts</td>
<td><a href="http://en.luxinnovation.lu/Services">http://en.luxinnovation.lu/Services</a></td>
<td>7, rue Alcide de Gasperi L-1615 Luxembourg</td>
<td>Tel: +352 43 6263 Ext.1 Fax: +352 43 8120 Email: <a href="mailto:info@luxinnovation.lu">info@luxinnovation.lu</a></td>
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<tr>
<td>Luxinnovation</td>
<td><a href="http://www.liaa.gov.lv/en">http://www.liaa.gov.lv/en</a></td>
<td>2 Peres Street, Riga, LV-1442, Latvia</td>
<td>Tel: +371 67039400 Fax: +371 67039401 Email: <a href="mailto:liaa@liaa.gov.lv">liaa@liaa.gov.lv</a></td>
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<tr>
<td>Investment and Development Agency of Latvia</td>
<td><a href="http://www.lga.lv/index.php?id=1&amp;L=">http://www.lga.lv/index.php?id=1&amp;L=</a></td>
<td>Zigfrīda Annas Meierovica bulvāris</td>
<td>Tel: +371 67216081 Fax:</td>
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<tr>
<td>Agency</td>
<td>1</td>
<td>14, Riga, 1050, Latvia</td>
<td>+371 67359374 Email: <a href="mailto:lga@lga.lv">lga@lga.lv</a></td>
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<tr>
<td>Chamber of Commerce Amsterdam</td>
<td><a href="http://www.kvk.nl/english/international/">http://www.kvk.nl/english/international/</a></td>
<td>De Ruyterkade 51013, Amsterdam, The Netherlands</td>
<td>Tel: +31 20 531 40 00 Email: <a href="mailto:info@amsterdam.kvk.nl">info@amsterdam.kvk.nl</a></td>
</tr>
<tr>
<td>Netherlands Enterprise Agency (RVO) / Agentschap NL (AGNL)</td>
<td><a href="http://english.rvo.nl/home/about-rvonl/what-is-rvonl">http://english.rvo.nl/home/about-rvonl/what-is-rvonl</a></td>
<td>RVO.nl in The Hague (Centre Court) Prinses Beatrixlaan 2 2595 AL The Hague, The Netherlands Postal address: P.O. Box 93144 2509 AC The Hague, The Netherlands</td>
<td>Tel: +31 88 602 50 00 Fax: +31 88 602 90 23 Contact Form: <a href="http://english.rvo.nl/home/about-rvonl/what-is-rvonl/contact-form">http://english.rvo.nl/home/about-rvonl/what-is-rvonl/contact-form</a></td>
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<td>Polish Agency for Enterprise Development</td>
<td><a href="http://en.parp.gov.pl/">http://en.parp.gov.pl/</a></td>
<td>Polska Agencja Rozwoju Przedsiębiorczości ul. Paoska 81/83, 00-834 Warsaw, Poland</td>
<td>Tel: +22 432 80 80, 432 71 25 Fax: +22 432 86 20 Email: <a href="mailto:biuro@parp.gov.pl">biuro@parp.gov.pl</a></td>
</tr>
<tr>
<td>AICEP Portugal Global</td>
<td><a href="http://www.portugalglobal.pt/EN/Pages/Index.aspx">http://www.portugalglobal.pt/EN/Pages/Index.aspx</a></td>
<td>N/a</td>
<td>Tel: +46 0771 55 85 00 Email: <a href="mailto:info.lanadm@almi.se">info.lanadm@almi.se</a></td>
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<tr>
<td>Innovationsbro nAB</td>
<td><a href="http://www.almi.se/English/">http://www.almi.se/English/</a></td>
<td>N/a</td>
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<tr>
<td>SARIO (Slovak Investment and Trade Development Agency); and Slovak Chamber of Commerce and Industry</td>
<td><a href="http://www.sario.sk/en">http://www.sario.sk/en</a></td>
<td>Slovak Investment and Trade Development Agency, Trnavská cesta 100 821 01 Bratislava, Slovak Republic</td>
<td>Tel: 421 2 58 260 100, 101 Fax: 421 2 58 260 109 Email: <a href="mailto:sario@sario.sk">sario@sario.sk</a></td>
</tr>
<tr>
<td>United Kingdom Trade and Investment</td>
<td><a href="https://www.gov.uk/government/organisations/uk-trade-investment">https://www.gov.uk/government/organisations/uk-trade-investment</a></td>
<td>UKTI head office (General Enquiries) 1 Victoria Street London,</td>
<td>Tel: +44 020 7215 5000 Email:</td>
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7.3 EU and Vietnamese Chambers, Bodies and Associations

<table>
<thead>
<tr>
<th>Institution</th>
<th>Website</th>
<th>Address</th>
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<tr>
<td>EU Chamber of Commerce in Vietnam (EUROCHAM)</td>
<td><a href="http://www.eurochamvn.org/">http://www.eurochamvn.org/</a></td>
<td>Hanoi Office. GF, Sofitel Plaza Hanoi, 1 Thanh Nien Road, Ba Dinh District, Hanoi, Vietnam</td>
<td>Tel: (84-4) 3 715 2228 Email: <a href="mailto:info-hn@eurochamvn.org">info-hn@eurochamvn.org</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ho Chi Minh City Office. 15F, The Landmark, Room 2B, 5B Ton Duc Thang, District 1, HCMC</td>
<td>Tel: (84-8) 3827 2715 Email: <a href="mailto:info-hcm@eurochamvn.org">info-hcm@eurochamvn.org</a></td>
</tr>
<tr>
<td>Belgium-Luxembourg Chamber of Commerce in Vietnam (BELUX Chamber)</td>
<td><a href="http://www.beluxcham.com/">http://www.beluxcham.com/</a></td>
<td>15th floor, the Landmark, 05B Ton Duc Thang, District 1, Ho Chi Minh-City</td>
<td>Tel: +848 38 224 029 Email: <a href="mailto:info@beluxcham.com">info@beluxcham.com</a></td>
</tr>
<tr>
<td>CCI France-Vietnam</td>
<td><a href="http://www.ccifv.org/">http://www.ccifv.org/</a></td>
<td>CCIFV Ho Chi Minh. Landmark, 15è étage, 5B Ton Duc Thang, D.1</td>
<td>Tel.: +84 (0) 8 3825 8625 Email: <a href="mailto:ccifv.hcm@ccifv.org">ccifv.hcm@ccifv.org</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CCIFV Hanoi. Sofitel Plaza Hanoi, 1 Thanh Nien, Ba Dinh</td>
<td>Tel.: +84 (0) 4 3715 2229 Email: <a href="mailto:ccifv.hcm@ccifv.org">ccifv.hcm@ccifv.org</a></td>
</tr>
<tr>
<td>Central and Eastern European Chamber of Commerce in Vietnam (CEEC)</td>
<td><a href="http://ceecvn.org/">http://ceecvn.org/</a></td>
<td>Ho Chi Minh Office. The Landmark, 15th Floor 5b Tôn Đức Thắng Ho Chi Minh, District 1, Vietnam</td>
<td>Tel.: +84 (0) 8 3825 8513 Email: <a href="mailto:office@ceecvn.org">office@ceecvn.org</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hanoi Office. CTSC Building, 2nd Floor</td>
<td></td>
</tr>
<tr>
<td>Institution</td>
<td>Website</td>
<td>Address</td>
<td>Contact</td>
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<tr>
<td>Dutch business association Vietnam (DBA)</td>
<td><a href="http://dbav.org.vn/">http://dbav.org.vn/</a></td>
<td>1 Bà Triệu, Hoàn Kiếm, Hanoi, Vietnam</td>
<td>Tel.: +84 (0) 4 3839 8958 Email: <a href="mailto:office@ceecvn.org">office@ceecvn.org</a></td>
</tr>
<tr>
<td>EU-Vietnam business network</td>
<td><a href="http://evbn.org/">http://evbn.org/</a></td>
<td>Ho Chi Ming Office: 15F The Landmark, 5B Ton Duc Thang, Dist 1, Ho Chi Minh City, Vietnam</td>
<td>Tel.: +84(0)8 3822 4019 Email: <a href="mailto:info@dbav.org.vn">info@dbav.org.vn</a></td>
</tr>
<tr>
<td>The German Business Association in Vietnam (GBA)</td>
<td><a href="http://www.gba-vietnam.org/">http://www.gba-vietnam.org/</a></td>
<td>Hanoi branch: GF, Sofitel Plaza Hanoi, 1 Thanh Nien Road, Ba Dinh District, Hanoi, Vietnam</td>
<td>Tel.: +84 (0) 8 3823 9515 Email: <a href="mailto:info@dbav.org.vn">info@dbav.org.vn</a></td>
</tr>
<tr>
<td>Italian Chamber of Commerce in Vietnam (ICHAM)</td>
<td><a href="http://www.icham.org/en">http://www.icham.org/en</a></td>
<td>15th floor, The Landmark, 5B Ton Duc Thang, District 1, Ho Chi Minh City, Vietnam</td>
<td>Tel.: +84 8 3823 9772 Email: <a href="mailto:info@gbavietnam.org">info@gbavietnam.org</a></td>
</tr>
<tr>
<td>Nordic Chamber of Commerce in Vietnam (Nordcham)</td>
<td><a href="http://www.nordchamhn.org.vn/">http://www.nordchamhn.org.vn/</a></td>
<td>22nd Floor, Capital Tower Building, 109 Tran Hung Dao Str., Hanoi</td>
<td>Tel.: +84 43941 2893 Email: <a href="mailto:Secretariat@nordchamhn.org.vn">Secretariat@nordchamhn.org.vn</a></td>
</tr>
</tbody>
</table>
### 7.4 Calendar of Trade Events and Exhibitions

Attending trade events and exhibitions can help promote your product in Vietnam as well as forge relationships with industry figures and useful business contacts.
Table 15 Calendar of Events and Exhibitions

<table>
<thead>
<tr>
<th>Event</th>
<th>Focus</th>
<th>Date</th>
<th>Recurrence</th>
<th>City</th>
<th>Website</th>
<th>Venue</th>
<th>Organiser details</th>
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<tr>
<td>Vietfood &amp; Beverage-Propack Ho Chi Minh City</td>
<td>Food products, drinks, ingredients, raw materials, food additives, diet food, organic, machinery/equipment and technology.</td>
<td>08-11 August 2018</td>
<td>Yearly</td>
<td>Ho Chi Minh City</td>
<td><a href="http://hcm.foodexvietnam.com/en">http://hcm.foodexvietnam.com/en</a></td>
<td>Saigon Exhibition &amp; Convention Center (SECC)</td>
<td>National Trade Fair &amp; Advertising JSC (VINEXAD) Address: 9 Dinh Le St., Hanoi, Vietnam Tel: (84-4) 3825 5546 Ext: 436 Mobile: +84 912 000 406 Email: <a href="mailto:vietfood@vinexad.com.vn">vietfood@vinexad.com.vn</a></td>
</tr>
<tr>
<td>Event</td>
<td>Focus</td>
<td>Date</td>
<td>Recurrence</td>
<td>City</td>
<td>Website</td>
<td>Venue</td>
<td>Organiser details</td>
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<tr>
<td>2018 VIETNAM EXPO</td>
<td>On the agricultural category: Agricultural products &amp; food processing, Seafood, seasoning instant food, Nutritious food, Canned</td>
<td>11-14 April 2018</td>
<td>Yearly</td>
<td>Hanoi</td>
<td><a href="http://hcm.vietnamexpo.com.vn/en">http://hcm.vietnamexpo.com.vn/en</a></td>
<td>Hanoi International Exhibition Center (ICE)</td>
<td>VINEXAD Address: No.9 Dinh Le, Hoan Kiem, Ha Noi Tel: (84-4) 3855 5546 / 3826 7515 Email: <a href="mailto:info@vinexad.com.vn">info@vinexad.com.vn</a> Website: <a href="http://www.vinexad.com.vn">www.vinexad.com.vn</a></td>
</tr>
<tr>
<td>Food &amp; Hotel Vietnam 2019</td>
<td>Food and drinks, hospitality equipment and supplies.</td>
<td>24-26 April 2019</td>
<td>Yearly</td>
<td>Ho Chi Minh City</td>
<td><a href="http://foodhotelvietnam.com/en/home/">http://foodhotelvietnam.com/en/home/</a></td>
<td>Saigon Exhibition &amp; Convention Center (SECC)</td>
<td>Allworld Exhibitions 12th Floor, Westminster Tower 3 Albert Embankment London SE1 7SP UK - United Kingdom Tel: +44 (0)20 7840 2100 Email: <a href="mailto:exhibit@oesallworld.com">exhibit@oesallworld.com</a></td>
</tr>
<tr>
<td>Event</td>
<td>Focus</td>
<td>Date</td>
<td>Recurrence</td>
<td>City</td>
<td>Website</td>
<td>Venue</td>
<td>Organiser details</td>
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<td>Food &amp; Hotel Vietnam 2018</td>
<td>Food, beverages, hotels, bakery, restaurants, catering and equipment.</td>
<td>24-27 April 2017</td>
<td>Biennially</td>
<td>Ho Chi Minh City</td>
<td><a href="http://foodhotelvietnam.com/en/home/">http://foodhotelvietnam.com/en/home/</a></td>
<td>Saigon Exhibition &amp; Convention Center (SECC)</td>
<td>Singapore Exhibition Services Pte Ltd. 09-02 Pacific Tech Centre 159303 Singapore, Singapore Tel: +65 62336638 Email: <a href="mailto:events@sesaallworld.com">events@sesaallworld.com</a></td>
</tr>
<tr>
<td>Vietnam 2018 Café Show</td>
<td>Coffee, Tea, Bakery, Ice-cream, Raw Material, Machine &amp; Equipment, Chocolate, Appetizer, Dessert, etc.</td>
<td>03-05 May 2018</td>
<td>Yearly</td>
<td>Ho Chi Minh City</td>
<td><a href="http://www.cafeshow.com.vn/outline/intro">http://www.cafeshow.com.vn/outline/intro</a></td>
<td>Saigon Exhibition &amp; Convention Center (SECC)</td>
<td>EXPORUM Vietnam Rm 7A, 7th Fl., 145 Dien Bien Phu St., Dakao Wd., Dist.1, HCMC Tel: +848 3823 60634 <a href="mailto:info@exporum.com">info@exporum.com</a></td>
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<tr>
<td>FOODPACK Vietnam 2018</td>
<td>Food packaging machinery &amp; materials</td>
<td>19-21 June 2018</td>
<td>Yearly</td>
<td>Ho Chi Minh City</td>
<td>Website under construction</td>
<td>Saigon Exhibition &amp; Convention Center (SECC)</td>
<td>Top Repute Co., Ltd. Unit 2802, Shun Tak Centre West Tower 168-200 Connaught Road Central Hong Kong Hong Kong. Email: <a href="mailto:topreput@toprepute.com">topreput@toprepute.com</a></td>
</tr>
<tr>
<td>Event</td>
<td>Focus</td>
<td>Date</td>
<td>Recurrence</td>
<td>City</td>
<td>Website</td>
<td>Venue</td>
<td>Organiser details</td>
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| FI Vietnam 2018     | Exclusively dedicated to food & beverage ingredients | 16-18 May 2018 | Biennially | Ho Chi Minh City | http://www.figlobal.com/vietnam/about/about-the-event                | Saigon Exhibition & Convention Center (SECC)       | Hoan Kiem District Hanoi  
Tel.: +84 4 3936 6287  
Email: foodexpo@viettrade.gov.vn; vietnamfoodexpo@gmail.com  
UBM Malaysia  
A-8-1, Level 8, Hampshire Place Office, 157  
Hampshire, 1 Jalan Mayang Sari, 50450 Kuala Lumpur, Malasia  
Teléfono:+60 3-2176 8788  
ANNEX I: GI PRODUCTS REGISTERED IN VIETNAM

In 2015, Vietnam and the European Union concluded FTA negotiations. The FTA contains comprehensive provisions on the mutual protection of GIs. Importantly, Vietnam has agreed to register 169 GIs from the European Union countries. Below is the list of GIs that Vietnam shall register once the FTA will be ratified by the European Union legislative organizations.

<table>
<thead>
<tr>
<th>{GI N°}*</th>
<th>Designation Name</th>
<th>Product Class</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Steirisches Kürbiskernöl</td>
<td>Oils and animal fats</td>
<td>Pumpkin seed oil</td>
</tr>
<tr>
<td>2</td>
<td>Tiroler Speck</td>
<td>Fresh, frozen and processed meats</td>
<td>Bacon</td>
</tr>
<tr>
<td>3</td>
<td>Inländerrum</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
<tr>
<td>4</td>
<td>Jägertee/Jagertee/Jagatee</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
<tr>
<td></td>
<td>Country of origin: Austria</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Ζιβανία/Τζιβανία/Ζιβάνα/Zivania</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
<tr>
<td>6</td>
<td>Κουμανδαρία /Commandaria</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td></td>
<td>Country of origin: Cyprus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>České pivo</td>
<td>Beer</td>
<td>Beer</td>
</tr>
<tr>
<td>10</td>
<td>Českobudějovické pivo</td>
<td>Beer</td>
<td>Beer</td>
</tr>
<tr>
<td>11</td>
<td>Žatecký chmel</td>
<td>Hops</td>
<td>Hops</td>
</tr>
<tr>
<td></td>
<td>Country of origin: Czech Republic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Bayerisches Bier</td>
<td>Beer</td>
<td>Beer</td>
</tr>
<tr>
<td>13</td>
<td>Lübecker Marzipan</td>
<td>Confectionery and baked products</td>
<td>Marzipan</td>
</tr>
<tr>
<td>No.</td>
<td>Product</td>
<td>Description</td>
<td>Country of origin: Germany, Austria, Belgium (German speaking Community)</td>
</tr>
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<td>----------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>14</td>
<td>Nürnberger Bratwürste</td>
<td>Fresh, frozen and processed meats</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nürnberger Rostbratwürste</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Münchener Bier</td>
<td>Beer</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Schwarzwälder Schinken</td>
<td>Fresh, frozen and processed meats</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ham</td>
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<tr>
<td>{GI N°}*</td>
<td>Designation Name</td>
<td>Product Class</td>
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<tr>
<td>---------</td>
<td>-----------------</td>
<td>---------------</td>
<td>---------</td>
</tr>
<tr>
<td>17</td>
<td>Korn/Kornbrand</td>
<td>Spirit</td>
<td>Spirit</td>
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<tr>
<td></td>
<td>Country of origin: Germany</td>
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<tr>
<td>18</td>
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<td>21</td>
<td>Rheingau</td>
<td>Wine</td>
<td>Wine</td>
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<tr>
<td>22</td>
<td>Rheinhessen</td>
<td>Wine</td>
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<td>Country of origin: Denmark</td>
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</tr>
<tr>
<td>23</td>
<td>Danablu</td>
<td>Cheese</td>
<td>Cheese</td>
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<tr>
<td></td>
<td>Country of origin: Spain</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Antequera</td>
<td>Oils and animal fats</td>
<td>Olive oil</td>
</tr>
<tr>
<td>25</td>
<td>Azafrán de la Mancha</td>
<td>Spices</td>
<td>Saffron</td>
</tr>
<tr>
<td>26</td>
<td>Baena</td>
<td>Oils and animal fats</td>
<td>Olive oil</td>
</tr>
<tr>
<td>27</td>
<td>Cítricos Valencianos ; Citrics Valencians⁹</td>
<td>Fresh and processed fruits and nuts</td>
<td>Oranges, mandarins and lemons</td>
</tr>
<tr>
<td>28</td>
<td>Jamón de Huelva</td>
<td>Dry-cured meats</td>
<td>Ham</td>
</tr>
<tr>
<td>29</td>
<td>Jamón de Teruel</td>
<td>Dry-cured meats</td>
<td>Ham</td>
</tr>
<tr>
<td>30</td>
<td>Jijona</td>
<td>Confectionery and baked products</td>
<td>Nougat</td>
</tr>
<tr>
<td>31</td>
<td>Priego de Córdoba</td>
<td>Oils and animal fats</td>
<td>Olive oil</td>
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<tr>
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<td>32</td>
<td>Queso Manchego</td>
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<td>33</td>
<td>Sierra de Segura</td>
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<td>Oils and animal fats</td>
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<td>35</td>
<td>Turrón de Alicante</td>
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<td>Nougat</td>
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</table>

9 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.
<table>
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<th>GI N°</th>
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<th>Product Class</th>
<th>Product</th>
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<tbody>
<tr>
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<td>Brandy de Jerez</td>
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<td>37</td>
<td>Pacharán navarro</td>
<td>Spirit</td>
<td>Spirit</td>
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<tr>
<td>38</td>
<td>Alicante</td>
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<tr>
<td>39</td>
<td>Bierzo</td>
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<td>40</td>
<td>Cataluña</td>
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<td>41</td>
<td>Cava</td>
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<td>42</td>
<td>Empordà</td>
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<td>Jerez-Xérès-Sherry</td>
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<tr>
<td>44</td>
<td>Jumilla</td>
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<td>Málaga</td>
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<td>47</td>
<td>Manzanilla-Sanlúcar de Barrameda</td>
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<td>48</td>
<td>Navarra</td>
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<td>49</td>
<td>Penedès</td>
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<td>50</td>
<td>Priorat</td>
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<td>51</td>
<td>Rías Baixas</td>
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<tr>
<td>52</td>
<td>Ribera del Duero</td>
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<td>Rioja</td>
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<td>Valdepeñas</td>
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<td>Valencia</td>
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*Country of origin: Finland*
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<tr>
<td>59</td>
<td>Suomalainen Vodka/Vodka of Finland</td>
<td>Spirit</td>
<td>Spirit</td>
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<td>60</td>
<td>Brie\textsuperscript{10} de Meaux</td>
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<td>Cheese</td>
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<tr>
<td>61</td>
<td>Camembert\textsuperscript{11} de Normandie</td>
<td>Cheese</td>
<td>Cheese</td>
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<tr>
<td>62</td>
<td>Canard à foie gras du Sud-Ouest</td>
<td>Fresh, frozen and Processed meat product of duck</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Chalosse, Gascogne, Gers, Landes, Périgord, Quercy)</td>
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<td>63</td>
<td>Comté</td>
<td>Cheese</td>
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<td>64</td>
<td>Emmental\textsuperscript{12} de Savoie</td>
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<tr>
<td>65</td>
<td>Jambon de Bayonne</td>
<td>Dry-cured meats</td>
<td>Ham</td>
</tr>
<tr>
<td>66</td>
<td>Pruneaux d'Agen; Pruneaux d'Agen mi-cuits</td>
<td>Fresh and processed fruits and nuts</td>
<td>Prunes</td>
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<td>67</td>
<td>Reblochon ; Reblochon de Savoie</td>
<td>Cheese</td>
<td>Cheese</td>
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<tr>
<td>68</td>
<td>Roquefort</td>
<td>Cheese</td>
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<td>69</td>
<td>Armagnac</td>
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<td>Calvados</td>
<td>Spirit</td>
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<tr>
<td>71</td>
<td>Cognac ; Eau-de-vie de Cognac ; Eau-de-vie des Charentes</td>
<td>Spirit</td>
<td>Spirit</td>
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<tr>
<td>72</td>
<td>Alsace/Vin d'Alsace</td>
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<td>74</td>
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<td>75</td>
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<tr>
<td>76</td>
<td>Bourgogne</td>
<td>Wine</td>
<td>Wine</td>
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</tbody>
</table>

10 The protection of the term "brie" is not sought.
11 The protection of the term "camembert" is not sought.
12 The protection of the term "emmental" is not sought.
<table>
<thead>
<tr>
<th>GI N°*</th>
<th>Designation Name</th>
<th>Product Class</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>77</td>
<td>Chablis</td>
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<tr>
<td>78</td>
<td>Champagne***</td>
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<tr>
<td>79</td>
<td>Châteauneuf-du-Pape</td>
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<td>80</td>
<td>Coteaux du Languedoc</td>
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<td>81</td>
<td>Côtes de Provence</td>
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<td>82</td>
<td>Côtes du Rhône</td>
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<tr>
<td>83</td>
<td>Côtes du Roussillon</td>
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<td>Graves</td>
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<td>85</td>
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<td>Saint-Emilion</td>
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<td>Country of origin: Greece</td>
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<td>--------------------------</td>
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<tr>
<td>96 Ελιά Καλαμάτας (transcription into Latin alphabet: Elia Kalamatas) Table and processed olives Table olive</td>
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</tr>
<tr>
<td>97 Κασέρι (transcription into Latin) Cheese Cheese</td>
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</tr>
</tbody>
</table>

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.
<table>
<thead>
<tr>
<th>GI N°*</th>
<th>Designation Name</th>
<th>Product Class</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>alphabet: Kasseri)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>98</td>
<td>Φέτα** (transcription into Latin alphabet: Feta )</td>
<td>Cheese</td>
<td>Cheese</td>
</tr>
<tr>
<td>99</td>
<td>Καλόματα (transcription into Latin alphabet: Kalamata)</td>
<td>Oils and animal fats</td>
<td>Olive oil</td>
</tr>
<tr>
<td>100</td>
<td>Μαστίχα Χίου (transcription into Latin alphabet: Masticha Chiou)</td>
<td>Natural gums and resins</td>
<td>Natural gum and chewing gum</td>
</tr>
<tr>
<td>101</td>
<td>Σπέτσεις Λασιθίου (transcription into Latin alphabet: Sitia Lasithiou Kritis)</td>
<td>Oils and animal fats</td>
<td>Olive oil</td>
</tr>
<tr>
<td>Country of origin: Greece, Cyprus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102</td>
<td>Ούζο (transcription into Latin alphabet: Ouzo)</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
<tr>
<td>Country of origin: Greece</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Νεμέα (transcription into Latin Alphabet: Nemea)</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>104</td>
<td>Ρετσίνα Αττικής (transcription into Latin alphabet: Retsina Attikis)</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>105</td>
<td>Πελοποννησιακός (transcription into Latin alphabet: Peloponnese)</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>106</td>
<td>Σάμος (transcription into Latin Alphabet: Samos)</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>Country of origin: Croatia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>107</td>
<td>Dingač</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>Country of origin: Hungary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>108 Pálinka</td>
<td>Spirit</td>
<td>Spirit</td>
<td></td>
</tr>
<tr>
<td>109 Törkölápálinka</td>
<td>Spirit</td>
<td>Spirit</td>
<td></td>
</tr>
<tr>
<td>110 Tokaj/Tokaji</td>
<td>Wine</td>
<td>Wine</td>
<td></td>
</tr>
</tbody>
</table>

Country of origin: Ireland
<table>
<thead>
<tr>
<th>Designation Name</th>
<th>Product Class</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irish Cream</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
<tr>
<td>Irish Whiskey/Uisce Beatha Eireannach/Irish Whisky</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
<tr>
<td><strong>Country of origin: Italy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aceto Balsamico di Modena</td>
<td>Vinegar</td>
<td>Vinegar</td>
</tr>
<tr>
<td>Asiago *</td>
<td>Cheese</td>
<td>Cheese</td>
</tr>
<tr>
<td>Bresaola della Valtellina</td>
<td>Fresh, frozen and processed meats</td>
<td>Dried salted beef</td>
</tr>
<tr>
<td>Fontina *</td>
<td>Cheese</td>
<td>Cheese</td>
</tr>
<tr>
<td>Gorgonzola *</td>
<td>Cheese</td>
<td>Cheese</td>
</tr>
<tr>
<td>Grana Padano</td>
<td>Cheese</td>
<td>Cheese</td>
</tr>
<tr>
<td>Kiwi Latina</td>
<td>Fresh and processed fruits and nuts</td>
<td>Kiwi</td>
</tr>
<tr>
<td>Mela Alto Adige ; Südtiroler Apfel</td>
<td>Fresh and processed fruits and nuts</td>
<td>Apple</td>
</tr>
<tr>
<td>Mortadella Bologna</td>
<td>Fresh, frozen and processed meats</td>
<td>Mortadella</td>
</tr>
<tr>
<td>Mozzarella(^{14}) di Bufala Campana</td>
<td>Cheese</td>
<td>Cheese</td>
</tr>
<tr>
<td>Parmigiano Reggiano(^{15})</td>
<td>Cheese</td>
<td>Cheese</td>
</tr>
<tr>
<td>Pecorino(^{16}) Romano</td>
<td>Cheese</td>
<td>Cheese</td>
</tr>
<tr>
<td>Prosciutto di Parma</td>
<td>Dry-cured meats</td>
<td>Ham</td>
</tr>
<tr>
<td></td>
<td>Product Name</td>
<td>Type</td>
</tr>
<tr>
<td>---</td>
<td>----------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>126</td>
<td>Prosciutto di S. Daniele</td>
<td>Dry-cured meats</td>
</tr>
<tr>
<td>127</td>
<td>Prosciutto Toscano</td>
<td>Dry-cured meats</td>
</tr>
</tbody>
</table>

14 The protection of the term "mozzarella" is not sought.

15 The provisions of Article 6 shall in no way prejudice the right of any person to use, or to register in Vietnam a trade mark 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.

16 The protection of the term "pecorino" is not sought.
<table>
<thead>
<tr>
<th>GI No.</th>
<th>Designation Name</th>
<th>Product Class</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>128</td>
<td>Provolone Valpadana</td>
<td>Cheese</td>
<td>Cheese</td>
</tr>
<tr>
<td>129</td>
<td>Taleggio</td>
<td>Cheese</td>
<td>Cheese</td>
</tr>
<tr>
<td>130</td>
<td>Grappa</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
<tr>
<td>131</td>
<td>Acqui / Brachetto d'Acqui</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>132</td>
<td>Asti</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>133</td>
<td>Barbaresco</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>134</td>
<td>Bardolino Superiore</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>135</td>
<td>Barolo</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>136</td>
<td>Brunello di Montalcino</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>137</td>
<td>Chianti</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>138</td>
<td>Conegliano Valdobbiadene - Prosecco</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>139</td>
<td>Prosecco</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>140</td>
<td>Dolcetto d'Alba</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>141</td>
<td>Franciacorta</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>142</td>
<td>Lambrusco di Sorbara</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>143</td>
<td>Lambrusco Grasparossadi Castelvetro</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>144</td>
<td>Marsala</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>145</td>
<td>Montepulciano d'Abruzzo</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td></td>
<td>Sicilia</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>---</td>
<td>-----------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>146</td>
<td>Soave</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>147</td>
<td>Toscana/Toscano</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>148</td>
<td>Veneto</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>149</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The protection of the term "provolone" is not sought.
<table>
<thead>
<tr>
<th>Designation Name</th>
<th>Product Class</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vino Nobile di Montepulciano</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>Originali lietuviška degtinė</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
<tr>
<td>Gouda^{18} Holland</td>
<td>Cheese</td>
<td>Cheese</td>
</tr>
<tr>
<td>Genièvre/Jenever/Genever</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
<tr>
<td>Polish Cherry</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
<tr>
<td>Polska Wódka/Polish vodka</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
<tr>
<td>Wódka ziołowa z Niziny Północnopodlaskiej aromatyzowana ekstraktem z trawy żubrowej / Herbal vodka from the North Podlasie Lowland aromatised with an extract of bison grass</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
<tr>
<td>Pêra Rocha do Oeste</td>
<td>Fruit</td>
<td>Pear</td>
</tr>
<tr>
<td>Queijo S. Jorge</td>
<td>Cheese</td>
<td>Cheese</td>
</tr>
<tr>
<td>Alentejo</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>Dão</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>Douro</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>Madeira</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>163</td>
<td>Porto/Port/Oporto</td>
<td>Wine</td>
</tr>
<tr>
<td>-------</td>
<td>------------------</td>
<td>------</td>
</tr>
<tr>
<td>164</td>
<td>Vinho Verde</td>
<td>Wine</td>
</tr>
</tbody>
</table>

*Country of origin: Romania*

18

The protection of the term "gouda" is not sought.
<table>
<thead>
<tr>
<th>{GI N°}</th>
<th>Designation Name</th>
<th>Product Class</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>165</td>
<td>Cotnari</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>166</td>
<td>Dealu Mare</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td>167</td>
<td>Murfatlar</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td></td>
<td><em>Country of origin: Sweden</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>168</td>
<td>Svensk Vodka/Swedish Vodka</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
<tr>
<td></td>
<td><em>Country of origin: Slovakia</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>169</td>
<td>Vinohradnícka oblasť Tokaj</td>
<td>Wine</td>
<td>Wine</td>
</tr>
<tr>
<td></td>
<td><em>Country of origin: United Kingdom</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>170</td>
<td>Scottish Farmed Salmon</td>
<td>Fish</td>
<td>Salmon</td>
</tr>
<tr>
<td>171</td>
<td>Scotch Whisky</td>
<td>Spirit</td>
<td>Spirit</td>
</tr>
</tbody>
</table>
**ANNEX II: DATABASE OF PROFESSIONAL BUYERS**

Database of professionals with ranking of importance/power of influence

The Database of professional buyers reflects the contact information as of October 1, 2016.

**Buyers**

*Table 16 Major Retailers*

<table>
<thead>
<tr>
<th>Retailer Name &amp; Outlet Type</th>
<th>Ownership</th>
<th>Estimated Sales (US$ mil)</th>
<th>No. of Outlets</th>
<th>Locations</th>
<th>Purchasing Agent Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAIGON CO-OP COOPMART/ Supermarkets, Food Stores &amp; Convenience Stores</td>
<td>Local company operated under co-operative law</td>
<td>Not available, but likely exceeds 800</td>
<td>63 supermarkets, 61 food stores, 150 small size convenience stores (total of 274 stores)</td>
<td>- Mainly in Ho Chi Minh City (HCMC) and has just expanded to a total of 38 cities and provinces including: Can Tho, Long Xuyen, Hanoi, Phan Thiet, Gia Lai, Ben Tre, Daklak, Binh Duong, Danang, etc.</td>
<td>- Mainly from importers/distributors and wholesalers. - Plan: Annually, Saigon Co-op plans on opening 8-10 more stores. (note: Saigon Co-op is also establishing two hypermarkets in 2014). - Direct imports of foods are still small but growing. - Very strong in doing private labeled products.</td>
</tr>
<tr>
<td>Metro Cash &amp; Carry wholesale</td>
<td>100% Foreign Invested Company</td>
<td>Not available, but likely</td>
<td>19 wholesale stores</td>
<td>- HCMC, Hanoi, Hai Phong, Can Tho, Danang,</td>
<td>- Mainly from importers and distributors.</td>
</tr>
</tbody>
</table>

---

422 Source: Gain Report: Vietnam – USDA Foreign Agricultural Service no: VM3063/ 2013
<table>
<thead>
<tr>
<th>Retailer Name &amp; Outlet Type</th>
<th>Ownership</th>
<th>Estimated Sales (US$ mil)</th>
<th>No. of Outlets</th>
<th>Locations</th>
<th>Purchasing Agent Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores</td>
<td>(Germany)</td>
<td>exceeds 550</td>
<td></td>
<td>Binh Duong, etc.</td>
<td>- Direct imports for fresh and frozen products (perishable food products).</td>
</tr>
<tr>
<td>BIG C / Hypermarkets and Supermarkets</td>
<td>Local Joint Venture with Casino Group of France</td>
<td>Not available, but likely exceeds 550</td>
<td>21 hypermarkets, 4 supermarkets, 3 food stores (total of 27 stores)</td>
<td>- HCMC, Dong Nai, Hanoi, Haiphong, Danang.</td>
<td></td>
</tr>
<tr>
<td>- Plan: Annually, MCC plans on opening 2-4 more stores.</td>
<td>- Very strong in doing private labeled products - Mainly from importers/distributors and wholesalers.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Plan: Annually, Big C plans on opening 4 more stores.</td>
<td>- Direct imports are still small but growing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAXIMARK Supermarkets and Department Stores</td>
<td>An Phong Private-Owned Company</td>
<td>Not available, but likely exceeds 50</td>
<td>5</td>
<td>- HCMC, Nha Trang, Can Tho, etc. - Plan: one more in Binh Duong</td>
<td></td>
</tr>
<tr>
<td>- Direct imports are still small - Mainly from importers/distributors and wholesalers.</td>
<td>- Very strong in doing private labeled products.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FIVIMART</td>
<td>Private-Owned Company</td>
<td>Not available, but likely exceeds 45</td>
<td>16</td>
<td>- Mainly in Hanoi</td>
<td></td>
</tr>
<tr>
<td>- Direct imports are still small - Mainly from importers and distributors</td>
<td>- Direct imports are still small - Mainly from importers and distributors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CITIMART Supermarkets and Convenient Stores</td>
<td>Private-Owned Company</td>
<td>Not available but likely exceeds 40</td>
<td>12 supermarkets, 14 convenience stores (total of 26 stores)</td>
<td>- Mainly in HCMC and Hanoi, but also in some provinces including Kien Giang, Binh Duong, Nha Trang</td>
<td></td>
</tr>
<tr>
<td>- Direct imports are still small - Mainly from importers and distributors</td>
<td>- Direct imports are still small</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intimex Supermarkets and Department Stores</td>
<td>Joint-Stock Company</td>
<td>Not available but likely exceeds 30</td>
<td>14</td>
<td>Hanoi, Haiphong, Hai Duong, Nghe An, Danang</td>
<td>- Mainly from importers and distributors</td>
</tr>
<tr>
<td>Retailer Name &amp; Outlet Type</td>
<td>Ownership</td>
<td>Estimated Sales (US$ mil)</td>
<td>No. of Outlets</td>
<td>Locations</td>
<td>Purchasing Agent Type</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------------------------------</td>
<td>---------------------------</td>
<td>----------------</td>
<td>----------------------------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>Saigon Trading Corporation SATRA Supermarkets and convenient stores</td>
<td>State-owned Company</td>
<td>Not available, but likely exceeds 30</td>
<td>3 supermarkets, 26 convenience stores</td>
<td>- Mainly HCMC</td>
<td>- Mainly from importers and distributors</td>
</tr>
<tr>
<td>HAPRO supermarkets and convenient stores</td>
<td>State-owned company</td>
<td>Not available, but likely exceeds 20</td>
<td>10 supermarkets, 30 convenience stores (total of 40 stores)</td>
<td>- Hanoi and Northern provinces</td>
<td>- Mainly from importers and distributors</td>
</tr>
<tr>
<td>Select Supermarkets</td>
<td>Private-Owned Company</td>
<td>Not available, but likely exceeds 4.5 NA</td>
<td>7 supermarkets</td>
<td>- Mainly in HCMC</td>
<td>- Ba Ria Vung Tau</td>
</tr>
<tr>
<td>PARKSON Shopping Center (Department Store)</td>
<td>Local Joint-Venture with Parkson of Malaysia</td>
<td>NA</td>
<td>8 Shopping Centers (Department Stores) (Note: most of the supermarkets inside the Department Store are operated by Citimart)</td>
<td>- HCMC, Hai Phong and Hanoi</td>
<td>- Mainly from importers and distributors.</td>
</tr>
<tr>
<td>GIANT Supermarket</td>
<td>Foreign Invested Company (Singapore)</td>
<td>NA</td>
<td>1 supermarket</td>
<td>- HCMC</td>
<td>- Mainly from importers and distributors</td>
</tr>
<tr>
<td>Lotte Mart</td>
<td>Foreign Invested Company</td>
<td>NA</td>
<td>3 hypermarkets 1 supermarket</td>
<td>- HCMC, Danang, Dong Nai</td>
<td>- Mainly from importers and distributors</td>
</tr>
</tbody>
</table>
An Phu Supermarket
Tiep Thi Gia
Dinh Foods Supermarket
S-Mart Supermarket

Vincom’s Shopping Centers (Department Stores)
Ocean Mart

Hiway Super Centers
Duty-Free Supermarkets

<table>
<thead>
<tr>
<th>Retailer Name &amp; Market Type</th>
<th>Ownership</th>
<th>Sales ($Mil/year)</th>
<th>No. of Outlets</th>
<th>Locations</th>
<th>Purchasing Agent Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saigon Co-op</td>
<td>Local company operated under co-operative law</td>
<td>Not available for food stores and small convenient stores</td>
<td>61 food stores, 150 small size convenience stores (total of 211 stores)</td>
<td>- Mainly in HCMC</td>
<td>- Mainly from importers/distributors and wholesalers.</td>
</tr>
<tr>
<td>Vissan</td>
<td>State-owned</td>
<td>Not available, 125</td>
<td>- Mainly in</td>
<td>-Mainly from importers and distributors</td>
<td>- Direct imports of foods are still small but growing.</td>
</tr>
</tbody>
</table>

**Convenience Stores**

Table 17 Convenience Stores
<table>
<thead>
<tr>
<th>Company</th>
<th>Ownership Type</th>
<th>Not Available</th>
<th>Convenience stores</th>
<th>HCMC (105); Hanoi (10), Danang (10)</th>
<th>Importers/Distributors and Wholesalers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trung Nguyen Coffee</td>
<td>Private-owned</td>
<td>Not available</td>
<td>Not available</td>
<td>- Not available</td>
<td>- Mainly from importers/distributors and wholesalers.</td>
</tr>
<tr>
<td>Shop &amp; Go</td>
<td>Malaysian-invested</td>
<td>Not available</td>
<td>80+</td>
<td>- Mainly in HCMC</td>
<td>- Mainly from importers/distributors and wholesalers.</td>
</tr>
<tr>
<td>Circle K</td>
<td>Alimentation</td>
<td>Not available</td>
<td>50+</td>
<td>- Mainly in HCMC</td>
<td>- Mainly from importers/distributors and wholesalers.</td>
</tr>
<tr>
<td>Foodcosa / Foodcomart</td>
<td>Joint stock</td>
<td>Not available</td>
<td>50</td>
<td>- Mainly in HCMC</td>
<td>- Mainly from importers/distributors and wholesalers.</td>
</tr>
<tr>
<td>B’s Mart</td>
<td>Thailand-invested</td>
<td>Not available</td>
<td>40+</td>
<td>- Mainly in HCMC</td>
<td>- Mainly from importers/distributors and wholesalers.</td>
</tr>
<tr>
<td>Hapro’s convenient stores</td>
<td>State-owned company</td>
<td>Not available</td>
<td>30+</td>
<td>- Mainly in Hanoi and Northern provinces</td>
<td>Mainly from importers/distributors and wholesalers.</td>
</tr>
<tr>
<td>Citimart B&amp;B</td>
<td>Private-owned Dong Hung Company</td>
<td>Not available</td>
<td>14+</td>
<td>- Mainly in HCMC and Hanoi</td>
<td>- Mainly from importers/distributors and wholesalers.</td>
</tr>
<tr>
<td>Ministop</td>
<td>a joint venture between Aeon (Japan) and Trung Nguyen Company</td>
<td>Not available</td>
<td>17</td>
<td>- Mainly in HCMC</td>
<td>- Mainly from importers/distributors and wholesalers.</td>
</tr>
</tbody>
</table>
### Annam Gourmet
An Nam Group
Not available
4
- Mainly in HCMC and Hanoi
- Both from direct imports and from local importers/distributors and wholesalers.

### Family Mart
Japanese-invested Company
Not available
4
- Mainly in HCMC
- Mainly from importers/distributors and wholesalers.

### Veggy's
Private-owned company (Golden Garden)
Not available
3
- In HCMC and Hanoi
- Direct imports

---

### Journalists

**Table 18 Journalists**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Contacts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Saigon Times Daily</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Tran Minh Hung</td>
<td>Deputy Editor-in-Chief</td>
<td><a href="mailto:saigon.times@hcm.vnn.vn">saigon.times@hcm.vnn.vn</a></td>
</tr>
<tr>
<td>Mr. Nguyen Van Thang</td>
<td>Managing Editor</td>
<td><a href="mailto:saigon.times@hcm.vnn.vn">saigon.times@hcm.vnn.vn</a></td>
</tr>
<tr>
<td><strong>The Saigon Times Weekly</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Huynh Cam Tung</td>
<td>Managing Editor</td>
<td><a href="mailto:saigontimesweekly@saigonnet.vn">saigontimesweekly@saigonnet.vn</a></td>
</tr>
<tr>
<td>Mr. Doan Khac Xuyen</td>
<td>Chief Managing Editor</td>
<td><a href="mailto:thoibao.ktsg@hcm.vnn.vn">thoibao.ktsg@hcm.vnn.vn</a></td>
</tr>
<tr>
<td><strong>Viet Nam News (The National English Language Daily)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trinh Thanh Thuy</td>
<td>Editor-in-Chief for Business</td>
<td><a href="mailto:bizhub@vnsmail.com">bizhub@vnsmail.com</a></td>
</tr>
<tr>
<td>Vu Ngan Binh</td>
<td>Deputy Editor-in Chief</td>
<td>(84-4) 3993 8660</td>
</tr>
<tr>
<td>Nguyen Tien Le</td>
<td>Deputy Editor-in Chief</td>
<td><a href="mailto:vnshcmc@vnsmail.com">vnshcmc@vnsmail.com</a></td>
</tr>
<tr>
<td><strong>Vietnam Investment Review</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Le Throng Minh</td>
<td>Editor-in-Chief</td>
<td><a href="mailto:vironline@vir.com.vn">vironline@vir.com.vn</a></td>
</tr>
<tr>
<td>Bui Duc Hai</td>
<td>Deputy Editor-in-Chief</td>
<td><a href="mailto:vironline@vir.com.vn">vironline@vir.com.vn</a></td>
</tr>
</tbody>
</table>
Thanh Nien News

Nguyen Quang Thong  Editor-in Chief  admin@thanhniennews.com

Vietnam National Television VTV

Quang Minh  Journalist/Director  https://www.facebook.com/btvquangminh6294
Thuy Hang  Journalist/ Editor-in Chief  https://www.facebook.com/btvthuyhang/

Bloggers

Table 19 Bloggers

<table>
<thead>
<tr>
<th>Blog Name/Blogger</th>
<th>Blog Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stikyrice</td>
<td><a href="http://www.stickyrice.typepad.com/">http://www.stickyrice.typepad.com/</a></td>
</tr>
<tr>
<td>Vietstreetfood / Huu Nguyen</td>
<td><a href="http://www.vietstreetfood.com/">http://www.vietstreetfood.com/</a></td>
</tr>
<tr>
<td>Kokotaru</td>
<td><a href="http://kokotaru.com/">http://kokotaru.com/</a></td>
</tr>
<tr>
<td>Blog Am Thuc</td>
<td><a href="http://www.blogamthuc.com/">http://www.blogamthuc.com/</a></td>
</tr>
<tr>
<td>MAV</td>
<td><a href="http://www.mav.vn">www.mav.vn</a></td>
</tr>
<tr>
<td>Milkyrich</td>
<td><a href="http://milkyrich.com/">http://milkyrich.com/</a></td>
</tr>
<tr>
<td>Mon An Ngon</td>
<td><a href="http://imonanngon.blogspot.com/">http://imonanngon.blogspot.com/</a></td>
</tr>
<tr>
<td>Savoury Days / Trang Chu</td>
<td><a href="http://www.savourydays.com/blog/">http://www.savourydays.com/blog/</a></td>
</tr>
<tr>
<td>Sức Khỏe</td>
<td><a href="http://www.blogsuckhoe.com">www.blogsuckhoe.com</a></td>
</tr>
</tbody>
</table>

VIP Cooks

Didier Corlou

Chef Didier Corlou is one of the well-known Pho authorities that you will likely come across around the web. Chef Corlou is the former executive chef of Hanoi's Sofitel Metropole Hotel. He served at the hotel for more than ten years, during which he established his presence as a French chef with an innate love for Vietnamese cuisine, especially the pho soup noodle. Currently, the 5-star Diamond Awardee French chef runs his own business: the Verticale restaurant, also in Hanoi.

His webpage:  http://verticale-hanoi.com/
Trinh Diem Vy

Trinh Diem Vy is one of Vietnam’s most recognised restauranteurs and chefs. Born and raised in the UNESCO World Heritage town of Hoi An, Ms Vy is a third generation cook whose family recipes have garnered recognition throughout the country. Truly impassioned by food, Ms Vy has also played an important role in keeping traditional recipes alive. Her Hoi An restaurants, Mermaid, Cargo Club, Morning Glory and The Market Restaurant and Cooking School, are famous both in Vietnam and abroad.

Her webpage: http://msvy-tastevietnam.com/

Bobby Chinn

The New Zealand born, French-trained chef of Egyptian and Chinese heritage, Bobby Chin, brings inspiration from his extensive travels and diverse background into the kitchen. Delivering a modern global menu, Chinn chooses the best foods from California, through to Asia and the Middle East, in order to create a truly eclectic dining experience. His flagship Restaurant Bobby Chinn has become one of the most awarded and recognized restaurants in Vietnam.

His webpage: http://www.bobbychinn.com/
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