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**Prepared By:** Kiet Vo

**Approved By:** Benjamin Petlock

**Report Highlights:**

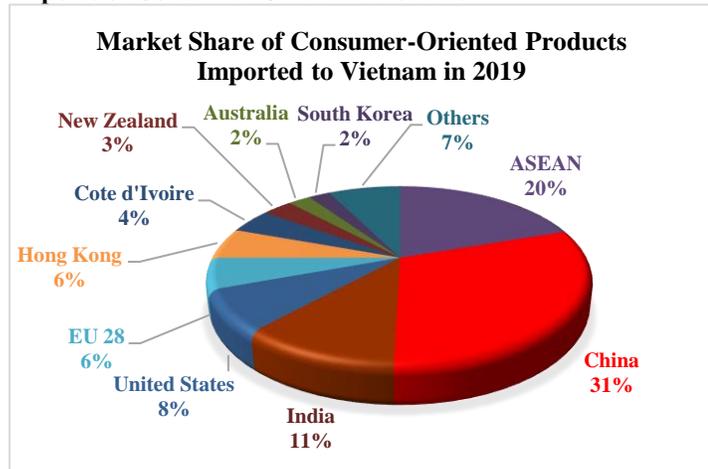
This report serves as a practical guide for U.S. exporters wishing to initiate or increase exports of U.S. consumer-oriented and edible fish products to Vietnam. It provides an overview of the market potential, practical tips, consumer preferences and trends, food standards and regulations, import and inspection procedures, and useful contacts.

# Market Fact Sheet: Vietnam

## Executive Summary

Vietnam continues to be one of the fastest growing economies in Asia. Gross domestic product (GDP) growth reached 7 percent in 2019. Although, due to the negative impacts of the Covid-19 pandemic throughout 2020, Vietnam's GDP growth is likely to fall under 3 percent, this is still higher than the regional average of 2.2 percent [(International Monetary Fund (IMF)].

## Imports of Consumer-Oriented Products



Source: Trade Data Monitor (TDM)

## Retail Food Industry

Small, traditional retailers still dominate Vietnam's food retail sector, but modern retail channels are expanding in response to growing consumer demand. See the most recent GAIN Food Retail report [VM2020-0069](#) for more information. Vietnam's food retail sector is seeing a remarkable growth of online shopping and delivery services due to COVID-19.

## Hotel Restaurant and Institutional (HRI) Industry

The HRI food service sector maintained steady growth in 2019, thanks to increasing domestic demand and a record number of international tourist arrivals. However, the COVID-19 pandemic has severely affected Vietnam's economy and HRI food service sector in 2020. Please see most recent HRI GAIN report [VM2020-0102](#) for more details.

## Food Processing Industry

The food and beverage manufacturing industry recorded 10,034 active enterprises in 2017 with more than 597,000 employees. Food manufacturing turnover was \$55 billion in 2017, accounting for 15.6 percent of total revenue of the industry. For more details, please refer to GAIN report [VM2020-0030](#). The recent COVID-19 pandemic has affected Vietnamese food processors differently. While processors who supply essential food products such as milk, instant noodles, meat products, and canned food have gained opportunities, others supplying products to hotels, resorts, and high-end restaurants continue to face difficulties.

## Quick Facts 2019

**Total imports of Consumer-Oriented Products:** \$12.8 billion

**Imports from the United States:** \$975 million

### Top 10 U.S. consumer-oriented products exported to Vietnam

Dairy products	Beef and beef products
Poultry	Non-alcohol beverages (ex. juices)
Fresh fruits	Chocolate and cocoa products
Tree nuts	Processed vegetables
Prepared Food	Pork and pork products

### Food Industry by Channel (\$ billion)

Manufacture of food products	\$62.5
Manufacture of beverages	\$7.4
Exports of fishery products	\$8.5
Exports of fruits and vegetables	\$3.7
Exports of cashew nuts	\$3.3

**Total retail sales of goods and services 2019:** \$213 billion

### Top 10 Vietnamese Retailers

Aeon Mega Mart	Vinmart
MM Mega Market	Circle K
Big C	7 Eleven
Co.op mart	Bach Hoa Xanh
Lotte Mart	Satra Food

### GDP/Population 2019

Population	97 million
GDP	\$262 billion
GDP per capita	\$2,715

Sources: TDM; Global Agricultural Trade System; Vietnam General Statistics Office; Vietnam Customs; Post; IMF; World Bank

Advantages	Challenges
U.S. products are perceived as safe and of premium quality.	U.S. products are still more expensive than their peers, partly due to higher tariffs and freight costs.
Growing market demand and increased focus on food safety	Current and new free trade agreements reduce tariffs on competitors' products.

### Contact: FAS Vietnam

#### Office of Agricultural Affairs in Hanoi

Tel.: 84-24-3850 6106; Email: [aghanoi@fas.usda.gov](mailto:aghanoi@fas.usda.gov)

#### Office of Agricultural Affairs in Ho Chi Minh City

Tel.: 84-28-3520 4630; Email: [atohochiminh@fas.usda.gov](mailto:atohochiminh@fas.usda.gov)

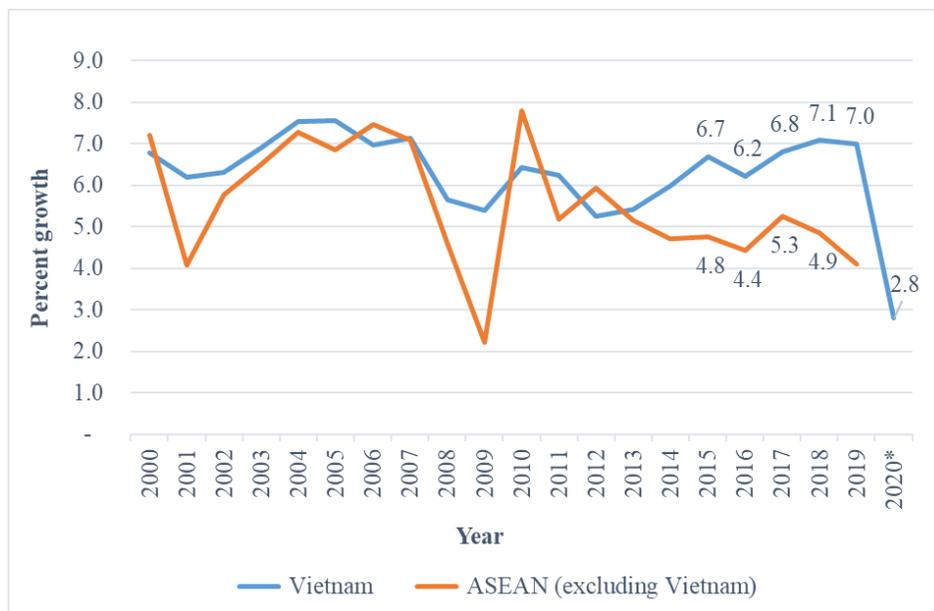
## SECTION I: MARKET OVERVIEW

In 2019, Vietnam’s gross domestic product (GDP) continued its strong growth at 7 percent, according to the World Bank. This sustainable growth was driven by robust domestic demand and inflows of foreign direct investment (FDI) following a series of free trade agreements (FTAs) that Vietnam has signed with diverse trading partners.

Major factors driving market demand for consumer-oriented and edible fish products include: Vietnam’s large population (approximately 96.5 million in 2019 with an average annual growth of 1 percent); strong and stable economic growth (6.5 percent on average, from 2000 to 2019); a growing middle class (currently accounting for 13 percent of the population and expected to reach 26 percent by 2026) with increasing per capita income (from \$430 in 2000 to \$2,715 in 2019); and rapid development of food service and modern retail food sectors.<sup>1</sup>

Due to the effects of the COVID-19 pandemic, the Government of Vietnam (GVN) and international institutes including World Bank estimate that Vietnam’s GDP could fall under 3 percent in 2020, a record low in the past two decades (Figure 1). However, Vietnam’s economy is one of few which saw growth in 2020 due to the country’s successful control of COVID-19. Vietnam’s most affected economic industries include tourism, hospitality, conventional retail channels, and manufacturing. For further details of the pandemic’s effects, please refer to previous Post reporting: [VM2020-0102](#) (HRI/Food Service); [VM2020-0069](#) (Retail Food); and [VM2020-0030](#) (Food Processing).

**Figure 1: Vietnam’s GDP Growth (annual percent)**



Source: World Bank; \*2020 estimate for Vietnam only

<sup>1</sup> All data is from the World Bank.

Vietnam signed three important FTAs in 2020 (see below) with the expectation that these will increase exports, attract more foreign investment, and support economic growth. See Section III for further details on FTAs and tariffs.

- The Vietnam-EU FTA was ratified on June 8, 2020 and came into force on August 1, 2020.
- The Regional Comprehensive Economic Partnership (RCEP) was signed on November 15, 2020 between the Association of Southeast Asian Nations (ASEAN), of which Vietnam is a member, and China, Korea, Japan, Australia, and New Zealand. RCEP will come into effect within 60 days of the signing date.
- The Vietnam-UK FTA (UKVFTA) was signed on December 29 and will take effect on December 31, 2020.

In addition to the above, on May 25, 2020, Vietnam’s Prime Minister signed Decree 57 which reduced Most-Favored Nation (MFN) tariffs on certain agricultural products (including those from the United States). For more information, please refer to GAIN report [VM2020-0051](#).

**Table 1: Advantages and Challenges**

Advantages	Challenges
Demand for high-value consumer-oriented and seafood products remains high despite a short-term decline due to COVID-19.	Most low and middle-income households in small cities and rural areas cannot afford imported products due to widening income inequality and a lack of modern retail establishments.
Growth of the modern food retail, HRI, and food processing sectors offers more opportunities for imported food products, including those from the United States.	U.S. consumer-oriented and edible fish products have become less competitive than those imported from ASEAN members and Vietnam’s FTAs partners due to higher tariffs.
Vietnamese consumers view U.S. products as high quality and safe.	U.S. products remain expensive for low and middle-class households.
Vietnam’s continued economic integration and its FTA negotiations generally allow more openings for foreign products and better alignment with international standards.	COVID-19 related travel restrictions have severely hit Vietnam’s tourism and hospitality industries, traditionally a large driver of high-value imports.
Local food processors continue to increase production capacity and improve product quality to meet growing market demand.	U.S. food ingredients face fierce competition from local and regional products.

Growth in convenience food stores, full-service restaurants, convention and wedding centers, and fast-food chains creates opportunities for quality food and food ingredients.	Rising, and already high, rental costs increase retail prices.
Food safety concerns boost demand for imported food products, especially from developed countries.	Technical barriers to trade, sanitary and phytosanitary issues, and high tariffs limit imports of U.S. consumer-oriented products.

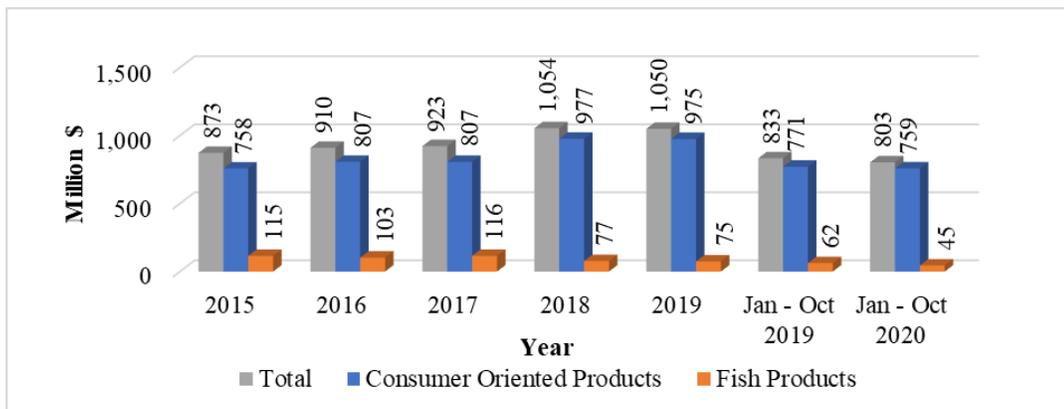
**SECTION II: EXPORTER BUSINESS TIPS**

Vietnam remained an important market for U.S. consumer-oriented and edible fish products with exports of these two product categories increasing from \$910 million in 2016 to \$1.05 billion in 2019, making Vietnam the 13th largest country export market worldwide for these products.

While the overall trend is positive, COVID-19 caused a slowdown in GDP growth that seriously affected local consumption. In 2020, global exports of consumer-oriented and edible fish products to Vietnam declined; according to TDM, the export value in the first nine months of 2020 (9M20) were down 19 percent over the same period last year (\$9.2 billion versus \$11.3 billion).

U.S. exports have shown remarkable resilience despite these challenges. Exports of consumer-oriented and edible fish products to Vietnam reached \$803 million in 10M20, down 3.6 percent over 10M2019 (Figure 2). The marginal decrease is encouraging, as U.S. products face tougher competition from imports from Vietnam’s FTA partners, especially the EU, Australia, New Zealand, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) members, which have much lower import tariffs.

**Figure 2: U.S. Exports of Consumer-Oriented and Fish Products to Vietnam**



Source: U.S. Census Bureau Trade Data

While offering many business opportunities, Vietnam is also a challenging market with fierce competition, complex regulations, high import tariffs, and heavy bureaucracy. U.S. exporters should have proper strategic approaches to enter this market. Please refer to the Local Business Customs and General Consumers Tastes and Trends attached in the Appendix for further details.

### **SECTION III: IMPORT FOOD STANDARDS & REGULATIONS and IMPORT PROCEDURES**

#### **1) Customs Clearance**

Vietnamese customs officers may require different certificates depending on the nature of imported products in question. U.S. exporters should reference the most recent FAIRS reports through the FAS website: <https://gain.fas.usda.gov/#/search> or contact FAS/Vietnam regarding any export document concerns.

#### **2) Documents Generally Required by the Country Authority for Imported Food**

Below is some brief guidance for U.S. exporters that are new to the Vietnamese market:

##### **a) Meat, Poultry, and Aquatic Products**

Exporters that wish to export chilled and frozen meat, poultry, and seafood products to Vietnam must register with the Ministry of Agricultural and Rural Development (MARD)/Department of Animal Health (DAH). Once DAH approves a registration, they will list the establishment on their Department website: <http://www.cucthuy.gov.vn/>, after which the company's registered products can be imported and circulated in the Vietnamese market.

For beef and pork and poultry products registration, please refer to the attached *Updated Form 9 Decree 15 Instruction (2020)* and *Updated Form 9 Decree 15 (2020-06)* and contact [usda4circ25@gmail.com](mailto:usda4circ25@gmail.com) for further details.

For seafood other than live seafood, please refer to instructions on the National Oceanic and Atmospheric Administration (NOAA) website: <https://www.fisheries.noaa.gov/export-requirements-country-and-jurisdiction-n-z#vietnam>.

##### ***Special Notes***

- *Health (export) certificate(s) are strictly required*
- *The health certificate number MUST MATCH the certificate number on box labels. MARD/DAH will reject shipments with discrepancies.*
- *Export (health) certificates for Vietnam MUST BE endorsed PRIOR to the shipping (bill of lading) date. Vietnam reserves the right to reject ALL animal product shipments where the export (health) certificate is dated AFTER the shipment date of the product. Please refer to this link for further details:*

[https://www.aphis.usda.gov/aphis/ourfocus/animalhealth/export/iregs-for-animal-product-exports/sa\\_international\\_regulations/sa\\_by\\_country/sa\\_v/ct\\_product\\_vietnam](https://www.aphis.usda.gov/aphis/ourfocus/animalhealth/export/iregs-for-animal-product-exports/sa_international_regulations/sa_by_country/sa_v/ct_product_vietnam)

- Consolidated shipments which include products from unregistered facilities are subject to burdensome paperwork and face heavy fines or rejection.

#### **b) Live Aquatic Products**

A health certificate is required. New-to-market live aquatic species NOT included in the *List of Live Aquatic Species Eligible for Trade in Vietnam* as prescribed at Appendix VIII, Decree 26/2019 guiding the implementation of the Fish Law,<sup>2</sup> are subject to a “Risk Assessment Process.” Please refer to the attached “*Decree 26- Appendix VIII*” and “*20190729-Guidance for the Importation of Live Aquatic Species to Vietnam for Food Use*” for further details.

#### **c) Fresh Produce**

A phytosanitary certificate is required. Fresh produce is subject to plant quarantine and fresh fruits, roots, living plants, and living parts of plants are subject to a pest risk assessment (PRA). Please refer to [VM4057](#) for quarantine and PRA regulations and [VM5047](#) for a list of HS codes subject to plant quarantine regulations for further details. To date, Vietnam has officially granted access for six varieties of U.S. fresh fruits: apples, cherries, grapes, pears, blueberries, and oranges and U.S. fresh potatoes (not seed potatoes). For more details on varieties approved for import into Vietnam, please refer to the attached “*List of U.S. Fresh Produce Approved for Import to Vietnam.*” Fresh fruits from other countries<sup>2</sup> that have also been approved for import to Vietnam can be found in the attached “*List of Fresh Fruit Varieties Approved for Import to Vietnam.*” Exporters can also visit Vietnam’s Plant Protection Department website: <https://www.ppd.gov.vn/quy-dinh-kdtv-cua-viet-nam/danh-muc-vat-the-thuoc-dien-kiem-dich-nhap-khau-vao-viet-nam-theo-thong-tu-so-30x002f;2014x002f;tt-bnnptnt-ngay-05x002f;9x002f;2014.html> for further information.

#### **d) Processed Foods and Beverages**

Local importers should register new products. U.S. exporters should work with their local importers by providing government required certificate(s) and product samples.

#### ***Special Notes***

*On October 29, 2018, MARD issued Circular 15/2018 on the promulgation of HS codes for specialized import and export goods subject to its management. Accordingly, products listed in Section 1, Section 6, Section 11 of Circular 15, except some items which are in sealed packaging for retail, must be accompanied by either a health or phytosanitary certificate. Please refer to GAIN report [VM9002](#) for further information.*

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<sup>2</sup> Decree 26/2019 guiding the implementation of the Fish Law is available [here](#).

*Wine, beer, and spirits are subject to a special consumption tax (SCT), which is currently 35 percent for wine (less than 20 percent alcohol by volume) and 65 percent for beer and spirits (20 percent alcohol by volume and above). The GVN has shifted taxation from the import prices to the “selling (retail)” price. Please refer to [VM6056](#) for more details.*

### **3) Country Language Labeling Requirements**

Labeling requirements for goods circulated in the Vietnamese market, including imported food, are stipulated by Decree 43/2017. In short, all imported foods, except for those products destined for further processing and repackaging in Vietnam, must have secondary labels listing contents in Vietnamese that are consistent with the original label and supplement other mandatory contents that are required by the nature of the goods. Please refer to GAIN report [VM7031](#) for further details.

### **4) Tariffs and FTAs**

Tariffs on products imported into Vietnam can be found on [Customs Department of Ho Chi Minh City website](#).

As a member of ASEAN, Vietnam is party to ASEAN-China, ASEAN-Korea, ASEAN-Japan, ASEAN- New Zealand-Australia, ASEAN-India, ASEAN-Hong Kong (AHKFTA), and RCEP.

Individually, Vietnam has signed the Vietnam-Japan FTA, Vietnam-Korea FTA, Vietnam-Chile FTA, the Vietnam-Eurasian Economic Union (EAEU), the CPTPP, Vietnam-EU FTA, and UKVFTA.

Other FTAs that are under negotiation include the Vietnam-EFTA (Switzerland, Norway, Iceland, and Liechtenstein) and the Vietnam-Israel FTA.

Through these FTAs, Vietnam aims to boost exports and attract more FDI. In exchange, Vietnam has committed to lowering import tariffs, eliminating quotas, increasing market access for goods and services, strengthening protections for intellectual property rights, enhancing legislative and regulatory transparency, and improving commercial dispute settlement and trade facilitation processes. FTAs with other trading partners, especially the reduction and elimination of tariffs, threaten the competitiveness of U.S. food and agricultural exports.

As mentioned in Section I, on May 25, 2020, Vietnam’s Prime Minister signed Decree 57 which reduced MFN tariffs on certain agricultural products (including those from the United States). For more information, please refer to GAIN report [VM2020-0051](#).

## **SECTION IV: MARKET SECTOR STRUCTURE AND TRENDS**

Please see an outline of distribution channels of imported U.S. products in the Vietnamese market in the Appendix 7.

## Market Trends

Tet creates high-demand for a variety of consumer-oriented products and beverages, including meat and meat products, fresh fruit, processed fruits, sweets and snacks, soft drinks, and alcoholic beverages. Traditionally, Vietnamese businesses gift Tet baskets filled with imported goods to contacts. Modern retailers, restaurants, and bars also utilize Western holidays, such as Black Friday, Valentine’s Day, Thanksgiving, and Christmas to attract consumers with special promotions.

E-commerce surged in Vietnam in 2020, with online sales rising to \$15 billion, a 30 percent increase year-on-year, according to the Vietnam E-Commerce Association. The main drivers for the country’s e-commerce development are: Vietnam’s high internet penetration rate (70 percent of the population in 2018, according to World Bank); the prominent role of social networks, especially Facebook which had about 66.7 million users in 2020, or 68 percent of the population; high smartphone penetration rate; and the proliferation of fast delivery services. Advertising and sales on social media networks, e-commerce platforms, vendors’ websites, and phone applications have also become popular with Vietnamese consumers, particularly young people, in first and second tier cities.

In addition to these advantages, the COVID-19 pandemic, while severely hitting numerous economic sectors in Vietnam, also created opportunities for e-commerce to soar. An in-depth analysis of e-commerce trends can be found if the most recent FAS Retail Food report [VM2020-0069](#).

## SECTION V: AGRICULTURAL and FOOD IMPORTS

**Table 2: Global and U.S. Exports of Consumer-Oriented and Ag. Related Products to Vietnam**

Values in Thousands of dollars	Global Exports			U.S. Exports			U.S. Market Share		
	2017	2018	2019	2017	2018	2019	2017	2018	2019
<b>Consumer-oriented products</b>									
Tree Nuts	2,002,324	1,817,830	1,175,021	308,088	287,248	121,134	15%	16%	10%
Dairy Products	825,797	842,019	953,903	112,443	145,080	170,100	14%	17%	18%
Poultry Meat & Prods. (ex. eggs)	380,209	726,130	483,008	76,328	109,756	140,198	20%	15%	29%
Fresh Fruit	2,050,884	2,020,381	2,495,025	72,150	102,166	139,061	4%	5%	6%
Beef & Beef Products	2,720,815	2,430,235	1,894,861	60,569	81,913	76,146	2%	3%	4%
Non-Alcoholic Bev. (ex. juices)	506,658	562,696	596,820	48,158	58,426	75,655	10%	10%	13%
Prepared Food	796,368	930,622	1,078,895	44,094	50,496	116,502	6%	5%	11%
Pork & Pork Products	123,063	316,617	213,438	12,122	34,967	18,580	10%	11%	9%
Processed Vegetables	1,224,698	1,671,077	1,004,003	19,468	32,389	37,402	2%	2%	4%
Chocolate & Cocoa Products	70,647	85,802	99,557	18,414	28,474	40,063	26%	33%	40%
Processed Fruit	362,936	357,744	213,223	15,410	15,505	13,216	4%	4%	6%
Wine & Beer	131,790	146,565	120,571	8,787	13,415	9,725	7%	9%	8%
Snack Foods NESOI	190,406	207,787	233,430	5,817	7,906	9,262	3%	4%	4%
Dog & Cat Food	25,456	29,344	23,573	242	2,806	1,510	1%	10%	6%
Condiments & Sauces	80,834	111,824	92,862	1,598	1,480	1,906	2%	1%	2%
Meat Products NESOI	318,813	341,435	219,108	337	1,237	1,654	0%	0%	1%
Fruit & Vegetable Juices	26,129	24,514	28,453	935	1,089	804	4%	4%	3%
Fresh Vegetables	914,153	919,727	1,135,295	231	943	853	0%	0%	0%
Eggs & Products	9,100	10,713	10,013	527	606	601	6%	6%	6%
<b>Ag. Related products</b>									
Distilled spirits	1,222,377	1,201,356	879,881	29,210	64,787	63,364	2%	5%	7%
Fish Products	6,392,715	4,461,182	2,211,900	115,707	77,376	74,505	2%	2%	3%
<b>Total</b>	<b>20,378,189</b>	<b>19,215,600</b>	<b>15,162,840</b>	<b>950,635</b>	<b>1,118,065</b>	<b>1,112,241</b>	<b>5%</b>	<b>6%</b>	<b>7%</b>

Source: Trade Data Monitor and U.S. Census Bureau Trade Data

## SECTION VI: KEY CONTACTS AND FURTHER INFORMATION

### 1) U.S. Department of Agriculture/Foreign Agricultural Service (USDA/FAS)

FAS has two offices in Vietnam, one at the U.S. Embassy in Hanoi and the other at the U.S. Consulate General in Ho Chi Minh City.

#### **FAS Hanoi, Vietnam**

Rose Garden Tower, 3rd Floor, 170 Ngoc Khanh, Ba Dinh District, Hanoi

Tel: (84.24) 3850-5000                      Email: [aghanoi@fas.usda.gov](mailto:aghanoi@fas.usda.gov)

#### **FAS Ho Chi Minh City, Vietnam**

8th floor, Diamond Plaza, 34 Le Duan Blvd, District 1, HCMC

Tel: (84.28) 3520-4630                      Email: [atohochiminh@fas.usda.gov](mailto:atohochiminh@fas.usda.gov)

### 2) State Regional Trade Groups

<http://www.fas.usda.gov/programs/market-access-program-map/state-regional-trade-groups>.

### 3) USDA Cooperators

U.S. exporters should also contact U.S. non-profit trade associations, also known as “USDA Cooperators,” which represent specific U.S. agricultural commodities. These industry groups have resources, such as market insight and connections with local stakeholders, that can facilitate market penetration and expansion. Please find contacts for these groups in the attached list of “*USDA Cooperators Active in Vietnam.*”

### 4) American Chamber of Commerce in Vietnam

The American Chamber of Commerce in Vietnam (AMCHAM) serves as point of contact and exchange for members of the American business community and has several committees that represents member firms with stakeholders on issues concerning food, agriculture, and agribusiness.

Hanoi (<http://www.amchamhanoi.com>)

Ho Chi Minh City ([www.amchamvietnam.com](http://www.amchamvietnam.com))

### 5) Key Government Contacts

MARD/Plant Protection Department (PPD)                      [www.ppd.gov.vn](http://www.ppd.gov.vn)

MARD/Department of Animal Health (DAH)                      [www.cucthuy.gov.vn](http://www.cucthuy.gov.vn)

MARD/Directorate of Fisheries                      <https://tongcucthuysan.gov.vn/vi-vn/>

Vietnam Food Administration (VFA)                      [www.vfa.gov.vn](http://www.vfa.gov.vn)

Department of Science and Technology                      [www.moit.gov.vn](http://www.moit.gov.vn)

**Attachments:**

[Appendix 1 - Local Business Customs, and General Consumers Tastes and Trends.docx](#)

[Appendix 2 - Updated Form 9 Decree 15 Instruction \(2020\).doc](#)

[Appendix 3 - Updated Form 9 Decree 15 \(2020-06\).doc](#)

[Appendix 4 - Decree 26 - Appendix VIII.pdf](#)

[Appendix 5 - List of U.S. fresh produce approved for import to Vietnam.pdf](#)

[Appendix 6 - List of fresh fruits approved for import to Vietnam.xlsx](#)

[Appendix 7 - Distribution Channels of Imported U.S. Products in Vietnam.docx](#)

[Appendix 8 - USDA Cooperators active in Vietnam.pdf](#)