



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 12/19/2000

GAIN Report #VM0023

## **Vietnam**

### **Exporter Guide**

#### **Exporter Guide for High-Value Consumer-Oriented Foods and Beverages - 2001**

**2000**

Approved by : **Henry Schmick**  
**U.S. Embassy**

Prepared by : **Truong Minh Dao/Hoang Phung My/Bui Thi Huong**  
**FAS/Vietnam**

---

**Report Highlights:** Guide for U.S. exporters of high-value and consumer-oriented foods wishing to enter the Vietnamese market. Vietnamese import regulations and restrictions are discussed, as are the best U.S. high-value and consumer-oriented export prospects.

---

Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Hanoi [VM1], VM



**TABLE OF CONTENTS**

**SUMMARY** ..... [Page 2 of 19](#)

**I. MARKET OVERVIEW** ..... [Page 2 of 19](#)

**II. EXPORTER BUSINESS TIPS** ..... [Page 4 of 19](#)

**III. MARKET SECTOR STRUCTURE AND TRENDS** ..... [Page 10 of 19](#)

**IV. BEST HIGH-VALUE CONSUMER-ORIENTED PRODUCT PROSPECTS** ..... [Page 11 of 19](#)

**V. KEY CONTACTS AND FURTHER INFORMATION** ..... [Page 13 of 19](#)

**ANNEX A :Demographic Information -- Vietnam** ..... [Page 18 of 19](#)

**ANNEX B: Vietnamese Agriculture Imports -- 1998** ..... [Page 19 of 19](#)

## **SUMMARY**

This report provides U.S. exporters with basic information on exporting high-value consumer-oriented foods and beverages to Vietnam. With a dynamic, well-educated population of 80-million consumers, Vietnam is both an opportunity and a challenge for exporters. At times, the maze of apparently conflicting regulations is a formidable barrier to trade. But Vietnam is evolving. It is becoming more integrated with its Association of South East Asian Nations (ASEAN) neighbors, will soon start to implement a U.S.-Vietnam Bilateral Trade Agreement (BTA), and aspires to join the World Trade Organization (WTO) within the next two years.

Consumption of imported consumer-ready food products is expanding. Official trade data indicate Vietnam imported \$149 million of consumer-ready food products in 1999, down slightly from \$162 million in 1998. The actual level is probably higher given Vietnam's porous borders. Also, Vietnam receives more than \$1.5 billion in remittances from overseas, a large portion of which is spent on consumer goods. But how to reach this potential demand? It often seems that U.S. suppliers are either unfamiliar with the market or unable to evaluate a potential importer. Moreover, the small order size (i.e., typically case-lot, not container loads) is a disincentive to target this market. Many U.S. products are transshipped through the regional ports of Hong Kong and Singapore.

This report should be used in conjunction with contacting our USDA/FAS/Ag Affairs offices in Hanoi and Ho Chi Minh City (HCMC). Our staff is ready to assist you in fine tuning your export efforts to Vietnam (see Key Contacts, below). If you feel inspired to assess market prospects first-hand, we encourage you to do so. Each year our office organizes a USDA booth at Vietnam's major international food and agriculture show. We also participate in regional shows in Hong Kong and Singapore. The Vietnamese and regional shows provide you with a very efficient way of assessing the expanding Vietnamese market for high-value consumer-oriented foods and beverages.

As things change quickly in Vietnam (and with the expected implementation of the Vietnam-U.S. BTA in mid-2001), so does the market. Therefore, some of the information contained in this report may quickly become dated. Please contact our Hanoi and Ho Chi Minh offices for the most up-to-date information.

## **I. MARKET OVERVIEW**

Over the past several years, Vietnam's urban economy has begun a steady transition away from the traditional open-air wet markets to modern supermarkets and shopping centers. This trend alone has greatly increased imports of Western food products. Today, Hanoi has more than 15 mini-marts and supermarkets, and Ho Chi Minh City (HCMC) has in excess of 30. The most recent entrants are Seiyu Supermarket, a Japanese joint-venture in Hanoi (opened June 1999), and Diamond Plaza Supermarket in HCMC (June 2000).

The largest supermarket is the French invested Cora Hypermarket (1998) in Dong Nai Province, 45 minutes outside of HCMC. Cora boasts 37 check-out lanes and carries a wide assortment of foreign and domestically produced foods and consumer goods. Reportedly, Cora is planning a second hypermarket, south of HCMC. Vietnamese and foreign-joint venture companies continue to expand supermarkets and entice consumers away from the small mom-pop stores to more efficient mini- and maxi- supermarket-type stores.

Until early 1999, the only (Western-style) shopping center (multiple stores and a parking lot) in Vietnam was the Singapore and Vietnamese Army invested Superbowl Shopping Center, in HCMC. Since 1999, there have been at least five new shopping centers launched in Vietnam. The Taiwanese invested Thuan Kieu Plaza in District 5 HCMC opened a four story, 22,000 square meter shopping complex, and three high-rise apartment buildings. That shopping center is averaging 30,000 walk-thru customers a day. Saigon Co-operative (a locally-based company) has also jumped into action with three shopping centers: Co-op Mart Nguyen Dinh Chieu; Co-op Mart Dinh Tien Hoang and a joint-venture (Japanese investors) Nhat Nam Plaza. Privately owned MAXIMARK has also developed a new Department Store in the Center of HCMC. The Korean invested Diamond Plaza (HCMC) opened its upscale shopping mall, including a small supermarket, in June 2000. Several additional projects (both large and middle-sized) are due to open in 2001/2002 in HCMC and Hanoi.

While the Asian economic crisis had an impact on Vietnam's economy, the urban centers have tended to maintain economic growth. The newly implemented five day work week, coupled with the adequate earning power of the urban dweller has assisted the trend of purchasing ready-to-eat, snack, and luxury food items.

Local food producers have begun to supply shoppers with ready to eat, such as instant noodle soup, and pre-prepared food items. The pre-prepared food items usually consist of various food ingredients, chopped or sliced and wrapped as a package for home use. This is a new trend and its introduction is expected to trigger the demand for more varieties of ready-to-eat and pre-prepared dishes.

U.S. Advantages	Challenges for U.S. Exporters
Fascination with American culture (music, movies, fashion) carries over to American Food.	Shipping costs (and transportation time) much higher than from Europe, Asia, and Australia.
U.S. foods are recognized as high quality items and being a great value for the price.	Twenty year absence from this market limits knowledge of U.S. foodstuff suppliers, and general preference is for European food items.
Strong tie between the U.S. dollar and the Vietnamese Dong (less currency risk).	Difficult direct shipments from the U.S. since small lot sizes results in transshipping through third-country ports (Hong Kong / Singapore).
Low level of U.S. competition in the market.	Low level of experimentation by Vietnamese urban dwellers with Western food.

## II. EXPORTER BUSINESS TIPS

- The Vietnamese Government's Ministry of Trade restricts the importation and distribution of all products to Vietnamese companies -- Vietnamese State-owned enterprises (SOE) and privately-owned

Vietnamese companies. Thus, foreign companies must find a suitable local importer and distributor to work with. In many cases there are separate importer and distributor companies to work with and import/distribution fees associated with each.

- In general, Vietnamese companies, who have licensed (registered) as a food and foodstuff business and have been issued import/export customs codes, are eligible to import and distribute food and foodstuff in Vietnam. In many cases, the importer is an SOE who is capable of obtaining and using foreign currency financing from State-owned banks to purchase goods and charges a small fee for importing the goods on behalf of a private Vietnamese distributor. Then goods would move to market through the local distribution company. In other cases, the local company has the proper import and distribution licenses. This is usually a better choice.
- It is important to only sell goods against an irrevocable sight Letter of Credit (L/C). No other credit terms should ever be contemplated (until you are absolutely sure the importers/distributors you are dealing with are very reliable). There have been many cases of local companies locked in payment disputes with the foreign suppliers.
- In current normal practices (between U.S. exporters and reliable importers), Vietnamese foodstuff importers usually make payment on either Money Telex Transferred (TTR) or Document against Payment (DP) basis as the banking fee for opening L/Cs is quite high compared with the small U.S. dollar payment needed for importing small lots of U.S. goods. FAS's Supplier Credit Program could help ease your concerns regarding first-time shipment. Supplier Credit Program details are provided on the FAS web site.
- It is important for the American exporter/supplier to have a relationship with a local company that has the financing to enter into a business relationship. This local distributor will give credit terms to buyers and collect payments due.
- Foreign companies can enter the market and establish a Representative Office. This type of office (requiring a business license issued by the Ministry of Trade) allows the foreign company to monitor marketing and sales activities of the distributor. It does not give the foreign company the right to manage the distributor, sell products, or collect payments.
- The Decree No. 45/2000/ND-CP, effective from 10/01/2000 issued by the Government of Vietnam (GOV) recently, is the first move of GOV on the way to liberalize trading and distribution rights in Vietnam. According to the Decree, limited trading rights are granted to foreign companies by allowing them to set up their Branch Offices and to engage in trade of some kinds of goods in Vietnam. Foreign Branch offices can export handicraft products, processed agro-products (excluding rice and coffee), processed vegetables and fruits, industrial, livestock and most foodstuffs. The currency generated from those exports can be used for importing machinery and equipment to be used in the agricultural and fish processing industry or for the production of medicine, veterinary drugs, fertilizer and pesticides. Moreover, importers must have their importing licence granted by Ministry of Trade (MoT) and export earning must exceed the value of goods imported.

- Local consumers have begun to purchase U.S. fresh fruit, canned goods, condiments, sauces, snack food, nuts, soups, wine, and a variety of other products. While local products continue to be strong sellers because of price, the quality of most locally-made produces has not yet reached international standards. At some point in the near future, local consumers will begin to demand higher quality levels.
- FAS/Vietnam has recently interviewed some of the major supermarkets (carrying a wide range of food, consumer goods, clothing, etc.) in HCMC with sales of more than US \$300,000 per month. In those supermarkets approximately 35%- 40% of sales are from food, of which imported food accounts for about 30 percent of total food sales. Supermarket managers reported that consumer demand for imported food was steadily increasing.

The next section of this Exporter Guide outlines Vietnam's import regulations. These regulations are changing rapidly. Before exporting, please check the USDA/FAS Web site (<http://www.fas.usda.gov>) for more current Food and Agricultural Import Regulations and Standards (FAIRS) reports from Vietnam, including Report VM9019 on Hygiene Standards (July 26, 1999), Report VM9029 on Food Product Labeling (December 4, 1999), and Report VM0022 on Food Additives/Ingredients (December 4, 2000).

### **Import Procedures / Food Quality Control**

There are two primary Vietnamese government entities responsible for carrying out inspection at customs points. The first is technically referred to as a State-Controlled Agency (SCA), such as a national lab, which carries out inspection and clearance related to quality control on behalf of government Ministries such as the Ministry of Health (MOH) - Department of Foodstuff Quality, Hygiene and Safety Management, Ministry of Agricultural and Rural Development (MARD) - Department of Crop Protection and MARD - Department of Veterinary and Animal Health, and the Ministry of Science, Technology, and Environment (MOSTE). The second entity doing inspections is the General Department of Customs which determines and collect import duties, and assess violation or compliance with necessary Customs formalities on behalf of the Government of Vietnam (Ministry of Finance and Ministry of Trade).

On January 26, 2000, the Ministry of Science, Technology and Environment (MOSTE) issued the list of imported and exported commodities subject to State quality control for calendar year 2000 (Decision No. 117/2000/QD- BKHCNMT). The list of imported goods was further defined by Decision 1010/2000/QD-BYT, dated March 30, 2000 (this second list added some commodities and dropped others from the first list). The March 2000 list includes:

- S Meat and edible offal, salted, in brine, dried or smoked; edible flour processed from meat and offal (HS No. 0210).
- S Milk and cream, not condensed and not added with sugar or other sweetener (Bottled or packed fresh milk (HS No. 0401)
- S Butter milk, curdled milk, cream, yogurt etc. (No. 0403)
- S Milk Scum; products containing natural milk constituents . . . (No. 0404)
- S Butter and other fats, butter oils, butter refined from milk; dairy spreads (in packs) (No.0405)
- S Cheese and milk curd used for making cheese (No.0406)
- S Coffee whether or not roasted, whether or not decaffeinated; etc. (No.0901)
- S Tea whether or not flavored (green tea and black tea in bags) (No. 0902)

- S Ginger, Saffron, curry, etc. in packs (No.0910)
- S Other animal fats and oils and their constituents whether or not refined but not chemically modified (No.1506)
- S Soybean oil / Peanut oil / Olive oil / palm oil / sunflower seed oil etc. and its constituents whether or not refined but not chemically modified (No.1507/1508/1509/1511/1512/1513/ 1514)

Please contact the FAS Offices in Vietnam for the full (and changing) list

Seven national agencies (SCAs – State-Controlled Agencies), associated with the Ministry of Health (MOH) and the Ministry of Science, Technology and Environment (MOSTE) have been appointed to verify compliance with food quality control regulations:

Northern Region	National Nutrition Institute (MOH) Technical Center Number 1 (MOSTE)
Central Region	Nha Trang Pasteur Institute (MOH) Technical Center Number 2 (MOSTE)
Highland Region	Epidemiological and Hygiene Institute (MOH)
Southern Region	Public Health and Hygiene Institute (MOH) Technical Center Number 3 (MOSTE)

### **Food Quality, Hygiene Standards, and Food Ingredients/Additives**

The Ministry of Health (MOH) is charged with establishing hygiene-related standards for food imports entering Vietnam. The MOH's Decision 867/QD-BYT, issued April 04, 1998, defines the hygiene standard applicable to food and foodstuffs. (See our report VM9019 of July 26, 1999.) If there is no defined food standard for a particular import, then international standards apply, so long as they are not "below those of Vietnam." The MOH issued a circular (5288/YT-QLTP) on July 24, 2000 confirming that all imported foodstuffs must comply with Vietnam's food regulations, especially regarding food ingredients and additives. (See our Report VM0022 on Food Additives/Ingredients, dated December 4, 2000).

#### **The Ministry of Health requires that each product have:**

- C a label, printed, engraved or glued onto the package
- C a trade name, printed on the package
- C the name of the manufacturing establishment
- C the address of the manufacturing establishment
- C the static weight of the packed food
- C the date of expiration prominently displayed
- C the manufacturer's registration number (This is not required in the United States.)

#### **Bulk food containers must clearly list:**

- C the country of origin.
- C the manufacturer's name.
- C the name of the packing and bagging center.

## Labeling

Details of the Labeling Regulations (Decision 178/1999/QD-TT, dated August 30, 1999), requiring Vietnamese language labels, are available in our Report, VM9029, dated December 4, 1999. Due to a lack of specific guidelines from the relevant ministries, implementation of the labeling rules has been delayed until January 1, 2001.

On August 15/8/00, The Prime Minister has promulgated the Decision No.95/2000/QD-TT amending Decision No.178/1999/QD-TT. The amendment can be briefed as follows:

- S** **Revision of Article 6, column 1:** The height of Vietnamese name of goods on its label is not shorter than 02 mm.
- S** **Revision of Article 8, column 4:** The Quantity shall be inscribed on the main position of the PDP.
- S** **Revision of Article 9, column 1:** Goods being ready - packed foodstuffs, cosmetics and drugs, which are composed of two or more constituents must have their constituents inscribed on the labels.

This regulation takes effect as of January 1, 2001.

The new regulations require Vietnamese labels on all imported goods, listing major ingredients, manufacture and expire dates, etc. This information may be added after importation (importer may apply the labels once the product has been shipped to Vietnam). The label and trademark name must be approved by the Foodstuff Quality, Hygiene and Safety Department of the Ministry of Health.

A clear expiration date, visibly placed on individual containers, is especially important for passing customs inspections. Some importers have had to re-pack or even return their shipments because customs officials could not easily identify the expiration date on the product package.

Many food importers stress that the Ministry of Health's laws are not consistently applied. Registration of food items is often conducted once the shipment arrives in Vietnam—even if the product has been registered previously from overseas at that import location or at another point of entry. Completing the inspection process smoothly is often dependent upon the importing company and its relationship with the local authorities.

Additional guidance has been issued by the Ministry of Trade (Circular 34/TT-BTA, dated December 15, 1999) and by the Ministry of Health (Circular 15/2000/TT-BYT). Besides general labeling instructions (Decision 178/1999/QD-TT and Circular 34/TT-BTA), labeling of food products is required compulsory contents as follows:

- *All food ingredients of the product must be inscribed on the label.*
  - . Name of substance group: name of the ingredient in this group ( its International code).  
Example: Emulsifier: Sodium Poly Phosphate (452i)
  - . Flavor / sweetening / coloring ingredients must be notified "natural"; "artificial" or "synthetic".
- *Ingredients derived from genetically modified organism (biotechnology) must be inscribed "GO" on the label.*

- Food products processed from radio-therapy must be inscribed "radio-therapy product" on the label.
- Food products used for diet purpose must be inscribed "for diet purpose" on the label.

### **Phytosanitary and Sanitary Inspection**

Phytosanitary and sanitary health inspection is done before Customs clearance for imports of foodstuff products like nuts, fruit juices, canned and processed vegetables, fresh and dried produce, and various kinds of fresh and frozen meat. The Ministry of Agriculture and Rural Development's Crop Protection Department and Department of Veterinary and Animal Health handle all phytosanitary and sanitary inspections. The inspection fee is about VND 250,000 = \$17.25 per lot.

The next section outlines additional regulations and procedures for Customs and Food Quality Inspections. Local importers are usually expected to handle all of these formalities.

### **Damage During Shipment**

Technically, the cargo's "external appearance and sensorial perception" cannot be altered or compromised during shipment. If so, this may trigger a more detailed inspection by an SCA.

### **Permits**

All necessary documents must be compiled into one dossier and presented with a Vietnamese-language translation of the sales and purchase contracts.

The necessary documents include:

- C Customs declaration application / Registration for inspection form;
- C Copy of trade contract or letter of credit (L/C);
- C Bill of Lading;
- C Invoice;
- C Packing List; and
- C Certificate of Origin (See below).
- C Documents certifying the quality of the cargo and certificates of quality already granted to the cargo.

*Note:* Additional documents might be necessary, based on the nature of the shipment.

According to Circular No.09/2000/TTLT-BTA-TCHQ dated April 17, 2000, Certificates of Origin (C/O) must be issued by competent agencies as prescribed by the exporting country. These agencies usually include organizations such as the Ministry of Trade, Ministry of Industry, Ministry of Finance, and other organizations designated by the government of the exporting country, such as Chamber of Commerce, Chamber 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.

An C/O submitted to Vietnam's customs office must be an original containing the following contents:

- 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 good.
- 5- The trademark and label; quantity and type of packs; description of goods.
- 6- Weight
- 7- The goods origin
- 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)

## **Samples**

Customs and an SCA may require samples of every item in the shipment, as well as extra samples for reference against future shipments of the same item. Exporters should consult with their importer and freight forwarder prior to shipment regarding necessary samples and proof of inspection documentation. Foreign quality control and inspection companies, such as SGS, are also a good source of information.

## **Location of Inspection**

The location of Customs inspection may be a seaport, river port, civil service airport and even importer's warehouse -- if certified by the Customs Agency. If the importing company would like to have cargo inspected in a certified warehouse, the company must submit a request to Customs authorities for approval.

## **Inspection Procedure**

Generally, Customs officials will simply assess and collect import duties. The SCA will check the quality and safety of the products in the shipment by any of the following methods:

- C passing the goods without inspection,
- C conducting a reduced inspection in which only a representative sample of the cargo is inspected (used mainly for commonly imported goods),
- C conducting a full inspection (this entails individual verification of every item imported).

If the goods pass inspection, then the SCA issues a Certificate of Attainment of Import Quality to the receiving party. If the goods or samples do not meet the necessary requirements, then the SCA is required to send the import company a written notification and explanation for the cargo's failure. In this case, cargo re-export or destruction is the final solution.

If the Certificate of Attainment expires before the cargo is removed from customs storage by the importing company, or the packaging is changed while awaiting pick-up, then the importer must apply for re-inspection of the cargo.

## **Import Duties & Fees**

The total cost of import duties and inspection fees levied will be calculated by the General Customs Department and the SCA.

- S** Import duties are based on the cargo's cost, insurance and freight (CIF) invoice value as per Customs declaration.
- S** Inspection fees are calculated based on the total retail value of the cargo inspected.

The fee for food quality inspection is 0.1% of the retail value of the goods, but the total amount cannot be less than approximately VND 300,000 = \$21.00

### **Import Licenses**

The Government of Vietnam has recently liberalized the food import system, by eliminating most import licenses. According to Decision No.242/1999/QĐ-TT, dated December 30, 1999, imports of foodstuff products requiring Trade Ministry's import licenses are just for a few items, such as refined vegetable oils, refined sugar, and some liquors.

### **Concerns**

Traders often say that enforcement of import regulations is inconsistent. Moreover, laws and duties are often changed and are almost impossible to predict. The best means of finding up-to-date information regarding food export to Vietnam is to contact people working in the trade. Vietnamese government agencies can provide information, but response time may be slow and mis-communication between ministries and regional offices is possible. Contacting the USDA/FAS Ag Affairs Offices in Hanoi and HCMC is a good starting point. Once you have established contact with an importer, constant communication is important.

### **III. MARKET SECTOR STRUCTURE AND TRENDS**

The best way to enter the Vietnamese market is to work with one of the better known local food trading companies that have existing relationships with supermarkets, hotels and restaurants. These companies will order product and consolidate shipments to Vietnam. As these companies tend to be somewhat transient, it is advisable to visit Vietnam and research the company's customer lists and achievements.

Currently, there are only a handful of well-organized food distribution companies in Vietnam, so the selection process need not take too long. There is typically some sort of foreign involvement in each of the better known companies, so meetings can be conducted in English.

The largest near-term opportunity for U.S. food products is in the Hotel, Restaurant and Institutional (HRI) market, followed by the food retailing sector. The food service industry has yet to become well established and the food processing sector has a large component of local companies, with the bulk of the ingredient purchases being made from Asian countries. In the future, the food processing sector offers opportunities.

The HRI sector does have a strong preference for Australian and French products, as the majority of the chefs and Food & Beverage Managers come from these countries. Moreover, Australian products enjoy both a freight advantage and a delivery time advantage. U.S. products in most cases are new to market.

In-store promotion is very popular and recommended part of an advertising campaign. Point of purchase (POP) displays and other advertising materials are important to attract local consumers that still have a limited knowledge of foreign food products.

#### **IV. BEST HIGH-VALUE CONSUMER-ORIENTED PRODUCT PROSPECTS**

Vietnamese consumer confidence in Western products is high. Perception of American-made goods is automatically one of premium quality. Vietnam's import infrastructure and general level of economic development are in the beginning stages of expansion. So, too, is the level of brand awareness. Therefore, different products will face different opportunities and challenges. Establishing an early base during Vietnam's developing stage is essential for future success.

##### **Snack Foods**

American-made snack foods are extraordinarily popular with consumers who can afford them. Many shop owners, from street stalls to new mini-supermarkets, report high turnover of snack products such as biscuits and cookies. Several Japanese companies have established factories and joint venture partnerships with Vietnamese confectioners. Pringle's potato chips are very well received, particularly in Ho Chi Minh City. Now other Asian potato chip manufacturers have begun production in Vietnam.

Snack foods have traditionally been subject to stiff import rates, especially as investment in domestic manufacturing increases. Some importers report having difficulties bringing many snack items into the country. But as Vietnamese are consummate snackers, exporters should find a way to service this market with a higher quality product.

##### **Fresh Deciduous Fruit**

Fruit is a central part of the Vietnamese diet, and consumption of fresh deciduous fruits is high. Products such as Washington apples and California grapes have become increasingly popular in the past years. However, inadequate handling and distribution facilities hinder greater sales of these products, which are sold at a premium to domestic varieties. Fierce competition from Australia, New Zealand, France, Canada, South Africa, and Chile has developed over the past five years. Paradoxically, improved storage blurs the distinct seasonality of production among northern and southern hemisphere suppliers and also increases competition.

Sales in Hanoi are rising as well, but the city's small number of high-end markets, less frequent shipping links to major ports, and proximity to China -- a major source of cheap fruit -- all thwart higher sales. Fruit sales in Ho Chi Minh City are strong and continue to do well despite fierce competition.

##### **Fresh Citrus Fruit**

Large quantities of pineapples and citrus fruit (oranges and limes) are grown locally and sold at very low prices during the harvest season. Some importers have reported attempting sales of higher-value American fruits, such as California oranges, and have met with limited success against cheaper oranges and Clementines from China. U.S. exporters will need to convince consumers that their products are of a quality superior enough to justify a

premium price. Florida juicing grapefruit might find a market in international hotels and up-market restaurants.

### **Canned Fruit & Vegetables**

Canned fruit and vegetables enjoy strong demand. This is in part due to the lack of cold storage, but also because of the slow and fragmented distribution system. One vendor claimed that he would like to be able to sell harder-to-find goods like canned asparagus and olives. Development of this market will take time in Vietnam.

### **Canned Meat Products**

As with canned fruit and vegetables, canned meat products is another area that is doing well but crowded because of the wide assortment of both imported and local products. Spam and other similar imported products are selling particularly well.

### **Tree Nuts**

Vietnam currently boasts a large local supply of nuts, such as cashews and peanuts, which the government is actively promoting. The problem is that the Government exports the better quality nuts, leaving local consumers with a poor selection. Until the last three years pistachios and almonds were almost unknown on the local market. Recent efforts to introduce California produced pistachios and almonds have been successful. Marketing programs to introduce premium nuts and nuts not grown in Vietnam could yield good results.

### **Beer & Wine**

Alcoholic beverage sales are one of the fastest-growing sectors in Vietnam's food market. Beer leads this growth, due largely to the availability of cheap, locally made beers. Whisky is also extremely popular. Wine, seen primarily as a luxury good, is also realizing increased sales, though at a slower rate. Several midrange California brands have entered the market. Heavy import tariffs and dubious handling capabilities impede greater distribution of these products. Wine will continue to remain a luxury good and confined to consumption primarily in restaurants and hotels over the next few years. However, as wealth and living standards increase, it is anticipated that Vietnamese consumers will increase purchases of wine to entertain guests in the home and for home consumption. Wine is a new product to the Vietnamese and they will need to be educated about this product.

### **Chilled and Frozen Meat**

Meat consumption is rising in Vietnam. Pork has long been the country's major meat product. During the past several years, increasing imports of Australian, New Zealand and U.S. beef have been entering the country. To date, sales of these products have mostly gone to high-end outlets such as luxury hotels and restaurants aimed at expatriates. This trend seems set to continue in the near future, so U.S. meat exporters should focus on these high-end outlets for sales in the near future.

## Frozen Poultry

Affordable chicken is widely available in Vietnam, and while the product quality is considered good by the Vietnamese, it is below international standards. Fresh chicken can be found in most markets. However, as more women join the labor force sales of convenient precooked chicken products should increase as long as prices remain affordable. Vietnamese tend to prefer wings and legs (dark meat) rather than chicken breast meat.

### V. KEY CONTACTS AND FURTHER INFORMATION

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

First point of contact for updated reports and trade data is the USDA/FAS Web Page:

<http://www.fas.usda.gov>

#### C USDA/FAS Offices in Vietnam

Physical Addresses of the FAS Offices are shown below. Contact the FAS Offices for the U.S. and Vietnamese Mailing Addresses.

##### *Agricultural Affairs Office (FAS)*

U.S. Consultant General -- Annex  
Saigon Center Building, 9<sup>th</sup> Floor  
65 Le Loi Street, District 1  
Ho Chi Minh City, Vietnam  
Tel: 84-8-825-0502; Fax: 84-8-825-0503  
Email: [AgHoChiMinh@fas.usda.gov](mailto:AgHoChiMinh@fas.usda.gov)  
Contacts:

**Mr. Truong Minh Dao** - HVP/CO Agricultural Specialist  
**Ms. Pham Khanh Linh** - Administrative Assistant / Trade Show Coordinator

##### *Agricultural Affairs Office (FAS)*

U.S. Embassy - Hanoi  
Rose Garden Building Annex , 3<sup>rd</sup> Floor  
6 Ngoc Khanh, Ba Dinh District  
Hanoi, Vietnam  
Tel: 84-4-843-1500; Fax: 84-4-843-8932  
Email: [AgHanoi@fas.usda.gov](mailto:AgHanoi@fas.usda.gov)

## Contacts:

**Mr. Henry Schmick** - Agricultural Attache  
**Ms. Hoang Phung My** - Agricultural Specialist  
**Ms. Bui Thi Huong** - Agricultural Specialist  
**Ms. Phan Thi Thu Huong** - Administrative Assistant

**C American Chamber of Commerce -- Hanoi and Ho Chi Minh City*****American Chamber of Commerce (AmCham)***

Hanoi Chapter  
Press Club, 5<sup>th</sup> Floor  
59A Ly Thai To Street  
Hanoi, Vietnam  
Tel: 84-4-934-2790; Fax: 84-4-934-2787  
Email: [amchamhn@pressclub.netnam.vn](mailto:amchamhn@pressclub.netnam.vn)  
Contact: Mr. Chad Bolick, Executive Director

***American Chamber of Commerce (AmCham)***

Ho Chi Minh City Chapter  
76 Le Loi Street, District 1  
Ho Chi Minh City, Vietnam  
Tel: 84-8-824-3563; Fax: 84-8-824-3572  
Email: [amcham@hcm.vnn.vn](mailto:amcham@hcm.vnn.vn)  
Contact: Mr. Herb Cochran, Executive Director

**C Government Contacts*****Ministry of Trade (MOT)***

31 Trang Tien Street, Hanoi, Vietnam  
Tel: 844-825-3881 Fax: 844-826-4696  
Contact: Mr. Nguyen Dinh Luong, Director, International Relations

***Ministry of Trade (MOT) - HCMC***

35 - 37 Ben Chuong Duong, Dist.1, HCMC  
Tel: 848-8242-312 Fax 848-8291- 011  
Contact Mr. Nguyen Van Lich - Director of HCMC Office

***Ministry of Trade / VINACONTROL***

No.80 Ba Huyen Thanh Quan Str. Distr.3, HCMC  
Tel.: 848- 8441-115 Fax 848-844-961  
Contacting person: Mr. Bui Duy Trinh, Manager

***Ministry of Planning and Investment (MPI)***

2 Hoang Van Thu, Hanoi, Vietnam  
Tel: 844-823-0202 Fax: 844-823-2494  
Contact: Mr. Duong Duc Ung, International Relations Dept.

***Ministry of Planning and Investment (MPI)***

Investment Transaction Center  
178 Nguyen Dinh Chieu, District 3, Ho Chi Minh City, Vietnam  
Tel: 848-822-3905 or 848-829-9418 Fax: 848-829-9413  
Contact: Mr. Nguyen The Hung, Industrial Investment Division

***Ministry of Health (MOH)***

International Cooperation Department  
138A Giang Vo Street, Hanoi, Vietnam  
Tel: 844-846-4050 Fax: 844-846-4051  
Contact: Dr. Trinh Dang Hop, Director, International Cooperation Department

**Clearance for Food Ingredients and Additives**

***Ministry of Health (MOH)***

Food Administration Department  
138A Giang Vo Street, Hanoi, Vietnam  
Tel: 844-846-3839 Fax: 844-846-3739  
Contact: Dr. (Ms.) Phan Thi Kim, Director, Food Administration Department

**State Controlled Agencies (SCA) for Quality Control of Imported Foodstuffs**

1. ***Public Health and Hygiene Institute (MOH)***

159 Hung Phu, Dist.8, HCMC  
Tel: 848-8559-503 Fax 848-8563 164  
Contact: Dr. Le The Thu - Director  
Dr. Nguyen Xuan Mai - Vice Director

2. ***Technical Center #3 (MOSTE)***

Directorate for Standards and Quality  
49 Pasteur, Dist.1, HCMC  
Tel: 848-8298-565 Fax 848-8211-134  
Contact: Ms. Le Cam Nhung - Director

***Ministry of Agriculture and Rural Development (MARD)***

2 Ngoc Ha Street, Hanoi, Vietnam  
Tel: 844-845-9670 Fax: 844-845-4319  
Contact: Mr. Le Van Minh, Director, International Cooperation Dept

***Ministry of Agricultural and Rural Development (MARD)***

Crop Protection Department / Phytosanitary Sub- Dept.

28 Mac Dinh Chi, Dist.1, HCMC

Tel: 848-8294-568 Fax 848-8293-266

Contact Mr. Nguyen The Phu - Director

***Regional Animal Health Center***

124 Pham The Hien, Dist.8, HCMC

Tel 848-8568-220 Fax 848-8569-050

Contact: Ms. Nguyen Luong Hien - Director

***Federation of Commodities Control (FCC)***

No.45 Dinh Tien Hoang Str. ; Distr.1, HCMC

Tel.: (848) 8100300 Fax: (848) 8290202

Contact: Mr. Le Tuan Anh, Manager

***Hanoi People's Committee***

Department of External Relations

81 Dinh Tien Hoang

Hanoi, Vietnam

Tel: 844-826-7570 Fax: 844-825-3584

Contact: Prof. Dr. Le Van Vien, Director

***Ho Chi Minh City People's Committee***

Department of External Relations

6 Alexandre de Rhodes, District 1

Ho Chi Minh City, Vietnam

Tel: 848-829-7553 Fax: 848-829-7665

Contact: Mr. Vu Hac Bong, Director

***Chamber of Commerce and Industry of Vietnam (VCCI)***

9 Dao Duy Anh Street

Hanoi, Vietnam

Tel: 844-574-2022 Fax: 844-574-2020

Contact: Mr. Pham Chi Trung, American Desk

***Chamber of Commerce and Industry of Vietnam (VCCI)***

171 Vo Thi Sau Street, District 3

Ho Chi Minh City, Vietnam

Tel: 848-823-0598 Fax: 848-829-4472

Contact: Mme. Ho Thi Huong, Director

***Chamber of Commerce and Industry of Vietnam (VCCI)***

Trade Service Company, General Trading & Consultancy Department

79 Ba Trieu Street

Hanoi, Vietnam  
Tel: 844-826-5667 Fax: 844-826-6649  
Contact: Mr. Nguyen Duc Khanh, General Manager

**C      SELECTED WEB SITES**

U.S. Department of Agriculture	<a href="http://www.usda.gov">http://www.usda.gov</a>
USDA / Foreign Agricultural Service	<a href="http://www.fas.usda.gov">http://www.fas.usda.gov</a>
USDA / Animal and Plant Health Inspection Service	<a href="http://www.aphis.usda.gov">http://www.aphis.usda.gov</a>
U.S. State Department	<a href="http://www.state.gov">http://www.state.gov</a>
U.S. Dept. Of Commerce	<a href="http://www.doc.gov/">http://www.doc.gov/</a>
U.S. Commercial Guide to Vietnam	<a href="http://www.usatrade.gov">http://www.usatrade.gov</a>
U.S. Embassy in Vietnam	<a href="http://www.state.gov/">http://www.state.gov/</a>
Vietnamese Embassy in Washington	<a href="http://www.vietnamembassy-usa.org">http://www.vietnamembassy-usa.org</a>

## ANNEX A: Demographic Information-- Vietnam

	<u>As of April 1, 1999</u>	<u>Annual growth rate (1989/1999)</u>
Total population (million)	: 76.33	1.7%
Hanoi Population (million)	: 2.67	n/a
Ho Chi Minh City Population (million)	: 5.04	n/a
Municipal Areas (million)	: 17.92	n/a
Red River Delta (million) Excl. Hanoi	: 12.13	1.36%
North East (million)	: 10.86	1.54%
North West (million)	: 2.22	2.09%
North Central Coast (million)	: 10.00	1.38%
South Central Coast (million)	: 6.53	1.57%
Central Highland (million)	: 3.06	4.87%
North East South (million), Excl. HCMC	: 7.67	2.64%
Mekong River Delta (million)	: 16.13	1.13%
Percentage of urban population	: 23.5%	
Unemployment rate in urban areas	: 7.4%	
Unemployment rate in Hanoi	: 10.31%	
Unemployment rate in HCMC	: 7.04%	
Number of major metropolitan	: 4*	

\* Major metropolitan areas include Hanoi, Ho Chi Minh City, Hai PHUNG, and Da Nang.

Key Economic Indicators

	<u>1999</u>	<u>2000est.</u>
Gross Domestic Products at current price (\$million)	26,692	27,759
GDP growth rate	4.0%	4.0%
GDP per capita (US\$)	340	350
Annual inflation rate	6%	6%
Currency exchange rate (VND/USD)	13,600	14,200

Source: Vietnam Statistical Department, World Bank & UNDP in Vietnam

**ANNEX B: Vietnamese Agriculture Imports -- 1998 (Unit: USD)**

<b>Commodities</b>	<b>IMPORTS</b>	<b>From U.S.</b>	<b>Leading Exporting Country</b>
Wheat	37,213,959	5,014,000	Australia
Cotton	82,080,295	4,232	Switzerland
Soybean	2,273,989	0	China
Corn	12,503,349	698	China
Tobacco	73,515,625	22,944	Singapore
Malt	24,096,695	0	Australia
Soybean meal	37,173,679	2,054,000	Argentina
Wheat flour	28,619,495	0	Japan
Vegetable oil	80,777,657	283,718	Malaysia
Soybean oil	4,517,716	0	Malaysia
Animal fat	651,923	0	France
Feed & folders	39,357,841	2,243,000	Thailand
Lives swine	5,745,240	284,040	France
Live poultry	1,554,882	114,796	Thailand
Hide & skins	92,564,234	8,213,194	Taiwan
Planting seed	14,001,318	1,504,000	China
Raw sugar	4,746,113	54,321	Switzerland
Sugar products	14,466,739	4,513,000	Denmark
Chocolate	583,848	0	Korea
Sugar sweeteners	119,469	0	Denmark
Pork meat	4,240	0	France
Poultry meat	51,934	17,806	Singapore
Beef meat	576,573	65,000	Australia
Powder milk	79,927,695	7,947,031	New Zealand
Milk product	16,855,681	614,435	New Zealand
Fresh vegetable	547,721	260,890	China
Processed veg.	179,913	87,362	China
Apples	10,412,981	852,307	China
Mandarin	5,394,820	36,324	China
Grapes	3,324,163	1,542,399	United States
Pear	8,836,909	0	China
Beer	163,699	0	Mexico
Wine	11,821,485	141,415	Singapore
Log wood	32,579,998	266,980	Laos
Lumber	28,093,115	423,040	Malaysia
Wood products	15,882,488	59,881	Malaysia
Seafood	17,678,559	725,345	India
Other Ag. products	41,438,347	852,651	China
<b>TOTAL</b>	<b>830,334,387</b>	<b>38,198,809</b>	

*Source: Vietnam Customs Department & U.S. Trade Data (USDA BICO Summary)*