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**Prepared By:** Kiet Vo

**Approved By:** Sarah Gilleski

**Report Highlights:**

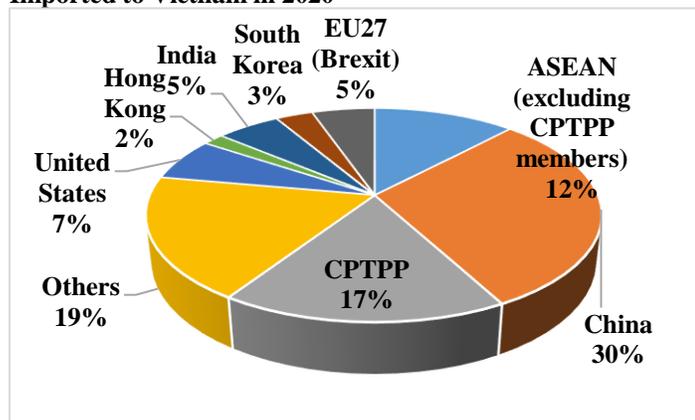
This report serves as a practical guide for U.S. exporters wishing to initiate or increase exports of U.S. consumer-oriented and seafood products to Vietnam. It provides an overview of the market potential, practical tips, consumer preferences and trends, food standards and regulations, import and inspection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

## Market Fact Sheet: Vietnam

### Executive Summary

The COVID-19 pandemic has severely hit Vietnam's economy since 2020, especially in the third quarter of 2021 (Q3/2021), resulting in a sharp decline in gross domestic product (GDP). The pandemic has also reformed retail business and consumers' shopping behavior in favor e-commerce and delivery services. Tariff disadvantages continue to reduce the competitiveness of U.S. consumer-oriented and seafood products in the Vietnam market.

### Market Share of Consumer-Oriented and Seafood Products Imported to Vietnam in 2020



Source: Trade Data Monitor (TDM)

### Retail Food Industry

Vietnam's modern retail food channels have seen expansions, exits, and mergers and acquisitions in 2020 and 2021. While e-commerce and food delivery services continue to enjoy sustainable growth, sales in traditional retail food channels have declined due to changes in consumer shopping habits as a result of COVID-19. See the 2021 GAIN Retail Foods report [VM2021-0054](#) for more information.

### Hotel Restaurant and Institutional (HRI) Industry

Revenue from Vietnam's HRI market declined by 17 percent to \$21.3 billion in 2020 and continued to drop in 2021 due to the COVID-19 pandemic. High vaccination rates have allowed the domestic hospitality industry to resume some operations, but international travel remains restricted. Please see most recent HRI GAIN report [VM2021-0081](#) for more details.

### Food Processing Industry

Vietnam imported \$13.1 billion in consumer-oriented products in 2020. Food retail revenue and the food processing industry showed growth in 2020 but at a slower pace than the previous year, due to the COVID-19 pandemic. Promising food processing ingredients for U.S. exporters include, tree nuts, minced pork, poultry products, dairy products, other edible bovine products, processed fruits, peanuts, wheat, soybeans, and potatoes. These products are used for items such as sausages, meatballs, cheese, snacks, instant noodles, plant-based milks, and bakery products. For more details, please refer to GAIN report [VM2021-0026](#).

## Quick Facts 2020

**Total imports of Consumer-Oriented Products:** \$13.1 billion

**Imports from the United States:** \$928 million

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

Dairy products	Non-alcoholic beverages (ex. juices)
Tree nuts	Beef and beef products
Fresh fruit	Pork and pork products
Poultry meat and products (ex. eggs)	Processed vegetables
Food preparations	Chocolate & Cocoa Products

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

Manufacture of food products	\$65.3	↑4.5%
Manufacture of beverages	\$7.0	↓5.1%
Exports of fishery products	\$8.4	↓1.5%
Exports of fruits and vegetables	\$3.7	↓12.7%
Exports of cashew nuts	\$3.3	↓2.3%

**Total retail sales of goods and services 2020:** \$215 billion

### Top 10 Vietnamese Retailers

Aeon Mega Mart	Winmart
MM Mega Market	Circle K
Tops Market	7 Eleven
Co.op mart	GS 25
Lotte Mart	Bach Hoa Xanh

### GDP/Population 2020

Population	97.6 million
Nominal GDP	\$271.2 billion
GDP per capita	\$2,785

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

Advantages	Challenges
U.S. products are perceived as safe and of premium quality.	U.S. products are still more expensive than competitors 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)

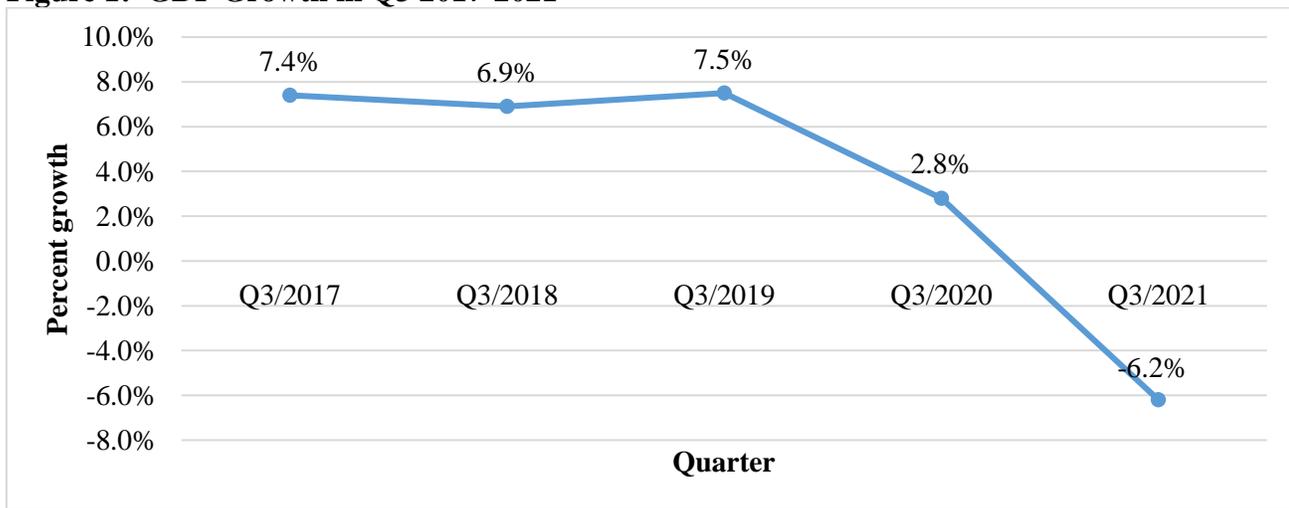
#### Office of Agricultural Affairs in Ho Chi Minh City

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

## SECTION I: MARKET OVERVIEW

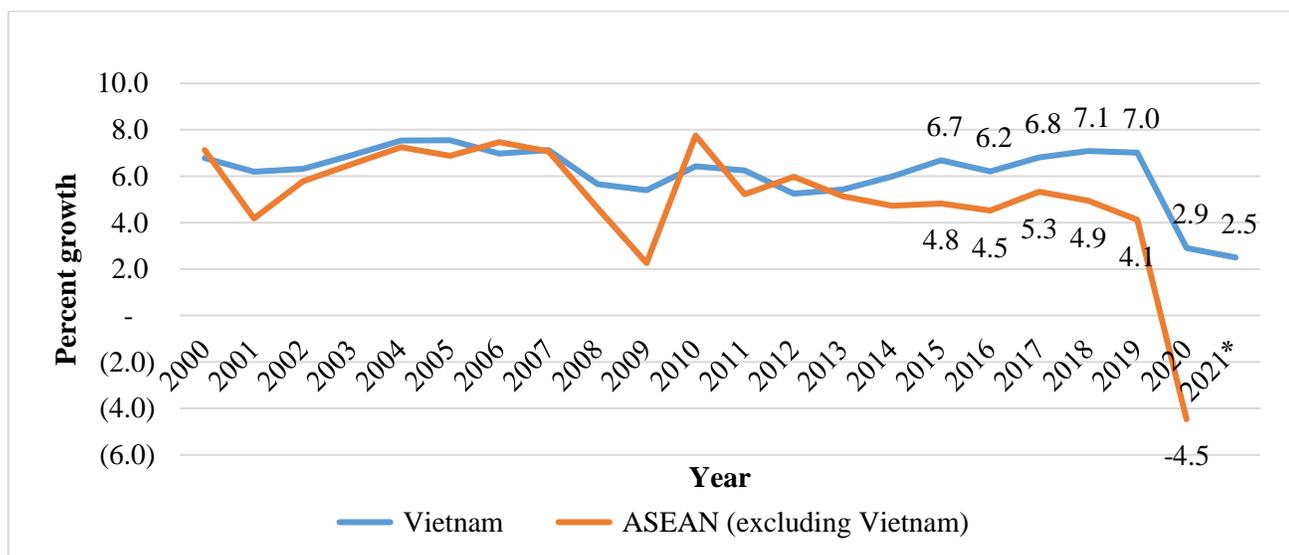
The COVID-19 pandemic has severely hit Vietnam’s economy since 2020, resulting in a sharp decline in gross domestic product (GDP) growth. The GDP growth in 2020 dropped to 2.9 percent, a record low level over the past two decades. The nation’s strong economic growth in Q1/2021 was unable to offset the slump caused by the largest wave of COVID-19 which started on April 27, 2021. Vietnam’s General Statistics Office (GSO) reported that Vietnam’s GDP in the third quarter of 2021 (Q3/2021) plummeted, retracting to 6.2 percent (Figure 1). The World Bank continues to lower its projection for Vietnam’s GDP growth in 2021, from over 6 percent projected early in 2021 to a record-breaking low rate between 2.0 - 2.5 percent (Figure 2).

**Figure 1: GDP Growth in Q3 2017-2021**



Source: GSO

**Figure 2: Vietnam’s GDP Growth (annual percent)**



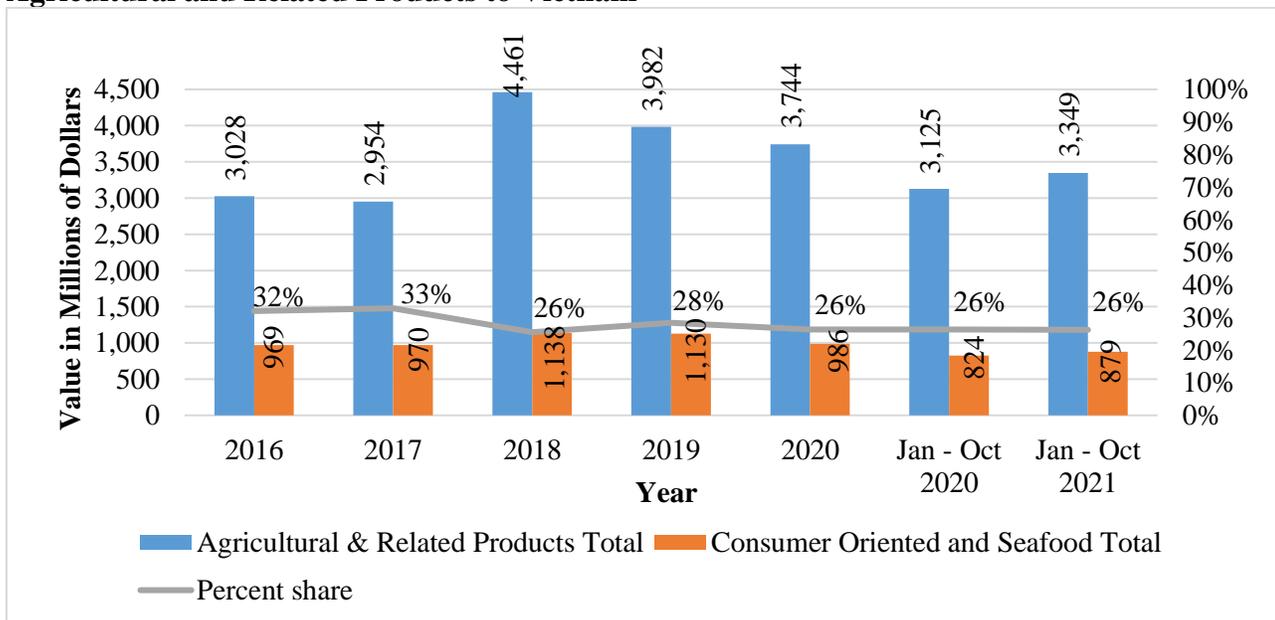
Source: World Bank; \*2021 estimate for Vietnam only

All economic sectors in Vietnam including tourism, hospitality, food service, retail, and manufacturing have been affected by the pandemic. COVID-19 restrictions and changes to personal habits due to health concerns have changed the structure of the food retail and food service sectors, in favor of e-commerce and delivery services.

Major factors driving market demand for consumer-oriented and seafood products remain unchanged, including: Vietnam’s growing population (approximately 97.5 million in 2021<sup>1</sup> with an average annual growth of one percent); a growing middle class (currently accounting for 20 percent of the population and expected to reach 26 percent by 2026) with increasing per capita income (from \$430 in 2000 to \$2,785 in 2020<sup>2</sup>); and rapid development of food service and modern retail food sectors.

Vietnam’s market demand for imported consumer-oriented and seafood products is around \$18 billion per year on average. The United States is among the top ten suppliers to Vietnam. Last year, the United States was the third largest exporter of consumer-oriented and seafood products to Vietnam with exports valued at \$986 million. U.S exports of these two product groups to Vietnam in 2020 decreased 13 percent year-on-year but maintained a market share of 6.5 percent. U.S. exports during the first ten months of 2021, increased to \$879 million, a 7 percent increase over the same period last year. U.S. exports of consumer-oriented and seafood products to Vietnam accounted for over one fourth of the total U.S. exports of agricultural and related products to Vietnam (Figure 3).

**Figure 3: Share of U.S. Consumer-Oriented and Seafood Products in Total Exports of U.S. Agricultural and Related Products to Vietnam**



Source: Trade Data Monitor (TDM)

<sup>1</sup> GSO

<sup>2</sup> World Bank

Vietnam remains a competitive market with a variety of constraints and challenges. New-to-market U.S. exporters are advised to refer to Table 1 below, which lists advantages and challenges that they may face when working in the Vietnam market.

**Table 1: Advantages and Challenges**

Advantages	Challenges
Demand for high-value consumer-oriented and seafood products remain 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, e-commerce, HRI, and food processing sectors continue to offer opportunities for imported food products, including those from the United States.	U.S. consumer-oriented and seafood products have become less competitive than those imported from ASEAN members and Vietnam’s FTAs partners due to higher tariffs.
Vietnam’s continued global economic integration generally allow more openings for foreign products and better alignment with international standards.	COVID-19 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 is 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 Appendix 1 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 Vietnam FAIRS reports: <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

#### 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 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 use the *Updated Form 9 Decree 15 Instruction (2020)* and *Updated Form 9 Decree 15 (2020-06)* in Appendix 2 and Appendix 3 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* in Appendix VIII of Decree 26/2019 guiding

the implementation of the Fish Law,<sup>3</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 GAIN report [VM4057](#) for quarantine and PRA regulations and GAIN report [VM20201-0104](#) for a list of HS codes subject to plant quarantine regulations for further details. Products listed in Section 9, except some items which are in sealed packaging for retail, must be accompanied by either a health or phytosanitary certificate.

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.”

### **Processed Foods and Beverages**

Local importers are authorized to import and sell newly imported products immediately after they have posted the Product Self-Deceleration documentation. Please refer to GAIN report [VM8016](#) for further details. U.S. exporters should work with their local importers by providing government required certificate(s) and product samples.

### **Special Notes**

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](#) and for further details.

## **4) Tariffs and FTAs**

One issue that U.S. exporters are facing are tariff disadvantages, which reduce U.S. products’ competitiveness against countries that have free trade agreements (FTAs) with Vietnam. Vietnam recently ratified three important FTAs, the European Union-Vietnam FTA (EVFTA), the Regional

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<sup>3</sup> Decree 26/2019 guiding the implementation of the Fish Law is available [here](#).

Comprehensive Economic Partnership (RCEP), and Vietnam-UK FTA (UKVFTA). Generally speaking, products from Vietnam's FTA partners will have lower tariffs and other advantages than those from Most Favorite Nations (MFNs) including the United States.

Gains in U.S. dairy and tree nut exports to Vietnam have more than offset decreases in other key products including beef, pork, poultry, fresh fruit, and alcoholic beverages. U.S. dairy exports to Vietnam are mainly skim milk powder, whey protein and lactose which have low import tariffs from zero to 2 percent. Meanwhile, U.S. tree nuts are subject to high import tariffs, from 8 to 30 percent, if they are imported for local consumption. However, the majority of U.S. tree nuts is imported for further processing and then re-exported to third countries, they are therefore tax-exempted. As such, these two product categories are not heavily affected by tariff disadvantages as the other consumer-oriented and seafood products.

Tariffs on products imported into Vietnam can be found on [Vietnam Customs website](#). Decree 57 signed on May 25, 2020, reduced MFN tariffs on certain agricultural products (see GAIN report [VM2020-0051](#)). Decree 101/2021/ND-CP on November 15, 2021, revised MFN tariff rates on corn, wheat, pork, and planting seeds (see GAIN report [VM2021-0097](#))

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), CPTPP, EVFTA, 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.

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

### **Distribution Channels**

Please see an outline of distribution channels for imported U.S. products in the Vietnamese market in Appendix 6.

### **Market Trends**

Online shopping and take-away purchases are a new trend across Vietnam as a result of COVID-19. Vietnamese consumers continued to shop online, take away food from restaurants, and use delivery services even when COVID-19 restrictions were lifted, allowing in-store shopping and eat-in dining to resume. Food service and food retail businesses are expanding their online channels, cooperating with other e-commerce platforms, and coordinating with delivery service providers to meet the online shopping demand. According to the [e-Conomy SEA Report 2021](#) by Google, Temasek, and Bain & Company, Vietnam’s 2021 gross merchandise value is expected to reach a total value of \$21 billion - a 31 percent year-on-year surge. This increase is fueled by a 53 percent growth in e-commerce, despite the shrinking travel market due to ongoing travel restrictions.

Social media channels including Facebook, Zalo, and YouTube are extensively utilized for food and beverage advertisement in Vietnam due to their large reach, connectivity, and low cost. According to NapoleonCat’s data, as of June 2021, Facebook and Zalo have approximately 76 million and 60 million users, respectively in Vietnam. Meanwhile, YouTube has increased its reach to over 45 million viewers.

Canned food, processed food, frozen meat and fish, tree nuts, and beverages are among the top consumer-oriented products being sold online. These items continue to extend their presences on e-commerce platforms in 2021 due to their convenience and shelf-life. Meanwhile, perishable products including fresh produce and dairy products are mostly distributed through offline channels.

## SECTION V: AGRICULTURAL and FOOD IMPORTS

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

Values in Thousand U.S. dollars	Global exports			U.S. Exports			U.S. Market Share		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
<b>Consumer-oriented products</b>									
Fresh Fruit	2,020,384	2,494,925	2,668,550	102,065	138,961	135,197	5%	6%	5%
Tree Nuts	1,931,738	1,247,232	2,300,706	287,156	120,715	139,721	15%	10%	6%
Fresh Vegetables	919,727	1,135,295	1,168,974	1,006	853	2,678	0%	0%	0%
Dairy Products	1,010,614	1,133,265	1,124,087	144,863	170,091	184,804	14%	15%	16%
Soup & Other Food Preparations	634,158	743,659	777,917	50,822	117,600	88,620	8%	16%	11%
Beef & Beef Products	2,430,663	1,894,876	673,339	81,807	75,947	59,109	3%	4%	9%
Processed Vegetables	1,700,807	1,026,446	586,209	32,771	37,615	27,111	2%	4%	5%
Non-Alcoholic Bev. (ex. juices, coffee, tea)	579,657	614,668	542,612	52,496	69,528	48,384	9%	11%	9%
Mfg. Tobacco	1,054,306	1,055,077	539,578	1,015	280	89	0%	0%	0%
Pork & Pork Products	316,573	213,400	444,472	33,804	18,417	54,063	11%	9%	12%
Spices	627,577	302,010	386,500	753	307	846	0%	0%	0%
Distilled Spirits	1,201,357	879,889	356,238	64,787	63,306	11,909	5%	7%	3%

Poultry Meat & Prods. (ex. eggs)	726,118	483,074	298,966	109,722	140,255	128,047	15%	29%	43%
Bakery Goods, Cereals, & Pasta	264,386	302,635	282,496	3,976	6,342	4,596	2%	2%	2%
Tea	199,630	271,629	220,721	5,855	7,203	0,159	3%	3%	5%
Nursery Products & Cut Flowers	122,921	116,027	151,071	124	277	296	0%	0%	0%
Processed Fruit	359,365	216,350	128,929	15,906	13,386	9,155	4%	6%	7%
Condiments & Sauces	111,824	92,957	96,117	1,480	1,906	1,283	1%	2%	1%
Chewing Gum & Candy	71,243	86,549	71,807	1,487	522	124	2%	1%	0%
Meat Products NESOI	341,539	219,149	70,188	2,406	2,046	3,289	1%	1%	5%
Chocolate & Cocoa Products	85,784	99,557	63,553	28,395	40,063	13,880	33%	40%	22%
Wine & Related Products	99,905	85,143	60,328	13,284	9,620	2,799	13%	11%	5%
Coffee, Roasted and Extracts	72,909	45,593	39,258	242	132	123	0%	0%	0%
Beer	46,660	35,603	33,500	131	105	-	0%	0%	0%
Dog & Cat Food	29,344	23,573	29,228	2,806	1,510	295	10%	6%	1%
Fruit & Vegetable Juices	24,514	28,453	21,006	814	571	376	3%	2%	2%
Eggs & Products	10,713	10,013	12,185	606	601	999	6%	6%	8%
<b>Agricultural Related Products</b>									
Seafood Products	4,743,043	2,486,283	1,980,053	94,766	90,402	57,677	2%	4%	3%
<b>Total</b>	<b>21,737,459</b>	<b>17,343,330</b>	<b>15,128,588</b>	<b>1,135,345</b>	<b>1,128,561</b>	<b>985,629</b>	<b>5%</b>	<b>7%</b>	<b>7%</b>

Source: TDM 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

USDA Cooperators, which represent specific U.S. agricultural commodities, can facilitate market penetration and expansion for U.S. exporters with their resources. Contact information is available in Appendix 7.

#### 4) American Chamber of Commerce in Vietnam

The American Chambers of Commerce in Vietnam (AMCHAM) serve as the point of contacts for members of the American business community. AmCham Hanoi and AmCham HCMC have various committees that member can join to focus on issues concerning food, agriculture, and agribusiness.

AmCham Hanoi: <http://www.amchamhanoi.com>

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

#### 5) Key Government Contacts

MARD/Plant Protection Department (PPD)	<a href="http://www.ppd.gov.vn">www.ppd.gov.vn</a>
MARD/Department of Animal Health (DAH)	<a href="http://www.cucthuy.gov.vn">www.cucthuy.gov.vn</a>
MARD/Directorate of Fisheries	<a href="https://tongcucthuysan.gov.vn/vi-vn/">https://tongcucthuysan.gov.vn/vi-vn/</a>
Vietnam Food Administration (VFA)	<a href="http://www.vfa.gov.vn">www.vfa.gov.vn</a>
Ministry of Industry and Trade/Department of Science and Technology	<a href="http://www.moit.gov.vn">www.moit.gov.vn</a>

#### Attachments:

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

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

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

[Appendix 7 - USDA Cooperators Active in Vietnam.pdf](#)