VIETNAM 2022

Prime Minister Pham Minh Chinh has directed in May 2022 that Vietnam stops Covid testing for all arrivals.

Key Indicators in 2021

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>98.5 million</td>
</tr>
<tr>
<td>Gross Domestic Product</td>
<td>2.58% (# $280 billion)</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>$2,785</td>
</tr>
<tr>
<td>Total retail sales of goods and services</td>
<td>$210 billion</td>
</tr>
</tbody>
</table>

Quick Facts CY 2021

- Imports from the world: $13.1 billion
- Imports from the U.S.A: over $1 billion

Top-10 Growth Products:

- Fresh fruit
- Tree nuts
- Dairy products
- Fresh vegetable
- Beef & beef products
- Processed vegetable
- Non-alcoholic beverages
- Pork
- Distilled spirits
- Poultry Meat & Products (ex. Eggs)

Preliminary Imports of goods in the first 4 months of 2022

<table>
<thead>
<tr>
<th>Goods</th>
<th>Quantity (Ton)</th>
<th>Value ($ 1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fishery products</td>
<td></td>
<td>755,475</td>
</tr>
<tr>
<td>Dairy products</td>
<td></td>
<td>449,780</td>
</tr>
<tr>
<td>Fresh fruits</td>
<td></td>
<td>550,837</td>
</tr>
<tr>
<td>Cashew nut</td>
<td>728,731</td>
<td>1,102,781</td>
</tr>
<tr>
<td>Wheat</td>
<td>1,550,371</td>
<td>572,327</td>
</tr>
<tr>
<td>Maize</td>
<td>2,570,463</td>
<td>851,635</td>
</tr>
<tr>
<td>Soy beans</td>
<td>725,364</td>
<td>479,682</td>
</tr>
</tbody>
</table>

Source: General Statistic Office (GSO)

Vietnam Current Market Trends

- In 2021, Vietnam imported nearly 22.3 million tons of animal feed ingredients with a total value of $9.07 billion.
- Vietnamese citizens increase spending on essential dairy foods, healthcare products/supplements, and vitamins. The most concerns on buying foods:
  1. Health concerns: healthy/functional benefits, 5 top attributes with Calcium, Minerals, Vitamins, Micronutrients, and low Cholesterol levels
  2. Premium products: offerings, benefits, and packaging are the major components
  3. Convenience: focus in smaller and flexible packaging, ready-to-eat meals
- Convenience stores/minimarts and e-commerce sales will play important roles retailers' success
- E-commerce is set to see compounded annual growth of 18.8 percent between 2020 and 2024 to reach $26.1 billion (Global Data’s E-Commerce Analytics)
- Retail market size to hit $350 billion by 2025 (VN Direct). Retail Trends
  1. Online shopping for FMCG on the growth with factors: convenience, availability, promotion, social influence. Next: Direct to Consumers is more concerned.
  2. Convenience: healthy and quickly adapt and respond to consumer’s changing needs. Next: Virtual Store
  3. The Future of Retail Industry: Online, mini-stores, specialty stores still leading the future growth, but not completely replace physical stores in next 10 years.
- What next? 3 trends for Vietnam’s E-commerce market (iPrice)
  1. The personalization of the shopper experience: help consumers find the product they need, offer coupon and streamline
  2. The rise of cashless payments: cash payment decreased to 42% from 60% in 2020
  3. The environment-friendly consumption: product not only good quality but also safe for health and not negative impact to the environment
- The 3 Most Concerns for developing New Products into market
  1. Young generation: include Millennials and Generation Z who love the world products, are affected by social and media trends
  2. Woman: key decision maker in purchasing for themselves (more independent) and for their family (especially kids)
  3. Netizen: more than 60% of population using smart phones, expected to increase more in the coming years

Buying behaviors differ between urban and rural, and among regions

- Rural consumers rely MORE on word of mouth to make decisions, whereas urban consumers are generally more educated and rely on sources for information, including social media.
Consumers in the South are generally more open and willing to try new products than those in the North.
Southern of Vietnam is generally preferred as a “launch market” in market entry strategy.

**U.S. TRADE WITH VIETNAM IN 2021**

Export Market Rank  #7 among U.S. Agricultural Export Markets
Total Export Value  $3.87 Billion
3-Year Average  $3.87 Billion
Compound Average Growth  7.4% (2012-2021)

**Top 10 Exports to Vietnam in 2021**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Total Value (USD)</th>
<th>Total Volume (Metric Tons)</th>
<th>10-Year Average Value (USD)</th>
<th>10-Year Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>$1.03 Billion</td>
<td>565,002</td>
<td>$843.48 Million</td>
<td>314%</td>
</tr>
<tr>
<td>Soybeans</td>
<td>$395.09 Million</td>
<td>748,969</td>
<td>$344.69 Million</td>
<td>19%</td>
</tr>
<tr>
<td>Distillers Grains</td>
<td>$360.68 Million</td>
<td>1.42 Million</td>
<td>$198.9 Million</td>
<td>243%</td>
</tr>
<tr>
<td>Forest Products</td>
<td>$319.54 Million</td>
<td>--</td>
<td>$265.98 Million</td>
<td>71%</td>
</tr>
<tr>
<td>Dairy Products</td>
<td>$279.84 Million</td>
<td>134,711</td>
<td>$182.42 Million</td>
<td>101%</td>
</tr>
<tr>
<td>Soybean Meal</td>
<td>$173.58 Million</td>
<td>367,318</td>
<td>$146.27 Million</td>
<td>189%</td>
</tr>
<tr>
<td>Tree Nuts</td>
<td>$166.8 Million</td>
<td>32,249</td>
<td>$231.1 Million</td>
<td>3%</td>
</tr>
<tr>
<td>Other Feeds, Meals &amp; Fodders</td>
<td>$157.77 Million</td>
<td>210,280</td>
<td>$102.91 Million</td>
<td>157%</td>
</tr>
<tr>
<td>Corn</td>
<td>$134.82 Million</td>
<td>517,656</td>
<td>$76.4 Million</td>
<td>55500%</td>
</tr>
<tr>
<td>Poultry Meat &amp; Prods. (ex. Eggs)</td>
<td>$100.78 Million</td>
<td>98,448</td>
<td>$92.07 Million</td>
<td>63%</td>
</tr>
</tbody>
</table>

Source: FAS/USDA

**Packing and Labeling Requirements**

All product items have to be registered for quality and for sale with the Government Agent when imported into Vietnam

**Label Requirements:**

- Goods labels must include the following contents:
  - The name of the goods
  - The name of address of the organization or individual responsible for the goods
  - The origin of goods and other contents according to the nature of each kind of goods

- Specifically, for commodity groups of food, labels must be quantitative, have a production date, expiry date, and warning information (if any). For alcohol, the label must be quantitative, shelf life (if any), preservation instruction (for wines), warning information (if any), and batch identification (if any).

**Extra Label Requirements**

The Vietnamese Government strongly requests the extra label in Vietnamese for imported products. The information includes name of product, ingredients, manufacturer date and expiry date, usage instruction, storage condition, name of manufacturer, name of importer (address, phone), name of distributor (if any) with address and phone number.

**Nutrition Facts Table:**

- The nutritional panel must contain the serving size, calories and mandatory listed as a per cent of daily value. The nutrients include: total fat (saturated Fat, Trans Fat), cholesterol, sodium, total carbohydrate (dietary fiber, sugar), protein, vitamins, calcium, iron.

- Additional nutrients would be declared and placed preferably at the bottom of the Nutrition Facts Table.

**Language:**

- All labels are in English spelling or the native language of exporter and Vietnamese.

- If the label is just in English at the native language of exporter, then it is requested to have an extra label in Vietnamese.

**Transportation:**

WB - Road freight transportation (80%) and inland water transportation (20%) account for 90% of freight transport in Vietnam.

**The most Road freight transportation:**

- Container trucks
- Trucks
- Auto/ Van/ Bus/ Motorcycle

**The most inland water transportation:**

- Container ship & Refrigerate cargo ship
- Ferry
- Cargo ship

**Basic Documents to Import into Vietnam:**

- Sales Contract signed
- Phyto-sanitary Certificate
- Bill of lading
- Commercial Invoice
- Packing List showing batch number
- Certificate of Origin showing the B/L number or Invoice Number issued by Chamber of Commerce (01 original and 1 copy)
- Certificate of Insurance (Original)
- Health Certificate (Original): must be issued before the shipment date

**Contact:**

United Base Company Ltd.
5th Floor, B10, Lot C4-1, Phu Ma Duong Building
79/3, Hoang Van Thai St., Phu My Hung, District 7, HCMC, Vietnam
Tel: +8428-5413.6550
Contact: Francis Lee (In-Market Representative)
Email: francis.lee@unitedbaseco.com.vn