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## Vietnam

### Retail Food Sector

2008

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**Report Highlights:**

This is an update of Vietnam's Retail Food Sector report. Vietnam's food retail sector is still dominated by small traditional trade. The modern retail sector, supported by foreign and local retailers, is still relatively small, but growing substantially to keep pace with overall economic growth, the increase in disposable income, a sizeable young population, and changes in consumption patterns. Imports of consumer-oriented food and beverages continue to increase, with total imports for 2007 reaching \$660 million and U.S. exports accounting for over 30 percent of that total.

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## ECONOMIC OUTLOOK:

- Vietnam's economy has consistently averaged around 7 percent growth over the last decade. In 2006 and 2007, the growth rate exceeded 8 percent per year, making Vietnam the second fastest growing economy in Asia. Given the current economic difficulties worldwide, Vietnam has adjusted its 2008's target economy growth from over 8 percent to 6.6 percent.
- The government continues to work on to market liberalization and further reforms to the legal, financial, and institutional systems.
- Vietnam's population is 86 million people, which is the second largest population in South East Asia and the 6th largest in Asia, benefits from a young, educated population of which over half are under 25 years of age. Vietnam also has one of the largest female working populations, making the female consumer ever more important.
- Vietnam's per capita GDP has doubled in 7 years, reaching \$835 in 2007, a sevenfold increase from 15 years ago. Vietnam continues to pursue its ambition of becoming a middle-income developing country by 2010.
- The Vietnamese urban middle- and upper-classes are emerging, and drive consumerism. Urban per capita income has been increasing at a rate of 8-10 percent per annum, and living standards have been improving. In the two largest urban areas (Hanoi and Ho Chi Minh City), over one third of urban households now earn more than \$500 per month, and their retails sales of goods and services accounted for over 30% of total national sales. The size of the upper and middle classes in the two areas has almost doubled over the last five years. Five key urban areas (Hanoi, Ho Chi Minh City, Hai Phong, Danang and Cantho) play a vital role in Vietnam's economy, accounting for about 30 percent of GDP and 11 percent of total population.
- Vietnam, with the smallest urban population in Asia, has started seeing a significant rural to urban migration as the economy becomes more industrialized.
- The volume and value of Vietnam's exports continue to rise. In 2007, total exports were valued at \$48.4 billion and continue to grow at about 30 percent per year in 2008. Imports were valued at \$60.8 billion, an increase of 36 percent over 2006.
- Tourism and foreign remittance incomes are vital sources of foreign exchange for Vietnam. The tourist industry also continues to see an increasing number of foreign tourists, at an annual average growth rate of 10 percent; the total number of tourists in 2007 reached 4.25 million, up 18 percent from the previous year, and the number for 2008 should be higher. Vietnam also gains up to \$5 billion per year in foreign remittance income from Vietnamese living abroad.
- The creation of 160,000 private firms over the past five years, in great part due to considerable foreign direct investment (FDI) activities, is a testament to Vietnam's improved environment for investors. FDI reportedly accounted for \$20.0 billion in investments in 2007 and this figure is expected to increase exponentially over the next few years.

- With its accession to the World Trade Organization on January 11, 2007, Vietnam became a member of the largest “modern” trade organization, which requires signatories not just to lower import tariffs and eliminate quotas, but also to increase market access for goods and services, strengthen Intellectual property right protection, help develop infrastructure, and enhance legislative and regulatory transparency as well as commercial dispute settlement and business facilitation. According to Vietnam’s WTO accession agreement, Vietnam must liberalize the wholesale, retail, and franchise sectors. As of January 2007, foreign service providers were allowed to establish joint ventures with Vietnamese partners, and as of January 1 2009, totally foreign-owned retail outlets and franchises may be established. The government reserves the right, however to determine the “economic need” for additional outlets beyond the initial one.
- Relatively high inflation in 2007 (over 12 percent) and in 2008 (estimated to be 20 percent) may negatively affect consumer’s disposable income and consumer spending.
- Given its sizable and young consumer base, improving consumer disposable income, and strong economic growth, Vietnam’s best consumer years seem yet to come, with the prospects for continued rapid expansion in the retail sector over the next five years looking very promising.

## SECTION I. MARKET SUMMARY

### I.1. Status of Retail Sector

Consistently strong economic growth and higher disposable income have contributed to the robust expansion of Vietnam’s retail trade. Nationwide retail sales of goods, estimated at \$27 billion in 2007, have enjoyed a high growth rate of over 13 percent per year for the last five years.

Food sales as a proportion of total retail sales account for less than 50 percent (11.5 billion in 2007), food retailing in Vietnam is estimated to be growing at an average rate of 13.7 percent a year.

“Modern trade” (hypermarkets, supermarkets etc.) is still small but growing fast. While it currently has a relatively small share of only 14 percent of total retail food sales, modern trade should continue expanding at the high rate of 20 percent per year – the rate of growth over the last five years (2003-2007).

Table 1 below offers a view of estimated Vietnam’s retail food sales over the past five years.

**Table 1: Estimated Value of Overall Retail Food Sales**

	2003	2004	2005	2006	2007	5-year average growth (%)
Value in \$ billion	<b>6.95</b>	<b>8</b>	<b>9.2</b>	<b>10.4</b>	<b>11.7</b>	
% growth compared with previous year	15.1	15.0	12.0	13.0	12.5	13.7

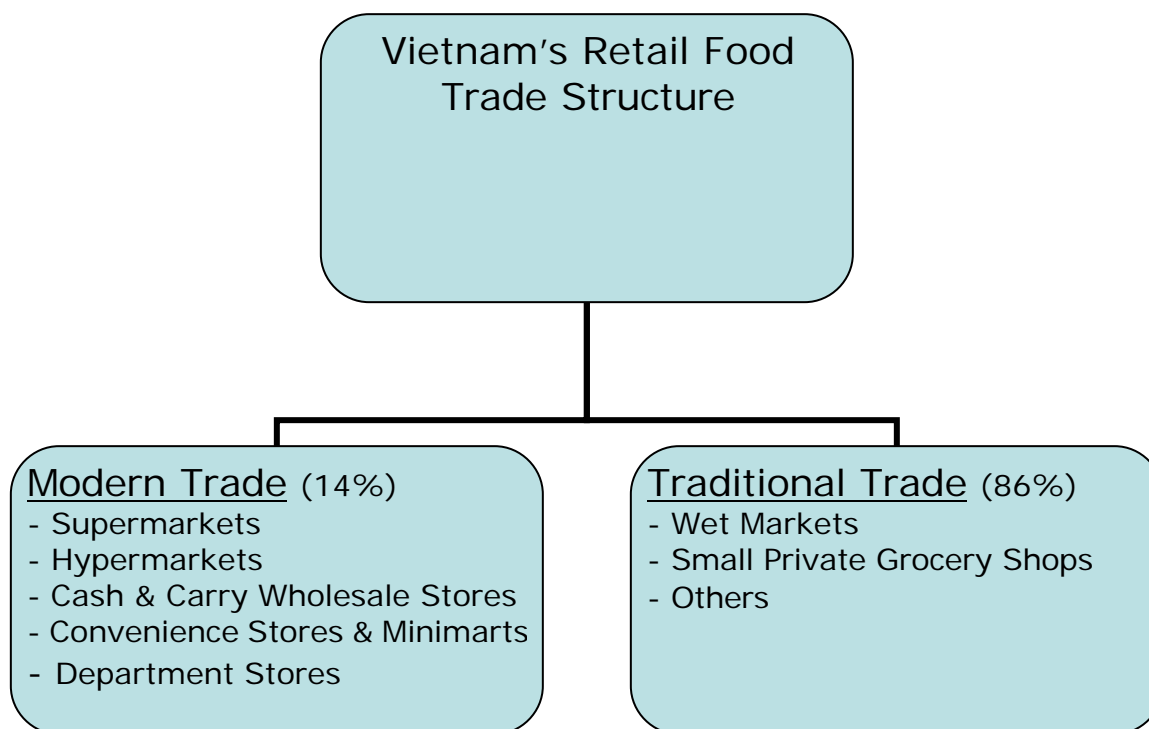
Source: estimates derived from various trade sources.

The retail food sector in Vietnam is still dominated by traditional wet markets and small household-owned “mom and pop” shops. The modern retailers represent only a small share of the market, but their numbers are growing. The traditional retail trade is being challenged by the current upsurge in modern trade, with the number of supermarkets, convenience stores, mini-marts, hypermarkets, large wholesale stores, and department stores on the rise.

A combination of strong economic growth, rising income levels (particularly disposable income), a growing middle class, a sizeable young population, and an increasing exposure to a Western lifestyle are fueling the rapid growth of modern trade in Vietnam’s retailing. Over the last five years (2003-2007), modern trade in Vietnam achieved an average growth of 20 percent per year and is expected to continue to grow at this rate for the next five years. More consumers in urban areas are demanding an international shopping experience and increasing numbers are shifting from the ‘traditional’ to the ‘modern’ trade (see table 3 for details).

The chart below offers a general overview of Vietnam’s food retailing sector, including traditional channels and modern channels:

**Chart 1: 2007’s Vietnam Retail Food Trade Structure**



Vietnam’s booming modern retail trade sector is still limited to major urban areas (Ho Chi Minh City, Hanoi, Hai Phong, Danang and Can Tho) and accounts for only about 14 percent of total food retailing in 2007.

Food products are currently sold at over 126 modern supermarkets, 6 “Big C” hypermarkets, 8 “Metro Cash & Carry” wholesale centers, over 150 mini-marts and convenience stores, 27 shopping centers and hundreds of thousands of traditional wet markets and small private shops.

**Table 2: Number of modern retail outlets and traditional outlets**

Type of Retail Outlet	2003	2004	2005	2006	2007
<b>Supermarkets, hypermarkets &amp; Wholesale centers</b>	<b>78</b>	<b>95</b>	<b>105</b>	<b>115</b>	<b>140</b>
Department Stores	16	18	21	25	27
Grocery shops and wet markets	611,200	619,038	623,028	625,766	626,000

Source: Various trade sources, including the Vietnam Retail Association and Euromonitor

Results of independent market surveys point to Vietnam's retail market as a very promising and attractive destination for foreign investment in Vietnam. Vietnam has ended India's three-year reign as the most attractive emerging market destination for retail investment, according to the seventh annual Global Retail Development Index™ (GRDI), a study of retail investment attractiveness among 30 emerging markets conducted by management consulting firm A.T. Kearney.

Vietnam's leap from fourth in the 2007 GRDI to first place in 2008 was driven by strong GDP growth, changes to the country's regulatory structure to favor foreign investors, and increasing consumer demand for modern retail concepts.

Almost all existing large retailers in Vietnam have committed to further expansion, not only in larger cities like Hanoi and Ho Chi Minh City (HCMC), but also in Can Tho, Da Nang, Hai Phong, Long Xuyen and Phan Thiet.

Growth in the modern food retail sector has been slowed by existing government policy, which seeks to protect domestically-owned supermarkets by not permitting 100 percent foreign-owned investment in the retail sector. However, in accordance with Vietnam's WTO accession agreement, as of January 1, 2009, retail enterprises may be 100 percent foreign-owned. Currently, foreign companies may form joint ventures with local partners on the condition that their control is less than 50 percent. This model has worked well for the Big C hypermarket chain (France) and Parkson (Malaysia). Metro Cash & Carry of Germany was able to enter the market as a 100 percent foreign invested "cash & carry" operation, requiring, nominally at least, that customers be wholesale purchasers.

While waiting for the full opening of FDI in retailing, several foreign retailers are exploring the option of 100 percent FDI. Foreign retail chains such as Lotte Mart of Korea are reportedly poised to open their first retail outlet or supermarket in early 2009. Dairy Farm has been collaborating with Citimart, a Vietnamese retailer, to start their first three stores named Wellcome in end of 2007. As of January 1, 2008, the financial contribution was dropped, but it is necessary for foreign-owned retailers to have a Vietnamese partner until January 2009.

The key constraints to the development of a modern retail sector in Vietnam are low consumer income (despite recent gains), a very high cost of land rental in urban areas, expensive electricity and growing inflation (7 percent for 2006 and 12 percent for 2007 and over 20 percent for 2008).

Official data on food sales in the modern retail sector are not available and most store owners are reluctant to disclose such data. Thus, Table 3 is Post's best estimate of the total value of Vietnam's modern retail trade.

**Table 3: Estimated value of modern retail trade food sales (\$ Billion)**

	2003	2004	2005	2006	2007	5-year average growth (%)
Value	<b>0.62</b>	<b>0.75</b>	<b>1.00</b>	<b>1.23</b>	<b>1.64</b>	
% growth compared with previous year	14.5	17.3	25.0	18.7	24.9	20

Source: Post estimates derived from various trade sources.

## **I.2. Consumer Purchasing Behavior**

Vietnamese consumers, with a large share of young people, are still very price-conscious but tend to do more spending than saving due to their optimism about Vietnamese future. A survey in major urban areas (Hanoi and Ho Chi Minh City) by the consulting firm TNS showed that savings as a share of total expenditure in 2006 and 2008 were 12 percent and 9 percent, respectively.

Vietnamese consumers spend a great portion of their disposable income on food items. About 42-45 percent of total consumption expenditures are for food, mostly staples and basic food items like rice, animal protein sources, salt, sugar, vegetable oils, and sauces. Very little is spent on high value processed food products. Nevertheless, recent consumer surveys indicate an increase in spending on high-value products such as dairy products (UHT milk, fresh milk, yogurt, cheese etc.), meat, eggs, fresh fruits, vegetables, confectionary items, snack foods, and sophisticated food items.

Vietnamese consumer's habits:

- Shop daily for food items.
- Prefer fresh products.
- Low percentage has refrigerators and microwaves (only 13 percent of urban households have microwave ovens).

Consumer trends in urban areas:

- Low average income but improved disposable income.
- More concern about nutrition, quality, hygiene and food safety.
- Accept to pay more for better products.
- More sophisticated tastes for wider assortment of products.
- Busier lives, prefer convenience, and tend to go to one place to buy most of their groceries.
- Shop more frequently in modern retail outlets.
- Go to modern retailers not only to shop but also to entertain themselves.
- Brand loyalty, but still receptive to new products.
- Western life style is welcomed.
- More dining-out than before.
- Influenced by advertisements and promotion; especially children. One market researcher noted that 18 percent of sales occurring in modern trade are as a result of advertisements and promotions.

## **I.3. Trend in distribution channels**

While HCMC, Hanoi, Haiphong, Cantho and Danang have a growing number of modern retail outlets, the rest of the country still relies heavily on traditional marketing channels. Although small "mom and pop" shops and wet markets continue to play a major role in food

distribution, the number of supermarkets, hypermarkets and wholesale supermarkets continues to increase in urban areas, due to:

- A growing number of western-minded consumers, especially large numbers of young consumers in urban areas.
- A growing middle class, where both parents are working and less time is available for food shopping.
- Aggressive promotions, appealing prices and discounts, plus a wide range of products offered by large supermarkets, attracting even lower-income consumers.
- Increasing consumer acceptance of processed and packaged products. Many products traditionally sold in bulk are now readily available pre-packaged.
- More and more consumers are inclined to shop frequently in modern retailers and supermarkets because they are cleaner than wet markets, more convenient, and often offer better quality products.

The five-day work week coupled with increasing disposable income of the urban family has accelerated the trend of purchasing ready-to-eat snacks and high-value food items. Local food producers have begun to supply shoppers with ready-to-eat and semi-prepared food items. Prepared food items include a variety of food ingredients, chopped or sliced, wrapped and packaged for immediate use. This new trend is expected to trigger a demand for even more varieties of ready-to-eat and semi-prepared dishes, and has contributed greatly to the increase Western food product imports. The opportunities for U.S. food products in this market are significant. Best growth products in recent years have included dairy products (i.e. powdered-milk, infant formula, UHT milk, cheese and butter); red meat (beef and pork), poultry meat, fresh fruits, dried fruits, snack foods, processed fruits, fruit juices, breakfast cereal, confectionary, wine and baby foods.

With a dynamic, well-educated population of 86 million consumers, Vietnam is both an opportunity and a challenge for American high-value foods and beverages. Vietnam is evolving and becoming more integrated with its Association of South East Asian Nations (ASEAN) neighbors, which often enjoy favorable tariff and trading advantages. Conversely, Vietnam became a WTO member in January 2007, thus opening up more opportunities for trade with the United States and other members through much lower tariffs and improved market access, as well as commitments to adhere to international standards on sanitary and phytosanitary (SPS) and technical barriers to trade (TBT) measures.

Vietnamese consumers in big cities have become accustomed to higher-quality consumer-ready products. U.S. products are appreciated for their higher quality, but price continues to be the main factor for purchasing consumer-ready products. Increasing numbers of urban consumers are shopping daily in supermarkets and are buying U.S. fresh fruits, canned goods, condiments, sauces, snack foods, 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 products has not yet reached international standards. At some point in the near future, local consumers will begin to demand higher quality levels which should lead to stronger demand for US high-value food products.

As foreign companies' access to local trading and distribution rights are still limited, local importers continue to play a major role in distributing and promoting imported products in Vietnam. Typically, local importers have their own sales agents and distribution fleets, and are in direct contact with supermarkets, wholesalers, and in many cases, also with thousand of grocery stores. Some importers are involved in imports of a wide range of products with no particular loyalty to a specific product, brand or origin. Other importers are working exclusively to develop markets for specific labels. As these importers tend to promote their



products more heavily, they may require more involvement from the exporter in order to penetrate this market.

#### **I.4. Trend in services offered by retailers**

Supermarkets in Vietnam tend to be located in store complexes that include a number of fast food restaurants, entertainment venues (mainly video games), and specialty shops. The number of adjacent shops varies from 18 to 25, and is meant primarily to attract a large number of visitors. Department stores usually devote a relatively large space for ready-to-eat food and entertainment.

In many cities, the lack of adequate entertainment and amusement sites draws many families to visit department stores and big supermarkets to roam around, and they often end-up buying, or at least being exposed to, new-to-market products.

Major retail stores have recently invested more resources in developing fresh, chilled, and frozen sections, as well as ready-to-cook and ready-to-eat food sections. They also provide additional in-store services (i.e. acceptance of credit/debit cards, ATM services, food courts, bakery corners, home delivery, and gift wrapping services), in order to attract more customers and to compete effectively with open-air wet markets. Interest in nutritional characteristics of food will continue to grow.

A current survey from a market researcher showed over 50 percent of shoppers still think that supermarkets offer higher prices than other markets and that they are also far from home. To support evolving consumer preferences, retailers have focused more on customer services and marketing practices. Promotional and advertisement campaigns are more aggressive, with in-store promotions, store flyers, seasonal discounts, and loyalty programs for frequent shoppers. Packaging sizes have been reduced to lower the prices, and more generic brands (especially for staple foods such as rice, salt, wheat flour, and sugar) have been introduced. The leading supermarket chain, COOPMART, has offered home delivery to customers who are able to place orders over \$7.

Internet sales of food products and direct selling to consumers have just been introduced recently and should see increased sales in coming years.

The “multi-level marketing” concept has recently been introduced to Vietnam and has done well. It has been watched closely by government authorities who doubt the value of products marketed under this concept, and worry about over-stated or false advertisements in addition to a suspicion that this system will evade taxes.

Franchising is likely to flourish in Vietnam. It would offer an excellent route for multinational firms to enter Vietnam and for domestic enterprises to expand overseas. Last year, the franchising market surged 20 percent in number of stores, with more than a hundred new franchisees and the transfer of a hundred brands into Vietnam. According to global franchisers, Vietnam has all the hallmarks of a franchise haven: a young market, high economic growth, and stable political system. The Vietnamese government passed the Franchising Decree in 2006, which is expected to help bolster the business in the country.

#### **I.5. Import market**

The GOVN continues to discourage high value food imports through relatively high tariff and non-tariff barriers. Import tariffs range from 20 percent - 40 percent for processed foods,

and 62 percent for wine and alcoholic beverages. However, in an effort to combat high inflation, Vietnam has reduced tariffs on key food commodities such as meat, dairy products, and dried peas and in some cases, lowered them even beyond the bound rates of Vietnam commitments under WTO. Elect tariffs for meat and poultry products rose again in October 2008.

The Department of Animal Health's SPS requirements for animal products and the Food Administration's food registration requirements for imported foods are cumbersome. They require excessive documentation and are sometimes not based on sound science. Moreover, the valuation of imported foods has sometimes not been based on the invoiced transaction value, despite Vietnam's commitment under the bi-lateral trade agreement with the United States. Vietnam has also committed to honoring the invoiced values in its WTO agreement, and it is left to be seen whether the country will now more consistently adhere to this.

Overseas relatives of the Vietnamese consumers also contribute to promoting the spread of Western goods and lifestyles through the parcels of consumer goods that they send back to Vietnam. This has introduced and promoted several new-to-market food products to consumers in Vietnam. Unofficial trade data for 2007 indicated that Vietnam imported about \$660 million in consumer-oriented agricultural products and \$200 million in edible fishery products as part of the estimated \$4.2 billion in agricultural, fish and forestry products. The actual level of consumer-ready imports is likely even higher, given Vietnam's porous borders and under-invoicing practices.

U.S. food products are favored by consumers because of their high quality, safety and innovativeness. Exports of high value and consumer-oriented U.S. food and beverages to Vietnam have experienced rapid growth in recent years. After hovering around the \$20 million mark for several years, these exports grew to over \$51 million in 2004 and a record \$210 million in 2007, a year-on-year increase of 90 percent, representing 32 percent of Vietnam's total consumer-oriented imports. U.S. market share for these products should increase even more in the coming years as Vietnam has lowered import duty on several of these products.

Key consumer items include dairy products (including for manufacture), chilled & frozen meat (beef and pork), frozen poultry, fresh fruits, snack foods, packaged foods (canned fruit & vegetables, canned meat), juices, condiments, sauces, dried fruits & tree nuts, wines, and confectionary items.

#### **I.6. Advantages and Challenges Facing US Products in Vietnam**

U.S. Advantages	Challenges for U.S. Exporters
Increasing incomes and a rapidly-growing middle class enamored with American culture (music, movie, fashion) which carries over to American food.	Price-sensitive consumers. Significantly higher shipping costs and transportation time than from Asia and Oceania.
U.S. foods are recognized as high quality items and a great value for the price.	Twenty-year absence from this market limits knowledge of U.S. foodstuff suppliers, with the general preference being for European (especially French) food items.
Low level of competition from other U.S	A part of Vietnamese urban residents are slow

suppliers in the market.	to try new types of Western food.
Vietnam's accession to WTO in 2007 has reduced tariffs on several food items and created a better business environment with more liberalized trading and service practices.	High tariffs, cumbersome and excessive customs requirements; non-science based sanitary and phytosanitary requirements on animal and plant products persist, and the regulations are slow to change.
Voluntary tariff reductions on beef, poultry, corn, SBM, soybeans and dairy products, among others, even beyond final bound rates.	Low tariffs applied to food products imported from ASEAN countries under the Asian Free Trade Agreement (AFTA).
Growing number of western-style fast-food restaurant chains, bakeries and coffee shops, as franchising and has been introduced and the retail food sector now transitions to a more modern structure.	U.S. exporters often perceived as not flexible or responsive enough to importers' needs or the local business environment.
Growing rural to urban migration.	Limited infrastructure and distribution for perishable products (cold chain etc.).
	Limited/restricted supply of bank loans and foreign exchange as well as weaker tie between the U.S. dollar and the Vietnamese dong, resulting in more risk for non-L/C payment terms for sales of US foods

## SECTION II. ROAD MAP FOR MARKET ENTRY

### II.1. Entry Strategy

According to Vietnam's WTO accession agreement, as of January 1, 2009, foreign-owned retailers and franchises may be established without the need for a Vietnamese partner or Vietnamese investment, as is currently the case. As of January 1, 2008, the Vietnamese capital investment was rescinded, but the Vietnamese partner is still required until 2009. The government also reserves the right to determine the "economic need" for additional outlets beyond the initial one. Notwithstanding this, the best way to enter this market is to appoint a local partner to directly import the products, or to act as an agent to arrange for importing, distributing, and marketing. The appointed local partner should be responsible for the widest distribution of your products, as well as perform the marketing efforts needed to create awareness for your products among consumers. Business relationships are very important for success, and therefore regular visits with local partners as well as with key retailers should be a priority.

It is critical for U.S. exporters to spend time and resources to study potential markets for the products before initiating sales. They should also visit Vietnam to gain a first-hand feel of the market, preferably around the bi-annual Food & Hotel Vietnam Show organized in Ho Chi Minh City (next show in October 2009), a USDA-endorsed trade show with a sizable U.S. pavilion. U.S. exporters are encouraged to review the FAS Exporter Guide VM8069 as well as our other trade policy reports beforehand. Exporters are encouraged to contact FAS-Hanoi or FAS-Ho Chi Minh City to assist them with conducting market briefings and in setting up initial meetings with potential importers and major retailers.

Successfully introducing your product in this market depends to a large part on having a good local representative and an effective pricing strategy. The local partner should preferably be an importer and distributor who is capable of maneuvering in both traditional and modern retail channels. A food supplier wishing to reach all Vietnamese consumers must work with the modern retailers as well as the open-air wet markets and small shops. While HCMC, Hanoi, Haiphong, Danang, and Cantho have a growing number of modern outlets, much of the country still relies heavily on traditional marketing channels. According to two major importers of branded food items from the USA and European countries, sales to supermarkets are currently about 40 percent of their total sales in term of volume.

U.S. exporters should consider the following before selecting an agent:

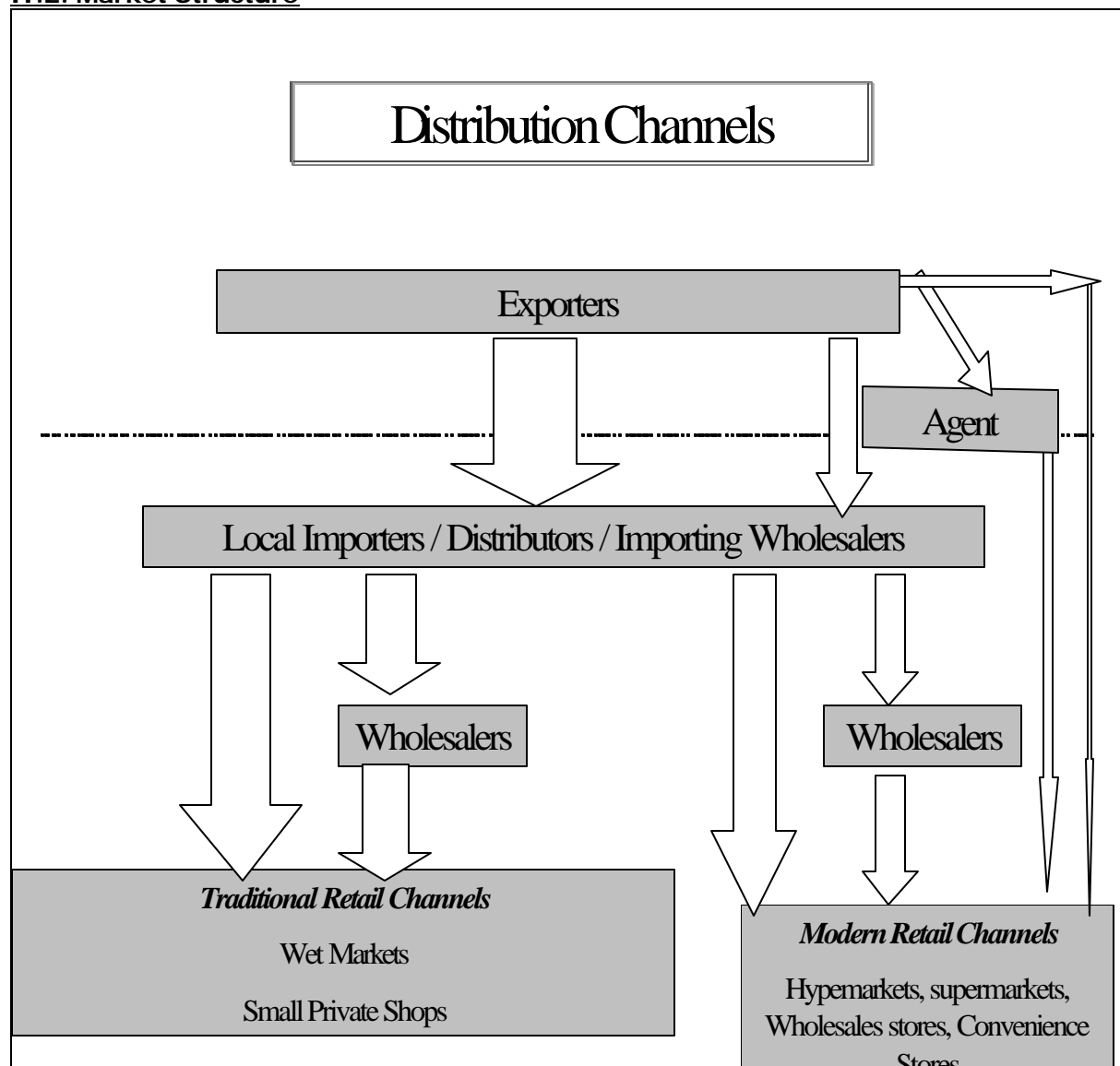
- Must have a good relationship with retailers and an ability to deal with local regulators.
- Must have expertise in setting up distribution networking.
- Those with fewer clients and smaller set-ups may be easier to work with, as they may be more adaptable and committed than those with a large infrastructure.
- U.S. firms should evaluate all distributor prospects, and thoroughly research the more promising ones. Check the potential agent's reputation through local industry/trade associations, potential clients, bankers, and other foreign companies.
- FAS-Vietnam maintains extensive lists of potential importers, which U.S. exporters are welcome to review.

Most importers who are interested in dealing with US food suppliers prefer to:

- \* Purchase consolidated containers of a variety of food items in small quantities so as to avoid extra inventory costs.
- \* Seek exclusive agreements from exporters.
- \* Ask for advertisement and promotion support from exporters.
- \* Ask for payment under some credit terms.

The key to success for exporters is to focus on 'reasonable' entry pricing for their products, which should be specifically targeted at the desired consumer base.

## II.2. Market Structure



### Distribution of imported foods:

Distribution of imported foods follows one of the four basic models as follows:

- 1) **Exporters --> Importers/Distributors --> Big Modern Retailers**
- 2) **Exporters --> Importers/Distributors --> Wholesalers --> Retailers**
- 3) **Exporters --> Local Agent--> Importers/Distributors --> Wholesalers --> --> Retailers**
- 4) **Exporters--> Big Modern Retailers** (Metro, Saigon Coop, Big C, Maximart, Citimart, Fivimart)

Models No.1 and No.2 are the most common practice in Vietnam.

In Vietnam, most food importers are also distributors. They often directly move their imported products to big retailers in urban areas, and let wholesalers and their agents help move their products to the thousands of small retailers in both urban and rural areas. Due to relatively low purchasing power, most modern retailers source their imported foods

through importers/distributors. Only a few big chains like Metro, Big C, Saigon Coopmart, Maximart and Citimart have tried buying directly from foreign suppliers.

Vietnam's limited distribution infrastructure and facilities for perishable products is a significant constraint to importing products. The distribution systems are often equipped with out-of-date technology, and transport products using inadequate or fragmented cold chains and with improper handling.

### **II.3 Trends in Distribution**

The modern retail sector is expanding rapidly, but the traditional sector will continue to dominate the distribution system for some years to come. Utilizing state-of-the-art technology and equipment, and taking advantage of strong financing, large retailers put in place central warehousing and distribution systems in the big cities, and increasingly import directly (particularly perishable products i.e. fresh produce, frozen meat, and vegetable) from foreign suppliers. They will open more outlets not only in the big cities but also in other regions to maximize their capacity and geographic reach.

With firm commitments from the government to liberalize markets, Vietnam is very likely to receive more foreign investments in distribution.

#### **A: Modern retail trade sector: Super Markets/Hypermarkets/Convenience Store Chains**

- The modern retail trade is expected to continue to expand at a very fast pace of over 20 percent per year over the next five years. Large Vietnamese corporations such as SATRA, HAPRO, and PHU THAI are entering into retailing. Several global retailers are exploring opportunities in Vietnam, in addition to those already here.
- Over 20 percent of imported high value food items are sold through modern outlets.
- Most supermarkets, hypermarkets, and wholesale stores buy most of their imported products from importers/distributors or agents.
- A few are importing directly from foreign suppliers, particularly perishable products and specialty products.

**Table 4: List of major Supermarkets/Hypermarkets/Wholesale Stores**

<b>Retailer Name/ Outlet Type</b>	<b>Ownership</b>	<b>No. of Outlets</b>	<b>Estimat ed Sales Turnove r (US\$ mil)</b>	<b>Locations and expansion plan</b>	<b>Imported Food Purchasing Agent</b>
COOPMART/ Supermarket & Convenience Stores	Local company operated under co- operative law	29 supermarkets 67 convenient stores	400	- Mainly in HCMC (16 stores). - Just expanded to Cantho, Long Xuyen, Phan Thiet, Gia Lai, Ben Tre, Daklak - Plan: 3 in HCMC and other cities (Binh Duong, Danang)	- Mainly from importers/distributors and wholesalers. - Small portion of food imported directly
Metro Cash & Carry wholesale stores	100% Foreign Invested Company (Germany)	8	NA	- HCMC, Hanoi, Hai Phong, Cantho, Danang. - Plan: open 4 more stores in	- Mainly from importers and distributors. - Direct imports for fresh and frozen

				HCMC, Hanoi, Dong Nai	products.
BIG C / Hypermarkets and Supermarkets	Local Joint Venture with Casino Group of France	6 Hypermarkets 1 Supermarket	NA, should be over 70	- HCMC, Dong Nai, Hanoi, Haiphong, Danang. - Plan: open 4 more stores.	- Mainly from importers/distributors and wholesalers. - Small portion of food imported directly
Maximart Supermarkets and Department Stores	An Phong Private-Owned Company	4	50	- HCMC, Nha Trang, Cantho - Plan: 2 more in Binh Duong & Nha Trang	- Mainly from importers/distributors and wholesalers.
Citimart Supermarkets and Convenient Stores	Private-Owned Company	13 Supermarkets 4 minimarts	NA, should be over 40	- HCMC, Hanoi, Cantho, Dong Thap, Binh Duong	- Mainly from importers and distributors
Intimex Supermarkets and Department Stores	Joint-Stock Company	12	30	Hanoi, Haiphong, Hai Duong, Nghe An, Danang	- Mainly from importers and distributors
FIVIMART	Private-Owned Company	15	40	- Hanoi, HCMC, Binh Duong	- Mainly from importers and distributors
Binh Dan Supermarkets	Private-Owned Company	2	NA	-HCMC	- Mainly from importers and distributors
SATRA Supermarkets	State-owned Company	2	NA	- HCMC	- Mainly from importers and distributors
Select Supermarts	Private-Owned Company	5 supermarkets 5 minimarts	NA	-HCMC	- Mainly from importers and distributors
SEYU Supermarket	Local Joint-Venture with Seyu of Japan	1	NA	- Hanoi	- Mainly from importers and distributors.
PARKSON Department Store	Local Joint-Venture with Parkson of Malaysia	4	NA	- HCMC, Hai phong - Plan: open a total of 10 stores.	- Mainly from importers and distributors.
VINATEX-MART	State-owned company	20 supermarkets And 12 minimarts	NA, should be over 40	HCMC, Dong Nai and other provinces	- Mainly from importers and distributors.
HAPRO	State-owned company	7 supermarkets and 18 convenient stores	7	Hanoi and northern provinces	- Mainly from importers and distributors
Wellcome Supermaket (Dairy Farm)	Business Cooperation Contract with Citimart	3	NA	- HCMC, Cantho, Kien Giang - Plan: open a total of 6 stores in Vietnam for the first phase.	- Mainly from importers and distributors
Duty-Free Supermarkets	Supermarkets operated in the Moc Bai Duty-Free Economic Zone	4	NA	Tay Ninh	- Directly import from overseas.
Note: The sales turnovers are estimated via interviews with trade sources, and are furnished as information with the understanding that no discrimination is intended and no guarantee of reliability is implied.					

In Vietnam, the modern retail trade concept (supermarkets, hypermarkets, cash and carry wholesale center, minimarts) has grown tremendously in recent years, going from only 2 supermarkets in the early stage (1998) to more than 140 in 2007. Before 1999, open-air wet markets and non-staple food small private shops were the norm, yet in the most recent eight years, Vietnam's urban economy has begun a steady transition away from the traditional trade to modern trade. More than two third of supermarkets and department stores are based in HCMC and Hanoi. Today, Hanoi has more than 33 stores, while HCMC has more than 58 modern stores.

Local chains still dominate the market but foreign-invested retailers are also very quickly in expanding, creating a competitive environment in the modern Vietnamese retail sector. The key domestically-owned supermarket chains are Saigon Coopmart, Intimex, Maximark, Citimart, Fivimart, Vinatex-mart and Hapro-mart. The four foreign-owned chains are Big C (French-invested Casino group), Metro Cash & Carry (German-invested Metro Cash & Carry), Parkson (Malaysian-invested Parkson) and Wellcome (Singaporean-invested company under Dairy Farm Group).

As a result of Vietnam's WTO commitments, retail business sector will be fully opened to foreigner entities by January 2009. Local retailers will face significant challenges to competing with experienced multi-national retail groups. Being well-aware of the challenges, many Vietnamese retail and distribution companies have expanded their retailing and distribution, and have actively worked together to build a more vibrant distribution network.

Since 2005, the Viet Nam Garment and Textile Group (Vinatex) has established a chain of 20 supermarkets and 12 minimarts in almost all big cities in the country. The group hopes to double the numbers by 2010 and it is on track to meet this target.

Since 2006, the Hanoi Trading Corporation (Hapro) has invested big resources in new retail outlets and has upgraded the existing Hapro's convenience store network. By end of 2007, the corporation has got 7 hapromarts in Hanoi, Thai Nguyen, Bac Can, Hai Duong, Thanh Hoa and Ninh Binh and about 18 convenient stores in Hanoi. The corporation's retail business was estimated at VND 100 billion in 2007. The corporation's strategy is to have 5 commercial centers, 5 hypermarkets, 70 supermarkets and about 800 convenience stores in Hanoi and neighboring provinces by 2010.

In May 2007, the establishment of the Viet Nam Distribution Association Network Development Investment Joint Stock Co. (VDA), the joint-effort of 4 leading companies in this field including Saigon Coop, Hanoi Trading Corporation (Hapro), Saigon Trading Corporation (SATRA) and Phu Thai Corporation, was seen as the start of an industry trend geared towards greater cooperation between local retailers and distributors. By utilizing the retail and trading expertise and the financial strength of the 4 leading corporations, VDA focuses on building and developing a chain of trading centers and hypermarkets to establish a commercial infrastructure facilities network, thus creating conditions for the re-organization of the retail, distribution and wholesale networks. VDA hopes to be in better position in competing with foreign giant retailers and to be one of the major players in goods distributing and retail business in Vietnam. However, Post has not seen much activity from the VDA so far, as none of the 4 leading companies seem eager to take the lead in VDA.

In October 2007, Vietnam also established the Vietnam Retail Association (VRA) comprised of most local retailers with its aim to strengthen the development of Vietnamese distribution services through linking of Vietnamese retailers.



Supermarkets in Vietnam carry a wide range of goods, including food, clothing, shoes, and durable products. Most supermarkets devote about 40-60 percent of the physical space to food, and the rest is divided among all the other commodities. The shop-owners are quite willing to rearrange the physical space to boost the floor allocation for whichever goods are doing best that month. Large hypermarket and wholesale stores provide more space for food. More large supermarket and wholesale stores and shops within multi-store shopping malls (e.g. Maximark, Big C, Coopmart, Diamond Plaza, Parkson) have been built in Vietnam. Most of the shops have made some provision for parking -- more for motorcycles than cars. In the Vietnamese supermarket business, it is estimated that approximately 50 percent of total supermarket sales are from food, of which imported food accounts for a small percentage ranging from 15 percent to 25 percent of total food sales.

The largest hypermarket (in terms of checkout lanes and parking spaces) is still the French invested Big-C Hypermarket (opened in 1998) in Dong Nai Province, 45 minutes outside of HCMC. Big-C boasts 37 checkout lanes and carries a wide assortment of foreign and domestically produced foods and consumer goods. Big C currently has two hypermarkets and one supermarket in HCMC, one hypermarket in Dong Nai, one hypermarket in Hanoi (opened in 2004), one in Hai Phong, and one in Da Nang. The Casino Group of France, who owns the Big-C chain, has announced an investment plan to build 4 more stores in Vietnam. They also say they will become completely foreign owned in the coming year and unlike other fully foreign-owned companies until this point in time retain the right to import directly.

Ho Chi Minh City has an estimated population of 8 million people, and is considered the economic and commercial center of Vietnam. The city has the largest concentration of upper and middle class consumers in Vietnam, and thus investors in retail distribution are particularly interested in this city. Hanoi Vietnam's Capital has about 3.2 million people, with a large number of employees of the government, foreign missions, and international organizations that can be targeted with modern distribution chains. Hai Phong City – the commercial port area in the north; Can Tho City, the commercial hub for the Mekong Delta region, and Danang City – the commercial hub for the central region, are also strategic locations for setting modern retail distribution.

With the highest annual GDP growth rate (over 10 percent in the period of 2001-2007) in Vietnam, HCMC has attracted the most foreign and domestic investment for a wide range of projects. Although the national average GDP per capita is just over \$800 per year, in HCMC it is estimated at over \$1,800. In conjunction with strong economic growth, the supermarket sector in HCMC has grown tremendously in recent years. HCMC is now home to 58 supermarkets, 3 wholesale centers, and 2 hypermarkets. Until early 1999, the only Western-style shopping center (multiple stores and a parking lot) in Vietnam was the joint venture (Singaporean investors and the Vietnamese Army) Superbowl Shopping Center. Since 1999, there have been at least 18 new shopping centers launched in HCMC. This retail revolution seems certain to continue as all the domestic and foreign-owned chains plan to develop additional shopping centers in HCMC suburbs and surrounding regional cities. According to trade sources, HCMC supermarkets are averaging 100,000 walk-thru customers a day, which is good, but still a very small percentage of a city population of nearly 8 million.

Four new upscale shopping centers, 3 from Parkson and 1 from Diamond Plaza, opened in HCMC recently. Pakson Shopping Centers in HCMC are with the goal of creating an attractive shopping space for both foreign tourists and local people. Many additional projects (both

large and middle-sized) are due to open in HCMC, Hanoi and the surrounding regions. Saigon Coopmart (a supermarket chain operated under cooperative law), currently owning 16 stores in HCMC and 13 in other provinces, takes about 40% share of supermarket sales in Vietnam. It will open 2 new stores in Ben Tre and Buon Me Thuoc in December 2008. Saigon COOPMART is planning to have a total of 50 supermarkets by 2010.

Metro first entered Vietnam by setting up two large (each roughly 15,000 square meters) wholesale centers in HCMC in 2002. Those stores are operating as a cash and carry operation nominally for wholesale customers. It offers additional services such as delivery. Recently, Metro opened 6 more stores in Hanoi, Can Tho, Haiphong, Danang, and Ho Chi Minh City. These stores have currently attracted more than half a million member customers. Metro has asked the Government of Vietnam's approval to build 4 more stores in Vietnam. Metro has just got new license for opening one more store in Dong Nai. It hopes to open the new outlet in Dong Nai by 2009.

Metro has already had an impact on the grocery sector, but it is important to note that Metro is not directly importing commodities. Given Vietnam's current restrictions on distribution and importing rights and until the laws are changed by 2009, Metro needs to work with many local (and usually small) importers to source most of the imported goods that it needs. For big product volumes, Metro negotiates directly with foreign suppliers in product quantity and prices and assigns local importers to import the goods.

Hanoi's modern retail trade sector has always lagged behind HCMC, but it is now rapidly catching up. From 2002-2007, 10 large supermarkets opened in Hanoi and four opened in Hai Phong. Intimex has been a big player in the modern supermarket trade in the North of Vietnam, with 5 supermarkets in Hanoi and 2 in Hai Phong. Fivimart has also expanded to have 11 stores in Hanoi, and 3 in HCMC. Hapro has developed its retail system including 2 supermarkets in Hanoi, 5 in other northern provinces, and 18 convenience stores. Recently, the Big C chain has opened its first store in Hanoi. The Big C store has 6,500 square meters of space for a wide range of goods and an additional 6,000 square meters for restaurants. Metro has just opened the second center in Hanoi. Parkson has just opened its first department store in Hanoi in early of 2008. As of September 2008, Hanoi has roughly 34 modern stores. Several of the large domestically owned chains from HCMC, especially Saigon COOPMART chain are looking to open outlets in Hanoi in the near future after land and supply chain issues are resolved.

#### **Convenient stores and minimarts:**

Given the busier working environment and congested traffic in urban areas, convenience store and the minimart business should see strong growth in the future.

Saigon Coop is the leading company in this convenient store business, with 67 coop stores in Ho Chi Minh City.

Vissan, the leading meat processing company in Vietnam, has more than 50 convenience stores offering various kinds of meat cuts, fresh vegetables and fruits as well as packaged foods and drinks. Vissan's convenience store business earns about \$25 million a year.

Recently, Trung Nguyen Coffee Corporation has also expanded to this convenience store business by contracting with selected existing "mom and pop" shops to upgrade them to more convenient and modern stores. This company has successfully contracted with over 400 stores nation-wide, mainly in HCMC and Hanoi.

"Shop & Go" minimarts have been in Ho Chi Minh City since early 2007 and have expanded to about 30 stores in Ho Chi Minh City. These air-conditioned stores are quite modern in term

of product display and cleanliness, and offer a good range of imported packaged food and drink products.

Alimentation Couche-Tard Inc. (Circle K) has engaged in the operation of convenience stores with its ambitious plan of setting up a few hundred stores by 2010. The company is still working on its business license.

### **B. Traditional Retail Trade: Wet Market & Private Small Shops**

According to the Ministry of Trade, there are about 8,000 traditional wet markets in Vietnam, and hundreds of thousands of small private shops spread all over the country. Household-owned shops and wet markets are still the most popular destinations for consumers in Vietnam. Most of these outlets offer only the basics with limited selection, lack of refrigeration, fixed prices, no modern technology, and little or no ambience. Floor space normally ranges from 100 to 300 square feet. Outside of HCMC and Hanoi, food distribution heavily relies on these traditional channels. It is estimated that 80 percent of imported foods are distributed through this traditional trade.

## **SECTION III. COMPETITION**

The biggest competitors for US foods in the retail food market are Australia, China, other ASEAN countries and the local food industry. Potential US exporters should understand that Vietnam's diverse agro-industrial base already offers many products at competitive prices. Leading multinationals from other countries have just started establishing food processing operations in Vietnam, and are able to offer a range of western-style products at reasonable prices, though the quality may be inferior to imported products due to the poor quality of the raw material supplies. Most products from China and other ASEAN countries also enjoy lower tariffs than U.S. products do. While many consumers are aware of quality differences and insist on world standards, most will sacrifice quality for affordable prices.

Products from Australia, New Zealand, the European Union (EU) and other Asian countries (China, Thailand) directly compete with like items from the United States. In addition to the freight cost advantages, market sources report that suppliers from these countries are more responsive to importers' demands for smaller shipment sizes, and are more willing to modify product specifications to meet Vietnamese food laws, in contrast to many US suppliers. Australia and New Zealand aggressively promote their products in the Vietnamese market. Recently, countries like Thailand have also organized successful trade promotion series in Vietnam. Market promotions by these countries are mainly through trade missions, trade servicing, in-store promotions, and participation in food shows.

There are no reliable data on imports of consumer food products for retail sale in Vietnam. See table 5 below for trends in Vietnam's imports of consumer ready food products and U.S. market share based on Post estimates.

## **SECTION IV. BEST PRODUCT PROSPECTS**

The below table shows U.S. food products present in the Vietnamese market that have good sales potential and the market share of some selected U.S food products as part of total imports. The 2007 import data by commodities is Post's estimation, as there are no published official statistics on imports of consumer food products for Vietnam.

Table 5: U.S. export share of the Vietnamese market for 2007 (selected agricultural products) in million dollars

Commodities	Import Duty	2007 Vietnam total imports	2007 Vietnam imports from USA	Jan- July 2008	Jan- July 2007	% Growth	U.S. Market share (%) <sup>1/</sup>	Main Competitor Country
				U.S. Exports	U.S. Exports			
Fruit Juice (HS 2009)	32 - 35%	6,154	1,032	1,177	433	172	16.8	Australia
Raisin (HS 080620)	22%	1,870	1,773	245	216	13	94.8	China
Vegetable Preparation (mainly potatoes -HS 2004)	31%	1,000	733	566	392	44	73.3	Belgium
Wine (HS 2204)	62%	7,500	724	486	243	100	9.7	France
Beef (HS 020220-30)	20%	13,200	27,030	56,399	5,956	847	n/a	Australia
Table Grapes (HS 080620)	22%	13,800	5,140	2,310	2,040	13	37.3	China
Poultry meat (HS 020714)	20%	40,000	26,725	57,041	7826	629	66.8	Brazil
Apple (HS 080810)	20%	17,000	5,406	2,406	1,846	30	31.8	China
Seafood (HS 0302-0307)	25-26%	200,000	9,619	6,167	4,053	52	4.8	Norway
Dairy products (HS 0401; 0402 & 0404)	3%-7%	290,000	41,441	46,713	24,523	90	14.3	New Zealand
Condiments	35%	n/a	1,974	1,644	1,255	31	n/a	n/a
Snack Foods	35%	n/a	2,566	1,691	1,137	49	n/a	n/a
TOTAL CONSUMER-ORIENTED FOOD IMPORTS		660,000	210,457	247,696	72,663	241	31.8	
TOTAL CONSUMER ORIENTED & EDIBLE FISHERY IMPORTS		860,000	214,290	249,640	73,862	238	24.8	

Source: U.S. Department of Commerce & Various Trade Sources

<sup>1/</sup> Occasionally, U.S. market share may appear to be above 100 percent. This anomaly may be explained by Vietnam discounting some U.S. imports that they believe will be transhipped to another destination.

### **A. Products Present in the Market which have Good Sales Potential**

Of U.S. products that are already present in the Vietnamese market, dairy products, red meat (beef and pork), poultry meat, fresh fruit, and dried fruits continue to have the best sales prospects. The next most important U.S. sales items in the retail sector are prepared vegetable, canned foods (canned vegetable, mixed cocktail and canned meat) are also common. Some of the best selling processed foods include frozen french fries, snack food (potato chips); biscuit/crackers, popcorn, baby foods, condiments (dressing, sauces) and wine.

### **B. Products Not Present in Substantial Quantities but which have Good Sales Potential**

There are good opportunities for sales of other U.S. high value items. Many of these are not yet in the market in significant quantities. These include pears, cherries, other-than-potato-chip snack foods, other-than-raisin dried fruits and nuts (mainly almond and pistachios), fruit juices, and chocolates.

### **C. Products Not Present because they Face Significant Barriers**

American products that have not sold well in Vietnam include edible offals (pork, beef, and chicken) and bourbon whiskey. For whiskey in general, due to its high import duty and Government disapproval of public advertisement on whiskey, retailers that serve the middle and lower income segment also reported difficulties in selling American whiskey due to its high prices and limited consumer awareness of its quality. Imports of offals, which have great potential demand in Vietnam, have just been facing difficulties in obtaining import permits from Vietnam's Department of Animal Health.

## SECTION V. POST CONTACT AND FURTHER INFORMATION

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>

### **USDA/FAS Offices in Vietnam**

The physical addresses of the FAS Offices are shown below. Contact the FAS Offices for the U.S. and Vietnamese Mailing Addresses:

#### **Foreign Agricultural Service / Agricultural Affairs Office (Ag Hanoi)**

U.S. Embassy – Annex Building  
Rose Garden Building, 3<sup>rd</sup> Floor  
170 Ngoc Khanh, Ba Dinh District, Hanoi, Vietnam  
Tel: 84-4-3850-5000 Fax: 84-4-3831-4573  
Email: [AgHanoi@fas.usda.gov](mailto:AgHanoi@fas.usda.gov)  
Contacts:  
Mr. John Wade – Agricultural Counselor  
Ms. Valerie Ralph – Agricultural Attache  
Ms. Bui Thi Huong - Agricultural Specialist  
Ms. Nguyen Thi Huong – Agricultural Assistant  
Ms. Phan Thi Thu Huong - Administrative Assistant

#### **Foreign Agricultural Service / Agricultural Affairs Office (ATO - HCMC)**

U.S. Consultant General – Annex Building  
Saigon Center Building, 9<sup>th</sup> Floor  
65 Le Loi Street, District 1, Ho Chi Minh City, Vietnam  
Tel: 84-8-3825-0502 Fax: 84-8-3825-0503  
Email: [AtoHoChiMinh@fas.usda.gov](mailto:AtoHoChiMinh@fas.usda.gov)  
Contacts:  
Mr. Michael Riedel, Agricultural Attache  
Mr. Truong Minh Dao - Senior Marketing Specialist  
Mr. Tran Quoc Quan - Agricultural Specialist  
Ms. Nguyen Mai Van - Administrative Assistant & Trade Show Coordinator

#### **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: [adam@amchamhanoi.com](mailto:adam@amchamhanoi.com)  
Website: [www.amchamhanoi.com](http://www.amchamhanoi.com)  
Contact: Mr. Adam Sitkoff, Executive Director

**American Chamber of Commerce (AmCham)  
Ho Chi Minh City Chapter**

76 Le Lai Street, District 1, Ho Chi Minh City, Vietnam  
Tel: 84-8-824-3562; Fax: 84-8-824-3572  
Email: [amcham@hcm.vnn.vn](mailto:amcham@hcm.vnn.vn)  
Website: [www.amcham.org.vn](http://www.amcham.org.vn)  
Contact: Mr. Herb Cochran, Executive Director

**Key Government Contacts**

**Ministry of Trade and Industry (MOTI)**

21 Ngo Quyen Street, Hanoi, Vietnam  
Tel: 844-826 2552 Fax: 844-826-4696  
Website: [www.moti.gov.vn](http://www.moti.gov.vn)  
Contact: Mr. Vu Huy Hoang, Minister  
Mr. Nguyen Cam Tu, Vice Minister (email: [nctu@mot.gov.vn](mailto:nctu@mot.gov.vn))

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

2 Hoang Van Thu, Hanoi, Vietnam  
Tel: 844-8435-5298; Fax: 844-8234453  
Contact: Mr. Vo Hong Phuc, Minister  
Mr. Duong Duc Ung, Director, Foreign Economic Relations Department

**Ministry of Health (MOH)**

Vietnam Food Administration (VFA)  
138A Giang Vo Street, Hanoi, Vietnam  
Tel: 844-846-3839; Fax: 844-846-3739  
Email: [vfa@vfa.gov.vn](mailto:vfa@vfa.gov.vn)  
Web: [www.vfa.gov.vn](http://www.vfa.gov.vn)  
Contact Mr. Tran Dang, Director of VFA

**\* Clearance for Food, Food Ingredients and Additives**

The Food Administration Department is the primary contact for most questions and concerns regarding approved food ingredients, food safety issues (Vietnamese and International Standards), general food-related trade and food registration questions.

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

2 Ngoc Ha Street, Hanoi, Vietnam  
Tel: 844-845-9670; Fax: 844-845-4319  
Website: [www.mard.gov.vn](http://www.mard.gov.vn)  
Contact: Mr. Cao Duc Phat, Minister  
Mr. Le Van Minh, Director, International Cooperation Dept. (Email: [leminhmard@fpt.vn](mailto:leminhmard@fpt.vn))

**\* Department of Plant Protection (MARD).**

149 Ho Duc Di Street, Dong Da, Hanoi  
Tel: (84-4) 851 9451 Fax: (84-4) 533 0043  
Website : <http://www.ppd.gov.vn/indexe.asp>  
Contact Mr. Nguyen Quang Minh, Director  
Mr. Le Mau Toan, Vice Director (email: [lemautoan@fpt.vn](mailto:lemautoan@fpt.vn))  
Mr. Dam Quoc Tru, Vice Director

**\* Crop Protection Department / Phytosanitary Sub- Department Zone II (HCMC)**

28 Mac Dinh Chi, Dist.1, HCMC  
 Tel: 848-829-4568; Fax: 848-829-3266  
 Email1: [nguyenvan\\_nga53@yahoo.com](mailto:nguyenvan_nga53@yahoo.com)  
 Email2: [kdtvv2hcmc@vnn.vn](mailto:kdtvv2hcmc@vnn.vn)  
 Contact Nguyen Van Nga, Director

**\* Department of Animal Health of Viet Nam (MARD)**

No 15, Gate 78, Giai Phong St., Phuong Mai, Dong Da District  
 Hanoi, Vietnam  
 Tel: (84-4)868-7151, (84-4)869-6788 Fax (84-4)869-1311  
 Website: [www.cucthuy.gov.vn](http://www.cucthuy.gov.vn)  
 Email: [quanganh.dah@fpt.vn](mailto:quanganh.dah@fpt.vn)  
 Contact Mr. Bui Quang Anh, Director

**\* Regional Animal Health Office No.6 (HCMC)**

521/1 Hoang Van Thu, Tan Binh District  
 Ho Chi Minh City, Vietnam  
 Tel: (84-8) 8444024 Fax: (84-8) 8444029  
 Email: [rahchcmc@hcm.vnn.vn](mailto:rahchcmc@hcm.vnn.vn)  
 Contact: Mr. Dong Manh Hoa, Director

**\* National Agro Fishery & Fishery Quality Assurance Directorate – NAFIQAD (MARD)**

10 Nguyen Cong Hoan Street, Hanoi, Vietnam  
 Tel: 844- 8354 966/fax: 844 – 8317221  
 Email: [nafiqad@mard.gov.vn](mailto:nafiqad@mard.gov.vn)  
 Contact: Mr Luong Le Phuong, Director

**Vietnam Directorate For Standards and Quality (STAMEQ)**

08 Hoang Quoc Viet, Cau Giay  
 Hanoi, Vietnam  
 Tel: (84-4) 7911606 Fax: (84-4) 7911595  
 E-Mail: [vptdc@tcvn.gov.vn](mailto:vptdc@tcvn.gov.vn)  
 Website: <http://www.tcvn.gov.vn>

**Vietnamese Websites:**

NOTE: Most Vietnamese websites contain both English and Vietnamese documents.

Vietnam Embassy in Washington	<a href="http://www.vietnamembassy-usa.org">http://www.vietnamembassy-usa.org</a>
Ministry of Health	<a href="http://www.moh.gov.vn">www.moh.gov.vn</a>
Directorate for Standards & Quality	<a href="http://www.tcvn.gov.vn">www.tcvn.gov.vn</a>
Vietnamese Customs Agency	<a href="http://www.customs.gov.vn">www.customs.gov.vn</a>
Ministry of Foreign Affairs	<a href="http://www.mofa.gov.vn">www.mofa.gov.vn</a>
Ministry of Finance	<a href="http://www.mof.gov.vn">www.mof.gov.vn</a>
Ministry of Trade and Industry	<a href="http://www.moti.gov.vn">www.moti.gov.vn</a>
Ministry of Ag and Rural Development	<a href="http://www.mard.gov.vn">www.mard.gov.vn</a>
Agricultural Market	<a href="http://www.vitrinet.com.vn/agr">www.vitrinet.com.vn/agr</a>
Legal documents	<a href="http://www.vietlaw.gov.vn">www.vietlaw.gov.vn</a>
Vietnam Trade Promotion Center	<a href="http://www.viettrade.gov.vn">www.viettrade.gov.vn</a>