



Ministry of External Affairs
Government Of India



ECONOMIC
DIPLOMACY
DIVISION



Edible Oil & Oil Seeds market in Vietnam

Report
2021

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HS code	DESCRIPTION OF PRODUCT
12.01	Soya beans, whether or not broken.
12.02	Ground-nuts, not roasted or otherwise cooked, whether or not shelled or broken.
12040000	Linseed, whether or not broken.
12.05	Rape or colza seeds, whether or not broken.
12060000	Sunflower seeds, whether or not broken.
12.07	Other oil seeds and oleaginous fruits, whether or not broken.

HS code	DESCRIPTION OF PRODUCT
15.07	Soya-bean oil and its fractions, whether or not refined, but not chemically modified
15.08	Ground-nut oil and its fractions, whether or not refined, but not chemically modified
15.09	Olive oil and its fractions, whether or not refined, but not chemically modified.
15.10	Other oils and their fractions, obtained solely from olives, whether or not refined, but not chemically modified, including blends of these oils or fractions with oils or fractions of heading 15.09.
15.11	Palm oil and its fractions, whether or not refined, but not chemically modified.
15.12	Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified.
15.13	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified.
15.14	Rape, colza or mustard oil and fractions thereof, whether or not refined, but not chemically modified
15.15	Other fixed vegetable fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified
15.16	Animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinized, whether or not refined, but not further prepared
15.18	Animal or vegetable fats and oils and their fractions, boiled, oxidized, dehydrated, sulphurized, blown, polymerized by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 15.16; inedible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, not elsewhere specified or included.



Overview on Vegetable oil & Oil seeds Market in Vietnam

1

The demand for vegetable oil of Vietnamese people in the past decade reached the highest level among countries in Asia.

2

According to the estimate of Ministry of Industry and Trade, by 2020, Vietnam's cooking oil demand reached 16.2kg/person/year..

3

Currently, domestic production in Vietnam has only met 30% of demand, thus, the market has to import materials, especially, palm oil to produce.

4

Vietnam remains the strong demand for oil seeds for 2 basic needs: food and oil consumption. However, the scale of oil seed production continues to fall below the domestic demand.

5

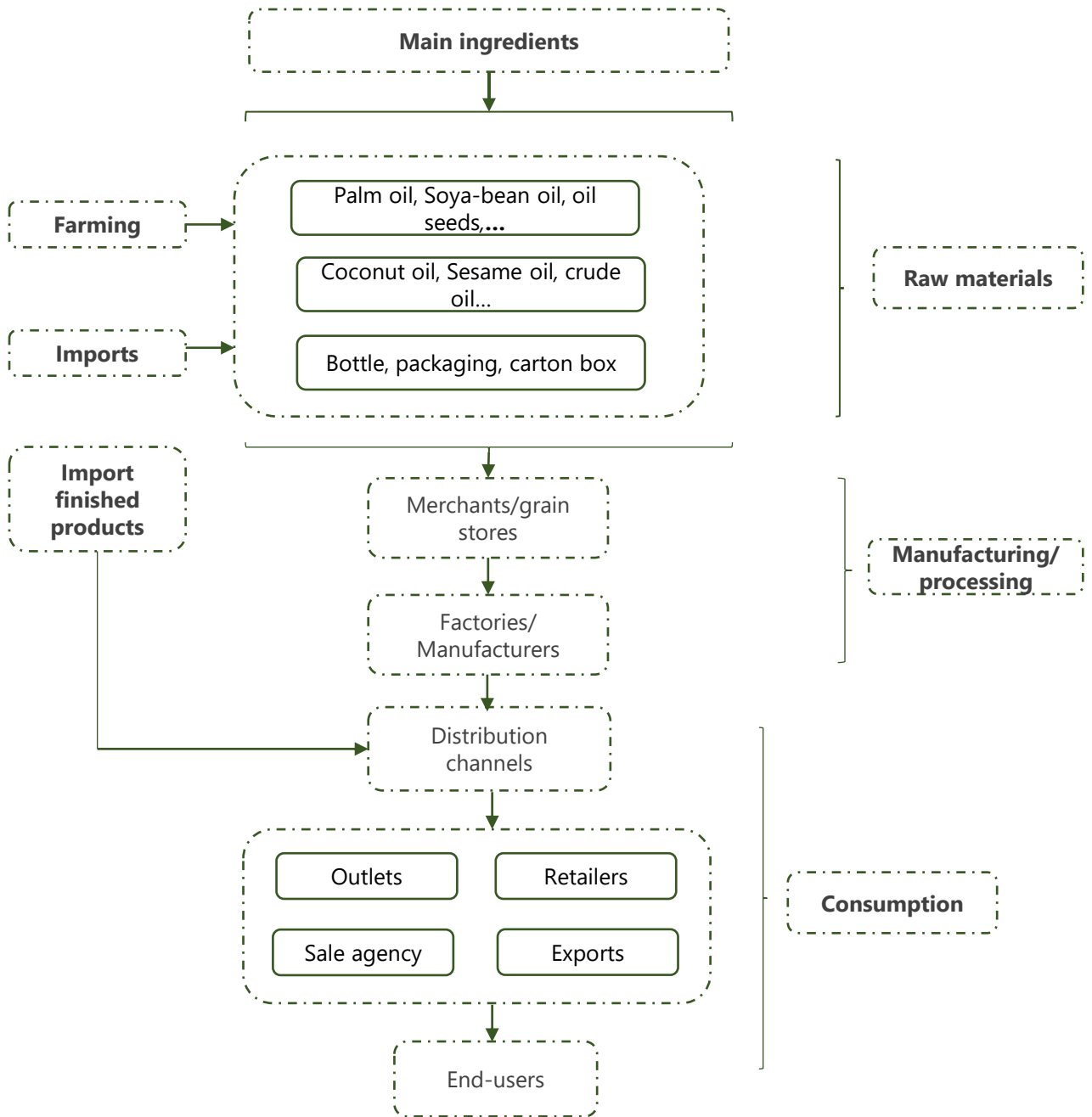
The growth rate of this industry was set to move from 6% in 2019 to 9% in 2020, with consumers cooking at home more often during the pandemic, increasing general consumption.

6

Vietnamese people are now more conscious about what they eat. It is true that vegetable oil which mainly exacted from oil seeds is always far better than animal fat and it is majority driven by the health benefits.

7

This report includes the financial indicators of potential companies because it displays the company's financial health, which gives more information for investors or stakeholders making decisions



Note: Oil seeds in the above supply chain are considered as a part of the raw/input material for processing.

- **Vietnam's vegetable oil market is facing high-competition, especially at the distribution stage, with more than 45,000 big and small distributors across the country, which will create big barriers for new entries, especially for foreign enterprises.**

7 1.2 Current situation of Vegetable Oil Supply in Vietnam

1.2.1 Domestic supply of Vegetable Oil & Oil seeds

Vietnam's soya beans production, 2017 – 2021e

	2017	2018	2019	2020	2021e
Crop area (thousand ha)	68.4	53.3	49.5	47	47
Crop yield (MT/ha)	1.49	1.52	1.53	1.53	1.53
Total production (TMT)	101.7	80.8	75.9	72	72

TMT: Thousand metric tons

Sources: VIRAC, GSO, MARD_2021

Vietnam's peanut production, 2017 – 2021e

	2017	2018	2019	2020	2021e
Crop area (thousand ha)	195.6	185.7	176.8	175	180
Crop yield (MT/ha)	2.35	2.47	2.48	2.48	2.48
Total production (TMT)	459.6	458.7	438.8	434	447

TMT: Thousand metric tons

Sources: VIRAC, GSO, MARD_2021

Classification of vegetable oil production volume in Vietnam, 2013 – 6M/2021

Unit: tons

	2013	2014	2015	2016	2017	2018e	2019	2020	6M/2021
Soya-bean oil	1,040,909	1,515,208	1,637,076	1,632,285	1,782,505	1,859,153	2,101,809	2,172,015	1,185,404.8
Ground-nut oil	1,422	1,850	50,120	9,110	5,624	-	-	-	-
Olive oil	-	-	846	1,044	-	-	-	-	-
Sunflower oil	-	-	-	-	-	-	-	-	-
Cotton seed oil	28,301	31,131	173	355	-	-	-	-	-
Canola seed oil	592	392	430	1,075	25	-	-	-	-
Palm oil	241,951	191,049	215,924	188,731	48	-	221,815.6	189,786.8	100,932.2
Coconut oil	5,985	4,601	8,690	7,589	4,033	-	-	687	1,069.3
Other vegetable fats or oil	347,778	402,619	262,788	475,695	622,970	659,631.3	133,617.7	139,718.8	74,044.50

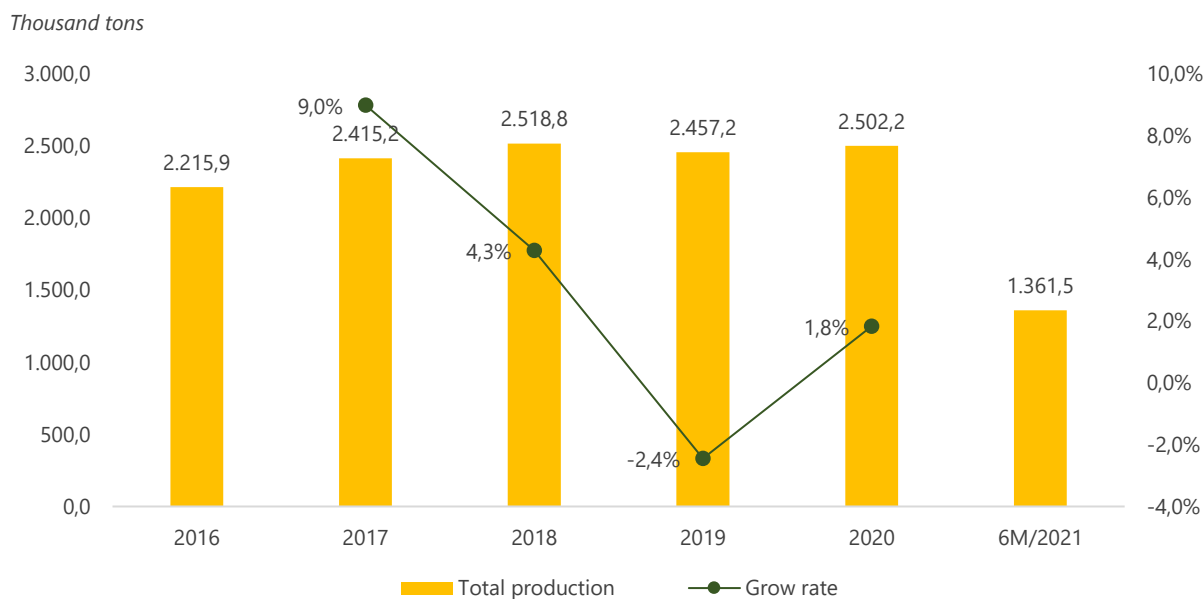
Note: "The table of classification of vegetable oil production in Vietnam by volume includes crude oils and refined oils"

Sources: VIRAC, GSO_2021

1.2 Current situation of Vegetable Oil Supply in Vietnam

1.2.1 Domestic supply of Vegetable Oil

Total vegetable oil production by volume in Vietnam, 2016 - 6M/2021



Note: "The table of classification of vegetable oil production in Vietnam by volume includes crude oils and refined oils"

- Living standards have been improved greatly, consumer awareness of vegetable oil is increasing along with high urbanization and the development of technology in producing healthy vegetable oil causes the higher demand for edible vegetable oil products over the years.
- **The demand for vegetable oil of Vietnamese people in the period 2011 – 2020 reached the highest level among countries in Asia. According to the proportion of vegetable oil production in 2020, soya-bean oils took 87.07%, palm oil 7.41% coconut oil 0.08%, and the rest was other vegetable fats or oils with 5.44%. Moreover, as of June, 2021, total production of vegetable oil already reached the average production output over the years.**
- Vegetable oils that popular with Vietnamese consumers include: palm oils (the main ingredients in vegetable oils), soya-bean oils, olive oils, sesame oils, peanut oils, sunflower oils and canola seed oils. However, **domestic enterprises in Vietnam can only produce soya-bean oils, peanut oils, sesame oils,...which only accounts for 30% of the market demand and the rest is belonged to palm oils with 70%, thus, Vietnam must import up to 90% because of the supply shortages. Moreover, Ministry of Industry and Trade announced that currently, there are only 40 enterprises involved in the production of vegetable oil in Vietnam.**

Vietnam Vegetable Oils Industry Corporation (Vocarimex) is the leading vegetable oil in Vietnam and the corporation was established in 1976, tookover 4 manufacturing plants of Southern Vegetable oil. Currently, the Corporation has developed a product line of over 50 oil, hundreds of cosmetic products - cosmetics and tens of packaging products serving the food, beverage. The production capacity of Vocarimex and the whole system currently accounts for more than 81% of the total domestic production of refined oil, meeting over 85% of the domestic vegetable oil market share. Moreover, 90% of Vocarimex's input materials are imported (mainly palm oil, soybean oil)



VEGETABLE OIL BRANDS



OTHER PRODUCTS RELATED TO VEGETABLE OIL

Oil cake

Stearin

Saturated fatty acids

Shortening

PROVID MATERIALS

Medicines

Milk

Instant noodles

Confectionery,...

Contact: Vietnam Vegetable Oils Industry Corporation

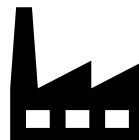
Location: Floor 9 Express Tower, 138 – 142 Hai Ba Trung, Da Kao Ward, 1st District, HCM city

Tel: (+84) 28 3823 7981

Fax: (+84) 28 3823 7983

Email: Vocar@vocarimex.com.vn

Website: <https://www.vocarimex.com.vn>



05 factories: total **130,000** tons/year of edible oil and **120,000** finished oil products; **4,000** tons/year of sesame oil.

Note: the financial report of Vocarimex will be presented in Part III as a potential enterprise.

Sources: VIRAC, Vocarimex_2021

1.2 Current situation of Vegetable Oil Supply in Vietnam

1.2.1 Domestic supply of Vegetable Oil – Major processing refined oil enterprises

CALOFIC CORPORATION is a joint venture between the Vietnam Vegetable oils Industry Corporation (Vocarimex) under Ministry of Industry and Trade in Vietnam, and Wilmar International (Singapore). The venture began in 1996, with an investment that started at USD 22 million and has since increased to USD 261 million and **took 47.7% market share in 2019**. (Vietnamese name: Dầu thực vật Cái Lân – Công ty TNHH Dầu thực vật Cái Lân – CALOFIC). **CALOFIC is also an importer of crude oil for production. However, CALOFIC is currently the leading enterprise in using domestic raw materials to produce and process vegetable oils in Vietnam.**



Consumer products

NEPTUNE

SIMPLY

MEIZAN

CAILAN-ORCHID

KIDDY

OLIVOILA

Industry products

PALM OIL

OTHER OIL SEEDS

SPECIAL FATS

Export products

NEPTUNE

SIMPLY

ACHIEVEMENTS



Third Class Labor Medal

Vietnam High Quality Goods in 21 consecutive years



Golden Dragon 12 times (2005 – 2019)

Contact: Quang Ninh Headquarters

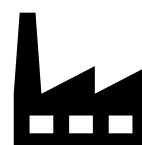
Location: Cai Lan IZ, Ha Long City, Quang Ninh commune, Vietnam

Tel: (+84 203) 3 846 993

Fax: (+84 203) 3 845 971

Email : info-calofic@vn.wilmar-intl.com

Website: <https://www.calofic.com.vn/>



02 factories

2,300 tons/day-night

24 years of establishment

1,000 employees



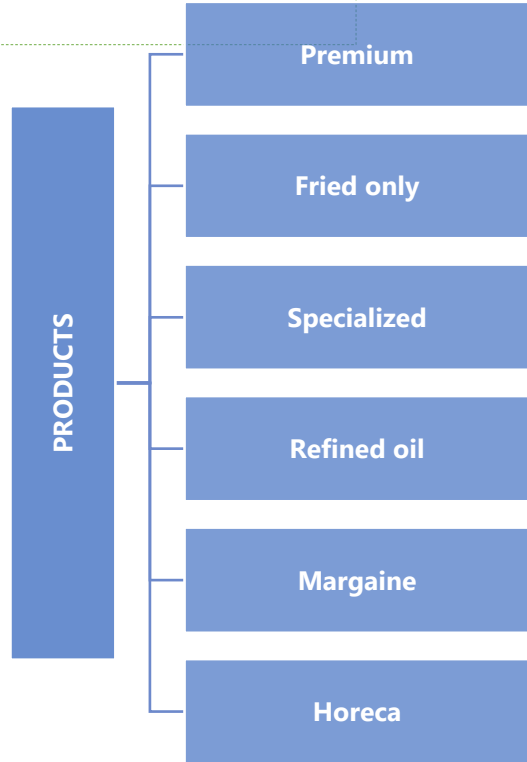
Note: the financial report of CALOFIC will be presented in Part III as a potential enterprise.

Sources: VIRAC, Calofic_2021

Tuong An Vegetable Oil Joint Stock Company was established in 1977. (Vietnamese name: Dầu thực vật Tường An – Công ty CP Dầu thực vật Tường An.) **Over 40 years of experience, Tuong An has been improving all the requirements of the Vietnamese culinary art system in terms of the standards of delicious dishes and the company took around 20% of market share,** In 2016, KIDO Group closed the deal to purchase 65% stake in Tuong An, which equal to 12.34 million shares. **Tuong An divided into 2 categories about ingredients: 100% imported materials: Palm Olein oil, Palm Stearine, soybean oil (crude oil), and the ingredients used in the country such as sesame oil, peanut oil, coconut oil.**



ACHIEVEMENTS



Contact: Tuong An Vegetable Oil Joint Stock Company

Location: Floor 10th, Tòa nhà Empress Tower Building, No 138-142 Hai Ba Trung street, Da Kao Ward, 1st district, HCM City

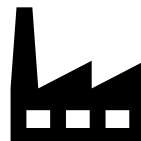
Tel: 1800 1575; 028 3827 7805

Fax: 028 3827 7832

Email : dichvukhachhang@tuongan.com.vn

Website: <https://www.tuongan.com.vn/>

Note: the financial report of Tuong An will be presented in Part III as a potential enterprise.



02 factories:

- **Tuong An Phu My Factory:** 810 tons/day
- **Vinh Factory:** 40,000 tons/year

In 2021, Tuong An has planned to invest in the infrastructure of Phu My factory to increase the capacity of the refined oil and **expand construction area of Vinh Factory from 8,800 m² to 17,000 m² increase capacity from 40,000 tons/years – 150,000 tons/ years**

Sources: VIRAC, TuongAn_2021

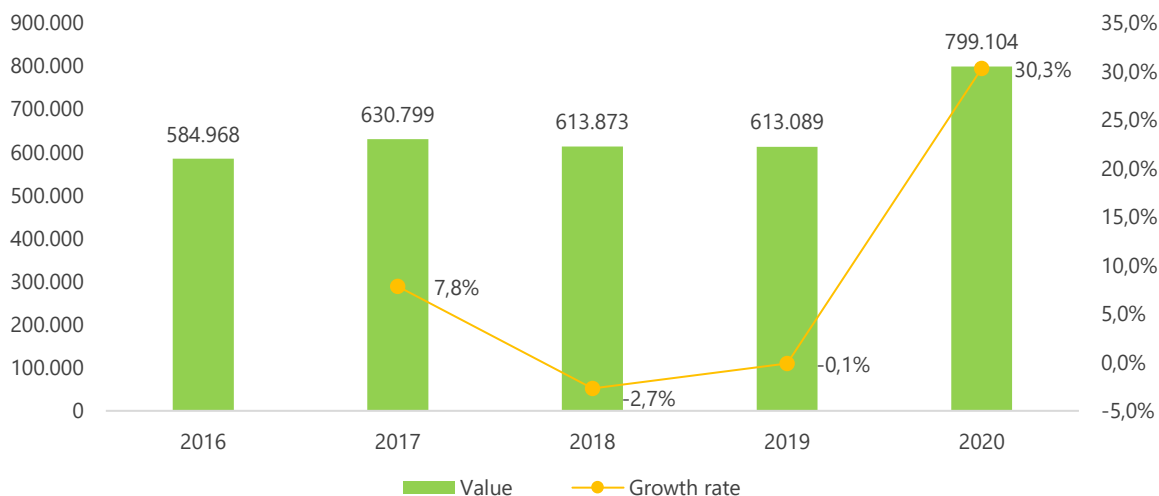
12 1.2 Current situation of Vegetable Oil Supply in Vietnam

1.2.2 Vegetable Oil & Oil seeds import of Vietnam

Vegetable Oil import of Vietnam

Vietnam vegetable oil import turnover, 2016 - 2020

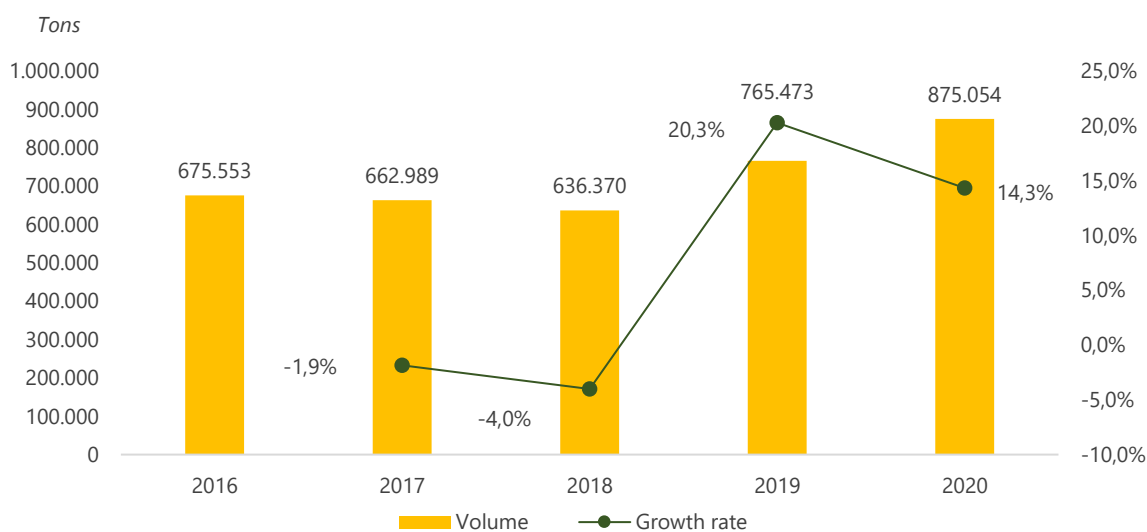
Thousand USD



Sources: VIRAC, Trademap_2021

- **Oil is considered as one of the essential ingredients for cooking dishes. In 2020, Vietnam vegetable oil imports reached the highest value within 5 years. According to Worldometers, the current population of Vietnam is over 98.6 million as of 13th December, 2021. Vietnamese market demand for cooking oil is currently up to 1.5 million tons per year. However, domestic production only meets about 40%, so, raw materials must be imported a lot from other countries.**

Vietnam vegetable oil import by volume, 2016 - 2020

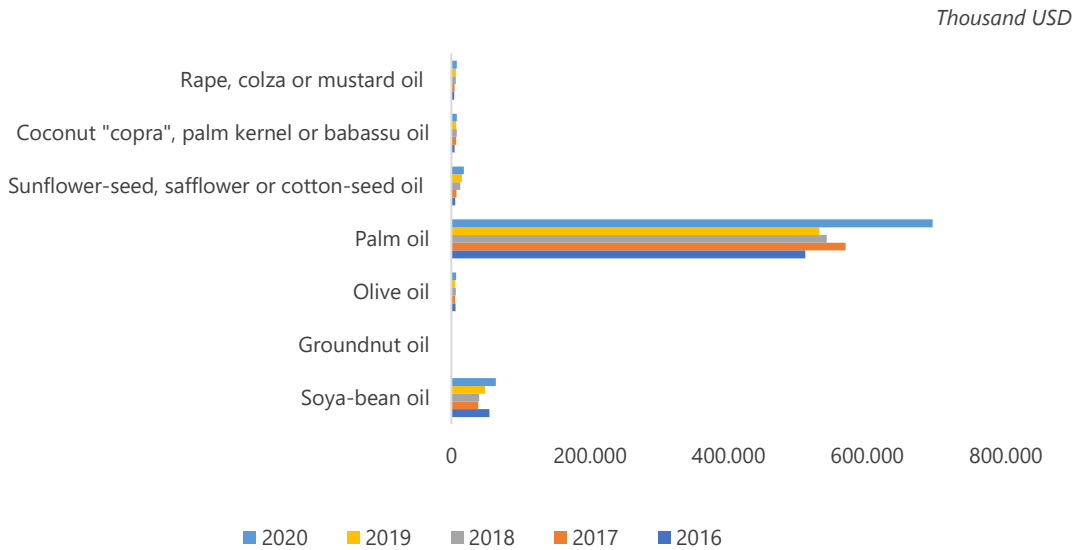


Sources: VIRAC, Trademap_2021

- **The outbreak most likely started in 2019, which has posed unprecedented challenges to the development of economy, the shortages of raw materials which impacts directly to the capacity to produce. Moreover, consumers pay more attention to things that are healthy and original, that's how the import of vegetable oil climb up year by year.**

Vegetable Oil import of Vietnam

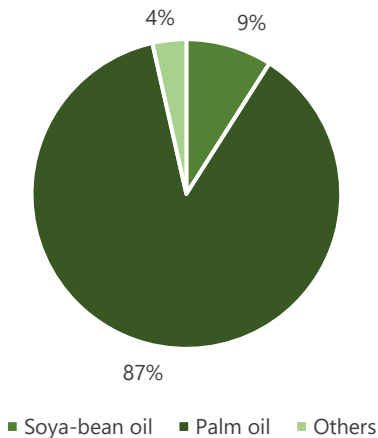
Vietnam vegetable oil import value by category, 2016 - 2020



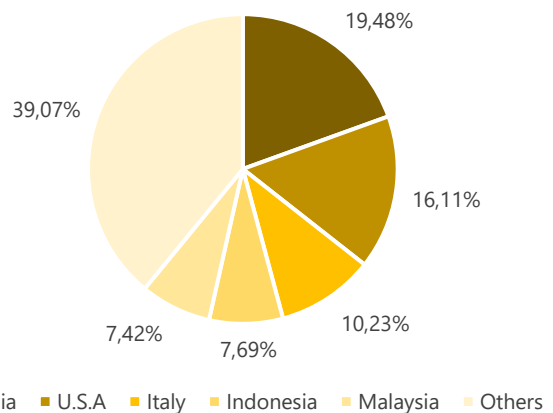
Sources: VIRAC, Trademap_2021

- In 2020, Vietnam vegetable oil import value was over 799 million USD, rose 30.3% to the previous year and 36.6% compare to 2016. **Palm oil was the product which achieved the highest import value in 2020 with 694 million USD, which took approximately 86.9% in total value.**
- The quantity of importing vegetable oil has climbed up yearly from nearly 676 thousand tons (2016) to over 875 thousand tons (2020), increased by 29.5% within 5 years. **Palm oil took a large portion of the import volume of vegetable oil. Vietnam had started to import ground-nut since 2019 with 275 tons in 2019 and 371 tons 2020.** After live insects had been found, Ministry of Agri and Vietnam Government announced to lift import restrictions on 5 products which included ground-nut.

Proportion of Vietnam vegetable oil import by volume, 2020

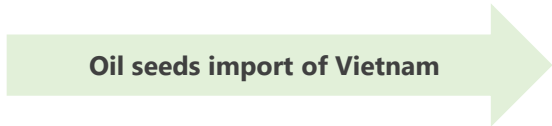


Top import vegetable oil countries of Vietnam, 2020

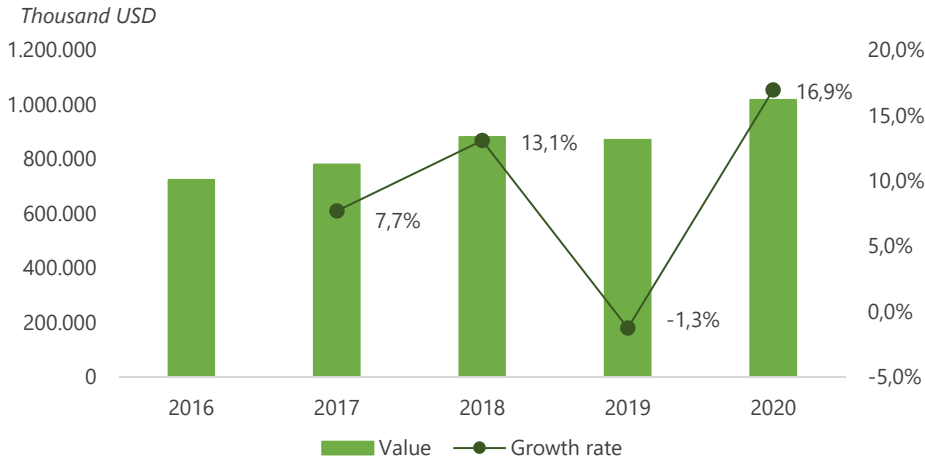


Sources: VIRAC, Trademap_2021

1.2.2 Vegetable Oil & Oil seeds import of Vietnam

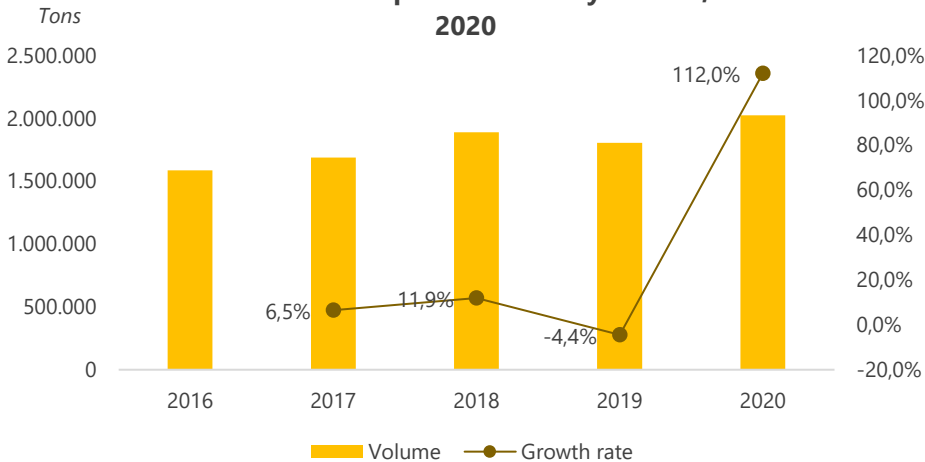


Vietnam oil seeds import turnover by value, 2016 - 2020



Sources: VIRAC, GDC, Trademap_2021

Vietnam oil seeds import turnover by volume, 2016 - 2020



Sources: VIRAC, GDC, Trademap_2021

Vietnam soybean oil seed domestic consumption, 2016 - 2021

2016	1,710	10.68%
2017	2,099	22.75%
2018	1,761	-16.10%
2019	1,897	7.72%
2020	1,905	0.42%
2021	2,060	8.14%

Sources: VIRAC, indexmund_2021

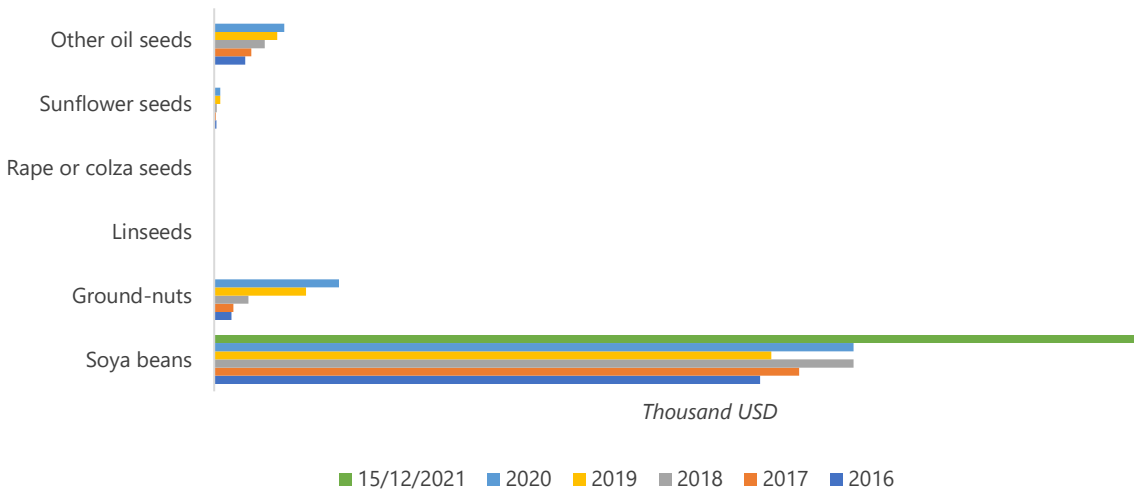
- Vietnam oil seeds import turnover by value and volumes increased sharply in 2020 because of some reasons:** (1) the outbreak of pandemic; (2) the decrease of cultivated areas; (3) Vietnamese farmers tend to shift to more profitable crops such as fruits and vegetables. That's part of reasons why domestic production was not enough to meet the demand especially oil seeds are considered as the important ingredients for food, animal feeds, livestock, and aquaculture feed sectors.
- Vietnam remains the strong demand for oil seeds for 2 basic needs: food and oil consumption. However, the scale of oil seed production continues to fall below the domestic demand.** For example, Vietnam soya beans production is expected to reach 72 TMT, however the domestic consumption need 2,060 TMT, which mean the domestic production only meet around 3%. **Soya beans consumption continues to grow 5-6%/year. Imported rate around 70-90% of this products.** Soya beans oil seeds products including: tofu, soymilk, drink or for large soymilk producers: Vinasoy, VinaMilk, NutiFood.

15 1.2 Current situation of Vegetable Oil Supply in Vietnam

1.2.2 Vegetable Oil & Oil seeds import of Vietnam

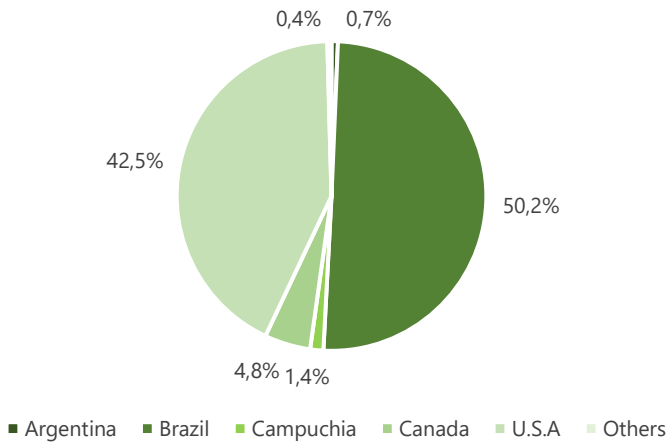
Oil seeds import of Vietnam

Vietnam oil seeds import turnover by category, 2016 - 15/12/2021



Sources: VIRAC, GDC, Trademap_2021

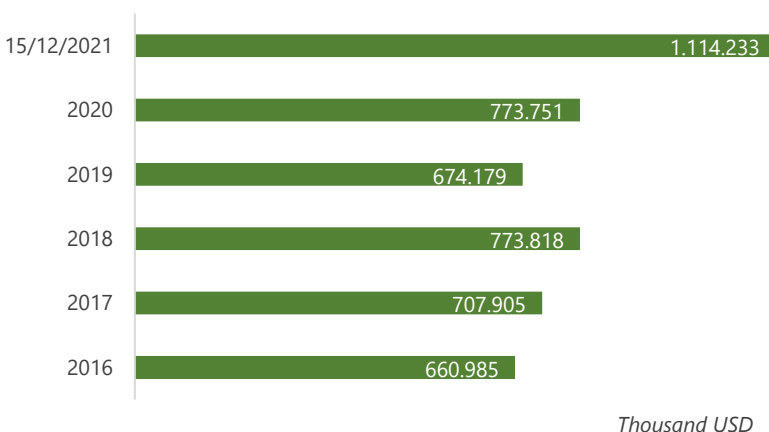
Proportion of oil seeds import turnover by country, 11/2021



Sources: VIRAC, GDC_2021

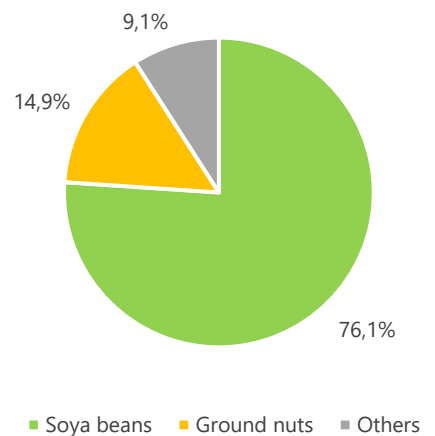
- **Over 94% of soybeans imported to Vietnam come from the USA and Brazil.** According to preliminary statistics of GDC, **soybean imports in November 2021 decreased in both volume, value, and price compared to October 2021**, with a corresponding decrease of 27.9%, 30.5. % and 3.6%, reaching 115,947 tons, equivalent to 71.49 million USD, **average price 616.5 USD/ton**; Compared to November 2020, it decreased by 10.2% in volume, but increased by 21% in turnover and increased by 34.9% in price.

Vietnam soya beans import turnover by value, 2016 - 15th Dec, 2021



Sources: VIRAC, GDC_2021

Proportion of oil seeds import turnover by value, 2020



Sources: VIRAC, GDC_2021

16 1.2 Current situation of Vegetable Oil Supply in Vietnam**1.2.2 Vegetable Oil imports of Vietnam****Top largest vegetable oil import enterprises, 2020**

	Address	Website/Email /Phone No.	Proportion of output (%)	Proportion of value(%)
Vietnam Dairy Products Joint Stock Company (VINAMILK)	10 Tan Trao – Tan Phu Ward - District 7 – HCM City	https://www.vinamilk.com.vn/en	0.24%	13.03%
Marico South East Asia Corporation	No. 3, Street 5 th , Song Than 1 industrial zone, Di An Ward, Di An City, Binh Duong	https://marico.com/vn	0.37%	11.17%
Tuong An Vegetable oil joint stock company	Floor 10 th , Empress Tower, Number 132 – 142 Hai Ba Trung Street, Da Kao Ward, Distric 1, HCM City	https://www.tuongangan.com.vn/	0.00016%	9.44%
Asia chemical Corporation	Vinamilk Tower, Floor 10-11 th , Tan Trao, Tan Phu Ward, District 7, HCM City	https://www.asiagroup-vn.com/asia-chemical-corporation.htm	0.24%	6.99%
T.M.A Co., LTD	94 Duong Quang Dong, 5 Ward, District 8, HCM City	0838501676	0.00037%	6.73%
Calofic Corporation – Hiep Phuoc Branch	Lot C21 Hiep Phuoc Industrial Park, Hiep Phuoc, Nha Be distric, HCM City	https://www.calofic.com.vn/	0.00015%	6.00%
Greenlife Services trading manufacturing company limited	No.8, Road 33, An Phu Ward, Thu Duc City, HCM City	(+84)835039035	0.13%	4.14%
Kim Lam Company Limited	393B Lac Long Quan Street, Nghia Do Ward, Cau Giay, Ha Noi	(+84)436461199	0.000068%	2.98%
Puratos Grand-place Vietnam Limited	No.51 VSIP, Road 8, Vietnam-Singapore Industrial Zone, An Phu Ward, Thuan An City, Binh Duong	http://www.puratosgrandplace.com/vi-VN/Default.aspx	0.11%	2.35%
Vina Cosmo Co., LTD	Lot AN 59, Road 15, Tan Thuan Manufacturer, Tan Thuan Dong Ward, District 7, HCM City	08 377 002222	0.08%	2.30%

Sources: VIRAC_2021

17 1.2 Current situation of Vegetable Oil Supply in Vietnam

1.2.2 Vegetable Oil imports of Vietnam

Top vegetable oil import partner enterprises of Vietnam, 2020

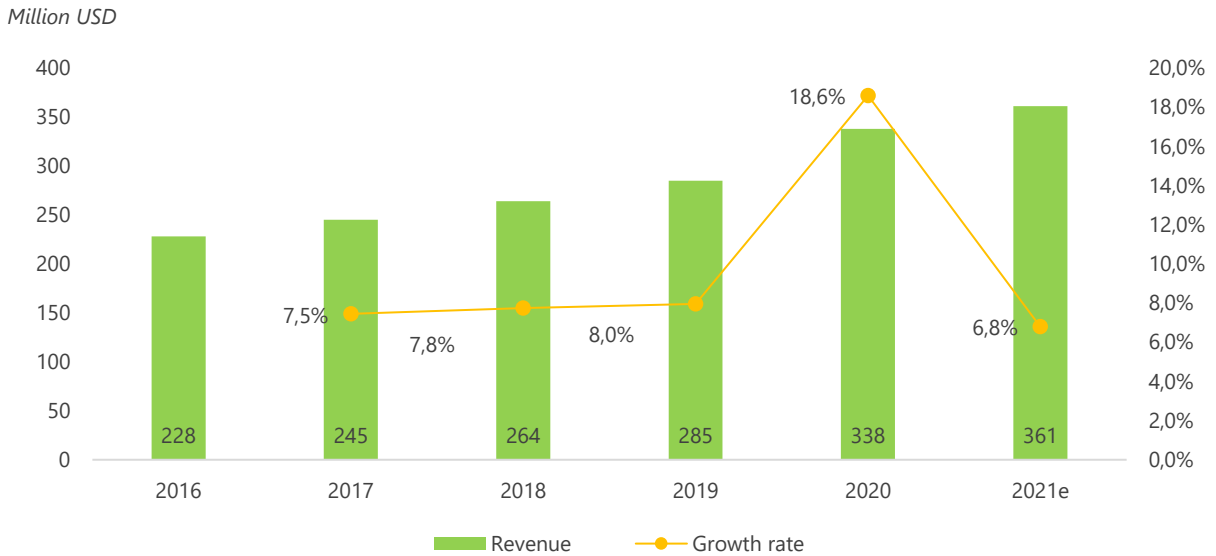
	Proportion of output (%)	Proportion of value(%)
SPECIALTY INGREDIENT MANAGEMENT INC	0.23%	12.65%
MARICO LIMITED	0.37%	11.13%
B.N. EXPORTS PVT.LTD	0.00014%	5.79%
KERRY OILS & GRAINS (QINGDAO) LTD	0.000091%	5.05%
AAK USA RICHMOND CORP	0.15%	4.49%
BAKELS EDIBLE OILS (NZ) LTD	0.13%	4.14%
CARGILL PALM PRODUCTS SDN BHD	0.00019%	3.66%
PT .ASIANAGRO AGUNGJAYA	0.00019%	3.32%
THL FOOD & INGREDIENTS PTE LTD	0.000025%	3.00%
FRP SERVICES (ASIA) PTE LTD	0.000068%	2.98%

Sources: VIRAC_2021

18 1.3 Current situation of Vegetable Oil Demand in Vietnam

1.3.1 Vegetable Oil consumption

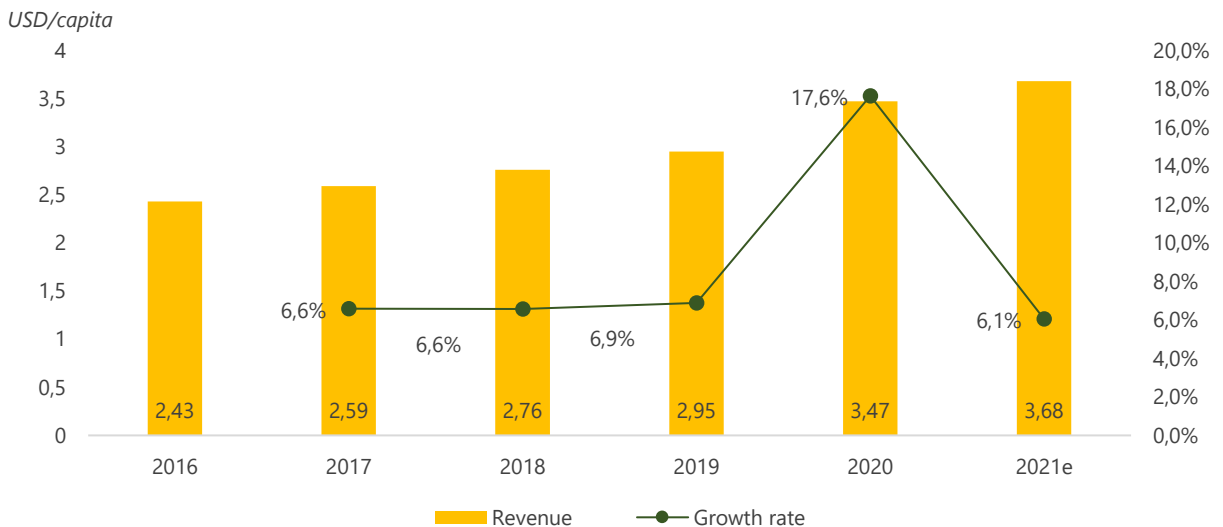
Vietnam refined vegetable oil revenue, 2016 - 2021e



Sources: VIRAC, Statista_2021

- **The revenue of refined vegetable oil industry had been increasing yearly, especially, in 2020 partly because of the coronavirus outbreak, people. People in Vietnam are continuing to cook more often for safety reasons and save money.** The strong demand for foods and storage, along with the associated lockdowns, which cause not only the revenue of food sector, but the edible vegetable oil revenue have been also rising.
- **According to Statista, each Vietnamese could spend around 3.68 USD for vegetable oil in 2021. Fast-food sector has been becoming a familiar choice for many people. A survey of 600 people shows that, 45% of people love the taste of fastfood and they often go to KFC, 17% Lotteria, 6% for McDonal and Pizza Hut - the industry involves directly to the use of oil.**

Average revenue per capita in Vietnam, 2016 - 2021e



Sources: VIRAC, Statista_2021

Consumption of vegetable oil in Vietnam by category, 2013 – 2021e

Unit: tons

	2013	2014	2015	2016	2017	2018e	2019e	2020e	2021e
Soya-bean oil	1,030,514	1,486,949	1,637,023	1,632,285	1,768,515	1,803,270	1,824,784	1,876,089	1,968,768
Ground-nut oil	1,425	1,507	50,033	9,110	5,624	5,806	6,018	6,433	6,241
Olive oil	-	-	673	1,044	-	-	-	-	-
Sunflower oil	-	-	0	0	-	-	-	-	-
Cotton seed oil	28,301	31,131	201	355	0	-	-	-	-
Canola seed oil	592	395	425	1,075	21	-	-	-	-
Palm oil	239,762	191,391	216,315	188,731	48	-	-	-	-
Coconut oil	5,562	4,657	7,654	7,589	3,953	3,891	4,433	4,671	4,637
Other vegetable fats or oil	335,316	417,216	259,004	475,695	565,864	-	-	-	-

Sources: VIRAC, Synthesis_2021

- The table gives information about the consumption of 7 different vegetable oils from 2013 to 2021 in Vietnam. Overall, soya-bean oil, ground-nut oil, coconut oil are three types of vegetable oils had been chosen by consumers over years, especially soya-bean oil.
- Between 2013 and 2020, the consumption of soya-bean oil went up by around 82%. By 2021, the soya-bean is expected to grow and reach 1.9 million tons.
- Vegetable oil is often the first used ingredient, which making fried dishes become delicious, eye-catching, and the stew dishes more rich and delicious. Soya-bean oil is the most popular choice among vegetable oils. A scientific research shows that soya-bean oil is linked directly to cardiovascular problem/disease when people have less and less opportunities to do exercise. Therefore, soya-bean oil has been become the first choice by matching 2 criteria. However, soya-bean is good for health and heart may not be enough, but also for skin, eyes and anti-oxidant.

Vietnam Oil seeds domestic consumption by category, 2016 – 2021e

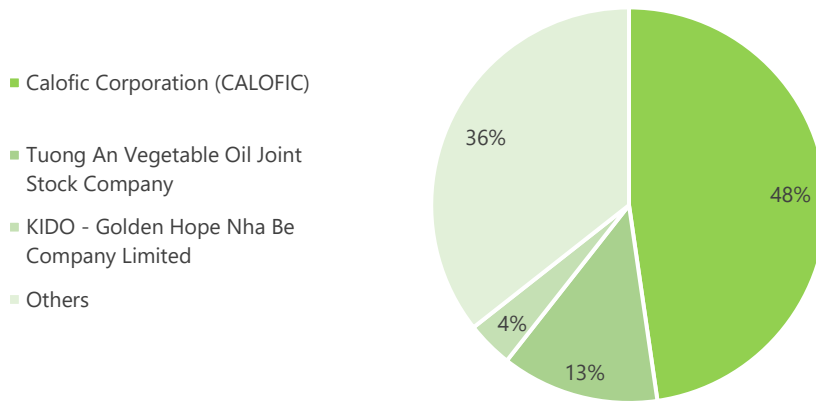
Unit: TMT

	2016	2027	2018	2019	2020	2021
Copra Oil seeds	278	275	285	284	282	276
Peanut Oil seeds	722	554	648	576	590	660
Rapeseed Oil seeds	23	12	3	2	3	3

Sources: VIRAC, indexmund_2021

1.3.1 Vegetable Oil consumption

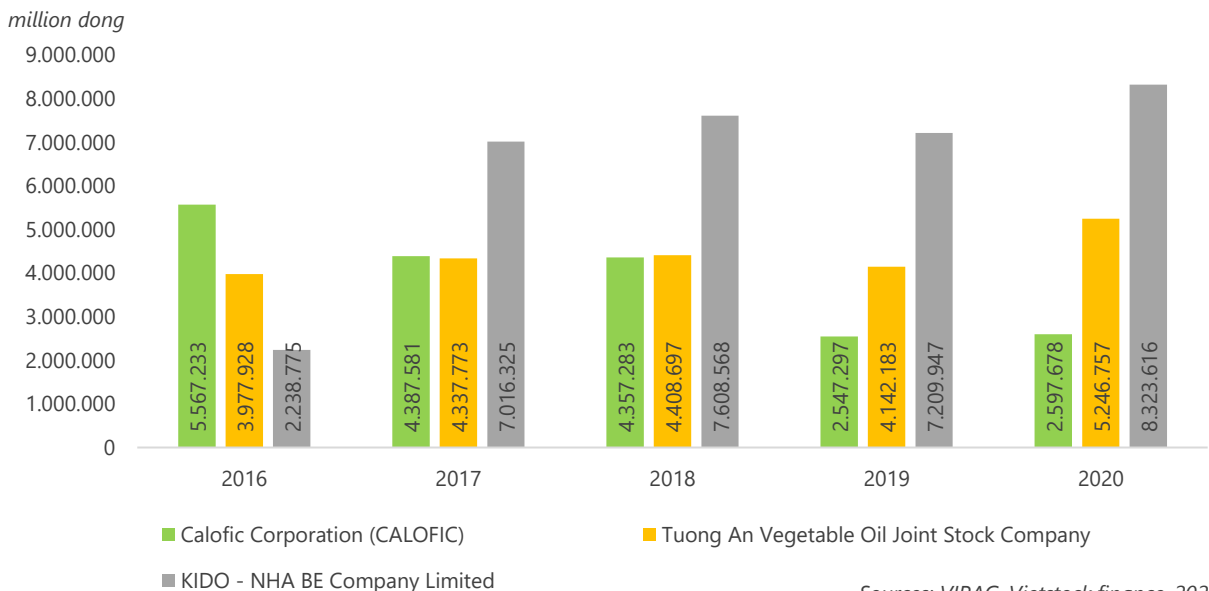
Market share of vegetable oil by enterprise, 2020



Sources: VIRAC, 2021

- **There are 3 leading companies in the vegetable oil industry: Calofic Corporation, Tuong An Vegetable oil Joint Stock Company and KIDO – NHA BE Company limited.** Calofic took the biggest market share with well-known vegetable oil brands such as: Neptune 1:1:1, Simply, Meizan,...
- **The belowed bar chart illustrates the net revenue of top 3 companies in the edible oil segment. It can be seen that, KIDO-NHA BE is the company, which achieved the highest net revenue from 2017 to 2020.** Currently, KIDO Group has enclosed and become an ownership of Tuong An with 61.9% share, Vocarimex with 51%. Moreover, Calofic is a joint venture between Vietnam Vegetable oils Industry Corporation (VOCARIMEX), under the Ministry of Industry & Trade and Wilmar Group in Singapore. Calofic ia also ranked as the brand with the fastest growth rate in the ranking of manufacturers of fast-moving consumer goods (FMCG) in different provinces and cities (excluding 4 major cities: Hanoi, HCM City, Hai Phong, Da Nang)

Net revenue of vegetable oil leading companies, 2016 - 2020

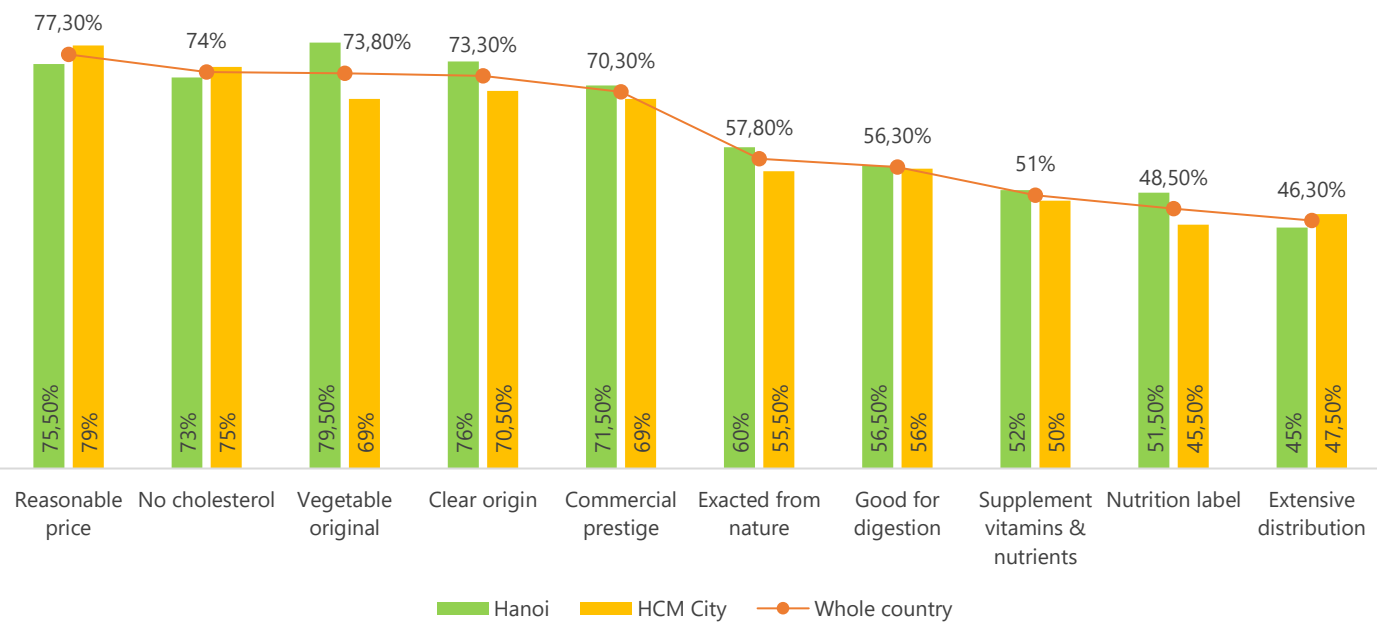


Sources: VIRAC, Vietstock finance_2021

1.3 Current situation of Vegetable Oil Demand in Vietnam

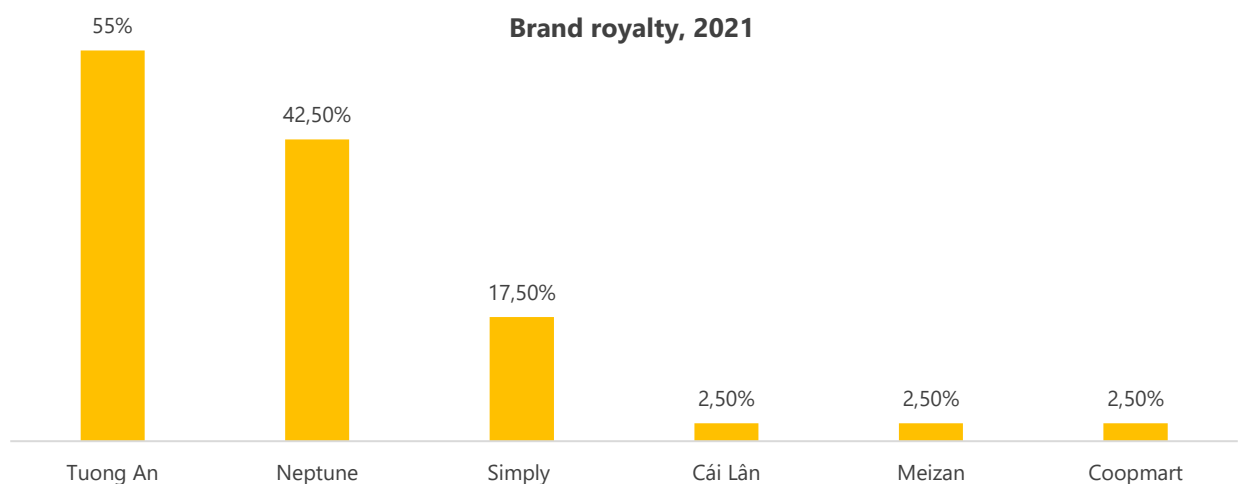
1.3.1 Vegetable Oil consumption

Top 10 key factors to consider when selecting vegetable oil, 2021



Sources: VIRAC, W&S Market Research_2021

- The research of W&S points out 10 criteria that are often considered by Vietnamese users when choosing to buy vegetable oil, in which reasonable price, no cholesterol, vegetable original and clear origin are on the top row with over 70% in both big cities Hanoi and HCM.
- The answers from the survey of W&S shows the fact that vegetable oil consumers are quite “picky” users. They are relatively royal to the brand of vegetable oil, but they are also willing to change it if the new vegetable oil is better for health than the old one accompany with reasonable price. This is one of the key factors for foreign vegetable oil importers to penetrate in Vietnam market.
- 20% of respondents said that they are loyal to only one brand of vegetable oil (the two most trusted brands are Tuong An and Neptune). The remaining of 80% had used other brands, in which, 60% intend to switch to another brand for the next purchase. In particularly, nearly 50% preferred to choose two brands of vegetable oil: Simply and Neptune



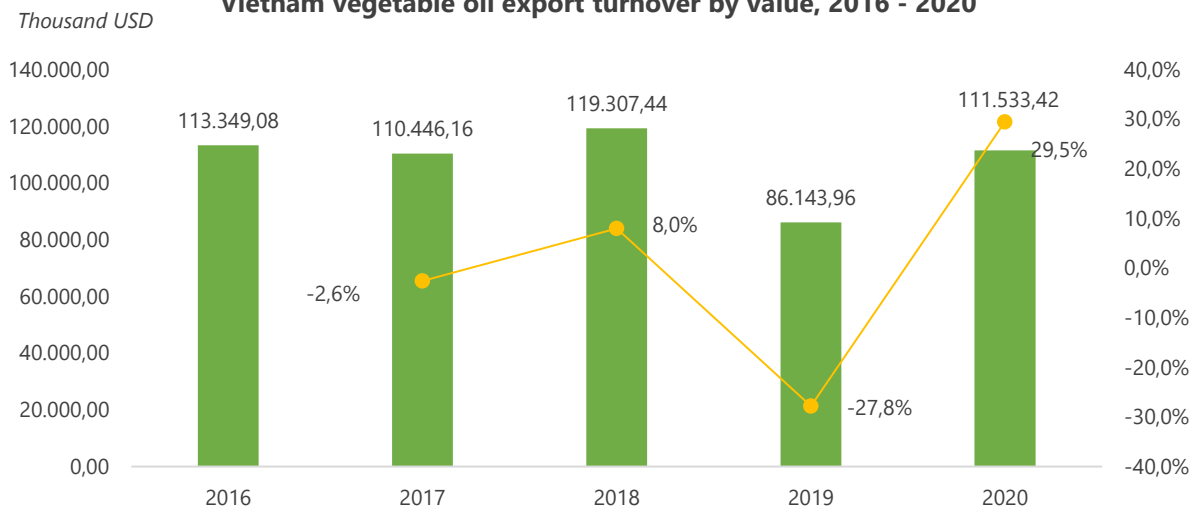
Sources: VIRAC, Q&Me_2021

22 1.3 Current situation of Vegetable Oil Demand in Vietnam

1.3.2 Vegetable Oil & Oil seeds export of Vietnam

Vegetable oil export of Vietnam

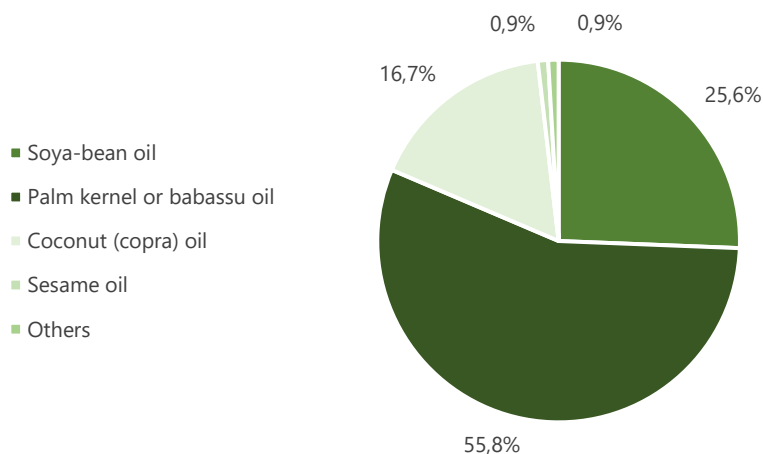
Vietnam vegetable oil export turnover by value, 2016 - 2020



Sources: VIRAC, Trademap_2021

- Vietnam is known as one of the countries that has well controlled the Covid-19 pandemic, meanwhile, maintaining social safety and economic growth.

Proportion of Vietnam vegetable oil export volume by category, 2020



Sources: VIRAC, Trademap_2021

- In 2020, the vegetable oil export turnover increased dramatically and the main cause could be some export companies proactively found raw materials or working with major vegetable oil suppliers in Indonesia and Malaysia. Thereby, they could actively increase/decrease inventories and these companies also have experience in forecasting the market, sales volume in the year.

Vietnam vegetable oil export turnover by category, 2016 - 2020

Unit: USD

	2016	2017	2018	2019	2020
Soya-bean oil	25,484,984	34,359,743	38,175,324	14,664,622	19,696,657
Palm kernel or babassu oil	49,201,670	46,309,425	45,036,992	44,875,767	54,612,765
Coconut (copra) oil	34,487,980	24,942,431	30,759,126	21,092,119	30,988,753
Sesame oil	3,540,788	4,409,679	5,210,651	5,212,512	4,996,700
Ground-nut oil	36,460	123,134	42,717	68,887	513,096
Olive oil	553,837	220,389	41,157	48,241	232,812
Canola oil	18,317	68,507	20,491	173,454	424,747
Others	25,046	12,848	20,985	7,354	56,190

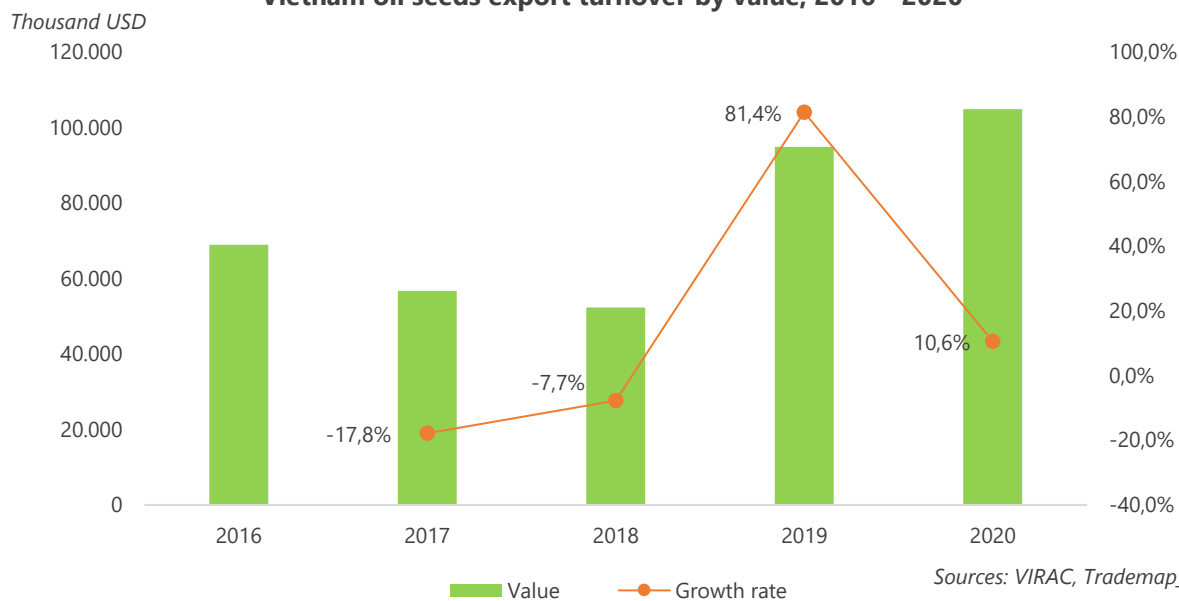
Sources: VIRAC, Trademap_2021

23 1.3 Current situation of Vegetable Oil Demand in Vietnam

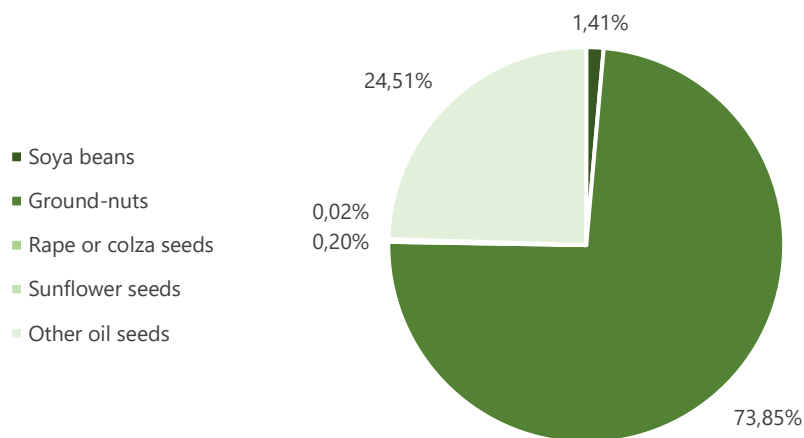
1.3.2 Vegetable Oil & Oil seeds export of Vietnam

Oil seeds export of Vietnam

Vietnam oil seeds export turnover by value, 2016 - 2020



Proportion of Vietnam oil seeds export volume by category, 2020



Sources: VIRAC, Trademap_2021

• **Taiwan and Russia are Vietnam's main export markets.**

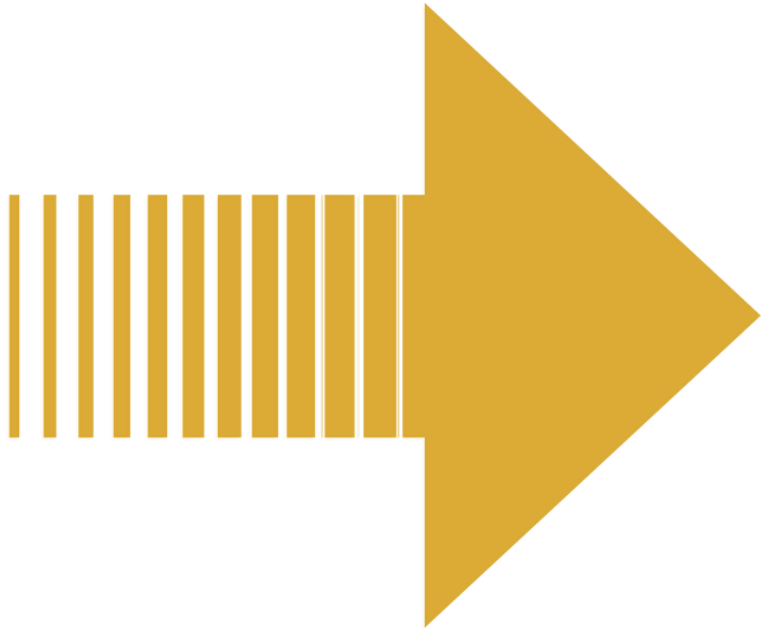
Soya beans exports dropped dramatically in 2020 because soybean production has declined in recent years as a result of low yields and a continuing decline in growing area as farmers shift to more profitable crops such as other field crops and fruits and vegetables. Soybean output continues to fall far short of demand from the food, livestock, and aquaculture feed sectors.

Vietnam oil seeds export turnover by category, 2016 - 2020

Unit: thousand USD

	2016	2017	2018	2019	2020
Soya beans	330.75	18.34	654.51	1,402.10	373.55
Ground-nuts	33,692.31	28,332.39	23,231.99	65,201.01	65,912.90
Linseeds	-	-	-	9.65	-
Rape or colza seeds	208.8	412.2	320.8	2.9	63.0
Sunflower seeds	0.268	1.121	1.250	3.195	14.749
Other oil seeds	34,717.12	27,917.03	28,087.60	28,230.93	38,530.25

Sources: VIRAC, Trademap_2021



II

Legal framework



2.1 Regulations on import conditions, commercial authorization, food safety and hygiene, etc.

Because vegetable oil is belonged to food sector, it is necessary for Indian's enterpsies to comply with regulations on food safety, and vegetable oil is on the list of imported goods subject to inspection on food hygiene and safety, so it also needed to make food declaration according to regulations when its imported into Vietnam.

Legal basis

- Decision 818/QĐ-BYT dated 05/3/2007 from Ministry of Health promulgates the list of imported goods subject to food hygiene and safety inspection according to HS code.
- Law No. 55/2010/QH12 on food safety, issued on June 17th, 2010 from The National Assembly
- Decree 38/2012/NĐ-CP dated 25/4/2012 from the Government on detailing the implementation of a number of articles of the law on food safety
- Circular 38/2015/TT-BTC dated 25/3/2015 from Ministry of finance on customs procedures, customs supervision and inspection, export tax, import tax, and tax administration applied to exported and imported goods
- Decree 15/2018/NĐ-CP from the Government on elaboration of some articles of the law of food safety

Import vegetable oils procedures:

Document of announcement of conformity

- Announcement of conformity/compliant with food safety and hygiene
- Detailed product information sheet (Basic standard)
- Certificate of free sale or medical certificate or equivalent issued by the competent state authority of origin
- Certificate of analysis within 12 months meet the prescribed criteria
- Preriodic monitoring plan
- Samples of product labels circulating in the country of origin.
- Contents of product sub-labels
- Finished product sample
- Business registration certificate with food business or certificate of legal entity for organizations and individuals
- Certificate of qualified food safety and hygiene.
- Certificate of conformity with Hazard Analysis & Critical Control Poilnt (HACCP) or ISO 22000 or equivalent (if any).

Documents required for customs procedures:

- Declaration of imported goods
- Commercial invoice in case the buyer has to pay the seller
- Customs declarants are not required to submit commercial invoices in some certain cases.
- Bill of lading or other transport documents
- Import license
- Value declaration
- CO-Certificate of Origin (only in certain cases)

→ **Decree 154/2018/ND-CP on “Penalties for administrative violation against regulation on food safety”**. The Decree stipulates a fine that can be up to more than 2,000 USD and many other sanctions depending on the level of danger and investigation results from relevant authorities.

Beside all regulations from Vietnam, Indian enterprises should comply to all criteria itself and follow strictly: For example, India Agricultural and Processed Food Products Export Development Authority announced **“Criteria for grant of registration certification to peanut shelling units, grading units and shelling-sum-grading units for export”** dated 05/07/2021.

→ **Basically, all the documents or legal frameworks are mostly related the food safety and hygiens. It is suggested that Indian’s enterpises may prepare meticulously the certifications of imported products such as: the certifications to proof date and time produced, places, export-inspection from India (if any) and bills or even sample of food for examination. It is necessary for Indian enterprises to comply all the regulations (procedures and standards) because of the prestige, commercial value between two countries generally and all enterprises specifically.**

The import process and time are subject to the legal basis:

- Circular No. 38/2015/TT-BTC dated March 25, 2015 of the Ministry of Finance providing for customs procedures; customs inspection and supervision; export tax, import tax and tax administration for imported and exported goods;
- Law on food safety dated June 17, 2010, Decree No. 38/2012/ND-CP dated April 25, 2012, of the Government detailing the implementation of a number of articles of the Law on Food Safety and other documents. other instructions;
- Decision No. 818/QD-BYT dated March 5, 2007, of the Minister of Health

Procedures for importing cooking oil and vegetable oil

Because vegetable oil is a food, when importing into Vietnam, all enterprises need to comply with regulations on food safety, and vegetable oil is on the list of imported goods subject to food hygiene and safety inspection. Therefore, it is necessary to make food declarations according to regulations. For customs procedures to import cooking oil and food in general, the following steps must be followed:



- Enter the sample for pre-testing and food hygiene and safety declaration procedures. **It takes about 30 days**
- **One day before the goods arrive at the port, carry out procedures for registration of state quality inspection, submit a certificate of registration for quality inspection to the customs** so that the goods can be brought to the warehouse for storage
- Bring samples for quality inspection. **Submit quality inspection results to customs for shipment clearance.**

Soybean seeds are products that are both used for human consumption such as processing tofu, snacks, soft drinks, etc. Moreover, they are also used to make animal feed such as pigs, cows, aquatic animals. products, etc. Therefore, depending on the purpose of use, you will have to go through different import procedures.

➤ **Used to produce food for humans**

- Only imported from countries that have been registered and recognized by Vietnam for their food safety system are allowed to import into Vietnam. The list of countries registered to export food of plant to Vietnam, which are published on the website of the Plant Protection Department
- Import procedures are as follows: Register for plant quarantine at the port/airport management quarantine department. Open customs declarations

➤ **Use as animal feed**

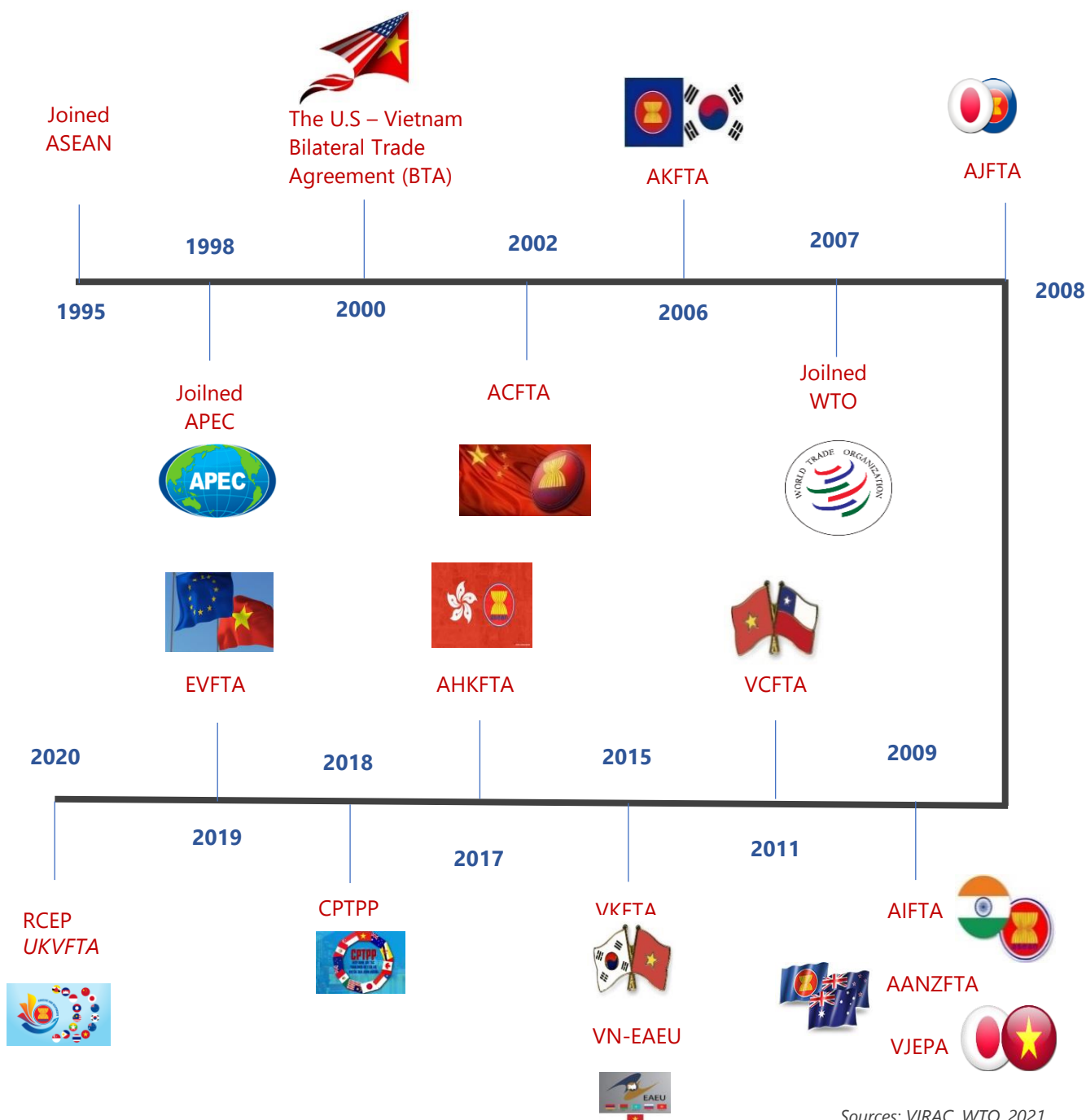
This is a product managed by the Ministry of Agriculture and Rural Development and it must be registered for quality inspection of animal feed when imported into Vietnam. Soybean seed is a single ingredient product for animal feed processing. Regulated in 02/2019/TT-BNNPTNT: List of customary and single-material animal feed products allowed to be circulated in Vietnam. Thus, soybean seeds are animal feed already included in the List of animal feeds permitted to be circulated in Vietnam. When importing it must perform the following steps:

- 1/ Register for plant quarantine;
- 2/ Register for state inspection of the quality of imported animal feed;
- 3/ Open the customs declaration.

2.2 Regulations on tariffs, trade agreements with partner countries

- In the context of globalization, as well as facing increasingly stringent requirements on the quality of seafood products, particularly in the context of FTA integration, the Vietnamese government's introduction of a number of regulations on Certificate of origin, logo, traceability, and setting quality standards is critical to dominating and competing with other countries around the world. **Vietnam has signed, implemented, and is currently negotiating a total of 17 free trade agreements as of September 2021. (FTAs).** Joining international trade treaties brings both opportunities and challenges to domestic businesses.

Vietnam's integration process from 1995 to present



Sources: VIRAC, WTO_2021

Code	Import tax	Incentive Tax	VAT	ACFTA	ATIGA	AJCEP	VJEP	AKFTA	AANZFTA	AIFTA	VKFTA	VCFTA	VN-EAEU	CP-TPP	AHKFTA	EVFTA	UKVFTA
15071 - 15079	7.5 - 22.5	5 - 15	10	0	0	0	0	0	0	0	0	0	0	M: 2 - 8.5, KH: 1 - 6.4	0	4 - 12.2	4 - 12.2
1508x	7.5 - 30	5 - 20	10	0 (-MM)	0	0 - 9	0 - 9	0 (-MY)	0	0	0	0	0 - 9.1	M: 2,5, KH: 1,6	0	4 - 20.4	4
15091 - 15099	7.5	5	10	0	0	0	0	0	0	0	0	0	0	M: 2,5, KH: 1,6	0	2,5	2,5
15100 010xx	7.5 - 37.5	5 - 25	10	0	0	0	0	0	0	0	0	0	0	M: 2,5, - 15.6 KH: 1,6 - 12.5	0 - 15	2,5 - 20.4	2,5 - 20.4
15111 xxx	7.5 - 45	5 - 30	10	00 (-TH, CN)	0	0	0	0 (-KH, PH, TH)	0	0	0	0 - 8	0 - 9.1	M: 2,5 - 18.1, KH: 1,6 - 15.9	0	3,7 - 20.4	3,7 - 20.4 3,7
15121 xxx	7.5 - 22.5	5 - 15	10	0	0	0	0	0	0	0	0	0	0	M: 2, KH: 1	0	4 - 12.2	4 - 12.2
15122 990	37.5	25	10	0	0	9	9	0	0	0	0	9	9,1	M: 15,6, KH: 12,5	15	20,4	20,4
1513x xxx	7.5 - 45	5	10	0 (-MM, TH)	0	0	0	0 (-PH)	0	0	0	0	0	M: 2,5, 18.1 KH: 1,6-15.9	0 - 18	3,7 20.4	3,7 - 20.4
1514x xxx	7.5 - 30	5	10	0 (-CN)	0	0	0	0	0	0	0	0	0	M: 2 - 11.4, KH: 1	0	4 - 16.3	4 - 16.3
15151 xx - 15155 xx	7.5 - 37.5	5 - 30	10	0 (-MM)	0	0 - 12.5	0 - 12.5	0 (-PH)	0	0	0	0	0	M: 2,5 - 15., KH: 1,6	0 - 18	3,7 - 20.4	3,7 - 20.4
15159 xxx	7.5 - 45	5 - 30	10	0 (-MM)	0	0 - 4.5	0	0 (-MY)	0	0	0	0 - 8	0 - 9.1	M: 2,5-15, KH: 1,6-12.5	0 - 18	4 - 20.4	4 - 20.4
15162 xxx	30 - 45	20 - 30	10	0	0	9	9	0 (-MY)	0	0	0	7 - 8	0 - 9.1	M: 13,7-18.1, KH: 10,2	12 - 18	16,3 - 20.4	16,3 - 20.4

Code	Import tax	Incentive Tax	VAT	ACFTA	ATIGA	AJCEP	VJEP	AKFTA	AANZFTA	AI FTA	VK FTA	VC FTA	VN-EAEU	CP-TPP	AHKFTA	EVFTA	UKVFTA
1201	5	0	*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1202	5-15	0-10	*,5	0	0	0	0	0(-KR)	0	0	0	3	0	0	0	0-5	0-5
12040000	15	10	*,5	0	0	0	0	0	0	0	0	3	0	M: 2,5, KH: 0	0	5	5
1205	7.5	5	*,5	0	0	0	0	0	0	0	0	0	0	0	0	2,5	2,5
12060000	15	10	*,5	0	0	0	0	0	0	0	0	0	0	0	0	5	5
1207	7.5-15	5-10	*-*,5	0 (-KH, LA)	0	0	0	0(-PH, LA, KR)	0	0-6	0	0	0	M: 1,2; 2,5, 7,2 KH: 0	0-3	2,5-8,1	2,5-8,1

According to Vietnam Plant Protection Department:

Phytosanitary conditions for imported peanuts (*Arachis hypogaea*) from India (released on 20th June, 2016)

1. Peanuts are produced, packed, handled, and stored in facilities registered with the Plant Quarantine Authority of India (Directorate of Plant Protection, Quarantine, and Storage (DPPQS)).
2. All peanut shipments received must be obtained from establishments that have been inspected and certified by DPPQS to comply with the conditions set forth in the Standard Operation Procedure for Export of Peanut (SOP).). Peanuts must be treated with Phosphine with a concentration of 4g PH₃/m³ for 10 days before being packed into containers and must be clearly stated in the Phytosanitary Certificate.
3. The batches of peanuts for export must be inspected by the plant quarantine agency of India, granted a phytosanitary certificate, and guaranteed not to be contaminated with Vietnamese plant quarantine subjects.
4. In the additional declaration (additional declaration) of the Phytosanitary Certificate, it must be clearly stated in English:

“The consignment was inspected in the India and found free from quarantine pests of Vietnam”

- **Indian enterprises need to strictly comply with the above conditions to meet the import conditions for peanuts into Vietnam.**

2.2 Regulations on tariffs, trade agreements with partner countries

Vietnam will benefit from more preferential tariffs and non-tariff barriers; at the same time, there are conditions to restructure the import-export market towards a more balanced direction, avoiding dependence on a few markets. There are side effects while joining the FTA.

Opportunities:

- **Market expansion: In terms of scale:** EVFTA also creates favorable conditions for Vietnamese agricultural products to access the market of 28 European Union member countries with more than 500 million people.
- **Tax incentives:** when the EVFTA comes into effect, many Vietnamese agricultural products will receive a tax reduction of 0-4%. Seed products are also reduced to 0%
- **Source of raw materials:** diversify the supply of input materials for agricultural production as well as improve product quality and meet domestic demand by cutting Vietnam's import tax or complying with regulations safety standards and technical barriers in trade
- **Accelerate the restructuring of the agricultural sector in association with the construction of large-scale, concentrated specialized production areas and increase the application of high technology** in agricultural production to meet the specific requirements of the export market.

Challenges:

- Due to joining trade agreements, Vietnam has also become a targeted consumption market for foreign companies such as Thailand, Canada, etc. **This increases competition with imports due to gradually reduced tax barriers while it is difficult for Vietnam to use non-tariff barriers as a protection measure due to legal capacity**
- **The management and enforcement of food hygiene and safety regulations:** currently not many enterprises produce and meet the domestic and international quality demand. This leads to the risk of losing the domestic market from countries like Canada or Japan where they have high quality and reliability at competitive prices.
- **Rules of origin:** It may be difficult for products to meet the standards of origin to ensure the right to enjoy preferential tariffs. When tariff barriers are removed, technical barriers will be stricter and harsher.

Investment incentives

Investment attraction is mentioned in these following documents: Law on Investment 2014, Enterprise Income Tax, which was amended and supplemented in 2013), Law on Export and Import Tax 2016, and other guiding documents.

According to Clause 1, Article 15 of the Law on Investment 2020, from 01/01/2021, **investment incentives are provided in the following forms:**

- Lower cooperate income tax rates for whole duration of investment term or part thereof; exemption from and reduction of tax rates,
- Import duty exemption for fixed assets, and
- Reduction/exemption of land rental.

According to Clause 2, Article 15 of Investment Law 2020, from 01/01/2021, **to determine the incentives for each project, there are some criteria as follow:**

- Projects of investment shall be eligible for investment incentives if the projects invest in some business lines (Animal feed is among the business lines eligible for investment incentives in Vietnam)
- Projects of investment shall be eligible for investment incentives if the projects invest in the administrative divisions in disadvantaged area or extremely disadvantaged areas; and industrial parks, export-processing zones, hi-tech zones, economic zones.
- Any project in which the capital investment is VND 6,000 billion or more, and the minimum amount of at least VND 6,000 billion is disbursed within 03 years from the day on which the investment registration certificate or decision on investment policies is issued.
- Any investment project in a rural area that employs at least 500 workers.
- High-tech companies, science and technology companies, and science and technology organizations

In addition to the above general incentives for businesses, FDI enterprises also enjoy other incentives on FDI attraction:

FDI attraction

- FDI Company was applied a lower tax rate than the ordinary income tax rate for a definite term or for the entire duration of the investment project; tax exemption, tax reduction, other incentives as prescribed.
- According to Investment law 61/2020/QH14, **tax rate for FDI company can reduce up to 10%.**
- Clause 11 Article 16 of the Law on Import Tax and Export Tax No. 107/2016/QH13 dated 6/4/2016 **applied free tax to goods imported to create fixed assets; raw materials, supplies and components imported for production.**

Decision 3388/QĐ-BCT **ZONING/PLANNING FOR DEVELOPMENT OF VEGETABLE OIL INDUSTRY TO 2020 IN VIETNAM, VISION TO 2025**

- **Target**

- Phase 2021-2025: The value of the whole industry production increases 3.69%/year on average. By 2025, it is estimated that Vietnam will produce and consume 1,929 thousand tons of edible oil; exports reach 100 thousand tons of all kinds of oil

- **Oriented development**

- **Developing the industry in a modern way, step by step improve the competitiveness of the industry to integrate with the region and the world.**

- **Encouraging the development of the large-scale, modern crude oil extraction and pressing facilities, using imported raw materials at first and the gradually replacing them with domestic ones.**

- **Focusing on developing the large-scale oil seed material areas to serve the crude oil production industry to gradually replace imported raw materials**, on the basis of widespread application of new varieties with high productivity, apply the advanced techniques on planting, preserving and processing after harvest. Concentrate on research, experimental planning to select key oil-derived trees with high efficiency, capability of competing with other plants for the long-term sustainable development.

- **Product development and production capacity distribution planning by territory**

- **Product planning:**

- ❖ Crude oil production: Phase 2021 - 2025: the average growth rate is expected to grow 3.46%/year. By 2025, crude oil output could be reached 439,000 tons.

- ❖ Edible oil production: Phase 2021-2025: the average growth rate is expected to grow 3.98%/year. By 2025, edible oil output could be reached 1,929 thousand tons.

- **Zoning/Planning by region**

(Issued with Decision 3388/QĐ-BCT, dated June 28th, 2010 from Ministry of Industry and Trade)

The arrangement of crude oil and edible oil production capacity by regions and territories creates a balanced development among regions in the line with the State's economic development strategy in each phase.

- **Investment capital demand**

Total investment capital demand for the whole industry in the period 2009 – 2010 was 1,923 billion VND; phase 2011 – 2015 was 3,320 billion VND; phase 2016 – 2020 was 3,670 billion VND; phase 2021 – 2025 will be 2,360 billion VND. Investment capital is mobilized from all economic sectors in society, loans from domestic and foreign banks, capital mobilization from the issue of stocks/shares, corporate bonds, preferential loans of the State.

→ **Indian enterprises may joint as a partner of the main processing oil in Vietnam to take the advatages about facilities, land, etc.**

Planning on distribution of productivity by region

(Issued with Decision 3388/QĐ-BCT, dated June 28th, 2010 from Ministry of Industry and Trade)

Unit: thousand tons/year

Regions	Productivity by region			
	2010	2015	2020	2025
Red River Delta				
- Crude oil production	0	36	72	72
- Edible oil production	124	261	290	323
Central coast				
- Crude oil production	4	4	4	4
- Edible oil production	19	19	21	23
Southeast				
- Crude oil production	27	171	237	266
- Edible oil production	509	782	1.192	1.489
Mekong River Delta				
- Crude oil production	25	57	57	51
- Edible oil production	57	76	84	93
Whole country				
- Crude oil production	56	268	370	393
- Edible oil production	709	1.138	1.587	1.929

Investment capital demand until 2025

(Issued with Decision 3388/QĐ-BCT, dated June 28th, 2010 from Ministry of Industry and Trade)

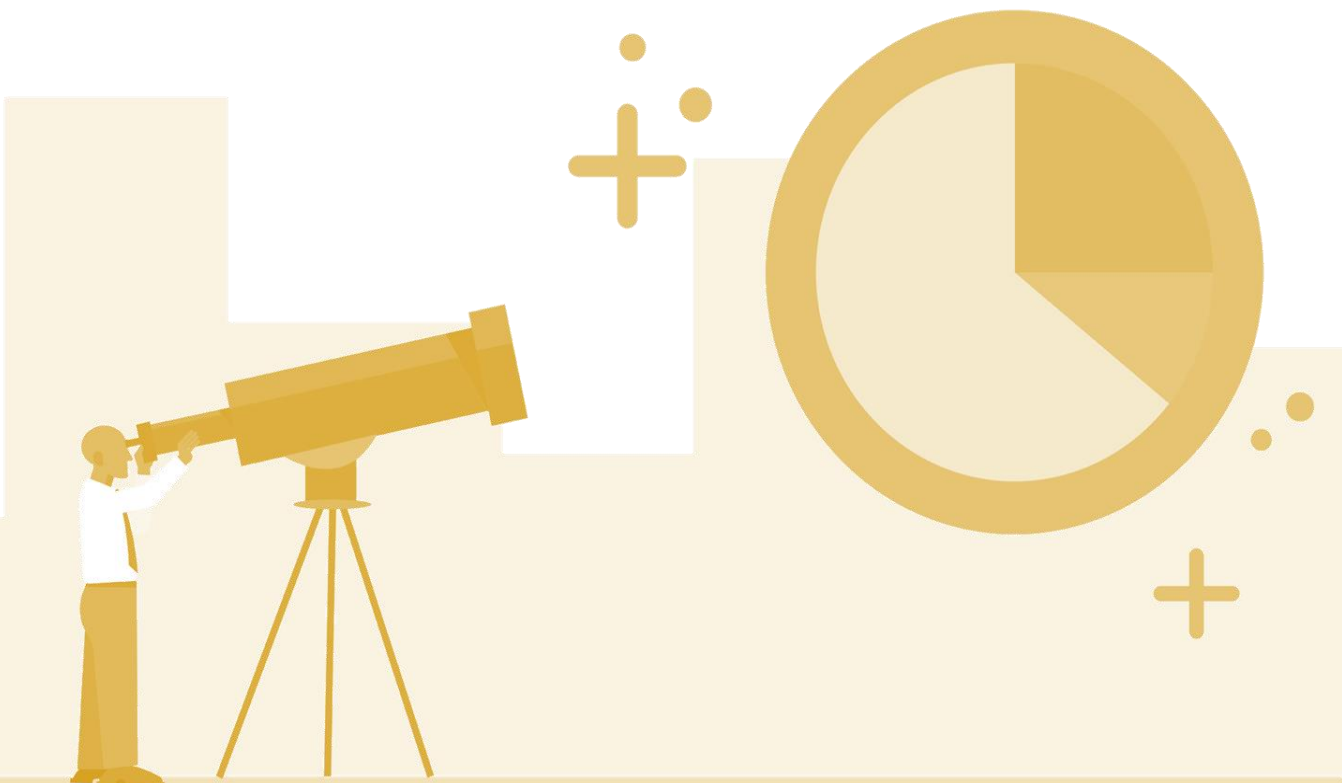
Unit: billion VND

Regions	Investment capital needed by region			
	2009 - 2010	2011 - 2015	2016 - 2020	2021 - 2025
Red River Delta		980	1080	0
- Crude oil production		600	1080	
- Edible oil production		380		
Central coast				
- Crude oil production				
- Edible oil production				
Southeast	923	2000	2590	2180
- Crude oil production	1.600	1400	1480	1480
- Edible oil production	323	600	1110	700
Mekong River Delta		340		180
- Crude oil production		170		80
- Edible oil production		170		100
Whole country	1.923	3320	3670	2360
- Crude oil production	1.600	2170	2560	1560
- Edible oil production	323	1150	1110	800

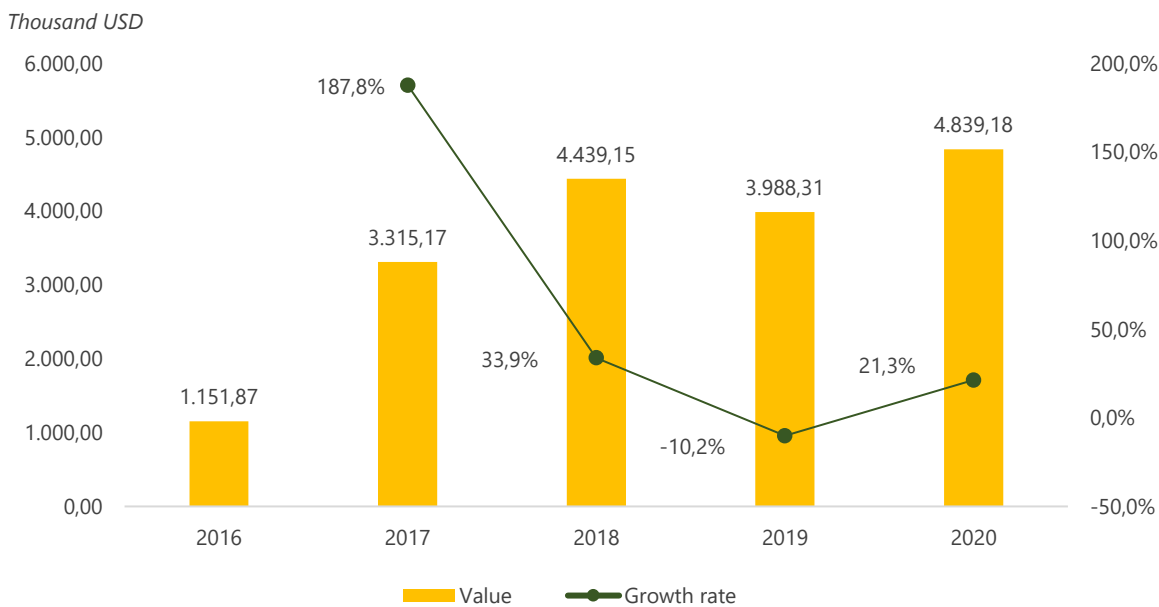


III

Opportunities for Indian enterprises



Vietnam vegetable oil imports turnover from India, 2016 - 2020



Sources: VIRAC, Trademap_2021

- The chart gives information about the import value of vegetable oil from India within 5 year (2016 – 2020) and the line graph illustrates the growth rate between 2 years. **Overall, the import value of vegetable oil and fats from India increased through years but it was at peak 214.2% in 2017, in which, the value of vegetable oil rose dramatically by 187.8%, equivelant to more than 3.3 million USD.**
- **However, the import value of vegetable oil industry from India decreased in 2018, because Vietnam had found another sources from Southeast Asia. According to Nong Nghiep newspaper, the total palm oil production from Indonesia and Malaysia took 85% of global palm oil production and these two countries were recognized as the world’s largest palm oil exporters.**

Vietnam vegetable oil import turnover by category from India, 2016 - 2020*Units: USD*

	2016	2017	2018	2019	2020
Coconut "copra", palm kernel or babassu oil	-	1,403,270	2,200,284	1,333,905	1,939,238
Ground-nut oil	-	-	-	361,229	667,532
Palm oil	-	-	-	32,210	-
Sunflower-seed, Safflower cotton seed oil	-	-	-	6,083	13,660
Soya-bean oil	-	-	-	-	55,646
Castor oil	887,430	1,356,056	1,439,686	1,508,300	1,155,114
Sesame oil	264,443	545,720	793,820	744,969	1,007,490
Linseed oil	-	10,120	5,364	-	-
Rape, colza or mustard oil	-	-	-	1,618	\$502
Total	1,151,873	3,315,166	4,439,154	3,988,314	4,839,182

Sources: VIRAC, Trademap_2021

- **In 2020, the value of import vegetable oil from India increased by 21.3% compare to 2019. In this period, It started to show the economic recovery in India such as: the inflation rate decrease and the Indian government extended the foreign trade policy until the end of the fiscal year 2021 – 2022 to facilitate the export of goods and services in the country, moreover, promoting import and export activities from India.**
- **Coconut oil is the product that Vietnam mostly imports from India, accounting for 72.4% of the value of trade value in 2020, followed by peanut oil 24.94%**
- Other vegetable oils import from India are less than 3% of the total value. Olive oil is the only vegetable oil that Vietnam has not imported from India in the past 5 years, because olive oil is mainly imported from the country that consumes olive oil the most, which is Italy.

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3.3 Top largest Indian vegetable oil import enterprises

	Address	Website/Email /Phone No.	Propotion of output (%)	Proportion of value(%)
T.M.A CO., LTD	94 Duong Quang Dong, 5 Ward, District 8, HCM City	0838501676	0.00019%	35.42%
AIDI Vietnam Candles arts & crafts company limited	Cai Lan Industrial Zone, Gieng Day Ward, Ha Long City, Quang Ninh	0912638339	99.90%	23.85%
Asia chemical Corporation	Vinamilk Tower, Floor 10-11, Tan Trao, Tan Phu Ward, District 7, HCM City	https://www.asiagroup-vn.com/asia-chemical-corporation.htm	0.08%	18.96%
Wilmar Marketing CLV company limited	Floor 10,CornerStone Tower, 16 Phan Chu Trinh, Hoan Kiem District, Hanoi City	http://www.wilmarplus.com.vn/	0.0001%	17.27%
Nuplex Resins (Viet Nam) PTY., LTD	No.1, 9A Street, Bien Hoa Industrial Zone II, Dong Nai	0251-3836503	0.01%	2.56%
Asia Saigon Food ingredients JSC	Lot C-9E-CN, My Phuoc 3 Industrial Zone, Thoil Hoa Ward, Binh Duong, Vietnam	http://www.afi.vn/	0.01%	1.30%
Rich Products Vietnam Co., LTD	Floor 15, Xo So Kien Thiet Tower, 77 Tran Nhan Ton, Distric 5, HCM city	https://www.richs.com.vn/	0.001%	0.31%
Alkana Vietnam Co., LTD	No. 6, Dan Chu Street, VSIP II Industrial Zone, Thu Dau Mot City, Binh Duong	http://www.alkanavietnam.com/	0.001%	0.21%
Worldpalms Vina Company Limited	62 Nguyen Ba Tuyen, Ward 12, Tan Binh District, HCM City	0815335025	0.000012%	0.11%
Trend Foods Jolint Stock Company	No.18, Alley 8, Ngo Quyen Street, Quang Trung Ward, Ha Dong District, Ha Noil City	N/A	0.00000033%	0.00073%

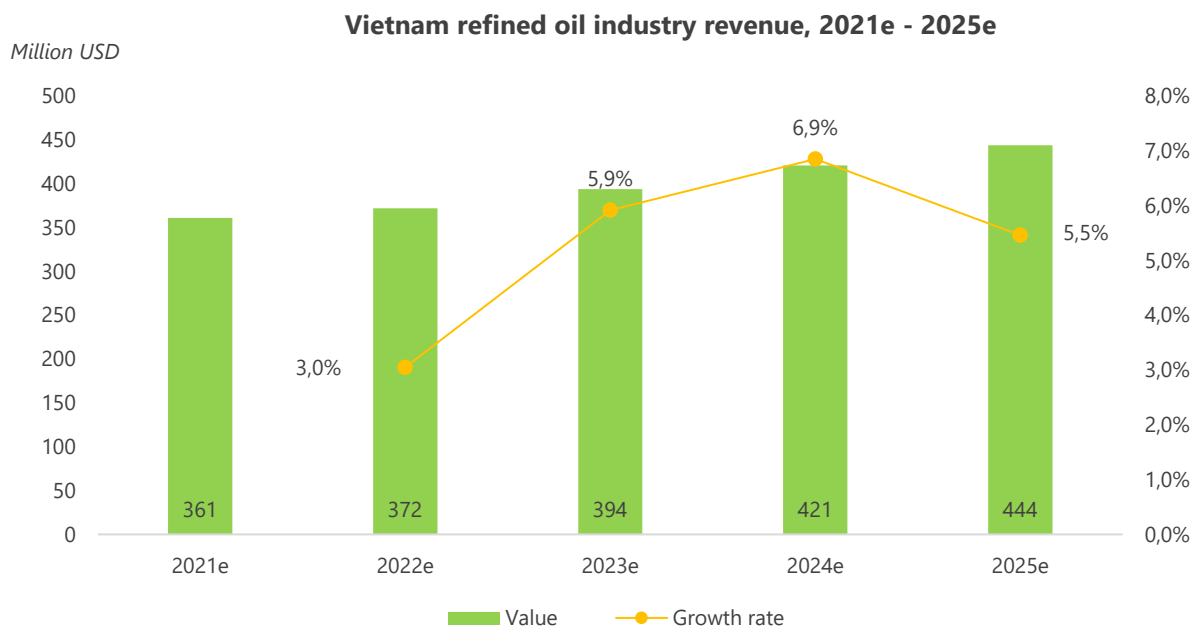
Sources: VIRAC_2021

40 3 Opportunities for Indian enterprises

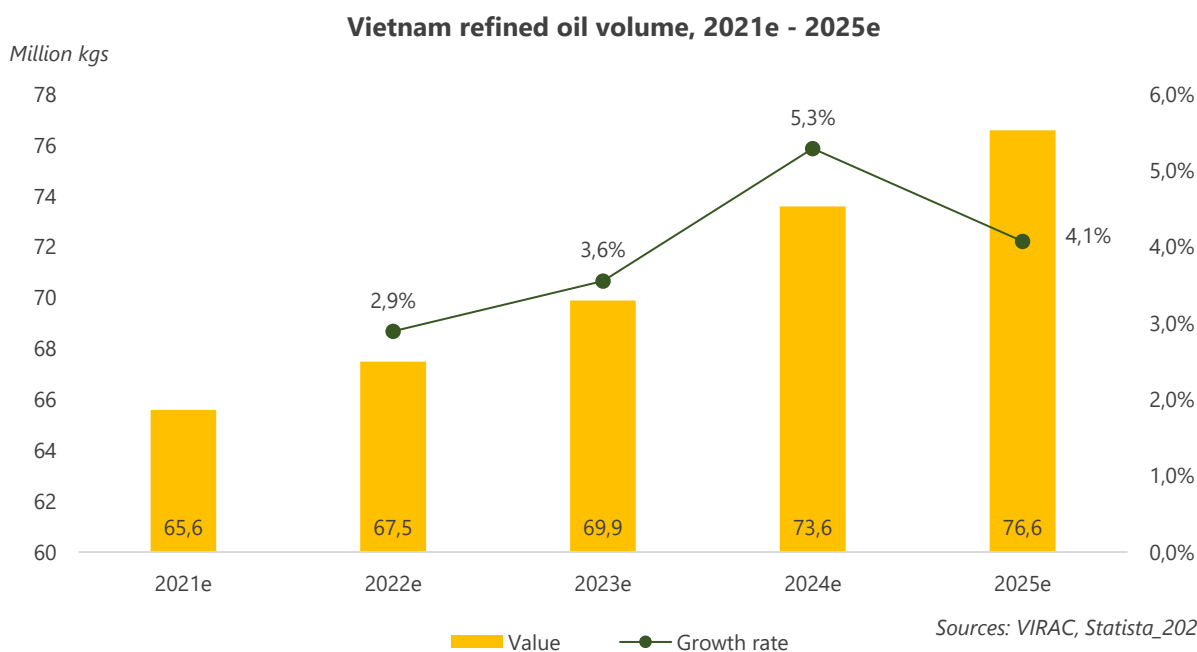
3.4 Top vegetable oil import partner enterprises of Vietnam from India

	Address	Website/Email/ Phone No.	Proportion of output (%)	Proportion of value(%)
MARICO LIMITED	7th floor, Grande Palladium, 175, CST Road, Kalina, Santacruz (East) Mumbai - 400098	https://marico.com/india	82.02%	46.81%
B.N. EXPORTS PVT.LTD	115, Cotton Street, Cotton Street, Kolkata, West Bengal - 700007, India	http://www.bnexportspvtltd.in/	0.03%	24.38%
FRP SERVICES (ASIA) PTE LTD	F-104, Ascot Centre, Sahar Airport Road, Andheri East, Mumbai, Maharashtra 400099	+91 22 6782 2800	3.96%	15.78%
KISAN OLEOCHEM AND DERIVATIVES PVT.LTD	949,Kisan Oil Mill Compound, Nr. Railway Crossing, Ahmedabad Highway,, Palanpur, Gujarat 385001, IN	+918980891002	4.67%	2.42%
CASTORGIRNAR INDUSTRIES PRIVATE LIMITED	Rajdhani Weigh Bridge, Rajkot Road, Dolatpara, Junagadh - 362003. Gujarat, India.	+91 285 266 0893	4.67%	2.25%
ADANI WILMAR LIMITED	13th Floor Pearl Best Height- 1, Netaji Subhash Place, Pitampura, New Delhi- 110034, India	www.adaniwilmar.com	0.005%	2.12%
JAYANT AGRO- ORGANICS LTD	Jayant Agro-Organics Limited 701, Tower 'A' Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W) Mumbai - 400013 India	https://www.jayantagro.com/	0.004%	2.03%
DML WORLD TRADE PVT. LTD	B-604, Sagar Tech Plaza, Sakinaka Junction, Andheri (East), Mumbai – 400 072, Maharashtra – India.	https://www.dmlgroup.in/view/home	2.33%	1.24%
IHSEDU AGROCHEM PVT.LTD	667, GJ SH 41, Jagana, Gujarat 385001	+91 2742 252 658	0.06%	0.60%
GREATWILL INTERNATIONAL CO.,LTD	Shop No. 2, Second Floor, Ajna Complex, Lakhani, India	N/A	1.17%	0.53%

Sources: VIRAC_2021



- **It is predicted that vegetable oil consumption and revenue in Vietnam will rise significantly between 2021 and 2025, Currently, palm oil and soybean oil are the two main materials used to gradually produce edible oils (vegetable oils) not only in Vietnam but across the world.** Oil and oil products extracted from palm have excellent heat and oxidation resistance; Therefore, palm oil is considered as an ideal material for the production of frying oil mixtures.
- Palm oil is extracted from the pulp of palm trees (mesocarp). A very interesting detail is that the most popular vegetable oils in Vietnam are mostly mixed oils of palm oil with other oils, such as soybean oil, canola oil, etc, but there is no palm oil found in the ingredients. Instead, there is Olein, also known as Palm oil, which is a refined palm oil. Meanwhile, it is simple to find products that are 100% pure soybean oil or sunflower oil. Vietnam consumes a huge amount of palm oil, but so far it still has to import 100% of this material from other countries.

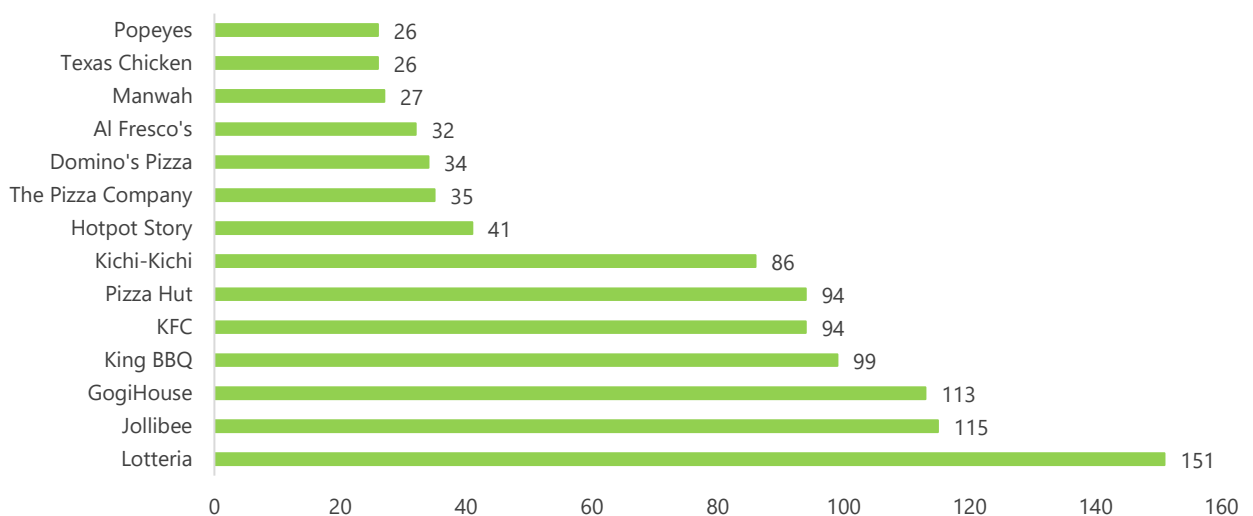


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3.5 Vegetable oil Market Potentials in Vietnam

- Population growth yearly and urbanization:** According to GSO, Vietnam had more than 98.4 million people as of September 2021, and it is expected to reach 102 million by 2025. **In which, 56% of the population is under 30 years old (Nielsen). Moreover, this will be a potential consumer group with products related to frying, using vegetable oil.** People's eating habits have changed dramatically over the past decade, especially those related to fast food. Instead of choosing traditional dishes, brands such as: MCDonald's, Burger King, KFC, Pizza Hut, Domino's, etc. are loved and chosen by the youth. As a result, the number of fast food brands is still growing despite the pandemic, especially, through the apps or delivery. **Vegetable oil has been used by many factories for cookies, cakes, chips, margarine,...That has made vegetable oil industry has been becoming more and more attractive than ever because of its potential growth and health benefits.**

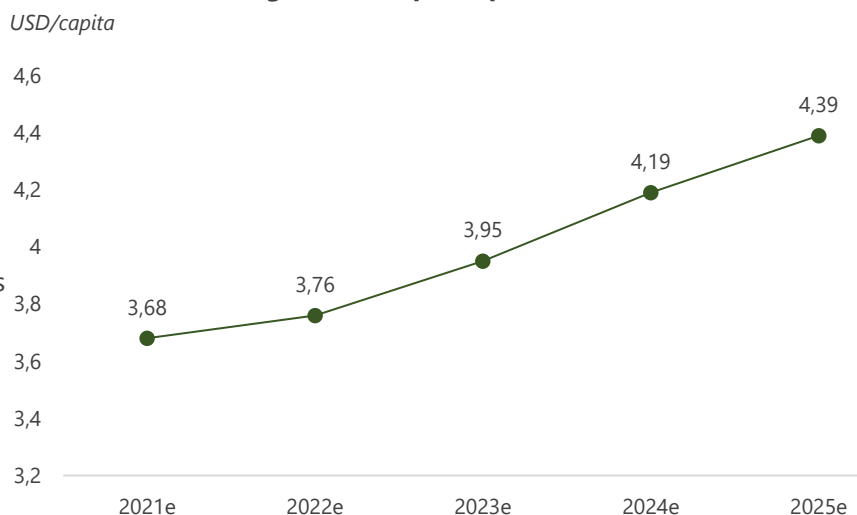
Number of fast-food restaurants in Vietnam, 2020



Sources: VIRAC, Statista_2021

- Vegetable oil is an essential ingredient of almost every meals. It is used from dessert to the main courses. It is also one of indispensable item in each family.** The spending of essential products of Vietnamese people always takes a large proportion and vegetable oil is one of these products, so the revenue of vegetable oil per capita is expected to increase slightly from 2021 to 2025.

Average revenue per capita, 2021e - 2025e



Sources: VIRAC, Statista_2021

STRENGTHS

- Vietnam's vegetable oil sector has a high growth rate which is related to the economic development and large population.
- The users ready to change and use other vegetable oil as long as the product meets the requirement of standards and quality assurance.

WEAKNESSES

- Lack of raw-materials, cultivar
- Competitive import sources and materials, unstable prices
- Do not know how to apply the advanced technology to farming, or to support production.
- There is a shortage of high-quality workers and investment capital in the industry.

OPPORTUNITIES

- The consumption of vegetable oil of Vietnamese people is forecasted to be 18.6kg – 19.9kg/person/year by 2025. The size of Vietnam's vegetable oil market is estimated at 30 thousand billion VND/year and will continue to grow. Consumers are gradually switching from fats to vegetable origin for health.
- The demand for vegetable oil is up to 1.5 million tons but domestic production only meet about 40% and 60% remains from imports.
- Vietnamese Government supports oil seed sectors, which creates great opportunities for enterprises to launch their products through fairs, markets,.

THREATS

- Competition with the imported oil market comes from other countries.
- Climate and pandemic change the scale of supply
- Manufacturers have no ideas or do not know how to develop, renew products; that is why most vegetable oil products are similar and customers can only choose by brandnames and ingredients.

Technology application in Vietnam

The method of preliminary processing of oil seeds or vegetable essential oils depends on the features and properties of the oilseeds and crude oil as well as the scale and conditions of production and processing. Currently, Vietnam has promoted research and application of biotechnology and food technology in the processing of oil products, essential oils and by-products of post-harvest technology, processing technology in order to diversify products and increase the added value of oil and essential oils. At the same time, it also looking for new sources of oil raw materials. **In which, there are a number of technologies for preliminary processing and processing of oilseeds or crude oil such as:**

- **The technology of screening and selection of oil plant varieties**, including varieties of coconut, peanut, sesame, soybean, sunflower, rapeseed, sesame... Preservation and storage of 51 coconut varieties, including varieties Coconuts, originate in the country and are imported, in which there are many rare and precious coconut varieties such as wap and pineapple.
- In addition to the above technologies, **there are also technologies of crushing, sieving, filtering, filling, sterilizing, etc.**
- **VCO Technology for the trial production of pure coconut oils; Sesame oil; dragon fruit seed oil.**
- **Cleaning technology:** sieving, using wind power (aerodynamics), using magnetism (magnets), using wind sieves, using liquid media
- **Applying biotechnology and developing new technologies** (enzymes, cold pressing, extracting with supercritical CO₂, or using enzymes, ultrasonic waves to support the pressing process to create oil products) in production oils with high economic value. Research and utilize by-products of post-harvest technology from oilseed crops to produce new products for the processing and production industries.

ADVANTAGES

- The regulation between 2 countries will create working conditions and protect all enterprises from India when they want to invest in Vietnam
- All facts related to regulations/laws will assure of minimum qualification levels.
- Investments of investors of either Contracting Party shall not be nationalized, expropriated or subjected to measures having effect equivalent to nationalization or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party except for a public purpose in accordance with law on a non-discriminatory basis and against fair and equitable compensation (Article 5 – The promotion and protection of investments between India and Vietnam)
- The Free Trade Agreement between Asean and India tax can be easily compared among other countries, Vietnam is a member of Asean, which created FTA between India, so, the import tax will be the huge advantages for Indian enterprises when it comes to 2022, almost all oil products will be taxed at rate 0% (tax table in Part II - Legal Framework).

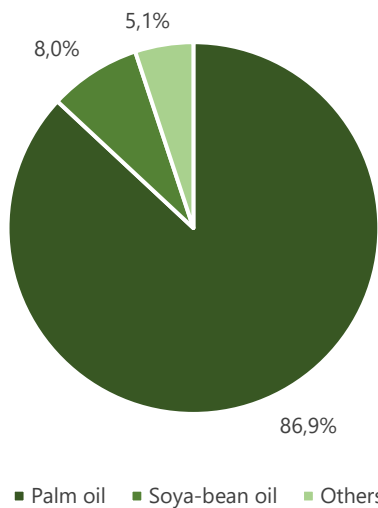
DISADVANTAGES

- Overall, there will be a large amounts of administrative work, which leads to time-consuming for Indian enterprises to research and understand such as: HS code and tariff for each product.
- Regulation can be charged at high cost, which causes the consulting fee for Indian enterprises
- Innovation and technology process could be slowed down.
- High levels of regulations may lead to competitiveness for Indian enterprises because of high-competition within the oil sector.
- There were many cases of trade between enterprises of the two countries which has adversely affected the commercial reputation of India (lack of weights, wrong packaging or label, pay in advance but delay deliver, which makes the peanut or soya bean oil seeds need to follow strictly. Indian peanuts added to the list of objects subject to plant quarantine when imported must have an import quarantine permit issued by the Plant Protection Department.

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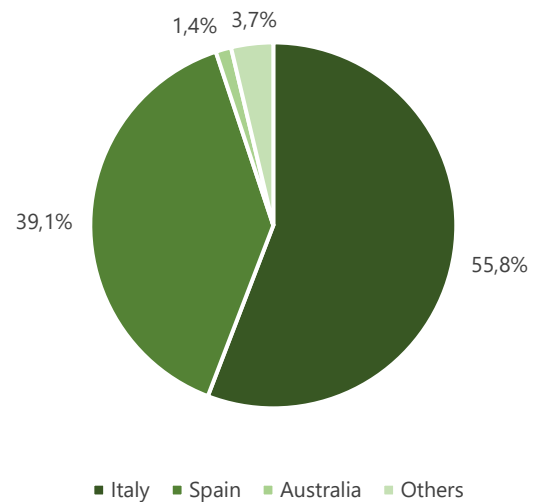
3.7 Recommendation for factors promoting competition.

Proportion of import vegetable oil turnover from the World to Vietnam by category, 2020



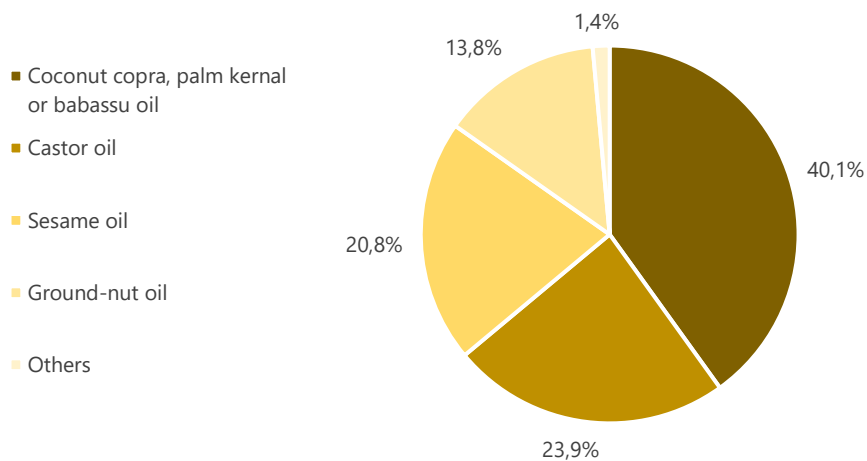
Sources: VIRAC_2021

Top olive oil exporters by value, 2020



Sources: VIRAC_2021

Proportion of import vegetable oil turnover from India to Vietnam by category, 2020



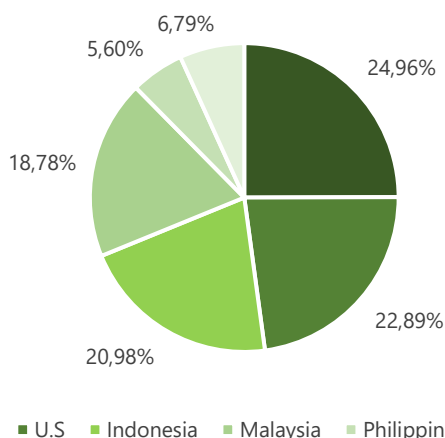
Sources: VIRAC_2021

→ In 2020, Vietnam imported mainly palm oil while the most imported products from India was coconut copra, palm kernel and babassu oil. Besides, Vietnam imported mainly olive oil from Italy and Spain, which took a majority in totally of olive oil value. It is suggested that Indian enterprises may consider to import palm oil, soya-bean oil to match with the consumption market in Vietnam and consider about olive oil as a new product with less competitors.

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3.7 Recommendation for factors promoting competition.

Top countries export coconut (copra), palm kernel or babassu in Vietnam, 2020



Sources: VIRAC_2021

Proportion of imported products by country, 2020

1513	India	U.S	Indonesia	Malaysia	Philippines
15131100	0.003%				
15131910		0.018%			2.344%
15131990	99.997%	99.982%	99.687%	66.916%	97.656%
15132110		0.0001%	0.0005%	0.0001%	
15132913				0.059%	
15132991			0.313%		
15132994				10.18%	
15132995				22.845%	

Sources: VIRAC_2021

Average price of coconut (copra), palm kernel or babassu by top countries, 2020

	India	U.S	Indonesia	Malaysia	Philippines
USD/kg	1.72	2.93	0.005	5.37	1.33

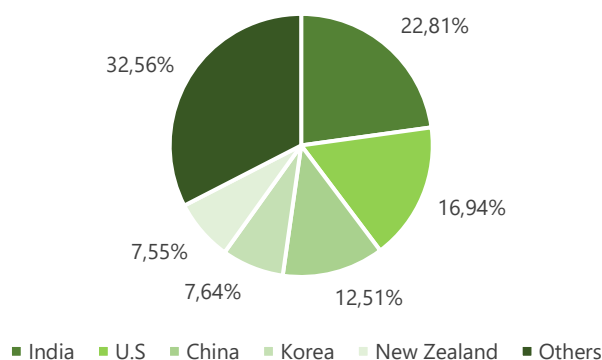
Sources: VIRAC_2021

→ India was at the first among top 5 countries export coconut (copra), palm kernel or babassu oil into Vietnam in 2020. It is apparent that all top countries exported the product code 15131990 and Malaysia had the most expensive price while Indonesia was the cheapest. It's suggested that Indian enterprises should maintain or promote import this product into Vietnam market. Packaging may be variety depends on size, net weight.

Please kindly check the link on for the detail of HS code products on page 3

3.7 Recommendation for factors promoting competition.

Top countries export fixed vegetable fats and oils import by country in Vietnam, 2020



Sources: VIRAC_2021

Proportion of imported product by country, 2020

	India	U.S	China	Korea	New Zealand
15151100			2.96%		
15151900		2.77%	1.29%		
15152100				3.17%	
15152919				0.12%	
15152999		90.95%		4.83%	98.88%
15153010	25.13%			0.23%	
15153090	27.61%	0.05%	2.70%	13.11%	
15155010	45.84%	0.07%	72.86%	15.18%	
15155090	0.02%		13.25%	44.71%	
15159019	0.09%				
15159029				1.57%	
15159031		4.15%			
15159039	0.02%		0.19%	3.39%	
15159091	0.08%	0.43%	0.58%		
15159092		0.01%	0.54%		
15159099	1.20%	1.56%	5.64%	13.70%	1.12%

Sources: VIRAC_2021

Average price of fixed vegetable fats and oil by top countries, 2020

	India	U.S	China	Korea	New Zealand
15153090	2.58	4.08	6.25	3.98	-
15155010	2,369.74	60.43	3,150.07	6,913.75	-
15159099	4.77	36.02	6.48	25.47	25.06

Sources: VIRAC_2021

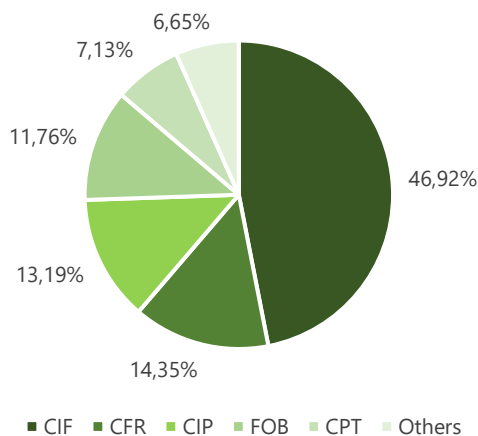
→ According to the proportion of imported products by HS code, India exported crude oil of sesame and castor oil. Currently, India had the cheapest price among top exporters for Jojoba oil and castor oil. In Vietnam, almost all manufacturers have been importing crude oil, Indian enterprises could check the above tables and compare the price to adjust to gain the competitive advantages.

Please kindly check the link on for the detail of HS code products on page 3

49 3 Opportunities for Indian enterprises

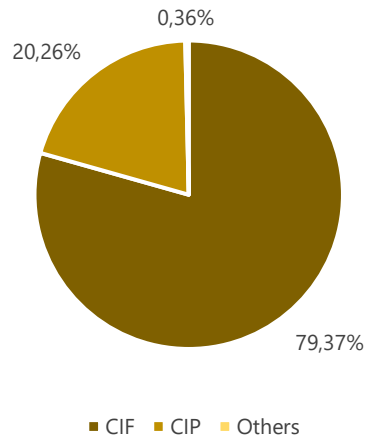
3.7 Recommendation for factors promoting competition.

Incoterms from the World, 2020



Sources: VIRAC_2021

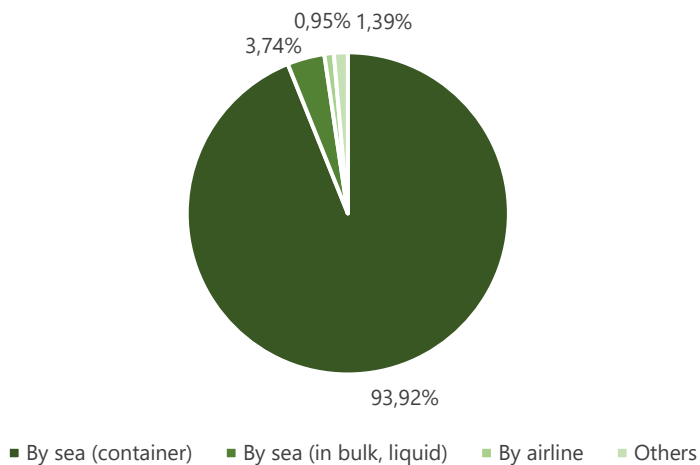
Incoterms from India, 2020



Sources: VIRAC_2021

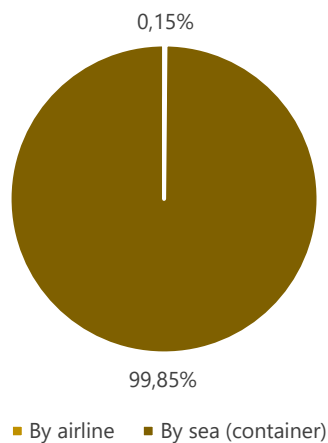
→ In 2020, the Incoterms that Indian enterprises had used closely match with the World, so, it is suggested that Indian enterprise could maintain the current international commercial term or may consider CFR (Cost of Freight), which was ranked 2th from the World.

Means of Transportation from the World, 2020



Sources: VIRAC_2021

Means of Transportation from India, 2020



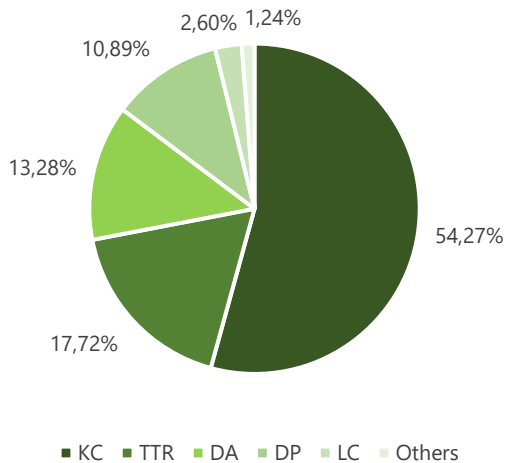
Sources: VIRAC_2021

→ The means of transportation from India was matched with the World. It is recommended that Indian enterprises keep maintaining the way to deliver vegetable oil.

50 3 Opportunities for Indian enterprises

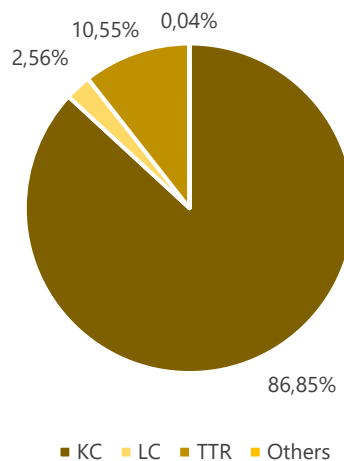
3.7 Recommendation for factors promoting competition.

Mode of payment from the World, 2020



Sources: VIRAC_2021

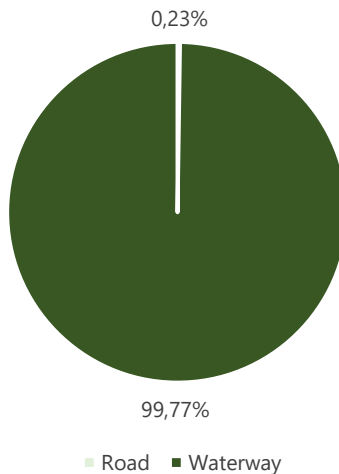
Mode of payment from India, 2020



Sources: VIRAC_2021

→ The mode of payment was quite different from the World and the India. However, KC was at the top of payment that both India and the World had used in 2020. An LC payment method was ranked at second and TTR was the third for India. It is recommended that Indian enterprises may consider another payment such as: DA or DP

Means of transportation of imported soya beans, Q3/2021



Sources: VIRAC, GDC_2021

→ Among the oil seeds imported into Vietnam, soybeans and groundnuts are the two products that account for a large proportion, and according to statistics, these products are mainly by waterway. Previously, there were no standards or procedures on food safety conditions or quarantine certificates, any Indian enterprises could export peanuts to Vietnam. This leads to risks and ensures food safety. **However, after discovering that some imports from India did not meet hygiene standards, currently only about 183 Indian enterprises are allowed to export peanut products to Vietnam, that means the export conditions for peanuts are becoming more and more strict at all stages of restriction.**

List of products from oilseeds currently used in Vietnam besides vegetable oil or refined oil.

There are some of products listed below for Indian enterprises as recommendations:

❖ **Products for users:**

- Cereals (granules, bars, cakes), dried nuts, tofu, snack
- Nut milk, juice from nuts are considered natural drinks, rich in vitamins and antioxidants; etc.

❖ **Products for animals:**

- Animal feed productions: Seed meal for animal feed (e.g. soybean meal, rapeseed meal are high quality and nutritious

❖ **Products for industrial purposes:**

- Kernel oil is used in the industrial production of lubricants, varnishes, fungicides, etc.

Responsibilities for ground-nuts Indian exporters:

1. Only buy ingredients for export from registered processors
2. It is needed to prevent/avoid bacterial/virus invasion and reinfaction in all the steps of the export process
3. A certificate is required for each consignment from the registered processor which mentions the registration number, the number of peanuts, and the nature of the packaging
4. A phytosanitary certificate should be inspected, handled, and issued for each consignment originating from a registered processor.
5. Stack containers at the processing facility to avoid mixing with other cargo containers to prevent cross-contamination.

→ Throughout the interaction with Vietnamese companies, trust is the key point of concern for them because of poor quality, short weight, and even non-delivery of goods after taking advance payment are popular among Indian exporters. It is suggested that Indian authority need to develop a Stand Operating Procedures (SOP) for soya beans like SOP for ground-nut and it is a compulsory requirement for all Indian exporters.

	Revenue (billion VND)	Commerce/ Manufacturer	Address
Calofic corporation	8,418.82	Commerce/ Manufacturer	Cai Lan IZ, Ha Long City, Quang Ninh commune, Vietnam
Tuong An Vegetable oil Joint Stock Company	5,246.76	Commerce/ Manufacturer	Floor 10th, Tòa nhà Empress Tower Building, No 138-142 Hai Ba Trung street, Da Kao Ward, 1st district, HCM City
KIDO Corporation	3,116.75	Commerce/ Manufacturer	138 - 142 Hai Ba Trung St., Da Kao, District 1, Ho Chi Minh City, Vietnam
Vietnam Vegetable oil Industry Corporation (Vocarimex)	2,601.12	Commerce/ Manufacturer	: Floor 9 Express Tower, 138 – 142 Hai Ba Trung, Da Kao Ward, 1st District, HCM city
Emivest Feedmill (TG) Vietnam	2,431.22	Commerce	Floor 3, Dai Dung Tower, 92 Nguyen Huu Canh, Sai Gon Pearl, P22, Binh Thanh District, HCM city
An Long Food Joint Stock Company	2,069.35	Commerce/ Manufacturer	Long Dinh – Long Cang Industrial Cluster, Long Cang Commune, Can Duoc District, Long An
Tan Binh Vegetable oil Joint Stock Company	1,529.59	Commerce/ Manufacturer	889 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, HCM City
Minh Hue Vegetable oil Co., Ltd	900.59	Commerce/ Manufacturer	383/7 Luy Ban Bich, Hoa Thanh Ward, Tan Phu District, HCMC
Mekong Commodities JSC	293.92	Commerce/ Manufacturer	Floor 20, 72-74 Nguyen Thi Minh Khai, ward Vo Thi Sau, Dist 3, HCMC, Vietnam
RunLong International Group – Hau Giang (Vietnam) Co., Ltd	149.78	Commerce/ Manufacturer	Song Hau Industrial Park – Phase 1, Chau Thanh Dist., Hau Giang Town

Sources: VIRAC, MOIT_2021

KIDO GROUP



- **KIDO Corporation was established in 1993 and has become one of the leading Food & Flavor companies in Vietnam.** In its 22-year history, KIDO Group has remained the market leader in confectionery across a wide array of products such as confectionery, cookies and ice - cream under the KIDO brand name.
- By promoting existing platforms, KIDO continues to maintain and develop its leading position in the frozen industry with Ice-Cream, Milk & Dairy products and expands its product portfolio to the food and beverage industry mainly with vegetable oil, instant noodles, seasoning seeds, sauces, coffee, convenient packaged foods, etc, to take care of Vietnamese family kitchens and meet customers’ needs throughout the day.

- **Currently, KIDO is leading the ice cream market with 43.5% market share (According to Euromonitor) and over 30% market share in vegetable oil (According to internal data).**
- All the staff at KIDO share a common mission and goal – to “Flavor your life” – and to become the leading foodstuff group in Vietnam and the Southeast Asia region. The group has signed Mergers & Acquisitions and strategic partnerships in a bid to expand its operations
- In 2016, KIDO bought 65% stake in Tuong An Vegetable oils JSC and 24% in Vietnam Vegetable oils Industry Corporation (Vocarimex). In 2017, KIDO bought 51% from Vocarimex. In 2018, KIDO acquired 51% stake in Golden Hope Nha be and established KIDO Nha Be Co., Ltd.



Contact: KIDO GROUP

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Tel: (84) (28) 3827 0468

Fax: (84) (28) 3827 0469

Email : customerservice_kido@kdc.vn

Website: <https://www.kdc.vn>

Unit: billion VND

Profitability indicators	2020	2019
Revenue	2,077	1,837
Net Profit	491.26	370.43
Profitability		
Gross Profit margin	7.94%	9.95%
Net Profit margin	10.63%	-0.71%
EBIT/Revenue	13.08%	7.05%
ROA	0.05	0.00
ROE	0.06	0.00

Sources: VIRAC, KIDO_2021

MINH HUE VEGETABLE OIL CO., LTD

- **Starting to penetrate the vegetable oil market in 1971, Minh Hue Vegetable oil Company Limited is a unit specializing in the production of vegetable oils.** Being aware of the position of the Company in the market at that time, all officers and employees constantly learn, improve their qualifications and accumulate experience for the Company to develop in terms of quality as well as products. timely production to meet the needs of consumers.
- For Minh Hue, quality and consumer health are our top goals. **With the motto of consumer health and quality first, Minh Hue has received many awards such as:** Safety Brand Gold Cup; Safety brand certification for public health; The title of high quality Vietnamese goods; Golden medal certificate of the title of quality Vietnamese goods in accordance with standards.



- After nearly 29 years of continuous investment and development, grasping the tastes of customers, in 2000, Minh Hue Company had a new product line on the market, which is bottle oil. With modern production lines and a team of highly qualified and dedicated employees, each step has helped Minh Hue assert its position in the market.
- **The current total capacity is nearly 40,000 tons/year.**

Unit: billion VND

Profitability indicators	2020	2019
Revenue	900.79	852.708
Net Profit	4.5	10.02
Profitability		
Gross Profit margin	1.30%	2.08%
Net Profit margin	0.39%	1.34%
EBIT/Revenue	0.01	0.01
ROA	5.67	6.34
ROE	7.89	7.62

Contact: Minh Hue Vegetable Oil Company Limited

Head Office: 383/7 Luy Ban Bich, Hoa Thanh Ward, Tan Phu District, HCMC

Tel: 08. 3860 5907

Fax: 08. 3973 6377

Email : info@minhhueoil.com

Website: www.minhhueoil.com

Sources: VIRAC, minhhueoil_2021

AN LONG FOOD JOINT STOCK COMPANY



- **Established in 2007, An Long Food Joint Stock Company is now known as one of the leading reputable units in the field of production of vegetable oil.**
- To meet the customer demand for a wide range of products, An Long currently provides lines such as Happi Koki, Happi Soya, Olifam, Hoa Bep, Mommy Buddy, Sailing Boat Gold plus, Naturel, etc. Besides serving the domestic market, An Long's products export to many countries with aim markets in Cambodia, Laos, etc.

- **An Long is proud of being a reputable Vietnamese enterprise in vegetable oil production and processing;** with an area of nearly 3 hectares of land for construction with a capacity of 700 tons/day, always ensuring to meet the needs of consumers on a variety of products.
- An Long uses imported oil that has been refined by physical and chemical methods to remove gum, metals, colors, odors, and other residues in the oil while keeping maximum natural vitamin E content. Besides, **An Long also uses a modern packaging line with European standard filling technology with a capacity of 12000 bottles/h.**
- An Long Food's (ALF) distribution network is nationwide, with more than 200 domestic distributors and nearly 3000 point of sales, which makes it easy for ALF to connect with customers.



Contact: An Long Food Joint Stock Company

Headquarter: Long Dinh – Long Cang Industrial Cluster, Long Cang Commune, Can Duoc District, Long An

Central Branch: Chan May Port, Binh An Village, Loc Vinh Commune, Phu Loc District, Thua Thien Hue Province

Tel: (0272) 3726222 | (028) 36362705

(0272) 3726224

Fax: (84-72) 3726220

Email : sale@anlongfood.com.vn

Website: <https://anlongfood.com.vn/>

Profitability indicators	2020	2019
Revenue	2,077.24	1,837.29
Net Profit	155.54	109.66
Profitability		
Gross Profit margin	10.72%	8.96%
Net Profit margin	9.41%	7.47%
EBIT/Revenue	0.09	0.08
ROA	2.64	2.66
ROE	3.70	3.67

Unit: billion VND

Sources: VIRAC, AnLongfood_2021

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3.8 Potential enterprises and partners in Vietnam for Indian businesses

RUNLONG INTERNATIONAL GROUP – HAU GIANG (VIETNAM) CO., LTD



VẠN THIÊN HƯƠNG



- **RUNLONG – HAU GIANG INTERNATIONAL GROUP CO., LTD (VIETNAM) is a large-scale oil and butter production enterprise operated by RUNLONG INTERNATIONAL (USA) CO., LTD and RUNLONG INTERNATIONAL GROUP COMPANY (VIETNAM) CO., LTD invested in 2014.** mainly researching, producing, trading and consuming all kinds of oil, butter used in baking, ice-cream, confectionery and other types of dining.
- The factory is located near the Mekong River, Mekong Delta, Hau Giang Province with an area of more than 2 hectares. The company has a modern butter factory, edible oil warehouse, production equipment from brands with international leading oil and butter production techniques from countries such as: US, Denmark, Israel.

Contact: RUNLONG INTERNATIONAL GROUP – HAU GIANG (VIETNAM)

Address: Song Hau Industrial Park – Phase 1, Chau Thanh Dist., Hau Giang Town

Tel: (84.293)3949.189.189 – 3949.188 – 3949.198 – 3949.185

Website: <https://runlonginternational.com/>

- RUNLONG INTERNATIONAL GROUP always takes prestige and quality first, the main business management principle is service first. Based on variety experiences in research, production, testing of fats and oils, the company focus on the production base in Hau Giang province in the South of Vietnam. Baking technical centers in HCM City and Hanoi as the core, from North to the South to form a nationwide consumption network. RUNLONG INTERNATIONAL GROUP takes advantages of its existing strengths as a tool, join hands with customers everywhere to create a better and better Vietnamese cuisine.
- **The company's products include:** butter oil substitute, margarine, liquid imitation butter oil, sheet margarine, baking margarine, cream margarine, sweet sheet margarine, Danish Pastry Margarine, Anhydrous Milkfat, Unsalted Butter, etc.

Unit: billion VND

Profitability indicators	2020	2019
Revenue	149.78	64.76
Net Profit	-0.698	-0.767
Profitability		
Gross Profit margin	3.14%	3.88%
Net Profit margin	-0.47%	-1.19%
EBIT/Revenue	0.00	-0.01
ROA	1.36	0.65
ROE	2.30	1.34

Sources: VIRAC, runlonginternational.com_2021

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3.8 Potential enterprises and partners in Vietnam for Indian businesses

TAN BINH VEGETABLE OIL JOINT STOCK COMPANY



- The company was established in 1971, with more than 30 years of construction and development, products are manufactured on equipment lines and modern production technology imported from advanced countries such as Japan, USA, Germany,... Up to now, the company has a total capacity of 70,000 tons/year. Main export markets: Japan, Cambodia,...**Tan Binh Vegetable Oil Joint Stock Company has a nationwide distribution network with more than 150 distributors and agents selling products. Nakydaco's products are supplied to leading domestic and foreign food manufacturers.**



Contact: Tan Binh Vegetable Oil Joint Stock Company

Address: 889 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, HCM City

Tel: (84.28) 38153 010

Fax: (84.28) 38153 226

Email : nakydaco@hcm.vnn.vn

Website: www.nakydaco.com.vn - dauan.com.vn

- To meet and satisfy the needs of domestic and foreign customers, Tan Binh Vegetable oil Joint Stock Company has been upgrading and investing in new production lines with advanced technology. Manage the quality system in production and business in accordance with ISO 9001:2000
- The company operates in the field of domestic production, business and export of products made from oils, fats, oil seeds, all kinds of packaging for oil and fats products.
- With the achievements in production and business, Tan Binh Vegetable oil Joint Stock Company was awarded many medals, certifications of merit from the Government, Ministry of Industry and Trade, The people's Committee of HCM City.

Unit: billion VND

Profitability indicators	2020	2019
Revenue	1,551.27	1,176.42
Net Profit	17.75	14.15
Profitability		
Gross Profit margin	6.01%	7.80%
Net Profit margin	1.52%	2.46%
EBIT/Revenue	0.02	0.02
ROA	5.51	5.61
ROE	13.29	10.80

Sources: VIRAC, Nakydaco_2021

EMIVEST FEEDMILL (TG) VIETNAM



- **Since its establishment, Emivest Group of Companies is a member of Leong Hup International Berhad has been committed to be a part of the nation’s development for food security and quality.**
- In order to achieve this, the company utilize modern facilities and advanced technologies across the entire operation chain – with their production lines designed and imported from Switzerland, and storage facilities from the United States. In an effort to fulfill customers' long-term satisfaction and confidence in their feed products, the company strictly adhere to VINA Certifications' standards i.e. ISO 9001:2015 and HACCP, and procure high quality agricultural inputs for the feed mill plants and the veterinary medicine plant.

- The company products consist of a full range of feed for breeder, broiler, color birds, village birds, layers, duck, quail, and others. They specialized in rearing of Day Old Chicken (DOC), broiler, and layer production. Our poultry breeds are directly imported from leading poultry genetic companies in USA, England and France.
- Emivest Feedmill poultry farms are fully equipped with advanced facilities, together with modern techniques and good management practices to maintain and regulate the hygiene and biosecurity of the farms.
- **Emivest Feedmill Vietnam Company Limited is one of the biggest livestock production company that obtained the “Disease-free Certificate” and “Outstanding Feed Product Innovation Awards” from Ministry of Agriculture Rural Department (MARD) of Livestock in Vietnam.**



Contact: EMIVEST FEEDMILL (TG) VIETNAM

Head Office: FLOOR 3 DAI DUNG TOWER, 92 NGUYEN HUU CANH, SAI GON PEARL, P22, Q. BINH THANH, HCM CITY

Tel: (+84)2835120123|0868-768 968

Email : EMIVESTWEB.VIETNAM@GMAIL.COM

Website: <https://emivest.com.vn>

Unit: billion VND

Profitability indicators	2020	2019
Revenue	2,453.78	2,166.19
Net Profit	215.86	173.27
Profitability		
Gross Profit margin	14.28%	13.97%
Net Profit margin	9.40%	8.86%
EBIT/Revenue	0.11	0.10
ROA	1.26	1.39
ROE	2.79	2.76

Sources: VIRAC, EMIVEST_2021

MEKONG COMMODITIES JSC

- **Mekong-Savo Joint Stock companies were set up by the most prominent commodity leaders. Leveraging the ultimate 20 years’ experience of its shareholders, its pioneering innovative team and its diversified enriching product portfolio, we are proud to be global reach where all new challengers of fast-moving market can be met.**
- With the glory heritage of business spirit built upon sustainability, trust and responsibility, we have a solid commitment to enhancing life in the communities we serve.



- **Mekong Commodities JSC provides vegetable oils and animal fats (such as: soybeanoil, palm oil, fish fat, pork lard, lecithin); soybean and grain & oil seed based by products (such as: wheat bran, wheat brean pelltets, distillers dried grains, corn gluten meal, rice bran,..).** Moreover, Mekong is proud to always be the first choicce of the largest animal feed manufacturers in Vietnam in the fields of agriculture.



Unit: billion VND

Profitability indicators	2020	2019
Revenue	294	637.87
Net Profit	1.17	3.73
Profitability		
Gross Profit margin	12.14%	7.09%
Net Profit margin	0.79%	0.81%
EBIT/Revenue	0.02	0.01
ROA	7.06	17.19
ROE	18.14	40.84

Contact: MEKONG COMMODITIES JSC

Address: Floor 20, 72-74 Nguyen Thi Minh Khai, ward Vo Thi Sau, Dist 3, HCMC, Vietnam

Tel: +84 28 3520 6638

Fax: +84 28 3823 3318

Email : trading@mekonutri.com

Website: https://www.mekonutri.com

Sources: VIRAC, Mekonutri_2021

3.9 Potential partnerships in linking the Indian companies in the global supply chain and the ways forward

	Revenue (billion VND)	Commere/ Manufacturer	Address
Asia chemical Corporation	4,196.14	Commerce	Lot K4B Le Minh Xuan Industrial Zone, Road 4, Binh Chanh Ward, HCM City
Guyomarc'h Vietnam Co., LTD	1,944.34	Commerce/Manufacturer	Quarter 1B, An Phu Ward, Thuan An City, Binh Duong
Wilmar Marketing CLV company limited	1,406.19	Commerce	Floor 10, CornerStone Tower, 16 Phan Chu Trinh, Hoan Kiem District, Hanoi City
Hoang Lam Trading and food technology joint stock company	1,281.39	Commerce/Manufacturer	No.1 LK03-04 Van Khe, La Khe Ward, Ha Dong, Ha Noi City
Asia Saigon Food ingredients JSC	1,213.60	Commerce	Lot C-9E-CN, My Phuoc 3 Industrial Zone, Thoil Hoa Ward, Binh Duong, Vietnam
Rich Products Vietnam Co., LTD	926.12	Commerce	Floor 15, Xo So Kien Thiet Tower, 77 Tran Nhan Ton, Distric 5, HCM city
Alkana Vietnam Co., LTD	256.26	Commerce	No. 6, Dan Chu Street, VSIP II Industrial Zone, Thu Dau Mot City, Binh Duong

Note: All the detail of above companies are fully listed below.

Sources: VIRAC_2021



Asia Chemical Corporation (ACC) established in 2001. ACC has been striving to become the leading distributor and supplier of raw materials, food additives and food flavoring in Vietnam and other countries in region. Support sub-sectors: Processed foods; Medicine; Cosmetics and food supplements.

PRODUCT LINE

- | | |
|-------------------------------|-----------------------------------|
| 1. Acidifier | 9. Nutrition and fortifies |
| 2. Cocoa & Chocolate | 10. Proteins |
| 3. Colorant | 11. Sweeteners |
| 4. Dairy & Dairy Alternatives | 12. Vitamins and minerals |
| 5. Extracts | 13. Probiotics & Prebiotics/Fiber |
| 6. Emulsifiers | 14. Phosphates |
| 7. Flavors & Taste enhancers | 15. Stabilizers & Thickeners |
| 8. oils, fats and shortenings | 16. Starches & Starch Derivatives |

LOGISTICS & WAREHOUSES

1. VSIP Industrial Park - Bac Ninh Province
2. Song Than 1 Industrial Park – Binh Duong Province
3. LMX – HCMC Industrial Park
4. Asia NTG Warehouse – Binh Duong Province

PARTNERS



COMMERCIAL & TECHNICAL SALES

IMPORTING & DISTRIBUTION

VALUE-ADDED SERVICES

Profitability indicators	2020	2019
Revenue	4,204.9	3,460.13
Net Profit	283.89	433.03
Profitability		
Gross Profit margin	15.05%	15.06%
Net Profit margin	8.44%	15.58%
EBIT/Revenue	9.06%	16.28%
ROA	0.12	0.20
ROE	0.22	0.38

Unit: billion VND

Contact: ASIAN CHEMICAL CORPORATION

Address: Vinamilk Tower, Floor 11, 10 Tan Trao, Tan Phu Ward, District 7, HCM City

Tel: +84 28 5416 1616

Fax: +84 28 5415 7666

Email: info@asia-chemical.com

Website: www.asia-chemical.com


Sources: VIRAC, ACC_2021

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3.9 Potential partnerships in linking the Indian companies in the global supply chain and the ways forward




Guyomarc’h Vietnam is a member of ADM group. ADM is a global leader in animal nutrition. Currently, Ocialis is an international aqua feed brand of ADM in Asia, which has been distributing to Asia, Pacific and Amerca.



- Black Tiger Shrimp
- White leg shrimp
- Freshwater fish
- Marine fish
- Coldwater fish

PRODUCTS



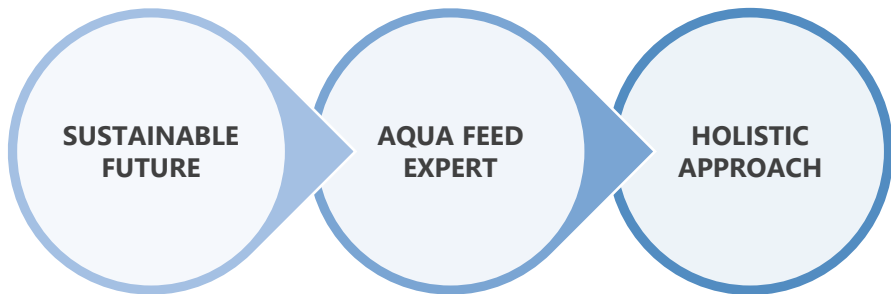
- Feed for breed shrimp
- Feed for fingerling fish
- Feed for shrimp
- Probiotics
- Feed for live bait

CERTIFICATIONS

ISO 9001
GLOBAL G.A.P.
 GGN: 4050373768904




OCIALIS CORE VALUES



Unit: billion VND

Contact: ASIAN CHEMICAL CORPORATION
Address: Quarter 1B, An Phu Ward, Thuan An Town, Binh Duong Province, Vietnam
Tel: +84 (0) 2743 740 414
Fax: +84 274 3740615
Email: communication@vn.neovia-group.com
Website: <https://ocialis.asia/>

Profitability indicators	2020	2019
Revenue	1,976.44	2,383.05
Net Profit	-51.68	18.89
Profitability		
Gross Profit margin	17.06%	19.08%
Net Profit margin	-3.02%	1.64%
EBIT/Revenue	-0.03	0.03
ROA	1.99	2.51
ROE	8.54	9.31

Sources: VIRAC, ADM_2021

3.9 Potential partnerships in linking the Indian companies in the global supply chain and the ways forward

Wilmar Marketing CLV Company Limited is a distributor of Wilmar CLV Group – one of Asia’s leading agribusiness group with more than 300 factories and distribution system over 50 countries, branches more than 20 countries around the world, including Cambodia – Laos - Vietnam. The head office of Wilmar CLV group in Singapore . There are 7 members under Wilmar CLV.



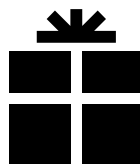
MEMBERS



NamDương®

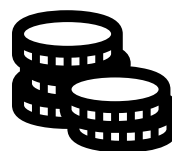


WILMAR PLUS is a program for customers to accumulate points for exchanging gifts/presents:



562,046
present given

2,043,871
Participants



3,154,804,187
Accumulated
points

Unit: billion VND

Contact: WILMAR MARKETING CLV COMPANY LIMITED

Address: Floor 10, CornerStone Tower, 16 Phan Chu Trinh, Hoan Kiem District, Hanoi City

Tel: (+84 24) 37 669 726

Fax: (+84 24) 37 668 959

Email: info-wmclv@vn.wilmar-intl.com

Website: <http://www.wilmarplus.com.vn/>

Profitability indicators	2020	2019
Revenue	1,407.07	1,023.08
Net Profit	19.74	19.68
Profitability		
Gross Profit margin	29.26%	31.58%
Net Profit margin	1.90%	3.15%
EBIT/Revenue	0.02	0.03
ROA	572.01	412.08
ROE	29.56	27.13

Sources: VIRAC, Wilmar_2021

Hoang Lam Tradeing and Food Technology Joint Stock Company (HOLAFOOD., JSC) is supplier of ingredients, food additives as well as food machinery and equipment in Vietnam. After more than 15 years, HOLAFOODS has constantly striving to improve and become one of the leading enterprises in Vietnam to supply goods and services in the food industry.



PRODUCT LINE

TOOLS

- Baking tray
- Cake pan
- Whisk/Spatula
- Knife/cutting tool
- Dough roller
- Cutter
- Other tools (bags, dụng cụ gấp bánh, hanger, etc)

EQUIPMENTS

- Bread equipments
- Ice-cream making equipments
- Equipmet of freezing and display
- Packaging and packaging equipments
- Hotel/Restaurant equipments
- Production line

MATERIALS/INGREDIENS

- Milk and dairy products
- Butter Cream Cheese
- Bakery
- Powder/syrup/gluco delta lactone
- Food coloring
- Processed food
- Food additives

Unit: billion VND

Contact: HOLAFOODS., JSC

Address:: No.1 LK03-04 Van Khe, La Khe Ward, Ha Dong, Hanoi City

Tel: 024 35 377 011 - 0904 667 886

Email: cskh@holafoods.com.vn

Website: <https://holafoods.com.vn/>

Profitability indicators	2020	2019
Revenue	1,318.69	807.27
Net Profit	22.07	(-9.08)
Profitability		
Gross Profit margin	9.33%	11.44%
Net Profit margin	2.71%	-1.20%
EBIT/Revenue	0.03	0.00
ROA	2.82	2.01
ROE	7.88	5.14

Sources: VIRAC, HOLAFOODS_2021



Asia Saigon Food Ingredients is a pioneer company in Vietnam specializing in manufacturing non-dairy creamer and other food ingredients with high quality, prestige and competitive price.

PRODUCTS

- Non-dairy creamer products (Vina creamer, A creamer, O creamer, Premium creamer)
- Milk cream powder products (Golden plus cream powder, recomi condensed)
- Milk substitute products (Golden cream vegetable powder)
- Cereal flakes (Oat Flake, golden flake calcium)
- Stabilizer (Prosol stabilizer, prosol yomix stabilizer)
- Coconut milk powder (Ben Tre coconut milk powder)
- Milk cream powder products

Unit: billion VND

Profitability indicators	2020	2019
Revenue	1,217.86	1,068.2
Net Profit	175.61	171.41
Profitability		
Gross Profit margin	21.44%	23.35%
Net Profit margin	14.69%	17.82%
EBIT/Revenue	0.15	0.18
ROA	1.17	1.14
ROE	1.51	1.36

PRODUCTION PROCESS

Raw materials: Glucose, syrup, palm oil, sodium caseinate, etc.

Mixing

Pasteurization

Assimilate

Spray drying, fluidized drying

Packaging

Finished product

Contact: ASIA SAIGON FOOD INGREDIENTS (AFI)

Address: Lot C-9E-CN, My Phuoc 3 Industrial Zone, Thoi Hoa Ward, Binh Duong, Vietnam

Tel: +84 274 3510 175

Fax: +84 274 3510 176

Email: info@afi.vn

Website: <http://www.afi.vn/>

Sources: VIRAC, AFI_2021

Rich Products Vietnam is a subsidiary of global Rich Product Corporation headquartered in Buffalo, New York, USA, a pioneer and leader in the non-dairy frozen food industry, animal milk. As a market leader, with a reputation of over 20 years in the Vietnamese market and more than 70 years in the world. Rich's has been satisfying customers with high quality products and applications and recipes, outstanding and is considered as a responsive corporation sharing new ideas, production know-how and international standard products in Vietnam and around the world.



PRODUCTS

Toppings, Creams & Culinary solutions

Filling, Icing, Glaze

Bakery Mixes

MEMBERS OF RICH'S



Unit: billion VND

Contact: RICH PRODUCTS VIETNAM CO., LTD

Address: Floor 15, Xo So Kien Thiet Tower, 77 Tran Nhan Ton, District 5, HCM city

Tel: 028 3866 4789

Fax: +84 28 3866 2679

Email: ChamSocKhachHang@rich.com

Website: <https://www.richs.com.vn/>

Profitability indicators	2020	2019
Revenue	962.17	989.67
Net Profit	425.20	419.8
Profitability		
Gross Profit margin	44.19%	42.42%
Net Profit margin	20.44%	18.94%
EBIT/Revenue	0.20	0.19
ROA	2.45	2.67
ROE	3.46	3.83

ALKANA VIETNAM CO., LTD belongs to Propan Raya group, with more than 29 years of experience and plays a leading role in the wood coating industry in East Asia. Alkana factory in Vietnam is located in Vietnam Singapore Industrial Park II, Binh Duong province.

PRODUCTS
Exterior wood paint
Interior wood paint
Paint for the wall
Stone and oil paints
Others: PU acrylic

FINANCIAL INDICATORS

Unit: billion VND

Profitability indicators	2020	2019
Revenue	267.1	251.11
Net Profit	31.89	29.82
Profitability		
Gross Profit margin	39.75%	39.20%
Net Profit margin	15.55%	13.41%
EBIT/Revenue	0.15	0.14
ROA	1.37	1.43
ROE	1.86	1.80

Contact: ALKANA VIETNAM CO., LTD

Address:: 420 – 422 Cong Hoa, 13 Ward, Tan Binh District, HCM city

Tel: 0935.35.4686

Email: xuanmanh1404@gmail.com

Website: <http://www.alkanavietnam.com/>

List and schedule of Agriculture Trade Fairs and Exhibitions 2022

**Tan Suu Spring Fair 2022 – Tan Binh District**

Industry: Textile, jewelry, pharmaceuticals, health care, furniture and handicrafts, agricultural products, food and cuisine, tourism, etc

Date: 01/2022

Place: 446 – 448 Hoang Van Thu, Ward 4th, Tan Binh District, HCM City

**Propak 2022 – Food, Beverage and Pharmaceutical Industry Exhibition in Vietnam**

Industry: Production and distribution of packaging; machinery and equipment for food packaging

Date: 28/07/2022 - 30/07/2022

Place: SECC, 799 Nguyen Van Linh, Tan Phu Ward, Distric 7, HCM City

**ILDEX Vietnam – The international Exhibition on Livestock, Dairy Industry, Meat Processing and Aquaculture in Vietnam**

Industry: Livestock, Dairy Industry, Meat Processing and Aquaculture

Date: 16/03/2022 -18/03/2022

Place: SECC, 799 Nguyen Van Linh, Tan Phu Ward, Distric 7, HCM City

**Vietfood & Beverage & Propack HCM 2022**

Industry: Food and beverage

Date: 11/08/2022 - 13/08/2022

Place: SECC, 799 Nguyen Van Linh, Tan Phu Ward, Distric 7, HCM City

**The 31st Vietnam International Trade Fair – Vietnam EXPO 2022**

Industry: Devices, Electrical equipment, Food and beverage, International pavilion, Enterprises "National Brand

Date: 13/04/2022 -16/04/2022

Place: Hanoi International Exhibition Center, 91 Tran Hung Dao, Hoàn Kiem, Hanoi

**VietStock 2022**

Industry: Livestock, animal feed and meat processing

Date: 12/10/2022 - 14/10/2022

Place: SECC, 799 Nguyen Van Linh, Tan Phu Ward, Distric 7, HCM City

**Food Ingredients Vietnam 2022**

Industry: Food and ingredients

Date: 18/05/2022 - 20/05/2022

Place: Saigon Exhibition and Convention Center (SECC), 799 Nguyen Van Linh, Tan Phu Ward, Distric 7, HCM City

**Propack Vietnam & Vietfood beverage Hanoi**

Industry: Food and beverage; food processing and packaging technology

Date: 03/11/2022- 06/11/2022

Place: Hanoi International Exhibition Center, 91 Tran Hung Dao, Hoàn Kiem, Hanoi

**Food & Hotel Hanoi 2022**

Industry: Food and beverage, hotel restaurant equipment and services

Date: 25/11/2022 - 27/11/2022

Place: Hanoi International Exhibition Center, 91 Tran Hung Dao, Hoàn Kiem, Hanoi

Sources: VIRAC, Vietnammedia_2021

3 Opportunities for Indian enterprises

3.10 Trade fairs and exhibitions

Currently, there are so many trade fairs in Vietnam. However, the consultant believed that these 2 exhibitions are highly recommend because it is the most suitable for new entries to join to introduce their product to businesses or customers.



Date: 18/05/2022 – 20/05/2022

Time: 8.00AM – 17.00PM

Place: 799 Nguyen Van Linh, District 7, HCM

City (SECC)

Fi Vietnam 2022 will take place at Saigon Exhibition and Convention Center (SECC), which expected to attract more than 4,700 professionals in the industry. This will be a place to meet and connect all leading individuals, experts, product development researchers and businesses within ASEAN, especially the Mekong sub-region.

Food Ingredients Vietnam is currently one of the top events for food and beverage ingredients industry, which will be held every 2 years. The exhibition will connect 140 businesses displaying additives ingredients, solutions for food and beverage.



Date: 11/08/2022 – 13/08/2022

Time: 8.00AM – 17.00PM

Place: 799 Nguyen Van Linh, District 7, HCM

City (SECC)

Vietfood & Beverage and ProPack HCM International Exhibition 2022 is a typical and comprehensive trade promotion event held annually at SECC. The exhibition is supported by Ministry of Industry and Trade (MOIT) and Ministry of Agriculture and Rural Development, which organized by Vinexad Company in collaboration with Vietnam Beverage Association (VBA), Food and Foodstuff Association HCMC (FFA). This is recognized as a trade promotion activity that brings true effectiveness, besides that is a series of side activities distributed Associations such as: Association of Vietnam Retailers (AVR), Vietnam Beer-Alcohol-Beverage Association (VBA), Ho Chi Minh City Union of Business Associations (HUBA)

Proposal for export



- **Screening for suitable channels:** With both traditional and modern channels, Vietnam has a large number of potential options for suppliers, depending on the demand and preference of the suppliers. Traditional wet markets and small independent stores are historically the main distribution channels of oil seeds in Vietnam, and they continue to dominate the overall landscape. However, both modern retailers and e-commerce are rapidly increasing in importance, particularly in urban areas.
- **Deciding on channels:** Having a specific channels would help the suppliers to clearly set target customers and efficiently choosing partners

- **Searching for potential distributors:** Regularly, foreign vegetable oil suppliers or oil seed specifically, usually looks for new local distributors through databases developed by consulting companies or government organizations, trade fairs, or the introduction of the existing distributors or employees.
- **Profile screening:** When a potential distributor is identified, the vegetable oil suppliers may need to analyze the company's profile to find the suitable one in terms of scale, experience, financial status, target customers, marketing methods, etc.

- **Contacting:** After deciding on the appropriate partners, the suppliers would need to contact the local distributors to confirm the information gathered from profile screening, preliminarily assess the ability to meet requirements on safety, management systems, quality assurance. Local distributors in Vietnam would also need to receive documents proving product quality and other standards suiting the regulations in Vietnam, as well as exchange the conditions before making an agreement

- **Signing the contract:** If two sides agree on the corporation, the suppliers can consider signing a contract for the first order of vegetable oil or oil seed.
- **Delivering:** A third parties may or may not be needed in this steps. Retailers such as hotels or restaurants may not specialized in logistics and custom procedures, which would require a third parties to join the cooperation. During the transportation, the vegetable oil suppliers and local distributors still have to frequently collaborate, work together to ensure the quality and progress of work.

1. Deciding on partners

- **Defining your objective:** The first step in forming a joint venture is to clearly identify what the company needs. In frozen buffalo meat case, Indian companies should clearly define whether they need a distributor, a producer, or a retailer.
- **Profile screening:** When a potential partner is identified, Indian company should analyze the profile to collect necessary information about the financial condition or possible conflicts of interest

2. Choose a type of joint venture

- **Structure the joint venture:** After finding a partner, the next step will be to structure the joint venture. Regularly, there are a few ways to do it: Form a separate legal entity or Operate under a joint venture agreement without creating a separate legal entity.
- **Profile screening:** When a potential distributor is identified, the frozen buffalo meat suppliers may need to analyze the company's profile to find the suitable one in terms of scale, experience, financial status, target customers, marketing methods, etc.

3. Draft a joint venture agreement

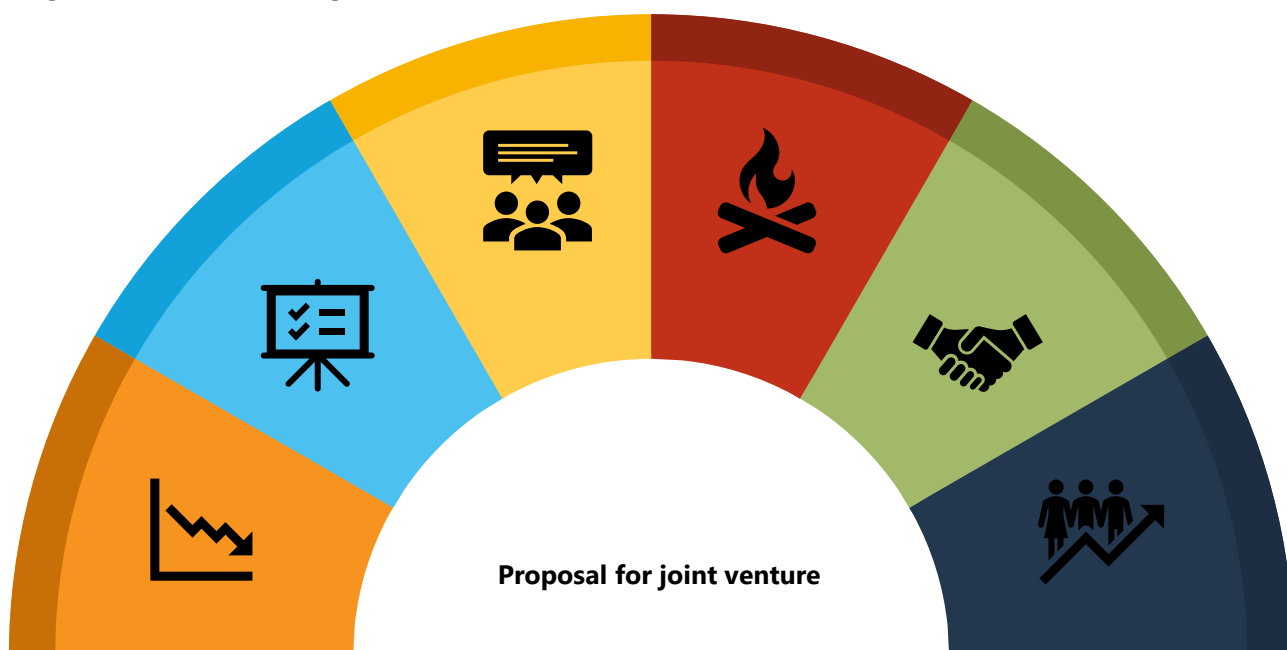
- **Drafting contract and adjusting terms:** Before signing a contract, the 2 companies would need many drafting the contract. The contract should be in compliance with regulations in both of the countries and be detailed to avoid any dispute later. Also, it is better for both parties to have legal representation as part of the process

4. Joint venture filling

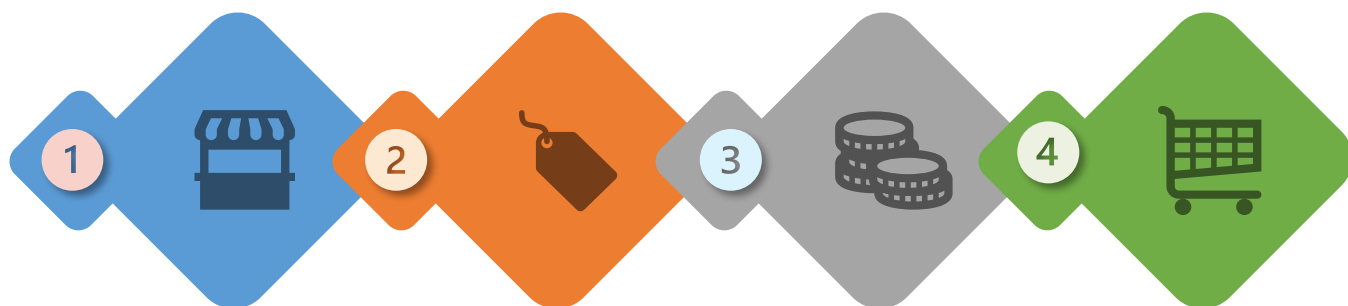
- **Prepare paperwork:** In compliance with the regulations in both nations, 2 parties should prepare paperwork to submit to the authorities for the establishment of a joint venture company
- **Submitting:** After preparing all the documents, the investors can submit at the Department of Planning and Investment or the secretarial office according to the specific regulations of each locality

5. Cooperating

- **Cooperating:** During the corporation, the both parties should maintain the frequently contact ensure the efficiency of the investment and business result for both sides.



Proposal for investment



Searching for suitable investee company

- **Searching for potential suppliers:** Regularly, vegetable oil producers usually look for prospective investee through databases developed by consulting companies or government organizations, trade fairs. Also, foreign investor majorly avoid State-owned company and foreign company, which are not fond of a new foreign investment.
- **Profile screening:** When a potential company is identified, investors should analyze the profile to collect necessary information, mostly about business operation result, financial status, vision of the company.

Visit

- **Visit:** The purpose of the first visit is to confirm the information gathered from profile screening, preliminarily assess the ability to meet requirements on food safety, management systems, quality assurance, etc

Adjusting contract terms

- **Deciding on the investment:** After deciding to follow the investment, the investors should contact the investees to confirm the information gathered from profile screening and the visit.
- **Drafting contract and adjusting terms:** Before signing a contract, the 2 companies would need many meetings to adjust the terms on the contract. The contract should be in compliance with regulations in both of the countries and be detailed to avoid any dispute later.

Signing the contract

- **Signing the contract:** If two sides agree on the corporation, the suppliers can consider signing a contract for the investment.
- **Cooperating:** During the corporation, the investors and investees should maintain the frequently contact and adjustment following the recommendation and information exchange of 2 sides to ensure the efficiency of the investment and business result for both sides.



***Thank
You!***