



VIETNAM CONSUMER GOODS MARKET

As Vietnam's real GDP will likely grow by 91.4% during 2019 – 2030, consumer expenditure is predicted to boom. By 2030, 46 million urban consumers will spend some US\$169 billion while that figure for 61 million of consumers in rural areas will be US\$173 billion.

•Vietnam is the second to the Philippines among the leading consumer good markets in ASEAN region with Vietnam's growth 37.5% and the Philippines 42.1%.

•Viet Nam is forecast to lead in terms of growth, with a Compound annual growth rate (CAGR) 10.2% from 2016 to 2030, followed by the Philippines with a CAGR of 9.7%.

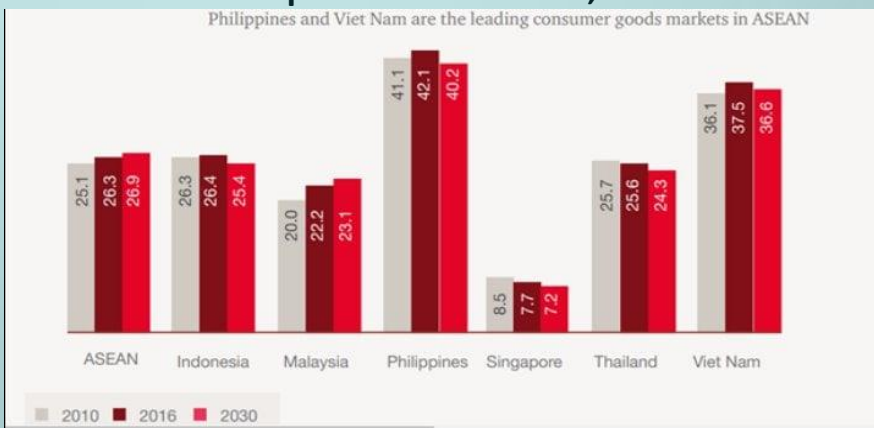
•The food and drink, apparel and footwear, and consumer electronics segments continue to remain the main subsectors of growth within ASEAN's consumer goods sector.

•Source:

1. Report on Vietnam Perspective, PWC
2. Vietnam's Consumer Trend 2019, Q&Me

Consumer expenditure as % GDP, 2010 - 2030

Philippines and Viet Nam are the leading consumer goods markets in ASEAN



Key spending trends

- Food and beverage - the largest portion of household spending in Viet Nam is on food and non-alcoholic drinks, followed by housing and utilities and transport spending.
- Premium goods (including health goods) - in recent years, Viet Nam consumers have increasingly become more willing to purchase premium items to enhance their quality of life, notably healthcare and organic products.
- Product quality - consumers are becoming more conscious about the quality of products and their potential health impact. This has resulted largely from scandals involving poor quality foodstuffs, toys and personal care products. This extends to other products such as clothing, footwear, electrical appliances and household items.
- Foreign brand presence - due to the rising appetite for foreign goods coupled with higher disposable income, many global brands are increasingly distributing their products via dealers or even using their own channels.

Opportunities

There are a number of opportunities emerge for consumer goods, including Regional sourcing and manufacturing of goods, E-commerce business, and Partnerships.

•Viet Nam is the largest agricultural exporter in ASEAN, with the exports valued at US\$15 billion in 2016. Viet Nam's large agriculture base provides considerable opportunities to advance the country's food processing and manufacturing capabilities to supply higher value added food products to the region and global markets.

•The Vietnamese e-commerce market is expected to grow in revenue from \$1 billion in 2016 to \$2.3 billion in 2020, with CAGR of 23.30. In comparison, the retail market is only expected to grow at a CAGR of 6% between 2010 and 2020.

•Although Viet Nam's e-commerce potential is exciting, consumer goods companies are finding it challenging to enter and expand on their own. Seeking partnerships with e-commerce platforms can ease entry into e-commerce for consumer goods companies.