



Australian Government

Australian Trade and Investment Commission

Vietnam Wine Market Briefing

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AUSTRALIA

Market overview



Political

One-party system
Politically stable



Population

100.3 million (2023)
40m people in the middle class (2020), with 36m more will join by 2030



Employed workforce

52.4 million (2023)
Services (39.6%)
Agriculture (26.9%)
Industry (33.5%)



Digital Data

72.7 million social media users (Jan 2024)
Most popular social platforms:
Facebook, Zalo, Tiktok, Instagram



Economy

5th largest economy in ASEAN
Average GDP growth rate: 5.8% (2013 – 2023), 5.05% (2023)



Business Environment

#70 globally in EODB (2020)
#39 globally and #3 ASEAN in Logistics Performance Index



Trade Relationship

Australia's 10th trading partner
Commodities, agri-food, education exports & electronics imports



FTAs

Joined 16 FTAs, negotiating 3
Regional FTAs with Australia:
AANZFTA, CPTPP, RCEP

Vietnam – 4th largest wine market in ASEAN



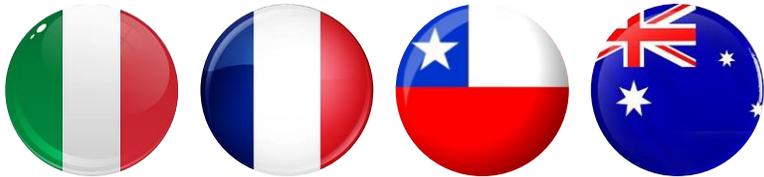
Market size (2022)

16m litres
worth A\$492.4m

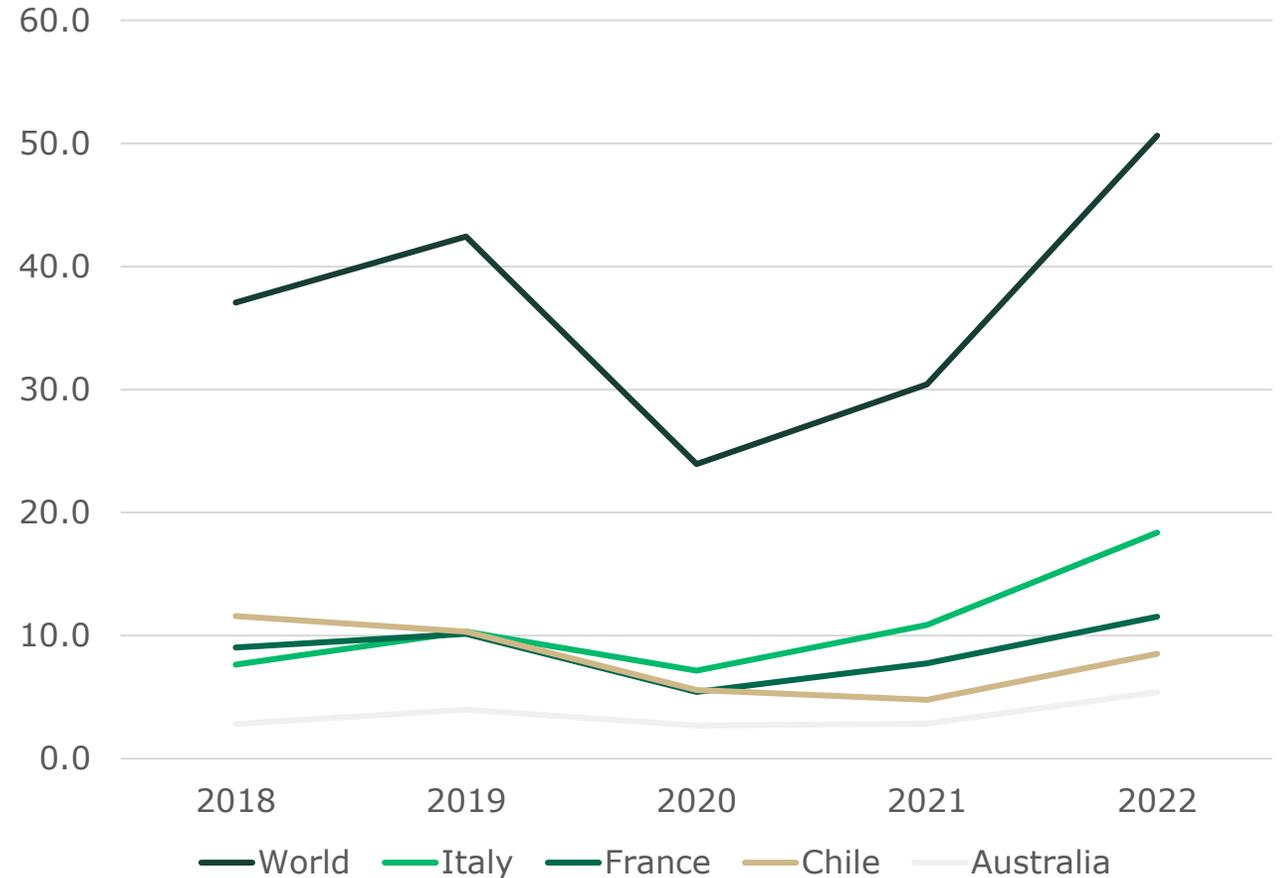


Imports (2022)

A\$50.6m
84.6% of imports were from
top 4 players:
Italy, France, Chile & Australia



Vietnam's wine imports (million A\$) 2018 to 2022



Wine consumption in Vietnam

Shifting towards higher-value alcoholic drink is a long-term trend



Who drinks?

1. Tourist & Westerners
2. Vietnam's urban middle and upper classes
3. Males account for most purchases
4. Female focused market is growing



Peak in Nov-Feb:

Account for ~ 50-70% of sale depending on each business
Gifting for New Year & Tet

Challenges include the strict driving under the influence law & the popularity of beer

Sources: Industry insights



Beverages central to socialising
Symbol of social prestige

Wine range & split in Vietnam

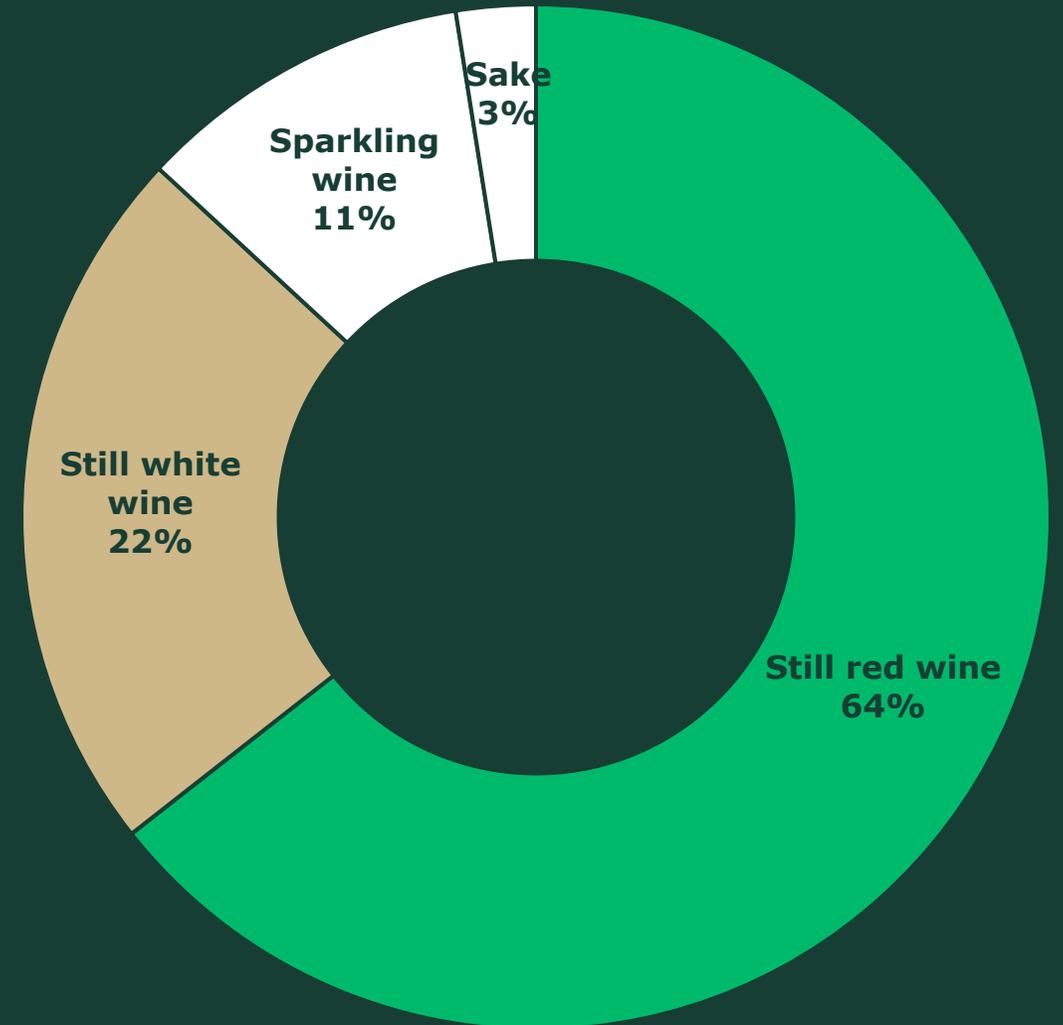
Still red wine is the most popular wine in Vietnam and accounts for 64% of purchases, whereas still white wine accounts for around 22% of total consumption.

Retail price points for Vietnam's wine imports:

- Entry level: A\$6.1 – A\$18.2
- Mid-range: A\$18.2 – A\$36.4
- Premium: from A\$36.4

Sources: Euromonitor & Industry insights

WINE SPLIT BY VOLUME IN 2022 (%)



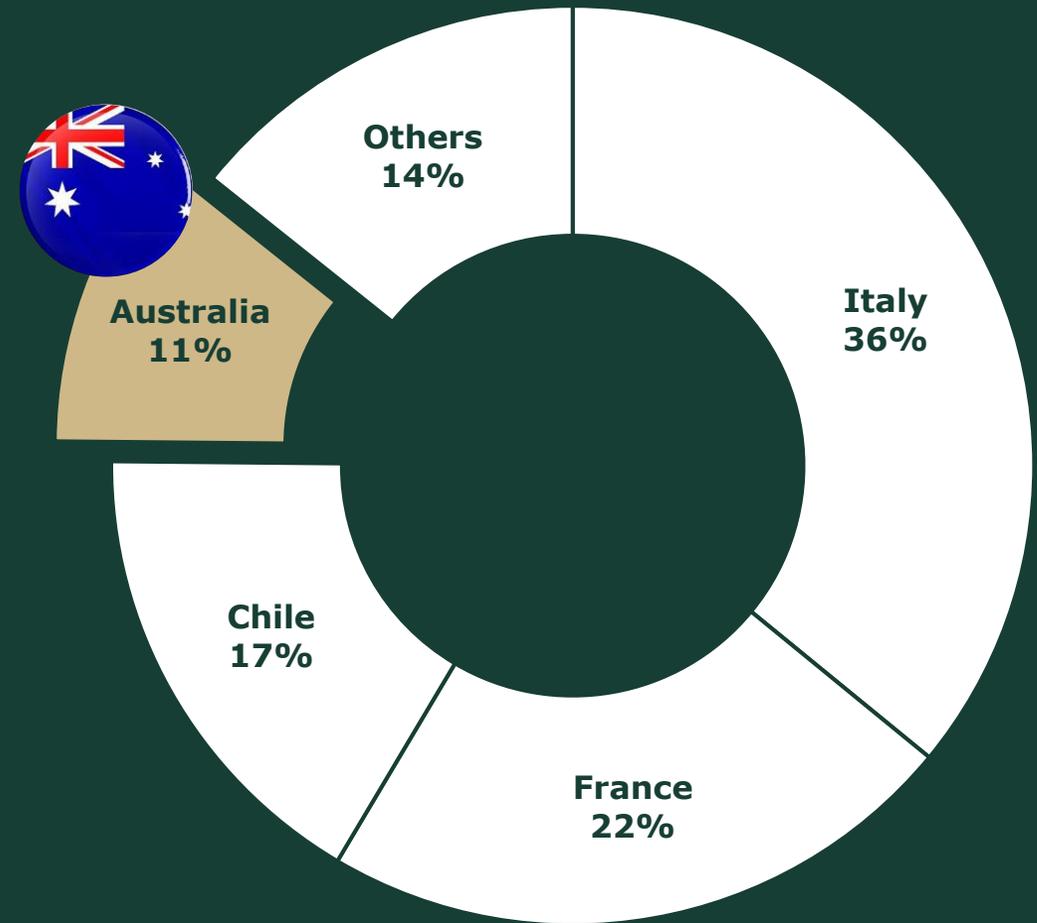
Australian wine in Vietnam

Australian wine is perceived as a high-quality product with short term competitiveness from reduced tariffs (AANZFTA & CPTPP)

There is a need for wine education to show comparative value when compared to our competition.

Over a 1,000 wine brands in Vietnam of which, there are about 200 Australian brands.

Source: Trade Map



Italian wine was the market leader in 2022. Vietnamese traditionally has strong appetite for French wines.



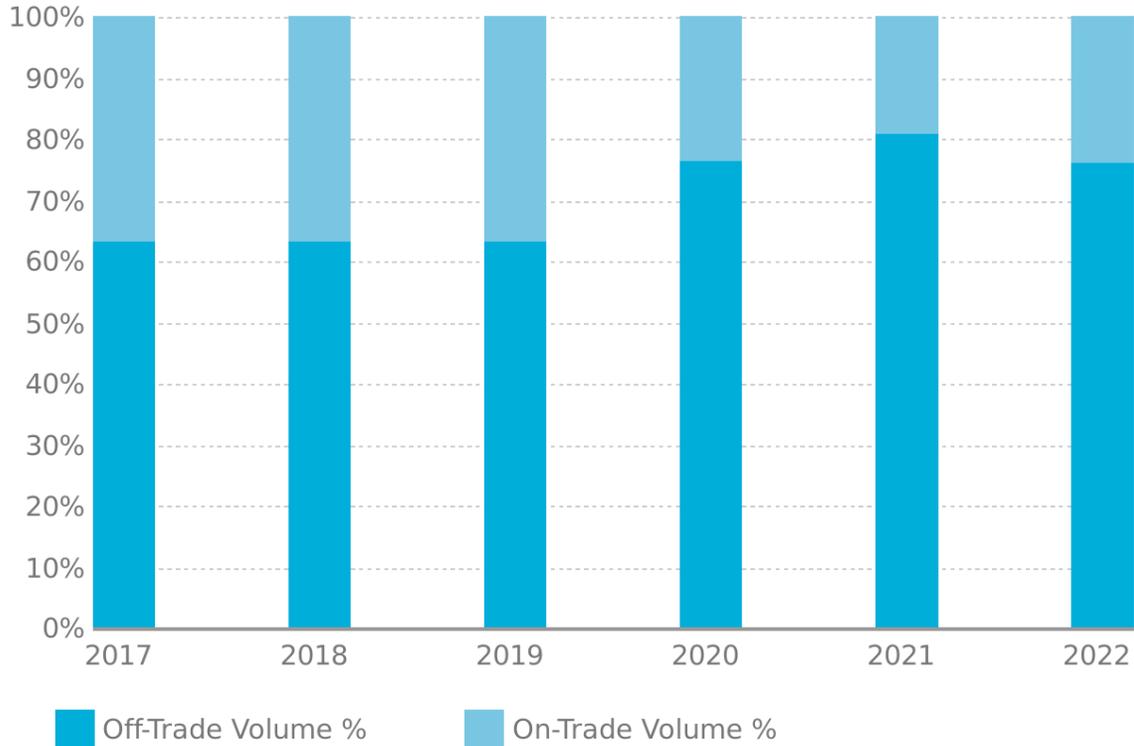
Australian wine exports to Vietnam by state (A\$)

Row Labels	2018	2019	2020	2021	2022	2023
South Australia	3,540,803	3,875,454	2,456,298	4,064,768	8,586,465	8,121,072
New South Wales	1,460,027	811,150	489,313	769,514	1,811,616	1,160,963
Victoria	890,131	2,061,633	658,645	797,543	1,104,679	937,898
Re-Exports	506,583	289,471	168,141	96,380	406,190	858,994
Western Australia	171,996	306,201	82,007	76,289	203,799	227,144
Queensland	65,119	75,034			78,730	110,008
Tasmania	18,122	56,594	5,033	16,990	14,455	8,196
Total	6,652,781	7,475,537	3,859,437	5,821,484	12,205,934	11,424,275

Distribution channels

Off-trade vs On-trade in Vietnam

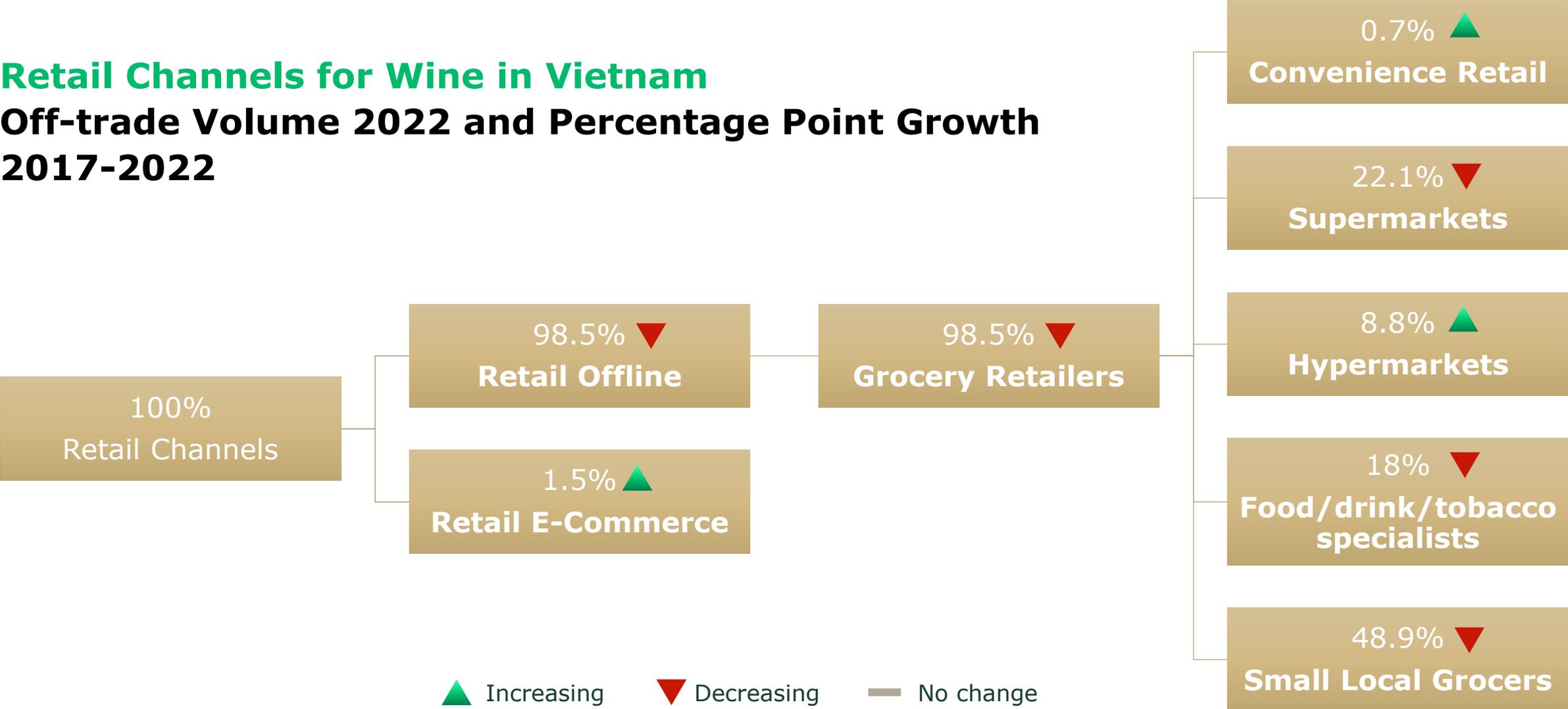
% Breakdown by Volume 2017-2022



74.1% off-trade
vs.
25.9% on-trade
in 2022 (vol.)

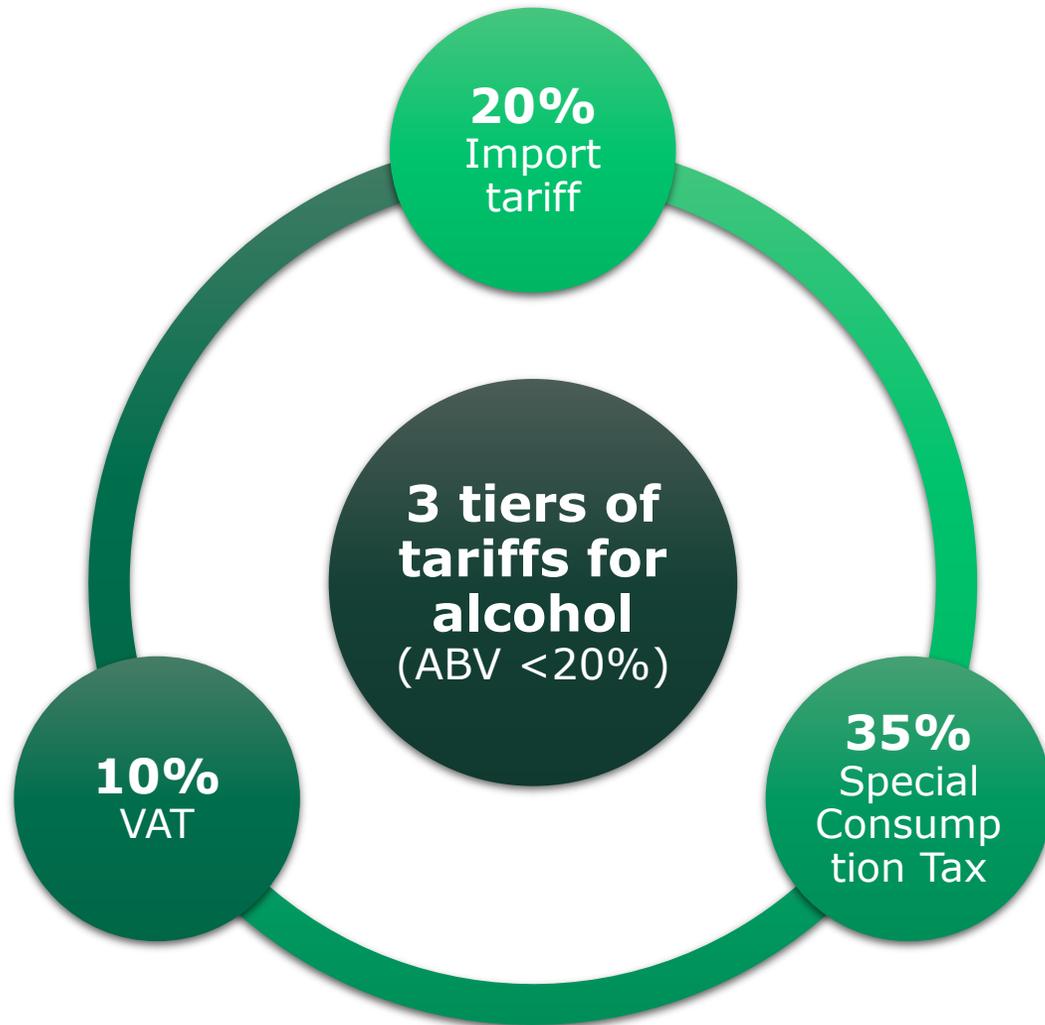
Distribution channels (cont.)

Retail Channels for Wine in Vietnam Off-trade Volume 2022 and Percentage Point Growth 2017-2022



Source: Euromonitor

Regulation



Non-tariff barriers

- Import licence required
- Decree No. 105/2017/ND-CP on conducting an alcohol business
- Consolidated document No. 53/VBHN-BCT on doing business in alcohol
- Decree 100/2019/ND-CP on drink driving
- Law No. 44/2019/QH14 on the prevention and control of harmful effects of alcoholic drinks
- Advertising constraints

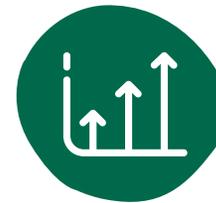
Austrade's Wine Gems Campaign in 2022



3 Vietnam's key retailers



64 Australian Wine Brands



64% sale increase
during promotional period

Austrade's Wine Gems Campaign in 2022



8 private wine tasting events
in HCMC, Hanoi and Danang



1.1 million
reaches on Social Media channels



105k views of video series

Austrade's Shine & Thrive Regional Showcases in 2023

10
days

26-31 Mar
17-22 Sep

6
cities

Vietnam's key
economic regions

1000+
participants

113
digital
news

6
TV news

99 mio
potential
reaches



Austrade's Shine & Thrive / Regional Showcases in 2023



27 Wine companies participated to the showcases



Recent wine activities in 2024

Metala Wine (SA)
Killibinbin brand wine tasting in Hai Phong in April 2024

Australia Wine Promotion Roadshow 2024 in Northern Vietnam

South Australian Wine Connect 2024





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Thank you



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