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Report Name: Food Service - Hotel Restaurant Institutional Annual

Country: Vietnam

Post: Ho Chi Minh City

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Report Highlights:

This report provides the latest update regarding developments in Vietnam's Hotel, Restaurant, and Institutional (HRI) food service sector and provides a road map for exporters wishing to enter the market. The country's food service sector exhibited strong and resilient growth in 2023, fueled by an expanding middle class and a robust recovery in tourism. Despite significant challenges from global and domestic economic conditions, the sector achieved a 12.5 percent growth in the first ten months of 2024, reaching a total value of \$24.1 billion.

Executive Summary:

In 2023, Vietnam’s economy continued to grow but at a slowed rate with Gross Domestic Product (GDP) growth rate at five percent, down from eight percent in 2022. High inflation and weaker export demand worldwide weighed on Vietnam’s export reliant economy. Global export of consumer- oriented products to Vietnam rose eight percent in 2023 to \$13.9 billion. The United States exported \$939 million of consumer-oriented products to Vietnam in 2023, remained the second-largest suppliers to Vietnam.

Consumer-Oriented Agricultural Imports

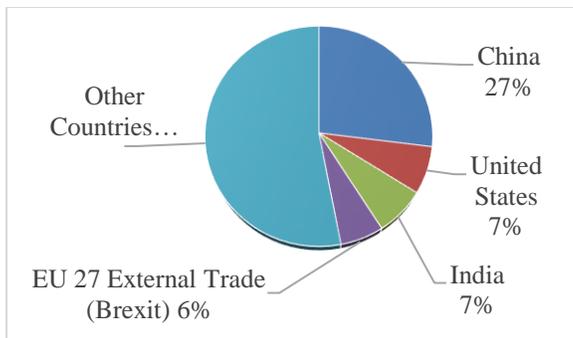


Chart 1: Top Exporting Countries to Vietnam

Food Retail Industry:

In 2023, Vietnam’s food retail sales increased by four percent to \$55 billion as consumers opted for home-dining and convenience. Traditional trade was still dominant, accounting for 84 percent of retail value. However, modern trade and e-commerce led growth in this sector. Key retailers continue to invest in Vietnam’s retail market and plan to expand their businesses in the coming years. Please see report [VM2024-0032](#) for more information.

Food Processing Industry:

In 2023, Vietnam’s food processing industry included 11,000 registered companies, valued at a combined \$73.8 billion. The main processed products were seafoods, meats, fruits and vegetables, dairy, and confectionary. Please see report [VM2024-005](#) for more details.

Food Service Industry:

In 2023, Vietnam’s HRI (hotel, restaurant, and institutional) sector grew 14.7 percent to \$26.9 billion. Despite a global economic slowdown in 2023, the sector nearly returned to pre-pandemic revenue levels.

Quick Facts CY 2023

Imports of Consumer-Oriented Products

13.9 (US \$billion)

List of Top 10 Growth Products in Host Country

- | | |
|-------------------------|----------------------------|
| 1. Chocolate & Cocoa | 6. Fresh Fruits |
| 2. Tree Nuts | 7. Soup & Other Food Prep. |
| 3. Non-Alcoholic Bev. | 8. Beef & Beef Products |
| 4. Dairy Products | 9. Pork & Pork Products |
| 5. Processed Vegetables | 10. Poultry Meat & Prods |

Food Industry by Channels (U.S. billion)

Retail Food Industry	\$55
Food Service-HRI	\$26.9
Food Processing	\$73.8
Food and Agriculture Exports	\$26.1

Top 10 Host Country Food Service Operators

- | | |
|---------------------------------|----------------------------|
| 1. Golden Gate Trade & Services | 6. Masan Group |
| 2. Gold Sun | 7. Imex Pan Pacific F&B |
| 3. Yum! Brands Inc | 8. Coffee House Vietnam |
| 4. Lotte Group | 9. Starbucks Corp |
| 5. Jollibee Foods Corp | 10. Phuc Long Coffee & Tea |

GDP/Population

Population (millions):	99.6 million
GDP (billions USD):	430
GDP per capita (USD):	4,285

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
U.S. products are perceived as safe and of premium quality.	U.S. products are still more expensive than competitors due to higher tariffs and freight costs.
Opportunities	Threats
Growing market demand and increased focus on food quality and safety.	A combination of short supply and delays in shipments affects expansion of U.S. food and beverage products.

Sources: Trade Data Monitor LLC., Vietnam General Statistics Office (GSO), Vietnam Customs, World Bank

Section 1: Market Summary

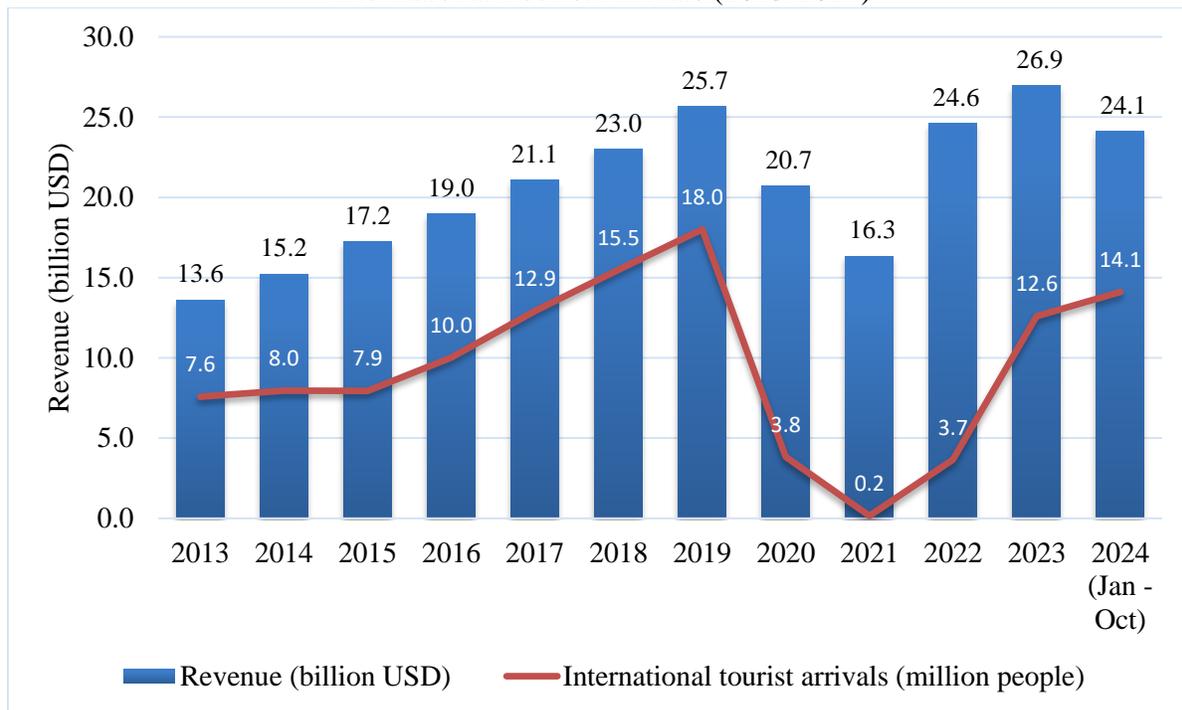
Vietnam's economy grew five percent in 2023. Although lower than the eight percent growth achieved in 2022, Vietnam remains among the fastest growing countries in ASEAN. This growth was driven by an expanding middle class and improving living standards. The food service sector generated an impressive 15 percent increase in 2023, reaching \$26.9 billion in revenue from accommodation, food, and beverage services.

Vietnam's food service sector faced challenges in 2024 due to both global and domestic economic conditions. High inflation, rising food and operational costs, and continued price sensitivity by consumers placed pressure on international and local food service businesses. Over 30,000 food service operators were forced to close in the first half of 2024, reducing the total number of food and beverage businesses in Vietnam by 3.9 percent to 304,700 outlets. However, the industry witnessed a strong recovery, especially at the end of the year, thanks to a surge in tourism and an improving financial situation for middle-class consumers.

The Government of Vietnam (GVN) implemented a new visa exemption policy in August 2023, allowing citizens from 25 countries to travel to Vietnam without a visa for 45 days. Citizens from other countries can apply for an e-Visa with a 90-day stay duration. International tourism grew rapidly as a result. Vietnam welcomed 14.1 million international visitors in the first ten months of 2024, a 41 percent increase over the same period last year (See Chart 2). Vietnam hopes to welcome 18 million foreign tourists in 2024, matching the record number during the pre-pandemic period.

Vietnamese consumers still remain cautious about spending on non-essential items due to inflation and the recent economic slowdown. However, the outlook for future growth remains positive and Vietnamese consumers continue to be the most optimistic in ASEAN. According to the "ASEAN Consumer Sentiment Study" by the Boston Consulting Group and Singapore's United Overseas Bank in November 2024, over 70 percent of Vietnamese respondents are confident in the country's economic performance over the next six to twelve months. Another survey by Decision Labs revealed that 77 percent of respondents reported their personal finances in 2024 were as good as or better than the previous year, and 63 percent believe their personal finances will be better in 2025. This confidence has translated into growth in the food service sector. In the first ten months of 2024, revenue from accommodation, food, and beverage services reached \$24.1 billion, a 12.5 percent increase compared to the same period last year.

Chart 2: Revenue from Accommodation, Food, and Beverage Services and Number of International Tourist Arrivals (2013-2024)



Source: Post calculations; Vietnam's General Statistics Office

Food Service Sector Trends:

Dynamic sector with numerous new entrants and exits and Competitive Industry

Vietnam's food service market is dynamic and competitive, driven by a young population of nearly 100 million people. Amid a hectic modern lifestyle and pressured a high-pressure society, dining out and entertainment remain a priority for Vietnamese consumers. According to the "ASEAN Consumer Sentiment Study" in 2024, 42 percent of surveyed Vietnamese consumers reported increasing their spending on experiences, including vacations, fine dining, and concerts. This figure is higher than the ASEAN average of 35 percent, making Vietnam an attractive market for food service investors. Despite current global economic headwinds, many investors are planning to enter the Vietnamese market. A notable investment in Vietnam's food service sector in 2024 was the launch of the Nobu Restaurant and Residential projects. The American Nobu Hospitality Group initiated their first project in Da Nang in June 2024, with a second project planned for Ho Chi Minh City in 2026. This marks the first Nobu-branded residences project in Southeast Asia.

At the same time, many food service operators have been forced to shut down or scale back due to fierce competition and financial difficulties. One of the country's largest local coffee chains, The Coffee House, closed several stores in Can Tho and Da Nang in 2024. Starbucks also announced the closure of its only premium Starbucks Reserve shop in Ho Chi Minh City in August 2024. Similarly, McDonald's and Burger King have closed several stores. Other operators are seeking ways to streamline their businesses and eliminate non-profitable locations. Despite these challenges, most food service owners remain optimistic about the market's potential.

According to a survey by iPOS.vn in 2024, 80 percent of businesses in the sector are optimistic about the outlook of the industry, with 52 percent planning future expansions. These market pressures drive food service owners to continuously upgrade their services to adapt to the ever-changing consumer preferences and market conditions.

Picture 1: Three co-founders of Nobu Hospitality Group, Chef Nobu Matsuhisa, Hollywood star Robert De Niro, and Meir Teper announced the launch of Nobu projects in Vietnam.



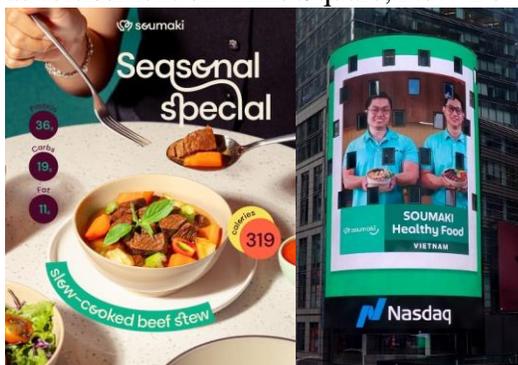
Source: [Nobu Da Nang Facebook](#)

The rise of fusion and health-conscious cuisine

As consumer preferences become increasingly diverse and sophisticated, food service operators are responding by updating their menus, enhancing culinary experiences, and adopting new concepts from international markets. Fusion cuisine, in particular, is gaining significant popularity and has become an attraction to both locals and tourists.

According to the “F&B Trends Report 2024” by Decision Lab, the top three factors influencing Vietnamese consumer dining choices are value for money, food taste, and the quality of ingredients. Health-consciousness among Vietnamese consumers is also on the rise. This emphasis has led to more menus providing information on product origins, nutritional information as well as incorporating plant-based dishes and high-quality, organic ingredients.

Picture 2: A Vietnamese restaurant features healthy dishes with nutrition information and their advertisement on Time Square, New York.



Source: [Soumaki Vietnam](#)

The growth of e-Commerce and online food delivery services

Online food ordering is growing in popularity in Vietnam, with significant growth in the number of users and value of orders. According to Momentum Works, Vietnamese consumer spending on food deliveries grew 30 percent in 2023 to \$1.4 billion, the highest growth rate in Southeast Asia. Vietnamese food service operators are leveraging this channel to boost sales and attract new customers. For example, in addition to over 200 stores in Vietnam, KFC has established virtual shops on popular e-commerce platforms such as Shopee Food and Grab Food. KFC is also a pioneer in reaching customers through TikTok livestreams, offering attractive deals during these sessions and guaranteeing product delivery within one hour.

Advantages and Challenges

Table 1: Advantage and challenges of U.S. products to Vietnam's HRI sector

ADVANTAGES	CHALLENGES
Rising disposable incomes and improved knowledge of food safety boost demand for higher quality and safer food and food ingredients.	Many consumers still face economic challenges, and most low and middle-income households in small cities and rural areas cannot afford imported products.
Food service operators are searching for new products as they must frequently update their offerings to stay competitive.	Importers tend to buy small quantities to test the market. U.S. companies are usually not willing to sell small quantities.
Vietnam's continued economic integration with the world gives consumers more exposure to foreign products and trends.	Many U.S. products face tariff disadvantages as the United States is the only major exporter without an FTA with Vietnam.
Consumers in Vietnam continue to view U.S. products as high quality and safe.	U.S. products remain expensive for middle-class households, especially in comparison to products from other FTA-partners such as Europe, Canada, Australia, and New Zealand.
Growing tourism, investment in upscale hotels and resorts, new international flight connections, and expanding food service outlets in first and second tier cities create opportunities for food and beverage imports.	The lack of cold storage, logistical issues, and high-operational costs restrict the penetration of U.S. consumer-oriented products to food service outlets in third tier and smaller cities.
Vietnam's young population is open to trying new food and beverage experiences.	Many Vietnamese diners favor Asian cuisines over Western. U.S. cuisine is sometimes associated with fast food.

Section 2: Road Map for Market Entry

Entry Strategy

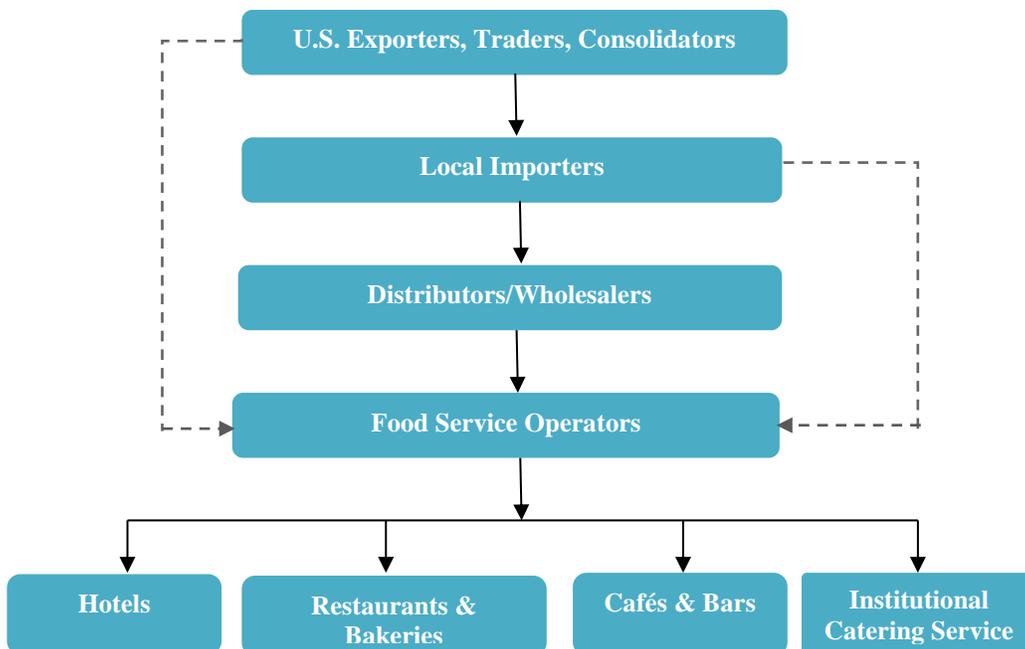
Partnerships with local companies continues to be the best channel for new U.S. exporters to enter Vietnam's HRI sector. Complex regulations, costly and burdensome import procedures, high import tariffs, product shelf-life and other logistical concerns are some of the critical issues that local importers must handle. Most Vietnamese restaurants, hotels, and cafes prefer purchasing imported products from importers and distributors. Only some large or premium food service chain operators can import food and beverage products directly, such as the Golden Gate Group, Lotteria, and El Gaucho Restaurant.

Post recommends that new-to-market U.S. exporters refer to the [USDA GAIN reports for Vietnam](#), in particular, the [Exporter Guide](#) and the [Food and Agricultural Import Regulations and Standards \(FAIRS\)](#) report, which provide practical information about Vietnam market, competition landscape, import procedures, and other business tips and customs. The Department of Commerce's [Error! Hyperlink reference not valid.](#) also provides information about doing business in the market.

Market Structure

Most U.S. consumer-oriented products are initially distributed in food service channel through local importers, distributors, and wholesales (Chart 3). When sale volume reaches a certain level of minimum order quantity, food service operators will start importing directly to reduce cost. The leading restaurant chains such as Golden Gate, Gold Sun, and Hinoko Group, are directly importing meats, seafood, and processed products from the United States.

Chart 3: Distribution of U.S. products to Vietnam's HRI market



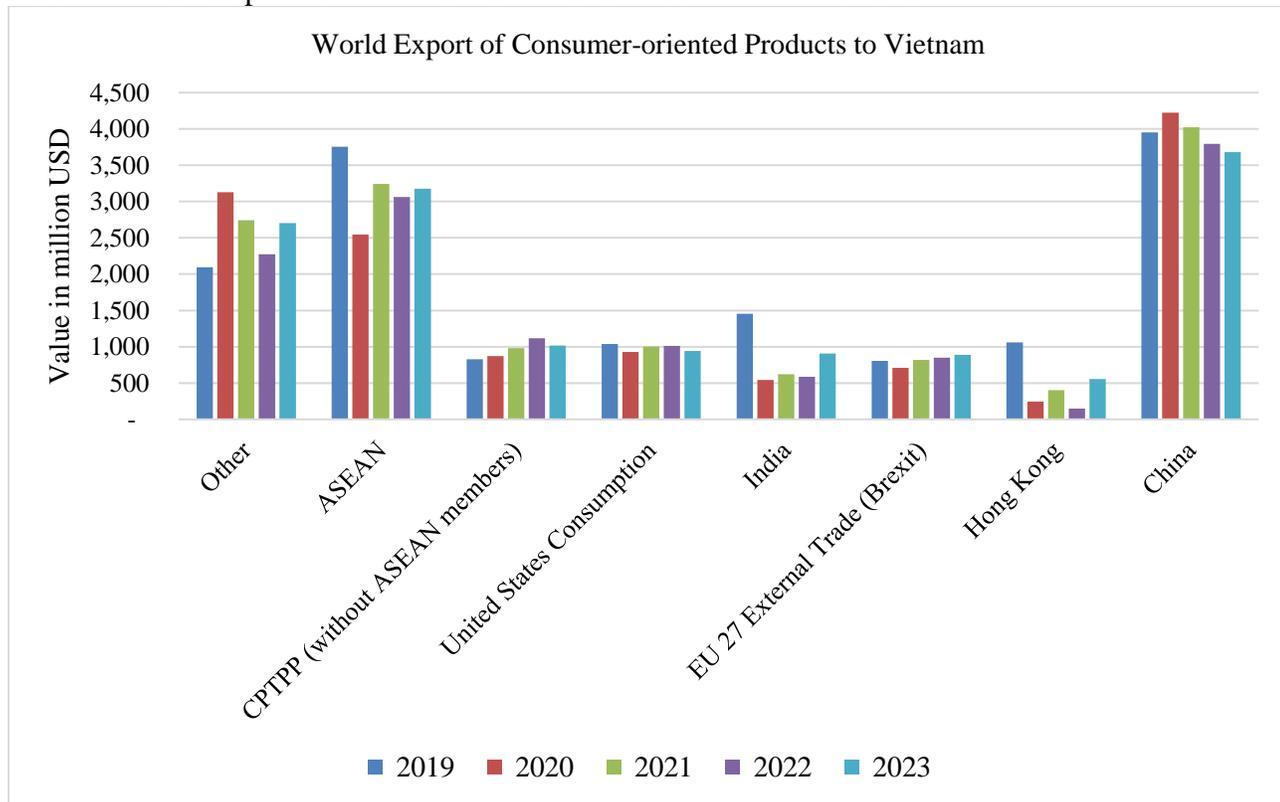
Sub-Sector Profiles: Please see attachment.

Section 3: Competition

Competition between imported and locally produced consumer-oriented products is intense, as Vietnam is a major producer of agricultural products such as pork, poultry, seafood, fruits, vegetables, and packaged goods. However, due to limited local supply, Vietnam still relies on imported products for grain-fed beef, cheese, beans, peas, potatoes, tree nuts, some other agricultural commodities.

Competition between consumer-oriented products from the United States and other major exporters is also becoming more intense. Vietnam continues to phase in significant tariff reductions under numerous Free Trade Agreements (FTAs), including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the European Union-Vietnam Free Trade Agreement (EVFTA), and the Regional Comprehensive Economic Partnership (RCEP). The United States is Vietnam’s largest bilateral agricultural trading partner without an FTA. Please see the USDA GAIN report [VM2024-0014](#) for an analysis of tariff disadvantages facing U.S. products.

Chart 4: World Export of U.S. Consumer-Oriented Products to Vietnam



Source: Trade Data Monitor LLC.

Section 4: Best Product Prospects

Top Consumer-Oriented Products Imported from the World

Export of consumer-oriented and seafood products to Vietnam reached \$16.5 billion in 2023, up six percent from the previous year. Top imported items include tree nuts, dairy products, fresh fruits, beef and beef products, fresh vegetables, soup and other food preparations and seafood products.

Top Consumer-Oriented Products Imported from the United States

Vietnam imported \$939 million of consumer-oriented products from the United States in 2023. The top imports from the United States in 2023 were tree nuts (pistachios, almonds, and walnuts), poultry products, and fresh fruits (apples, cherries, and grapes).

Products Present in Market with Good Sales Potential

There are some U.S. products which are not present in significant quantities but have good sales potential. These include tree nuts (hazelnuts, chestnuts, pecans, and other nuts), cheeses, ginseng, dried and frozen fruits (prunes, frozen strawberries), and other packaged products. Demand for organic products is also on the rise, with over \$10.5 million in U.S. organic exports to Vietnam in the first ten months of 2024.

Products Not Present in Market due to Significant Barriers

U.S. consumer-oriented products that lack market access in Vietnam include lamb, white offal, beef bones with marrow, fresh fruits including mandarins, strawberries, plums, melons, and other fresh vegetables (except for potatoes).

Table 2: Global and U.S. Exports of Consumer-Oriented and Seafood Products to Vietnam

Values in Million U.S. Dollars	Global Exports			U.S. Exports			U.S. Market Share		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Consumer-Oriented-Products									
Tree Nuts	1,927	1,517	2,181	167	173	238	9%	11%	11%
Dairy Products	1,343	1,301	1,188	276	224	147	21%	17%	12%
Poultry Meat & Prods. (ex. Eggs)	247	322	340	100	129	122	40%	40%	36%
Fresh Fruit	2,105	1,724	1,690	100	121	105	5%	7%	6%
Soup & Other Food Preparations	967	1,192	1,101	100	107	103	10%	9%	9%
Non-Alcoholic Bev. (ex. Juices, Coffee, Tea)	564	663	635	67	59	88	12%	9%	14%
Chocolate & Cocoa Products	144	127	125	77	44	52	53%	35%	42%
Beef & Beef Products	849	830	1,322	44	91	26	5%	11%	2%
Processed Vegetables	760	793	975	19	18	13	3%	2%	1%
Tea	259	161	113	14	3	11	5%	2%	10%
Pork & Pork Products	530	241	294	14	7	10	3%	3%	3%
Processed Fruit	148	189	195	8	12	7	5%	6%	4%
Bakery Goods, Cereals, & Pasta	344	420	385	5	5	4	1%	1%	1%

Condiments & Sauces	96	149	181	2	2	3	2%	1%	2%
Wine & Related Products	71	107	93	2	5	2	3%	5%	2%
Spices	429	396	285	0	1	2	0%	0%	1%
Distilled Spirits	476	375	424	3	3	1	1%	1%	0%
Eggs & Products	16	23	18	1	2	1	6%	9%	6%
Mfg. Tobacco	718	345	543	0	1	1	0%	0%	0%
Fresh Vegetables	1,157	1,107	1,179	0	0	1	0%	0%	0%
Beer	27	40	29	0	0	0	0%	0%	0%
Chewing Gum & Candy	75	107	98	0	0	0	0%	0%	0%
Coffee, Roasted and Extracts	52	71	51	0	1	0	0%	1%	1%
Meat Products NESOI	117	129	146	3	2	0	3%	2%	0%
Fruit & Vegetable Juices	19	27	29	0	0	0	2%	1%	1%
Nursery Products & Cut Flowers	363	434	180	0	0	0	0%	0%	0%
Dog & Cat Food	38	50	56	1	1	0	3%	2%	1%
Agricultural Related Products									
Seafood Products	2,108	2,716	2,610	74	72	71	4%	3%	3%
Total	15,949	15,556	16,466	1,079	1,084	1,009	7%	7%	6%

Source: Trade Data Monitor LLC. and U.S. Census Bureau Trade Data

Section 5: Key Contacts and Further Information

U.S. Department of Agriculture - Foreign Agricultural Service

The first point of contact for updated reports and trade data is the USDA/FAS Web Page:

<https://fas.usda.gov/regions/vietnam>

FAS has two offices in Vietnam, one at the U.S. Embassy in Hanoi and the other at the U.S. Consulate General in HCMC. These two offices are located at the major political and economic hubs of Vietnam and actively assist U.S. exporters of agricultural and related products, including consumer-oriented food products and fishery products. U.S. exporters seeking assistance for market access issues or any other trade issues in Vietnam can contact FAS Vietnam through email: aghanoi@usda.gov or atohochiminh@usda.gov.

Agricultural Affairs Office

Phone: +84 28 3520 4634

Physical Address: 8th Floor, Diamond

Email: atohochiminh@usda.gov

Plaza Building, 34 Le Duan

Boulevard, District 1, Ho Chi Minh

City, Vietnam

<http://www.fas.usda.gov>

Additionally, U.S. exporters can contact [State Regional Trade Groups \(SRTGs\)](#) and/or [FAS Cooperators and Participants](#) for their valuable assistance.

List of Ministries/Agencies Responsible for Food Policies:

[Ministry of Agriculture and Rural Development \(MARD\)](#)

[MARD/Plant Protection Department \(PPD\)](#)

[MARD/Department of Animal Health \(DAH\)](#)

[MARD/Directorate of Fisheries](#)

[Vietnam Food Administration \(VFA\)](#)

[Ministry of Trade and Industry \(MOIT\)](#)

List of Government sources for data:

[General Department of Vietnam Customs](#)

[Vietnam National Administration of Tourism](#)

[National Assembly of Vietnam](#)

[American Chamber of Commerce in Vietnam](#)

Useful Media Websites:

Vietnam News <http://vietnamnews.vnagency.com.vn/>

Saigon Times Daily <https://english.thesaigontimes.vn/>

Tuoi Tre News <http://www.tuoiitrenews.vn/>

Vietnam Net News <https://vietnamnet.vn/en/>

VN Express News <https://e.vnexpress.net/>

Vietnam Agriculture <https://vietnamagriculture.nongnghiep.vn/>

Attachments: [Vietnam HRI 2024 Sub-sectors profile.pdf](#)