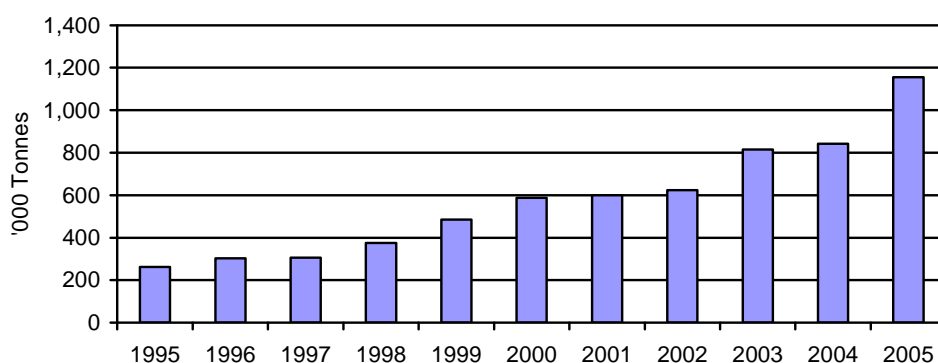


The Vietnam Dairy Market – 2007 to 2012:

A Review of Strategic Opportunities and Directions for Dairy Product Exporters



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New report published on 17th October 2007

We have just published the latest report in our long running *Asia-Dairy* series titled “*The Vietnam Dairy Market – 2007 to 2012: A Review of Strategic Opportunities and Directions for Dairy Product Exporters*”. It is now available for delivery.

Stanton, Emms & Sia is a strategy consultancy that specialises in servicing food, drink and agrifood clients with their business and marketing strategy development in the East Asian region. We have been assisting clients, mainly multinational and international businesses, with their strategic research and business consultancy requirements in Vietnam since 1992. Our first study into Vietnam’s dairy market and its future opportunities was conducted in 1992.

Why Vietnam?

Vietnam (Population: 83 million) has been one of the fastest growing economies in the world for over 5 years. In 2006, Vietnam reported economic growth of 8.2%. Growth over the past 5 years has boosted household incomes in Ho Chi Minh City and Hanoi and established a sizeable middle income group in these two cities.

Vietnam joined the WTO in January 2007 and is also actively participating in market access liberalisation under its ASEAN Free Trade Area commitments. It is currently in the process of introducing WTO compliant import regulations and systems and is phasing in its WTO bound tariffs over the period from 2007 to 2012. This process will provide new and increasing opportunities for dairy processors and exporters over the next 5 years and into the longer term. It will shift Vietnam from a highly protected market to one that has better access than Thailand.

Vietnam’s dairy product consumption grew from about 600,000 liquid milk equivalent tonnes of dairy products in 2001 to close to 1.2 million tonnes in 2005, a period in which Vietnam’s economy grew at rates of between 7.1% and 8.4% per annum.

Over the next 5 years, it is forecast to be the ASEAN region’s fastest growing economy, with rates of between 6% and 8% per annum. This growth will be driven by new foreign investment in businesses that create new jobs for the Vietnamese and, positively, booming local demand for consumer products, including processed food and drinks. It will further boost household incomes in Vietnam that will result in another boom in demand for locally produced and imported dairy products.

This study was performed to review future scenarios in Vietnam’s dairy market and identify where the opportunities for dairy exporters will be over the period to 2012.

Why you should buy this report

Unlike other reports, our report is not just a catalogue of statistics and facts. We analyse the statistics, facts and underlying market drivers to provide the reader with real insights into Vietnam’s dairy product market opportunities both today and tomorrow.

Practical scenarios for the future of Vietnam's dairy product markets are developed and explained to the reader in this report. Our analysis takes into consideration:

- The present state of dairy product demand, the eating habits of consumers and other drivers that underpin today's market.
- The market drivers that exist within Vietnam's milk and dairy processing industry and its supply chain, i.e. farm to retail.
- The other forces for change and stimuli, including those arising from government policy, and from Vietnam's WTO and ASEAN Free Trade Area liberalisation programs
- The practical barriers that exist to dairy market change, entry and expansion.

This report has been developed to provide you with first hand knowledge about Vietnam's dairy product markets, both today and in future.

Information provided by this report

The report provides essential information on:

- Today's market size, performance, maturity levels and developmental trends, including consumer preferences and habits.
- The state of the distribution channels today and their structure in future.
- The policy and regulatory environment, including the impact of Vietnam's WTO and ASEAN Free Trade Area commitments on the dairy product markets in future.
- Vietnam's supply base for dairy products, inclusive of competitive analysis on a segment by segment basis.
- Vietnam's future direction and the drivers and barriers that will underpin the strategic development of its dairy product market, industry and supply chain over the next 5 years.
- The opportunities and challenges/threats that will exist in Vietnam for dairy product suppliers over the period to 2012.
- The identity of best prospects for imported dairy products and forecast growth rates for each market segment over the period to 2012.

The products covered by this report

This study covers the full range of dairy products, as follows:

- Liquid milk.
- Ice cream.
- Yoghurt.

- Retail packed milk powders, including infant formula.
- Butter.
- Cheese in all forms.
- Dairy cream.
- Condensed and evaporated milks.
- Dairy ingredients, including:
 - Skim milk powder.
 - Whole milk powder.
 - Sweetened milk powders.
 - Buttermilk.
 - Whey and whey products.
 - Dairy fats and oils
 - Lactose.
 - Casein and caseinates.

Who can use this report?

The report has been written for dairy company management and analysts requiring insight into the likely opportunities available in Vietnam's dairy market today and in future.

It was researched by senior consultants who have many years specialising in advising dairy and other food and drink companies about business strategy and market development in Asia, including Vietnam.

Our study provides a balanced view of opportunities and threats to assist dairy companies in the development of their business, marketing and export plans for involvement in, or with, Vietnam's dairy market over the 5 years to 2012.

How to order this report

This report is available at a cost of S\$ 2,800 (Singapore Dollars). To order the study, simply complete the order form below and fax/mail it to us at the following fax number/address. On receipt of your order, a copy of the report will be sent to you securely wrapped and by courier.

Should you have any queries about the report, please do not hesitate to contact either Mr Anthony L. Emms or Ms Cindy Sia at the telephone/fax number/email address listed below.

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Stanton, Emms & Sia - Capability Statement

Who we are

Stanton, Emms & Sia (SES) is a specialist food and beverage market research and consultancy business. The firm is based in Singapore with research and consultancy resources in all South East Asian countries, China, Australia, New Zealand, Hong Kong, India, Japan, South Korea and Taiwan.

Our mission

Our mission is to help our clients to build strong positions in their target markets by:

- Assisting them to develop a commercially focused and coherent "big picture" of their customers and markets, including the basis of competition and forces and barriers affecting the markets.
- Providing them with clear and concise insight into their markets, especially their customers wants and needs.
- Assisting them to:
 - ❑ Identify profitable opportunities in their target markets in the East Asian region.
 - ❑ Develop strategies to:
 - Fully exploit the opportunities that have been identified in their target markets; and
 - Minimise their threats and weaknesses in their target markets.
 - ❑ Successfully build a sustainable long-term presence for their brands or products in their target markets.

We specialise in servicing clients in the food, drink and agrifood industries

SES focuses on the international industry and markets for food and beverages in Asia, our region. We offer our clients a full "food chain" consultancy service ranging from analysis of farm input usage to the strategic planning of business strategies in the international agricultural, food and drinks sector. Our experience covers the complete spectrum of food types from commodity to highly value added, generic to branded, fresh to processed.

SES maintains an on-going research programme, analysing and assessing key markets and underlying food, beverage and agribusiness issues that affect the Asia Pacific region now and in the future. Much of our work for clients is forward looking and interpretative. Our management team has been monitoring the region's food, beverage and agrifood markets since the late 1980s.

The real value delivered to our clients is in the interpretation of what the research is telling us. The lack of skilled synthesis, analysis and interpretation is often the aspect which undercuts good market research performed by our competitors who operate without having a tangible presence in our region. Having researchers who are based in the country and aware of the trends and tone of the market is therefore invaluable. We believe our team has this proven track record.

What we offer

Our services to clients include:

- ❑ Business and marketing consultancy.
- ❑ Brainstorming, analysis and interpretation.
- ❑ Brand research.
- ❑ Business to business research.
- ❑ Consumer research.
- ❑ Cultural analysis in the food and drinks markets.
- ❑ Data collection in the field.
- ❑ Depth interviews.
- ❑ Desk research.
- ❑ E-mail interviews.
- ❑ Evaluations of marketing programs.
- ❑ Evaluations of advertising and promotional activities.
- ❑ Executive interviews.
- ❑ Face to face interviews.
- ❑ Fax-back interviews.
- ❑ Focus groups and other discussion groups.
- ❑ Hall tests.
- ❑ Industrial interviews.
- ❑ International research.
- ❑ Interactive research, including research workshops.
- ❑ Intercept interviews of consumers.
- ❑ Market observations.
- ❑ New product development support research.
- ❑ Strategic planning support research and brainstorming.
- ❑ Panels, ad-hoc research, including sensitivity panels.
- ❑ Positioning research.
- ❑ Postal surveys.
- ❑ Product testing.
- ❑ Qualitative research.
- ❑ Questionnaire design.
- ❑ Report writing and presentation development.
- ❑ Surveys, consumer and industrial.
- ❑ Syndicated research, including multi-client studies and surveys.
- ❑ Tactical research.
- ❑ Telephone interviews.

Our multi-client report program

We actively produce a number of multi-client studies each year as part of this research work. As a result, we regularly interview food manufacturers and processors, food importers and wholesalers as well as key decision-makers in some of the main retail groups. SES' advantage is that our research consultants actually know and understand how the local food industry actually operates and thinks.

Past multi-client studies have included:

- Beyond the Asian Economic Crisis: Marketing Processed Foods Under New Food Supply Chain and Distribution Scenarios in Developing East Asia.
- The Food Chain in South East Asia: Strategic Directions & Opportunities for Food Businesses.
- Our *Asian Dairy Series* of reports, which includes forward looking opportunity identification studies on the markets in Indonesia, Malaysia, Singapore, South Korea and Vietnam.
- Beer in Developing East Asia and China: Strategic Directions & Opportunities for Brewers.

Our clients

We undertake assignments for a wide range of clients, drawn from both the public and private sectors. Our client base includes some of the world's largest food, drink and agrifood businesses and includes the following entities:

- Multinational companies located in Asia, Australia, Europe and North America.
- Large national companies from Australia, UK, USA, South Africa, Japan and the Philippines.

- Smaller companies based in countries such as Australia, Malaysia and Singapore.
- Governments, government organisations and embassies of European and North American countries and Australia located in Asia and their home countries.
- Other entities, including co-operatives and societies, operating in Australia, Netherlands, Denmark, the USA and France.
- Food and agricultural research organisations located in Australia and the UK.

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