



**30<sup>+</sup>** YEARS  
IN VIETNAM  
& CAMBODIA

# Filling up glasses and pouring out opportunities in Vietnam's beer market



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# Vietnam's beer market is impacted by three main factors



## Domestic Consumption

Growing affluence is driving middle class urban consumption



## Global Consumption

Integration into the global supply chain drives Vietnamese beer production and exports



## Regulatory Changes

Strict traffic laws are changing drinking behaviour





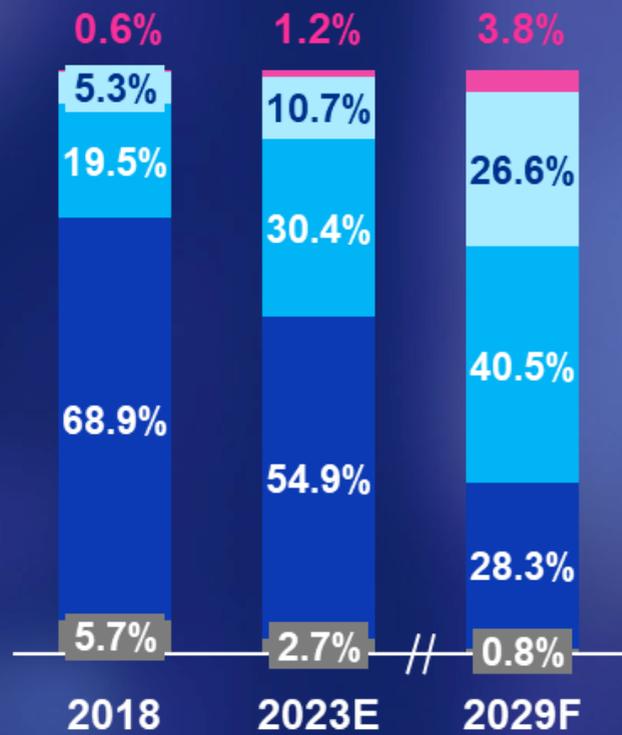
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# Growing affluence is driving middle class urban consumption

- High income
- Upper middle income
- Middle income
- Low income
- Very low income

Urban household disposable income classification (per year)



Until 2029 the middle income class is projected to make up

**40.5%**

of urban households which results in increased purchasing power

Source: Fitch Solutions, Nielsen Pocket Book, KPMG Analysis and Research

Domestic premium lager is expected to capture an increasing market share due to

**Increasing consumption**

**Premiumization trends**

gradually increasing in the middle and upper middle class

# Beer dominates alcohol consumption in Vietnam

Total expenditure on alcoholic beverages (USD billion)



## Beer dominates alcohol sales

In 2023 beer accounted for

**89%**

of consumer expenditure on alcoholic beverages

Source: Euromonitor, KPMG Analysis and Research

Total beer volume per capita and regional peers (liters)



## Regional market leader by volume

In terms of beer volume per capita Vietnam scores

**2nd largest**

compared to regional peers

# Global supply chain integration facilitates regional beer production and export

A deeper global integration is driving Vietnam's trade activities with



**17** bilateral and multilateral Free Trade Agreements



**55** partners of which 15 are members of the G20

Beer export value shows constant growth between 2020 and 2022

**26.48% CAGR**

stressing the shift towards becoming a beer export hub

## Overview FTA ratification and parties involved

FTA with/ between	Vietnam
ASEAN	✓
ASEAN-China	✓
India	✓
Korea	✓
Japan	✓
CPTPP	✓
EU	✓
UK	✓
RCEP	✓
US	x

## Vietnam export value and volume of beer





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# Strict traffic laws are changing drinking behaviour

A rigorous enforcement of Decree 100 influences consumption trends in Vietnam

Drunk driving penalties go up to



**500%**

of average monthly income



Increased consumption at home



Source: New Articles, KPMG Analysis and Research



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**Who will  
dominate  
the future of  
Vietnam's beer  
market? ...**

# By volume Vietnam has shifted to an off-trade market as strict laws affect sales

On-trade vs. off-trade by volume (million litres)



Source: Euromonitor, KPMG Analysis and Research



## On-trade sales

were heavily affected during COVID



## Off-trade sales

are expected to grow from 2022 to 2026 at

**7.5% CAGR**





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## Navigating challenges

Strategic, operational, and financial risk assessment  
Tax & Legal Analysis



## Unlocking opportunities

1. Market entry strategy
2. Due Diligence services
3. Growth strategies
4. Deal execution and post deal services



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# Vietnam Insight Series

## Contact us

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## Send RFP



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