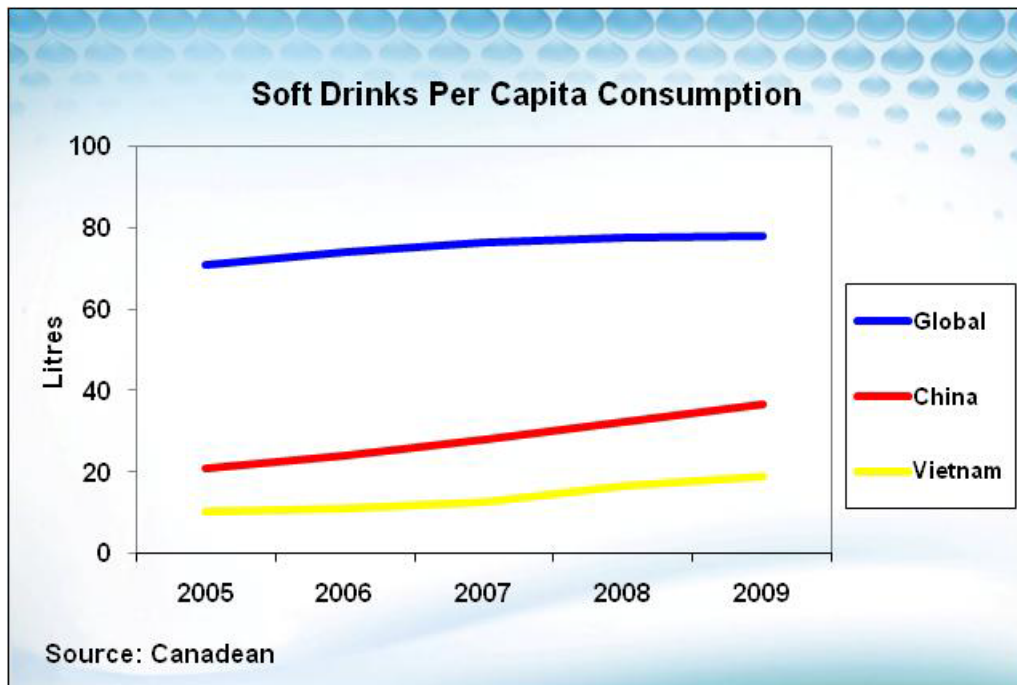


NEWS from Canadean

Vietnamese Soft Drinks Industry Remains Hot As Economy Cools

As many soft drinks markets around the world faltered during the uncertain economic times of last year, the Vietnamese soft drinks market still recorded a healthy growth of 16%. According to Canadean's new [Vietnam Soft Drinks Industry Report](#), the market was by no means immune to the economic woes of the global markets but the momentum of recent years carried on into 2009. Growth even outpaced neighbouring China, but with an annual per capita of just under 19 litres, Vietnamese soft drinks consumption remains nearly half that of their giant neighbour and less than a quarter of the global average.



The younger generation is a key driver but last year the investment in marketing and advertising ensured the market was still able to expand, albeit at a slower rate. Advertising spend was substantial and was surpassed only by advertising investment in telecoms,

food, hygiene and beauty. The Tan Hiep Phat Beverage Group in particular, pumped money into supporting an assortment of brands in different soft drinks categories.

Carbonated soft drinks in Vietnam make up under a fifth of volumes, even less than packaged waters and perhaps surprisingly compared to the global soft drinks stereotypes, it is iced teas that are the leading soft drinks category, accounting for more than a third of sales. Iced teas have been a major contributor to the development of the soft drinks market in recent years and last year was no different. The catalyst for the progress of iced teas was the phenomenal success of Green Tea Zero Degree in 2006 which triggered considerable new product development. The Vietnamese iced tea market has remained dynamic in 2009 and was boosted by the entry of Kirin Acecook, the big Japanese drinks player and the rising popularity of herbal tea.

The interest in herbal teas reflects a general interest in products with a perceived health and wellness attribute. This trend has helped to shape much of the new product development and is targeted at the more affluent consumers found in major cities such as Ho Chi Minh City, Hanoi and Da Nang who have seen disposable incomes and standards of living rise in recent years. These consumers have shown that they are prepared to pay a premium for drinks that tick the right boxes.

Canadean anticipate that there remains plenty of slack in the Vietnamese soft drinks market and volumes will increase again in double digit growth terms this year. In the longer term, although hot tea sales continue to edge forward, younger consumers are seeking out the refreshment qualities of soft drinks and there is a shift from hot to cold. At the turn of the century, hot drinks made up nearly half of all commercial beverages sales and soft drinks 15%; today hot drinks have dropped to little more than a quarter and soft drinks increased to more than a fifth. The youthful consumer age profile and the tropical climate should facilitate many years of future growth for the Vietnamese soft drinks industry; the only dark cloud will be economic.

For further details on Canadean's brand new [Vietnam Soft Drinks Industry Report](#) which forms part of [Canadean's Soft Drinks Service](#), please contact Debra Richards on tel: +44 (0) 1256 394224.

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Editor's Note:

[Canadean](#) is the beverage industry information specialist, providing drinks research on beverage trends and consumption in the format of [reports](#), [databases](#) and [consulting](#) on the global beverage and [beverage packaging](#) industries.

With headquarters in the UK and regional offices around the world, Canadean has built a reputation as the benchmark for global beverage market intelligence. Local operations are now based in Madrid, Buenos Aires, Mexico City, Hong Kong, Beijing and Shanghai.

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