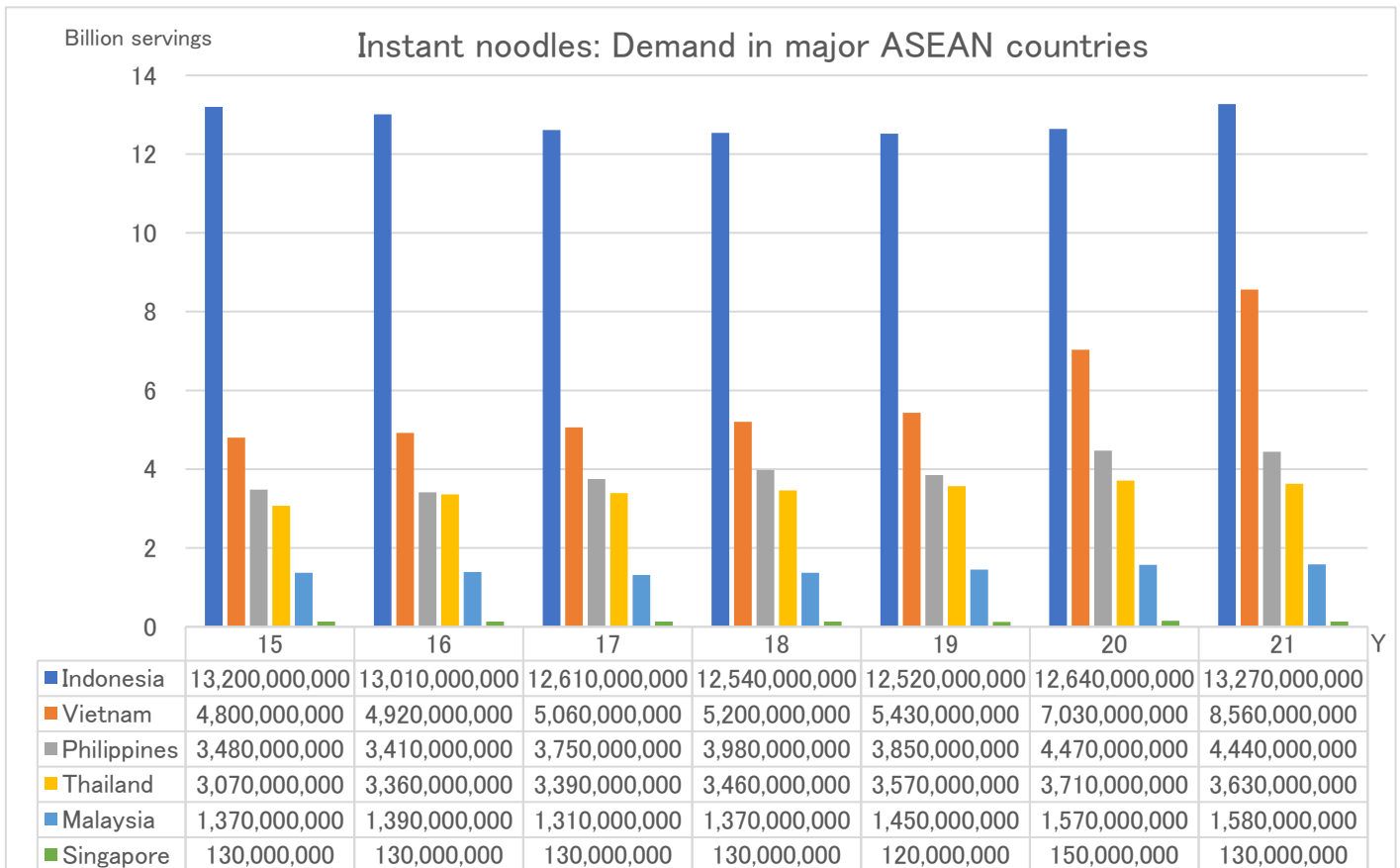


## Vietnam: Instant noodle industry

<Industry overview> Market expansion continues, maintaining its global 3rd position in 2021

Vietnam’s instant noodle industry in 2021 has maintained its third place in the world in terms of demand volume, after China/Hong Kong, and Indonesia. In 2019, the country was ranked fifth behind India and Japan, but a surge in stay-home demand due to Covid-19 propelled the country to third place in 2020. Demand volume in 2021 was about 8.6 billion servings, narrowing the gap with Indonesia. In terms of per capita demand, China/Hong Kong has 31 servings, Indonesia has 49 servings, and Japan has 47 servings, while Vietnam has an overwhelming 87 servings (the population in 2021 is about 1.41 billion in China/Hong Kong, about 270 million in Indonesia, about 98 million in Vietnam, and about 126 million in Japan: IMF data). Instant noodles are widely distributed as a popular processed food, driven by factors including the popularity of noodles known as “pho”, Vietnam’s representative rice-flour noodle, the wide variety of noodles, the reasonable price, and the simple cooking method.

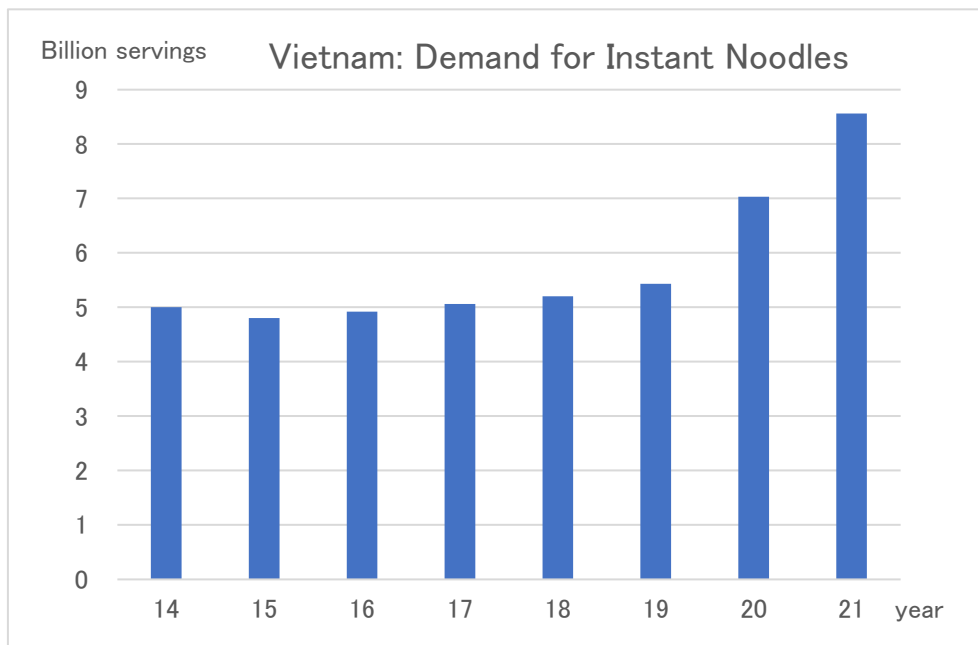


(Data compiled by Ashu Research based on data from the World Instant Noodles Association)

<Demand volume> Renews record high both in 2020 and 2021

The demand volumes have been growing for the past several years. After two consecutive years of negative growth in 2014 and 2015, positive growth continued from 2016. From 2016–2018, the growth rate was steady in the latter half of the 2% range. The following year, 2019, the rate accelerated to 4.4%. In 2020, demand for stay-home stocking up on food surged in response to Covid-19, reaching to 7.03 billion servings, an increase of 29.5% from the previous year. The following year, 2021, grew to 8.56 billion servings, an increase of 21.8%, setting another record high after the prior year.

On the other hand, the outlook for 2022 is uncertain as instant noodle prices are rising. Among the main factors are an increase in oil prices and higher logistics costs due to the situation in Ukraine as well as the rising price of raw materials. According to local reports in March 2022, instant noodle prices have increased by 25% compared to the same period last year.



(Data compiled by Ashu Research based on data from the World Instant Noodles Association)

<Industry map> Vina Acecook tops, but Masan Consumer Goods chasing

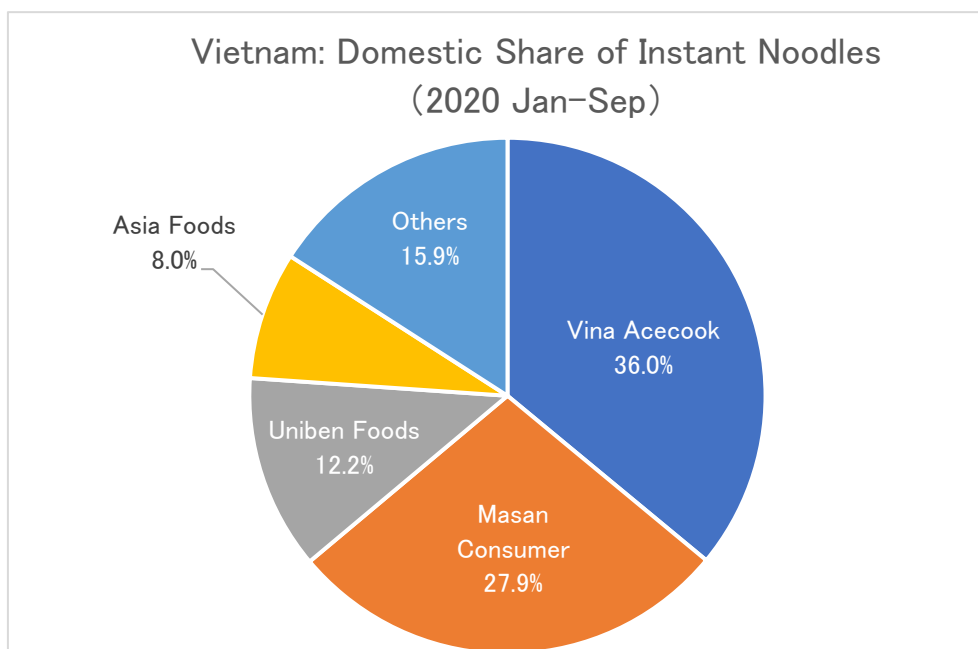
In the instant noodle industry in Vietnam, the Japanese company Vina Acecook (subsidiary of Acecook) holds the top domestic market share of 36.0%. This is followed by Masan Consumer, a subsidiary of the local Masan Group (27.9%), Uniben Foods, also a local company (12.2%), and Asia Foods (8.0%). The top four companies account for about 84% of the market (amount based on the period from January to September 2020).

There are about 50 manufacturers of instant noodles in Vietnam, with competition intensifying recently. Vina Acecook has maintained its top position, but its market share, which was 50% at its peak, has recently shrunk to 35%–40%. Under these circumstances, the company has indicated that it intends to focus on exports.

As mentioned above, a major competitor for market share with Vina Acecook is Masan Consumer. In addition to focusing on high-end products, it expanded sales channels in 2019 with the acquisition of a retail store (Vinmart and Vinmart+\*). Its share has increased from 22.9% in 2018 to 27.9% in the period from January to September 2020. It has strengths in the high-end product “Omachi” and “Kokomi” for the mid-range. Looking at the performance of the top two companies, Masan Consumer has gained momentum in recent years. The company’s instant noodle business saw significant growth in sales, with a 38.5% increase in 2020 from the previous year and a 27.9% increase in 2021.

\* After the acquisition, the brand names were changed to Winmart and Winmart+.

Following these two companies is local company Uniben Foods, which has “3Mien” and “Reeva”, whilst Asia Foods has “Gau Do”, “Trung Vang” and “Shang-ha cup” as its mainstay products. In addition, the local company Colusa-Miliket Food, which dominated the country’s instant noodle market in the 1970s and 1980s, and Taiwan’s Uni-President Enterprises (major food processing/distribution/retailer) is also known as a leading manufacturer.



(Data compiled by Ashu Research based on various reports)

### Vietnam: Major Instant Noodles Companies

Company name		Main Brands
Foreign companies	Vina Acecook	Hao Hao Noodle, Noodle World, Gochi Noodle, SiuKay Instant Noodle, Udon Suki Suki Noodle, others
	Uni-President Group (Uni-President Enterprises)	Soup Daren, Vine Pepper Beef Noodles, others
Domestic companies	Masan Consumer	Omachi, Kokomi, others
	Asia Foods	Gau Do, Trung Vang, Shang-ha cup, others
	Colusa-Miliket Food	Miliket Chicken Flavour Instant “Phở”, Miliket Beef Flavour Instant “Phở”, others
	Uniben Foods Company	3 Mien, Reeva, others

(Data compiled by Ashu Research based on each company’s website and various reports)

(Ashu Research: June 2022)