



# The Vietnamese glass industry

Vietnam is one of the largest markets for glass and glassware products in the world. The nation has been one of the 25 largest importers and exporters of these items. With a population substantially larger than that of Germany or the UK, Vietnam is a critical market for the glass industry. Richard McDonough reports ahead of the 45th ASEAN Glass Conference set to take place in Nha Trang in September.

The Socialist Republic of Vietnam is officially known as ‘Cộng hòa Xã hội chủ nghĩa Việt Nam’ by the Vietnamese government; locals also use ‘Việt Nam’ as the country’s name. In this report, ‘Vietnam’ is used in reference to this nation. The Communist Party of Vietnam is in control of the country.

The estimated population of Vietnam is 104,799,174 in 2023, according to The World Factbook issued by the USA. This would rank the country as the 16th largest nation globally in terms of population. To put these numbers into perspective, Vietnam’s estimated population has about 20 million people more than that of Germany’s estimated population, more than 35 million additional people than that of the estimated population of the UK and almost 45 million more people than Italy’s estimated population.

The International Monetary Fund (IMF) projected the Real Gross Domestic Product (GDP) of Vietnam will grow 5.8% to (US) \$449,094,000,000 in 2023. This projected GDP level is higher than the GDP levels projected by the IMF for Malaysia and the Philippines for 2023, but is lower than the GDP levels projected by the IMF for Indonesia, Singapore and Thailand for this same year.

The World Bank also projected growth for this nation. “Vietnam’s economic growth is projected to ease to 6.3% in 2023 [...] as services growth moderates and higher prices and interest rates weigh on households and investors,” according to a news statement issued in Hanoi by the World Bank on 13 March 2023. “Growth is expected to pick up to 6.5% in 2024 as the economies of Vietnam’s main export markets gain strength.”

The news statement summarised some of the information in the ‘Taking Stock: Vietnam Economic Update, March 2023’ issued by the World Bank. This report stated that “Vietnam’s economy experienced a

strong rebound in 2022, with growth reaching 8.0%, exceeding its average rates of 7.1% from 2016 to 2019. This growth was partly due to a low-base effect, driven by a rebound in domestic private consumption following Covid-19 and solid performance in export-oriented manufacturing. However, the public sector’s contribution to growth was limited due to weak execution of public investment programmes. Whilst employment recovered to pre-Covid-19 levels in 2022, weaker global demand led to slowing orders and exports in Q4-2022, and to renewed labour market pressures.”

Consumer Prices in Vietnam are projected by the IMF to increase 5.0% in 2023.

In a report entitled ‘Vietnam Bucks Asia’s Weakening Growth Trend’ issued by the IMF on 6 September 2022, the IMF indicated that “Vietnam’s upbeat growth outlook is bucking the slowing trend elsewhere in Asia, with relatively subdued inflation that’s also an exception to the general rule in the region.”

“The first half of this year saw a swift economic rebound as Vietnam’s pandemic restrictions eased following the adoption of a living-with-Covid strategy and a robust vaccination



The Vietnamese flag flies over a country that has one of the world’s largest populations. Photo provided by Sam Williams through Unsplash, 11 December 2018.

drive,” the report continued. “Supportive policies such as low interest rates, strong credit growth, and the government’s Programme for Socioeconomic Recovery and Development have been accompanied by strong manufacturing output and a recovery in retail and tourism activity.”

This report indicated that economic growth in Vietnam could be affected by external activities ranging from “the effects of Russia’s invasion of Ukraine and the slowdown in China and major advanced economies. Such a slowdown implies reduced demand for Vietnam’s exports, especially from key trade partners like the US, China, and the European Union [EU].”



Aerial view of O-I BJC Vietnam Glass (circled in red) located southeast of Ho Chi Minh City in the My Xuan A Industrial Zone. The facility produces “nearly 300 million glass bottles [p.a.] for beverage, beer, wine, food and pharmaceutical products”, according to a company statement. Photo provided courtesy of the United States Geological Survey, 2022.



"In addition, financial conditions are tightening as interest rates in the US and other advanced economies rise to curb inflation," the report also noted. "That in turn increases financing costs and can lead to capital outflows, as we already see in many emerging markets in the region."

"Finally, greater uncertainty about global trade and financial markets could weigh on the recovery, especially if some industries lose access to needed intermediate goods because of further supply-chain disruptions," continued the report. "That could curtail foreign investment in Vietnam, slowing production and technological growth. Together, these factors mean policymakers must be agile and make timely changes".

### Trade

In the area of glass and glassware products, Vietnam has been one of the top 25 importers and exporters of glass and glassware products from 2018 to 2021. The country was ranked as the 17th-largest importing nation of glass and glassware products in 2021. This, according to the International Trade Centre (ITC). Unless otherwise stated, statistics detailing imports and exports of glass and glassware products to and from Vietnam are from reports issued by the ITC. In 2020, the country ranked number 15; in 2019 and 2017, number 18; and in 2018, number 22 of all of the countries globally.

Vietnam's ranking has been in a similar range when it comes to exports within this category. It was ranked as the 19th largest country globally in exports of glass and glassware products in 2021, and ranked at the same level in both 2020 and 2018. In 2019, Vietnam was ranked number 21, whilst in 2017, the country was ranked as number 18 in terms of exports of these items.

### Imports

Overall imports of glass and glassware products have increased 45% from 2017 to 2021. There was a dip from 2017 to 2018, but in each of the subsequent years, imports were higher than the prior years.

In 2017, imports of these products amounted to (US) \$1,071,849,000; in 2018, (US) \$1,019,777,000; in 2019, (US) \$1,301,662,000; in 2020, (US) \$1,495,945,000; and in 2021, imports of glass and glassware products were valued at (US) \$1,561,311,000.

Its neighbour to the north, China, has been the largest source of glass and glassware products imported into Vietnam from 2017 through 2021. Imports from China have steadily increased in both actual amounts as well as the percentage of overall imports of these items during this five-year time period.

As with overall imports in this category, those from China increased from 2017 to 2021, but saw a dip from 2017 to 2018. The volume of imports of glass and glassware products almost doubled – a 99% increase – during that five-year time period. The amounts were (US) \$518,004,000 in 2017, (US) \$500,618,000 in 2018, (US) \$709,876,000 in 2019, (US) \$933,444,000 in 2020 and (US) \$1,030,429,000 in 2021.

Items from China represented approximately 48.3% of all of the glass and glassware products imported into Vietnam in 2017. That percentage increased to about 66% in 2021.

The remaining third of these imports can be divided into three main groupings, with one country as a substantial source of imports, five additional nations that were major sources of imports, and four other countries that were important sources of imported glass and glassware products.

Beyond China, another Asian country was the second largest source of imported glass and glassware products into Vietnam. Imports of these products from Japan increased from 2017 to 2020, but decreased in 2021. Amounts were (US) \$144,689,000 in 2017, (US) \$154,074,000 in 2018, (US) \$180,890,000 in 2019, (US) ▶



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The skyline of Ho Chi Minh City includes a number of high-rise buildings clad in glass. Photo provided courtesy of The World Factbook issued by the US.

\$217,177,000 in 2020 and (US) \$181,212,000 in 2021.

Imports from Japan represented approximately 11.6% of all glass and glassware products brought into Vietnam in 2021. Five years earlier, imports from Japan were about 13.5% of all of these types of imports.

Four additional Asian countries as well as one North American nation were major sources of imported glass and glassware products: Korea, Thailand, Malaysia, Indonesia and the USA. Together, these five countries represented approximately 30.9% of all imports of these products into Vietnam in 2017; their portion of the import market for glass and glassware products decreased more than 12 percentage points to about 18.2% in 2021.

Whilst imports from these five nations decreased overall from 2017 to 2021, Korea and Malaysia each saw their imports into Vietnam increase during this five-year time period. Imports from the US decreased by almost half from 2017 to 2021.

Imports of glass and glassware products from Korea were (US) \$85,403,000 in 2017 and grew to (US) \$91,834,000 in 2021, imports from Thailand were (US) \$66,258,000 in 2017 and decreased to (US) \$55,986,000 in 2021, imports from Malaysia were (US) \$16,833,000 in 2017 and more than tripled to (US) \$55,974,000 in 2021, imports from the US decreased from (US) \$126,316,000 in 2017 to (US) \$53,939,000 in 2021, and imports from Indonesia went from (US) \$36,620,000 in 2017 to (US) \$26,416,000 in 2021.

The four other nations that were important sources of glass and glassware products imported into Vietnam were two Asian nations: Taiwan and India, and two European countries: Germany and Austria. The amounts from these four nations combined represented approximately 3.9% of all of these imports in 2017; five years later, the percentage had decreased to 2.3%.

The level of imported glass and glassware products from Taiwan and India increased from 2017 to 2021, whilst the amounts of these products imported into Vietnam from Germany and Austria decreased during the same time period.

Imports from Taiwan were (US) \$8,366,000 in 2017 and (US) \$11,597,000 in 2021; from India, (US) \$4,560,000 in 2017 and (US) \$8,412,000 in 2021; from Germany, (US) \$15,195,000 in 2017 and (US) \$8,411,000 in 2021; and from Austria, (US) \$13,174,000 in 2017 and (US)

\$8,172,000 in 2021.

Overall, imports from these 11 countries represented about 96.6% of all glass and glassware products imported into Vietnam in 2017, and 98.1% of all of these types of imported items in 2021.

### Exports

Vietnam exported more glass and glassware products in 2021 than in 2017. Whilst exports of these products from this country and imports of these same items into Vietnam were roughly similar in 2017, the amount of exports was approximately 25% lower than the amount of imports in 2021.

The level of exports decreased from 2017 to 2019, then increased in both 2020 and 2021. Glass and glassware products exported from Vietnam were valued at (US) \$1,033,365,000 in 2017, (US) \$1,001,392,000 in 2018, (US) \$848,508,000 in 2019, (US)

\$881,414,000 in 2020, and (US) \$1,165,744,000 in 2021.

Singapore and Malaysia were the two largest export markets for Vietnamese glass and glassware products. Together, the percentage of exports of these items to the two nations increased from 53.7% of the overall exports in 2017 to 60.8% of the overall exports in 2021.

Exports to Singapore increased from (US) \$357,048,000 in 2017 to (US) \$503,558,000 in 2021. There was a dip to (US) \$312,706,000 in 2018, with steady increases in both 2019 – (US) \$349,136,000 – and 2020 – (US) \$442,158,000.

Vietnam exported glass and glassware products to Malaysia in the amount of (US) \$197,608,000 in 2017. That level increased in 2018 to (US) \$275,390,000, with decreases in 2019 to (US) 202,912,000 and in 2020 to (US) 176,776,000. Exports totalled (US) \$205,697,000 in 2021.

Three nations collectively accounted for about one-fifth of all exports of these items from Vietnam in 2017 and 2021: the US, China, and Japan. Exports increased to both the US and China during this five-year time period; exports of glass and glassware products decreased to Japan.

Exports to the US were (US) \$65,333,000 in 2017 and (US) \$87,774,000 in 2021; to China, (US) \$66,685,000 in 2017 and (US) \$85,169,000 in 2021; and to Japan, (US) \$89,818,000 in 2017 and (US) \$81,679,000 in 2021.

The next three major export markets of these items saw their combined levels decrease by about half from 2017 to 2021: India, Korea and Taiwan. Exports to both India and Taiwan increased during this five- ▶



An aluminium can line at the HEINEKEN Vietnam brewery in Bà Rịa Vũng Tàu. Photo provided courtesy of HEINEKEN Vietnam, 24 September 2022.



Glass was incorporated into the design of the Bach Long Bridge to create a tourist destination for Vietnam. Photo provided courtesy of Moc Chau Island Mountain Park and Resort, 2022.

year time period, but Korea saw a substantial decrease.

In 2017, Vietnam exported (US) \$863,000 in glass and glassware products to India; in 2021, the amount was (US) \$35,744,000. In 2017, exports to Korea were in the amount of (US) \$130,551,000; in 2021, (US) \$25,715,000. Vietnamese glass and glassware products exported to Taiwan were valued at (US) \$19,268,000 in 2017; in 2021, that level was at (US) \$23,247,000. Overall, exports to these three countries went from 14.6% of exported glass and glassware products to 7.3% of these items.

Exports from Vietnam to Cambodia and Hong Kong were in a similar range in 2021, but were at very different levels in 2017. Together, these two Asian countries saw exports of glass and glassware products from Vietnam decrease from 4.5% of these items in 2017 to 2.5% of these items

in 2021.

A total of (US) \$3,261,000 of glass and glassware products were exported to Cambodia in 2017, whilst the amount was (US) \$15,751,000 in 2021. For Hong Kong, the levels went from (US) \$42,810,000 in 2017 to (US) \$12,868,000 in 2021.

Thailand, Indonesia, Turkey and the Philippines round out the nations that were important export markets for Vietnam in 2021. Together, the four countries accounted for 1.9% of all exports of glass and glassware products from Vietnam in 2017; the percentage increased to 2.9% in 2021. Exports to the first three of these nations increased during this five-year time period; exports to the Philippines decreased from 2017 to 2021.

Vietnam exported (US) \$4,487,000 in glass and glassware products to Thailand in 2017 and (US) \$9,945,000 in 2021; to Indonesia, (US) \$7,686,000

in 2017 and (US) \$9,017,000; to Turkey, (US) \$149,000 in 2017 and (US) \$8,115,000 in 2021; and to the Philippines, (US) \$7,560,000 in 2017 and (US) \$7,196,000 in 2021.

Overall, exports to these 12 countries represented about 96.1% of all glass and glassware products exported from Vietnam in 2017, and 95.3% of all of these types of exported items in 2021.

### Growth of glass alternative

The beer and spirits industries are important consumers of glass containers in Vietnam. Whilst businesses focused on these industries continue to use glass bottles as containers for their beverages produced in Vietnam, the use of alternative containers has also continued to grow.

This was seen in a recent development by HEINEKEN Vietnam. On 24 September 2022, the firm “officially unveiled its largest brewery in Vietnam,” according to a company statement. “Covering an area of 40 hectares in My Xuan A Industrial Zone, Phú Mỹ – Bà Rịa Vũng Tàu, and with an annual capacity of 11 million hectolitres, HEINEKEN Vietnam Vũng Tàu Brewery prides itself as the largest of all breweries in Southeast Asia.”

Speaking at the official unveiling, Chief Executive Officer of HEINEKEN Dolf van den Brink stated that “We thank all the authorities, suppliers, business partners and customers who stood shoulder to shoulder with us to bring it to life. The level of passion, the level of resilience and the winning spirit are all unique to Vietnam.”

To provide some perspective on the size of the brewery and its needs for packaging, a news statement issued by HEINEKEN Vietnam detailed that “the Vũng Tàu brewery has automated to a large extent all its operations in the beer making process – from raw material delivery, brewing, filtration to delivery for packing – making it the most productive HEINEKEN brewery in the world. In the Packaging Hall, every two canning lines – each filling 130,000 cans an hour, are only manned by five technicians. The four high-speed canning lines in Vũng Tàu brewery, which can altogether fill 12 million cans a day, are among the fastest in all HEINEKEN breweries in the world.”

HEINEKEN Vietnam describes itself as a “joint venture between HEINEKEN and SATRA (Saigon Trading Group). The company has a proud history of over 30 years – growing from the first brewery in Ho Chi Minh City in 1991 to 6 nationwide with over 3,000 employees today.”

Private investment has been encouraged during the past more than 30 years in Vietnam.

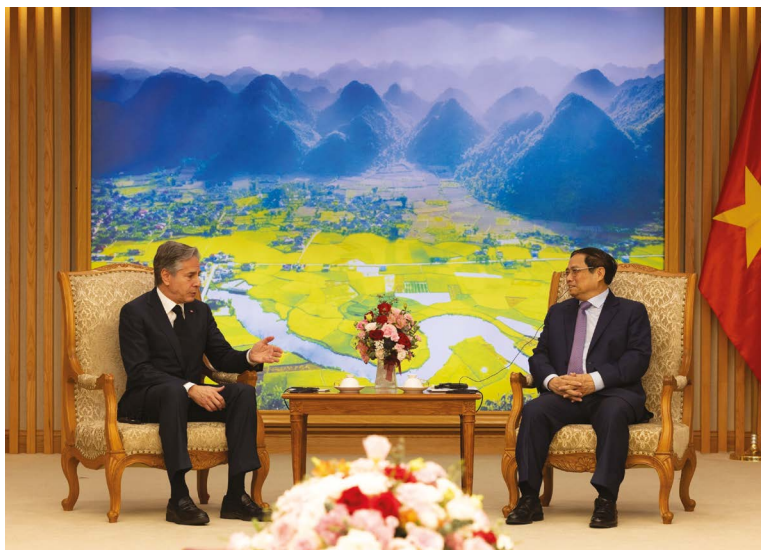
“The strong growth of HEINEKEN Vietnam could only have been possible thanks to the progressive investment climate that the Vietnamese government has cultivated since the early 1990s,” stated Mr van den Brink. He indicated that HEINEKEN is committed “to growing together with Vietnam in the next chapter of productive, innovative, and sustainable development.”

Sustainability has been one of the key aspects of the operations of HEINEKEN Vietnam. On 1 December 2022, the company noted that HEINEKEN Vietnam was honoured to be “ranked 2nd in CSI Ranking 2022, marking the 7th consecutive year [the firm was] among top sustainable companies in Vietnam.”

The use – and re-use – of glass bottles has been an important component of the firm’s sustainability efforts in the country. At the Plenary Session of the Vietnam Corporate Sustainability Forum 2020, “HEINEKEN Vietnam shared its best practices of applying the circular economy model [including] achieving nearly zero waste (99%) by reusing ▶



The Bach Long Bridge is located in the Moc Chau District of Son La Province in Vietnam. Photo provided courtesy of Moc Chau Island Mountain Park and Resort, 2022.



The US Secretary of State Antony Blinken (left) and Vietnamese Prime Minister Pham Minh Chinh met in Hanoi, Vietnam on 15 April to discuss relations between the two nations. The Secretary of State thanked Mr Minh Chinh “for 10 years of success under the US-Vietnam Comprehensive Partnership and celebrated its essential role in upholding our shared vision for an open, prosperous, resilient and peaceful Indo-Pacific.” Photo provided courtesy of the US Department of State, 15 April 2023.

or recycling waste or by-products. Both beer bottles and crates have a ‘two-way’ system where they are sent into the market and then returned to the brewery to be sanitised before being reused several times. Glass bottles can be used up to 20 times and crates last up to five to 10 years before being broken down and sold back to glass and plastic suppliers, respectively.”

Saigon Beer-Alcohol-Beverage Corporation (SABECO) is another company that uses both glass bottles and aluminium cans to package a variety of their beers in Vietnam. One of its brands that uses glass bottles is Bia Saigon Export.

“Bia Saigon Export has been the most popular beer in Vietnam for many years,” according to a statement from SABECO. “Its character embodies the Saigonese spirit – charming and traditional, natural but with a liberal flavour. A strong brown [glass] bottle wrapped in a luxurious metallic label delivers an unforgettable experience.”

According to the firm’s report at its annual general meeting on 27 April 2023, “SABECO includes 26 breweries and 11 trading subsidiaries and has a distribution network consisting of [a] hundred thousand retailers nationwide. SABECO is proud to offer a brand portfolio that consists of some of the most well-loved beer brands in Vietnam, including Bia Lac Viet, Bia Saigon Chill, Bia 333, Bia Saigon Special, Bia Saigon Export, Bia Saigon Lager, and Bia Saigon Gold.”

### Use of glass to grow the economy

Vietnam has used glass in unique ways to help build the tourism segment of its economy. One of the most innovative ways to blend glass with the environment – literally tying the two together – involved the construction of the Bach Long Glass Bridge. Opened in spring 2022, the name of the bridge is the Vietnamese wording for ‘White Dragon.’ The bridge is located at Muong Sang Commune, Moc Chau District, Son La Province, Vietnam.

“Bach Long Glass Bridge has a total length of 632m glass path, made up of 2 parts: the part spanning the cliff is 290m, the glass part following the cliff is 342m, the canyon is 150m deep,” detailed a news statement issued on 28 May 2022 by Moc Chau Island Mountain Park and Resort. “Wearing a transparent super tempered glass [...] the sparkling bridge reflects the beautiful colours in the sunlight, creating a beautiful and prominent look in the vast space.”

“Moc Chau Island is oriented to develop a type of ‘green tourism,’ bringing nature – people closer together,” the news statement continued, “creating a connection in the hearts of people with people, and people with the natural motherland, promoting conservation of nature and national cultural heritage”.

The glass was manufactured by Saint-Gobain India at the Saint-Gobain World Glass Complex in Sriperumbudur, Tamil Nadu, India. According to a statement from the

company, the glass utilised was “39mm SGG Diamant (High Definition/Extra Clear Glass) tempered heat soaked (to ensure there are no chances of NiS breakages (glass suicides) laminated glass (in case of accidental breakage to ensure the glass doesn’t fall apart) with anti-skid ceramic printing (to enable walking).”

The Bach Long Bridge is the nation’s third glass-bottomed bridge, noted the Vietnam National Administration of Tourism. The governmental entity indicated in a statement that “Glen Pollard, a representative from Guinness World Records who attended the 28 May grand opening ceremony, believes this ‘spectacular’ feat of engineering will indeed attract tourists. He praised ‘the engineering required to build that into the side of a cliff but maintain all the features of nature, the greenery, the rocks’, calling it ‘an amazing project.’”

Guinness World Records recognised the Bach Long Bridge as the world’s longest cliff-side path.

### Growth prospects

The use of recyclable containers made of glass – and of aluminium – is anticipated to continue to grow in the coming years given the governmental policies of Vietnam. The Organisation for Economic Co-operation and Development (OECD) indicated in a statement that Vietnam has “introduced bans or levies on single-use plastics, including no sale of disposable plastics by 2021 and a full ban by 2025.”

Trade is expected to continue to be an important growth engine for Vietnam. Based on recent history, commerce between the nation and its neighbours, a number of other Asian countries, the US, and several EU nations is anticipated to increase in the years ahead.

The EU entered into the EU-Vietnam Free Trade Agreement on 1 August 2020. According to a statement from the European Commission, “Vietnam removed 65% of its duties on EU goods the day the agreement entered into force. It will gradually remove the remainder by 2030. The EU will progressively remove its duties on imports from Vietnam by 2027. This asymmetric approach takes into account the fact that Vietnam is a developing country.”

In the case of overall trade with the US, on 23 April 2023, the US Department of State issued a statement in recognition of “the United States – Vietnam Relationship: Celebrating 10 Years of Comprehensive Partnership and 28 Years of Diplomatic Relations.”

This statement noted that “bilateral trade between our two countries has grown enormously over the past three decades, and bilateral investment is in the billions. Vietnam-US trade in goods exceeded (US) \$138 billion in 2022, a remarkable expansion from nearly no economic links when ties were established 28 years ago.”

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#### About the author:

Richard McDonough is a civic journalist based in the USA. He writes on a variety of topics in the glass industry.

#### Further information:

TwoCents.News  
 email: gloinechronicles@gmail.com  
 web: www.twocents.news