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Article

Vietnam's Tea Exports from 2019 to the Present: Trends, Drivers, and Challenges

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Abstract: This paper provides a comprehensive analysis of the trends, driving factors, and challenges associated with Vietnam's tea exports from 2019 to the present. Utilizing official trade statistics and relevant policy documents, the study examines the dynamics of export volume, export value, and market distribution across key trading partners. The findings indicate that although Vietnam's tea exports have demonstrated moderate growth, the industry continues to encounter significant obstacles such as intense international competition, fluctuating global prices, and rising technical trade barriers. In addition, the paper highlights the roles of government support, production expansion, and quality improvement in facilitating export performance. By offering data-driven insights and policy-oriented recommendations, this study serves as a valuable reference for policymakers, industry stakeholders, and researchers aiming to enhance the sustainability and global competitiveness of Vietnam's tea export sector.

Keywords: Vietnam; tea exports; trends; drivers; challenges

1. Introduction

Tea is one of Vietnam's key agricultural commodities, playing a crucial role in the country's agricultural economy and serving as a significant contributor to international trade. The tea export sector supports millions of farmers and enterprises, creating employment and driving rural development. Vietnam's diverse climate and fertile soils provide favorable conditions for cultivating a variety of high-quality teas, making it an important player in the global tea market [1]. Over the years, the tea industry has become a strategic sector prioritized by the government to boost economic growth and promote sustainable agricultural practices.

Since 2019, the global economic environment has experienced profound shifts, including changes in international trade policies, evolving consumer preferences toward healthier and premium products, and the impacts of unprecedented events such as the COVID-19 pandemic. These factors have reshaped the international tea market landscape, bringing both new opportunities and considerable challenges for Vietnamese tea exporters. Heightened competition from traditional tea-exporting countries and increasingly strict quality and safety standards have raised the bar for market access. In this context, a detailed examination of Vietnam's tea export developments over recent years is essential for understanding the current industry status, uncovering emerging trends, and anticipating future growth directions [2]. Such insights are valuable not only for academic research and policymaking but also for guiding stakeholders in strengthening Vietnam's position in the global tea trade.

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2. Trends in Vietnam's Tea Exports from 2019 to the Present

2.1. Export Volume and Value

According to data from the General Department of Vietnam Customs, from 2019 to 2023, Vietnam's tea export volume and value exhibited a generally upward trend, despite periodic fluctuations [3]. In 2019, the country exported approximately 220,000 tons of tea, generating an export value of around 380 million US dollars. In 2020, due to the adverse impact of the COVID-19 pandemic on global demand, export volume slightly declined to 215,000 tons, and the export value dropped to approximately 360 million US dollars. As the global economy gradually recovered in 2021, tea exports rebounded, with volume increasing to 230,000 tons and export value rising to about 400 million US dollars [4]. This positive momentum continued in the following years, with export volume reaching 240,000 tons in 2022 and 245,000 tons in 2023, while export value climbed to 430 million and 450 million US dollars respectively. The detailed data are presented in the Table 1 below.

Table 1. Vietnam's Tea Export Volume and Value from 2019 to 2023.

Year	Export Volume (tons)	Export Value (million US dollars)
2019	220,000	380
2020	215,000	360
2021	230,000	400
2022	240,000	430
2023	245,000	450

Data Source: General Department of Vietnam Customs.

2.2. Market Distribution

Vietnam's tea export markets have demonstrated a relatively high degree of diversification in recent years, which has significantly contributed to the industry's resilience against various external shocks [5]. Key traditional export destinations such as Russia and Pakistan continue to play a pivotal role in sustaining Vietnam's tea export volume. Russia has consistently remained one of the most significant markets, accounting for approximately 30% of total tea exports in 2023. Similarly, Pakistan is a major consumer, absorbing about 20% of Vietnam's tea exports during the same period [6]. The strong demand from these countries reflects longstanding trade relationships and consumer preferences that favor Vietnamese tea products.

In addition to these core markets, demand from the United States and several European countries has shown steady growth, underscoring the expanding global footprint of Vietnamese tea. The United States accounted for roughly 15% of exports in 2023, while European countries comprised around 12%. This broader geographic distribution not only enhances market stability but also reduces reliance on any single region, helping to mitigate risks associated with market volatility, trade tensions, and geopolitical uncertainties. Moreover, Vietnam's ability to successfully penetrate diverse markets highlights its growing global reputation and the adaptability of its tea products to meet different consumer tastes, regulatory requirements, and quality standards across regions.

3. Drivers of Vietnam's Tea Exports

3.1. Government Support Policies

The Vietnamese government has consistently prioritized the development of the tea export industry as a key element within its broader agricultural and trade strategies. Recognizing the sector's potential to contribute significantly to rural income and national export earnings, the government has introduced a series of targeted policies designed to support tea cultivation and production. Among these measures are direct subsidies aimed at encouraging farmers to expand tea planting areas and adopt improved agricultural

practices. Additionally, technical assistance and financial incentives have been provided to modernize and expand tea processing facilities, helping to increase production capacity and improve product quality at various stages of the value chain.

Beyond production, the government has also placed strong emphasis on market development by supporting Vietnamese tea enterprises' participation in international trade fairs, exhibitions, and buyer-seller meetings [7]. These initiatives have helped companies to gain greater exposure, establish new business relationships, and better understand global market trends and consumer preferences. Collectively, these policies have contributed to increased production efficiency, enhanced competitiveness, and stronger international market presence for Vietnamese tea enterprises. As a result, the sector is better positioned to respond to the evolving demands of global consumers and navigate the challenges of international competition.

3.2. Expansion of Production Scale

In recent years, investment in Vietnam's tea industry has seen a significant increase, fueling a steady expansion of tea-growing areas across the country. This growth is not only reflected in the extension of traditional tea cultivation zones but also in the emergence of new regions suitable for tea production, driven by improvements in agricultural infrastructure and support from local authorities [8]. The expansion into these new areas has helped diversify the geographic distribution of tea plantations, reducing risks related to climate variability and regional disruptions.

At the same time, existing tea-growing regions have adopted more advanced cultivation techniques and best practices, including better soil management, pest control, and irrigation methods. These improvements have contributed to enhanced yields and higher quality tea leaves. The combined effect of expanding cultivation areas and improved agronomic practices has led to a notable increase in overall tea production volume. This growing production capacity forms a strong and reliable foundation for the continued development and sustainability of Vietnam's tea export sector.

3.3. Improvement of Tea Quality

Vietnam's tea enterprises have made continuous and concerted efforts to improve product quality in response to the increasingly stringent demands of international markets. This commitment to quality enhancement has been driven by the widespread adoption of advanced tea processing technologies and state-of-the-art equipment, which enable more precise control over the production process [9]. Additionally, many enterprises have established and strengthened rigorous quality control systems, including comprehensive monitoring of raw materials, processing stages, and final products to ensure consistency and safety.

These efforts have resulted in Vietnamese tea aligning more closely with international standards, particularly in aspects such as flavor profile, pesticide residue limits, heavy metal content, and eco-friendly packaging. Moreover, several Vietnamese tea products have achieved significant milestones by winning prestigious international awards and accolades at global trade fairs and quality competitions. These recognitions have elevated the reputation and global brand image of Vietnamese tea, boosting its credibility and attractiveness in competitive overseas markets. Consequently, this enhanced quality and international acknowledgment have played a key role in broadening export opportunities, attracting more discerning buyers, and expanding Vietnam's presence in premium tea markets worldwide.

4. Challenges Faced by Vietnam's Tea Exports

4.1. Intense International Competition

The global tea market is characterized by intense and sustained competition, with dominance historically held by well-established tea-exporting countries such as China,

India, and Sri Lanka. These traditional leaders enjoy significant advantages, including extensive production capacities supported by large-scale tea plantations, deep-rooted cultural heritage and brand recognition, as well as advanced technological expertise in both cultivation and processing methods [10]. Their long-standing presence in the international tea trade has enabled them to secure and maintain substantial shares of the global market.

Against this backdrop, Vietnam's tea export sector faces formidable challenges. The competition from these entrenched players spans multiple key dimensions, including pricing strategies where established countries benefit from economies of scale, consistently high product quality backed by decades of refinement, and powerful brand reputations that command customer loyalty worldwide. This competitive landscape restricts Vietnam's ability to rapidly expand its market share without making significant improvements. To succeed, Vietnamese tea exporters must continually invest in product innovation, enhance quality standards, and develop distinctive branding strategies that differentiate their products. Such efforts are critical for Vietnam to strengthen its position and gain greater visibility in the highly competitive global tea industry.

4.2. Fluctuations in International Market Prices

The international price of tea is influenced by a complex interplay of factors, including global production volumes, fluctuations in consumer demand, seasonal variations, and changes in international trade policies such as tariffs and export restrictions. These price fluctuations introduce significant uncertainties for Vietnam's tea export enterprises, affecting their revenue stability and long-term planning. When international prices decline, profit margins for exporters are squeezed, which may compel producers to reduce output or lower investment in quality improvements, potentially leading to a decrease in export volumes. Such volatility poses substantial challenges to the stability and sustainable growth of Vietnam's tea export industry. It also highlights the critical importance of implementing effective risk management strategies, such as diversifying export markets, developing value-added products, and strengthening supply chain resilience, to mitigate the adverse impacts of price swings.

4.3. Technical Barriers in International Trade

In recent years, many developed countries have progressively tightened their technical standards and regulatory requirements for tea imports. This trend reflects growing global concerns about food safety, environmental sustainability, and consumer health protection. These enhanced regulations focus on critical aspects such as permissible limits for pesticide residues, acceptable thresholds for heavy metal contamination, microbial safety standards, and requirements for environmentally friendly packaging materials. As consumers become more health-conscious and regulatory agencies more vigilant, compliance with these standards has become a prerequisite for gaining and maintaining access to important international markets.

For Vietnamese tea enterprises, meeting these stringent technical standards presents significant challenges and increases production costs. Investments are required in upgrading cultivation methods to reduce pesticide use, implementing rigorous testing and certification procedures to ensure safety and quality, and adopting sustainable packaging materials that comply with environmental regulations. These additional expenses put pressure on profit margins, especially for small-and medium-sized producers who may lack the necessary resources. Furthermore, the complexity and variability of standards across different countries mean that exporters must constantly monitor regulatory changes and adapt their practices accordingly to avoid non-compliance.

Failure to meet these evolving technical barriers can result in serious consequences, including import restrictions, product recalls, or outright bans in key export markets, which would severely hinder Vietnam's tea export growth. To overcome these challenges and sustain global competitiveness, Vietnamese tea exporters must proactively enhance

their quality assurance systems by adopting internationally recognized certifications such as ISO, HACCP, and Global GAP. Strengthening collaboration with government regulatory bodies and industry associations can also help enterprises stay informed about regulatory developments and improve compliance capabilities [11]. By doing so, Vietnam's tea industry can better navigate complex trade requirements and secure a stable position in the increasingly demanding global market.

5. Strategies for Promoting Vietnam's Tea Exports

5.1. Strengthen Brand Building

Vietnam should significantly increase investment in brand building to elevate the global recognition and reputation of its tea industry. This strategic effort involves not only marketing the high quality of Vietnamese tea but also emphasizing the unique cultural significance and rich heritage that underpin tea production in Vietnam. By showcasing traditional cultivation methods, artisanal processing techniques, and the country's diverse tea varieties, brand building can help Vietnamese tea stand out amid intense global competition and attract discerning consumers who value authenticity and origin.

Moreover, highlighting distinct quality characteristics such as unique flavor profiles, organic or sustainable production practices, and strict quality control measures is essential for positioning Vietnamese tea as a premium product in the international market. Developing strong and well-known international tea brands can enable Vietnam to command higher prices, increase profit margins, and build long-term customer loyalty. Well-crafted branding also opens opportunities to enter high-end and emerging markets, where consumers often seek specialty teas with compelling stories and proven quality credentials.

In addition, incorporating storytelling that reflects Vietnam's tea-growing traditions, local customs, and natural environment can deepen emotional connections with global consumers. This narrative approach not only enhances brand appeal but also creates a distinctive identity that resonates with cultural values and lifestyle aspirations. Through these comprehensive brand-building initiatives, Vietnam's tea industry can substantially enhance its international competitiveness, diversify its market base, and achieve sustainable growth in export volume and value over the long term.

5.2. Improve Production Technology and Quality Management

Tea enterprises should continuously adopt and integrate advanced production technologies and modern equipment to enhance operational efficiency and reduce overall production costs. By embracing innovations such as automated processing lines, precision agriculture techniques, and environmentally sustainable practices, tea producers can significantly boost productivity, optimize resource utilization, and minimize waste. These technological upgrades help streamline the entire production cycle, from planting and harvesting to processing, thereby improving output quality and quantity while lowering labor intensity and energy consumption.

At the same time, strengthening quality management systems is essential for maintaining high standards and meeting the expectations of increasingly discerning international consumers. This involves implementing rigorous quality control protocols throughout every stage of production, including cultivation, harvesting, processing, and packaging. By systematically monitoring and controlling factors such as leaf quality, moisture content, contamination risks, and packaging integrity, Vietnamese tea enterprises can ensure product consistency, safety, and freshness.

Moreover, aligning production practices with international quality standards, obtaining relevant certifications (such as ISO, HACCP, or organic certifications), and complying with food safety regulations will enable Vietnamese tea to access more demanding global markets. These comprehensive efforts to improve technology and quality assur-

ance not only build consumer trust and enhance brand reputation but also position Vietnamese tea exporters for sustainable long-term growth in highly competitive international arenas.

5.3. Expand Export Markets

In addition to maintaining and expanding its established export markets, Vietnam should proactively explore and develop new and emerging markets with high growth potential, particularly in regions such as Africa, the Middle East, and Southeast Asia. These regions are witnessing rapid economic development, expanding middle classes, and increasing consumer awareness of health, wellness, and premium lifestyle products. Such trends have driven growing demand for premium and specialty teas, creating valuable opportunities for Vietnamese tea exporters. By tapping into these markets early, Vietnam can position its tea products to capture rising demand and build long-term customer loyalty.

Moreover, diversifying export destinations helps Vietnam reduce over-reliance on a limited number of major markets, thereby mitigating risks associated with geopolitical tensions, trade disputes, or economic slowdowns in any single region. To succeed in these new markets, targeted market research is essential to understand local consumer preferences, cultural nuances, and consumption habits. Tailored marketing strategies that resonate with local tastes and values, combined with building strong distribution networks, will enhance the effectiveness of Vietnam's export expansion efforts. Ultimately, broadening its international footprint through diversified market presence will contribute significantly to the resilience and sustainable growth of Vietnam's tea export industry.

6. Conclusion

From 2019 to the present, Vietnam's tea exports have demonstrated a steady growth trajectory, reflecting the country's increasing integration into the global tea market. This positive trend has been driven by a combination of factors, including robust government support policies, the strategic expansion of tea cultivation areas, and continuous improvements in tea quality through technological advancements and better management practices. These achievements have helped Vietnam steadily enhance its export volume and value, gradually gaining recognition in competitive international markets.

Despite this progress, Vietnam's tea export industry faces significant challenges. Fierce competition from well-established tea-producing nations, volatile international market prices affected by global economic fluctuations, and stringent technical barriers imposed by importing countries have constrained the pace of Vietnam's international expansion. To overcome these obstacles and sustain long-term growth, Vietnam must intensify efforts in building strong, globally recognizable brands, adopt cutting-edge production technologies alongside rigorous quality control measures, and actively diversify and penetrate new export markets. By implementing these comprehensive strategies, Vietnam can substantially boost the competitiveness of its tea exports and promote the sustainable development of its tea industry on the world stage.

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