

Increasing demand from traditional and new export markets is driving the fashion accessories industry in Vietnam. The sector has registered dramatic growth in terms of revenue over the past two years and is expected to sustain its solid performance in coming months.

The quality of labor in Vietnam is one of its strongest competitive advantages. Suppliers typically hire skilled workers who have gained expertise in various manufacturing processes. In addition, the cost of manpower in the country is comparatively lower than those in mainland China and other sourcing centers in Southeast Asia.

The industry emphasizes the low-end and midrange price segments since models under these classifications enjoy high demand and normally do not require expensive production equipment.

Key findings

1. Suppliers interviewed for this report are largely expected to raise prices of fashion accessories over the next six months. To maintain viability amid surging domestic inflation and labor and raw material costs, most companies will implement adjustments of up to 10 percent. A number of makers will push up quotes at higher rates but this will be done as a means to safeguard against future increases in expenditure.
2. The US and the EU are the industry's largest markets. Exports to the former are forecast to grow further as it continues to shed the effects of the global economic slowdown. Demand from the EU, however, is predicted to decline over the next 12 months as more of its members
3. The Asia-Pacific region is seen to become a major overseas destination for the industry, primarily because of output from subcontractors and foreign-invested suppliers. Funding for these types of makers typically comes from companies based in Japan, South Korea and Taiwan.
4. Manufacturers are generally based in the northern and southern sections of Vietnam, where raw materials and labor are readily available. Ho Chi Minh City and Hanoi are the most important sourcing centers. Surrounding rural areas such as the Red River Delta provide easy access to manpower and several types of raw materials.

Objective, methodology & scope

The Developing Country Sourcing Report series is part of Global Sources' corporate social responsibility initiatives. It is offered in conjunction with The Kearny Alliance, whose mission is Aid through Trade. The objective is to help create jobs in developing Asia through export promotion.

This Vietnam Sourcing Report is part of a series designed to provide buyers with information on new products from export manufacturers in supply markets that specialize in handmade merchandise.

To produce this report, large, midsize and emerging manufacturers, all with substantial export experience, were surveyed. The selection of suppliers is designed to reflect the composition of the industry in Vietnam in terms of geographic location, materials used and range of products offered.

For in-depth profiles, our researchers

visited the facilities of each company and interviewed senior executives who discussed their recent performance and provided forecasts for the next 12 months. All other makers in this report were either visited or contacted by phone.

In each case, companies were required to answer specific questions designed to verify their manufacturing and export credentials, including a breakdown of exports by product type and market. Suppliers also participated in a survey designed to provide insight into the industry.

This report covers the main classifications of fashion accessories available in Vietnam, including fashion bags and wallets, gloves and hosiery, and head- and neckwear. Each product category has its own price guide that describes features of low-end, midrange and high-end models.

In this report

- 15 in-depth company profiles
- 21 short company profiles
- 149 top-selling export products
- Supplier demographics
- Supplier survey
- Industry statistics and charts

The Industry Overview section discusses key issues affecting export manufacturers. It provides insight on the composition of the industry and elaborates on the important supply centers within Vietnam.

The Products & Prices section details the features and price ranges of fashion accessories. It also examines the design and manufacturing processes, main materials used, and sourcing centers where components are procured.