

Manufacturers of home and garden decor in Vietnam are adopting various strategies meant to sustain profitability in a highly competitive global market.

Suppliers are enhancing their design capability by employing stylists with extensive knowledge of product aesthetics popular in major overseas destinations such as the US and the EU. Several enterprises are also shifting their emphasis on the upscale segment to avoid direct competition with China makers.

Vietnam's advantage of having easy access to natural materials not readily available to manufacturers in other sourcing centers likewise helps in diversifying the industry's range of designs.

Home and garden decor from the country is categorized into handicrafts, home furnishings, pottery and vases, and garden ornaments.

Key findings

1. Prices of home and garden decor are generally expected to increase over the next six months due to surging labor and production costs. Adjustments are predicted to be low as the majority of suppliers featured in this report plan to raise quotes by no more than 5 percent. A considerable number of companies, on the other hand, do not intend to modify prices.
2. Exports in the next 12 months are forecast to grow about 10 percent as a result of strong demand from traditional and new markets. The latter are primarily located in affluent economies such as the Middle East. This development is on top of a 9 percent improvement recorded in 2011.
3. The most critical challenge confronting the industry is the high inflation rate in Vietnam. The soaring level of increase in domestic prices has prompted the government to raise the minimum wage.
4. The EU and the US are the sector's leading foreign destinations, combining for nearly two-thirds of total revenue. Key markets in the former are Germany, France, Italy, Spain, Belgium and the Netherlands.
5. Manufacturers are located mainly in the major cities of Hanoi and Ho Chi Minh, and the province of Binh Duong. These areas boast a deep labor pool for subcontracting because of their proximity to several craft villages. A number of sourcing hubs specializing in wooden and ceramic decor are found in the rural areas surrounding these places.

Objective, methodology & scope

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.

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.

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 different types of home and garden decor available in Vietnam, including handicrafts, home furnishings, pottery and vases, and garden ornaments. Each product category has its own price guide that describes features of models for the low end, midrange and high end.

In this report

- 15 in-depth company profiles
- 20 short company profiles
- 169 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 home and garden decor. It also examines the design and manufacturing processes, main materials used, and sourcing centers where components are procured.