

The home furnishings industry in Vietnam is enjoying stable development stemming from healthy overseas demand, and government and international support. Exports in recent years have been progressively improving, and the sector expects to maintain its progress over the short term.

Although growth so far this year has slowed slightly, the industry is optimistic of surpassing revenue generated in 2012. This is mainly because of strong demand for home textiles and bedding in traditional and emerging destinations. Ceramics is another segment with considerable potential for expansion, especially with the US becoming its fastest-growing market in the first half of 2013.

The sector benefits from a number of strengths. One of these is lower production costs compared with those in other supply zones in Asia.

Key findings

1. Suppliers interviewed for this report generally expect quotes to stay the same over the next six months as a result of stable production costs. The use of recycled components and more efficient manufacturing processes are the key factors behind this development. A small number of companies plan to raise prices, although mostly by a considerable margin.
2. A bright outlook is prevalent in the industry with regard to export revenue. Foreign sales are projected to be strong in the coming year mostly because of recovering demand from major markets such as the US. A significant number of enterprises predict shipments to surge by more than 20 percent.
3. Although the sector does not have a unifying style trend because it encompasses a wide range of products, releases generally emphasize models that blend traditional and modern elements. This is particularly apparent in items that require labor-intensive manufacturing processes.
4. Difficulty in finding new export markets is the most crucial obstacle facing the industry. Sagging demand from the EU due to lingering effects of the sovereign debt crisis is pushing many makers to explore alternative destinations.
5. Sourcing centers in Vietnam depend on the product type, although most segments are available in Hanoi and Ho Chi Minh City. Several provinces near these cities are also key supply zones for home textiles and bedding. These include Dong Nai, Binh Duong and Hung Yen.

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 Hinrich Foundation, whose mission is promoting sustainable global trade. One of its objectives 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 classifications of home furnishings available in Vietnam, including home accents and textiles, and bedding. Each product category has its own price guide that describes features of models for the low end, midrange and high end.

In this report

- 19 in-depth company profiles
- 253 top-selling export products
- Supplier demographics
- Supplier survey
- Industry statistics and charts

The Industry Overview section discusses key issues affecting export manufacturers. It provides statistics and 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 furnishings. It also examines the design and manufacturing processes, emerging aesthetic trends, main materials used, and sourcing centers where components are procured.