

### Supplier capability in Vietnam

Revitalized demand from traditional markets and growing popularity in new overseas destinations are pushing the wooden and wicker furniture industry to become one of Vietnam's most important export sectors.

Revenue in recent years has shown remarkable development that the country has become the largest furniture producer in Southeast Asia and one of the five biggest worldwide.

The gradual recovery of the US economy is the principal factor affecting the industry's expansion. In addition, the Asia-Pacific region is increasingly replacing the EU as the sector's secondary market.

The industry has a number of competitive advantages that help contribute to its growth. Some of these are low labor cost, high degree of craftsmanship and strong OEM capability.

#### Key findings

1. The majority of featured suppliers forecast export prices of wooden and wicker furniture to increase within the next six months due to surging raw material expenditure. A considerable minority will keep quotes unchanged to ensure competitiveness in attracting new customers from emerging markets.
2. Foreign revenue over the coming six months is widely projected to increase as a result of more intensive marketing efforts. Many suppliers also intend to capture greater buyer interest by revitalizing their product designs.
3. Most companies expect releases in the next 12 months to mainly feature elaborate styles with intricate embellishments to address the growing demand for such pieces.
4. The inadequate domestic supply of wood is the most critical challenge facing the industry. Suppliers are compelled to import raw materials, raising production costs. In addition, stringent policies enforced by key overseas markets on wooden products is causing additional burden to furniture manufacturers.
5. There are several sourcing centers throughout the country. The most important ones are located in the Red River Delta, South Central Coast and Southeast regions. A number of factors provide these areas distinct advantages in the production of furniture.

### 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 types of wooden and wicker furniture available in Vietnam, including living room, bedroom, dining and outdoor pieces. 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
- 19 short company profiles
- 138 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 wooden and wicker furniture. It also examines the design and manufacturing processes, main materials used, and sourcing centers where components are procured.