

Bags & Travel Goods



May 2010 US\$395

Essential sourcing intelligence for buyers

China manufacturer profiles

Detailed profiles of 37 verified suppliers and contact details of an additional 47 exporters

Product & price trends

Prices and specifications of 163 top-selling export products

Supply centers & market trends

Coverage of leading and emerging supply centers, plus insight into capacity, output and R&D

BAGS & TRAVEL GOODS

Supplier capability in China

EXECUTIVE SUMMARY

Suppliers of bags and travel goods in China are optimistic that export sales will improve greatly in the year ahead, but growing production outlay is putting pressure on profitability.

In the first two months of 2010, China's shipments of bags, luggage and wallets made of fabric, leather and plastic showed a 36 percent year-on-year improvement to \$871.7 million. In the same span, the quantity of bags increased 21 percent to 85.3 million kilograms. Luggage volume also jumped 32 percent to almost 18 million kilograms.

Overseas revenue for all three categories in 2009 amounted to \$4.9 billion. Sales fell 10 percent.

Although the resurgence may be driven by restocking, the majority of suppliers expect revenue to increase more than 20 percent. Others anticipate sales to climb at least 10 percent.

The following are some of the key developments we see in China's bags and wallets industry:

- Cost controls and efficiency measures remain in place to counter the rise in material and labor expenses. These are helping companies maintain stable prices under efforts to bolster sales. An example is maximizing the use of larger leather cuts.

Businesses that are unable to absorb higher expenses will increase prices by at least 5 percent.

- Suppliers are adopting the CPSIA lead limit as buyers become more concerned about the harmful substances in their purchases.

Some manufacturers are substituting PU leather for PVC, as the latter is processed with stabilizers containing the heavy metal.

Other exporters are exploring destinations where the substance is not regulated.

- Reforms in the tanning industry are expected to improve material options for midrange and high-end releases, thereby facilitating the

upmarket shift for makers of bags and travel goods.

The new guidelines encompass livestock development, hazardous waste disposal, and recycling water. Clusters with shared resources will be established.

China suppliers produce wallets, luggage, travel accessories, and business, special-purpose, fashion and travel bags. These are also the scope of this report.

Each product category has its own section with details on the features and prices of low-end, midrange and high-end models.

The manufacturing and QC processes are discussed as well.

Further, the section elaborates on the industry composition, highlighting key characteristics of the different types of companies.

The Industry Overview explains how suppliers are responding to the sudden surge in orders from overseas markets amid a persistent shortage of labor and rising material costs. Moreover, it illustrates the steps companies and the government are taking to improve the quality of manufacturing inputs.

Roughly 80 percent of the bags and travel goods export manufacturing industry in China is comprised of small and midsize companies. Approximately 80 percent of all suppliers are private locally owned companies, and the rest have outside participation.

The provinces of Guangdong, Zhejiang and Fujian are the main production centers.

Reflecting this structure, 75 percent of suppliers profiled in this report are private local businesses.

Nearly 46 percent of featured companies come from Fujian. About one-fourth are based in Guangdong. Exporters from Zhejiang account for 11 percent of profiled suppliers.

In this report

- 37 in-depth company profiles
- 47 additional suppliers
- 163 top-selling export products
- Supplier demographics
- Supplier survey
- Industry statistics & charts

METHODOLOGY

To produce this report, Global Sources surveyed a wide range of suppliers. Rather than focus simply on high-profile makers, we compiled a representative sample of large, midsize and emerging manufacturers. All profiled companies are export-oriented professional suppliers that are verified by Global Sources.

Each supplier is confirmed to be authentic with a legally registered business. All companies are visited three or more times to ensure they are export-ready and have real offices and products.

The listed contact person has been verified to represent the registered company. In each case, companies were required to answer specific questions designed to verify their manufacturing and export credentials.

All profiled suppliers participated in a survey designed to provide insight into product and price trends, and challenges facing the industry in the next 12 months. All survey questions are single choice. Results were calculated based on the actual number of valid responses to each question.

Suppliers are ranked based on a 6-star ranking system. Companies with a higher star ranking provide more business information and verification reports on their Global Sources online homepages.

Suppliers rated 5 or 6 stars have a Credit Check report from First Advantage or Sino-Trust and a Supplier Capability Assessment report provided by Bureau Veritas online.

CONTENTS

INDUSTRY OVERVIEW	7
Supplier summary	
Export statistics	
Main production centers	
Supplier demographics	
Business & special-purpose bags	10
Fashion bags	12
Luggage	16
Travel bags	20
Travel accessories	24
Wallets	26
Supplier survey	28
Export prices, export sales, target markets, capital expenditure, challenges, capability, R&D focus	
SUPPLIER PROFILES	31
Supplier locations	
Industry composition	
Exporter ranking	
Supplier matrix	
Production checklist	
Supplier profiles	
PRODUCT GALLERY	117
Top-selling export products	
ADDITIONAL SUPPLIERS	149
Key products, contact details	

Copyright 2010 Trade Media Limited. All rights reserved. Reproduction in whole or in part in any form or medium without express written permission of Trade Media Holdings Limited and Trade Media Limited is prohibited.

Published by Publishers Representatives Limited (on behalf of Trade Media Limited)
4th Floor, Century Yard, Cricket Square, Elgin Avenue, P.O. Box 32322 SMB, George Town, Grand Cayman, Cayman Islands
c/o 22/F Vita Tower, 29 Wong Chuk Hang Road, Aberdeen, Hong Kong

ISBN 978-988-18629-3-8

Disclaimer: Any recommendation contained in this report may not be suitable for all investors or businesses. Moreover, although the information contained in this report is obtained from sources believed to be reasonably reliable, the accuracy or completeness of such information cannot be guaranteed. The author and the publisher of this report (and the publisher's affiliates, agents, sales representatives and service contractors) do not make any representation or warranty whatsoever (whether express or implied) in relation to any of the contents of this report (including any information, opinion, recommendation or conclusion contained in this report) (collectively, "Contents"), whether as to the accuracy, completeness, quality, fitness, suitability or reliability of such Contents (or any portion thereof) or otherwise, and shall not be liable under any circumstances whatsoever for any error, omission, defect or deficiency in, or for any use of or reliance on, such Contents (or any portion thereof).

All product images are provided by the companies interviewed and are for reference purposes only. Those product images featuring products with trademarks, brand names or logos are not intended for sale. Products that are not the specific topics of editorial articles are shown for illustrative and/or demonstrative purposes only. We, our affiliates, and our affiliates' respective directors, officers, employees, representatives, agents or contractors, do not accept and will not have any responsibility or liability for product images (or any part thereof) which infringe on any intellectual property or other rights of a third party.

INDUSTRY OVERVIEW

Even as China's bags and travel goods export industry shows signs of recovery, rising costs and quality issues are challenging suppliers' viability.

In 2009, the country shipped \$4.9 billion worth of bags, luggage and wallets, a decline of 10 percent from the previous year.

It is difficult to ascertain how the volume of exports has changed year-on-year as previous data was collected in terms of pieces and not kilograms. Moreover, leather wallets are tracked by weight, while those in fabric and plastic are monitored by item.

Overseas sales for the first two months of 2010, however, soared 36 percent to \$871.7 million.

The large increase is partly credited to inventory rebuilding in traditional markets and continued presence in developing nations.

The overall resurgence in the global economy is stimulating material rates because many providers have kept capacity low since the financial crisis. The situation is compounded by manufacturers stocking up on leather, fabric and accessories to prepare for higher sales projections for the rest of the year.

To illustrate, 300d polyester DTY now goes for \$1.77 per kilogram, 20 percent higher than a year ago. An equal amount of 328-grade cotton is currently \$2.40, up nearly 30 percent in the same period. For the natural fiber, in particular, costs are climbing because of lower local crop yield. With India announcing an export ban on the material in late April, rates are expected to escalate further.

Plastic and metal outlay is following the upward trend as well. In February, ABS resin was \$1,800 per ton, 23 percent above November 2009 rates. In 12 months, aluminum jumped 62 percent to \$1.10 per pound.

Moreover, the labor shortage is pushing up worker expenditure. The deficiency comes as many migrant employees are now seeking jobs in the

inland provinces. Factories there are not only closer to homes, but also offer competitive compensation packages. The cost of living is lower as well.

As a result, the local governments in the coastal provinces of Guangdong, Fujian and Zhejiang mandated a 15 to 25 percent increase in the minimum wage to help fill positions. Zhejiang now gives the highest base pay at 1,100 yuan.

Makers, however, have been giving raises and higher salaries even before the adjustment. Many plants in Dongguan and Shenzhen, Guangdong, offer personnel an average of 1,500 yuan per month, up 25 percent from before the Chinese New Year holiday.

Despite these developments, exporters are trying to keep product prices stable as most buyers continue asking for low quotes.

To curb outlay and protect profit margins, companies are adopting cost-efficient inputs. For instance, larger fabric pieces are preferred as these can be utilized for more items. Cowhide is also popular for the same reason. One piece can yield several items, including wallets, handbags and coin purses, rendering it more economical. In addition, this type of leather is more widely available and therefore less expensive than other kinds of animal skins.

Some suppliers are also opting to elevate wages in small increments rather than all at once.

Manufacturers are boosting efficiency through skills training to lessen the need for extra staff. Workers' schedules are being maximized as well.

Another alternative is automating fabrication processes to decrease reliance on individual employees. Most factories, however, do not have the needed capital for such.

Not all businesses will be able to shoulder the higher costs completely. Several will therefore implement markups of at least 5 percent in the next six months.

Supplier summary

Suppliers surveyed	37
Export sales	\$232.9mn
Export ratio	85%
OEM business	63%
Capacity utilized	72%
Annual R&D spending	\$7.3mn
Full-time employees	15,352

Data: All surveyed suppliers

Suppliers to follow CPSIA lead rule

New legislation regarding limits on harmful substances in children's products has also put bags and travel goods for adults in the spotlight.

In January 2010, purses in large retail stores, including Target, Macy's, Wal-Mart and Kohl's, were found with elevated amounts of lead, said the US Center for Environmental Health. Findings from two independent laboratories revealed that the models exceeded by 13 to 115 times the CPSIA ceiling of 300ppm for items geared toward infants to 12-year-olds.

The majority of examined releases were manufactured in China, many of which were in PVC leather. The rest included versions in synthetic fabrics or with coatings of the same polymer.

The hazardous element is generally introduced into the plastic through stabilizers, which are designed to absorb chlorine when processing the compound with heat.

Although nontoxic stabilizers are available, they are 100 to 300 percent costlier. Resultantly, at least 80 percent of China's PVC models in the line still contain the heavy metal.

Suppliers said, however, that the proportion of lead in such designs is not high enough to cause illnesses. Moreover, most confirm that their materials are sourced from certified providers.

Currently, as there is no lead restriction for bags, makers will be conforming to the CPSIA guideline when necessary. The threshold will be reduced from 300 to 100ppm in 2011. In addition, they will adhere to paint

Dongguan City Yapeng Business Trading Co. Ltd



Locally owned Dongguan City Yapeng manufactures wallets, travel accessories, luggage, and business, fashion, special-purpose and travel bags. Last year, sales in the line amounted to \$300,000, all of which came from exports. This accounts for about 6 percent of total revenue.

The company also offers cosmetic cases, jewelry boxes, salt and pepper mills, and LED lights. It operates a 1,900sqm factory with two assembly and two printing lines, and cutting, sewing, extrusion, hot-sealing and riveting machines.

Bags and travel goods are sent to Europe and North America. OEM orders account for 70 percent of shipments. Models under ODM agreements constitute the rest.

Dongguan City Yapeng has 150 full-time workers, including five who belong to the QC department. Ten employees are tasked to handle R&D and receive a yearly budget of \$50,000. Product development efforts in the line will focus on improved durability and shock protection. Overseas revenue is projected to increase between 10 and 20 percent within the next 12 months.

Company facts

Year established	2009
Business type	Manufacturer
Company ownership	Mainland China-owned
Head office location	Dongguan (Guangdong)
Number of factories	1
Factory location(s)	Dongguan (Guangdong)
Total factory area	1,900sqm
No. of full-time employees	150
No. of R&D/design staff	10
No. of QC staff	5
Annual sales (all products)	\$5.0mn
Annual R&D spending	\$50,000
ISO certification	Pending

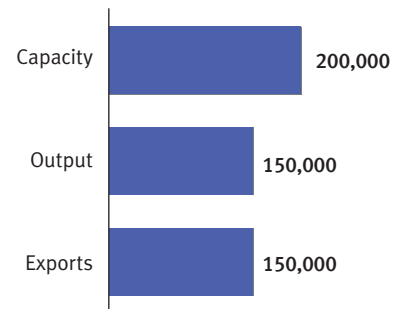
Sales & output: Bags & travel goods

Annual sales	\$0.3mn
Share of total sales	6%
Annual export sales	\$0.3mn
Total monthly capacity	200,000 pieces
Average monthly output	150,000 pieces
Capacity utilized	75%
Average monthly exports	150,000 pieces
Export ratio	100%
OEM % of exports	70%
ODM % of exports	30%
OEM % of exports	—
Other products made	Cosmetic cases, jewelry boxes, salt and pepper mills, LED lights

Profile

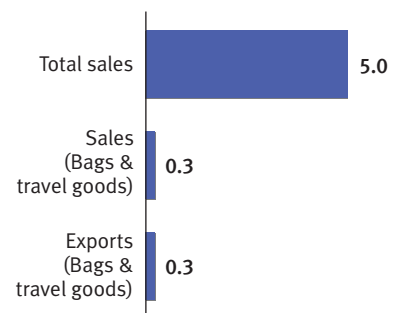
Production

pieces/mth



Sales

\$mn/year



Contact details

Business contact

DAI David

Phone

(86-769) 8777-7202

Fax

(86-769) 8751-6133

E-mail

info@gomeintl.com

URL

www.gomeintl.com

www.globalsources.com/gomeintl.co

Address

302-401 Post Building, Beiyuan Road, Yantian, Fenggang, Dongguan, Guangdong, China

Capability

Production checklist

Assembly lines	2
Mechanical sewing machines	100
Cutting machines	2
Extrusion machines	3
Hot-sealing machines	10
In-house testing	Yes
Needle detectors	—
Plastic-injection machines	—
Printing lines	2
Riveting machines	4

Exports by product

Business bags	20%
Fashion bags	10%
Luggage	10%
Special-purpose bags	20%
Travel bags	30%
Travel accessories	5%
Wallets	5%

Exports by market

North America	28%
European Union	70%
Europe (non-EU)	2%
Asia-Pacific	—
Middle East	—
Other	—

Survey

- **Export prices**
Increased
- **Export price increase**
5-10%
- **Export sales**
Increase 10-20%
- **Target market**
European Union
- **Capital expenditure**
Increase more than 50%
- **Major challenge**
Labor costs
- **Export capability**
Improve operating efficiency
- **R&D focus**
Improved durability, shock protection

Popular export models



Laptop bag

Model	KM1855
MOQ	1,000 pieces
Packaging	Polybag
Delivery	25 days
Price	\$8.00 to \$10.00

Description: 600d polyester; 210d or 190t polyester lining; nylon zipper closure; 17.5x14.8x6.6in; black or red; one piece per polybag, 10 pieces per carton



Backpack

Model	KM2403
MOQ	2,000 pieces
Packaging	Polybag
Delivery	25 days
Price	\$8.00 to \$11.00

Description: 1680d polyester or 420d nylon; 210d or 190t polyester lining; nylon zipper closure; 33x50x23cm; black or red; one piece per polybag, 12 pieces per carton



Tote bag

Model	KM2407
MOQ	5,000 pieces
Packaging	Polybag
Delivery	25 days
Price	\$0.50 to \$1.50

Description: Nonwoven PP; nylon zipper closure; 12x15x2.25in; one piece per polybag, 50 pieces per carton

PRODUCT GALLERY

Business bags



Dongguan City Yapeng
 (profile page 40)
Model: KM1855
MOQ: 1,000 pieces
Packaging: Polybag
Delivery: 25 days
Price: \$8.00 to \$10.00
Description: Laptop bag; 600d polyester; 210d or 190t polyester lining; nylon zipper closure; 17.5x14.8x6.6in; black or red; one piece per polybag, 10 pieces per carton



Dongguan City Yapeng
 (profile page 40)
Model: GMT132
MOQ: 3,000 pieces
Packaging: Polybag
Delivery: 25 days
Price: \$1.00 to \$3.00
Description: Briefcase; 600 or 420d polyester; 210d or 190t polyester lining; nylon zipper closure; 36x30x7cm; one piece per polybag, 40 pieces per carton



Fineness
 (profile page 42)
Model: F113
MOQ: 2,000 pieces
Packaging: PP bag, carton
Delivery: 25 days
Price: \$23.52
Description: Laptop backpack; nylon; PU handle and trimming; nylon zipper closure; document compartment; two side pockets; shock-resistant; 49x38x33cm; black or gray



Fineness
 (profile page 42)
Model: F104
MOQ: 1,000 pieces
Packaging: PP bag, carton
Delivery: 30 days
Price: \$33.50
Description: Laptop bag; cowhide; nylon lining; copper zipper closure; document compartment; two front pockets; shock-resistant; 41.5x31x12 cm; black or brown



Fujian Hengte
 (profile page 44)
Model: 09A022
MOQ: 1,000 pieces
Packaging: Polybag
Delivery: 35 days
Price: \$7.70
Description: Laptop backpack; 1680d polyester; 210d polyester lining; two-way nylon zipper closure; two main compartments; CD and earphone holders; zipped U-shaped pocket; two mesh side pockets with elastic cord closure; two adjustable side straps with buckles; molded foam back panel



Fuzhou Dingxing
 (profile page 50)
Model: Laptop Sleeve
MOQ: 100 pieces
Packaging: Polybag
Delivery: 15 days
Price: \$2.00
Description: Laptop sleeve; neoprene; nylon zipper closure; water- and shock-resistant; for 14in laptop; silk-screened or heat-transferred pattern, or debossed logo; in various colors

Yes! I'd like to order the full version of the following China Sourcing Reports

For faster service, order online at www.ChinaSourcingReports.com/pdfts

A Please send me

	Report Title:	US\$
1)		
2)		
3)		
4)		
5)		

Total amount US\$

B Please send my reports by

- E-mail (PDF format) Air courier (printed copy)

C My contact details

Mr Mrs Ms _____
Family Name Given Name

Job Title _____

Company Name _____

Address _____

City _____ State/Province _____

Country _____ Postal/Zip Code _____

E-mail _____

Tel _____ Fax _____

Mobile/Cell Phone _____

For faster service, order online at
www.ChinaSourcingReports.com/pdfts

For other inquiries

E-mail: service@globalsources.com
 Telephone Hotline: (65) 6547-2800

D My payment method

- US\$ check/bank draft payable to **GLOBAL SOURCES**,
 drawn on a US bank located in the USA

- Please debit my credit card



Amount (US\$) _____

Card No. _____

Expiry Date _____

Signature _____ Date _____

E Return this form by

Fax North and South America (1-480) 951-4197
 Worldwide (65) 6547-2888

Mail Global Sources, c/o Media Data Systems Pte Ltd
 Raffles City PO Box 0199, Singapore 911707

Thank you for your order.