

# Holiday & Party Decorations



June 2009

US\$395



## Essential sourcing intelligence for buyers

### China manufacturer profiles

Detailed profiles of 16 verified suppliers and contact details of an additional 18 exporters

### Product & price trends

Prices and specifications of 47 top-selling export products

### Supply centers & market trends

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

global  sources

**Choose verified suppliers**



Online • Trade shows  
Magazines • Research

[www.globalsources.com](http://www.globalsources.com)

[www.ChinaSourcingReports.com](http://www.ChinaSourcingReports.com)

This page has been left blank intentionally

# HOLIDAY & PARTY DECORATIONS

## *Supplier capability in China*

### EXECUTIVE SUMMARY

Stimulating growth and counteracting the impact of the global economic crunch are the biggest endeavors of holiday and party decorations suppliers in China this year. Raising product quality, diversifying designs, lowering MOQ and reducing delivery time are the key steps being taken to reestablish overseas sales at precrisis levels.

Despite the spate of factory closures and massive revenue losses that started in 2008, most companies are optimistic that business will pick up in the coming months and holiday seasons. In fact, the Christmas ornaments segment has already seen gradual export gains in the first quarter of 2009.

Last year, the export volume of Christmas-related products was in a downturn, as demand from overseas buyers diminished due to budget constraints.

Saleswise, minimal growth was seen but this is mainly because of the higher per-unit value.

Although shipments of party supplies such as costumes, hats, caps and decorations are not tracked by China customs, most makers interviewed for this report have been experiencing a revenue slump since 2008.

The following are some of the key trends we see in China's holiday and party decorations industry:

- More manufacturers are venturing into trading as factory operations are becoming more expensive. As such, the number of trading companies has increased by about 25 percent over the past 12 months.

- Christmas ornaments in nontraditional styles and colors, and Halloween supplies in less-scary themes are receiving heightened attention. Makers of party decorations are also broadening their selections by using different materials and printing methods.

- The export focus will continue to be on North America and the EU. In

fact, none of the suppliers interviewed for this report pointed to alternative destinations such as Eastern Europe or the Middle East as their target markets for 2009.

- Prices will remain in an upturn as companies protect profit margins from further thinning. Generally, most makers will impose markups of no more than 10 percent.

The scope of this report includes Christmas trees, lights and ornaments, and Halloween and other holiday decorations. Party goods such as hats, masks, costumes, balloons, noisemakers, confetti and favors are also covered.

For each product category, the report describes the latest design trends and materials. Key factors that influence the price and quality of low-end, midrange and high-end releases are discussed as well.

The supplier survey details the projections for the next six to 12 months in terms of prices, overseas sales, capacity expansion plans and product development focus.

The Industry Overview section discusses the current state of and the key issues surrounding China's holiday and party decorations industry. It also provides information on how the composition of key product segments is affected by the economic downturn.

Reflecting the industry structure, nearly 90 percent of the companies interviewed for this report are mainland-China owned. The rest are financed by Taiwan or Western enterprises.

Further, the majority of the featured suppliers are manufacturers with direct export rights, most of which ship at least three-fourths of output to overseas buyers.

These enterprises also boast more than a decade of experience in the line.

### In this report

- 16 in-depth company profiles
- 18 additional suppliers
- 47 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 may or may not be clients of Global Sources.

The selection of suppliers is designed to reflect the composition of the industry in China in terms of geographic spread, business type and company ownership.

For each company profile, our research teams interviewed senior executives and export managers who discussed their recent performance and provided price, R&D, production and export forecasts for the next 12 months. The interviews were done in-person, by phone or e-mail.

In each case, companies were required to answer specific questions designed to verify their manufacturing and export credentials, including their production and export statistics, and a breakdown of exports by product type and market. Our production checklist details the product-specific manufacturing capabilities of each supplier.

All 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.

### CONTENTS

<b>INDUSTRY OVERVIEW</b> .....	<b>7</b>
Supplier summary	
Main production centers	
Supplier demographics	
<b>Christmas trees &amp; ornaments</b> .....	<b>10</b>
<b>Christmas lights</b> .....	<b>11</b>
<b>Party supplies</b> .....	<b>12</b>
<b>Halloween supplies</b> .....	<b>14</b>
<b>Supplier survey</b> .....	<b>15</b>
Export prices, export capability, price increase, export sales, challenges, target markets, product trends, capacity expansion	
<b>SUPPLIER PROFILES</b> .....	<b>19</b>
Supplier locations	
Industry composition	
Exporter ranking	
Supplier matrix	
Production checklist	
Supplier profiles	
<b>PRODUCT GALLERY</b> .....	<b>61</b>
Top-selling export products	
<b>ADDITIONAL SUPPLIERS</b> .....	<b>73</b>
Key products, contact details	

**Copyright 2009 Trade Media Limited.** All rights reserved. Reproduction in whole or in part in any form or medium without the expressed, 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 978-988-8004-78-2

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

Holiday and party decorations suppliers in China are implementing a variety of strategies under efforts to reverse the lackluster performance experienced in 2008.

To prop up sales, most companies are broadening their design selections, mainly by utilizing a wider range of raw materials, colors and surface treatments. They are also slashing minimum order requirements and delivery lead times, which are favorable to clients with reduced procurement funds and small purchasing needs. Others, especially those in the holiday lights segment, are releasing more environment-friendly models to satisfy the booming “green” market.

Because of a significant demand slowdown in the US market, shipments of all Christmas products, the largest category in the line, slid 14 percent from 1.1 billion pieces in 2007 to 953 million in 2008. Revenue went up slightly by 3 percent to reach \$2.7 billion, but this is largely because of higher average prices not increased orders.

This year, however, business is gradually headed toward recovery. In the first three months of 2009, the country exported 18 million pieces of Christmas trees and ornaments, rising 3 percent from the same period in 2008.

Growth was most notable in March 2009, with shipments soaring to almost 11 million pieces, up 83 percent YoY. But even while volume climbed significantly, export sales that month stayed at \$19 million, the same level as a year earlier. This was due to the much lower prices of trees and ornaments.

But in the Christmas lights segment, the slump carried on through the first quarter of this year. China exported 5.2 million pieces worth \$14.6 million between January and March, down 39 and 41 percent in value and volume, respectively, from 1Q08.

In the whole of 2008, the country shipped out 385 million Christmas

lights, down 23 percent from 2007’s 498 million. The decline was less steep in terms of sales, thanks to the higher average per-unit value last year. Turnout was \$995 million, only 2 percentage points lower than in the year before.

Party supplies and other holiday decorations are not tracked independently by China customs but companies have been reporting losses since the second half of 2008.

While orders from North America and the EU have weakened, most companies are sticking to these established overseas markets. This is largely because Christmas and Halloween are still more widely celebrated there than in alternative destinations such as the Middle East, Asia or Eastern Europe.

### Shrinking supplier base

The number of companies in the industry has diminished after a slew of suppliers succumbed to the economic crisis.

Of the main holiday and party decorations categories, Christmas products were hit the hardest by the global financial crunch. A plausible basis for this is the line’s buying season, which falls between July and September. Incidentally, the economic recession in Western countries was quickly spreading about the same time in 2008.

Artificial trees, in particular, received the biggest blow, causing many

### Supplier summary

Suppliers surveyed	16
Export sales	\$151.7mn
Export ratio	70%
OEM business	66%
Capacity utilized	63%
Annual R&D spending	\$3.9mn
Full-time employees	6,196

Data: All surveyed suppliers

companies to fold. At present, there are about 500 Christmas tree and ornament makers and traders. Two years ago, the number was close to 1,000.

Even tier 1 enterprises were not spared. In 2008, one of the world’s major Christmas tree makers, Boji Shenzhen Co. Ltd, closed its plant in Guangdong province. It had shipped an estimated 7,000 FEUs in each of 2005 and 2006. Several months after that factory closed, about 100 more companies of different sizes folded in the country.

Apart from being highly seasonal, Christmas trees have a very basic design and structure that restrict design innovation to some extent. As such, price increases are more difficult to justify. For the most part, product enhancements are limited to the tips’ material and shape.

In addition, Christmas tree manufacturing involves specialized processes and machines, including automated shredders, which make branching out to a different line much harder. Holiday light makers,

### Major customers

#### Company

Dalian Overseas	Wal-Mart (US)
Goldenbell	Wal-Mart (US)
Hangzhou Crafts	Wal-Mart, Target (US); Metro (Germany)
K-Pro	Coca-Cola (US)
Shanghai Atlantis	Richardson (Ireland)
Shanghai Guohuang	Promos (UK)
Shenzhen Highrich	Amscan (US)

### Dongguan Hengfu Toy's Accessories Fty

In 2008, Dongguan Hengfu's revenue from holiday and party decorations totaled \$1 million. All products are shipped to North America, Europe, the Asia-Pacific region and the Middle East.

Christmas trees and ornaments constitute 100 percent of the company's exports in the line. These are manufactured in a 2,000sqm factory with 300 full-time workers. Up to 100,000 pieces can be produced each month.

The R&D team has five specialists, while the QC department is composed

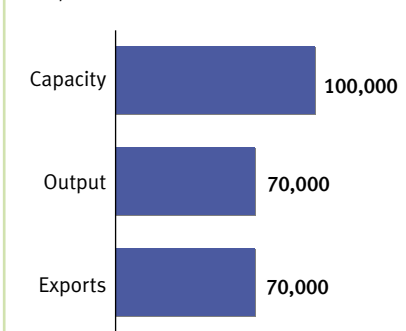
of 30 inspectors. About 3 percent of annual sales are allocated for product development. On average, 10 new designs are released monthly. OEM and ODM samples are ready in one week.

Dongguan Hengfu estimates export sales to increase between 10 and 20 percent in 2009. Prices are projected to climb by 5 to 10 percent in the next six months.

Apart from holiday decorations, the company offers artificial flowers, keychains, baby toy sets and exercise balls.

#### Profile

##### Production



##### Sales

\$mn/year



#### Contact details

##### Business contact

WANG Xiangyang

##### Phone

(86-769) 8202-4411

##### Fax

(86-769) 8202-6233

##### E-mail

dghjhf@vip.163.com

dghengfu@globalsources.com

##### URL

www.dghjhf.com

www.globalsources.com/dghengfu.co

##### Address

16 Congzheng Street 2, Jitigang Village Industrial Zone, Huangjiang, Dongguan, Guangdong, China

#### Company facts

Year established	2001
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	2,000sqm
No. of full-time employees	300
No. of R&D/design staff	5
No. of QC staff	30
Annual sales (all products)	\$3.0mn
Annual R&D spending	\$100,000
ISO certification	Yes

#### Sales & output: Holiday & party decorations

Annual sales	\$1.0mn
Share of total sales	33%
Annual export sales	\$1.0mn
Total monthly capacity	100,000 pieces
Average monthly output	70,000 pieces
Capacity utilized	70%
Average monthly exports	70,000 pieces
Export ratio	100%
OEM % of exports	65%
ODM % of exports	35%
OBM % of exports	—
Other products made	Artificial flowers, ashtrays, baby toy sets, beach balls, cigarette holders, dolls, elastic bands, exercise balls, fancy keychains, garment hooks

Capability

Production checklist

Plastic-injection machines	10
Cutting machines	8
Painting lines	10
In-house surface treatment	Yes
Makes molds in-house	Yes

Exports by product

Christmas trees & ornaments	100%
Christmas lights	—
Other holiday decorations	—
Party decorations	—
Party masks, hats & costumes	—

Exports by market

North America	40%
European Union	40%
Europe (non-EU)	10%
Asia-Pacific	5%
Middle East	5%
Other	—

Survey

- **Export prices**  
Increase
- **Export price increase**  
5-10%
- **Export sales**  
Increase 10-20%
- **Target market**  
European Union
- **Capital expenditure**  
Increase up to 50%
- **Major challenge**  
Price competition
- **Export capability**  
Shorten design/development time
- **R&D focus**  
Nontraditional themes & colors

Popular export models



Christmas ornament

Model	Christmas Tinsel HF003
Minimum order	9,000 pieces
Packaging type	Polybag
Delivery time	•
Indicated price	•

Description: Christmas tinsel; PET; 3in diameter; 9ft length; OEM orders accepted



Christmas ornament

Model	HF172
Minimum order	9,000 pieces
Packaging type	Polybag
Delivery time	•
Indicated price	•

Description: Christmas ball; PVC; 5.9cm diameter



Christmas ornament

Model	Christmas Tinsel HFT002
Minimum order	9,000 pieces
Packaging type	Polybag
Delivery time	•
Indicated price	•

Description: Christmas tinsel; PET; 1in diameter; 9ft length; OEM orders accepted

• Information not disclosed

## PRODUCT GALLERY

### Christmas trees & ornaments



**Dalian Overseas**  
(profile page 26)  
**Model:** YS63-9310  
**Minimum order:** 2,000 pieces  
**Packaging type:** Paper box  
**Delivery time:** 30 days  
**Indicated price:** •  
**Description:** Ball ornaments; natural leaves; sizes and designs can be customized



**Dalian Overseas**  
(profile page 26)  
**Model:** YS42-2623  
**Minimum order:** 1,000 pieces  
**Packaging type:** Paper box  
**Delivery time:** 30 days  
**Indicated price:** \$5.45  
**Description:** Christmas wreath; grass and pine needles; berries, cone and foam decorations; flocked finish; 24in diameter; four pieces in paper box; 64x64x50cm carton



**Dongguan Hengfu**  
(profile page 28)  
**Model:** Christmas Tinsel HF003  
**Minimum order:** 9,000 pieces  
**Packaging type:** Polybag  
**Delivery time:** •  
**Indicated price:** •  
**Description:** Christmas tinsel; PET; 3in diameter; 9ft length; OEM orders accepted



**Dongguan Hengfu**  
(profile page 28)  
**Model:** HF172  
**Minimum order:** 9,000 pieces  
**Packaging type:** Polybag  
**Delivery time:** •  
**Indicated price:** •  
**Description:** Christmas ball; PVC; 5.9cm diameter



**Dongguan Hengfu**  
(profile page 28)  
**Model:** Christmas Tinsel HFT002  
**Minimum order:** 9,000 pieces  
**Packaging type:** Polybag  
**Delivery time:** •  
**Indicated price:** •  
**Description:** Christmas tinsel; PET; 1in diameter; 9ft length; OEM orders accepted



**Goldenbell**  
(profile page 32)  
**Model:** GBQ180B  
**Minimum order:** 500 pieces  
**Packaging type:** Colored box  
**Delivery time:** •  
**Indicated price:** •  
**Description:** Christmas balloon; cotton; electric powered; various styles available; customized designs and logos accepted; 180cm; CE, RoHS; eight pieces in carton

• Information not disclosed

# 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](http://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](http://www.ChinaSourcingReports.com/pdfts)

### For other inquiries

E-mail: [service@globalsources.com](mailto: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  
 Europe, Africa and Middle East (31-20) 682-7949  
 Asia Pacific (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.**