Ceramic & Porcelain

Essential sourcing intelligence for buyers

Vietnam manufacturer profiles
Detailed profiles of 35 suppliers with verified manufacturing and export credentials

Product & price trends
117 top-selling export products ranging from vases and pots to lamps and dinnerware

Design & material innovations
Coverage of the latest trends in style and materials

Global Sources is offering this series of Developing Country Sourcing Reports as part of its corporate social responsibility undertakings in partnership with The Kearny Alliance, a non-governmental development organization whose mission is Aid through Trade. The aim is to give international buyers new sourcing opportunities from experienced exporters, generating orders and create lasting jobs in developing economies.

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CERAMIC & PORCELAIN
Supplier capability in Vietnam

EXECUTIVE SUMMARY
Vietnam's strong capability in terms of design and artistic quality has enabled it to become a major supply hub of ceramic and porcelain products. Models from the country blend traditional craftsmanship with contemporary influences.

The industry is supported by several craft villages located in different provinces. Through skilled artisans, these communities lend their styling expertise, which has been handed down across generations.

Readily available raw materials are another key benefit of sourcing from Vietnam. Several regions provide various types of clay, helping diversify the range of designs even more.

Most suppliers featured in this report have more than a decade of experience, shifting to modern equipment.

Porcelain items make up almost two-fifths of total output. This segment is divided almost equally between crafts, and table and cookware. Ornamented porcelain makes up almost two-thirds of total exports.

The village of Bat Trang in the city of Hanoi is considered as the chief supply center for high-quality products, which boast superior design and construction. Other important sourcing centers are the provinces of Hai Duong, Bac Giang, Quang Ninh and Binh Duong, all of which specialize in a particular finish or manufacturing technique.

Exports fell dramatically in 2009 due to the global economic crisis. Because of this, the industry is expecting to register its first contraction in five years.

The following are some of the key trends we see in Vietnam's ceramic and porcelain industry:

- Prices are expected to increase over the next six months in response to surging production costs. Almost 90 percent of featured suppliers will be pushing up quotes. Of this number, half will be raising prices by as much as 5 percent.
- Manufacturers consider intense price competition from other countries, especially China, Turkey and Portugal, as the most critical challenge affecting the industry.
- Design diversity, the line's key strength, will continue to be emphasized. About half of interviewed suppliers have indicated focusing on models that feature colorful styles and intricate motifs. Almost a quarter will release multifunction items that serve both as table and cookware.

This report covers the main types of ceramic and porcelain products made in Vietnam, including vases, pots, jars, planters, flowerpots, garden ornaments, figurines, lamps, dishes, bowls, mugs, tea sets, pitchers, trays and serve ware.

The Products & Prices section details the features and price ranges of each key product category. It also includes the latest trends in style and materials.

The Industry Overview discusses key issues affecting exporters and elaborates on the composition of the industry, highlighting key characteristics of different types of suppliers.

In this report
- 15 in-depth company profiles
- 20 short company profiles
- 117 top-selling export products
- Supplier demographics
- Supplier survey
- Industry statistics and charts

OBJECTIVE & METHODOLOGY
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, larger, mid-sized 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 companies 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.

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INDUSTRY OVERVIEW

Vietnam has gained worldwide prominence as a key supplier of ceramic and porcelain products that boast superior quality in terms of aesthetics and construction.

Models from the country combine traditional styles with modern design elements, helping the industry carve a niche for itself in the global market. Skilled artisans from numerous craft villages throughout the country are instrumental in helping ensure that products feature unrivaled workmanship. These stylists are usually complemented by in-house design teams that gained professional training and experience from prominent art schools, and have been cooperating with buyers for a long time.

The stable domestic availability of raw materials is another key advantage enjoyed by the line. Various types of clay are procured from several provinces, with some of these locations being important sources of high-grade kaolin.

The clay mining industry helps ensure a steady supply of raw materials. Regular and white clay are extracted by 184 and 39 quarry operators, respectively. Combined, they excavate roughly 1.5 billion tons of the material every year.

Challenges

The industry has been affected significantly by the global economic crisis. According to government statistics, total exports of ceramics and porcelain from January to November 2009 amounted to $233 million, a decline of almost 24 percent compared with the same period the year before. This is the first contraction the industry has experienced since 2004. Nonetheless, suppliers expect the business climate to improve in 2010 as markets such as the US recover from the slowdown. Further, the industry predicts an even brighter outlook over the long term as the government is targeting a 20 to 25 percent increase in overseas sales of ceramics over the next five years.

Intense competition from China, Thailand, Portugal and Turkey is another challenge confronting the line. Products from these countries are generally priced less. Although Vietnam-made models are regarded as having better aesthetics, budget-conscious customers affected by the economic slump had to choose affordability over style.

To offset this roadblock, several companies are starting to concentrate on the high-end segment and paying more attention to product quality. Some are releasing table and cookware designed to meet FDA requirements. Other suppliers are improving construction by moving away from traditional manufacturing processes and obtaining better equipment such as electric and gas kilns.

Another crucial issue facing the industry is the rising cost of different raw materials. Since January 2009, the per-ton price of clay has increased 10 percent. Enamel, paint and oxide additives have surged by 5 to 10 percent. Fuel for kilns and transportation has become more expensive by 10 to 20 percent. As a result, several companies have seen profits drop by as much as 20 percent.

To cope, some suppliers are reducing labor expenditure by cutting back on operating hours or laying off personnel. Others are emphasizing the low-end segment, which uses grade B clay. This type of material costs up to 50 percent less than standard ones. Obtaining additional funding is another cause of concern, particularly for small companies. For the most part of 2009, short-term subsidies amounting to roughly $1 billion were made available by the government through banks. This program was discontinued in early December, however, in light of Vietnam’s improving macroeconomic fundamentals.

Because of this, private lending institutions have become the chief source of supplemental funding. Most of these establishments, however, enforce more stringent requirements and demand additional collateral.

**Supplier summary**

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Dai Hong Phat Ceramics Pte

Dai Hong Phat has more than 11 years of experience producing ceramic kitchenware and home decor. In 2008, it generated revenue of more than $5 million. The company has received ISO 9001:2000 and 14001:2004 certification. It also complies with SA8000 requirements. All output is shipped overseas, with more than half going to the EU. Ikea is one of Dai Hong Phat’s major customers in Europe. Secondary markets are the US, Canada, Japan and South Korea. Kitchen and bakeware are the best-selling items. Combined, both make up roughly 60 percent of sales. The product range also includes dinnerware, planters, vases, pots and animal figurines. Prices range from $0.20 to $7. The low-end consists of small cups, while the upscale segment includes trays. Kitchen and bakeware are usually priced no more than $1.

The company sources clay from Hanoi and the province of Binh Duong. Paints and dyes are imported from Taiwan. Enamel coating is procured from various countries in the EU. The design team is composed of four members who can release 20 new models every month. Samples are available within 20 days. Motifs and pictures are usually handpainted by about 100 artists. They can also be machine-printed.

Dai Hong Phat maintains a 10,000sqm factory that is equipped with four ball mills, two vacuum ram presses, two casting machines and one roller. All are imported from Singapore. The production facility also contains a warehouse where raw materials and finished goods are kept temporarily.

The full-time workforce consists of 800 personnel. An additional 150 part-timers are hired when bulk orders are placed. Fifty inspectors perform QC at all production processes. The company is planning to join domestic trade shows next year.
Ceramic & Porcelain
SUPPLIER PROFILES

Popular export models

Model: FB0020A-Blue0758
MOQ: 3,000 pieces
Packaging: Carton
Delivery: 60 days
Price: •
Description: Ceramic bowl; glazed finish; white interior and green, blue or pink exterior; 14x14cm

Model: FB0044-R0146
MOQ: 3,000 pieces
Packaging: Carton
Delivery: 60 days
Price: •
Description: Ceramic bowl; with star, heart, animal or floral motif; in red, blue, orange or violet in 15x15cm

Model: FC0038
MOQ: 3,000 pieces
Packaging: Carton
Delivery: 60 days
Price: •
Description: Ceramic mug; glazed finish; interior and exterior in different colors; 12x8cm

Model: FD0099(B+C)-B0273
MOQ: 3,000 pieces
Packaging: Carton
Delivery: 60 days
Price: •
Description: Ceramic dish; glazed finish; available individually or in two-piece sets; in light green, blue and pink; in sizes 24x24 and 18x18cm

Model: FD0011
MOQ: 3,000 pieces
Packaging: Carton
Delivery: 60 days
Price: •
Description: Ceramic tray; glazed finish; 25cm in diameter; white interior and blue, pink, green or brown exterior

Model: FT0021
MOQ: 3,000 pieces
Packaging: Carton
Delivery: 60 days
Price: •
Description: Ceramic teapot; enamel finish; 10x23cm; in yellow, pink, brown, blue and light green

• Information not disclosed
PRODUCT GALLERY

Ceramic crafts

Dong Thanh  
Model: 03-013  
MOQ: 1 TEU  
Packaging: Carton, pallet  
Delivery: 40 days  
Price:  
Description: Jar set; in sizes 31x37, 25x32 and 20x29cm

Dong Thanh  
Model: 5317  
MOQ: 1 TEU  
Packaging: Carton, pallet  
Delivery: 40 days  
Price:  
Description: Jar; rectangular; 20x46cm

Dong Thanh  
Model: 10-002  
MOQ: 1 TEU  
Packaging: Carton, pallet  
Delivery: 40 days  
Price:  
Description: Swan figurine; 46x24x36cm; in various colors

Dong Thanh  
Model: 21220  
MOQ: 1 TEU  
Packaging: Carton, pallet  
Delivery: 40 days  
Price:  
Description: Garden ornament; tree stump with squirrel design; in various colors and sizes

Dong Thanh  
Model: 024T214  
MOQ: 1 TEU  
Packaging: Carton, pallet  
Delivery: 40 days  
Price:  
Description: Pot set; four pieces; speckled effect; in sizes 30x22, 22x18, 17x13 and 12x10cm

Dong Thanh  
Model: 04-001  
MOQ: 1 TEU  
Packaging: Carton, pallet  
Delivery: 40 days  
Price:  
Description: Pot set; four pieces; in sizes 28x28x26, 23x23x28, 19x19x29 and 16x16x29cm

* Information not disclosed
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