

# Lawn & Garden



March 2009 US\$100



## Essential sourcing intelligence for buyers

**Vietnam manufacturer profiles**  
Detailed profiles of 39 suppliers with verified manufacturing and export credentials

**Product & price trends**  
Prices and specifications of 173 top-selling export products ranging from garden ornaments and planters to outdoor furniture and landscape supplies

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



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The aim is to give international buyers new sourcing opportunities from experienced exporters, generating orders and create lasting jobs in developing economies.

# LAWN & GARDEN

## Supplier capability in Vietnam

### EXECUTIVE SUMMARY

Vietnam is known for the quality and workmanship of its handicraft products. It has a reputation for exporting lawn and garden items that are unique, durable and competitively priced. The more than 2,000 craft villages in the country offer a wide range of garden ornaments, planters, outdoor furniture and landscape supplies. Exported models feature traditional and contemporary designs that reflect Vietnam's various cultural influences.

Aside from the craftsmanship and wide range of styles available, the suppliers' acceptance of mixed orders and low MOQ have helped Vietnam become one of Asia's major supply hubs for handicrafts.

The global financial downturn, however, has resulted in weaker sales. In fact, the \$35 million worth of porcelain and ceramics, and \$200 million worth of wooden products exported in January 2009 reflect a drop of 17 and 29 percent compared to the same period in 2008. Year-on-year growth for these two sectors in 2008 has also been modest at 1.82 and 18 percent, respectively.

The decline in consumer demand led to low overseas sales for many suppliers. This has forced most companies to cut manufacturing costs by streamlining production and reducing their workforce.

To boost competitiveness, makers are releasing new designs, striving to bring down quotes, and targeting new export markets.

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

- Exports are expected to grow, albeit moderately in the next 12 months, with suppliers anticipating the economic slowdown to continue.
- Many companies will keep current price levels. Intensifying competition in the industry has made Vietnam suppliers cautious of raising product quotes.
- The majority of Vietnam-made lawn and garden products are shipped

to Europe and the US. Despite the drop in consumer demand in these areas, most suppliers will continue to target these regions.

- Companies will focus R&D efforts on simple and traditional designs that can appeal to more buyers. Trendy styles will be limited since these tend to be seasonal in demand.

- To reduce production costs, some pottery makers are considering shifting to bigger and faster-heating kilns that can bake more items. These types of furnaces, however, are more expensive than coal or wood-powered versions.

This report covers all types of lawn and garden products manufactured in Vietnam, including planters and pots, garden ornaments, outdoor furniture and landscape supplies.

The *Products & Prices* section in this report details the features and price ranges of lawn and garden products manufactured in Vietnam. This includes the latest trends in style, materials and finish.

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

The majority of lawn and garden product suppliers in Vietnam are locally owned, with some being cooperatives. This report reflects the nature of the industry with more than 90 percent of featured companies wholly Vietnam-owned. A small number of makers are foreign-invested or managed.

Production of ceramic items is concentrated near the Red River in northern Vietnam and the Mekong Delta in the south. Suppliers of garden furniture are mainly located in Tay Ninh, Binh Duong and Dong Nai provinces.

Most companies, however, maintain sales offices in Ho Chi Minh and Hanoi, which are more accessible to buyers.

### In this report

- 17 in-depth company profiles
- 22 short company profiles
- 173 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, midsized 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

The richness and diversity of Vietnam's culture can be seen in its handicraft products. The country's 4,000-year history is reflected in its potteries, porcelains, lacquerware, furniture, basketware and embroidered items.

The uniqueness and quality of its handmade products have made Vietnam one of Asia's key sourcing centers for lawn and garden products. Planters, sculptures, and outdoor furniture and ornaments manufactured in the country decorate the gardens and patios of homes, hotels and resorts worldwide.

In addition to craftsmanship, other factors that have helped the country gain a larger share of the international handicraft market are its abundant supply of raw materials, a large and highly skilled workforce, and suppliers' low minimum order requirements and acceptance of mixed orders.

The strong demand for handmade products has also given the sector a boost. In 2008, Vietnam's handicrafts industry experienced modest growth despite the global economic downturn. The country exported \$336 million worth of porcelain and ceramics, an increase of about 2 percent over the previous year. During the same period, \$2.79 billion worth of wooden products were shipped overseas, a growth rate of 18 percent.

### Sector challenges

In addition to the slowdown in consumer demand, Vietnam makers of lawn and garden products are seeing intensifying competition from other supply centers, including Italy, China, Indonesia, Cambodia, Malaysia and Thailand.

Italy, which is known for its upscale potteries, competes with Vietnam on quality and design, while China's strength is in its prices and large production capacity. Suppliers in China can manufacture volume

orders within a shorter period with their mechanized facilities and mature supply chain.

But companies in Vietnam are also improving their production processes. For example, some makers have shifted to gas or electric-powered kilns that can achieve the desired temperature in less time, and to bigger furnaces that can bake more items simultaneously.

Makers are also focusing product development on unique designs to differentiate themselves from their competitors. Pottery makers, for example, are experimenting with various types of clay and firing techniques to produce different results on color and finish.

Meanwhile, some suppliers of lawn and garden products have diversified their product lines to include complimentary items such as basketware, lacquerware and other decorative ornaments for indoor use. Featured suppliers Thuong Nguyen and Vinh Tra, for instance, use their ceramic products as the bases for their lacquered vases.

The decline in raw materials costs has also been beneficial for suppliers. Clay from Mekong Delta, for instance, now costs \$0.05 to \$0.08 per kilo, a decrease of about 5 percent over 2007. The prices of synthetic rattan and

### Supplier summary

Suppliers surveyed	39
Export sales	\$34mn
Export ratio	32%
Capacity utilized	80%
Full-time employees	6,259

Data: All surveyed suppliers

iron have also dropped by 10 and 15 percent, respectively.

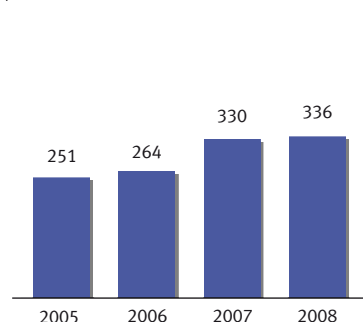
Another obstacle Vietnam companies are facing is high inflation. Despite easing to 15 percent in February 2009, Vietnam's inflation rate is still among the highest in the region. The subsequent rising cost of living has triggered a general demand for higher pay among workers, which in turn prompted the government to implement a 20 percent wage increase in early 2008.

As a result, companies have instituted cost-cutting measures, such as reducing workers' hours, consolidating production facilities, and closing office branches.

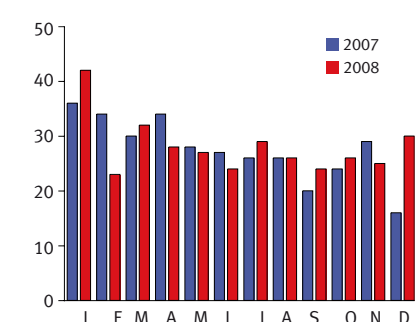
Furniture and handicraft items are among Vietnam's top 10 exports. In fact, handicrafts are considered as a priority sector in the country's export development program for 2006 to 2010. This resulted in having the government create favorable conditions to boost the industry.

### Export statistics: Porcelain and ceramics

By value  
\$mn



By value  
\$mn



Source: General Statistics Office of Vietnam

## Bao Anh Minh Co. Ltd

Bao Anh Minh already had 14 years of experience in producing traditional handicrafts before it was officially established in 2007.

The locally owned company offers garden and home decor, including outdoor furniture, planters and pots. Flowerpots made of steel and water hyacinth are among its best-sellers.

All output is shipped overseas, most of which is sent to Germany, Poland, the Netherlands and the US.

About 50 percent of models are sold on an ODM basis, with OEM orders accounting for the rest.

Planters are made of bamboo, seagrass, rattan, clay, zinc, terrazzo and wood.

Pricing depends on the design and material, with the least expensive product available for about \$0.50.

The minimum order is one TEU and lead time is between 30 and 40 days. Shipment of products with customized designs may require more time.

Materials are sourced mainly from

suppliers in Ninh Binh, Ha Tay and Thai Binh provinces.

Two employees are responsible for releasing more than 10 new styles each month. Product development is currently focused on items featuring colors and designs targeted at both domestic and overseas demand. Sampling takes one week.

The 6,000sqm factory in Kim Son, Ninh Binh province handles nearly all steps of production. This facility is equipped with three Japan-made drying machines, four air compressors, 90 nail guns, four seagrass-weaving machines, and 20 sewing machines.

The plant has an invested capital of more than \$200,000, and manufacturing capital of \$500,000. Average monthly capacity is 10,000 pieces, with planters and pots accounting for 90 percent. Maximum capacity is 25 FEUs per month, which can be comprised of 50,000 items.

There are 100 full-time employees. During peak seasons, up to 1,500

### Contact details

#### Business contact

NGUYEN Dzung

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106 Nguyen Du Street, Hai Ba Trung, Hanoi, Vietnam

workers are hired. Four personnel ensure product quality, checking all pieces before packing and shipping.

Common packing materials include rubber foam and carton, with other options available at cost to buyers.

To attract more orders, Bao Anh Minh will target the European market in the next 12 months, specifically the demand for garden products from the Netherlands.

### Profile

#### Company facts

Year established	1993
Head office location	Hai Ba Trung (Hanoi)
Ownership	Locally owned
Factory location(s)	Kim Son (Ninh Binh)
Full-time employees	100
Total annual sales (all products)	\$600,000

#### Sales & output: Lawn & garden

Annual sales	\$200,000
Share of total sales	33%
Annual export sales	\$200,000
Total monthly capacity	50,000 pieces
Average monthly output	10,000 pieces
Capacity utilized	20%
Average monthly exports	10,000 pieces
Export ratio	100%

### Capability

#### Materials used

Clay	Yes
Stone	Yes
Rubber	No
Plastic	Yes
Metal	No
Wood and other natural materials	Yes

#### Exports by product

Garden ornaments	—
Planters & pots	90%
Landscape supplies	—
Garden furniture	10%

#### Exports by market

United States/Canada	20%
European Union	75%
Europe (non-EU)	—
Asia/Pacific	5%
Middle East	—
Other	—

Popular export models



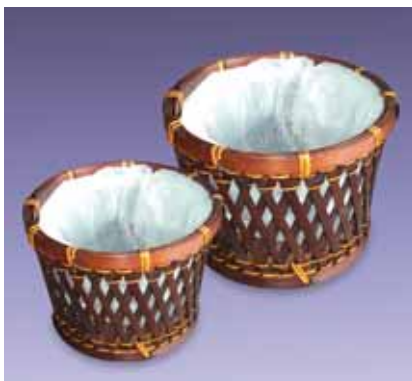
**Model:** AM WH90256  
**Minimum order:** One TEU  
**Packaging type:** Carton  
**Delivery time:** 30 days  
**Indicated price:** •  
**Description:** Flowerpot; water hyacinth, zinc, metal frame; 27x27x60cm



**Model:** AM CE3088  
**Minimum order:** One TEU  
**Packaging type:** Carton  
**Delivery time:** 30 days  
**Indicated price:** •  
**Description:** Three-piece flowerpot set; clay and jute; 14x22cm



**Model:** AM M2776  
**Minimum order:** One TEU  
**Packaging type:** Carton  
**Delivery time:** 30 days  
**Indicated price:** •  
**Description:** Flowerpots; zinc; PP sticker design; 10x10cm



**Model:** AM B3303  
**Minimum order:** One TEU  
**Packaging type:** Carton  
**Delivery time:** 30 days  
**Indicated price:** •  
**Description:** Two-piece planter set; bamboo; with PP bag; 17x15cm; dark brown



**Model:** AM M0266  
**Minimum order:** One TEU  
**Packaging type:** Carton  
**Delivery time:** 30 days  
**Indicated price:** •  
**Description:** Watering can; zinc; in 44x21x28cm and 26x13x16cm; in natural and bronze



**Model:** AM B3613  
**Minimum order:** One TEU  
**Packaging type:** Carton  
**Delivery time:** 30 days  
**Indicated price:** •  
**Description:** Basket; rattan; 49x33x20/36cm; dark brown

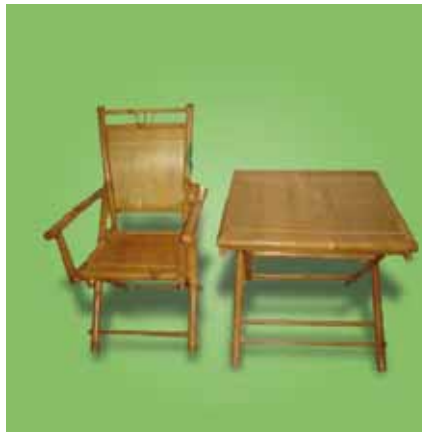
• Information not disclosed

## PRODUCT GALLERY

### Garden furniture



**Craft Link**  
(profile page 28)  
**Model:** TREGH001  
**Minimum order:** 10 pieces  
**Packaging type:** Carton  
**Delivery time:** 30 days  
**Indicated price:** \$8.95  
**Description:** Folding chair; bamboo



**Dongduong**  
(profile page 30)  
**Model:** 1224  
**Minimum order:** 500 sets  
**Packaging type:** Carton  
**Delivery time:** 45 days  
**Indicated price:** \$22  
**Description:** Table set; bamboo; 60x80x70cm table, 44x44x97cm chair



**Dongduong**  
(profile page 30)  
**Model:** 1227  
**Minimum order:** 500 sets  
**Packaging type:** Carton  
**Delivery time:** 45 days  
**Indicated price:** \$48  
**Description:** Table set; bamboo; one 100x65x60cm table, four 42x42x90cm chairs



**Dongduong**  
(profile page 30)  
**Model:** 1229  
**Minimum order:** 500 sets  
**Packaging type:** Carton  
**Delivery time:** 45 days  
**Indicated price:** \$45  
**Description:** Table set; bamboo; one 60x80x70cm table, four 40x44x97cm chairs



**Dongduong**  
(profile page 30)  
**Model:** 1222  
**Minimum order:** 500 sets  
**Packaging type:** Carton  
**Delivery time:** 45 days  
**Indicated price:** \$27  
**Description:** Table set; bamboo; one 50x50x50cm table, two 37x31x77cm chairs



**Dongduong**  
(profile page 30)  
**Model:** 1228  
**Minimum order:** 500 sets  
**Packaging type:** Carton  
**Delivery time:** 45 days  
**Indicated price:** \$42  
**Description:** Table set; bamboo; one 60x40x50cm table, four 37x31x77cm chairs

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