

# Wooden & Bamboo Furniture



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

**Product & price trends**  
Prices and specifications of 126 top-selling export products ranging from sofa sets & beds to kitchen cabinets & gazebos

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

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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.

# WOODEN & BAMBOO FURNITURE

## Supplier capability in Vietnam

### EXECUTIVE SUMMARY

Vietnam boasts a robust furniture industry that is especially defined by models made of wood and bamboo.

The line enjoys several competitive advantages, which have helped it develop into one of the world's leading sourcing centers.

Foremost of these is a steady supply of raw materials, particularly bamboo. As the plant grows abundantly in Vietnam, especially in the northern provinces, suppliers have easy access to components and are able to keep prices generally stable. A few types of wood are also locally available.

The line is highly export-oriented, with many companies sending the bulk of output to foreign destinations. Japan is the largest market for rattan and bamboo products, while the US is the primary importer of wooden items from Vietnam.

Among featured suppliers, living room furniture prevails as the top product category, accounting for more than a third of total exports. Outdoor furniture is the second-largest as it takes up a quarter of overseas shipments.

The industry is composed mainly of small and midsize suppliers, most of which are owned by local entrepreneurs. Production processes are generally done in-house, although some are subcontracted when large orders are placed. Traditional manufacturing methods done by hand are increasingly being replaced by steps that utilize modern equipment.

The majority of companies were established in the last 15 years. A small number have been operating for close to three decades.

Most makers have head offices and factories in Hanoi and Ho Chi Minh City. Many operate production facilities in different provinces, where access to raw materials is easier. These locations include Bac Ninh, Binh Dinh, Binh Duong, Vinh Phuc,

Hai Duong, Khanh Hoa, Dong Thap and Long An.

Strong export figures in the first eight months of 2010 show that the industry is on its way to full recovery after having experienced the adverse effects of the global economic crisis last year.

The following are some of the key trends we see in Vietnam's wooden and bamboo furniture industry:

- Increasing labor cost is the main challenge confronting the line. Manufacturers are slashing profit margins as they shoulder government-mandated wage increases, which are in effect up until 2012.

- More suppliers expect to raise prices over the next six months to maintain viability. Increases will be implemented cautiously, however, as most companies are wary of losing longtime customers and failing to attract new ones.

- New products will feature more decorative elements to keep up with demand from major markets. New items will come in a wider variety of colors and improved finishes.

- Most suppliers will continue to emphasize the EU and the US. A growing number, however, will concentrate on the Asia-Pacific region.

This report covers the main types of wooden and bamboo furniture made in Vietnam, including living room, bedroom, dining and kitchen, and outdoor furniture.

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

### In this report

- 15 in-depth company profiles
- 20 short company profiles
- 126 top-selling export products
- Supplier demographics
- Supplier survey
- Industry statistics & 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.

### CONTENTS

|                                    |           |
|------------------------------------|-----------|
| <b>INDUSTRY OVERVIEW</b> .....     | <b>11</b> |
| Supplier summary                   |           |
| Export value                       |           |
| <b>Products &amp; prices</b> ..... | <b>13</b> |
| Production & export statistics     |           |
| Price guides                       |           |
| <b>Supplier survey</b> .....       | <b>15</b> |
| Export prices                      |           |
| Export sales                       |           |
| Export markets                     |           |
| Major challenges                   |           |
| R&D focus                          |           |
| <b>SUPPLIER PROFILES</b> .....     | <b>19</b> |
| Supplier matrix                    |           |
| Raw materials & exports            |           |
| Supplier profiles                  |           |
| <b>PRODUCT GALLERY</b> .....       | <b>71</b> |
| Top-selling export products        |           |
| <b>CONTACT DETAILS</b> .....       | <b>97</b> |

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## INDUSTRY OVERVIEW

Vietnam's furniture industry has developed over the years to become one of the largest in Asia and among the most important in the world. In the last decade, the country has established itself as a leading supply hub for volume buyers in Europe and the US, as well as emerging markets in Asia.

The sector manufactures wooden and bamboo furniture regarded for craftsmanship and structural integrity. Most suppliers are also proficient in creating models that blend traditional designs with contemporary styling elements.

One of the line's key strengths is the widespread availability of raw materials, especially bamboo, which is readily procured from domestic suppliers. In fact, Vietnam is the world's sixth-largest producer of raw bamboo. According to the Thai Nguyen University of Agriculture and Forestry, the country yields anywhere from 1.5 to 2.5 tons of bamboo per hectare per year, depending on the species. This equates to an aggregate annual output of 3.5 million tons.

Wood is another key material used by the industry. Seventy percent of the line's wood requirements are imported, mainly from the US, Germany, Australia and New Zealand. Nonetheless, many manufacturers are able to purchase the component from local vendors.

Another competitive advantage enjoyed by the sector is the existence of trade organizations that facilitate interaction between local suppliers and foreign buyers. These groups, which include the Handicraft and Wood Industry Association of Ho Chi Minh City, Vietnam Handicraft Exporters Association and Investment and Trade Promotion Center, assist SMEs by providing training, holding seminars and workshops, organizing trade shows, and developing export-promotion services.

Buyers are also able to benefit from these associations as these

can be instrumental in helping select an appropriate supplier that can match their budgetary and logistic requirements. In addition, customers can coordinate with trade organizations in conducting factory tours and demand-side training and conferences.

The industry's other advantages include a highly skilled and literate workforce, and acceptance of orders consisting of various models or items.

Specific export figures on Vietnam's wooden and bamboo furniture sector are unavailable as the line is categorized under the more general rattan, bamboo, rush and carpet, and wooden products segments. Data from the General Statistics Office show that although the industry suffered a decline in 2009 due to the global economic crisis, a boost in overseas revenue is expected once again this year.

Exports of rattan, bamboo, rush and carpet products in the first eight months of 2010 reached \$137 million, equating to 21 percent growth over the same period last year. Revenue from shipments of wooden products to foreign markets has also bounced back. From January to August 2010, the segment generated sales of \$2.04 billion to buyers abroad, equivalent to a 32 percent increase compared with

### Supplier summary

|                     |           |
|---------------------|-----------|
| Suppliers surveyed  | 35        |
| Export sales        | \$40.6 mn |
| Export ratio        | 74%       |
| Capacity utilized   | 76%       |
| Full-time employees | 9,180     |

Data: All surveyed suppliers

the same period a year ago.

Japan is the industry's largest market for rattan and bamboo products. Export statistics from Vietnam Customs show that the country absorbed \$18.6 million worth of shipments from January to July of this year. The US is the second-largest, accounting for \$17.8 million. Rounding out the top five are Germany, Taiwan and South Korea.

The US is Vietnam's primary export destination for wooden products, taking up \$753.9 million in the first seven months of 2010. Japan is next at \$229.8 million. Other major markets in this segment are China, the UK and South Korea.

### Challenges

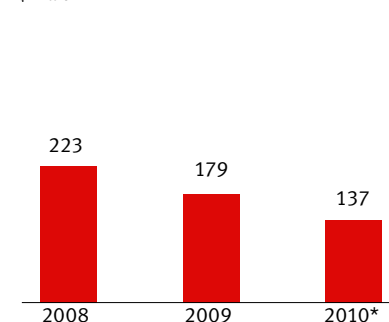
Although a rosy outlook is expected for the wooden and bamboo furniture industry over the next 12 months, it is facing a number of issues that may hamper its further development.

Rising labor cost is the most

### Export value

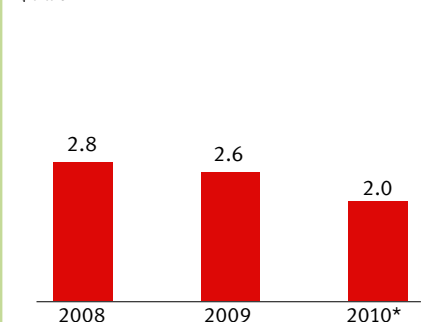
#### Rattan, bamboo, rush & carpet

\$million



#### Wooden products

\$billion



\*Jan-Aug  
Source: General Statistics Office of Vietnam

### Bamboo Nature Co. Ltd

Bamboo Nature is an ISO 9001:2000-certified company that specializes in bamboo products. It was established in 2002 and generated \$2 million in revenue last year.

The company exports its entire output, with nearly two-thirds going to Germany, France, Belgium and the Netherlands. The US and Japan each account for a fifth of shipments.

Ninety percent of orders are manufactured under ODM basis.

Indoor and outdoor furniture are the main product types. The best-selling items are bedroom and dining sets, wardrobes, shelves, gazebos and home bars.

Low-end to high-end models are available. A chair measuring 45x50x90cm is priced from \$9 to \$14. A dining furniture set composed of four chairs and a table is offered for \$55 to \$60. Home bar sets are \$145, on average.

Regular and solid bamboo are the main materials used. Other components include pine, rubberwood, plywood, genuine and synthetic rattan, and MDF.

All are sourced from Binh Duong, Binh Phuoc and Tay Ninh provinces.

New models are created by a three-member design department. The team is capable of releasing 20 styles every year. Samples are provided in three to 14 days.

The company owns a 200-hectare bamboo plantation in Binh Thuan province. It also operates a 5,000sqm factory equipped with cutting, smoothing, drilling and painting machines. Five percent of equipment is imported from Taiwan.

Bamboo Nature produces an average of 6,000 pieces every month. During the peak season of September to March, monthly output reaches the maximum of 8,000 pieces.

The full-time workforce numbers 300. Seven inspectors are responsible for QC, which entails checking finished items and processes such as cutting, drying, drilling, assembly, smoothing, polishing and painting. Delivery usually takes 45 days.

The company attends trade shows in Germany.

#### Capability

##### Materials used

|          |     |
|----------|-----|
| Hardwood | No  |
| Softwood | Yes |
| Bamboo   | Yes |
| Rattan   | Yes |
| MDF      | Yes |

##### Exports by product

|                            |     |
|----------------------------|-----|
| Living room furniture      | 10% |
| Bedroom furniture          | 5%  |
| Dining & kitchen furniture | 5%  |
| Outdoor furniture          | 80% |

##### Exports by market

|                      |     |
|----------------------|-----|
| United States/Canada | 20% |
| European Union       | 60% |
| Europe (non-EU)      | —   |
| Asia-Pacific         | 20% |
| Middle East          | —   |
| Other                | —   |

#### Company facts

|                                   |                       |
|-----------------------------------|-----------------------|
| Year established                  | 2002                  |
| Head office location              | Tan Uyen (Binh Duong) |
| Ownership                         | Locally owned         |
| Factory location(s)               | Tan Uyen (Binh Duong) |
| Full-time employees               | 300                   |
| ISO certified                     | Yes                   |
| Total annual sales (all products) | \$2,000,000           |

##### Sales & output: Wooden & bamboo furniture

|                         |              |
|-------------------------|--------------|
| Annual sales            | \$2,000,000  |
| Share of total sales    | 100%         |
| Annual export sales     | \$2,000,000  |
| Total monthly capacity  | 8,000 pieces |
| Average monthly output  | 6,000 pieces |
| Capacity utilized       | 75%          |
| Average monthly exports | 6,000 pieces |
| Export ratio            | 100%         |

#### Contact details

##### Business contact

TRAN Quoc Khang

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thanhcong@bamboonature.com.vn

##### URL

www.bamboonature.com.vn

##### Address

Phuoc Thai, Thai Hoa, Tan Uyen, Binh Duong, Vietnam

### Popular export models



**Model:** OP300166  
**MOQ:** 200 pieces  
**Packaging:** Carton  
**Delivery:** 45 days  
**Price:** •  
**Description:** Room divider screen; bamboo; peeled matte color; 11kg; 138x160cm



**Model:** OG500496  
**MOQ:** 40 sets  
**Packaging:** Carton  
**Delivery:** 45 days  
**Price:** \$170.00  
**Description:** Sofa set; bamboo; peeled matte color; 10kg, 90x60x45cm table; two 9kg, 70x70x82cm chairs; 19kg, 144x70x82cm couch



**Model:** OB100255  
**MOQ:** 95 pieces  
**Packaging:** Carton  
**Delivery:** 45 days  
**Price:** \$23.00  
**Description:** Bar counter; bamboo; green; 23kg; 110x35x115cm



**Model:** OB500349  
**MOQ:** 100 sets  
**Packaging:** Carton  
**Delivery:** 45 days  
**Price:** \$70.00  
**Description:** Bristol dining furniture set; bamboo; natural color; 9kg, 70x70x72cm table; two 5kg, 60x45x90cm chairs



**Model:** OG100135  
**MOQ:** 200 pieces  
**Packaging:** Carton  
**Delivery:** 45 days  
**Price:** \$11.00  
**Description:** Reclining chair; bamboo; peeled matte color; 9kg; 119x58x85cm



**Model:** OG100608  
**MOQ:** 65 pieces  
**Packaging:** Carton  
**Delivery:** 45 days  
**Price:** •  
**Description:** Outdoor bar counter; bamboo; natural color; 85kg; 165x90x23cm

• Information not disclosed

## PRODUCT GALLERY

### Living room furniture



**Bamboo Nature**  
(profile page 28)  
**Model:** OP300166  
**MOQ:** 200 pieces  
**Packaging:** Carton  
**Delivery:** 45 days  
**Price:** •  
**Description:** Room divider screen; bamboo; peeled matte color; 11kg; 138x160cm



**Bamboo Nature**  
(profile page 28)  
**Model:** OG500496  
**MOQ:** 40 sets  
**Packaging:** Carton  
**Delivery:** 45 days  
**Price:** \$170.00  
**Description:** Sofa set; bamboo; peeled matte color; 10kg, 90x60x45cm table; two 9kg, 70x70x82cm chairs; 19kg, 144x70x82cm couch



**Etop**  
(profile page 30)  
**Model:** ETOP001  
**MOQ:** 50 sets  
**Packaging:** Wooden box  
**Delivery:** 50 days  
**Price:** \$453.00  
**Description:** Living room furniture set; rattan top; oak base; 160x80x70cm sectional sofa; 200x160x70cm daybed; 170x40x35cm center table; 100x50x35cm side table; optional velvet and cotton upholstery



**Etop**  
(profile page 30)  
**Model:** ETOP002  
**MOQ:** 50 sets  
**Packaging:** Wooden box  
**Delivery:** 50 days  
**Price:** •  
**Description:** Living room furniture set; rattan top; oak base; 200x90x70cm double sofa; 180x90x70cm sectional sofa; 200x160x70cm daybed; 100x40x40cm table; optional velvet and cotton upholstery



**Etop**  
(profile page 30)  
**Model:** ETOP003  
**MOQ:** 50 sets  
**Packaging:** Wooden box  
**Delivery:** 50 days  
**Price:** •  
**Description:** Living room furniture set; rattan; 200x80x70cm couch; 80x6x180cm framed full-length mirror; optional linen and cotton upholstery



**Etop**  
(profile page 30)  
**Model:** ETOP005  
**MOQ:** 50 sets  
**Packaging:** Wooden box  
**Delivery:** 50 days  
**Price:** \$481.00  
**Description:** Living room furniture set; rattan; two 80x70x80cm single sofas; 190x70x80cm couch; 100x60x35cm center table with glass top panel; 50x50x60cm side table; optional linen and cotton upholstery, and glass panel for table

• Information not disclosed

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