LIFESTYLE

RESEARCH REPORT

EVBN
EU-VIETNAM BUSINESS NETWORK

This project is funded by the European Union

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Further reading:

VIETNAM MINISTRY OF PLANNING AND INVESTMENT:	www.mpi.gov.vn
UNITED NATIONS POPULATION FUND VIETNAM (UNFPA –VN):	www.vietnam.unfpa.org
Forest Trends:	www.forest-trends.org
Vietnam Timber and Forest Product Association (VIETFORES):	www.vietfores.org
Ministry of Industry and Trade Viet Nam:	www.moit.gov.vn
United Nations Conference on Trade and Development (UNCTAD):	www.unctad.org
International Trade Center (ITC):	www.intracen.org
Trade Map - Trade statistics for international business development:	www.trademap.org
Saigon Times Weekly:	www.thesaigontimes.vn
Vietnam News:	www.vietnamnews.vn
General Statistics Office of Vietnam:	www.gso.gov.vn
General Office for Population Family Planning, Vietnam:	www.e.gopfp.gov.vn
Trading Economics:	www.tradingeconomics.com/vietnam/
VGP News. Online Newspaper of the Government, Vietnam:	www.news.chinhphu.vn
Vietnam Briefing:	www.vietnam-briefing.com
Vietnam Customs Statistics:	www.customs.gov.vn
Vietnam Trade Promotion Agency (Vietrade):	www.vietradeportal.vn
VietnamPlus, Vietnam News Agency (VNA):	www.en.vietnamplus.vn
World Bank Vietnam:	www.worldbank.org/en/country/vietnam

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01 INDOOR AND OUTDOOR FURNITURE

According to the General Statistics Office of Vietnam, indoor and outdoor industry consists of about 3,900 manufacturers that employ around 300,000 workers. Approximately 2,900 of these enterprises focus mostly on exporting its production to such countries as US, Japan, China, South Korea and the UK. The majority of enterprises belong to private entities, with nearly one-fifth receiving foreign funding. Investments typically come from mainland China, Taiwan, South Korea, the UK and Japan. The rest of domestic manufacturers are state-owned.

Small enterprises comprise 95 percent of the supplier base. Each of them usually has fewer than 200 permanent workers. Factories have an area of up to 2,000sqm and are capable of creating 20 FEUs monthly with annual revenue below $1.5 million. Midsize companies are usually staffed by up to 300 full-time employees. Plants cover up to 15,000sqm and can roll out approximately 100 FEUs every 30 days. Total sales can reach $7 million every year. Large makers have more than 300 permanent workers. Factories measure more than 15,000sqm and can assemble about 350 FEUs monthly. Annual income exceeds $7 million.

Wood furniture and producers mainly gather in three regions: the Northern Red River delta provinces (Bac Ninh province), the Central highland provinces (Quy Nhon City) and the Southeast provinces (Binh Duong, Ho Chi Minh, Dong Nai industrial parks). These three main production areas notably distinguish from each other in their institutional context, their production scale, types of products and target markets. The industry produces three main types of products: exterior furniture, interior furniture and fine arts products.

Firms in the Central highland and Southeast provinces produce western - style furniture mainly for the EU, US markets and a small minority are sold in the domestic market.
Firms in the Northern provinces mostly make home accents and traditional solid wood furniture for the domestic market as well as to China, Japan, South Korean markets.

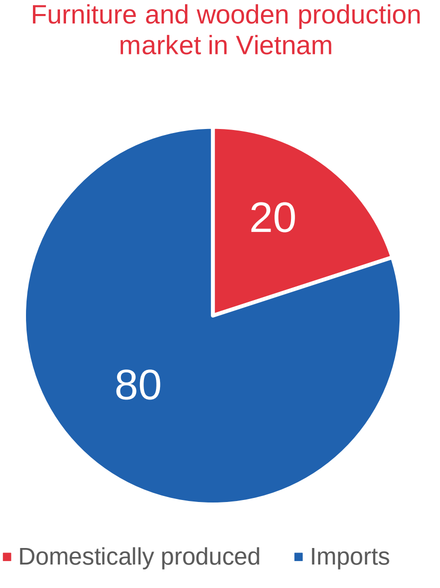
Furthermore, each geographical region has certain number of main production hubs. Hanoi and the provinces of Bac Ninh, Hai Duong, Hung Yen, Vinh Phuc and Nam Dinh are the production centers in the Red River Delta. Gia Lai and Dak Lak are the primary manufacturing hubs in Central Highlands. The key sourcing centers in the South are situated in Binh Dinh, Quang Nam, Binh Duong, Dong Nai, Long An and Ho Chi Minh City.

1.1 Consumption & Imports

Vietnamese consumers use a wide range of furniture products, from wooden furniture, metal furniture, rattan to plastic furniture, with wooden furniture as the most common product. People's taste and trends in furniture change over time and if the furniture seller targets big cities' population then their buying behaviors differ a lot from those who live in the countryside.

There are also a lot of houses and apartment blocks being built, as the urbanization process in Vietnam provides bigger markets for furniture. These furniture products are often sold through two main segments in the Vietnamese market:

1. The common segment: refers to carpenters shops or smaller local enterprises.
2. The high-end segment: provides imported furniture products or well-known domestic enterprises' products.



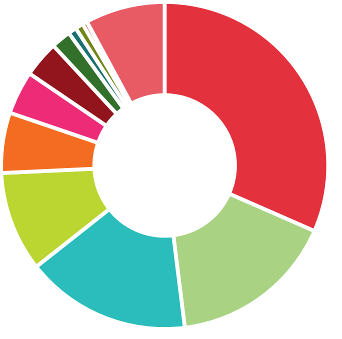
About only 20% of furniture products are produced by Vietnamese-owned, small-scale enterprises, whereas the rest is imported mostly from neighboring countries such as China, Malaysia, and Thailand. Accordingly, over 80% market share of the furniture market in Viet Nam belongs to multinational companies and companies with foreign capital investment.

Examples of companies presented in the market: Scancom Vietnam Co.,Ltd; Theodore Alexander Hcm Co.,Ltd; Green Rive Door Vietnam (Green River Wood & Lumber Co. Ltd; Poh Huat Co. Ltd; San Lim Furniture Co. Ltd; Latitude Tree Co. Ltd; Truong Thanh Furniture Corporation; Cam Ha Corporation; ATC Furniture Furnishings Corp etc.

Main importers of furniture to Vietnam

Vietnam imports a certain quantity of furniture to serve growing market's various demands. Major buyers of imported furniture are wealthy citizens of Vietnam, foreign expatriates, luxury HORECA sector and high-class office buildings that are mainly located in big cities like Hanoi and Ho Chi Minh City. As shown in the following table, China is the number one importer of furniture into Vietnam with nearly 40% of the total export value. Chinese furniture available in the Vietnamese market is mainly of low to medium quality and being extensively sold in common furniture shops. In addition to such strong points as cheap price and diversity of design, Chinese furniture of HS code 9403 is enjoying special preferential tax of 0% same as Asian members, while the rate of 25% will be applied to those from European countries.

Importers of furniture to Vietnam 2012
(USD, HS codes from 940330 to 940360)



Source: ICE processing based on Comtrade data

Statistical data on the import of furniture in Vietnam (USD, HS codes from 940330 to 940360)				
	2009	2010	2011	2012
China	8,321,311	11,655,040	9,167,107	5,644,386
Thailand	977,431	2,513,430	1,891,115	2,943,491
Malaysia	1,790,315	3,268,590	673,290	2,922,265
South Korea	1,132,184	2,565,090	1,781,330	1,768,853
Singapore	193,313	152,090	811,245	1,066,114
Germany	140,556	240,040	113,202	766,120
Italy	33,160	246,320	602,382	639,126
USA	131,354	457,990	309,569	348,108
Japan	269,124	422,530	283,530	147,088
France	131,370	137,560	126,837	140,048
Netherlands	299,232	14,170	3,431	77,803
Cambodia	29,873	52,600	43,687	7,080
Others	1,472,735	1,118,160	2,076,242	1,410,212
TOTAL	14,921,957	22,843,610	17,882,967	17,880,694

Source:ICE processing based on Comtrade data

Importers of furniture

Majority of imported furniture flows into biggest cities of Vietnam, where most of importers and distributors of furniture are located. Hanoi and Ho Chi Minh City are the typical centers for the imported furniture. Most of importers are also the distributors as distributors generally sell their imports in their own showrooms. These showrooms tend to exhibit a higher quality of products. Besides that, a small quantity of imported furniture, mainly from China, can be found at shops with low or medium quality. Apart from these distribution channels, department stores are emerging as a new venue for wealthy customers to afford more premium, expensive imported furniture.

Examples of biggest distributors and distribution channels in Vietnam:

- **Vietmay Home -** The largest furniture distributor in Vietnam, a member of Vietmay Corporation (established on 30/04/2005), specializing in distributing furnishings, home décor and embroidery through 5 big centers and 150 smaller stores and showrooms countrywide.

- **Pho xinh Furniture Center** supply interior products provided by Hoang Nam Co. Ltd. through 10 distribution centers. Among them, there are 7 major centers (area of 15,000 - 30.000m2), the rest are small and medium-sized (300m2 or more).

- **Index Living Mall**, a member of Index Interfurn Group, Thailand, brings a variety of goods apart from furniture, including home décor, appliances. Followed by "one-stop shopping" model, most furniture of Index Living Mall is imported from Thailand and European countries. Index Living Mall do business by ordering from manufacturers to become a distributor.

- **Me Linh Plaza** is a building material and interior design complex that includes a commercial center with total floor space of 71,500m2 used for display and sales of building material, interior design and domestic appliances.

- **Homemart Family and Office supermarket** supplies interior products, imported from China, Thailand and other countries with a few showrooms located in popular shopping malls (such as Vincom) and other advantageous spots.

Import of raw materials and machines for furniture market

Surprisingly, Vietnam imports not only finished furniture goods but also raw materials for domestic production of furniture. Despite the common idea of availability and low prices of raw materials in Vietnam, a big amount of woods are imported from neighbor countries. In 2012 Vietnam spent about US$ 1.2 billion importing about 3.5 - 4.0 million m3 round wood equivalent (RWE) of timber and wood products from 105 different countries and territories (36 countries and territories from Europe, 26 from Africa, 19 from Asia, 19 from North America and Latin America, and 5 from Asia Pacific). In total, this trade involved more than 600 individual vendors from these 105 countries and territories. Of the materials imported to Vietnam, logs account for around 15% of total import revenue, sawn wood for 55%, and MDF, particle board, plywood and veneer account for the remaining 30%.

The import from China and Malaysia showed reductions in 2012 compared to 2011, imports from the remaining 8 largest markets in 2012 indicated an increase, ranging from 10% to 70%. Moreover, Laos surpassed China to become largest timber exporter to Vietnam, with a total value of almost US$ 162.7 million, up from less than US$ 96 million in 2011.

Materials imported from Laos into Vietnam are primarily sawn wood and round wood. A large volume of timber imported into Vietnam is from developing areas. China is still the second largest timber and wood product exporter to Vietnam. Products imported to Vietnam from China are mainly MDF. Besides it, Myanmar and Cambodia were the 7th and 8th largest timber and wood products exporters to Vietnam. Import value from these markets in 2012 increased about 15-18% compared to 2011. Products imported from Cambodia are exclusively sawn wood, whereas products from Myanmar are both sawn wood and round wood.

Wood imported from EU is an increasing trend

Importers of wood materials from EU have recently witnessed a sharp rise in their demand, despite the rising timber prices higher than ever before. Vo Quang Ha, Director of Joint Stock Company in Dong Nai Eternal Tan, asserted that the amount of wood imported from EU countries this year increased by about 15-20% compared to that over the same period last year. The price of wood in general in the present time has increased 20% over the past 4 months.

A representative from Thien Thanh Phat Wood Company in HCM City reported that their imported timber volume from the EU market doubled over the same period due to the increasing demand of processing and export enterprises. Most of the furniture export enterprises signed orders for the next 6-12 month period. Thus, the demand for raw wooden material is higher than that in the previous year.

Processing and wood exporting companies also appreciate EU countries for very strict regulations on the legal origins, and environment friendly aspects of high standard timber. As a result, the source of wooden materials imported from the EU will ensure the legality and quality of finished wooden goods exported out of Vietnam to the other difficult markets.

According to the General Department of Vietnam Customs, in the first 5 months of the year, imports from EU countries grew dramatically higher compared to the last year. In particular, timber imports from Germany increased by 82%, from 4.2 million in the first 5 months of 2012 to 7.66 million USD in the first 5 months of this year. Similarly, imports from Finland increased by 22%; Denmark, 66%; and France, 80% compared to that over the same period last year.

Wood processing machinery importers to Vietnam

Wood processing machinery, as a complementary to wood production, are also mainly imported from overseas. In 2012, main exporters of wood working machines to Vietnam were Japan, Korea, China, Singapore, USA, Germany and Italy.

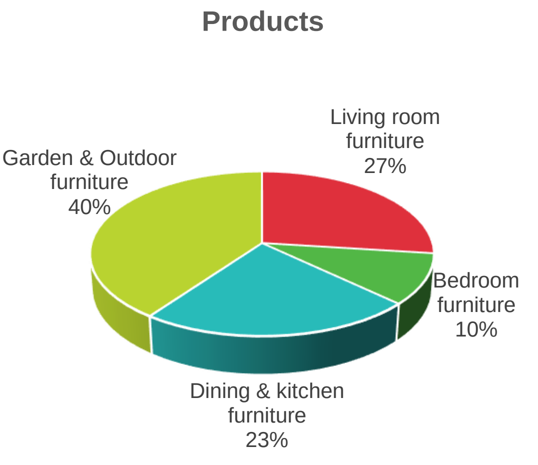
Import of woodworking machinery in Vietnam (USD, HS codes 8465, 8466 and 8479)

	2009	2010	2011	2012
Japan	109,256,902	215,144,595	300,400,165	450,777,288
Korea	103,959,650	164,204,635	192,414,297	274,478,355
China	68,581,616	96,008,928	112,047,414	108,182,224
Singapore	28,635,090	36,171,839	43,316,186	51, 919,100
USA	21,349,491	37,978,418	35,814,286	39,852,567
Germany	16,915,000	28,234,77	103,324,578	36,883,163
Italy	28,670,909	22,996,584	21,931,064	21,816,479
Malaysia	6,873,242	10,753,462	19,541,080	13,940,405
Thailand	6,038,871	8,851,153	11,659,858	12,423,597
France	2,981,491	2,187,176	2,880,001	3,664,429
Others	89,859,622	122,414,064	117,816,967	164,800,704
TOTAL	483,121,884	744,945,633	961,145,896	1,178,738,311

Source: ICE processing based on Comtrade data

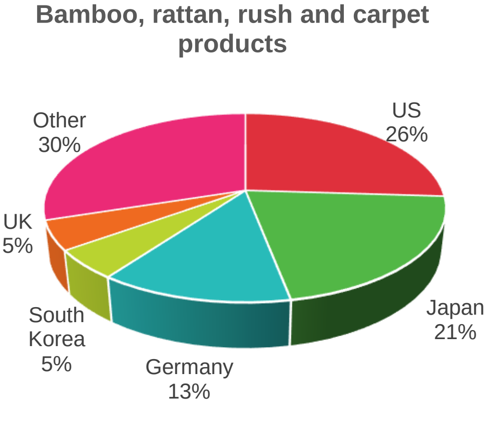
1.2 Production & Exports

The furniture industry is one of the country's largest export contributors. Vietnam's wood-processing segment has undergone much progress over the past 10 years, with foreign sales increasing at an average rate of 15 percent every year. The Ministry of Agriculture and Rural Development promises to promote the restructuring of the wood-processing sector, which will emphasize the cooperation between timber-based goods manufacturers and forest owners to boost the quality of logs for higher-value furniture.



Sector size. Vietnam wooden & furniture exports

The nation's forestry line is divided into two main categories, namely wood and wooden products, and rattan, bamboo, rush and carpet items. The top five markets for wooden products exported from Vietnam are the US, Japan, China, South Korea and the UK. While for bamboo and rattan handicrafts, the leading destinations are the US, Japan, Germany, South Korea and the UK.

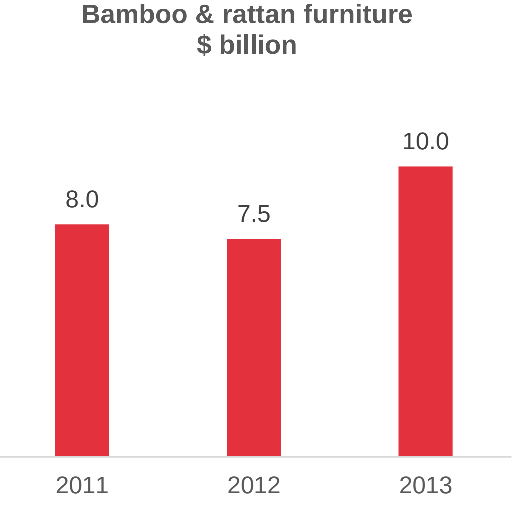


January to May 2014 data
Source: Viernam General Statistics Office

The International Trade Centre records Vietnam's total revenue for furniture in 2013 at $3.5 billion. Wooden models are the largest contributor to export revenue at about $3 billion. Items made of plant-based fibers account for $46 million, while plastic, and bamboo or rattan pieces take up around $12 million and $10 million, respectively. Vietforest forecasts $6.5 billion in turnover by the end of 2014, which is 10 percent higher compared with the previous year's target.

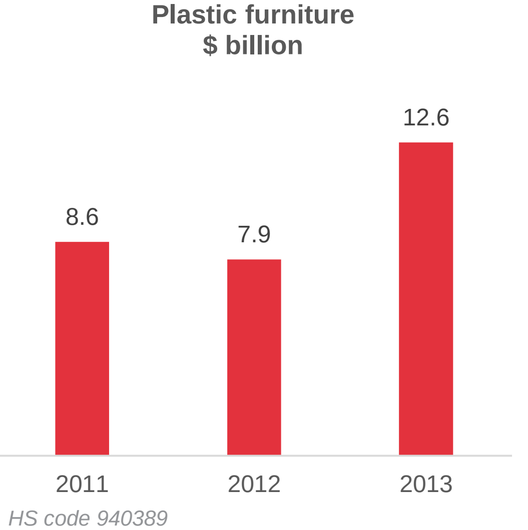
Sales data shows that furniture exports of all kinds, from wooden, bamboo, rattan, and other natural material to plastic, have mostly experienced a rising trend over the past three years (as shown in the charts below).

Includes HS codes 940340, 940350, 940360
Source: International Trade Centre



HS code 940381

HS codes 930470
Source: International Trade Centre



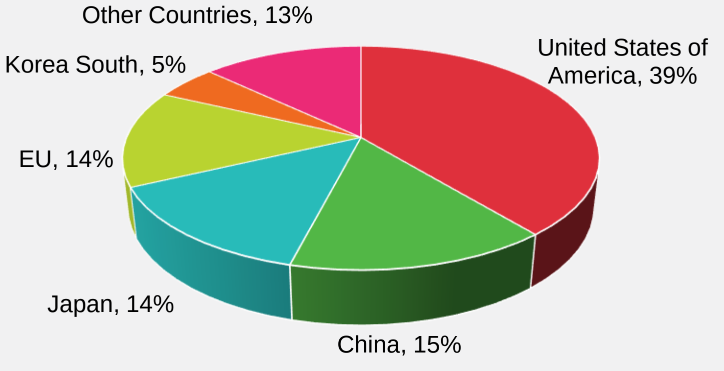
HS code 940389

Wooden furniture exports

According to Vietnam Timber and Forest Product Association (Vietforest) data on 2012, wood products of Vietnam have been sold in over 100 foreign markets. The export to the US was 39%, followed by the China 15%, Japan and EU both 14% (as shown in the table below).

Export turnover:	US$4.67 Billion – 19% YOY
Ranking in Worldwide Furniture Export:	6th in the world, 2nd in SEA

Vietnam Key Export Market 2012



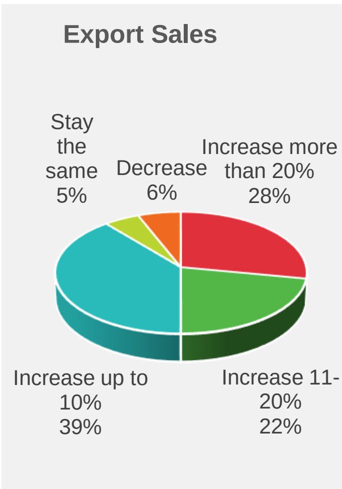
Source: MOIT

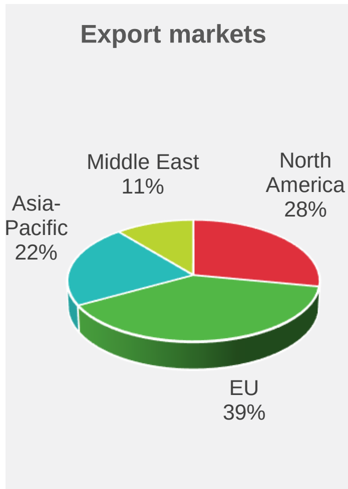
The shares of the Vietnam's furniture exports accounts for around 1.5 percent market share of the world of furniture. However, this number is perceived to be potentially higher in the right conditions. Huynh Van Hanh, Vice-Chairman of the Handicraft & Wood Industry (HAWA), showed his optimism: “If there are incentives in policy making for the wood industry, Vietnam furniture industry could raise the annual export market share from 1.5 percent to 5 percent, equivalent to US$15 billion within 5-7 years.” Huynh reasoned that “Vietnam is a country with advantages in production and higher opportunities to expand its industry,” compared to the ten largest furniture exporters worldwide. Particularly in 2014, the furniture export turnover may rise 20 percent, equivalent to over US$6.5 billion, and while domestic consumption can turn out to $2 billion. Huynh believed such a rapid gain in market share is possible thanks to the rapid strides in productivity and continued transfer of export orders from China to Vietnam.

Huynh’s positive outlook is reflected in the forecast that the wood exports in 2014 are going to be very promising in new markets such as the Middle East, Australia and some countries in ASEAN such as Singapore, Malaysia and Indonesia.

Growth trends in Export of furniture

Supplier survey results: Export forecasts





Projections for the next 12 months

The majority of suppliers for indoor and outdoor furniture expects higher overseas sales in the coming year. Nearly 40 percent of them anticipate an increase up to 10 percent. This positive outlook is based mostly on growing demand for EU, including the UK, Germany and France, while markets of US, Japan, China, South Korea and the UAE still remain at the same level of profitability for Vietnamese exporters.

The following chart displays forecast for export of indoor and outdoor furniture based on manufacturer's survey.

Price for indoor and outdoor furniture

In Vietnam, quotes for indoor and outdoor furniture are mainly influenced by design complexity and the availability of raw materials. Whereas price range for a particular category stays almost the same for a long period of time, costs for domestic and imported materials may affect the quotes for furniture. For example, some suppliers of rattan occasionally implement sudden price hikes, adding unexpected production costs to furniture makers, if rattan is lacking in the market.

Low-end category of furniture: items made of PE, bamboo and MDF are usually considered as low-end. Such productions, as small chairs and tables made in basic designs and naturally finished fall under this category. Quotes start at $10 per item.

The midrange production is usually made of hardwood, including teak and padauk. This category usually includes living and dining room sets (of two to four pieces), bed headboards and tables (usually with floral and geometric carvings), sofas and outdoor lounge chairs. Standard prices are $20 to $200.

Upscale models are generally made of high-grade teak, pine or oak and feature intricate designs. Living room cabinets and coffee tables with tempered glass panels and tops, sunbeds made of natural rattan in different weave patterns, as well as king-sized beds and six-seated dining tables are usually fall into this category. Typical sets include at least four pieces of furniture. Quotes start at $100 per item.

According to forecasts in the industry, the majority of suppliers will maintain prices of wooden and wicker furniture over the next six months. Keeping quotes stable allows companies to remain competitive and encourage new buyers, particularly from emerging destinations such as the Middle East and the Asia-Pacific region.

A small part of market is supposedly to raise prices by 5-10 percent in the coming months due to slightly increasing production costs, including gas and woods.

1.3 Challenges and competitive advantages

Challenges

Although production costs have been steadily increasing over the years, local furniture suppliers have to retain prices in order to effectively compete with China-made models, well accepted by the local market due cheap prices and variety of products.

The majority of orders are made under OEM basis, limiting the added value on these items. Furniture companies are encouraged to invest in improving the design of furniture. Most SMEs, however, do not have the budget to conduct a research of market trends.

Manufacturers have the option to apply for bank loans to supplement their capital but some institutions have lending policies that are restrictive to private enterprises. Since the interest rates depend on the value of mortgages, the bulk of profits goes to payments. The low deposit requirement from buyers (typically 10 percent of the total order value) likewise limits the exporters to improve their efficiency.

Like wooden furniture suppliers, producers of bamboo and rattan products also face shortage of raw materials. Vietnam's total rattan plantation yields about 36,000 tons per year but the actual demand is roughly 70,000 tons. This results in the country importing over 33,000 tons annually. Overexploitation of bamboo likewise leads to insufficient availability of this input.

Local SMEs are usually unable to increase their efficiency due to the lack of capital to invest in technology. Most companies rely on manual assembly and traditional designs, therefore limiting their potential.
The lack and fluctuating prices of some raw material, particularly rattan and wood, also makes it difficult for local manufacturers to fulfill large orders.

Competitive Advantages

Low labor cost is a significant factor that attracts foreign investors into furniture sector of Vietnam. Large international companies establish their factories in the provinces of Bac Ninh, Dong Anh, Di An, Binh Duong, Vinh Cuu and Dong Nai.

High level of workmanship also propels the industry. Suppliers hire skilled artisans from craft villages who have mastered complex manual processes such as carving and applying lacquer.

The sector, furthermore, has strong OEM capability. Most manufacturers are able to customize pieces according to client specifications. A number of companies use the latest graphics design software and CNC machines to create samples accurately.

Another advantage of the industry is its ability to comply with international policies and trade agreements, particularly the FSC. The Voluntary Partnership and Free Trade Agreements with the EU, which are expected to be implemented next year, will further reduce export dues for Vietnam-made products. This will enable local furniture to be more competitive in terms of pricing and quality.

02 FURNISHING, HANDICRAFTS AND GIFTS

2.1 Local market

According to Nguyen Quoc Khanh, chairman of the HCM City Handicraft and Wood Industry Association, a Vietnamese household spends about VND 6 million (US$285.7) for furniture products per year, a significant percentage of which is dedicated to handicraft products. With a growing economic recovery, domestic consumption this year is expected to reach more than $2 billion and will increase in coming years. The need of this billion-valued industry is currently met by both foreign and local handicraft producers.

The former is facing tougher competition in the local market as there are more of the latter joining the game. Local handicraft producers are shifting their attention from foreign markets to local market, as they face sinking orders from overseas markets & higher production costs.

For example, Nguyen Hoang Tan, director of Anh Tan Cuong Joint Stock Co said his company had revised its business targets by slashing export targets to 60 per cent from the 90 percent that it enjoyed in previous years and raising local consumption targets accordingly. To exploit the local market, the company has opened a showroom in HCM City to introduce its trademark. While export markets had not shown any signs of improvement, these orders showed the potential to tap into more business opportunities in the domestic market, he said, adding that the company was completing the necessary procedures to enlarge its factory to meet increasing local demand. Supplying handicraft products to the local market could even generate more profits and be easier than exporting as we could enjoy more flexible methods of payment and delivery, said Director of Saigon Palm Co Le Phuc Thinh. For example, a large order to supply a 60 to 70 room resort with tables and decorative items such as picture frames could far outweigh an export order, he said. Tan agreed, saying that handicraft producers would surely earn a higher profit if they sold their products to local resorts and hotels.

Nevertheless, there's always another side of a coin. In order to supply to the local market, local enterprises have to invest a significant amount of capital to develop new products, open showrooms and focus on customer care, he said. Dang Quoc Hung, deputy director of the HCM City Handicraft and Wood Industry Association (Hawa), said enterprises which used to rely on export markets had to invest to meet the new situation because the local market was far different from export markets. Export enterprises only needed production workers and warehouse staff while supplying products to the local market required enterprises to employ more personnel for marketing, design, delivery and warranty services, he said. Rental costs for retail outlets and production areas was also problematic for handicraft enterprises as most of them were small – and medium-sized with insufficient financial capacities, he said. — VNS
But these local enterprises also have their own disadvantages.

Industry Composition - Home Furnishings

Vietnam has about 3,100 makers of wood, bamboo, rattan and rush items, and 2,500 companies specializing in glass and ceramic goods. According to the General Statistics Office, locally owned private SMEs comprise more than 90 percent of the supplier base. The rest are state-owned and foreign-invested companies from Taiwan, South Korea and Japan.

The industry is composed of companies with various scales, ranging from small to large sizes. Small enterprises represent 87 percent of the supplier base. They employ less than 200 full-time workers and register up to $1 million in annual exports. Total monthly output reaches 20,000 pieces. Production is done in workshops with an area of up to 2,000sqm.

Taking up 9 percent of the industry, midsize companies have 200 to 300 personnel. They can produce between 20,000 and 50,000 pieces per month. Overseas sales can reach $3 million per year. Manufacturing facilities cover up to 5,000sqm.

Large makers account for 4 percent of the segment. They typically have a workforce of at least 300 and can produce no less than 50,000 pieces monthly. Factories have an area of more than 5,000sqm.

Different product categories are produced mainly in specific regions of the country. Craft villages in Hanoi and the provinces of Thai Binh, Ninh Binh and Ha Nam are the main sourcing centers for handmade home textiles and bedding. Most machine-made models are from suppliers in Ho Chi Minh City and Hanoi, and Hung Yen, Dong Nai and Binh Duong provinces.

Bamboo, rush and rattan home furnishings are made in Hanoi and the provinces of Ha Nam, Bac Ninh, Thai Binh, Thanh Hoa, Khanh Hoa and Tien Giang. Water hyacinth handicrafts are the specialization of villages in Dong Nai, Tien Giang, Dong Thap and Vinh Long provinces, and Ho Chi Minh City.

Ceramics can be found throughout the country, although the major production centers are Quang Ninh, Hai Duong, Hung Yen, Bac Ninh, Binh Duong and Dong Nai provinces. Most terra-cotta products are from Vinh Long, Binh Dinh, Bac Ninh, and Quang Nam provinces.

Industry Composition - Handicrafts & Gifts

Handicrafts and gifts production in Vietnam is traditionally concentrated in villages that are called “craft villages.” Each village in different regions are dedicated to production of specific types of products.

Woven tapestries and brocade handbags are unique works from the skilled hands of the ethnic women living in the Northwest regions, such as Cao Bang, Lao Cai. Embroidered articles and silk products are famous from the regions of Van Phuc (Ha Tay), Nam Ha, Thai Binh, Hue, Da Lat (Lam Dong). Wool tapestries from Hanoi and Hai Phong, and jute tapestries from Hung Yen, Hai Phong, Hanoi and Thai Binh, are much sought after.

Ceramic and porcelain items have been produced in Vietnam for a long time. Ceramic and porcelain products glazed by traditional methods into beautiful art are well known in Bat Trang (Hanoi), Dong Trieu, Thanh Ha (Quang Ninh), and Hai Phong. Copperware is fabricated by the skillful hands of coppersmiths in Ngu Xa (Hanoi), Dai Bai (Bac Ninh), Dong Son (Thanh Hoa). Jewelry products and metalwork are concentrated in Hanoi, Thai Binh and Hung Yen, while stonework are mainly produced in Da Nang (Five Element Mountain Region).Wood products and wood carvings can usually be found in Phu Xuyen (Ha Tay), Dong Ky (Bac Ninh), Hai Phong, and Hue.

Unfortunately, the number of craft villages are extinguishing. According to Many craft villages throughout the country, even the ones which had a strong vitality in the past such as Phu Vinh (Chuong My) with bamboo and rattan products, Van Phuc (Ha Dong) with silk products and Lien Ha (Dong Anh) with wood products have reduced or even stopped production. The Vietnam Craft Village Association said that since 2010, about 50 percent of craft village products continue to lie in stock, and in 2011-2012, the business efficiency of craft villages has declined by 30-40 percent. Many craft villages which were prosperous in the past have now stopped production.

Prices

Prices in the local market are various across different types of handicraft products, which are classified as either low-end, mid-range, or high-end.

Prices for the small low-end home textiles, such as table napkins, towels, coasters and placemats (both machine-made and handmade) usually start at $5. Pillowcases made of 100 percent cotton fabric and simple designed throw pillows with a foam-polyester-ball fiber blend are for the low end as well. Typically ladder-stitched and adorned with basic motifs, models come in small sizes and worth less than $10 each. This category also includes such items, as small indoor decoration items: wooden frames, tabletop fountains, hanging planters, wine holders, ceramic vases, pots, candleholders, figurines and various ornaments.

The midrange production comprises curtains, seat cushions and napkins (including machine-embroidered models, available individually or in sets) and costs between $5 and $15 per item/set. Midrange category also includes satin and cotton duvet covers with multicolor embroidery and baby bedding sets (flat sheet, pillowcase, and bed linens). Prices starts from $10 to $30 per set. Home accents that require specialized techniques such as lacquering and painting are offered for $10 to $30 a piece. Lacquered vases and bowls, paintings using bamboo materials, and related pieces sold in sets can be considered as a part this segment as well.

Table runners and fabric table sets are usually fall into the high end category of furnishing. Most of items in it are made of 100 percent linen and feature hand-embroidered embellishments. Tablecloth and napkin sets containing 25 pieces (commonly presented in plain white) are quoted at $250. High end category of furnishing also includes production that takes months to finish because of size and design complexity. Lacquered plates, boxes, bowls and divider screens, stylized artwork with embroidery and sculptures are available for up to $4,000.

It is expected that in the near future, most of producers of home furnishing, handicrafts and gifts will maintain quotes because of mainly stable raw material expenditure, particularly for wood and fabrics. Some enterprises in Vietnam utilize recycled timber and paper, which allow them to maximize their purchasing power. Upgrade of machines and assembly lines also supports to lower spending on a labor force.

Staying competitive for new and existing clients in emerging domestic and foreign markets is one of the main reasons for producers to keep pricing at the same level. In the meantime a slight increase for a small part of producers and retailers can be affected by rising electricity and fuel costs.

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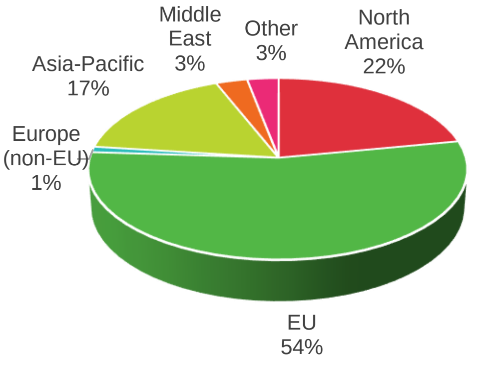
2.2 Exports market

Vietnam is one of the world's most important sourcing centers for craft gifts. The industry has developed over the years and is one of the country's largest and most stable export revenue generators.

Strong design capability has resulted in robust potential for OEM business. Most suppliers can accept customized product specifications, in addition to models designed in-house. In fact, a number of companies manufacture items for prominent buyers in the US, the EU and Australia.

The growth of Vietnam's handicrafts industry slowed to 7 percent in the first seven months of 2013 due to the residual effects of the global economic crisis. Despite the drop, total overseas sales exceeded $2.5 billion by yearend.

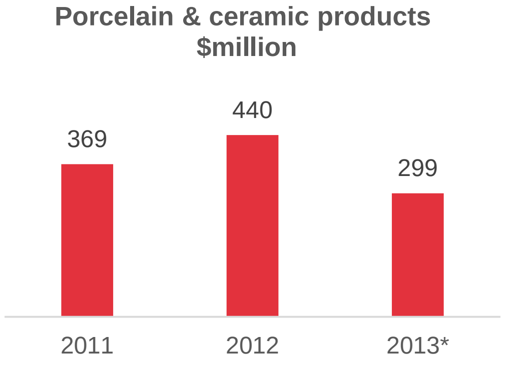
Markets

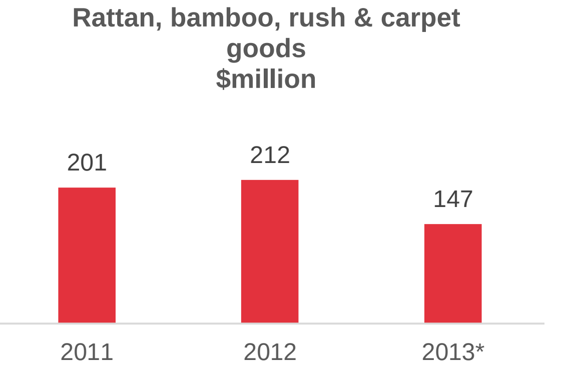


Sales Volume

Currently, the three major export markets are the US, Japan and the EU. Amongst these, the US is the biggest individual-country importer of Vietnamese home decorations and handicrafts, even though sales to all European countries combined have bigger share of the export markets (shown in the chart below). This is resulted from the US government's loose policy of no tariffs on handicraft imports. Especially, in the furniture sector, according to Vietnam Economy News Online (August 9, 2004), more and more US enterprises are seeking partnerships with Vietnamese furniture enterprises to meet the increasing demand of furniture products in the US. Japan and the EU have also made their moves to promote their own imports of Vietnamese handicrafts by increasing marketing and directly discussing existing issues with Vietnamese authorities.

The handicraft industry has many different categories such as home furnishings, ceramics, rattan, rush, and bamboo products, etc., which all together make up an export sales volume exceeding $2.5 billion. Home furnishings encompass several product segments including household textiles and embroidery, which is the sector's highest earner. The line registered $800 million in total foreign revenue in 2012. Japan was the main market, as it accounts for 20 percent of exports. The US and South Korea each absorbed 10 percent in 2013.



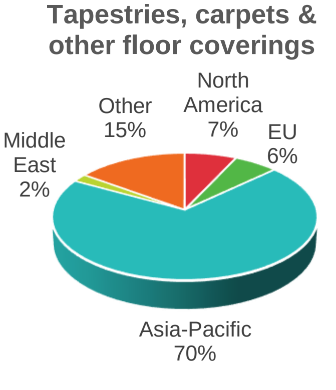


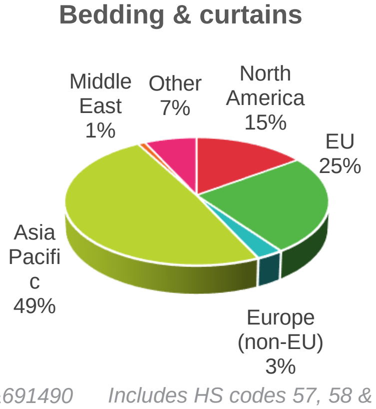
**2013 data from Jan-Aug Source: General Statistics Office of Vietnam*

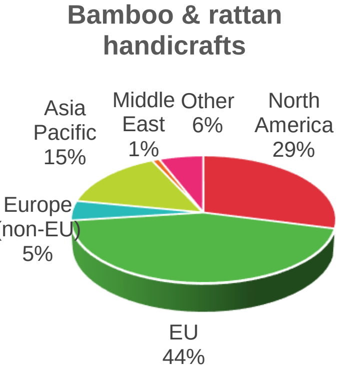
Ceramics is another product category within the industry. It generated $229 million in overseas revenue in 2013, which is 48 percent lower than 2012. Since US is currently becoming the fastest-growing foreign destination for shipments of ceramics (989 percent growth), it's hard to state the decline of ceramic's export.

Sales of bamboo, rattan and rush home furnishings decreased almost 31 percent in 2013, reaching only $147. Australia was the largest market, accounting for nearly $51 million in total shipments. Exports to the US amounted to roughly $24 million, which was 22 percent higher than for previous year. Shipments to Russia rose 43 percent as the country is showing more interest in bamboo and rattan home furnishings.
The below table shows the export volumes by markets for different product categories.

Export markets







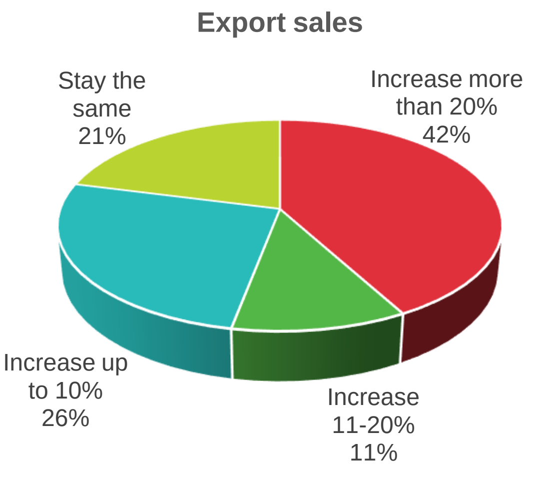
Includes HS codes 691390, 691410 &691490 *Includes HS codes 57, 58 & 63* *Includes HS code 46*
2012 export data
Source: International Trade Centre

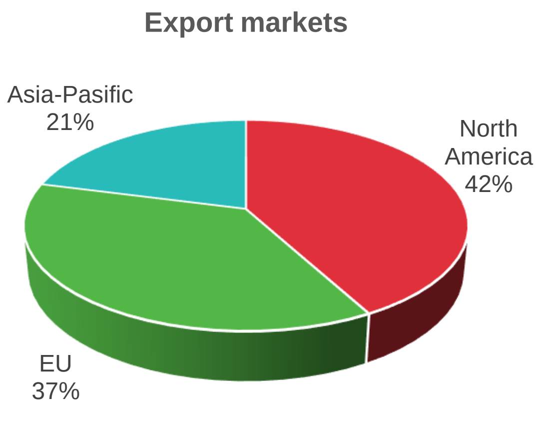
Sales Growth Forecast - Home Furnishings

For home furnishings, the export volumes are anticipated by the local Vietnamese producers, who are quite optimistic about their future performance, to increase. There are increasing orders from traditional markets, particularly the US. Some makers are currently expanding their reach to the Asia-Pacific region and the Middle East, including Australia and the UAE. Others are heavily investing in online marketing and international trade fairs to attract new buyers. For the moment most of the companies consider North America and the EU are the key desirable export destinations for growing local companies for the coming 12 months. Roughly two-fifths will target the US. An almost equal number will focus on the association, particularly Germany and Belgium. The rest will expand their clientele in the Asia-Pacific.

The overall opinions towards the future of home furnishing exports market, which are quantitatively measured by our supplier survey, are best shown in two charts below. All survey takes anticipate the sales volumes to foreign markets to increase, but the level of expansion varies. 42% of exporters project the sales volume to escalate by more than 20%, whereas the rest expects the number to either stay the same or increase less than 20%. North American buyers are believed to capture 42% of all foreign sales, while EU market is the runner-up with 37%.

Supplier survey results: Export forecasts





Projections for the next 12 months

Sales Growth Forecast - Handicrafts & Gifts

For handicraft products, the Ministry of Agriculture and Rural Development plans to reach $1.6 billion in export volumes for handicraft products in 2015, as in the Scheme exporting handicrafts in 2010-2015 project by the Ministry of Agriculture and Rural Development. The Ministry has approved target growth of exports to be from 10% to 12% a year. In particular, exports rattan sector reached 530 million, accounting for 33%; ceramic industry reached $ 480 million, accounting for 30%; textiles sector reached $ 270 million, accounting for 17%; sector and household wood carvings reached 130 million, accounting for 8% and the other group reached 190 million, accounting for 12%.

In order to accomplish this, the Ministry is going to provide specific implementation measures.

Regarding raw materials, focused on building and developing the material stability and sustainable development in favor of the intensive focus combined with the economic model developed to address household harmony between the stability of materials and increase income for households in rural areas.

In processing, the Ministry wants to focus on developing the handicraft products with traditional technology with low investment, rapid recovery, and material savings and potentially create more jobs.

For human resources, human resources training required to serve the targeted restructuring of export by promoting export of handicrafts items with high value-added, innovative products. There are policies to encourage technology transfer and personnel training profession; focused development team of skilled craftsmen in the field, design institutes, etc.

2.3 Challenges and competitive advantages

Challenges

While large enterprises, which have better technology and more capital, focus on exports, local enterprises fully invested in the domestic market for handicrafts and gifts are usually of a small or very small scale. These small enterprises are typically located in individual households or craft-village households. There are more than 1,000 of these craft villages nationwide. But due to a lack of a distribution system, the locally-made products in these craft villages have not been favored by consumers. Therefore the number of it is extinguishing, and the business efficiency of craft villages has recently declined by 30-40 percent.

Poor design is also one of the reasons making it difficult for Vietnamese craft village products to compete with foreign products in the domestic market. For instance, Vietnamese pottery and silk products cannot compete with similar products made in China.

Local producers experience shortage of capital and small-scale production. Thus promotional activities and designs are limited.

Production of raw materials is heavily dependent on foreign imports, leading to higher selling prices of local players in the market.

Competitive Advantages

Rising local consumption together with HORECA sector’s growing demand for furnishing and décor keep domestic producing at acceptable level.

Flexible methods of payment and delivery of domestic market could attract more enterprises to sell domestically.

Lack of proper distribution system in some provinces keeps demand for local small enterprises’ production in the market.

03 SWOT ANALYSIS AND KEY GROWTH DRIVERS

Following table represents main strengths, weaknesses, opportunities and treats for EU SMEs willing to establish a business in Vietnam's Lifestyles sector and to provide mostly the local market with their production.

Strengths	Weaknesses
▪ Abundance of flexible workforce with low-wages comparative to neighbor countries such as China, Thailand and others; ▪ Overall political and social stability of Vietnam together with ▪ Increase of consumers' income and spending; ▪ Small volume of domestic sales for furniture, furnishing, handicrafts and gifts produced by local companies; ▪ Excellent handcraft skills of Vietnamese workers; ▪ Attractive environment for FDI due to low costs and stable environment; ▪ Recent joining WTO with an adequately predictable environment; ▪ Possibility to establish and run 100% foreign owned company in Vietnam;	▪ Shortage of domestically produced raw materials with around 75% of imported wood; ▪ Lack of trained and experienced marketing personnel, as well as highly qualified workers and senior managers carrying good English level; ▪ Shortage of updated equipment and processing machinery affecting production efficiency and capacity; ▪ Business relations presuming unwritten laws and practices, as well as bribery; ▪ High corporate income taxes and social insurance fees; ▪ Common delays in business processes, such as delivery, producing and others from suppliers, contractors and other local parties;
Opportunities	**Threats**
▪ A "sunrise" industry in SEA with higher national demand for future in sense of spending and embracing new life styles; ▪ Opportunity for EU SMEs to partly copy and follow strategies and design trends of the same segment in neighbor countries as Thailand and South Korea; ▪ Relatively high demand for furniture, furnishing and decorations due to booming real-estate market; ▪ Great opportunities for implementation of innovative business and marketing model due to firming population of heavy online users;	▪ Intense competition from China and Asean members importing Lifestyles products to Vietnam with preferential tax of 0%; ▪ Weak legal framework unable to protect intellectual property and execute labor laws properly; ▪ Long certification procedure for newly imported or produced types of goods; ▪ Even labor cost is low, workers tend to stay close to their homes and families in the countryside due to higher prices for living in big cities; ▪ Significantly greater opportunities for world-recognized brands in the market, than for new SMEs.

Key growth drivers

- **MAC customer class in Vietnam is more than to double by 2020**
  The middle and affluent customer class (MAC) in Viet Nam is estimated to grow in size between 2014 and 2020, from 12 million to 33 million. The impressive increase of the young working population, presupposing a magnification in spending and a boom in real-estate sector, provides inspiring opportunities in the furniture, furnishing and decoration industries.

- **Growing incomes coupled with optimism about the future**
  A recent report by The Nielson Company shows that the index of consumer confidence in Vietnam in the first quarter of 2014 rose slightly after a few years of lull, and now appears to be at the highest level since the fourth quarter of 2011.

- **Easier consumer credit and loans**
  With the emergence of such concepts as quick and easy loans, easy monthly installments (EMI), loan through credit cards and loan over phone, feasibilities for Vietnamese consumers to purchase expensive furniture are growing.

- **Growing real-estate market**
  Rapid development of real estate sector in the country, such as construction of shopping malls, commercial centers, as well as growth in private housing, causes valuable increase in the demand for furniture, furnishing and related goods among Vietnamese consumers.

- **Local manufacturers are to focus on export**
  A big service provider TUV SUD PSB Vietnam has pledged to assist members of the HAWA (Handicraft and Wood Industry Association of HCMC) in assessing factories and managing product quality after the two parties signed an agreement in 2013. This agreement provides support for local companies adapting to European and the US conditions (two markets have set stricter technical and commercial standards for wooden products) and improve their export results.

- **Expanding e-commerce segment**
  With a substantial growth of number of internet users in Vietnam, it is clear that local and foreign enterprises should take an advantage of e-commerce to promote brands and expand markets. E-commerce based strategy allows businesses to improve in communicating with customers better, promoting their products more effectively and creating brand-awareness.

04 REGULATORY & LEGAL ENVIRONMENT

While the regulatory and legal environment for foreign companies in Lifestyles sector could be considered as relatively stable and clear, a wide field for development in the area is still exist. Below are presented the major legal conditions and changes that determine European SMEs in Lifestyles sector.

Legislators cut enterprise income tax

Vietnam law makers supported the Government's proposal to reduce the current general level of enterprise income tax to 22 percent in an effort to boost investment in Vietnamese businesses. In addition, enterprise income tax rate will be set up as 20% for SMEs, while businesses working in the social housing field will be taxed 10% only.

Establishment of SME development fund

A fund for SMEs development is currently set up with a total charter capital of US$95 million. The move aims to enhance the competitiveness of these enterprises and to create more jobs. Functioning as a State financial organization under the management of the Ministry of Planning and Investment, the non-profit fund is responsible for managing and using financial resources to support SME development.

In order to get the financial assistance, SMEs must pertain a number of conditions, a feasible production or business plans in line with the fund's list of priority areas. The maximum loan for each project will not exceed US$ 1.4 million and must be repaid within seven years.

Under the program, the number of newly established SMEs is expected to reach 6000000 by the end of 2015.The Government hopes to raise the ratio of export turnover from SMEs to 25 percent and their contribution to the nation's Gross Domestic Product to 40 per cent by 2015.

SMEs are also expected to create an additional 3.5-4 million jobs in the period.

Local firms step up foreign investments

Domestic companies have increased their overseas investment in the agro-forestry and aquaculture sectors, with about 150 ongoing projects valued US$2.5 billion.

According to the Ministry of Agriculture and Rural Development, this figure accounts for more than 20 percent of the total investment made by Vietnamese companies in foreign countries and territories. It is said that 28% of the total investments are in Laos and 54% in Cambodia, mostly for rubber cultivation and wood-processing plants.

In addition, Vietnam faces competition as many other countries like Thailand and China, that are exploiting these markets for the same advantages related to agro-forestry sector. Despite these shortcomings, local companies face profits from such investments, which allow them to re-invest domestically.

UE-VN FLEGT agreement

The Forest Law Enforcement, Governance and Trade agreement (or FLEGT) between the EU and Vietnam is expected to be finalized by late-2014. With this policy in effect, local manufacturers have to provide certification that the logs they use for production are supplied from legal plantations. Although this will be an additional requirement for companies, it will also allow their products to reach more members in the association.

With the FLEGT and other trade partnerships coming in effect over the next 12 months, Vietnam has to ensure that its wood plantations can fully sustain the industry by 2020. According to the Vietnam Timber and Forest Product Association (Vietforest), it is estimated that as of 2013, the country has 144,000 hectares approved by the Forest Stewardship Council or FSC. Currently, this area has increased by 48 percent to about 213,000 hectares because of the establishment of new fields.

Trans-Pacific Partnership

Trans-Pacific Partnership (TPP) is soon to be completed, allowing Vietnam to benefit substantially as a better attractor for investors. Once finalized, the trade agreement will lower trade barriers and allow Vietnamese wood exports to make huge gains in the American market, as well as to open up the Pacific region at large for business.

05 INSIDE A BUYER'S BRAIN

For a foreign company willing to enter and operate in Vietnamese market of furniture, furnishing, handicrafts and gifts, it is always crucial to understand customers' preferences and behavior. The following chapter allows to go deeper inside Vietnamese buyer's brain and reveal the core functional, social and aesthetic values.

Functional Values

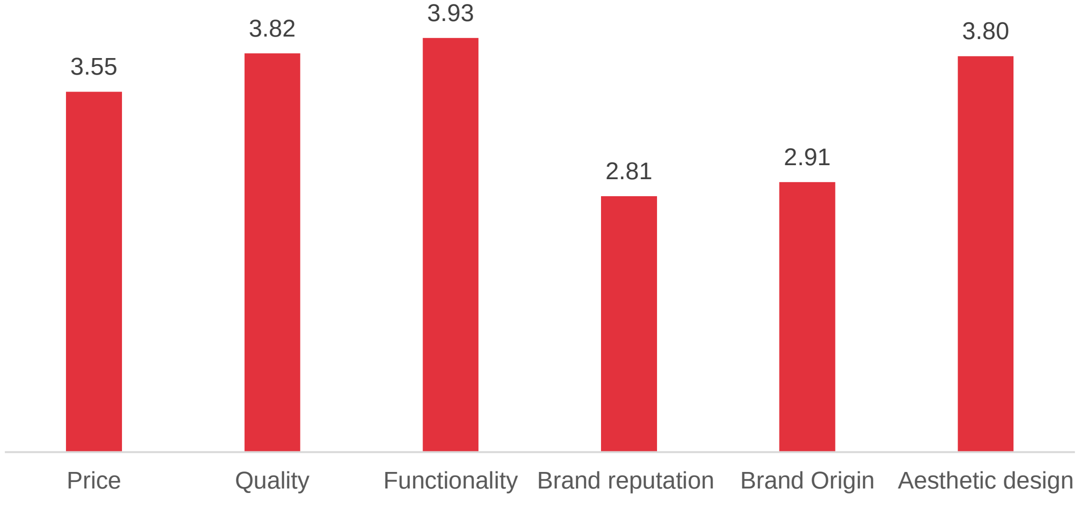
Good quality, good price as well as artsy design are the main important factors for Vietnamese consumers for making a purchase decision.

Nearly half of Vietnams' furniture consumers visit workshops instead of stores and showrooms in order to have custom made furniture with cheaper prices. However, furniture that have a lot of carvings and details made in handicraft villages known for making reproduction furniture (copies of antique furniture) such as Dong Ky village can cost more than ready made furniture.

Besides that, the insufficiency and ambiguity of laws protecting consumers creates a particular importance for Vietnamese to focus on quality. For instance, consumers are usually quite knowledgeable in qualities of various materials of a furniture, as they need to make the one and the right choice when purchasing a product because of difficulties in returns. At the same time, the quality preferred is always valued with the price, so a furniture store like UMA always looks at creating "value for money" for their consumers.

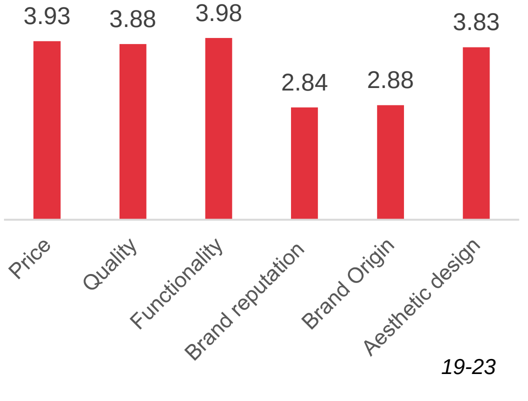
For a custom made furniture, the consumers can decide for themselves which the design or the size of the furniture they would want in their home, as well as make sure that the furniture fits the room perfectly. For instance, some would prefer hand-made furniture made of better wood material as valued quality, even though the customized wood may not have the normal (functional) standard as a mass-produced, ready-made furniture. A readymade furniture, however, implies that the price is higher (with the exception of big Vietnamese furniture companies like Hoa Phat and Xuan Hoa since they focus on producing office furniture made of industrial wood that have few designs and low price), so consumers' decision over preferred quality will have an effect on both price and functionality.

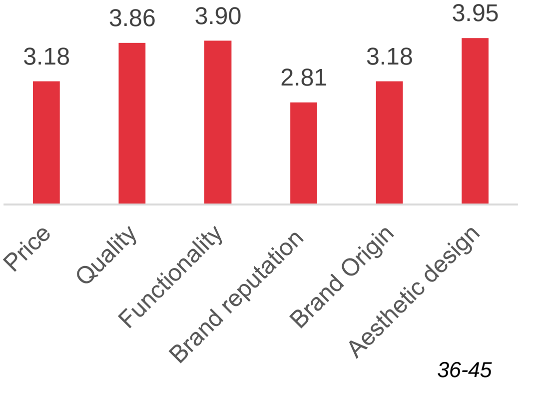
How much do the following factors affect Vietnamese decision-making when buying furniture products (all age groups)?



(The number referred to the scale (1-5), 1: not at all, 5: very much)

How much do the following factors affect Vietnamese decision-making when buying furniture products (depending on different age groups)?

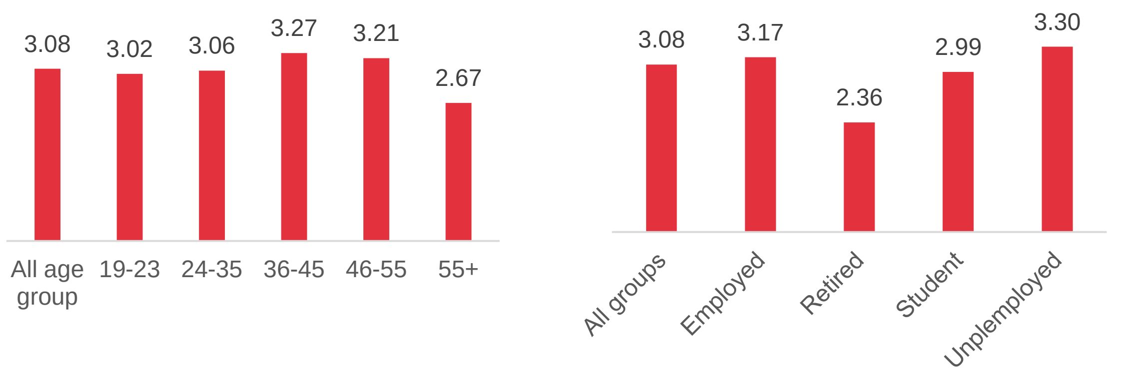




(The number referred to the scale (1-5), 1: not at all, 5: very much)

Unlike students and the unemployed, employees and retired are affected by functionality and quality more than price, while all occupation groups agree that functionality is the most important factor for a furniture. Vietnamese consumers carrying various social backgrounds value functionality, quality and price to more or less the same extent. There is a small exception for those who already has its own family with children. This group pays less attention to price in relation to functionality and quality.

Does a low price on furniture products imply bad quality?



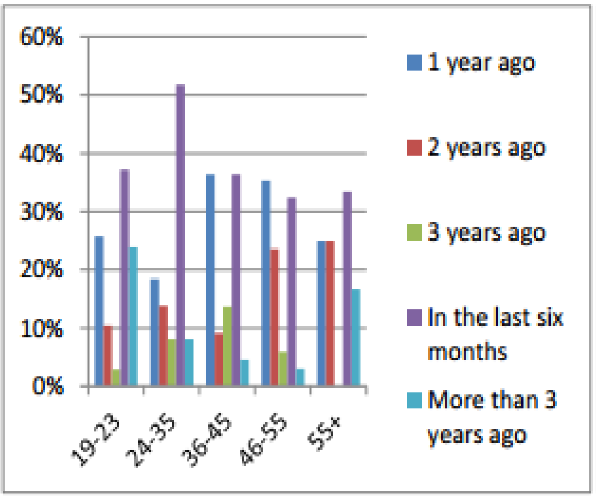
(The number referred to the scale (1-5), 1: not at all, 5: very much)

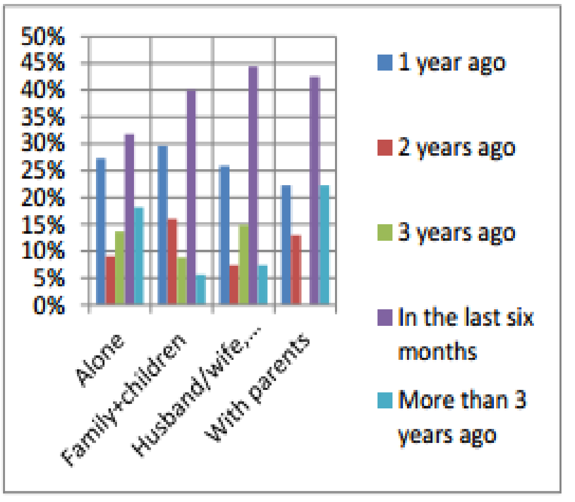
Social Values

Younger to middle aged families update and furnish their home quite often. More and more consumers spend time on furniture consumption as the population is growing flourishingly, so the new generation of families takes more money to spend on furnishing their new homes. One can thus see an increasing interest in home furnishing, which is likely to increase even further as the market rises from being a “big emerging market” to an entirely developed market.

According to the survey of Dinh Thi Phuong Lan “The potential of Swedish furniture companies in Vietnam” report for years 2012, a significant amount of respondents have updated their home with new furniture and décor within the last six months (41%) or year (26%). Respondents aged 24 to 35 seem to update their home most frequently, while respondents aged 19-23 and 55+ have more widely spread updates, including a relatively high percentage on “more than 3 years ago”.

When was the last time you updated and furnished your home with new furniture/décor?





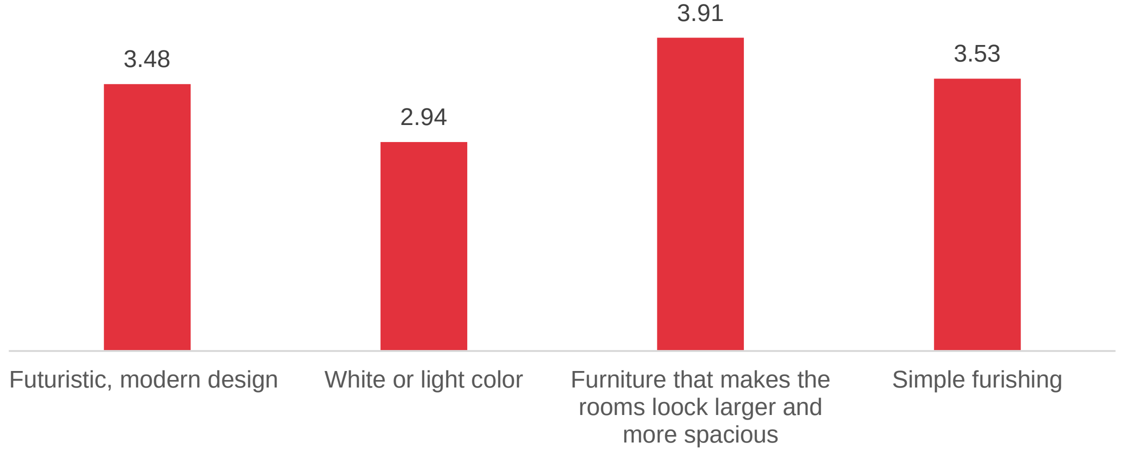
Vietnamese are often influenced by brand reputation and brand origin to a moderate extent. Top-of-mind question in the survey revealed that Vietnamese consumers are aware of such local and international brands, as Nha Xinh, IKEA, Pho Xinh, Hoang Anh Gia Lai, UMA, Pico, Me Linh, Dafuco. Many different countries have been mentioned as an origin of preferable furniture and furnishing: Japan, USA, Thailand, Malaysia, and Taiwan. In the meantime Vietnam remains one of the top producers of furniture and decor in local consumers' minds.

One can say that consumers in Vietnam seem to have an overall moderate view on foreign furniture being preferred over Vietnamese production. About one third of the consumers prefer Vietnamese brands and the other third prefer foreign brands, while others were undecided. Fro those who prefer Vietnamese brands, quality and functionality are the dominant reasons to make a purchase, while those who prefer foreign brands mention slightly more various reasons, including price as a dominant reason, although both have quality as the top reason for their preference.

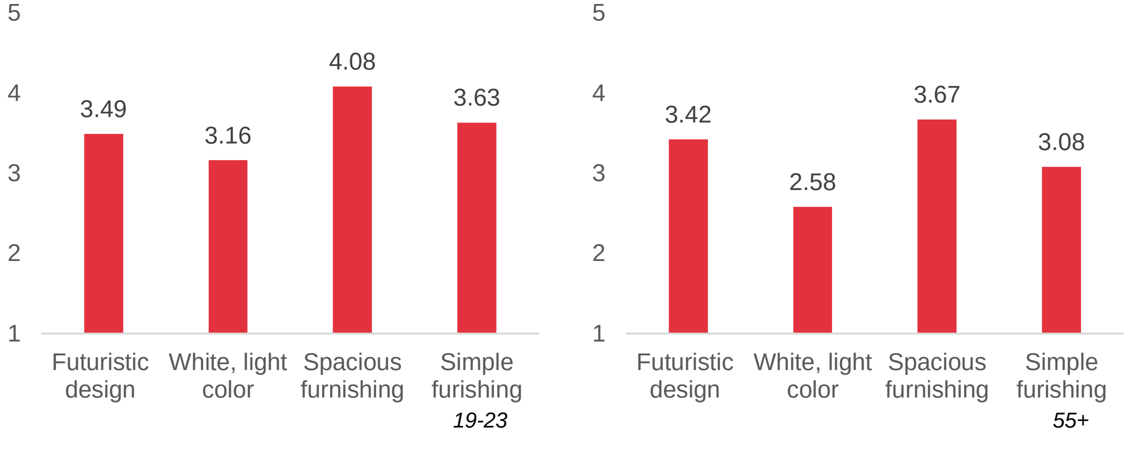
Aesthetic Values

The consumers' preferences in aesthetic characteristics are quite mixed. Most value furniture and décor products that could create more space in the room, followed by "simple" and "modern design" concepts.

How much do the following factors affect Vietnamese decision-making when buying furniture products (all age groups)?



How important are these characteristics to you when choosing furniture/décor? (Different age groups)



Summary

It can be concluded that the Vietnamese consumers show signs of a more “modern” sense and taste for trends and designs in furniture consumption than the standard concepts on developing South East Asian markets propose. At the same time they are still almost entirely focused on quality and price when purchasing furniture.

Numerous consumers from all age groups, of various occupation and social background also consider functionality and aesthetics to be equally as influential on their furniture consumption behavior as quality and price.

Younger consumers in particular evince a positive attitude towards the typical characteristics of Western product values, and this positive attitude towards such characteristics as simple and modern design, usability and affordability will rise further for the years to come.
As the Vietnamese furniture market is in a flourishing state, a new generation of families spend more time on furnishing their home, which determines the fact that more furniture and décor companies can find potential in establishing a furniture business in the Vietnamese market.

APPENDIX 1. FAIRS AND EXHIBITIONS

RELEVANT FAIRS AND EXHIBITIONS			
Name	**Time and Place**	**Organizer**	
Hanoi Gift Show	Time: 26-29/10/2013 Place: Vietnam Exhibition Fair Center, 148 Giang Vo, Ba Dinh, Hanoi, Vietnam	Vietnam Handicraft Exporter Association	550 foreign guests from 30 countries and more than 10.000 domestic guests. 62 exporters with revenue more than US$ 100 million/ year such as: Aria Import (Greece), LTC Trading Corp (US), Manor Ltd (Swedish), Alone (Brazil). Six product groups to display at the show: Home decor & Handicraft, Indoor & outdoor furniture, Home textiles & Embroidery, Gifts & ethnic items, Personal accessories and Toys.
VIFA Home (Vietnam Furniture and Home Accessories Fair 2013)	Time: 14-17/11/2013 Place: Tan Binh Exhibition and Convention Center (TBECC) – 446 Hoang Van Thu Street, Tan Binh District, HCMC	Handicraft and Wood Industry Association of HCMC (HAWA)	'Shopping Solution for Vietnamese House'. With more than 435 booths of 92 enterprises, the fair was considered as an opportunity for enterprises in the field of furniture, handicrafts, home décor, wood processing, household appliances, consultancy services and architectural design, to promote their brand and products and services. Exhibits included indoor and outdoor furniture, handicrafts and home décor items, household goods, household textiles, garden décor, material and designs, as well as architectural consultancy services.
LIFESTYLE VIETNAM 2014 Vietnam International Home Decor, Gift and Housewares Fair	Time: 18-21/04/2014 Place: TBECC 446 Hoang Van Thu Street, Tan Binh District, Ho Chi Minh City	The Vietnam Gift and Housewares Association (Vietcraft) and the Vietnam Trade Promotion Agency (Vietrade)	Accommodated over 1,000 booths from 400 Vietnamese and overseas exhibitors. Main products at the fair: Home Décor and Handicrafts, Indoor and Outdoor Furniture, House-ware and Storage, Home textiles and embroidery, Gifts & Ethnic items, Personal Accessories, Toys

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Name	**Time and Place**	**Organizer**	
VTG 2013 – Vietnam International Textile and Garment Industry Exhibition	Time: 24-27/10/2014 Place: Tan Binh Exhibition and Convention Center (TBECC) – 446 Hoang Van Thu Street, Tan Binh District, HCMC	Ministry of Industry and Trade, Vietnam National Trade Fair & Advertising Joint Stock Company (VINEXAD), Yorkers Trade & Marketing Service Co., Ltd., Paper Communication Exhibition Services and Chan Chao International Co., Ltd.	Hosted booths from more than 210 companies in 6500sq.m at the TBECC
Ho Chi Minh City EXPO Program	Time: 24-27/10/2014 Place: Tan Binh Exhibition and Convention Center (TBECC) – 446 Hoang Van Thu Street, Tan Binh District, HCMC	The Association of Garments, Textiles, Embroidery and Knitting (AGTEK)	Held B2B meeting and a workshop during VTG 2013. Also, AGTEK launched a seminar to discuss current trends and leading techniques and technologies.
Hanoi Gift Show 2014	Time: 27-30/10/2014 Place: Vietnam Exhibition Fair Center, 148 Giang Vo, Ba Dinh, Hanoi, Vietnam	Vietnam Handicraft Exporter Association	Hanoi Gift Show 2014 presents 550 booths of over 200 exhibitors from Hanoi and other provinces nation-wide. Hanoi Gift Show 2014 is believed to be a potential and attractive opportunity for both buyers and Vietnam handicraft and gift exporters.
International Exhibition VIETBUILD 2014	Time: 27-31/12/2014 Place: Vietnam Exhibition and Fair Center (VEFAC) 148 Giang Vo Street, Hanoi City. Including: International Exhibition VIETBUILD CANTHO 2014 (01-02/10/2014) - International Exhibition VIETBUILD HA NOI 2014 (19-23/11/2014)		Construction – Materials of construction – Real Estate – Indoor and outdoor Furniture Decoration. 9600 booths of businesses from 36 nations

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