

Sourcing & Purchasing from Vietnam



Introduction



- Sarah Crombie, General Manager
Papaya Trading Ltd.
- Over 20 years experience of importing furniture
- Small furniture wholesaler based in North of England
- Permanent staff, offices & showroom in Vietnam
- Wholesale – one piece to containers
- Bespoke

Introduction



Sourcing

- Vietnam
- Starting Points
- Choosing Partners
- Building Relationships

Purchasing

- Product Design
- Packaging
- QC
- Importing
- Questions

Introduction



Vietnam



Vietnam



Vietnam



- Foreign trade has been rapidly increasing since 1990s when state controls were relaxed
- Communist Party of Vietnam
- Only 0.5% of companies state owned
- GDP growing at 6%
- Inflation growing at 4%
- Very low unemployment at around 2%
- Young population with 46% under 30

Vietnam



What does this mean?

- ❑ One of the most dynamic & emerging economies in SE Asia
- ❑ Recent trade agreement with EU – only other SE Asian country to achieve this is Singapore
- ❑ Massive global investment (FDI) of \$19.1 billion in 2018
- ❑ Opportunities during reordering of global supply chain as a result of trade wars

Vietnam



Beware of:

- ❑ Lack of infrastructure
- ❑ Growing inequality
- ❑ Weak banking system
- ❑ Corruption Index Score of 35 – places Vietnam 107 out of 180.

Vietnam



Export Markets:

- ❑ Food
- ❑ Textiles
- ❑ Footwear
- ❑ Technology
- ❑ Forest Products inc Furniture

Sourcing Starting Points



- ❑ Trade Shows
- ❑ Sourcing Websites – alibaba, aliexpress, dhgate
- ❑ Agents
- ❑ LinkedIn
- ❑ Department of Trade
- ❑ Other wholesalers/retailers importing from Vietnam

Choosing Partners



- ❑ Agents
- ❑ Trading Companies
- ❑ Manufacturers
- ❑ UK & EU Companies

- ❑ Language & Communication
- ❑ How important are you?
- ❑ Capabilities
- ❑ Ethics – Sedex's SMETA 2 & 4 pillar. Labour, H&S, Environment & Ethics

Purchasing



Purchasing



- Product Design
- Packaging
- QC
- Importing
- Freight
- Finance

The Product



How do I get exactly
what I want
& what my customer
needs?

The Product



- Design rights
- Constituent parts & weak points
- Samples & their cost
- Colours
- Standards, testing and compliance

Packaging



Packaging



Final Checks & Import



- QC – agent, factory or visit
- Import Process:
- Freight agents,
- Quantities & consolidation,
- Documentation and payments

Papaya Trading



Sarah & Graham Crombie

Papaya Trading Ltd

015242 73555

Info: @papayatrading.co.uk

www.papayatrading.co.uk

Oak & Painted Furniture Wholesale