

Wooden Furniture

Sector Brief

The objective of this short write-up is to provide the reader with an overview of the sector. The information covers global trade of the product, status of Pakistan's exports and summary of industry structure. Trade information for global comparisons has been obtained from PC-TAS, International Trade Centre's Database. Latest available export data on Pakistan has been obtained from the Federal Bureau of Statistics, Pakistan.

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1. Introduction:

The global trade of furniture is concentrated in selected countries. Four of the largest markets for furniture are USA, Germany, France and Italy - all with a domestic market of over \$10 billion. The United States is the world's largest furniture market, where the opening to imports in the last few years has been impressive. There exists huge potential for future growth in trade of furniture as new markets continue to open such as China, India and Russia, which have the capacity to reach up to US \$ 10 billion.

2. Global Trends:

Total world exports of wooden furniture have increased by 17.2% from 1995-1999. The value of exports in absolute terms increased from US \$ 15.7 billion to US \$ 18.5 billion. The export market is growing at an annual average rate of 4%.

World Exports - Wooden Furniture (\$ million)					
Year	1995	1996	1997	1998	1999
World	15,790	17,061	17,402	17,990	18,508

Major exporters of wooden furniture include Italy, with 15.3% share of total exports in 1999 and Germany, with 10% share of the total exports in 1999. Others include Denmark with 7% and Canada with 9% share. Although Italy still is the export market leader but the exports have dropped over the last five years. Emerging players in wooden furniture that have shown impressive growth during 1995-99 include China and Canada as their exports increased at an annual average rate of 23%. The export growth of wooden furniture from Malaysia has also increased at a decent rate of 12% per annum.

Major Exporters – Wooden Furniture Total						
	(\$ million)					
	1995	1996	1997	1998	1999	% Share in 99
ITALY	3,088	3,372	3,161	3,121	2,838	15.33%
GERMANY	1,850	1,859	1,748	1,843	1,794	9.69%
DENMARK	1,440	1,370	1,334	1,409	1,321	7.14%
CANADA	746	966	1,223	1,469	1,719	9.29%
FRANCE	681	715	727	834	823	4.45%
POLAND	606	727	826	841	775	4.19%
CHINA	439	515	723	860	1,004	5.42%
MALAYSIA	528	647	732	702	817	4.41%
BELGIUM	672	637	614	606	680	3.67%
USA	541	597	668	632	582	3.14%
OTHERS	5,199	5,656	5,646	5,673	6,155	33.26%

According to the latest available trade data (1999) the largest importer of wooden furniture is the USA, which imported 31.2% of total imports, the second largest was Germany with 11% share in total imports and the third largest importer was France important to state that more than 40% of the imports are concentrated in the European region, with 7% share. It is

Major Importers (\$ million)	
	% Share in 99
World	100.00%
USA	31.21%
GERMANY	10.84%
FRANCE	7.29%
UNITED KINGDOM	6.03%
JAPAN	4.42%
SWITZERLAND	4.06%
BELGIUM	4.23%
NETHERLANDS	4.18%
AUSTRIA	3.36%
HONG KONG	3.10%

Wooden furniture has several categories, which include Office furniture, Kitchen furniture and bedroom furniture. Bedroom furniture is the largest product segment as far as the exports of furniture are concerned. It accounts for 19% of total exports of furniture. The kitchen furniture category comes next with a 14% share in total exports, followed by the office furniture category having a share of 11%. The growth in value of exports of kitchen and office furniture appears to be much higher than the bedroom furniture category.

World Exports - Wooden Furniture Category-wise (\$ million)					
	1995	1996	1997	1998	1999
Bedroom	3,094	3,244	3,250	3,337	3,386
Kitchen	1,967	2,301	2,366	2,417	2,534
Office	1,538	1,647	1,843	2,009	1,944
Other	9,192	9,870	9,943	10,228	10,645

2.1. Pakistan:

Data has been used for the period 1995-1999 for international comparisons. However, for Pakistan, data is also available for the years 1999-2001. Pakistan's exports of wooden furniture to the rest of the world have increased by more than 130% over the period 1996-2001.

Pakistan Exports - Wooden Furniture (\$ '000)					
Year	1996-97	1997-98	1998-99	1999-00	2000-01
World	1,889	2,698	3,452	4,149	4,394
Growth		42.84%	27.92%	20.21%	5.91%

Pakistan's exports of wooden furniture comprise mostly of kitchen furniture. In 2000-01 approximately 14% of total exports of furniture were accounted for by kitchen furniture. Office furniture was second, with a meager share of 0.55%. The difference between the export shares indicates the importance of kitchen furniture as compared to the rest of the categories for Pakistan, although the export market of bedroom furniture is much larger than any other category but the export growth in the kitchen furniture segment is almost 6% per annum.

Pakistan Exports - Wooden Furniture Category-wise (\$ '000)					
Year	1996-97	1997-98	1998-99	1999-00	2000-01
Kitchen	303	441	386	378	607
Office	0	8	49	8	24
Bedroom	28	37	0	5	9
Other	1,558	2,212	3,017	3,758	3,754

3. Office Furniture:

Total world exports of office furniture have increased by approximately 26% over the period 1995-1999.

World Exports - Office Furniture of Wood (\$ million)					
	1995	1996	1997	1998	1999
World	1,538	1,647	1,843	2,009	1,944

The main exporters of office furniture include Canada, which had a share of approximately 21% of total exports and Italy, which accounted for 12.71% of total exports in 1999. China has shown an annual average increase of 19% during this period.

Major Exporters - Office Furniture of Wood (\$ million)					
	1995	1996	1997	1998	1999
CANADA	147	207	290	360	399
ITALY	273	296	302	290	247
GERMANY	194	181	174	180	168
SWEDEN	141	164	166	185	147
DENMARK	107	96	110	137	139
BELGIUM	74	81	81	97	106
USA	70	73	85	87	78
CHINA	38	39	59	76	72
POLAND	52	59	60	53	50
UK	41	43	63	64	56
OTHERS	401	408	453	480	482

Major importers of office furniture include USA, which imported approximately 33% of the total imports in 1999. Other major importers include Belgium, which imported 7% of total imports of office furniture in 1999 and France, which imported over 6%.

3.1. Pakistan:

Pakistan's exports of office furniture were comparatively insignificant in 1996-97. In 2000-01 the exports had a value of \$24,000.

4. Bedroom Furniture:

World exports of bedroom furniture have increased by 9.4% from 1995-1999, however this increase has been at a decreasing rate.

World Exports Bedroom Furniture, Wood (\$ million)					
	1995	1996	1997	1998	1999
World	3,094	3,244	3,250	3,337	3,386
Growth		4.85%	0.18%	2.68%	1.47%

Italy was the largest exporter in 1999 with 13.26% of total exports of bedroom furniture. Denmark was second, with 12.14% of total exports. Canada registered an annual increase in growth rate of 20%.

Major Exports Bedroom Furniture, Wood (\$ million)						
	1995	1996	1997	1998	1999	% Share in 99
ITALY	528	582	544	519	449	13.26%
DENMARK	487	457	388	429	411	12.14%
GERMANY	405	403	396	392	373	11.02%
CANADA	179	221	282	316	370	10.93%
BELGIUM	172	148	146	133	142	4.19%
SPAIN	114	137	142	162	142	4.19%

The major importer of bedroom furniture in 1999 was USA with 37.38% of total imports. Second was Germany with 13.45% of total imports.

Major Imports Bedroom Furniture, Wood (\$ million)						
	1995	1996	1997	1998	1999	
World	2792	3025	2944	3233	3472	100.00%
USA	556	640	756	946	1298	37.38%
GERMANY	669	694	577	564	467	13.45%
FRANCE	223	240	245	245	254	7.32%

4.1. Pakistan:

Pakistan's exports of bedroom furniture have remained insignificant, in 2000-01 Pakistan exported bedroom furniture with a value of \$9000. Pakistan exports mainly to the UK and USA.

5. Other Furniture of Wood:

World exports of Other Furniture of Wood have increased by approximately 16% over the period 1995-1999.

World Exports Other Wooden Furniture (\$ mill)					
	1995	1996	1997	1998	1999
World	9,192	9,870	9,943	10,228	10,645
Growth		7.38%	0.74%	2.87%	4.08%

Major exporters of Other Furniture of Wood include Italy, which exported 17.28% of total imports in 1999. Second was Denmark with 6.44% of total exports.

Major Exporters Other Wooden Furniture (\$ million)						
	1995	1996	1997	1998	1999	% Share in 99
ITALY	2,076	2,192	1,993	1,980	1,839	17.28%
DENMARK	788	759	777	777	686	6.44%
GERMANY	579	581	545	589	549	5.16%
POLAND	437	521	573	601	566	5.32%

Major importers of Other Furniture of Wood include USA with a share of 29.25% of total imports in 1999. Others include Germany and France with 11.81 and 7.33% of total imports in 1999 respectively.

Major Importers Other Wooden Furniture (\$ million)						
	1995	1996	1997	1998	1999	% Share in 99
World	7,881	8,579	8,869	9,633	10,471	29.25%
USA	1,631	1,757	1,993	2,505	3,063	11.81%
GERMANY	1,519	1,562	1,447	1,463	1,237	7.33%
FRANCE	663	675	649	711	768	6.11%

5.1. Pakistan:

Pakistan's exports in the year 2000-01 were valued at \$3,754,000 for Other Furniture of Wood. Growth has remained stagnant over the last two years in this category. Major importers of Other Furniture of Wood from Pakistan include USA, Dubai and the United Kingdom.

6. Kitchen Furniture:

Total world exports of kitchen furniture in 1999 was \$2,534 million. There has been an increase of approximately 29% in the value of exports of kitchen furniture over the period 1995-1999.

World Exports Kitchen Furniture (\$ million)					
	1995	1996	1997	1998	1999
World	1,967	2,301	2,366	2,417	2,534
Growth		16.98%	2.82%	2.16%	4.84%

The major exporters of kitchen furniture include Germany, which exported approximately 28% of total exports in 1999, and Italy, which exported 12% in 1999.

Major Exporters – Kitchen Furniture (\$ million)						
	1995	1996	1997	1998	1999	% Share in 99
GERMANY	673	694	633	682	704	27.78%
ITALY	210	302	322	332	303	11.96%
CANADA	156	211	270	317	395	15.59%
FRANCE	135	129	124	127	115	4.54%

The largest importer of kitchen furniture in 1999 was USA with 29.3% of total world imports of kitchen furniture. The Netherlands was second with approximately 10% of total imports.

6.1. Pakistan:

Pakistan's exports of kitchen furniture peaked at a value of \$607,000 in the year 2000-01. The main importers of kitchen furniture from Pakistan include the UK with approximately 24% of total imports in 1999 and USA with 18% of total imports from Pakistan in 1999.