DEVELOPMENT
FURNITURE SECTOR ON THE GLOBAL
CSIL INSIGHTS
OUTLOOK
SCENARIO
WORLD MARKET OVERVIEW

The process took years and it was
progressively becoming a global
industry. The result was a factor causing uncertainty.
The trigger was the need for increased information
regulation, which is currently evolving rapidly,
requiring a role for product design and
innovation. This is where the current
industry stands, offering opportunities for
reflecting on the present, focusing on the
concerns of today, predicting the
future, and reflecting on the challenges
faced by the sector.

The seminar was chaired by

Gloriana Carcellera, CSIL
President.

The seminar focused on the furniture
sector, exploring the opportunities in
new markets, addressing the supply chain,
and considering the future of
the sector.

The seminar was held in Milan.

The 17th edition of CSIL World
Furniture Outlook Seminar took place on April 10th, 2019 at
industry features and perspective in their countries.

Asia Pacific still proves to take the lion's share in the global context. **Linda Tu**, Vice Secretary General of CNFA - China National Furniture Association and Vice Chairman and Secretary General of CAFA - Council of Asia Furniture Associations, provided figures for 2018 of the Chinese furniture sector, including those showing a sustained growth of both exports and domestic sales, with a continuous development of the retailing channels, including the trend towards digitalization and online trade. She also illustrated the investment strategies of Chinese companies mentioning several examples of partnership in Europe aimed at adding high-end and mid-high-end brands in their product portfolio as well as investments aimed at increasing productive capacity outside China, particularly in Vietnam.

The importance of Vietnam as a global player emerged from the speech of **Nguyen Chanh Phuong**, Vice Chairman/General Secretary of HAWA, Vietnam Handicraft and Wood Industry Association, who illustrated the process of development of the local wood and furniture industry that, after the 2000s, saw the advent of a new economic era. The milestones driving the development are many and include, among others, foreign investments and strong support for the Vietnamese government, which identified the sector as one in the target of priorities. Particular attention is devoted to certification and sustainable forestry management, policies for human skills development and the reinforcement of the country international role through the development of trade agreements. All of this, under the motto “Vietnam to become the Global Woodwork Hub”.

Europe is a leading player in the furniture industry, being the second largest producing region in the world. According to CSIL estimates presented at the seminar, the region in fact accounts for around one quarter of the total sector output.

The importance of the European Furniture industry was illustrated by **Nazzareno Mengoni**, Member of the Board of EFIC - European Furniture Industries Confederation - which recapped some key sector figures: the sector employs over 1 million workers in almost 120,000 companies, mainly SMEs, generating a total turnover of around Euro 100 billion. It was highlighted that the future path of the EU furniture industry should follow a long term planning in order to keep the industry competitive in the global context. EFIC identified several priority areas for intervention including: digitalization, harmonization and trade barriers reduction, as well as circular economy.
Young workers.

The importance of circular economy.

Outlook Scenarios

World Furniture Production, 1999-2018, Current US$ billion

The need for having a European strategy for a clean planet for all. Having a clean planet for all is also stressed by Cimugo.

The importance of circular economy.

World Market Overview

World Furniture Production, 1999-2018, Current US$ billion

The need for having a European strategy for a clean planet for all.
As illustrated in the presentation of Artem V. Vasiliev, Head of Development & International Relations of Mebelny Biznes magazine and President of IAIFP, International Alliance of Furnishing Publications, import figures started growing again not only from China but also from Germany and, to a less extent, from Italy. The Russian retail landscape is in continuous development. (see also article on pages 16-17).

Moving to North America, an area that has performed positively in the period, an interesting and exclusive contribution was provided to the audience by a written note sent in occasion of the seminar by Jerry Epperson, MAE, Mann, Armistead & Epperson Ltd. As stated in his release: "The global economic slowdown has forced many U.S. factories to slow down production which has had an impact this year. Of course the trade war with China has also had an impact". Other factors were also mentioned, including the role of Ecommerce and Millennials in driving consumption in the medium term. Still, this year’s performance - either in terms of furniture production and consumption - seems hard to predict, due to many factors potentially weighting on the current situation. (see also article on page 15).

A contribution from South America was provided by Candida Cervieri, executive director of Abimovel, Brazilian Association of Furniture Manufacturers, who focused on the keywords of design, competitiveness and sustainability. After providing some figures proving the large size of the Brazilian furniture sector, she drove the attention to the target markets of Brazilian exports both in Europe, North America and the Middle East, presenting the ongoing and planned initiatives aimed at fostering the internationalization process.

Looking at the market side, the picture presented by CSIL experts was positive in terms of global furniture consumption, expected to grow at a 3% yearly rate (in real terms) in the coming years, with the fast run of Asia Pacific, but also within a context that remains positive in all the other main areas. The seminar concluded with a final remark by Giovanna Castellina, who recapped the global dimension of the furniture sector, as a playing field where companies look for opportunities and face challenges, and where the key driver of market development goes along with competitive advantages, technology, investments and product development.