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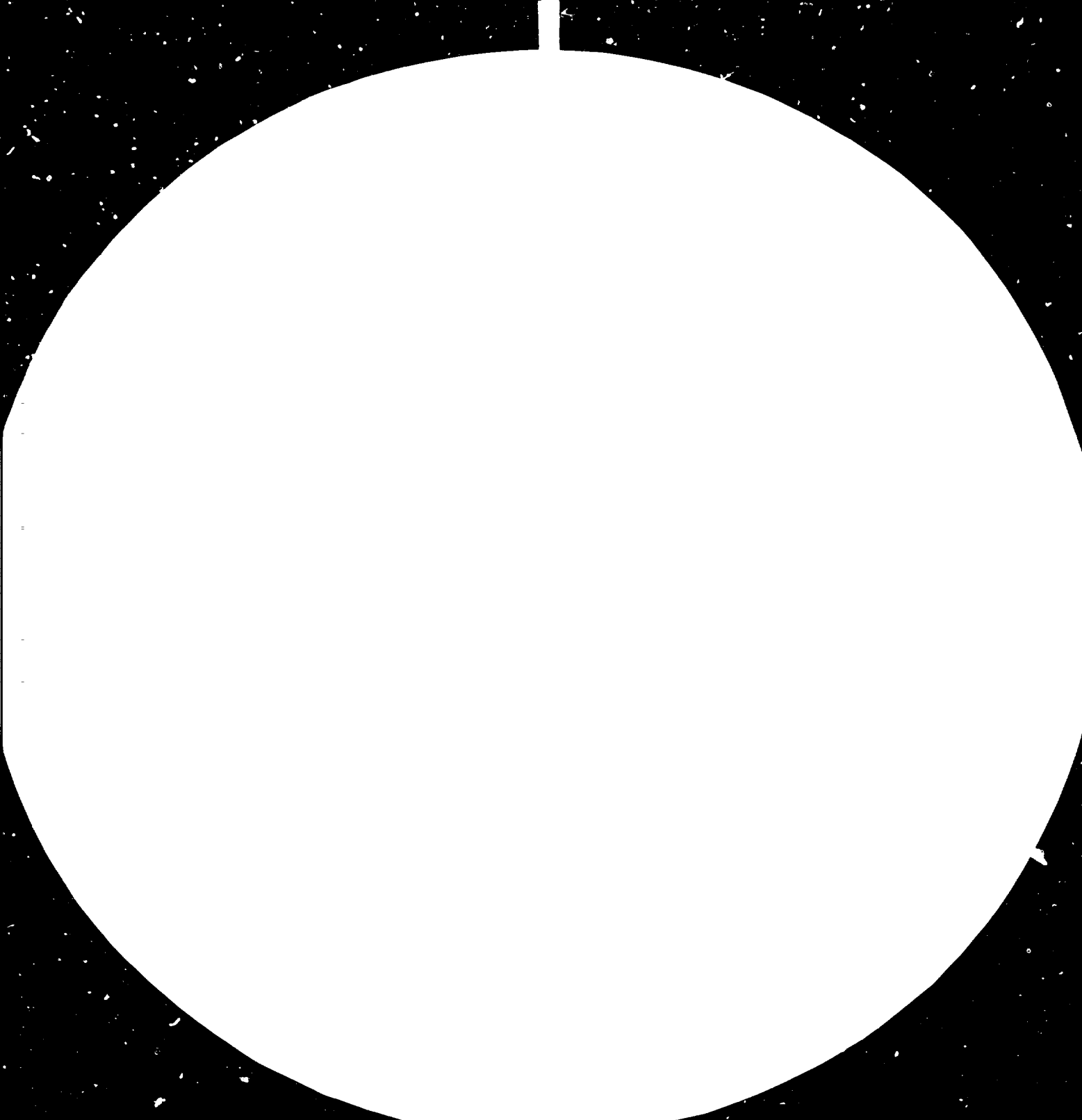
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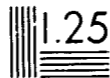
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When using this chart, the resolution of the system being tested is determined by the number of the smallest pattern that can be resolved. For example, if the patterns of 1.0 and 1.1 are resolved, but the patterns of 1.25 and 1.4 are not, the resolution of the system is 1.1.



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NOTES ON THE MARKETING OF FURNITURE AND EXPORT TRADE *

by

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NOTE

All reference to dollars (\$) are to United States dollars

The term 'billion' denotes one thousand million

- EEC European Economic Community - member countries 1981: Belgium, Luxembourg, France, Federal Republic of Germany, Denmark, Ireland, Italy, the Netherlands, United Kingdom and Greece.
- EFTA European Free Trade Association - member countries: Austria, Portugal, Norway, Finland, Sweden and Switzerland.
- OECD Organization for Economic Co-operation and Development - member countries: United States, Canada, Japan, Australia, New Zealand, Austria, Belgium-Luxembourg, France, Federal Republic of Germany, Italy, the Netherlands, Ireland, Denmark, Finland, Norway, Iceland, Greece, Spain, Portugal, Sweden, Switzerland and the United Kingdom. Yugoslavia is an associated member.

A. Growth of international trade in furniture

1. World outlook

During the last five years domestic demand for furniture in the OECD area has been irregular, varying from country to country, as a result of the different stages of recovery from the 1973/1974 economic recession. In the largest market, the United States, demand has increased consistently since 1975, probably as a result of the recovery experienced in the construction sector, and domestic supply of household furniture and bedding in current dollars increased by 68 per cent during 1975-1979. Although demand declined by 4 per cent in 1980, it is now expected to be recovering and an increase of 13 per cent (in current dollars) is forecasted for 1981.

During the same period, demand was reported to have recovered well in Japan and in some of the largest West European markets; particularly in the Federal Republic of Germany, France, Italy and the United Kingdom which experienced substantial growth. However, in real terms, the growth would be considerably less if we allow for an adjustment of the rate of inflation in the respective countries.

The medium term outlook for the furniture market is uncertain and demand is not expected to grow substantially (in real terms) during the next three years. In fact, apart from the presently unfavourable economic background with its adverse influence on both, construction activity and consumer spending, negative trends in household formation in many OECD countries, characterized by lower marriage and birth rates, can only accentuate this unfavourable outlook. As in the case of many other consumer durables, replacement demand has now outstripped first purchases of furniture.

In the largest market, the United States, the recent measures adopted by the Federal Reserve Board to fight inflation and, in particular, the tightening of credit by raising interest rates, will have no doubt an adverse effect on the construction market by increasing both, the price of new housing and the cost of mortgage loans. This unfavourable situation can be expected, in turn, to produce a negative effect on the furniture market in the coming months.

2. Foreign trade

OECD trade in furniture of all types and materials (SITC No.321) showed remarkable growth throughout the 1975-1979 period and remained at a high level in 1980 despite the world economic recession which affected the furniture market in many countries severely.

The value of imports of furniture from the world by the OECD countries which account for the bulk of world imports, rose from \$3.4 billion in 1975 to almost \$8 billion in 1979 at an annual average rate of more than 24 per cent. The Federal Republic of Germany, followed by the United States, France and the Netherlands were the largest single importers among the OECD countries. Together they accounted, in 1979, for 58 per cent of the total OECD imports of furniture. In per capita terms, the Netherlands and Switzerland led the OECD countries and appeared to be the countries relying most heavily on furniture imports.

Imports into the EEC countries valued at \$5 billion accounted in 1979 for almost 63 per cent of the total OECD imports of furniture. Imports by EFTA countries amounted to over \$1.2 billion, led by Switzerland (\$443 million) and followed by Austria (\$307 million) and Sweden (\$265 million).

On the supply side, the EEC countries supplied over \$5 billion worth, or 63 per cent of total OECD imports in 1979. The largest single suppliers in this trade flow were the Federal Republic of Germany and Italy which, together, accounted for almost 40 per cent of total OECD imports in that year. The EFTA countries supplied \$768.3 million, with Sweden (\$374 million) being the major supplier.

France and the United States, with a deficit of over \$600 million each, were the countries with the biggest negative balance of trade in furniture among the OECD countries in 1979. Other OECD countries with significant deficits in 1979 were the Netherlands, Switzerland, Austria and Norway.

On the supply side, Italy, with a balance of trade surplus of almost \$1.5 billion in 1979, was the largest single net exporter of furniture in the world. The export performance of this country is particularly remarkable; during 1975-1979, the annual rate of growth was of 37 per cent, the highest among the OECD countries. Other OECD countries running important trade surpluses in 1979 were the Federal Republic of Germany, Denmark and Sweden.

3. Share of developing countries in the furniture market of the OECD

It should be remembered that the bulk of international trade in furniture takes place among industrialized countries. In 1979, roughly 85 per cent of all imports and exports of the OECD countries were directed to or originated from themselves, and this trend has remained stable for many years. If we consider the EEC countries, the proportion is even higher: 91 per cent of total imports of furniture in 1979 originated in the developed market economy

countries. During the last five years, however, developing countries have made impressive gains. The value of OECD imports of furniture from developing countries rose from \$135 million in 1975 to \$681 million in 1979 at a rate of 49 per cent annually to account for a 9.5 per cent share of total OECD imports of furniture in 1979.

Among the OECD countries, Japan and the United States are the markets more open to imports from developing countries. In fact, during the 1975-1979 period, Japan's imports of furniture from developing countries have been increasing at an annual rate of almost 45 per cent to total almost \$145 million in 1979. Developing countries are presently the major source of supply of furniture to Japan, accounting in 1979 for 62.4 per cent of the import share.

Apart from Yugoslavia, the largest developing countries suppliers of furniture to the OECD in 1979 were China (Taiwan Province), with a shipment of \$344 million, and Hong Kong with \$70 million. Increases in supply from both countries were rapid; the first country at an annual rate of almost 62 per cent, and the second at almost 27 per cent during the period 1975-1979. Other large developing country' suppliers were the Philippines (\$64 million) and the Republic of Korea (\$41 million), followed by Mexico (\$39 million), Singapore (\$37 million) and Thailand (\$19 million). Together, the above countries accounted in 1979 for over 90 per cent of total shipments from developing countries to the OECD area.

Despite the impressive gains made by certain developing countries, particularly in exporting to the United States and Japan markets, it should be again pointed out, however, that the bulk of international trade in furniture takes place among industrialized countries, particularly within Western Europe, and that comparatively very little furniture is shipped overseas. For instance, in the United States, only 7 per cent of the total 1980 consumption of household furniture was accounted for by imports.

B. Growth factors in consumption of household furniture

It has been observed that per capita consumption of furniture does not necessarily correspond to per capita personal income. In the United States, for example, consumer expenditure for household furniture in 1979 amounted to \$18.9 billion, or 1.25 per cent of the total personal consumption expenditure. In 1972, consumer spending for furniture was \$9.9 billion, or 1.35 per cent of total consumer expenditure. Likewise, furniture's share of total spending (in constant 1972 dollars) increased at a slower rate than the

total during the seven year period, a 3.7 per cent increase for furniture compared with a 26 per cent increase for total consumer expenditure. A similar pattern is shown when furniture expenditure is compared with total expenditure for household operation, of which furniture is a segment.

Indeed, while living standards have an important bearing on the per capita level of furniture consumption, no direct relationship can be found between the respective growth rates. Other factors besides living standards influence the growth of consumption of household furniture in a given country. Among the more important are:

- age composition of the population
- marriage rates
- number and size of dwellings
- level of construction activity
- level of mortgage rates
- level of hire purchase and instalment credit restrictions
- climate
- traditions in the use of furniture
- availability of raw materials

These factors cannot always be quantified or made internationally comparable, but they should be fully taken into account in forecasting consumption growths. Thus, while living standards provide an indication of the likely level of per capita (or per household) consumption of furniture, no firm conclusions can be drawn about growth rates of furniture consumption on the basis of the growth rates of GNP.

C. The changing market: need for a marketing policy

The furniture market in the OECD countries has become very complex and sophisticated, and commercial improvisation is no longer possible. There is a big potential demand for furniture and it is therefore essential to analyse the market in order to determine exactly what products will be in demand in the near future. The analysis must provide accurate data on consumers, on competitors and on the market coverage offered by different trade channels. It will then be necessary to establish a coherent and efficient marketing policy. This, in turn, may necessitate a radical change in the attitudes and practices of management. Today's exporters must realize that their

present product range, which may be selling well in the local market, will not necessarily be acceptable in more sophisticated countries for any number of reasons, such as quality, design, style or price. The problem here is for the manufacturer to adapt his products to existing requirements in the target markets, and not simply to try to find markets for his present products.

In former times, furniture was intended to last for, practically, the lifetime of the purchasers. Today, people change their furniture almost as often as they change their mode of life. Among the main factors motivating a renewal of household furniture are:

- changes in family status
- removal to a new house or flat
- improvement in the family income
- fashion trends

Recent consumer research surveys show that there are six typical periods in a family's life when expenditure on furniture will increase:

- when the 'just married' couple rent or buy their first flat/house
- after the birth of the first child
- after a promotion or an improvement in income
- when 'teenagers' reach college level and start receiving friends at home
- when buying a secondary residence for weekends or holidays
- when the children become independent and leave their parents home.

(Here a tendency has often been observed towards the purchase of period style furniture).

Modern consumers tend to buy furniture in accordance with the following criteria:

- style
- quality
- suitability to existing home furniture
- price
- practical value

Fifty years ago, fashion in furniture was more or less decided by a few influential groups. Today, a considerable number of people are involved in setting fashions, including:

- fashion designers
- interior decorators
- architects
- manufacturers
- dealers
- importers
- women's and housing magazines
- trade reviews

Modern mass media spread consumer information at all levels and on such a scale that the taste gap between the different social categories has been vastly reduced or has become non-existent. Modern furniture buyers usually know what they want; this is mainly due to better purchasing power, better knowledge of furniture styles and materials, and the larger choice of furniture offered by the trade. Therefore, in today's furniture market, new products (i.e. new in any way in any target market) are so important to the survival of a firm in a competitive economy that there has to be organized methods of product development; hence the need for a marketing approach and for planning. This in turn will improve marketing strategy, which alone can prevent the product failures that no manufacturer can afford in a situation where increasing numbers of competing products are being offered on the market.

D. Fundamentals of export trade

1. Advantages of export trade

There are many basic reasons why a country may want to promote export trade; some typical examples are abundance of natural resources, unemployment and cheap manpower, the necessity of paying for imports, balance-of-payments problems, etc. From the viewpoint of an individual enterprise, however, considerations regarding export trade are essentially different.

For a new or potential exporter, the advantages may be direct or indirect. Direct advantages include the creation of a larger market, increased and even mass production, specialization and concentration in production, more rapid inventory turnover and more sales revenue, better chances of balancing seasonal differentials, and possibilities for limiting risks caused by changes in local demand. There may also be indirect advantages. For example, increased exports

may bring about changes in the technical and managerial structure of an enterprise through competition; the technical developments and tendencies in foreign countries that an export company must follow will make it more competitive domestically. Furthermore, export trade often tends to improve co-operation among domestic companies through rationalization, specialization and the like. Another important factor is that a well-known and successful exporter has a better image in the home market and may gain access to more long-term credits, both domestic and foreign.

2. Study of export potential

The first step in studying export potential is to determine the position of an enterprise in the home market, the general trends within the industry and present exports, if any. The position of the enterprise must be analysed as regards existing market share, trends of development financial position and availability of adequate financial resources. The second step is the study of production, that is, of the suitability of products for export, possible patents or other protections, production capacity and planning capacity for technical modifications.

The next factor is pricing. In general, the price of a product is fixed by the price level of existing competitors or substitutes, and the cost price must be calculated for comparison with this figure. In export pricing, however, special features should be taken into account. In the case of export products, the domestic sales tax is normally deductible, as taxes and duties are deductible that are paid on imported raw materials and accessories ('draw back system'). All domestic selling expenses should also be deducted from export prices. In practice, one of the most common methods of determining the lowest export price is the so-called break-even analysis, in which the price must cover at least all variable costs and then, if possible, make some unit contribution to fixed costs. Important factors in export trade are the specific costs caused by exporting, which may consist of such necessities as market research, advertising, product modification, better packaging, staff travel, etc. These costs often cannot be assigned to any particular sale and should therefore be spread over a period of time.

The last step in studying export potential is to determine the range and scope of the different tools of marketing available to a company. Basically, they are the same as those required for domestic marketing, but in export trade they must be adjusted to local conditions in foreign countries, which will increase costs substantially. Moreover, the competition is likely to be keener, and for these reasons a potential exporter should co-operate closely with domestic or foreign representatives and most importantly, with other

exporters. When planning to export, a firm must bear in mind that export trade is a long-term activity taking years to learn and that profits are often not made immediately. On the other hand, an exporter is required to comply with agreements and commitments and to have knowledge of export trade, terms and procedures.

3. The export process

Occasionally, a firm may receive inquiries from foreign representatives or importers leading to actual sales later. More often, however, the export process must be initiated by the potential exporter. One way to do this is to carry out market research, which also clarifies available distribution channels and their costs. However, such studies tend to be rather costly, and their findings may be speculative and useful for only a short period, so that this activity can normally be engaged in only by larger enterprises. Another way of gaining a foothold in foreign markets is to take part in trade fairs and exhibitions, which can serve both as a means of establishing contacts and as actual selling situations. Even this type of participation is rather costly and can best be accomplished through co-operation among many smaller firms.

From the point of view of a small enterprise, the best way of initiating the export process may be to get in touch with either importers or their intermediaries, directly by letter or through sales representatives. The choice of appropriate channels will depend on such circumstances as the type of product, size of the enterprise, local (foreign) purchasing habits and product price.

In foreign countries, the distribution channels consist typically of export agents, import agents and firms, wholesalers, department stores, retail outlets and brokers; all of these are generally involved in selling. Sometimes it may be possible to sell directly to industries and institutions, occasionally even through a local manufacturer ^{1/} if the products complement each other. Owing to the high costs involved, the establishment of a sales organization is usually realistic only for large enterprises with very profitable products or for many small companies working in close co-operation (export consortia).

^{1/} See chapter E for subcontracting activities.

In export trade there are often many types of supporting activities at different levels that are of vital importance for relatively small exporters. If government export organizations or financial arrangements exist, they should be utilized. On the other hand, there may be foreign trade associations and industrial federations that can furnish valuable information or support. Export activities may to some extent be promoted through chambers of commerce and local banks carrying on international operations and through the official commercial representatives and trade attachés of foreign countries. However, these institutions may be limited in number.

Important possibilities for individual exporters are export and sales associations and export groups or consortia based on voluntary co-operation. Associations may be formed either to cover a product range or a region; their main activity is often concentrated on promotional aspects such as establishing business connections and arranging exhibitions and joint advertising, but they may also engage in market research and even in actual selling. Export groups or consortia, on the other hand, are based on smaller groups in which small manufacturers of different but supplementary products obtain marketing information in a joint effort, using the same channels of distribution and hiring joint personnel. In the light of the prevailing keen competition in international markets, some form of co-operation between small enterprises is highly advisable for increased exports or even for any exports at all.

4. Market research

Market research is the systematic collection and analysis of marketing information. It includes various types of research, among them market analysis, a study of the size, location and characteristics of markets; sales analysis, which concerns consumer attitudes, motives and preferences.

Before starting the production of a new item, management should obtain information on the potential market, its size and location, competitors, expected market share and sales volume, customers' needs and preferences, etc. The same information requirements apply to existing products if the sales volume or market share is to be increased. Some of the basic market information may be obtained from statistics, previous studies, publications, trade journals and similar sources. The data on customers' wishes and preferences and on competition may to some extent be gathered through a company's own salesmen

and retailers. Consumer surveys such as personal interviews, mail questionnaires and motivational research are more difficult to conduct without expert help. Instead, product tests in which new items are given to selected customers, or test marketing in which a new product is actually offered for sale in certain locations only, may be used for studying customers. It must be emphasized that the use of outside market research experts or consulting firms normally gives the best results, but it is very costly and always leaves some problems that must be resolved by subjective decisions.

5. Export market surveys

A manufacturer who intends to enter foreign markets is handicapped in many ways; he has no experience of these markets, he may be unable to discuss with prospective clients in a common language, and he may not have a cost-analysis developed to determine a real price for export. Many specific difficulties are encountered in the export of furniture and joinery products, such as the lack of appropriate manufacturing tradition in the factory of the exporter and the absence of a tradition in using furniture; such factors may make potential importers hesitate to place an order.

Marketing is a strategy of presenting a product. It is based on research on the needs of people and on the ways of satisfying these needs. It entails developing a system of transforming such ways into concrete services and products that can be produced at a competitive price, and it concerns the manufacture, distribution, description, selling and consumption of the product. In marketing there are four basic considerations: the product, price, promotion and distribution. In a market study tangential factors should be included such as demand, competition and institutional factors (tariffs, barriers, etc.). An export market survey must be specially designed to the previously defined needs of the enterprise so as to provide specific guidelines on which an appropriate marketing strategy can be based. The following is a suggested outline for an export market survey:

Suggested outline

A. Main demand factors

1. General economic trends
2. Furniture in the family budget

B. The furniture market

1. General characteristics
2. Domestic production
3. Foreign trade

4. Consumption
5. Market access
6. Distribution patterns
7. Marketing areas
8. Commercial practices
9. Styles and woods in demand
10. Price levels
11. Transport, packing and packaging
12. Promotion and advertising

C. The domestic furniture industry

1. Structure
2. Geographical location
3. Supply of raw materials
4. Materials and technology
5. Standard sizes
6. Quality standards

D. Summary of recommendations

E. Opportunities in furniture sub-contracting
with developing countries

As is apparent from the foregoing, although the furniture market has been rapidly expanding in most developed countries, developing countries have not been able to take full advantage of this expansion and their share of the market does not compare favourably even with their market share in timber, sawnwood and other wood manufacturers.

A number of technological and financial factors may largely account for this situation, and it is not the purpose of this paper to discuss them. However, the fact remains that a number of developing countries have a furniture industry possessing a certain degree of technology and a tradition in woodworking that, coupled with an adequate domestic supply of tropical woods and abundant labour force, should enable them to create an export potential. One of the main reasons for the comparatively poor performance of developing countries may be that their information on foreign markets is inadequate and they therefore lack a proper marketing approach to product planning. But, on the other hand, furniture manufacturers and major purchasing organizations in developed countries, particularly in Western Europe, have regarded in the past with considerable scepticism any collaboration with furniture manufacturers in overseas developing countries.

However, both the developed market economy countries, and to a lesser extent, the centrally planned economies are relying to a large extent on tropical hardwood logs and sawwood to satisfy their needs in forest products. This trade has increased in the past, and it is forecasted that it will continue in the future.

Increasingly, export restrictions for logs and lumber from developing countries is starting to change the import structure of wood-processing industries. Because of the de facto monopoly which developing countries have in tropical hardwoods and the tariff facilities accorded to them for exports of semi-manufactured and manufactured products under the Generalized System of Preferences (GSP), the developing countries can and should enter these markets; initially with semi-manufactured products, such as veneers and plywood, and subsequently develop their secondary wood-processing industries to enable them also to export manufactured wood products such as joinery, furniture (probably in component or knock-down form) and prefabricated housing components.

Although threatened by competition from plastics, the use of hardwood in the furniture industry is likely to go on increasing for as long as the prevailing trend for rustic-style furniture continues, and providing its price elasticity remains favourable. The furniture industry is probably the major consumer of both logs and sawn timber. Beech, together with oak and walnut are probably still the single most popular species used. However, tropical species (obeche, teak, sapele, mahogany, ramin, meranti, etc.) still account for about two thirds of hardwood consumption. This proportion is likely to increase as developing countries increase their trade with Europe and promote the use of lesser known species. Prices for tropical hardwoods are likely to rise relatively quickly in the future. However, reduced availability of domestic European species may ensure the former an increased share of the market.

In former times, furniture was almost entirely produced within the same factory and only certain fittings (particularly in metal) were purchased from outside the plant. Over the last two decades, however, the range of wood components supplied to furniture makers has increased consistently, and major developments such as the sub-contracting of surfaced and finished panel boards were introduced. These developments have since expanded to cover similar and other types of finished board, cut-to-size, machined, edged and drilled ready for assembly into basic carcassing for cabinets and other types of furniture. Also, a greater proportion of timber elements are supplied from outside the industry, including arms and legs, etc.

Thus, with increasing specialization and the introduction of mass-production techniques, part of the furniture industry is now evolving into the manufacturing of furniture components to be assembled by other factories. This has frequently been the case for small companies specializing in solid wood products where manpower skills are still necessary.

Until recently, the manufacturing of components has mainly been directed to support the furniture manufacturer. However, with the rapid development of new distribution outlets specialized in retailing knock-down, 'do-it-yourself' type of furniture, such as IKEA, Europamöbel, etc., there is at present a big opportunity for component manufacturers to supply directly a full range of components or even complete knock-down sets to distributors who are interested in offering their own brand lines.

It may be concluded from the above, that manufacturers of wooden furniture in developing countries are now given a significant opportunity to develop their exports of wooden furniture by manufacturing semi-finished components and/or complete knock-down sets for distribution in industrialized countries. It is to be contended that this development can be mutually beneficial for both, exporters in developing countries and importers in developed countries, particularly in what concerns the supply of solid wood components such as table tops, legs, chairs, etc., which could be supplied in a variety of domestic tropical hardwoods by a considerable number of medium-to-small size companies in several developing countries offering competitive advantages in cheap labour, abundant raw materials, and a minimum of overheads.

Collaboration with furniture manufacturers in overseas developing countries is technically feasible, but has been regarded in the past with considerable scepticism in some West European countries. Generally, manufacturers/importers in industrialized countries have been greatly concerned on the one hand about freight costs, and on the other hand about regularity of deliveries. Maritime freight costs may represent a significant element in the price of a product; these costs, over which the business partners have no control, are fixed unilaterally by the shipping companies. Sea transport, it is argued, also constitutes a permanent factor of uncertainty for the trade, because non-compliance with delivery terms could lead to a serious dislocation of a manufacturer's production schedule. Hence, manufacturers in the target markets are not always confident in overseas suppliers' ability to ensure delivery on time, because of the irregularity of shipping services and the great distances involved.

However, European manufacturers and importers of wooden furniture are generally in a position to provide the financial, technical, and managerial know-how for collaboration with manufacturers in overseas developing countries, and it is to be hoped that they will adopt a more positive approach for, in spite of the above-mentioned problems, this type of collaboration is proving quite successful in the United States and Japan where manufacturers and importers have gained considerable experience in dealing with developing countries and this relationship has produced acceptable results for both parties. An illustration of this example is the fact that a developing country, namely China (Taiwan Province) has now become the major source of imports of wooden furniture and parts in the United States market.

The International Trade Centre UNCTAD/GATT has been actively involved over a number of years in the furniture field by assisting a considerable number of developing countries in their efforts to promote their exports of wooden furniture and parts. In several cases, these efforts have met with considerable success and, as a result, certain developing countries are now increasingly active in the export field. However, it has been our experience that one of the main problems hampering the development of a more consistent co-operation between industrialized and developing countries in the field of furniture sub-contracting is constituted, on the one hand, by the lack of marketing information on target markets existing in the majority of developing countries and, on the other hand, by insufficient or inadequate information in developed countries on the possibilities and export potential for furniture sub-contracting offered by a number of developing countries.

In our view, a possible solution to this problem may consist in the establishment of a furniture sub-contracting exchange where communications on supply and demand for furniture products between industrialized countries and developing countries would be greatly facilitated. This type of exchange may in time operate within the scope and terms of reference of the proposed Tropical Timber Bureau. Pending the creation of this Bureau, the sub-contracting exchange could perhaps operate, initially, at least, in a modest scale at individual country level, through local trade associations.

F. Conclusions

Many developing countries are fortunate in having good reserves of timber; all require some sort of housing and home furnishings. Even if a country should lack sufficient timber to meet its needs, a strong wood-processing industry based on imported raw material may still prove an important asset. Such an industry could provide the framework for supplying requirements for housing and home furnishings and could create employment, thus leading to improved living standards.

Developing countries have a near monopoly in the tropical woods that are in increasing demand by developed countries for fine furniture and joinery work. However, the bulk of these exports is still in the form of logs which are processed into wooden manufactures in the developed countries, thus contributing little to the economies of the exporting countries.

As the production of furniture is not a difficult manufacturing process involving complex technology, many existing small-scale factories can, with proper planning, be up-graded to industrial enterprises through assistance in production planning, quality control, design for larger production series, selection of equipment for modernizing their workshops and more efficient organization of work, including marketing.

The requirements for manufacturing furniture and its components for the export market, however, are more stringent than those for the home market. New technologies must be mastered for kiln-drying, surface finishing and precision machining, since the changes in climatic conditions, customer demands and the need for shipment in knock-down form imply the assembly of interchangeable components.

Some developing countries are well forested, have wood as a valuable and renewable natural resource and abundant labour. As both the requisite skills and capital requirements are relatively low in furniture and joinery, these countries should strive to take advantage of this combination and work to export to the markets of the industrialized countries; for if developing countries are to achieve a better international division of work, the furniture and joinery industries could well be a field in which they could play an increasingly important role.



