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IMPORT PROFILE

Investment Opportunities

WOODEN BEDROOM FURNITURE,
NOT UPHOLSTERED

Pub. No: 36-85

November 1985



Government
of Canada

Regional Industrial
Expansion

Gouvernement
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Expansion industrielle
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The nearest DRIE Regional Office.
These offices are listed on page 8
of this publication.

REFERENCE SOURCES

Department of Regional Industrial Expansion

Statistics Canada

Revenue Canada

Supply and Services Canada

EXPLANATORY NOTES

Valuation

Imports are generally recorded at the values established for customs duty purposes according to the provisions of the Customs Act. Customs values are identical to selling prices for most transactions between non-affiliated firms, but customs values exceed selling prices for many transactions between affiliated firms. All values are reported in Canadian dollars and do not include duty.

Average Growth Rate

Growth rates are calculated on the basis of annual compounding.

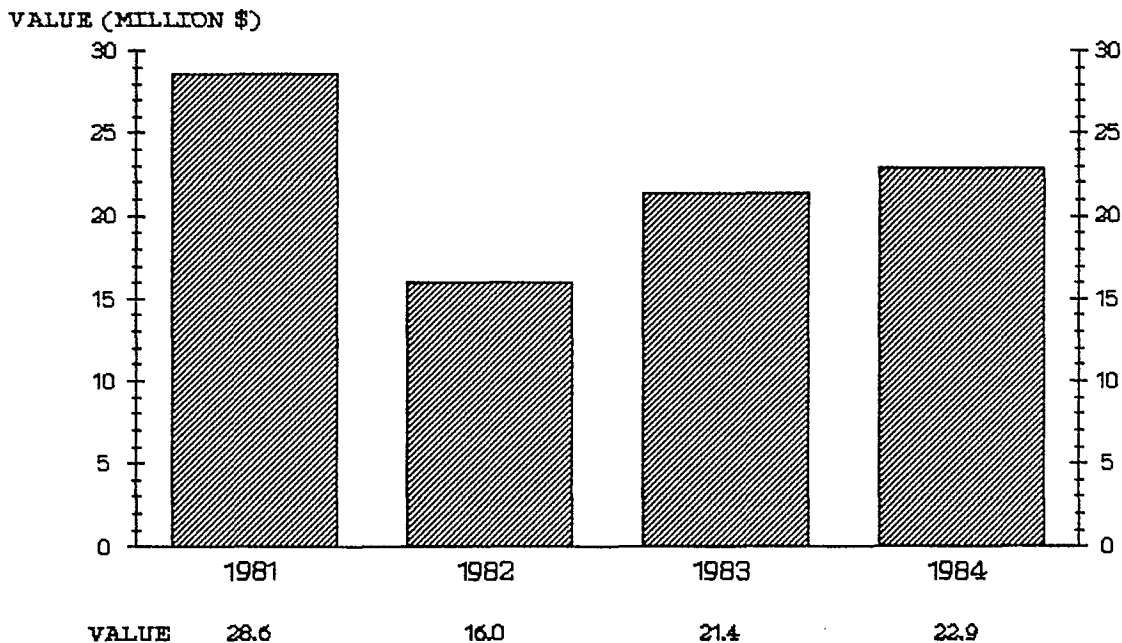
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

WOODEN BEDROOM FURNITURE, NOT UPHOLSTERED

This report is one of a continuing series designed to increase business awareness of the potential existing for domestic production and to stimulate Canadian business to further explore potential opportunities in both the Canadian and export markets. It is important to emphasize that this report does not attempt any assessment as to the feasibility of manufacturing or competing in a particular market and should be treated as an indicator or starting point for the manufacturer or entrepreneur.

Additional information on household wooden furniture can be found in profile numbers 35-85, Wooden Living Room/Hall Furniture, Not Upholstered; and 37-85, Wooden Dining Room Furniture, Not Upholstered.

IMPORT TRENDS



From 1981 to 1982 imports of wooden bedroom furniture, not upholstered, dropped severely. Subsequently, they recovered but in 1984 had not reached the 1981 level. This decline and recovery were similar to economic movements and imports of many other products during the period.

IMPORTS BY MAJOR FOREIGN COUNTRY OF EXPORT

<u>FOREIGN COUNTRY OF EXPORT</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>AVERAGE ANNUAL GROWTH RATE 1981-1984 %</u>	<u>PER CENT CHANGE 1983-1984 %</u>
UNITED STATES VALUE (\$000)	25 112	12 659	16 518	15 059	-16	-9
ITALY VALUE (\$000)	832	961	1 736	2 885	51	66
DENMARK VALUE (\$000)	576	991	1 423	1 959	50	38
SWEDEN VALUE (\$000)	545	468	714	1 214	31	70
TAIWAN VALUE (\$000)	87	45	53	303	52	472
OTHER VALUE (\$000)	1 422	897	964	1 472	1	53
TOTAL VALUE (\$000)	28 574	16 021	21 408	22 892	-7	7

Between 1983 and 1984, imports of wooden bedroom furniture, not upholstered, increased at a rate of seven per cent. The United States has consistently been the major exporter to Canada with 66 per cent of the total imports in 1984. However, from 1981 to 1982 American exports to Canada dropped by 50 per cent to \$12.7 million and went up to \$15.1 million in 1984 for an annual decline rate of 16 per cent between 1981 and 1984. During the same four years, imports from Italy and Denmark grew every year at an average annual rate of 50 per cent, and Swedish imports also grew significantly.

The total value of imports for the period January to June 1985 was \$11.4 million, a slight decrease from the \$11.7 million total for the same period in 1984. This appears to indicate that the import segment of the Canadian market has stabilized following an average annual decline in the total value of imports of seven per cent between 1981 and 1984.

IMPORT MARKET CONCENTRATION
(BY % OF TOTAL 1984 VALUE)

<u>TOP 5</u> <u>IMPORTERS</u>	<u>TOP 10</u> <u>IMPORTERS</u>	<u>TOP 20</u> <u>IMPORTERS</u>	<u>TOP 40</u> <u>IMPORTERS</u>
35	44	53	65

The 20 top importers accounted for 53 per cent of the total imports for 1984. Of these, 10 were located in Ontario, four in Quebec and six in the Western Provinces. Seventeen of the firms were furniture retailers. Details on the type and location of the 100 top importers are given below.

(NOTE: "Top Importers" are the known importers with the largest imports by value in 1984.)

TYPE AND LOCATION OF THE 100 TOP KNOWN IMPORTERS - 1984
(80% OF TOTAL IMPORT VALUE)

<u>IMPORTER</u> <u>LOCATION</u>	<u>MANUFACTURERS</u>		<u>WHOLESALERS</u>		<u>RETAILERS</u>		<u>OTHER</u>		<u>TOTAL</u>	
	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>	<u>NO. OF</u> <u>IMPORTERS</u>	<u>VALUE</u> <u>(\$000)</u>
Quebec	4	593	7	560	12	2 428	4	408	27	3 989
Ontario	5	895	4**	324**	25	7 574	4	506		
Western Provinces							3	199	73***	14 282***
Atlantic Provinces	3*	188*	-	-	28*	4 544*	1	52		
TOTAL	12	1 676	11	884	65	14 546	12	1 165	100	18 271
Per cent of 1984 Total Value		7%		4%		64%		5%		80%

* Western and Atlantic Provinces aggregated to preserve confidentiality

** Ontario and Western Provinces aggregated to preserve confidentiality

*** Ontario, Western Provinces and Atlantic Provinces aggregated to preserve confidentiality

There were 392 known importers of wooden bedroom furniture, not upholstered, during 1984. The top 100 importers accounted for 80 per cent or \$18.3 million of the total imports. Of these 100 importers, 65 were retailers, whose total imports represented 64 per cent of the import total. Sixty-three of these firms were furniture retailers.

CANADIAN PRODUCTION

There are at least 140 manufacturers of wooden bedroom furniture, not upholstered, in Canada. At least 20 manufacturers make this type of product exclusively while the others also produce other types of furniture. Statistics Canada reports shipments of \$179 million for products of this category for 1983, the latest year for which information is available.

EXPORTS

Statistics Canada does not provide specific information on exports of this type of product. It is known, however, that some wooden bedroom furniture manufacturers have been quite successful in the foreign market, particularly in the United States.

CANADIAN TARIFFS, 1985

TARIFF ITEM	DESCRIPTION	% OF TOTAL IMPORT VALUE (1984)	TARIFF TREATMENT				
			BRITISH PREFER- ENTIAL TARIFF %	U.K. AND IRELAND %	MOST FAVOUR- ED NATION TARIFF %	GENERAL TARIFF %	GENERAL PREFER- ENTIAL TARIFF %
51901-01	House, office, cabinet or store furniture of wood, iron or other material, and parts thereof, not to include forgings, castings, and stampings of metal, in the rough	100	15	15	16.3	45	10.5
	<u>Future Scheduled Rates:</u>						
	January 1, 1986				15.6		
	January 1, 1987				15.0		

Tariff Arrangements and Foreign Countries of Export:

MOST FAVOUR-ED NATION: UNITED STATES, ITALY, DENMARK, SWEDEN, TAIWAN

ENQUIRIES CONCERNING TARIFFS SHOULD BE DIRECTED TO THE NEAREST CUSTOMS AND EXCISE OFFICE OR TO:

TARIFF PROGRAMS
REVENUE CANADA
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OTTAWA, ONTARIO
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TEL: (613) 996-9491

MARKET SUMMARY

Traditionally, Canadian production of wooden bedroom furniture has been mostly domestically-oriented, and imports were not significant until the beginning of the 1970s. Two-thirds of the imports have been from the United States. In the past two years, however, products from Italy have shown significant increases mainly in products with a high-quality lacquered finish. Scandinavian furniture is gaining popularity mainly because of styling.

Opportunities to achieve market gains exist in the generally traditionally styled, high-volume, medium-price-range bedroom furniture. However, to meet the competition of those United States firms with low manufacturing costs, Canadian producers need to achieve economies of scale by producing and marketing for the broader and larger North American market.

This report was prepared by:

The Market Development Branch of
the Department of Regional Industrial Expansion
in collaboration with the Department's
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