IMPORT PROFILE

Investment Opportunities

WOODEN DINING ROOM FURNITURE,
NOT UPHOLSTERED

Pub. No: 37-85 November 1985

Government of Canada
Gouvernement du Canada
Regional Industrial Expansion
Expansion industrielle régionale

Canada

WOODEN DINING ROOM FURNITURE, NOT UPHOLSTERED

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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.

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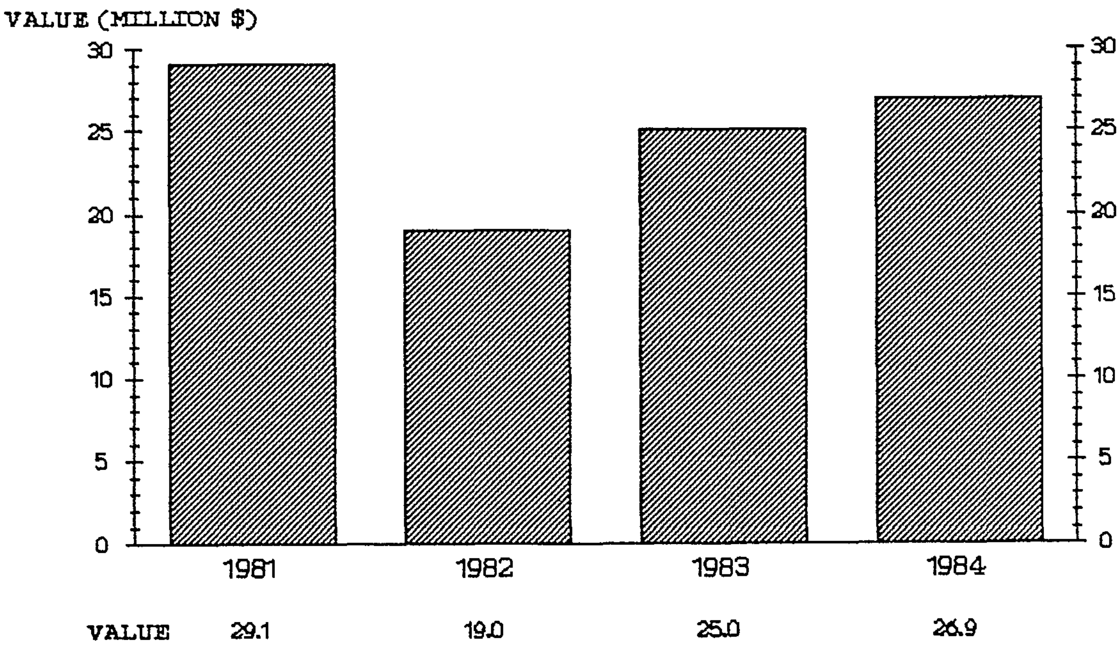
CANADIAN MARKET OPPORTUNITIES - IMPORT PROFILE

WOODEN DINING ROOM 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 profiles 35-85, Wooden Living Room/Hall Furniture, Not Upholstered; and 36-85, Wooden Bedroom Furniture, Not Upholstered.

IMPORT TRENDS



Imports of wooden dining room furniture dropped sharply from 1981 to 1982, then grew steadily through 1983 and 1984. This general pattern was typical of imports of many products, and was similar to overall economic movements in the period.

IMPORTS BY TOP FOREIGN COUNTRY OF EXPORT

FOREIGN COUNTRY OF EXPORT	1981	1982	1983	1984	AVERAGE ANNUAL GROWTH RATE 1981-1984 %	PER CENT CHANGE 1983-1984 %
UNITED STATES VALUE ($000)	15 382	7 146	9 142	9 910	-14	8
TAIWAN VALUE ($000)	3 090	1 447	2 600	3 072	0	18
DENMARK VALUE ($000)	1 415	1 501	2 062	2 809	26	36
YUGOSLAVIA VALUE ($000)	267	944	2 766	2 365	107	-14
SINGAPORE VALUE ($000)	4 396	2 180	2 646	2 135	-21	-19
OTHER VALUE ($000)	4 522	5 746	5 743	6 619	14	15
TOTAL VALUE ($000)	29 072	18 964	24 959	26 910	-3	8

Although showing some increase from the 1982 dip, imports of wooden dining room furniture, not upholstered, had not recovered to 1981 levels by 1984; the four-year rate decrease was three per cent. In 1984 imports of wooden dining room furniture increased by eight per cent.

The value of imports for January to June 1985 was $14.7 million compared to $13.8 million during the same period in 1984. This indicates that the growth trend is continuing.

Imports from the United States have diminished over the past few years partly due to the high value of the United States dollar.

Taiwan has maintained a steady share of exports to Canada, primarily furniture in the knocked-down form. Furniture shipments from Denmark have increased because of their specific design.

In 1984, imports from other countries included products from Italy ($2 million) and Sweden ($1.4 million).

IMPORT MARKET CONCENTRATION
(BY % OF TOTAL 1984 VALUE)

TOP 5 IMPORTERS	TOP 10 IMPORTERS	TOP 20 IMPORTERS	TOP 40 IMPORTERS
34	47	58	68

The 10 top importers accounted for 47 per cent of the total imports for 1984. Of these 10, six were retailers. Four of the firms were located in Ontario, three in Alberta, two in Quebec and one in British Columbia. Details on the type and location of the 115 top known importers are given below.

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

TYPE AND LOCATION OF THE 115 TOP KNOWN IMPORTERS - 1984
(83% of total import value)

	MANUFACTURERS		WHOLESALERS		RETAILERS		OTHER		TOTAL	
IMPORTER LOCATION	NO. OF IMPORTERS	VALUE ($000)	NO. OF IMPORTERS	VALUE ($000)	NO. OF IMPORTERS	VALUE ($000)	NO. OF IMPORTERS	VALUE ($000)	NO. OF IMPORTERS	VALUE ($000)
Ontario	8	1 901	3	125	26	5 607	1	56	38	7 689
Quebec	3	282	4	1 505	11	1 454	3	192	21	3 433
Western Provinces	3	3 626	6	817			6	302	56	11 192
British Columbia					16	1 756				
Alberta					18	4 307				
Saskatchewan										
					7*	384*				
Manitoba										
Atlantic Provinces	-	-	-	-	-	-	-	-	-	-
TOTAL	14	5 809	13	2 447	78	13 508	10	550	115	22 314
Per cent of 1984 Total Value		22%		9%		50%		2%		83%

* Saskatchewan and Manitoba aggregated to preserve confidentiality.

There were approximately 341 known importers of wooden dining room furniture, not upholstered. The top 115 importers accounted for $22.3 million or 83 per cent of the total imports. Sixty-eight of the 78 retail importers were furniture retailers and accounted for $12.3 million or 46 per cent of the import total. Five of the remaining 10 importers were department stores. Fourteen importers were manufacturers of wood and metal household furniture or fixtures and accounted for $5.8 million or 22 per cent and 13 were wholesalers in furniture and accounted for $2.4 million or 9 per cent.

None of the 115 top importers were located in the Atlantic Provinces. Consumers, retailers or distributors in the Atlantic Provinces usually obtain the imported furniture from firms based in Quebec or Ontario.

CANADIAN PRODUCTION

There are at least 110 Canadian manufacturers of dining room wooden furniture, not upholstered. At least 12 firms manufacture this type of product exclusively while the others also produce other types of furniture. Statistics Canada reports shipments of $129 million for products of that category for 1983, the latest year for which information is available.

EXPORTS

There are no figures published on exports of wooden dining room furniture. The industry reports, however, that some manufacturers of wooden dining room furniture have been successful in the foreign market, particularly in the United States.

CANADIAN TARIFFS, 1985

TARIFF ITEM	DESCRIPTION	% OF TOTAL IMPORT VALUE (1984)	TARIFF TREATMENT: BRITISH PREFERENTIAL TARIFF	U.K. AND IRELAND	MOST FAVOURED NATION TARIFF	GENERAL TARIFF	GENERAL PREFERENTIAL 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	99.7	15	15	16.3	45	10.5
	Future Scheduled Rates:						
	January 1, 1986				15.6		
	January 1, 1987				15.0		

Tariff Arrangements and Foreign Countries of Export:

MOST FAVOURED NATION: UNITED STATES, TAIWAN, DENMARK
MOST FAVOURED NATION OR GENERAL PREFERENTIAL: YUGOSLAVIA*
MOST FAVOURED NATION OR GENERAL PREFERENTIAL OR BRITISH PREFERENTIAL: SINGAPORE*

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

TARIFF PROGRAMS
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OTTAWA, ONTARIO
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*NOTE: In order to qualify for General Preferential Tariff treatment a special certificate of origin is required.

MARKET SUMMARY

Traditionally, Canadian production of wooden dining room furniture has been oriented to satisfying domestic demand, and imports were not significant until the beginning of the 1970s. Imports now represent about 20 per cent of the Canadian market with United States-based manufacturers accounting for more than a third of the total. Products from the U.S. are mainly in the medium price range. However, with the higher value of the U.S. dollar, the U.S. share of imports is decreasing while the shares of Yugoslavia, Denmark, Italy, Taiwan and Sweden are showing significant increases. Furniture imported from Yugoslavia and Taiwan is mainly in the low-to-medium price brackets and, in many cases, is shipped ready-to-assemble and assembled in Canada. Other European countries have increased their market shares because of their specific furniture designs and competitive prices.

With the existing currency exchange rates, there are increased opportunities for Canadian manufacturers to compete with products imported from the U.S. with minimum adjustment to existing designs and styles. In the case of competition from countries such as Denmark and Italy, small-scale opportunities exist for furniture of modern design where price is a lesser factor than are other considerations.

It can be advantageous for Canadian manufacturers to import some component parts to reduce overall production costs or selectively import ready-to-assemble items that complement their own modified production lines. Manufacturers could thereby offer complete ranges of products to retailers at competitive prices, while at the same time attaining partial import replacement.

This report was prepared by:

The Market Development Branch of
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Food and Consumer Products Industries Branch
Furniture Products Division

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