

Differences may not be obvious. In some cases, slightly different titles reflect very similar sets of products; in others, similar titles for sectors or product groups encompass a slightly different mix of products. Thus the market forecasts in the "U.S. Industry Outlook" section may cover a slightly different mix of products than the rest of this report.

Secondly, while most sections of the "U.S. Industry Outlook" address the entire sector, others address specific products or product groups. Forecasts made at both levels should be assessed carefully, as they may differ significantly from the prospects of any individual product included within them. It is, therefore, recommended that outlook data be used only as a general indication of sectoral prospects in the near term.

The outlook for the furniture industry in the United States is tied to a number of factors. U.S. Department of Commerce documents indicate that housing starts directly affect sales of appliances and furniture, and furniture competes with other durable goods for consumer dollars; furthermore, durable goods sales are strongly influenced by consumer confidence, employment levels and the population in the 25-55 age group. People in this age range are substantial purchasers of consumer durable goods.

While housing starts are expected to decline due to higher mortgage interest rates, the outlook for all the other factors affecting furniture sales is positive, resulting in a net growth, in constant dollars, of 1% expected for furniture shipments in 1988. This limited growth is expected to continue to 1992.

While U.S. furniture imports slowed for the third consecutive year in 1987, they still constitute a high proportion (18%) of apparent consumption. The slowdown can be partially attributed to declines in the value of the dollar relative to foreign currencies. Imports from West Germany, Denmark and Japan, 3 of the top 10 furniture suppliers to the United States, declined in the first half of 1987 compared with 1986. Between March, 1985, and February, 1987, the trade weighted indices of the dollar versus the currencies of developed countries, adjusted for relative rates of inflation, declined 38%. The Bureau of Labour Statistics' Import Price Index for furniture increased 6.5 % between June, 1986, and June, 1987.

Major exporters from Europe in 1986 were Italy (12.3%), West Germany (6.6%), and Denmark (6.2%). Europe accounted for 34.6% of total furniture imports into the United States, while