

d) Other Factors

World currency exchange rates have had a significant bearing on foreign trade in furniture. Import pressures experienced by Canadian manufacturers from the U.S. were greatest in the period 1974-1975 when the value of the Canadian dollar was high. Also imports from Europe have enjoyed a larger share of total imports as North American currencies have strengthened during the past two to three years.

3. Federal and Provincial Programs and Policies

Federal government assistance programs which apply to all manufacturing industries have been used by the furniture sector. Financial assistance has been provided to household furniture manufacturers under the former RDIA, CIRS and ISDF programs.

The Government has also been active in supporting export development through the Program for Export Market Development and the Promotional Projects Program. This support has been directed mainly to the U.S. market.

4. Evolving Environment

Based on family expenditures on furniture and fixtures which have remained fairly constant over the past decade, it is realistic to assume that the growth of the Canadian Furniture market will follow the increase in the number of families during the next ten years. Demographic and social considerations such as the "baby boom", the aging of the population, the smaller size of families including those with single parents, the reduced size of dwellings mainly in urban areas, etc., do not seem to have affected the buying pattern of the consumer in terms of overall volume. It is quite possible however that in the future, within the overall quantity to be purchased, there may be a shift from one type of furniture to another e.g. more wall units, modular and knocked-down furniture, fewer complete room settings etc.

Economic considerations such as high interest rates and high unemployment as was experienced in 1982 would seem to have more impact on the market than any other factors. High fluctuation in these economic factors at any point during the next decade could have short term effect on the market, but would unlikely affect the overall long term trend.

With the gradual reduction of Canadian tariffs under the GATT, Canadian furniture will become increasingly exposed to international competition. The rapid growth in imports from Far East countries over the past several years is indicative of a potential threat in the medium to long term. It is a known fact that Taiwan, South Korea, Singapore and Philippines are developing efficient furniture manufacturing industries for the purpose of exporting. This potential threat is however limited by the types of furniture that they can export to Canada because of the distance and transportation costs. Canadian manufacturers may have to become assemblers of imported parts for some categories of furniture or concentrate on more profitable lines.

With a continuation of the present value of the Canadian dollar, there will be opportunities for Canadian made products in the U.S.

It is expected that advanced technology will become increasingly important in furniture production processes.