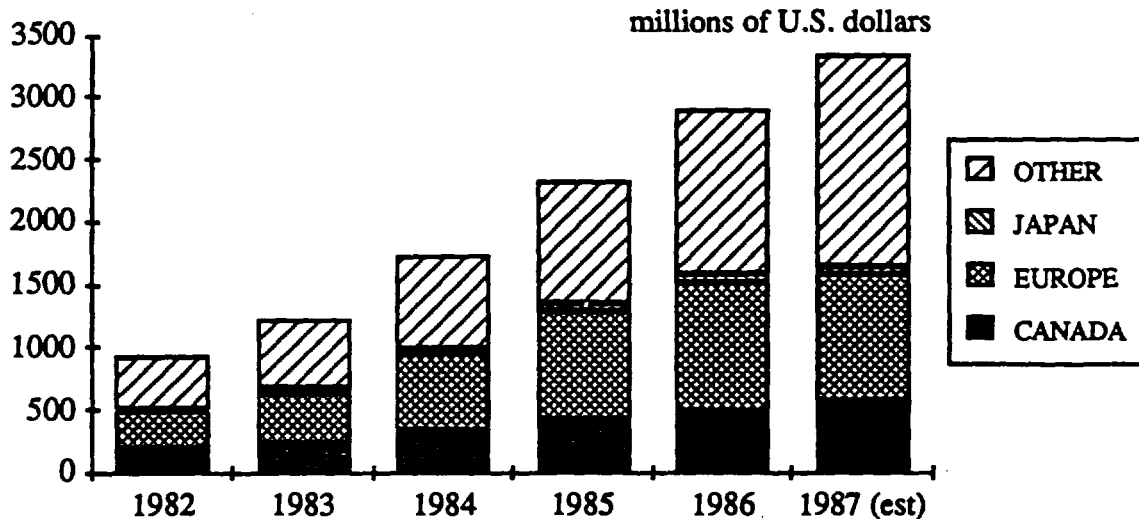


CHART 1
TOTAL U.S. IMPORTS OF SELECTED FURNITURE



Source: *U.S. General Imports and Imports for Consumption*, U.S. Department of Commerce.

There appears to be room for growth in Canada's market share of U.S. imports of furniture, and there exist Canadian manufacturers able to supply the U.S. market. In the event of a Free Trade Agreement between the United States and Canada, these opportunities will increase as tariffs ranging from 2.4% for rubber or plastic seats with wooden frames to 7.5% for furniture and parts of cane, osier, bamboo or similar materials will be eliminated by January 1, 1993. A full listing of tariffs is found in Appendix 6. At present, furniture imports are only duty free if intended for installation in automobiles or civil aircraft.

U.S. INDUSTRY OUTLOOK

This section is based on the *1988 U.S. Industrial Outlook* published by the USDOC. This information provides a general forecast of short-term prospects, and gives an indication of expected trends and developments in the U.S. furniture sector. While such information may be of interest, readers should proceed with caution in utilizing the data for the following reasons:

Firstly, although the USDOC is the source of both the "U.S. Imports 1982-87" (summarized above) and the "U.S. Industry Outlook", two different systems of product classification are used.