Historically, Canadian office furniture manufacturers have been influenced by economic developments in the USA and the effect these have upon the market. Large companies with five hundred or more white collar workers are opting for systems furniture and this market is expected to grow significantly.

Single purpose or conventional office furniture will probably experience a more modest growth. Metal furniture tends to be of lower cost than wood and to have greater durability, and with most systems furniture being made of metal, metal furniture will capture an increasing share of an increasing market. Wood furniture will likely lose ground in the general office area due in part to its lack of durability and resistance to scratching. On the other hand, wood has a warm, attractive appearance and will continue to be preferred for executive office suites.

The development of office furniture to accommodate the use of computers and other electronic equipment having relatively short life spans requires emphasis on flexibility so the furniture may adapt to the new generations of equipment. A close working relationship between the makers of office automation equipment and office furniture manufacturers will become significantly important to the design and marketing of furniture. The Canadian industry's ability to compete at home and in export markets will, in large part, become dependent on such relationships.

5. COMPETITIVE ASSESSMENT

Design, quality and service are the main factors influencing trade in the range of furniture products in which Canadian manufacturers have found export market success. By stressing these factors, Canadian products have been able to overcome competitive disadvantages resulting from input costs and lack of economies of scale. In product categories in which price is a more important consideration and transportation costs become a factor, the market in both the U.S. and Canada appears to be served regionally. Therefore, in this segment of the market, Canadian competitive capabilities have not been put to as severe a test.

The competitiveness of the industry in the domestic market has been enhanced by the Canadian tariff structure and exports to the U.S. have increased as the value of the Canadian dollars in terms of the U.S. dollar has decreased.

As a result of these factors, Canadian made products hold a ninety per cent share of the domestic market. In addition manufacturers ship some forty per cent of production to the U.S. market.

The potential for the industry lies in the competitive international arena and Canadian office furniture manufacturers are strongly influenced by economic developments in the U.S.A. since it presents the main export market for the industry.

While some segments of the industry are alert and tend to employ the most recent equipment innovations, technological improvements are more often employed in product design than in plant production methods or techniques. In the present period of dynamic industrial development, modernization and expansion of markets will be needed to improve the competitiveness of the industry. The application of CAD/CAM and the use of robotics and computer numerically controlled equipment can provide continuing opportunities for improvements. Input from a close working relationship between the machinery and equipment manufacturers could also help to significantly improve productivity.

PREPARED BY: ____________________
Furniture Division

APPROVED BY: ____________________
Food & Consumer Products Industries
CGSRP