

the buyer base for the U.S. furniture manufacturing establishment. The bulk of the furniture produced and sold in these new categories is KD and designed for consumer assembly.

- o Furniture imports now account for approximately twelve and a half percent of U.S. shipment totals and will continue to increase. At this stage an estimated \$US 300 million of these imports are KD furniture for consumer assembly and this category will continue to grow rapidly.

Thus despite analysts' predictions that the future looks good for the industry it clearly does not look encouraging for the mainstream U.S. furniture manufacturer.

In one sense the analysts are right because U.S. retailers who are able to respond to changing market conditions and tastes are assured of a profitable future over the next ten to fifteen years. An increasingly large percentage of the retail market will be available to those manufacturers who are positioned with the right KD product.

Most U.S. mainstream manufacturers do not regard KD products as serious furniture and this is a definite "plus" for companies producing and exporting to the U.S. Louch & Associates research over the last two years indicates that U.S. mainstream