

3.2 Consumer Products

Furs: Canada is a major supplier of fur garments for the high end of the market.

Footwear: Because of the special capabilities and circumstances of the Canadian market, the industry has developed in the manufacture of "slush moulded" boots and in the upper segment of the market for heavy-duty leather work boots; climbing and walking boots and après-ski wear. The Canadian Footwear and Leather Institute has made several European visits in promotion of Canadian manufacturers. Export opportunities in this sector are dependent not only on design and quality, but also on competitive pricing.

Textiles: The U.K. has been a long-standing export market for Canadian textiles — cottons, cotton duck, corduroy, velvet. Over the years, the mix has changed to man-made fibre fabrics. Canadian yard goods are only competitive by virtue of a combination of favourable demand (as U.K. production decreases, import penetration appears to increase) and a favourable rate of exchange.

Carpets: Domestic U.K. manufacturers currently service only 60 to 65 per cent of the U.K. consumer demand and there has been considerable import penetration over the past five years. Canada increased its exports in the tufted carpet market to a peak of \$11 million in 1981. With a return to a favourable exchange rate and more favourable economic conditions, some of that market could be regained.

Giftware and Jewellery: There are no non-tariff barriers to the importation of jewellery and giftware into the U.K., but EEC member countries do have a duty advantage. Canadian jewellery promotional activities have been primarily "in-house" demonstrations at the facilities of the Commercial Division of the Canadian High Commission in London. Canadian participation in the International Spring Fair (Birmingham) provides a wider range of jewellery/giftware companies with a high profile opportunity to show their wares to wholesale as well as to retail customers.

3.3 Furniture

Opportunity

The United Kingdom furniture industry is highly fragmented and is estimated to include between 1,300 and 1,400 manufacturers.

The United Kingdom furniture manufacturers generally sell directly to the retail sales outlets. It is estimated that furniture outlets or department stores with 10 or more outlets account for 40 per cent of the volume of sales. Imported furniture is normally handled by agents, but there are some direct sales to the larger chains. The total domestic wooden/upholstered furniture sales in 1982 were £1.1 billion while sales for 1983 were about £1.2 billion. Imports constitute some 25 per cent of total demand (£300 million).

The British furniture market, measured in percentage terms, is broken down as follows: wooden furniture, including component parts, 60 per cent; upholstered furniture, 25 per cent; and metal furniture, 15 per cent.

Recent Canadian Marketing Activity

Prior to 1979, exports of Canadian furniture, excluding minimal exports of metal office furniture, were negligible. The strong pound sterling in late 1979 was the catalyst in increasing exports of Canadian furniture to Britain. A principal target was the upholstered section of the British furniture market, which caters to the middle-class householder who is in the market for price competitive, good quality and distinctively styled furniture.

About four years ago, the Ontario government arranged a showing at the London Furniture Show. Since then, other Ontario companies have exhibited at a stand with their U.K. agents. Two Québec companies have also exhibited at the London Furniture Show. Visits to the two main U.K. furniture exhibitions — London Furniture Show (May) and the International Furniture Exhibition in Birmingham (November) provide ideal opportunities to compare both U.K. and European products as to price and styling.

Table 8
Exports of Canadian Furniture to the U.K., 1980-1983

	(\$000)			
	1980	1981	1982	1983
Bed springs and mattresses	2	21	6	50
Wood household furniture	627	1,102	672	1,274
Metal household furniture	3	74	48	76
Upholstered household furniture	131	790	1,340	542
Household furniture, n.e.s.	42	97	123	104
Wood office furniture	206	870	10	179
Office furniture, n.e.s.	1,438	1,851	1,314	1,578
Special purpose furniture	162	323	568	38
Furniture and fixtures, n.e.s.	3,224	2,451	2,568	2,437
TOTAL	5,835	7,579	6,649	6,278

Source: Statistics Canada