Interim Global Market Opportunities Report

Contract Furniture

November 26, 1993

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OFFICE FURNITURE MARKET ASSESSMENTS
LIST OF COUNTRIES

Belgium
Brazil
Denmark
Finland
Germany
Hong Kong
Ireland
Israel
Italy
Japan
Korea
Malaysia
Mexico
The Netherlands
Norway
Poland
Russia
Singapore
Sweden
Switzerland
United Kingdom
Venezuela

November 25, 1993

BELGIUM

OVERVIEW

Market Size: The office furniture market for 1992 is approximately C$ 270 million.

The expected annual rate of growth is 8-10% for free-standing furniture, and 15% for the systems furniture sector, which is a growing market. The increase in demand for systems furniture is a result of the increasing prices of office space, so pieces have to be integrated harmoniously and in an efficient manner. Free-standing furniture will become relatively less important in the office furniture market.

The reasons for growth in this market can be attributed to several trends. First, the fact that more companies are relocating, mainly to Brussels. Second, the service sector, a rapidly growing sector, requires more offices. Third, there is a growing market of people who want to have a work space at home. Thus the market is mainly in the private sector; the public sector represents only 10-15%. This private sector generally buys more expensive furniture (wood), and can be broken into two main groups: SMEs (companies with less than 500 employees), which spend approximately $2,200 per workstation, and renew their furniture on average, every 15 years; and multinational and large (more than 500 employees), which spend $4,200 per workstation and renew their furniture every 5 to 10 years. For these companies, office furniture is part of their corporate identity and a status symbol for the employees.

The main trends in the market include the demand that office furniture has to be space-saving and designed to take ergonomic factors into account; the ergonomic design factor is becoming a decisive competitive factor. Service is also becoming more and more important, in terms of after-sale service and helping the customer choose his/her furniture. Thus there is a need for show-room facilities. Manufacturers are now selling entire interiors instead of separate pieces of furniture (i.e., dividing walls which match desks and chairs), which has spawned a trend towards selling projects, which incorporate studying the space available and matching the furniture to meet the space specifications.

Belgium is recognized by most marketing experts as being the ideal test market in Europe due to its cultural duality, its central geographical location, the availability of multilingual staff, and excellent communication, financial, and other support services. It is not surprising then, that the number of Canadian firms present in Belgium has quadrupled since 1985, amounting to approximately 85 firms which are established and doing investment.

SOURCES OF SUPPLY

Approximately 35-40% of office furniture consumption is local production; this domestic production is in the hands of the Belgian owned companies. There are 6 major Belgian manufacturers: MEWAF, BARRO, TDS ACIOR, MDC, CNCO AND BULO. The remaining 50-60% of office furniture consumption is imported, a trend that appears to be fairly stable. The imports come from Germany (55%), Italy (16%), Netherlands (10%), France (7%), and Spain (3%).

BUSINESS ENVIRONMENT

Importers/Distributors of Furniture:

- **La Maison du Bureau** (distributor). Karmelietenstraat 151, 1180 Ukkel. Tel: 32-2-346.22.22 Fax: 32-2-343.47.00
- **Atal-Surin** (importer). Avenue du Roi 73, 1060 Bruxelles. Tel: 32-2-538.68.98 Fax: 02/538 40 94
- **Berhin** (importer). Avenue Prince de Liege 205, 5100 Jambes. Tel: 32-81-31.05.10 Fax: 32-81-31.05.19
- **Buro Land** (distributor). Riverside Business Park, Internaitonalelaan 55, 1070 Brussel. Tel: 32-2-15.55.15 Fax: 02/770 34 36
- **Kindekens** (importer). Chaussee de Mons 232-234, 1070 Brussel. Tel: 32-2-522.27.91 Fax: 32-2-520.73.85
- **Mondial** (importer/distributor). Pittemsesteenweg 29, 8700 Tielt Tel: 32-51-40.11.10 Fax: 051/40 33 94

Other potential importers of office furniture:

- **MULTIBURO.** Chaussee de Vleurgat 124, 1050 Bruxelles. Tel: 02/649 98 40 Fax: 02/640 95 98
- **BUROMARKT.** Route du Grand Peuplier - Zoning Industriel, B-7110 Strepy-Bracquegnies. Tel: 064/67 44 11 Fax: 0264/67 44 99
- **COBELCO INTERNATIONAL SPRL.** Avenue Louise 428-430, 1050 Bruxelles. Tel: 02/649 21 82 Fax: 02/640 36 62
- **LUCAS OFFICE FURNITURE.** Bosstraat 189, 3930 Hamont-Achel. Tel: 011/62 19 60 Fax: 011/44 65 17
- **MERCATOR NV.** Rue de la Loi 26, 1040 Bruxelles. Tel: 02/230 70 45 Fax: 02/230 79 73

Languages of business and promotional material are French, Flemish, and English.

Duties on office furniture are 5.6%, and the VAT rate is 19%. There are no incentive programs for establishing office furniture companies, but the Flanders and Wallonia communities have special regulations for attracting foreign companies into their areas, such as exemption of taxes and tax deductions for foreign managers.

Belgium is a small, but extremely important export market for Canada, as a source of strategic alliance partnership, investment, and for developing niche technology. Strategic alliances with Belgian firms that are active in high technology areas is a priority. As well there appears to be opportunites for office furniture developers to trade in the areas of telecommunications, computer software and hardware, value added wood products and construction materials, industrial machinery, and business services.

Overall, the standards used in Belgium are those adopted by EC. Belgium is more lenient in imposing standards, but products which differ too much from official standards will not sell.

Useful Addresses:

- Trade Mart, Buro Design Center. Mr. Y. De Munck or Mr. Jean Gillot Atomiumsquare PB 211, 1020 Brussels. Tel: 32-2-478.47.30 Fax: 32-2-478.62.58

- Commission of the European Communities Directorate General XXIII Euro Info Centre Project. 80 rue d'Arlon, 1040 Brussels. Tel: 32-2-235.94.50

- FIOC (Foreign Investment Office of the Governement of Flanders) Triersstraat 100, 1040 Brussels. Tel: 32-2-230.12.25 Fax: 32-2-230.27.07

Local Canadian Representative: Francis Keymolen, Commercial Officer, Canadian Embassy 2 avenue de Tervuren, 1040 Brussels. Tel: 32-2-735.60.40 Fax: 32-2-735.33.83

PROMOTIONAL ACTIVITIES

Belgium has hosted a number of trade fairs for furniture:

- Burotika 18-22 April, 1992: Exhibition of office equipment and computer related equipment. Brussels Tel: 32-2-762.71.83 Fax: 32-2-762.94.34

- International Furniture Show Brussels Fair 10-14 November, 1991. Brussels Tel: 32-2-218.28.44 Fax: 32-2-218.38.44

- "Market Week" Furniture 9-10 September, and 10-14 November, 1991. Brussels Tel: 32-2-478.49.89

- International Furniture Festival of Mechelen 17-20 February, 1992. Mechelen Tel: 32-15-20.57.50 Fax: 32-15-21.14.74

- Bureaumatique Exhibition of office equipment, computer and robotics. Namur Tel: 32-81-73.69.21 Fax: 32-81-23.09.45

- Bureau Salon international de l'equipment de bureau, de l'informatique, et des telecommunications. Brussels. Tel: 32-2-762.71.83 Fax: 32-2-762.94.34

There are no special publications for office furniture. However, there are two magazines which deal with furniture, and sometimes deal with office furniture:
Echo du meuble (Tel: 32-2-424.00.64) and Meubihome (Tel: 32-2-478.47.16).

Trade associations:

FEBELBOIS (wood products only). Koningsstraaat 109-111, 1000 Brussels.

Tel: 32-2-217.63.65 Fax: 32-2-217.59.04

FABRIMETAL (steel products only). Rue des Drapiers 21, 1050 Bruxelles.
Tel: 32-2-510.23.11 Fax: 32-2-510.23.01

Post's Overall Opinion: *There are opportunities within the private sector, particularly in the area of whole systems furniture, and computer-related furniture. Public sector contracts are not profitable because Belgian companies have an advantage at the outset of the bidding process.*

BRAZIL

OVERVIEW

Market size: The total domestic retail market for furniture (1992) was down 30% from the previous year (1991), and is estimated at C$ 3.52 billion. Of this market, the office furniture market occupies 20% of this market. This translates into an estimated C$ 700 million.

The only projected area of growth is in Brazilian exports, as the local market for office furniture has contracted with the ongoing recession.

SOURCES OF SUPPLY

The domestic industry is very strong in Brazil; an estimated 5% of the total market is devoted to imports. These imports fall into two categories - high-priced specialty furniture and ultra cheap plastic items; office furniture imports are minimal.

For wood office furniture, total value of imports was approximately C$ 120,000. 60% of the imports came from Sweden, followed by U.S., China, Japan, Argentina, Germany, and Portugal.

Metal office furniture imports totalled approximately C$ 20,000. 50% of this came from imports from the U.S., followed by Argentina, Germany, Taiwan, and Italy.

Parts of furniture dominate the furniture imports market, at an estimated C$ 300,000. 40% of this import market comes from the U.S., 30% from France, followed by Italy, Germany, Sweden, and Argentina.

BUSINESS ENVIRONMENT

In Brazil, agents/distributor contacts are very fragmented, and vary according to the product. The mission in Sao Paulo will provide contacts on demand those Canadian exporters interested in the Brazilian market.

The language of business and promotional material is Portuguese. In the absence of Portuguese, English and Spanish are used.

There are considerable tariff barriers for importing goods: an import tax of 20% as well as 7 other taxes and charges can greatly increase the cost of imported items.

There are no local certification requirements, although there is a preference for furniture-making machinery that meets ISO 9000 standards.

Joint ventures with local manufacturers, who are always interested in new models and/or production technologies, could be explored. Many Italian designers are switching to local manufacturing under licensing agreements, which is an option that Canadian exporters may consider as a means to lower product price.

PROMOTIONAL ACTIVITIES

This sector has not been targeted as a priority for this mission, but the following trade shows could be useful:

- **INTERNOVEL-FENAVEM-MAQMAD '94.** Sao Paulo, August 1994. This is the principal furniture and fixtures show in Brazil.
- **MOVESUL '94.** Porto Alegre, March 1994. This is a biannual furniture-making machinery show.
- **FIMMA '94.** Bento Goncalves, March 1994. This is a furniture-making mcahinery show.

Post's Overall opinion: *There are not many good opportunities for Canadain exporters of office furniture due to high transport and import tariffs/taxes and strong domestic competition UNLESS Canadian firms pursue joint ventures. However, there may be options for specialty items (e.g., brass fixtures, drawer mechanisms, etc).*

DENMARK

OVERVIEW

Market Size: The office furniture market is estimated to have been C$ 260 million in 1992.

There is little growth projected for office building in Denmark. Any growth that occurs will be refurbishing, with a heavy focus on ergonomically correct furniture. This is likely a reflection of the recently established advisory centres (BST) for all national labour environments, including work positions, which encompasses office furniture. These advisory centres were established through Danish legislation.

SOURCES OF SUPPLY

Denmark's office furniture market is predominantly supplied through domestically manufactured products - C$ 45 million for swivel chairs, and C$ 186 million for all other furniture, which accounts for approximately 90% of the market. Imports represent only 10% of the office furniture supply, at C$ 8.5 million for swivel chairs, and C$ 19 million for all other furniture.

The imports are predominantly from Norway (swivel chairs) and Germany.

BUSINESS ENVIRONMENT

Marketing and distribution is carried out primarily from manufacturers' own centres, distributors, and supplying architects, and goes directly to end-user.

Danish is the first language of choice for business, with English as the second business language.

There are no barriers other than EC tariffs. One potential barrier is the price of Canadian product.

There appears to be little possibility for joint ventures or technology transfer.
One promotional opportunity which may be useful is to hold a high-level seminar simultaneously with the Copenhagen Furniture Exhibition (listed below).

There are no national directives for certification requirements other than environmental restrictions (e.g. formaldehyde). Of note, one Danish company has achieved ISO 9000, and there are several others close to achieving it.

PROMOTIONAL ACTIVITIES

Trade shows for office furniture include:

- **Copenhagen Furniture Exhibition** - annual event, held in April at Bella Centre, Copenhagen.
- Office Furniture Manufacturers' Exhibit - features some specialised office furniture, notably KONTOR AND DATA products. This event will be held Oct 1994,

at Bella Centre in Copenhagen.

The buyers of office furniture "shop" at the local shows, such as the ones in Copenhagen.

A local periodical that buyers rely on and which could be considered for canadian advertising is RUM OG FARVE, which is distributed principally to architects.

There does not appear to be either an importers or an agents association for the office furniture sector.

Post's Overall Opinion: *There is little opportunity for Canadian furniture in the Danish market due to price considerations, and design and color factors which have not yet caught on in the North American market.*

FINLAND

OVERVIEW

Market Size: Estimated size of total office furniture market for 1993 is C$ 180 million.

Due largely to the recession, the market today for office furniture in Finland is about 40% smaller than it was three years ago. There are 1.5 million square meters of vacant office space in the Helsinki region and the country as a whole is experiencing an 8-9% vacancy rate, which is twice the usual rate.

SOURCES OF SUPPLY

Finland supplies 95% of the office furniture market domestically. While imports of office furniture for the first eight months of 1993 were valued at C$ 3.3 million, neighbouring Sweden accounted for C$ 2.3 million or 70% of these.

BUSINESS ENVIRONMENT

Importers/wholesalers of Office Furniture

- **Forma Toimistokalusteet OY**, Mikonkatu 13 A 29, 00100 Helsinki, Fax: 358-0-663521.
- **Lakimiehenkatu** 4, 20780 Kaarina, Fax: 358-21-2433766
- **Studio Nomart**, Merikasarminkatu 8, 00160 Helsinki, Fax: 358-0-6632728.

English is an acceptable and widely used language for business.

Imports from European countries enter Finland duty-free while all imports from outside Europe are charged 0.8% import equalization tax, along with 5.1% import duty, and 22% sales tax.

Three major manufacturers of office furniture are open to discussion over joint ventures and/or technology transfers. Negotiations are currently underway with companies in Canada. Voluntary ISO9000 is regarded as an asset nationwide.

PROMOTIONAL ACTIVITIES

Finland has one major trade show for the furniture sector. KT-94 will be held September 12-16, 1994 in Helsinki Fair Centre. The next exhibition for furniture will be held in 1996. Finish buyers also frequent shows in Cologne, Stockholm, and Milan.

The leading domestic publication for office furniture is **Uudistuva Konttori**, P.O. Box 50, 02611 Espoo, Fax: 358-0-4208396. The most popular business publication is **Office** published by office publications in Stamford, Conn., U.S.A. Presently, there is minimal knowledge of Canadian capabilities in Finland.

Importers' association:

- **The Federation of Finnish Wholesalers and Importers,** Mannerheiminitie 76 A, 00250 Helsinki, Fax: 358-0-496142.

Post's Overall Opinion: *Small import market, already being served, mostly by Sweden. Opportunities in joint ventures do exist however.*

GERMANY

OVERVIEW

Market Size: The size of the office furniture market in 1992 was estimated to be C$ 4.2 billion. This represents a total increase of 3.3% from the previous year.

It is projected that there will be an overall decline in commercial construction and renovation, given the performance of the German economy. There were no Canadian breakthroughs or success stories for this sector; in fact, in 1992, Canadian exports of office furniture to Germany only totalled $200,000.

SOURCES OF SUPPLY

Domestically manufactured products dominated the German office furniture market in 1992, representing 91.6% of total local shipments. Both domestic shipments and imports increased in 1992.

The current source of foreign imports is listed in order of volume:
EEC countries: Italy, Denmark, Netherlands, Belgium/Luxembourg, France, Great Britain, Spain, Portugal, Ireland, Greece.
EFTA countries: Austria, Sweden, Switzerland, Finland, Norway.
Overseas: Taiwan, USA, South Africa, Thailand, Philippines, Indonesia, Japan, Brazil, Israel, Hong Kong.

Office Furniture 1992 Shipments broken down by product category:

Wooden Furniture	**Amount (C$ 000's)**
Tables	$136,150
Desks and Monitor Tables	$1,025,173
Typewriter Desks	$154,850
Other Office Furniture with Same Height as Desk	$390,713
Single Cabinets	$393,465
System Cabinets	$201,261
Other Office Furniture Above Desk Height	$127,660
SUB-TOTAL	$2,429,271
Steel Furniture	
Desks	$271,276
Other Office Furniture with Same Height as Desks	$97,398
Cabinets with Doors, height over 80 cm	$157,923
Cabinets with Drawers	$74,525
Other Office Furniture Above Desk Height	$79,637
SUB-TOTAL	$680,759

Seats/Chairs

Seats/Chairs of Wood	$110,013
Seats/Chairs of Steel	$965,357
SUB-TOTAL	$1,075,370
TOTAL	$4,185,400

BUSINESS ENVIRONMENT

Importers of office furniture:

- **INTERNATIONALE MOEBEL HANDELS GMBH & CO KG.** Postfach 20 40, D-4840 Rheda-Wiedenbruck. Tel: (05242) 592-07 Fax: (05242) 592-149
- **REINHOLD MULLER GMBH** Finkenstr. 8-10, D-4939 Steinheim. Tel: (05233) 2040 Fax: (05233) 204-44.
- **E.H. SCHUMACHER GMBH** Odenwaldstr. 19, D-7460 Balingen-Frommern. Tel: (07433) 36006 Fax: (07433) 23090.
- **DIE COLLECTION DE-MARKETING GMBH** Schuetzenstr. 7, D6967 Buchen/Odenwaid Tel: (06281) 401-14 Fax: (06281) 401-29.
- **LENO MEOBEL GMBH** Geitlingstr. 65, D-4330 Muelheim/Ruhr. Tel: (0208) 435-75 Fax: (0208) 434-098.
- **MAISON INTERNATIONALE EINRICHNINGEN GMBH & CO.** Hinterm SchloB 15, D-4970 Bad Oeynhausen 2. Tel: (05731) 517-74 Fax: (05731) 55-331.
- **DETLEF ROSEN DESIGN CENTER** Duesselthaler Str.48b, D-4000 Duesseldorf 1. Tel: (0211) 441-853 Fax: (0211) 446-642.

Agents/Distributors of office furniture:

- **AHREND GMBH** Liststr.42, D-40470 Duesseldorf
- **STOLZENBERG** Alt-Reinickendorf 25-27, D-13407 Berlin
- **OTTO HARLINGHAUSEN** Langestr. 51, D-59555 Lippstadt
- **KAUT BULLINGER & CO KG** Nockherstr. 2, D-81541 Munchen. Fax: (089) 6226349
- **C. KRAUSE & SOHN KG** Gruenberger Str, 46 D-36304 Alsfeld
- **ALEX LINDER GMBH** Siemensstr. 11, D-72636 Frickenhausen Fax: (07022) 401300.
- **WILLI MEIER & CO KG** Verdener Landstr. 41, D-31623 Drakenburg Fax: (05024) 537
- **ALBERT MENGER AG** Stoffelsmuehle, D-96365 Nordhalben
- **MEOBEL KUNS** Bluecherstr. 32, D-10961 Berlin
- **OTTO VERSAND** - Abt. Einkauf Bueromoebel. Wandsbeker Str. 3-7, D-22179 Hamburg 71. Tel: (040) 6461-0 Fax: (040) 646-1449
- **KARL REESE KG** Rendsburger Landstr, 196 D-24112 Kiel. Fax: (0431)6891-307
- **SCHACHT & WESTERICH GMBH & CO.** Heselstucken Str. 15, D-22453 Hamburg Fax: (040) 5111-982.
- **EGON HILLEBRAND GMBH & CO** Moehnestr. 37, D-59755 Arnsberg. Fax: (02932) 208179.
- **FRITZ SCHAEFER GMBH** Fr. Schaefer-Str. 20, D-57290 Neunkirchen Fax: (02735) 70396.

- **CARL SCHWARTZ** Schuesselbuden 10-12, D-23552 Lubeck.
- **R.H. SUESS & CO KG** Oehleckerring 8-10, D-22419 Hamburg.
Fax: (040) 5311025
- **KONRAD WESTERWINTER** Bielefelder Str. 28, D-33104 Paderborn
- **HERMANN WINKELMANN KG** Breite Str. 19, D-45657 Recklinghausen
Fax: (02361) 27266
- **WUEBA MOEBEL** D-78050 Villingen-Schwenningen. Fax: (07721) 54544
- **LUCAS BUEROMOEBEL GMBH** Widdersdorfestr. 260, D-50933 Koln
- **PFEIFFER & WESSBECHER** Koenigstr. 118, D-76887 Bad Bergzabern
Fax: (06373) 4686
- **KLAUS HOLZHAUER** Markelfinger Str. 4a, D-78476 Allensbach
Tel: (07533) 6347
- **HEINZ CREMER** Auf der Hoern 43, D-52074 Aachen. Tel: (0241) 81764
- **ERICH HOCHSTEIN** Frankfurter Str. 650, D-51145 Koln.
Tel: (02203) 31598
- **JOACHIM FINZEL** Billforner Bruckenstr. 40, D-20539 Hamburg
Tel: (040) 783636 Fax: (040) 783732
- **QUELLE GUSTAV SCHICHEDANZ KG** Abt. Einkauf Buromoebel.
Nuernberger Str. 91-95, D-90762 Furth. Tel: (0911) 742-1
Fax: (0911) 622-3898
- **BERNHARD LENGE** Grabenweg 10, D-71576 Burgstetten-Burgstall
Tel: (07191) 65993 Fax: (07191) 88254
- **INGRID GUTHAUSEN** Classen-Kappelmann-Str. 30a, D-50931 Koln.
Tel: (0221) 407901
- **HANS KLEINEN** Geisbergstr. 27, D-50939 Koln. Tel: (0221) 461476
- **JOACHIM HAX INDUSTRIAL PRODUCTS** Luetjenmoor 84a, D-22850
Norderstedt. Tel: (040) 5255718 Fax: (040) 5252520

The language of business can be English, but promotional material must be in German.

Possibilities exist for joint ventures and technology transfers. The Germans are receptive to new innovations.

There are no local certification requirements; the ISO 9000 is not yet in general use in Germany.

PROMOTIONAL ACTIVITIES

ORGATECH is the major trade show in Germany, which takes place every two years in Cologne. This trade show exhibits both furniture and information technology. At the 1990 show, Ontario had an exhibit with approximately 10 furniture companies, and other Canadian firms exhibited on their own.

The contact for Cologne's ORGATECH 1994 Trade Show (October 20 - 25, 1994) is: Mrs. Edel Wichmann, Cologne International Trade Shows, CANADIAN GERMAN CHAMBER

OF INDUSTRY AND COMMERCE INC., 480 University Avenue, Suite 1410, Toronto, Ontario M5G 1V2, Tel: (416)598-3343

There are no agents associations in the furniture sector.

Post's Overall Opinion: *Large market currently being serviced mostly by domestic shipments. Opportunities exist for joint ventures or transfer technologies.*

HONG KONG

OVERVIEW

Market Size: The middle to high range office furniture market is approximately C$ 200 million.

Projected areas of growth are new office building construction and refurbishing/renovation of existing buildings, with an actual rate of 15% (10% has been deducted for inflation). A Canadian company from Calgary, Altberta has been successful in this country, going from virtually zero in first three years, to approximately C$ 3.5 million last year.

SOURCES OF SUPPLY

Imported products dominate this market, accounting for 90% of the supply of office furniture. Sources of imports include USA, W. Germany, Italy, France, Taiwan, Singapore, Malaysia, and Thailand.

Imports broken down by product category are as follows: open-plan system, approx 50%; desking, approx 20%; storage, approx 15%; seating, approx 15%.

BUSINESS ENVIRONMENT

Local agents are generally engaged on an exclusive basis for importing office furniture.
Distributing Agents for Furniture

- **BIF**
- **Comer**
- **Gruppo Mobilia**
- **Houtoku Furniture H.K. Ltd.**
- **Lamex Trading Company**
- **Logic Office Supplies Ltd.**
- **Pacific Decor**
- **Salotto**
- **Shun Hing**
- **UB-Haworth (HK) Co. Ltd.**

The language spoken is bilingual English and Chinese.

There are no tariff barriers, or import quotas for office furniture.

Possibilities for joint ventures/technology exist, particularly for high import quality/design, low-cost furniture.

Certification is not a requirement.

PROMOTIONAL ACTIVITIES

Proposed Post initiatives include participation at the 11th annual IBEX, June 1994 and building product buying mission to Canada FY 1994/95. Similar initiatives will be proposed for FY 1995/96. Hong Kong importers attend major shows in Europe, including Cologne International Furniture Fair.

Periodicals used as product information sources include: "Interior" and "PACE", which is local. However, it is important to note that Canadian furniture is known to be comparatively more expensive, and lacks brand image.

There is no agents' association or importers association.

Post's Overall Opinion: *Consistent marketing effort and strong sales support (including prompt delivery) provided by local importers/agents will be crucial to successful market entry and ongoing services for Canadian furniture manufacturers.*

IRELAND

OVERVIEW

Market Size: Furniture market (office and household) is C$ 100 million.

After several years of stagnation the outlook for business, based on activity in the first half of 1993, is encouraging. Demand for new office space beginning to pick up. One Canadian company has been very successful in Ireland since its introduction to the market in 1988, and has become a leader in design characteristics.

SOURCES OF SUPPLY

Approximately 40% of all furniture is manufactured locally, with the remainder being supplied mostly from European countries: the U.K., Germany, Italy, and France. Smaller quantities are imported from Denmark, Sweden, the U.S. and Canada.

BUSINESS ENVIRONMENT

Importers/Distributors of Furniture

- **Dominex Office Interiors Ltd.**, Bow Bridge House, Bow Lane West, Dublin 8, Tel: 671 2100, Fax: 679 4881.
- **Ardeen Office Contract**, Sandyford Office Park, Foxrock, Dublin 18, Tel: 295 7771, Fax: 295 7781.
- **J.J. McCreevy Ltd.**, 110-112, Crok Street, Dublin 18, Tel: 533952, Fax: 532192.
- **Thomond Supply Ltd.**, Clondrinagh, Ennis Road, Limerick, Tel: 61 452744, Fax: 61 452081.
- **Milner Office Furniture Ltd.**, 8, Terminus Mills, Clonskeagh Road, Dublin 6, Tel: 283 8812, Fax: 283 9208.
- **Peklo Ltd.**, Castleforbes Road, North Wall, Dublin 1, Tel: 872 6286, Fax: 365837.

The language spoken is English.

The Common External Tariff of the European Economic Community (EEC) applies to furniture imports.

There is current interest in the possibility of joint venture and/or technology transfer particularly in the area of systems furniture for niche markets.

ISO9000 standards must be met for virtually all furniture imports especially for tenders etc. for public service requirements.

PROMOTIONAL ACTIVITIES

Although Ireland does not host any furniture trade shows, per se, the PLAN EXPO is held every September in Dublin which focuses on architecture and interior design products including office furniture. Exhibitors include local manufacturers and agents/distributors. As well. Irish buyers attend the **ORGATECH** and **INTERZUM** trade shows both held in Cologne, Germany.

Locally, **PLAN** magazine is aimed at architects and designers etc. However, circulation is limited and the sector also makes use of British publications.

Posts Overall Opinion: *Canadian manufacturers have opportunities in joint venture and/or technology transfer possibilities, particularly with systems furniture.*

ISRAEL

OVERVIEW
Market Size: Furniture market is estimated at C$ 80 million.

New office construction is growing at a rate of 15%. There is one Canadian success story to report. A Canadian company has set up a subsidiary in Israel, assembling components. This subsidiary is successfully marketing office furniture in Europe, under free trade agreements with EEC and EFTA countries.

SOURCES OF SUPPLY
Approximately two thirds, or 65% of the local market is supplied by domestic manufacturers. The remaining one third, or 35% of the market is imports, which come from the US and France.

BUSINESS ENVIRONMENT
Importers/Distributors of Furniture

- **Aichot Office Furniture Ltd.**, 3 Beitasalel St., Ramat Gan. Tel: 972-3-751-05-11, Fax: 972-3-752-45-33.
- **Savion Furniture**, 11A Hashkama St., Industrial Zone Azur. Tel: 972-3-556-77-11, Fax: 972-3-556-76-77.
- **Gary Alexander Ltd.**, Industrial Zone, Raanana. Tel: 972-9-917-179, Fax: 972-9-913-485.
- **Mobile Style**, 6 Gloska St., New Industrial Zone, Rishon Le Zion. Tel: 972-3-962-21-83. Fax: 972-3-961-20-03.
- **Oranim**, 252 Hayarkon St., Tel Aviv. Tel: 972-3-546-31-11. Fax: 972-4-760-244.
- **I. Mizrachi**, 13 Haizira St., New Industrial Zone or Yehuda. Tel: 972-3-533-44-38. Fax: 972-3-533-40-37.
- **Kal Noah Ltd.**, 2 Hafez Haim St., Tel Aviv. Tel: 972-3-695-16-05. Fax: 972-3-695-82-86.
- **Paltechnika**, 12 Haarvah St., P.O. Box 20575, Tel Aviv. Tel: 972-3-561-08-21. Fax: 972-3-561-23-74.
- **Alit Office Furniture**, 22 Malakush St., Tel Aviv. Tel: 972-3-378-170. Fax: 972-3-378-381.

The languages for business and promotional material are English and Hebrew.

There is a tariff of 26.4% on office furniture originating from Canada. Notably there is no duty on furniture originating from the US or the EEC.

There are possibilities of joint venture and technology transfers.

There are local standards for office furniture, which are also national standards.

Post's Overall Opinion: *Limited possibilites for export due to comparatively high tariff rates. Possibilities exist for joint ventures and technology transfer.*

ITALY

OVERVIEW

Size of Market: Based on 1990 data, the estimated total domestic consumption of office furniture amounted to C$ 1 billion. However, since 1991, office furniture sales have slumped, and the outlook for the office furniture industry is not expected to improve before 1994 or 1995. The slow development of the European economy and the decline in investments in office buildings has restricted, and will continue to restrict growth in the office furniture industry. However, there will continue to be demands for office furniture in the long run, as the office automation sector focuses on the office work station, and the service sector continues to grow.

SOURCES OF SUPPLY

In 1990 the office furniture sector registered an increase in production of 9.5%. Imports represented only 4% of domestic consumption, at C$ 44 million. Within this import market, Germany supplied an estimated 40% of Italy's imported office furniture.

The export market dominated Italy's office furniture sector, amounting to $C 450 million. Furniture and panels represented approximately 60% of the exports, at C$ 277 million, and seating represented the remaining 40%, at C$ 173 million. Italian office furniture is exported to France (25.3%), Germany (11.7%), Britain (10%), Belgium/Netherlands (9.5%), and Switzerland (5.6%).

BUSINESS ENVIRONMENT

Office furniture manufacturers operate internationally within the EC-markets, and European standardization will influence the Italian office furniture manufacturers. The M9 manual, which is published by the UNI (the Italian national standards body) remains in effect since its last publication of 1989. A useful working picture of the standards for this sector can be found in "Prescrizioni tecniche per le forniture di mobili in legno, mobili e scaggalature in metallo, pareti e panneli divisori", which is published by Provveditorato Generale dello Stato.

The major clients for office furniture are the small and medium-sized companies (40-45%), followed by large industries (15-20%), banks and insurance companies (20%), and public administration (20%).

PROMOTIONAL ACTIVITIES

Canadian exporters should attend the following trade fairs, as they are visited by Italian buyers:

- EIMU - a biennial event featuring office furniture, held in Milan. The last fair was held in September 1993. Interested parties should contact COSMIT, Corso Magenta 96, 20123 MILANO Tel: 02-48008716 Fax: 02-4813580, for more information.

- SMAU - an annual fair held in Milan, featuring informatics, telematics and telecommunications systems, office machines and office furniture. The last faire was held in September 1993. Interested parties should contact GEMUFFICIO, Corso Venezia 49, 20121 MILANO. Tel: 02-76001765 Fax: 02-784407, for more information.

The agents' association for office furniture is **ASSUFFICIO** - Associazione Nazionale delle Industrie dei Mobili e degli elementi di arredo per l'Ufficio. Viale Sarca, 183, 20126 MILANO. Tel: 02-661451 Fax: 02-66145292.

Post's Overall Opinion: *Due to strong domestic production and emphasis on exports, the Italian office furniture market offers limited opportunity for Canadian exporters. However, opportunities for joint ventures or technology transfers may exist.*

JAPAN

OVERVIEW

Size of Market: The overall office furniture market in 1992 is estimated at C$ 8.5 billion.

The Japanese market has been on the decline for the past two years, largely due to the effects of the recession. Many office buildings that were constructed before the recession are now having difficulty renting out their vacant office space.

A Canadian company has which has had success in Japan's office furniture market has done so by reaching an agreement with a Japanese agent. Through this agent the company successfully markets to foreign firms established in Japan, for example, Arthur Anderson. Recently, this company supplied furniture to the Chase Manhattan Bank in Tokyo.

The key to revitalizing the office furniture market in Japan is the introduction of new products such as space-saving filing systems, and innovative office furniture equipped with efficient information and communication systems.

SOURCES OF SUPPLY

Office furniture imports have increased to more than C$ 1 billion, which represents approximately 10% of the Japanese market. The countries supplying the majority of Japan's imports are the United States and Europe. Some of the companies of note are Herman Miller, Steel Case, Knell, and Cassina.

BUSINESS ENVIRONMENT

In order for foreign businesses to gain access to the Japanese distribution system, it is essential that they work with a Japanese agent. Important distributors/agents in the office furniture sector include: **Chitose, Houtoku, Itoki, Kokuyo, Okamoto, Plus Corp, and Uchida Yoko.**

The language of business and documentation is Japanese; it is a necessity. Foreign companies visiting Japan must also consider hiring an interpreter for meetings with Japanese buyers.

There are no quotas or tariff barriers.

The certification issue is somewhat complicated. The national standard, JIS (Japanese Industrial Standard), has recently (and sensibly) become somewhat more flexible, and as of 1991, Japanese furniture must also conform to ISO international standards.

Experienced overseas furniture suppliers note that Japanese clients tend to demand perfection. For example, they will not accept furniture with minor scratches, or slightly tarnished metal. In addition to cost, quality and safety, good service, such as on-time delivery and prompt maintenance service, are musts in the Japanese market.

Market entry by foreign manufacturers takes the form of licensed production, joint ventures, and exporting of their products directly to Japan. The first two forms have been popular because of the high transportation costs of bulky products, size differences, and because of Japanese business practices of strict observance of on-time delivery and prompt after-sale service. Which form to choose varies from one case to another. In any case, due to the highly competitive nature of the Japanese marketplace, it is essential that Canadian furniture suppliers have local contact points, such as local agents, or distributors, or joint ventures.

PROMOTIONAL ACTIVITIES

The Tokyo **International Trade Fair**, which takes place in mid-December, is the best furniture fair in Japan. Buyers "shop" at the **Tokyo International Furniture Fair.**

Two publications to note for potential advertising opportunities are:
SHITSUNAI, and NIKKEI INTERIOR.

There is an agents' association:

- **Japan Office and Institutional Furniture Association.**

There are no importers associations as such, although The International Development Association of the Japan Furniture Industry essentially functions as an importers' association.

Post's Overall Opinion: *Due to the large size of the market, there are opportunities for Canadian businesses. However, the challenge is to find a Japanese agent to market and promote foreign products to the Japanese market.*

KOREA

OVERVIEW

Market Size: Total furniture market size in 1992 was roughly between C$ 1 and 1.5 billion with domestic production accounting for approximately 98% of this.

The total office furniture import market for Korea was C$ 51.6 million in 1992. Imports of seats and parts (HS Code 9401) accounted for C$ 48.6 million of this.

Unlike most European and North American countries, there is a gradual "upgrading" of commercial office space throughout Korea. Domestic construction awards in 1992 totalled C$ 60 billion with slightly over 10% of this total for "commercial" office space.

SOURCES OF SUPPLY

Very little furniture is imported into Korea. Most of what is imported comes from Japan, Indonesia, Italy, the United States, Malaysia, Germany, and China. Canada supplied a slight C$ 151,000 worth.

Imports are broken down as follows:

HS CODE	Product	Value
9401.3	Swivel Seats	C$ 842,000
9401.4	Seats (Other than Garden Seats Convertible to Beds)	368,000
9401.5	Seats (Cane, Bamboo, osier, or Other Materials)	5,543,000
9401.61	Other Seats with Wooden Frames, Upholstered	5,611,000
9401.69	Other Seats with Wooden Frames	6,102,000
9401.71	Other Seats with Metal Frames, Upholstered	2,389,000
9401.79	Other Seats with Metal Frames	917,000
9401.80	Other Seats of Stone	3,605,000
9401.90	Seat Parts	21,398,000
9401.30	Wooden Furniture used in Offices	3,024,000

Furniture is retailed through department stores, furniture stores and through sales staff from some wholesales. Midopa, Lotte, Hyundai and Shinsegae are major department store chains, with their own purchasing units.

Agents/Distributors for Office Furniture

- **BIF Korea Co.**, Inchon, Fax: 032 433 7950.
- **Samick Furniture Co.**, Inchon, Fax: 032 864 9141
- **Sun Chang Indsutrial Co.**, Inchon, Fax: 032 763 3171

BUSINESS ENVIRONMENT

English is an acceptable language for business, however advertising/promotional materials should be translated into Korean.

There are no non-tariff barriers to trade and a tariff of 9% is imposed on all furniture imported into Korea. This rate is progressively being reduced.

Higher quality Italian or Japanese furniture items aside, Korean consumers are very nationalistic and tend to buy products manufactured in their country. This trend is unlikely to change.

No local certification standards are required for office furniture in Korea.

PROMOTIONAL ACTIVITIES

The only major show for office furniture in Korea is its annual **"International Office Furniture and Fixture Show"** held in Seoul in October.

Associations of potential interest to Canadian exporters:

- **Association of Foreign Trading Agents of Korea (AFTAK)**, 45-20 Youido-Dong, Yongdungpo-Gu, Seoul, Fax: 02 785 4373
- **Federation of Furniture Industry Cooperatives**, 127, Nonhyondong, Kangnam-Gu, Seoul.

Post's Overall Opinion: *This sector represents limited opportunity for Canadian firms.*

MALAYSIA

OVERVIEW

Market Size: The estimated size of the 1994 office furniture market for imports is C$ 3 million.

Projected areas of growth occur in new office space, where it is estimated that 2.4 million square feet will be constructed.

SOURCES OF SUPPLY

Approximately 87% of office furniture products are manufactured domestically. Malaysia exported C$ 20 million in 1990; 18% of this was exported to Canada.

The top 10 sources of foreign imports by product category:

Metal Based	Wood Based	Plastic Based
USA	Japan	Netherlands
Japan	Singapore	Italy
Singapore	Germany	Japan
Italy	Indonesia	USA
Germany	Thailand	Singapore
UK	USA	India
Hong Kong	Taiwan	Germany
Taiwan	Denmark	Taiwan
Switzerland	China	New Zealand
New Zealand	Hong Kong	-

Of the total percentage of imports, metal based products represented 50% of the market, wood based products, 25%; plastic based, 25%. Canada's share in this was 0% in metal based, 0.19% in wood based, and 0% in plastic based.

BUSINESS ENVIRONMENT

Most marketing and distribution of office furniture occurs through furniture and departmental stores, and office equipment suppliers.

The languages of business are Bahasa Malaysia, English, and Chinese.

There is a 30% duty applied to imports, and sales tax is 10%.

There are opportunities for joint ventures or technology transfer - most (75%) of the furniture factories in Malaysia manufacture wood based, knock-down furniture, while the high tech ergonomic furniture is imported from the USA.

There are no local certification requirements.

Malaysia's furniture industry ranges from small cottage industries to some of the largest factories in Asia, but is dominated by approximately 50 small and medium-sized industries. The industry works with a diverse range of material, i.e., wood, rattan, steel, plastic and fibreglass. The metal furniture industry is in a developmental stage.

Post's Overall Opinion: *Possibilities exist for joint ventures and technology transfer. Duties and sales tax make exporting a limited activity for Canadian markets.*

MEXICO

OVERVIEW

Market Size:

The total market for office furniture and equipment is estimated at C$ 936 million for 1992, of which imports accounted for C$ 222 million. Sales opportunities for office furniture and equipment in the Mexican market are increasing, as the average annual growth for the next few years is estimated at anywhere between 15 and 20%. The import market is enjoying an annual average growth rate of 42.5%. It is expected that this market will continue to grow, albeit at a slightly lower rate of around 20 to 30% in the following years.

Free standing furniture has good sales potential as it is more adaptable to different office settings and thus easier to sell. Similarly, office-systems furniture, with its space-saving features and ergonomic designs will have a better sales outlook than furniture that is not as well suited to today's modern workplace.

SOURCES OF SUPPLY

Mexico's office furniture market has been strongly domestic; only an estimated 25% (C$ 222 million) of the market has been supplied through imports.

BUSINESS ENVIRONMENT

It is anticipated that the North American Free Trade Agreement (NAFTA) will increase trade between Mexico and Canada including office furniture and equipment. Under the NAFTA a series of tariffs on institutional furniture such as wood drawing tables and filing furniture are scheduled to be reduced from their current 20% to zero effective January 1, 1994. Other import duties on office furniture will be phased out over the next few years.

A niche which is starting to grow is the home-office market for furniture and office equipment. Although this market is still small, dealers see a future in this trend that eventually will become a promising segment.

Post's Overall Opinion: *Opportunities abound for interested Canadian office furniture manufacturers.*

THE NETHERLANDS

OVERVIEW

Market Size: the Dutch office furniture market is estimated to be about C$ 500 million in 1993 down sharply from C$ 820 million in 1992. This decline is due largely to a downturn in the economy which is not expected to turn around until the end of 1994.

Many companies have been forced to lay off employees, and competition has resulted in companies selling at or below cost for certain products.

Due to current economic conditions and competition only competitively priced furniture of revolutionary design might stand a chance. A strong emphasis is placed on ergonomics. There may be possibilities for technology transfer.

SOURCES OF SUPPLY

This year imports have fallen to 30% of the total furniture market from 40% last year, coming mostly out of France, Germany, and Italy. Canadian companies are not presently exporting furniture to the Netherlands, and only two non-European manufacturers have significantly penetrated the Dutch import market.

Until recently, a small local company manufactured under license work stations of Canadian design. Unfortunately, the Dutch partner folded last year and the Canadian manufacturer is also no longer active.

PROMOTIONAL ACTIVITIES

The leading Dutch trade shows are **Efficiency** (office equipment, systems and furniture) help in Amsterdam in the odd years; and **InterOffice**, an annual exhibition for better quality office and contract furniture held in Utrecht. Dutch buyers also attend other European trade fairs: **ORGATECH**, Cologne; **EIMU**, Milan.

Posts Overall Opinion: *This is not a good time to consider the Dutch market.*

NORWAY

OVERVIEW

Market Size: The total market for office furniture in Norway was estimated at C$ 250 million for 1992.

Due to the recession, construction of new office space is deemed to be negligible for the next 2-3 years.

SOURCES OF SUPPLY

Imports account for about 20% of the total Norwegian office furniture market. Most imported furniture s shipped from Sweden, Denmark, Germany, the U.K. and Finland.

BUSINESS ENVIRONMENT

Importers/Distributors of Office Furniture

- **Ide-Kjeden**
- **Bohus and Nkl**

English is considered an acceptable language to do business in.

Furniture imported from other European countries enters duty-free while Canadian made furniture is subject to a 3-5% import duty.

There are no specific requirements that goods must meet to enter the Norwegian furniture market, however increasingly more and more manufacturers are conforming to ISO9000 standards.

PROMOTIONAL ACTIVITIES

There is an office furniture trade fair called **NOR-IN** held in Oslo every two years (next in 1995). The most important international trade fair for Norwegian furniture buyers is ORGATECH, held annually in Cologne, Germany.

Some of the more popular periodicals suitable for furniture manufacturer advertising are:

- Mbelhandlere, P.O. Box 2960 Toyen, 0608 Oslo.
- TRE OG Mbler, P.O. Box Sentrum, 0101 Oslo.
- Byggenkunst, Josefinesgate 34, 0351 Oslo.

Agents of office furniture are members of an association called:

- KDL, P.O. Box 2568 Solli, 0203 Oslo.

Post's Overall Opinion: *Canadian potential in Norwegian office furniture market is limited.*

POLAND

OVERVIEW

Poland is an established exporter of furniture. Poland's furniture exports to Canada were C$ 1.7 million in 1992 while Canadian furniture exports to Poland were a comparatively low C$ 220,000.

SOURCES OF SUPPLY

Poland supplies the low end furniture market domestically while high-end furniture is imported mainly from Germany, Austria, Italy, and Scandinavian countries.

BUSINESS ENVIRONMENT

Poland's import duty on furniture is 20% (15% on parts), plus 6% on border tax and 22% value-added-tax (VAT). There are no other non-tariff trade barriers.

The two most important furniture trade shows for Poland are

- Polskie Meble (Polish Furniture) held every spring in Poznan, Poland, and
- Internationale Moebel Messe (International Furniture Fair) held every January in Cologne, Germany.

The languages of business are Polish, German, and English.

PROMOTIONAL ACTIVITIES

There are no specialized periodicals or industry associations for the furniture sector in Poland. Manufacturer and importers/distributors advertise through in national newspapers and business-oriented magazines.

Posts Overall Opinion: *Canadian export opportunity for Office Furniture in Poland is extremely limited, but some form of joint venture may be fruitful.*

RUSSIA

OVERVIEW

Although the actual size of the market is difficult to estimate, the current transition to a market economy in Russia has led to an increasing number of foreign companies setting up offices in Russia and forming joint ventures with Russian companies. This increased business activity, which has resulted in the construction of new offices and the refurbishing of older buildings, also represents a growing market for Western-style furniture. Political and social unrest, however, have slowed growth somewhat.

SOURCES OF SUPPLY

The presence of domestically manufactured furniture corresponding to international standards is still limited on the Russian market. Present sophisticated demand is largely met by imported goods from the U.K., Italy, Germany, Finland, etc.

So far, one Canadian company has succeeded in this market. The company intends to set up manufacturing facilities in various locations within the Commonwealth of Independent States for manufacture of tubular furniture.

BUSINESS ENVIRONMENT

Marketing and distribution channels are generally limited to demonstration halls and advertising in local media.

Importers/Trading Houses of Office Furniture

- **Kolve Company**, 49, Leninsky Prospekt, Moscow, Tel/Fax: 135-8210.
- **Corporate Image LVS Group**, 65 Profsoyusnaya Str., Moscow 117806, Tel: 330-1606, 330-3733, Fax: 330-3693
- **Trading House "Erlan"**, 46, Ozernaya Str., Moscow, Tel: 437-9908, Fax: 437-2910.

The preferred language to do business in is Russian. Printed brochures are an asset.

There is a customs import duty on furniture of 15% and a Value added tax (VAT) of 20%. There are no non-tariff barriers to trade. Possibilities for joint ventures/technology transfer do exist with the key to success being chosing the right parter.

PROMOTIONAL ACTIVITIES

The following are trade shows in the furniture sector: **Bank and Office 94**, from November 14-19, 1994; **The Fifth International Exhibition on Equipment for Banks and Offices**, October 23-28, 1995; and **Mebelindustrya 94**, November 15-20, 1994. These shows are organized by Expocentr, a/o Expocentr, Firm Mezhvystavka, Sokolnichesky Val, 1-A, Russia, 170113, Moscow, Tel (095) 268-7750, Fax: (095) 288-9537, Telex 411185 Expo.

Post's Overall Opinion: *Some Canadian activity to date, and possibilities exist for joint ventures/technology transfers in this slowly growing market.*

SINGAPORE

OVERVIEW

Market Size: Imports of office furniture were C$ 40 million in 1992, however, market is larger still as domestic production (combining home and office furniture) was not included.

There is continual growth, as many new major office buildings are being built, and renovations continue. No figures are available, but market is small when one considers the size of the country and the density of population.

One Canadian enterprise has a large showroom in the heart of the central business district.

SOURCES OF SUPPLY

Approximately 45% of furniture is manufactured locally, with the remainder being supplied by Malaysia (20%), Japan (14 %), USA (12%), and Italy (7.5%).

BUSINESS ENVIRONMENT

The language of business is English.

There are no significant regulations deterring imports.

Joint ventures have happened with Japanese firms, with the emphasis being on achieving a higher level of quality for export.

ISO9000 has been used as an export-facilitating standard, but no standards exist for imports.

PROMOTIONAL ACTIVITIES

Trade shows include:

- FURNITURE TECHASIA 93, 23 - 27 NOV. This is a biennial exhibition which focuses on the furniture production process (i.e., machinery, accessories for furniture production, upholstery, etc).
- INTL FURNITURE FAIR SINGAPORE 94, 2 - 6 MAR. This is held in conjunction with the 11th ASEAN FURNITURE SHOW.
- SINGAPORE FURNITURE INDUSTRIES COUNCIL 4TH INTERNATIONAL FURNITURE SHOW. This shows features a wide variety of furniture styles.
- FURNITURE 94 - 31 JUL TO 8 AUG. An exhibition of furniture, furnishings, household appliances, and home products.

There are no local magazines on office furniture, but Canadian exporters could consider advertising in the local BUSINESS TIMES Newspaper.

There is no agents' association, however there are two importers' associations:

- **SINGAPORE FURNITURE INDUSTRIES COUNCIL**, 2 Jurong East St 21, #02-110/111, Singapore 2262. Tel: (65) 568-2626 Fax: (65) 568-2922.
- **SINGAPORE FURNITURE MANUFACTURERS AND TRADERS' ASSN**, 16C Lorong 37 Geylang, Singapore 1438. Tel: (65) 744-1600 Fax: (65) 745-2917.

Post's Overall Opinion: *Opportunities exist in a favorable trading environment, joint ventures and technology transfer possibilities also exist.*

SWEDEN

OVERVIEW
Market Size: C$ 316 million (1992 Est.).

Shrinking office furniture market closely linked to decreasing building construction.

SOURCES OF SUPPLY
Swedish imports of Canadian wooden office furniture in 1992 was 35 tons, down 40% from 1991

Percentage of imports were 10% of total domestic production

Denmark, Germany, and the U.K. are Sweden's major foreign suppliers

For the first six months of 1993 imports for wooden office furniture totalled C$ 4,891,000 of which Denmark supplied C$ 1,390,000 worth while Canadian imports amounted to C$ 181,000.

BUSINESS ENVIRONMENT
Importers/Wholesalers of Office Furniture

- **Jack Ahlstrom Inredningar AB**, Box 17020, S-161 17 Bromma, Tel +26-8-252515, Fax +46-8-251046.
- **ASKI Inredningscentrer AB**, Box 1036, S-212 10 Malmö, Tel +46-40-181360, Fax +46-40-933659.
- **Bjorklund Interior AB**, Box 821, S-721 22 Vateras, Tel +46-21-120230, Fax 24-21-121590.
- **Kontorsspecial**, Box 24, S-574 21 Vetlanda, Tel +46-383-14020, Fax +46-383-17041.
- **Martela Margana AB**, Box 92055, S-120 06 Stockholm, Tel +46-8-6416040, Fax +46-8-6444644.
- **Lars Palmgren Inredning AB**, Agatan 26, S-431 35 Moldnal, Tel +46-31-870895, Fax +46-31-872788.
- **Orderinvest AB**, Box 99, S-298 00 Knislinge, Tel +46-44-61950, Fax +46-44-60095.

Preferred Language in Business is English. Translation for promotional material is desirable.

No significant barriers to entry. Negligible tariffs.

Major Swedish Office Furniture Manufacturers

- Kinnarps AB, Box 3060, S-521 03 Kinnarp, Tel +46-515-38000, Fax +46=271-23463.
- AB Edsbyverken, S-828 00 Edsbyn, Tel +46-271-21210, Fax +46-271-23463.
- NKR Kontorsmobler AB, Box 1017, S-573 28 Tranas, Tel +46-140-13000, Fax

+46-140-126260.

- **Design Funktion AB**, Hamng 28, S-172 91 Sundbyberg, Tel +46-8-764330, Fax +46-8-983682.
- **TUA AB**, Box 91, S-543 21 Tibro, Tel +46-504-12510, Fax +46-504-11510.

Voluntary ISO9000 is applicable nationwide.

Principal Associations

- **Swedish Furniture Industry Association (SMI)**, Box 14012, S-104 50 Stockholm, Tel +46-8-230780, Fax +46-8-7830596.
- **Swedish Furniture Retailers Association**, Kungsgatan 21, S-105 61 Stockholm, Tel +46-8-7915410.
- **Furniture Council (Möbelbranschradet) - Associated with Retailers Association** - Kungsgatan 21, S-105 61 Stockholm, Tel +46-8-7915410.

PROMOTIONAL ACTIVITIES

International Furniture Fair takes place in Stockholm May 4-8, 1994 and, as it is considered Scandinavia's leading fair, it is recommended for those Canadian manufacturers interested in technology exchange.

Swedish buyers attend Stockholm, Cologne, and Milan shows.

Swedish Business Journals for Furniture and Interior Decorating:

- **Habit Butik**, Box 27817, S-115 93 Stockholm, Tel +46-8-6704100, Fax +46-8-6616455.
- **Interior & Mobler, Egmonts Forlage AB**, Box 27817, S-115 93 Stockholm, Tel +46-8-6704100, Fax +46-8-6616455.
- **Mobler & Miljo**, Mobervarlden, S-105 61 Stockholm, Tel +46-8-7915410, Fax +46-8-7915418.
- **Front Office**, Papper & Kontor, Box 5739, S-114 87 Stockholm, Tel +46-8-6670315, Fax +46-8-6607276.

Post's Overall Opinion: *Canadian export opportunity for Office Furniture in Sweden is extremely limited, but possibilities exist for technology exchange and other forms of joint venture.*

SWITZERLAND

OVERVIEW

Market Size: The 1992 furniture market (household and cheap office - department store sales) was approximately $C 920 million. Professional market was approximately $C 632 million.

In 1992, there was a decrease of turn-over of 16.5%, primarily in sales of special furniture for data processing equipment. There was a net increase in office planning, and a definite trend towards functionality, ergonomics, and design; more office furniture systems are sought as opposed to individual pieces.

It is estimated that by 2000, 60 - 70% of all people will be working in an office environment, and thus the emphasis has been placed on increasing comfort. Natural wood is becoming fashionable because of the movement towards more ecological products.

SOURCES OF SUPPLY

Approximately 85% of the professional office furniture is manufactured locally. Most imports occur with home office furniture, where 60 - 70 % of furniture is imported from EC countries. The leading country for imports is Germany, followed by Italy.

Recent imports broken down by product category:

Office furniture, metal	C$ 31,798,997
Office furniture, other	5,886,426
Office furniture, wood	104,855,238
Swivel chairs, upholstered	34,195,822
Swivel chairs, not upholstered	574,799

BUSINESS ENVIRONMENT

Marketing and distribution channels through agent and specialized stores.

The language spoken is English. Descriptive literature in German, English, and French would be advantageous.

No import permits required. EC and EFTA countries import duty-free.

There is interest in joint venture, exchange of technology, and licence manufacturing. Of note, a major Swiss manufacturing firm, LISTA DEGERSHEIM AG is interested in cooperation with Canadian firms.

Quality requirements are identical to ISO9000. Manufacture standards must also be followed.

During this recession, there is very little office building construction, and few companies wish to invest in more modern office furniture and equipment.

Although European firms have strong influence in the North American Market, American firms are less recognized in Europe for their desk and office systems concepts.

Major Swiss and German firms are present in the U.S.A. either with their own factories or through licensing.

PROMOTIONAL ACTIVITIES

Switzerland hosts an annual international event focusing on information communication and organization technology - **ORBIT**. This exhibition is held in Basel, and the next one is scheduled for September 6 - 10, 1994.

Swiss buyers shop at **ORGATECH**, held in Cologne, Germany. The next fair is scheduled for October 20 - 25, 1994.

Locally, the Swiss buyers rely on **BUREAU SUISSE** and **DER ORGANISATOR** as periodicals for office furniture information.

There is no importers' association for office furniture, nor is there an agents' association. However there is **SWICO**, the *Association economique de la bureacratique, de l'informatique, de la telematique et de l'organisation.*

Post's Overall Opinion: *A demand for specialized and systems furniture exists. Joint venture possibilities exist.*

UNITED KINGDOM

OVERVIEW

Market Size: The office furniture market is estimated to be C$900 million.

Recent/projected growth areas in the UK include the home office market. Two Canadian companies have outstanding success stories. These two companies export approximately $8 million worth of up-market office storage systems, desks, work stations, etc. through their agent.

SOURCES OF SUPPLY

Approximately 60% of office furniture products are manufactured locally, leaving 40% supplied by foreign imports primarily from European countries - Germany, Italy, France, Holland. Imports also come in from the USA.

BUSINESS ENVIRONMENT

Marketing/Distribution channels:

- **AEL Furniture** - J. Ostroff, Director. Unit 4 Riverside Ind Est, Morson Rd., Enfield, MIDDX EN3 4TH. Tel: 44 81 4432322, Fax: 44 81 4430414.
- **Albion Extrusions** - Mr. Pilkington, Director. Penrose Works, Penrose St., Off Bury New Rd., Bolton, LANCS BL2 6DX. Tel: 44 204 385803, Fax: 44 204 385816.
- **CJ Paul Marketing** - Chris Taylor, Proprietor. 27 Royal Crescent Court, The Crescent, Filey, N. YORKS Y014 9JH. Tel: 44 723 515928. Fax: 44 723 515928.
- **City Space Limited** - Simon Knight, Director. 51-53 Rivington Street, LONDON EC2A 3QB. Tel: 44 71 7294116. Fax: 44 71 7291117.
- **Inhaus International** - Brian Mynett, Director. Hillhouse, 95 Cyncoed Rd., CARDIFF CF2. Tel: 44 222 751775. Fax: 44 222 755452.
- **Tony Carroll** - Agent, Proprietor. Cardinal Close, Meltham, HUDDERSFIELD HD7 3BL. Tel: 44 484 852717. Fax: 44 484 850045.
- **UGB International Ltd.** - CW Kirkwood, Director. Unity Works, Sutherland Road, Walthamstow, LONDON. Tel: 44 81 5275577. Fax: 44 81 5272412.
- **Adventa Products Ltd.** - Neil Curry, Director. Unit 7, Boxmend Industrial Estate, Bircholt Rd., Maidstone, KENT ME15 9YG. Tel: 44 622 690940. Fax: 44 622 692811.
- **Educaid Ltd.** - PJ Harris, Director. Lychgate, Albion Road, Pitstone, Leighton Buzzard, BEDS LU7 9AY. Tel: 44 296 661816. Fax: 44 296 662190.
- **Neville and Gladstone** - J Rodgers, Purchasing Director. 86 East Barnet Road, New Barnet, LONDON EN4 8RQ. Tel: 44 81 4408611. Fax: 44 81 4490910.
- **Smith (IMPEX) Enterprises** - S Smith, Director. 67 Greenleach Lane, Roe Green Worsley, MANCHESTER M28 4RT. Tel: 44 61 7901330.
- **Allied Maples Group** - AG Winters, Director. Allied House, Lombard Street, West Bromwich, WEST MIDLANDS B70 8RL. Tel: 44 21 525 9666. Fax: 44 21 553 2685.

The language of business and for promotional materials is English.

There is a 6% duty on imports, but no other significant tariffs or quotas.

Opportunities for joint ventures or technology transfers are limited.

Local certification requirements include a national standard - British Standard 5750 - which is equivalent to ISO9000.

PROMOTIONAL ACTIVITIES

The United Kingdom hosts several trade shows in London:

- **PREMISES AND FACILITIES MANAGEMENT 15 - 17 JUN 1994**
- **IDI (INTERIOR DESIGN INTERNATIONAL) 24 - 27 APR 1994, at OLYMPIA**

Buyers also "shop" at **ORGATECH**, the most important European trade show for office furniture. This show is upcoming for October 1994, in Cologne, Germany.

Periodicals that buyers rely on include **OFFICE TRADE NEWS** (Wilmington Publishing Ltd, fax 011 44 322 276474), **OFFICE EQUIPMENT NEWS** (Wilmington Publishing Ltd), and **BUSINESS CONNECTIONS** (Fax: 011 44 438 821354).

There do not appear to be any trade associations devoted to office furniture.

Posts's Overall Opinion: *Some opportunities exist for Canadian manufacturers of office furniture.*

VENEZUELA

OVERVIEW

Market Size: Estimated at C$ 25 million for 1992.

Following recent new and projected construction of office buildings, the main area of growth is in the office furniture market.

SOURCES OF SUPPLY

Venezuelan furniture manufacturers have been effectively supplying the domestic market with a ten-to-one ratio over imports. Of these imports, most are shipped from the U.S., Germany, Italy, and Puerto Rico. 1992 imports totalled C$ 1,150,000 down about 8% from 1991.

BUSINESS ENVIRONMENT

The language primarily spoken and used in promotional material is Spanish; English is the next alternative.

There are no tariffs or non-tariff barriers to trade in Venezuela.

Possibilities for joint ventures exists.

There are no local certification requirements.

PROMOTIONAL ACTIVITIES

Two major trade shows will take place over the next two years. These are **Office Furniture and Equipment Exhibition**, in May 1994/95; and **Home and Office Furniture Show** in November 1994/95. Venezuelan buyers are not often found at trade fairs abroad since locally manufactured furniture has both price and quality advantages over imported products.

Local buyers depend on publications issued by the **Venezuelan Furniture Manufacturers' Association**. Local knowledge of Canadian export capacity is negligible.

An agents association exists for the office furniture sector.

Post's Overall Opinion: *Strong local capacity, but very open trading environment and possibility for joint ventures do exist.*