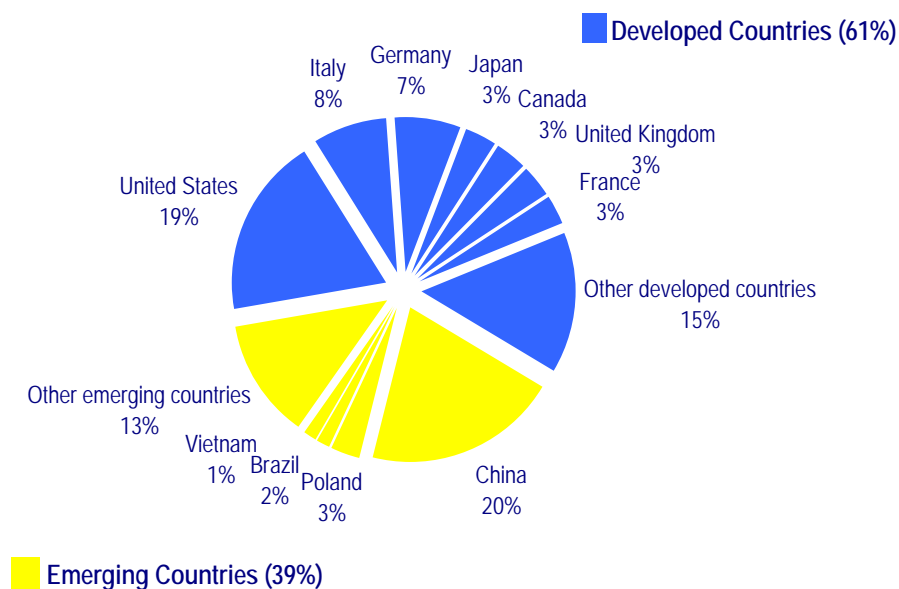


WORLD FURNITURE OUTLOOK SUMMARY

1.1. The world furniture market

World production of furniture is worth about US\$ 350 billion¹. This estimate is based on CSIL processing of data from official sources, both national and international, that cover the 60 most important countries.

Figure 1
World furniture production



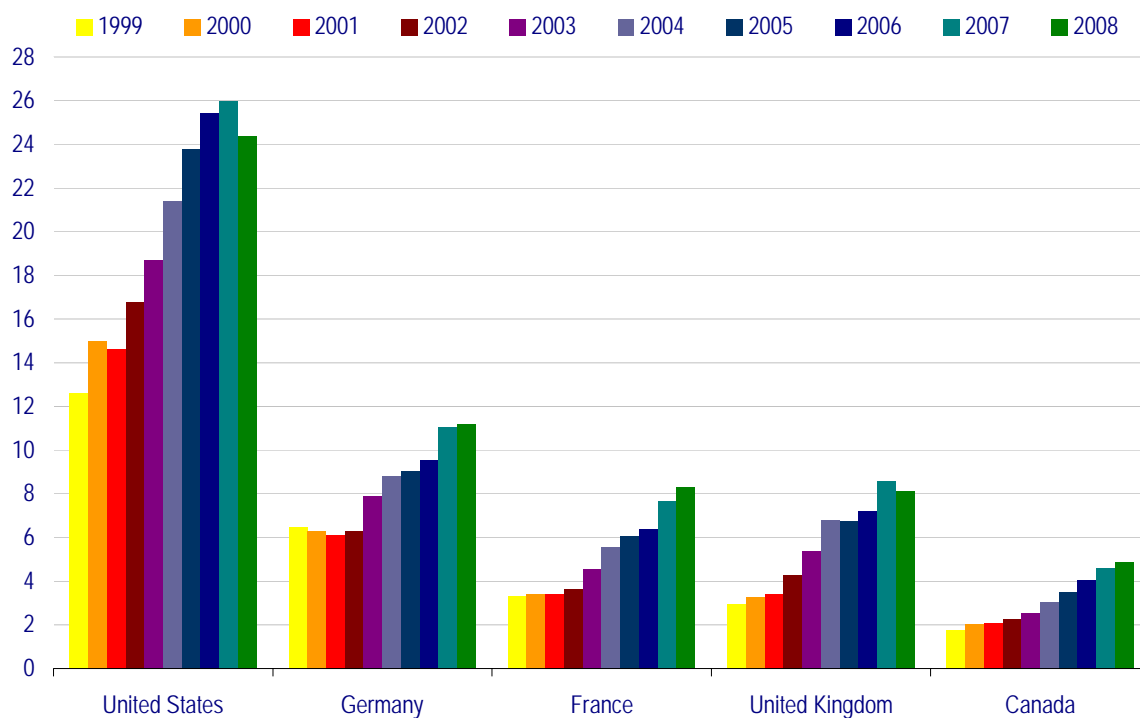
Source: CSIL

The seven major industrial economies (which are, in order of furniture production, the United States, Italy, Germany, Japan, Canada, the United Kingdom and France) together produce 47% in value of the world total. The furniture production of all developed countries combined covers 61% of the world total. Furniture production in emerging countries currently amounts to 39% of the world total in value. There are three countries (China, Poland and Vietnam) where production has increased rapidly thanks to recent investments in new plants especially designed and built for exports.

World furniture trade basically involves 60 countries, which are the subject of this report and of the World Furniture Indicators. The leading importers are the United States, Germany, France, the United Kingdom and Canada. The major exporters are China, Italy, Germany, Poland and the United States.

¹ All data in the report are in current US\$. They are affected by exchange rate variations.

Figure 2
Five major furniture importing countries. Imports, 1999 - 2008.
 Current US\$ billion

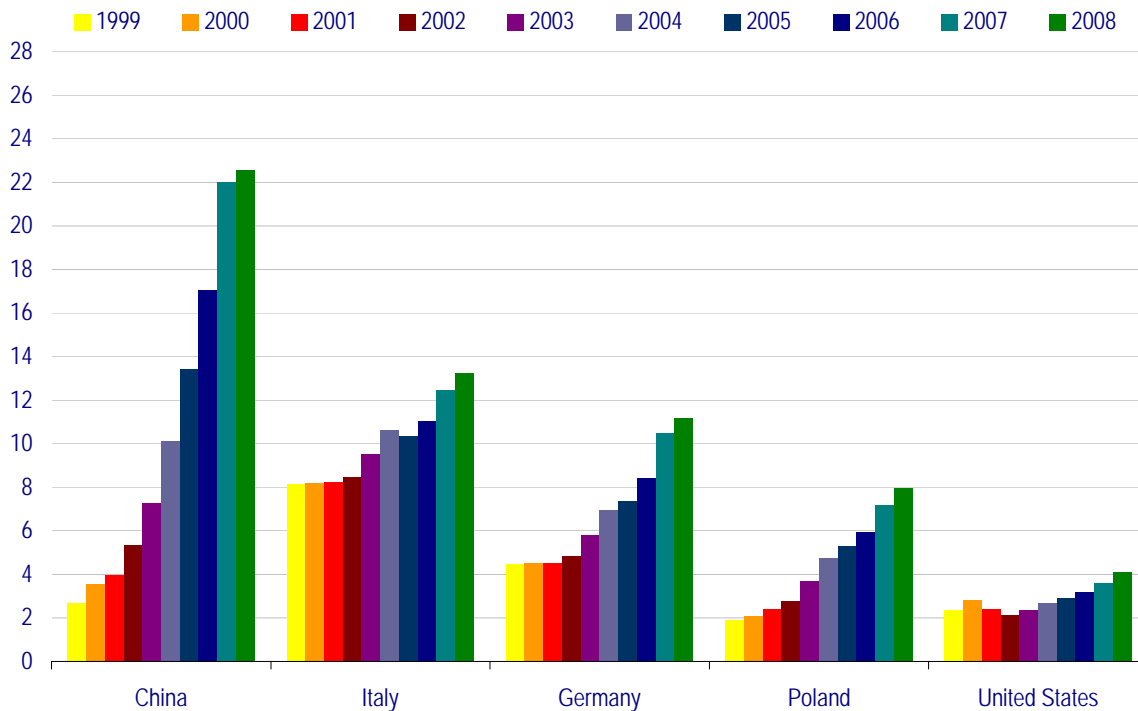


Source: CSIL processing of United Nations, Eurostat and national data

In the 1999-2007 period there was a very large increase in the imports of the United States (from US\$ 12.6 billion to US\$ 26 billion in current dollars) and of the United Kingdom (from US\$ 2.9 billion to US\$ 8.6 billion in current dollars), and smaller increases in France, Germany and Canada. Starting in 2008 the recession in the US caused a substantial decrease in furniture imports (from US\$ 26 billion to about US\$ 24 billion in 2008, with a further contraction expected for 2009). This is a major source of concern because US imports have been the engine of world furniture trade in the last decade.

Figure 3

Five major furniture exporting countries. Exports, 1999 - 2008.
Current US\$ billion



Source: CSIL processing of United Nations, Eurostat and national data

The most important structural phenomenon of the past decade was the increased degree of openness of the furniture markets (measured as the ratio between imports and consumption, which for the entire world rose from 22.5% in 1999 to 30.5% in 2007). Growth of the imports/consumption ratio is now levelling off and no further increases are expected in 2009 as all major furniture importing countries are in recession.

1.2. The world economy in 2008 and 2009

This report assumes that the international scenario in 2008 and 2009 will be as follows:

Table 1

Evolution of world GDP.
Annual percentage change in real terms

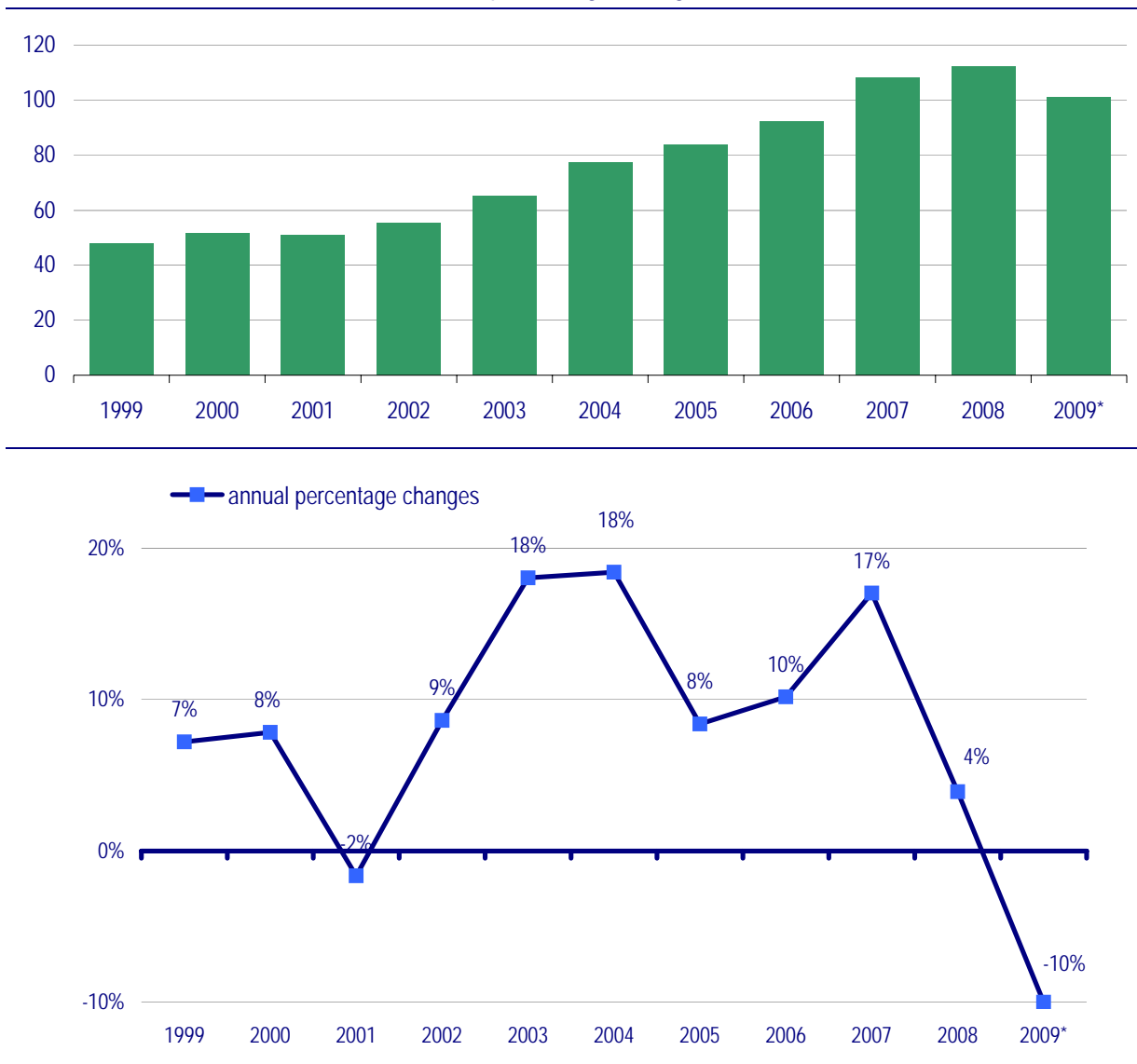
	2008	2009
World	3.2%	-1% to -0.5%
Advanced economies	0.8%	-3.5% to -3.0%

Source: IMF, Overview of the World Economic Outlook Projections, Global Economic Policies and Prospects, March 2009

Global economic activity is falling in 2009, with advanced economies registering the sharpest contraction since World War 2. World trade of furniture is expected to decrease by 10% in current dollars.

Figure 4

World trade of furniture.
Current US\$ billion and annual percentage changes



Source: CSIL

* Projected

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