Canada

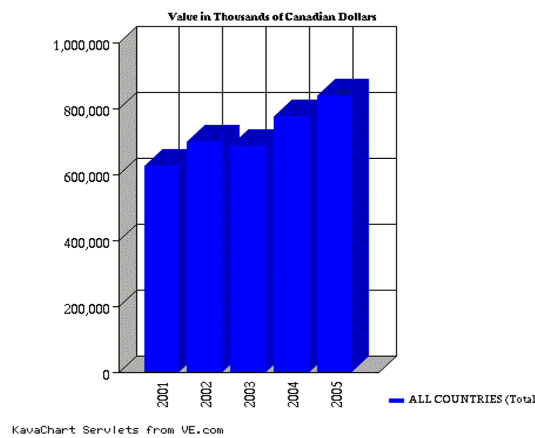
Household Furniture Industry

MARKET OVERVIEW

- The furniture industry had an estimated total apparent market of CDN $10.1 billion in 2005, approx. 46% of which is composed of household furniture sales.
- The apparent size of the household furniture market in Canada is roughly divisible into wood furniture (42%), upholstered furniture (27%), non-wood and non-upholstered furniture (14%) and mattresses (17%).
- The Canadian household on average spends CDN $400 on furniture per year.

COMPETITORS

- Household furniture imports into Canada have increased substantially in recent years, an increase of 48% from 2001 to 2005.
- As of 2005, approx. 26% of the household furniture imported into Canada was done so by U.S. manufacturers, second to only China.
- Canada had approximately 2,700 household furniture manufacturers as of 2003. Furniture production capacity is concentrated in Ontario (45%), however there are a number of small to medium sized firms spread across the country.



MARKET OPPORTUNITIES

- The household furniture industry in Canada is highly cost sensitive and largely impacted by exchange rate movements.
- U.S. firms have recently had great success in the non-wood and non-upholstery market (which includes baby seats and rattan, brass, wrought iron or wicker furniture).
- Niche markets for ergonomic furniture, environmentally sound products, furniture for the elderly, home office, outdoor and home theatre furniture offer opportunities to importers to differentiate their product line and to compete on aspects other than cost.
- Geographic proximity, common language, common furniture designs, similar quality, similar demands, tariff-free entry and similar channels of distribution are advantages that U.S. manufactures enjoy when conducting business in Canada.

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