



**MARKET PROFILE**  
**FURNITURE, WOODEN, nes**  
**TO**  
**UNITED STATES OF AMERICA**



**Bangladesh**

**June 2016**

# Market Profile

SMEs face difficulty in identifying potential and existing export market of a particular product. As a result, with comparative advantage in terms of raw materials or labor force, SMEs are unable to exploit these advantages by targeting a prospective foreign market. Market Analysis tools of International Trade Centre (ITC) help to identify export market opportunities. It provides data and information on international trade trends, national export performance, export markets and help to analyse market in depth. SME Foundation has taken an initiative to prepare product-wise market profile using Market Analysis Tools and Market Profile Template developed by ITC. The main objective of the project profile is to guide and help the SME entrepreneurs to analyse international market of their products.

This market profile provides data, information and analysis of a exportable product which includes HS code, production, consumption, world import and export, annual growth in value and quantity, demand and supply analysis, country trade performance, Time series analysis, graphical analysis, market screening, identify potential attractive market, competitor analysis, tariff advantage in potential markets, target market selection, PEST analysis, market access (Tariff and non-tariff measures), packaging & labeling regulations, price, distribution channels, promotion, buyer list and many other issues.

Although, the material included in this document is based on data/information gathered from various reliable sources; however, it may differ from case to case. As the data are dynamic, it is changing frequently. Further study and in some cases professional advice are required before taking any decision to act upon the information. The actual results may differ substantially from the presented information due to various factors. SME Foundation does not assume any liability for any financial or other loss resulting from this document.

The annual data in this market profile is based on COMTRADE, the world's largest trade database maintained by the United Nations Statistics Division, and monthly or quarterly data are collected by ITC from national custom offices or regional organizations. The market access data is directly retrieved from the Market Access Map application.

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## Executive Summary

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This market profile reviews the United States of America market for **Furniture, Wooden, nes** and its future prospects for new suppliers entering the market. The purpose of this market profile is to guide possible new entrants into the **Furniture, Wooden, nes** market.

Furniture sector was included in the Export Policy, 2009-2012 as a Special Development Sector and in Export Policy, 2012-2015 it has been upgraded as a Highest Priority Sector due to extreme export potentials.

In volume terms, the most important market for wooden household furniture is the United States, which has become more accessible for imported products.

Bangladesh is winning market share in the world market. Annual growth rate (in value) of Bangladesh was 5 % in 2011-2015 while world average growth rate was 1 %. The demand for Furniture, Wooden, nes, has been increased. Annual growth in value between 2011-2015 is 1%.(its low but positive). United States of America, Malaysia, Saudi Arabia are the three biggest importers for Bangladesh in 2015.

Bangladesh already exports this product. Export earnings from Furniture, Wooden, nes was 0.86 million US\$ in 2015 and 89 position in the world.

USA, Germany and United Kingdom are the attractive markets for the Wooden furniture, nes exported by Bangladesh. Among these countries, USA has been selected as target market for this market profile for the following reasons:

- USA is the 1st largest importing market of wooden furniture, nes commanding 25.7% share of world imports.
- USA is the 3rd largest importer of this product from Bangladesh (3.4% share in Bangladesh's export) .
- USA is a growing market for Bangladeshi wooden furniture
- There is a prospect for market diversification of Bangladeshi wooden furniture, nes in the USA market (bubble graph, Bar chart).
- Tariff applied by USA to Bangladesh is 0% (MFN duties Applied, MacMap) for this product.

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## A. Product Description

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This market profile illustrates the India market for Furniture, Wooden, nes is intended for the use of producers and exporters of Furniture, Wooden, nes in Bangladesh.

### A.1 Definition and description of product and its application(s)

1. The movable articles, as tables, chairs, desks or cabinets, required for use or ornament in a house, office, or the like.
2. Fittings, apparatus, or necessary accessories for something.

❖ There are seven basic categories of furniture:

- 1) **Wood veneer over solid wood**—This type of furniture has become more popular recently due to the scarcity of quality hardwood. Veneers often consist of a thin layer of decorative wood—meaning a more expensive, prettier wood—attached to a less expensive underlying solid piece of wood.
- 2) **Solid wood**—Solid wood means that it is composed of wood with no particle board or wood fiber. It's the resulting board milled from the tree. Au naturel, if you will. Solid wood may be hard (as from walnut) or soft (like pine or fir). Typically, wood has a long lifespan and can be refinished and repaired over the years, unlike other engineered wood products.
- 3) **Solid wood products**—When checking construction materials, watch out for this phrase. For the unwary, it's a trap that could lead you astray because it usually indicates that it is particle board or MDF, NOT solid wood.
- 4) **Wood veneer over particle board or medium-density fiberboard**—Usually more economical but less durable than wood, this type of furniture is composed of an attractive outer veneer covering fiber or particle board.
- 5) **Laminate**—Laminates can look like real wood or come in a variety of different colors. It's a durable surface material that is commonly applied over a stable substrate like particle or fiber board.
- 6) **Upholstered furniture**—This refers to any type of furniture with leather or fabric covers, springs, webbing, and/or padding.

Source: <http://www.demesne.info/Improve-Your-Home/Decorating/Wood-Furniture-Definitions.htm>

### HS code

Specific codes to identify the product category are as follows:  
HS (Harmonized System) Code<sup>1</sup>:

4-digit HS:            9403                    6-digit HS: 940360

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<sup>1</sup> HS Codes are internationally standardized names and numbers that classify traded products that are developed and maintained by the World Customs Organization (WCO). The WCO is an independent organization of 160 countries based in Brussels, Belgium. The HS system represents almost 98 percent of world trade, which includes 200 countries. [www.wcoomd.org](http://www.wcoomd.org)

## A.2 Production

### World production

Furniture is big business. Between 1995 and 2000 trade in furniture worldwide grew by 36 per cent.

World wooden furniture production was estimated at around \$180 billion in 2000 and close to \$190 billion in 2001. The observed speed of growth is likely to have taken the world output beyond \$200 billion in 2002.

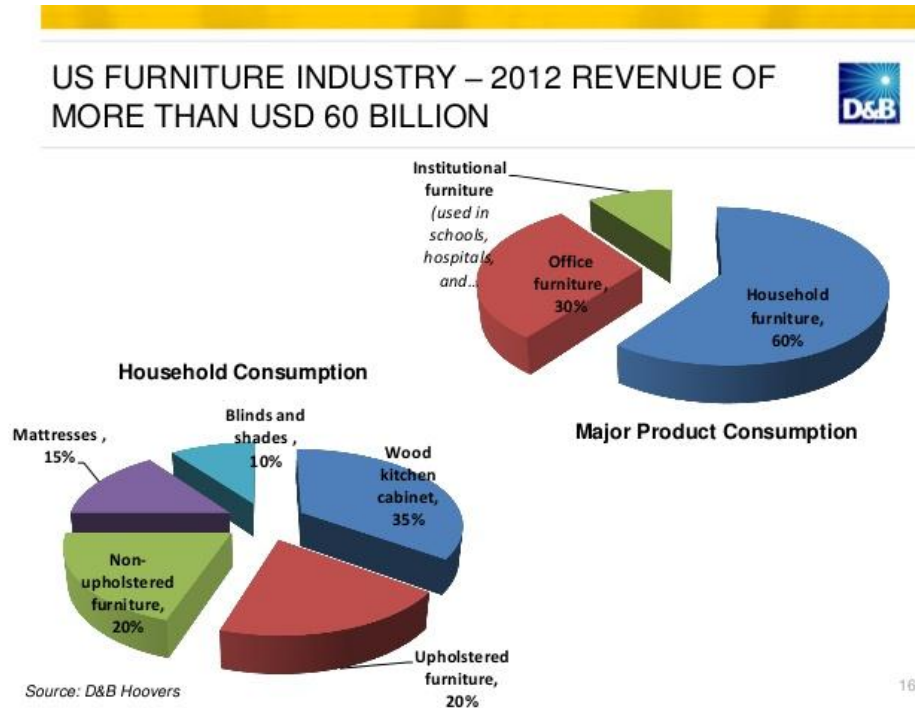
Source: (<http://www.fao.org/forestry/23523-0f14bba18f78fa30aed5fccc0f41f69.pdf> , chapter-2)

### Bangladesh production

- There are around 70,000 small and medium enterprises who are producing a vast range of wooden products in BD.
- Bangladesh has 66 billion BDT internal market of furniture and only half of the demand is supplied internally. Due to skill in artisan and hand carving there is a good demand of made in Bangladesh furniture in the global market as well.
- Around 70% production of furniture sector of Bangladesh is home furniture and 30% is office furniture.

Source: (<http://www.textiletoday.com.bd/export-diversification-and-the-furniture-industry/>)

## A.3 Consumption



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## B. Global Trade Overview

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### **B.1 World Trade characteristics for selected product**

#### **B.1.1 How much in total of this product is imported in the world in 2015?**

Value imported in 2015 (USD thousand)      23,198,872

#### **B.1.2 How much in total of this product is exported to the world in 2015?**

Value exported in 2015 (USD thousand)      24,646,987

#### **B.1.3 Have the world imports grown or declined in the last 5 years? Annual growth in value between 2011-2015 (%)**

Annual growth in value between 2011-2015 is 1%.(its low but positive)

#### **B.1.4 Is there a difference between the world's growth rate in value and world's growth rate in quantity?**

N/A

#### **B.1.5 Approximately how many countries import and export the selected product?**

Approximately 220 Countries import and 197 export of the product

### **B.2 World imports characteristics:**

#### **B.2.1 which countries are the 3 largest importers (in value in 2015) of the product?**

Ranking	Importers	Share in World Imports, %
1	United States of America	25.7
2	Germany	8.7
3	United Kingdom	6.7

#### **B.2.2 What share of world total imports do the 3 main importers make up together? 41.1%**

#### **B.2.3 Does this indicate that the world demand for this product is concentrated?**

no

#### **B.2.4 Among the list of top 20 importers (in value) in 2015 is there country for which the trade balance (in value) is positive in 2015. Please account for the possible reasons that could explain this difference.**

Name of the countries: Italy, Sweden, Spain & China

Reason:

Exports > Imports

**B.3 World Exports characteristics:**

**B.3.1 Which countries are the 3 largest exporters (in value in 2014) of this product? What is the value of their exports?**

Ranking	Exporters	Share in World Exports, %
1	China	29.6
2	Italy	8.5
3	Vietnam	8.4

**B.3.2 What share of world total exports do the 3 main exporters make up together?**

46.5%

**B.3.3 Does this indicate that the world supply for this product is concentrated?**

No

## C. Country trade performance for your selected product

### C.1 Bangladesh's export performance for selected product in the world market

#### C.1.1 Does Bangladesh already export this product? YES

If yes, what is Bangladesh's ranking in world exports and world market share of this product in 2015?

Ranking: 76

#### C.1.2 How much in total of this product is exported by Bangladesh to the?

0.86 million US\$(862 USD thousand)

#### C.1.3 Is Bangladesh winning or losing market share in the world market?

Bangladesh is winning market share in the world market. Annual growth rate (in value) of Bangladesh was 5 % in 2011-2015 while world average growth rate was 1 %.

#### C.1.4 who are the three biggest importers for your product in 2015?

1. Malaysia 2. Saudi Arabia 3. United States of America

Importers	Trade Indicators												
	Exported value 2014 (USD thousand)	Trade balance 2014 (USD thousand)	Share in Bangladesh's exports (%)	Exported quantity 2014	Quantity unit	Unit value (USD/unit)	Exported growth in value between 2010-2014 (% , p.a.)	Exported growth in quantity between 2010-2014 (% , p.a.)	Exported growth in value between 2013-2014 (% , p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total import growth in value of partner countries between 2010-2014 (% , p.a.)	Tariff (estimated) faced by Bangladesh (%)
Total	862	-13964	100	0	No quantity		5		76		100	1	
Malaysia	484	-413	56.1	118	Tons	4102				33	0.4	14	0
Saudi Arabia	275	275	31.9	59	Tons	4661			59	12	1.7	17	5
United States of America	29	6	3.4	7	Tons	4143	-45	-48	-22	1	25.7	6	0
Canada	17	17	2	4	Tons	4250	40	0	-15	6	3	-1	0
Netherlands	13	11	1.5	5	Tons	2600	73		-68	10	2.1	-6	0
Kuwait	9	9	1	1	Tons	9000	-46	-58	123	35	0.4	16	5
United Kingdom	9	-5	1	2	Tons	4500			200	3	6.7	4	0
Germany	7	-161	0.8	3	Tons	2333				2	8.7	-1	0
Thailand	6	-68	0.7	111	Units	54	-41		-65	49	0.3	10	0
Denmark	3	-6	0.3	0	Tons					21	1	0	0

## C.2 Tariff faced by Bangladesh in the world

**Geographical distribution for tariffs applied by all importing countries to Bangladesh**

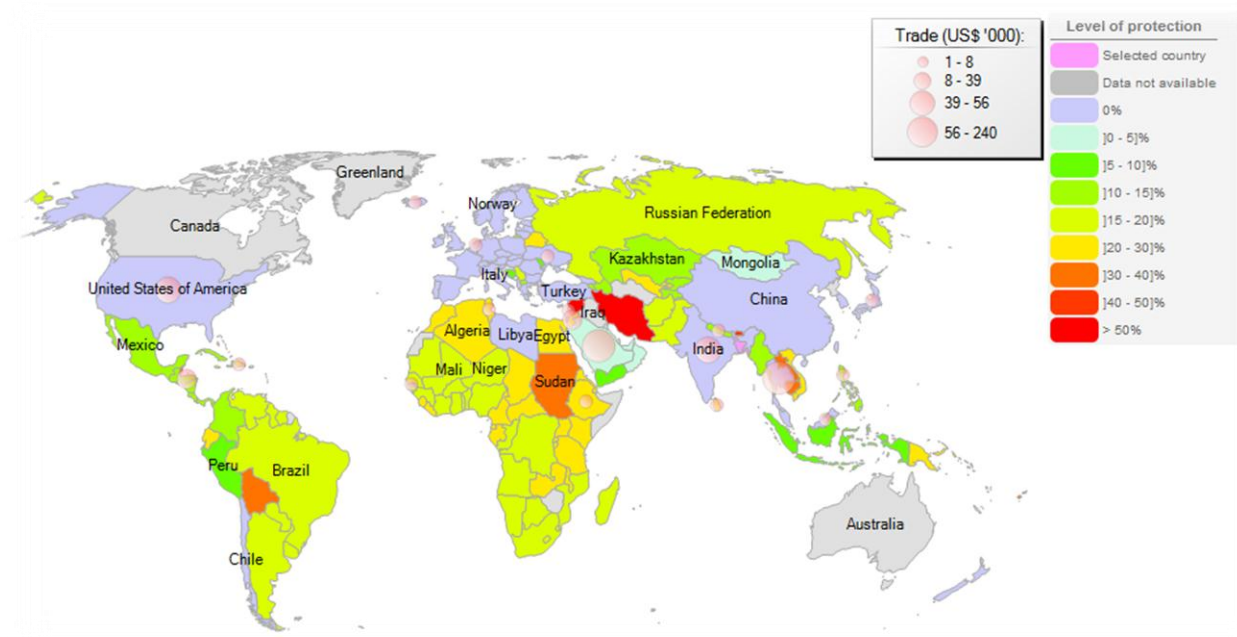
**Product:** 940360 - Wooden furniture (excl. for offices, kitchens and bedrooms, and seats)

**Trade year:** 2013

**Applied tariff data source:** ITC (MAcMap) complemented by No datasource

**Trade data source:** ITC Normalized trade matrix

**AVE Methodology:** AVE based on the World Tariff Profile (WTP)



## C.2 Graphical Analysis

### Time Series Data

List of importing markets for a product exported by Bangladesh  
Product: 940360 Furniture, wooden, nes

Dollar thousand

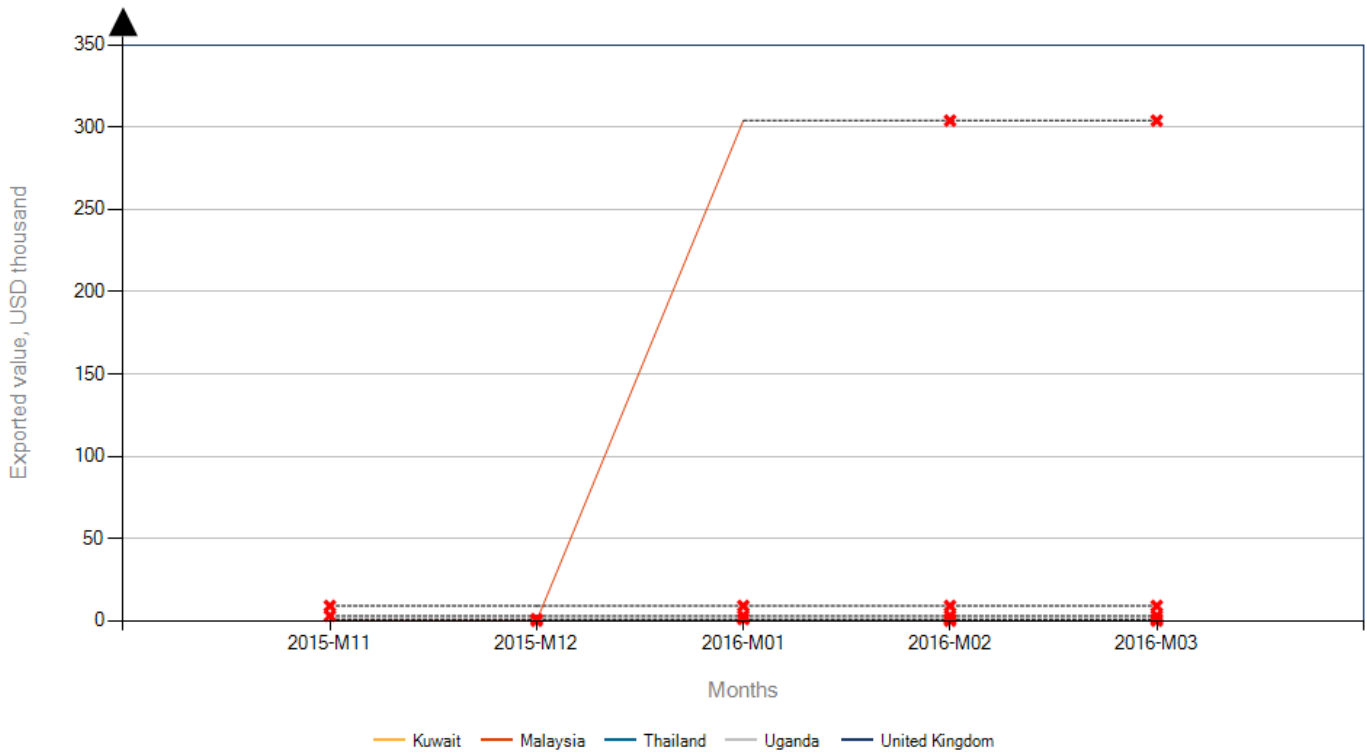
Table Graph Map Companies

Public tenders FDI data Tariff data Standards

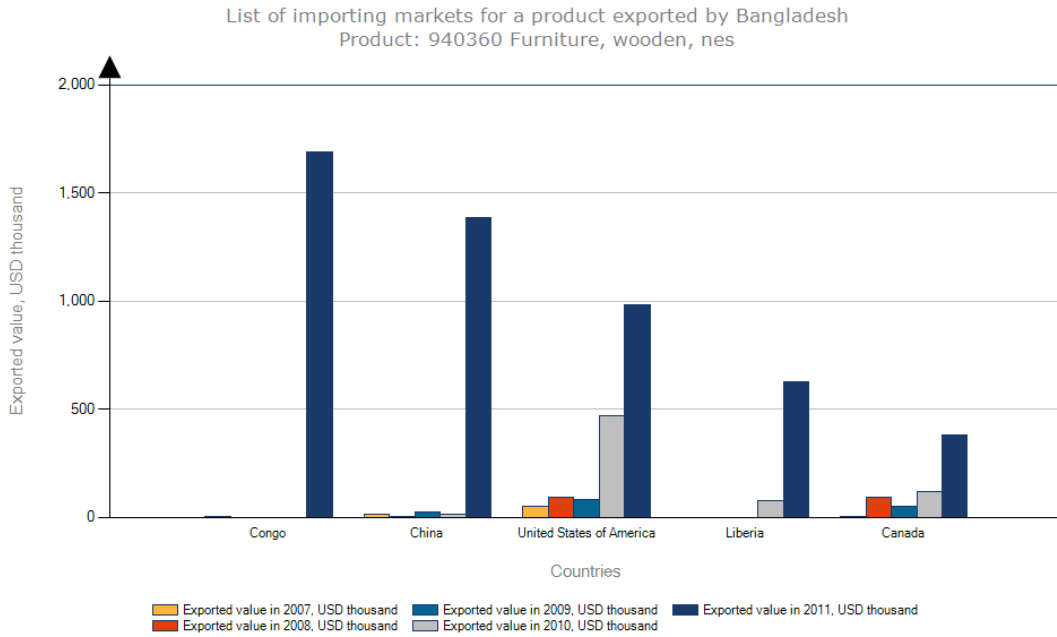
ad: Time Period (number of columns): 5 per page Rows per page Default (25 per page)

Importers	Exported value in 2007	Exported value in 2008	Exported value in 2009	Exported value in 2010	Exported value in 2011
World	855	1,046	1,030	1,876	5,971
<a href="#">Congo</a>	2	0	0	0	1,690
<a href="#">China</a>	13	6	26	14	1,386
<a href="#">United States of America</a>	50	90	83	470	985
<a href="#">Liberia</a>	0	0	0	77	628
<a href="#">Canada</a>	2	94	52	116	378

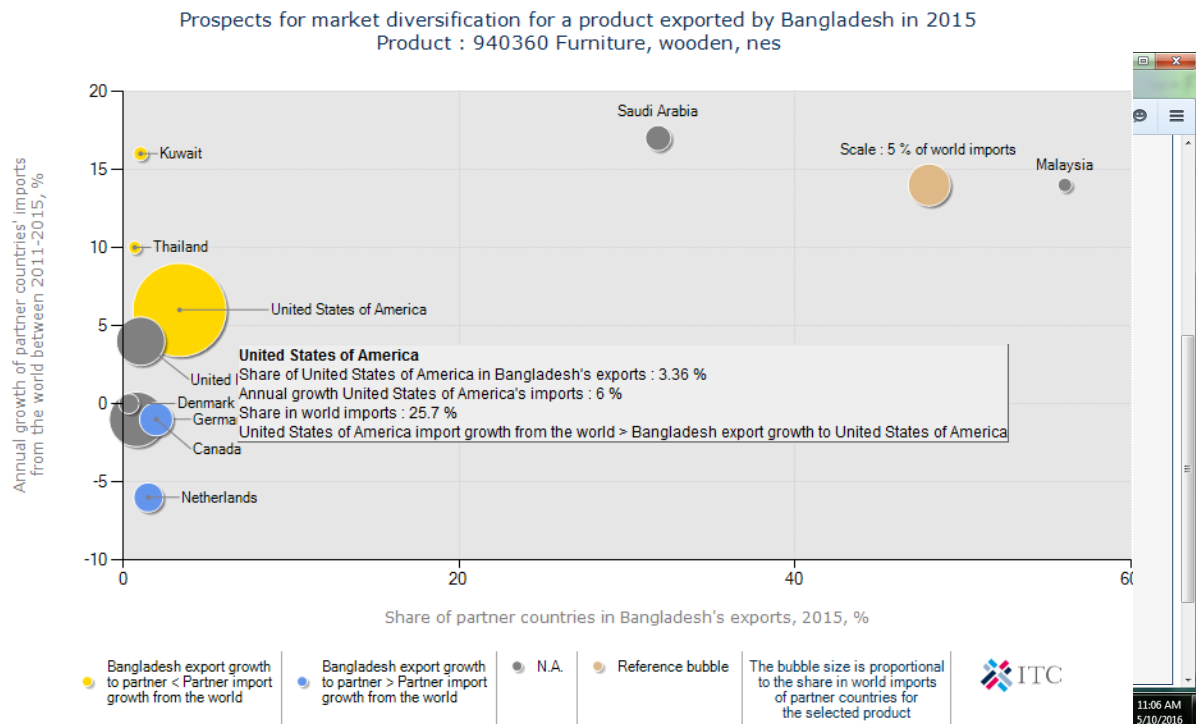
List of importing markets for a product exported by Bangladesh (Mirror)  
Product : 940360 Furniture, wooden, nes



## Bar chart



## Bubble graph



Note: When Bangladesh export growth to partner > Partner import growth from the world  
That means Bangladesh is winning market share in partner countries

## D. Market screening

Which importing countries have the highest imported value in 2015? And what are their respective annual growth rates in value and in quantity between 2011 and 2015, share in world import and Average tariff?

SI	Importing country	Imported value in 2015 (millions USD)	Annual growth in value between 2011-2015, %"	Annual growth in quantity between 2011-2015, %"	Share in World Imports (%)	Average tariff (estimated) applied by the country (%)
1	United States of America	5	6	2	25.7	0.3
2	Germany	2	-1	-1	8.7	0
3	United Kingdom	1	4	5	6.7	0
4	Japan	1	-4	-5	4.9	0
5	France	1	-7	-6	4.8	0
6	Canada	0.6	-1	-4	3	2.8
7	Switzerland	0.6	0	0	2.9	0
8	Australia	0.4	2	-2	2.1	3.3
9	Austria	0.4	-7	1	2.1	0
10	Netherlands	0.4	-6	-5	2.1	0

Which countries would you consider as potential attractive markets for the Wooden furniture exported by Bangladesh?

- 1 United states of America
2. Germany
3. United Kingdom

## **D.1 Identify attractive potential markets**

### **D.1.1 Which are three attractive markets for exporting this product?**

	Target Country	Value Imported (million \$)	Unit Value (US\$/unit)	Annual Growth Rate in value 2011-15 (%)	Annual Growth Rate in quantity 2011-15 (%)	Share in World Imports (%)	Average tariff (estimated) applied by the country (%)
1	USA	5964.00	4091	6	2	25.7	0.3
2	Germany	2028.2	2229	-1	-1	8.7	0
3	UAE	1559.2	2615	4	5	6.7	0

### **D.1.2 Who would be your main competitors in these countries and why?**

	Target Country	Your country's main competitor in target market	Market Share in 2015 (%)	Gaining or losing market shares
A	USA	China Vietnam Canada	29.6 8.4 1.7	Gaining by 6% Gaining by 25% Gaining by 1%
B	Germany	Poland China Italy	7.4 % 29.6 % 8.5 %	losing by -15% losing by -10 % losing by - 28%
C	UAE	China Vietnam Poland	29.6 8.4 7.4	Gaining by 4% Gaining by 14% Gaining by 1%

### **D.1.3 Identify the tariffs and tariff advantages in your potential markets?**

Identify the tariffs and trade regimes that Bangladesh faces in the three attractive markets identified in the last section (question B.3.1)

	Target Country	Trade Regimes	Tariffs applied
<i>Tariffs applied by USA, Product: 940360 - Wooden furniture ,Partner: Bangladesh, Year: 2014,</i>			
A	USA	MFN duties (Applied)	0%
<i>Tariffs applied by Germany, Product: 940360 - Wooden furniture, Partner: Bangladesh, Year: 2015</i>			
B	Germany	MFN duties (Applied)	0%
<i>Tariffs applied by Belgium, Product: 940360, Year: 2015, Partner: Bangladesh</i>			
C	Belgium	MFN duties (Applied)	0%

Do you have tariff advantage advantages/disadvantages vis a vis your main competitors in the three target markets?

	Target Country	Competitors	Tariffs faced by competitors average
A	USA	China- MFN duties (Applied)	0%
		Vietnam-MFN duties (Applied)	0%
		Canada - -MFN duties (Applied)	0%
B	Germany	Poland-European Union rate	0%
		China-MFN duties (Applied)	0%
		Italy -European Union rate	0%
C	UAE	China-MFN duties (Applied)	5.00%
		Vietnam-MFN duties (Applied)	5.00%
		Poland- MFN duties (Applied)	5.00%

## D.2 Target Market Selection

Taking into consideration the trade patterns that you observed in the last section and the market access considerations that you just reviewed, which of these countries should you select as a target market for this Market Profile and why?

Target market is: **United States of America**

Comments:

- USA is the 1<sup>st</sup> largest importing market of wooden furniture, nes commanding 25.7% share of world imports.
- USA is the 3<sup>rd</sup> largest importer of this product from Bangladesh (3.4% share in Bangladesh's export) .
- USA is a growing market for Bangladeshi wooden furniture
- There is a prospect for market diversification of Bangladeshi wooden furniture, nes in the USA market (bubble graph, Bar chart).
- Tariff applied by USA to Bangladesh is 0% (MFN duties Applied, MacMap) for this product.

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## E. PEST Analysis

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POLITICAL	ECONOMIC
<p>The US has a low ranking in terms of political stability and the absence of violence. The country figures high on the list of nations susceptible to terrorist attacks, while its international policies to fight terrorism have aggravated the situation.</p>	<ul style="list-style-type: none"> <li>▪ With a GDP of over \$16.760 trillion, the US is the largest economy in the world. The economic system is well-developed and gathers its strength from its services and manufacturing industries.</li> <li>▪ Since December 2008, the central bank has decided to hold benchmark overnight rates in the 0–0.25% range.</li> <li>▪ The Federal Reserve is likely to increase interest</li> <li>▪ Rates as the country's economy is expected to bounce back, with a growth rate of 2.5% forecast for 2010.</li> </ul>
SOCIAL	TECHNOLOGICAL
<ul style="list-style-type: none"> <li>▪ The demographic transition of the country poses a challenge. The rapid increase of people who are 65 and over will begin in 2011, when the baby boom generation reaches age 65. This will then continue for many years.</li> <li>▪ The US remains an inequitable society, with the richest quintile making six times as much money as the poorest quintile in 2007.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The US' leadership position in innovation is clear due to the fact that it is home to one third of the world's scientists and engineers, and accounts for one third of global R&amp;D expenditure.</li> <li>▪ Technological innovation within the private and educational sector has been increasing, with each sector accounting for 70.0% and 14.0% of innovations, respectively.</li> </ul>

Source: <https://globalbusinesssjuteamavon.wikispaces.com/file/view/US+Profile.pdf>

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## F. People & Product

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In the United States, furniture and related manufacturing (including kitchen cabinets) is currently concentrated in three geographic locations: the Midwest (Michigan, Indiana, Ohio, Wisconsin, Illinois), the South (North Carolina, Mississippi, Virginia) and the Southwest (California, New Mexico, Texas).

United States imports have been growing fastest in Wooden bedroom furniture. Imports of other furniture include: Living /dining room furniture, small occasional furniture (Small Tables, wall stands and accent pieces etc.) parts and components, kitchen furniture.

They like antique and unique design and color, soft and light color sofa. Their market is dominated by imports, as this type of furniture is easy to ship in volume and can be made rapidly available in new designs.

Source: <http://www.oregister.com/articles/furniture-672364-made-wood.html> & report international wooden markets, a review.

## G. Permission: Market Access

### G.1 Tariffs

#### USA

	Market share	Tariff (estimated applied by USA%)	Tariffs faced	Total ad valorem equivalent Tariff	Trade Regime	
Bangladesh	3.4%	0%	0%	0%	MFN duties (Applied)	
<<Bangladesh's >> main competitors in target market	Market share	Tariff (estimated applied by Germany (%))	Tariffs faced by competitors	Total ad valorem equivalent Tariff	Trade Regime	Tariff advantage for Bangladesh (yes or no)
1. Chania	33.9%	0%	0%	0%	MFN duties (Applied)	
2. Vietnam	49.4%	0%	0%	0%	MFN duties (Applied)	
3. Canada	96.2%	0%	0%	0%	MFN duties (Applied)	

### G.2 Non-tariff measures

Technical barriers to trade

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## H. Packaging and Labelling Regulations

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**Packaging and Labelling:** Uniform Packaging and Labeling Regulation (UPLR), have been adopted into law in 45 of the 50 U.S. states. The purpose of these regulations is to provide accurate and adequate information as to the identity and quantity of contents of packages so that purchasers can make price and quantity comparisons. UPLR requires that consumer packaging bear a label specifying the identity of the commodity;

The name and place of business of the manufacturer, packer, or distributor; and the net quantity of contents in terms of weight or mass measure , or numerical count in a uniform location upon the principal display panel.

**Toxics in Packaging Legislation:** This legislation was originally drafted by the Source Reduction Council of the Coalition of Northeastern Governors (CONEG) in 1989. It was developed in an effort to reduce the amount of heavy metals in packaging and packaging components that are sold or distributed throughout the United States. The law is designed to phase out the use and presence of mercury, lead, cadmium, and hexavalent chromium in packaging. The legislation has been successfully adopted by nineteen states.

### **For more detailed information**

1. Toxics in Packaging Clearinghouse
2. <http://www.chinainportal.com/blog/product-labeling-regulations-us-eu-australia/>
3. <https://www.law.cornell.edu/uscode/text/15/chapter-39>

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## I. Price

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**Consumer prices:** Average prices of various types of footwear, €

<b>Rocking Chair</b>	<b>\$170-175 / Set</b> <b>10 Sets (Min. Order)</b>
<b>Lobby Chair</b>	<b>US \$345-355 / Set</b> <b>10 Sets (Min. Order)</b>
<b>Wooden bed</b>	<b>\$400-600 / Piece</b> <b>100 Pieces (Min. Order)</b>
<b>3d high quality luxurious antique wooden bed with Italian lac... BD Furniture Solution</b>	<b>\$2500 / Unit</b> <b>1 Unit (Min. Order)</b>
<b>Wooden Shoe Shelf</b>	<b>\$25-40 / Piece</b> <b>100 Pieces (Min. Order)</b>
<b>Wooden Door</b>	<b>\$600-1000 / Piece</b> <b>100 Pieces (Min. Order)</b>
<b>kitchen cabinet</b>	<b>\$20-50 / Square Foot</b> <b>100 Pieces (Min. Order)</b>
<b>Garden Chair</b>	<b>\$1.5-3.5 / Piece</b> <b>1000 Pieces (Min. Order)</b>

Source: Allibaba.com, price, when.com

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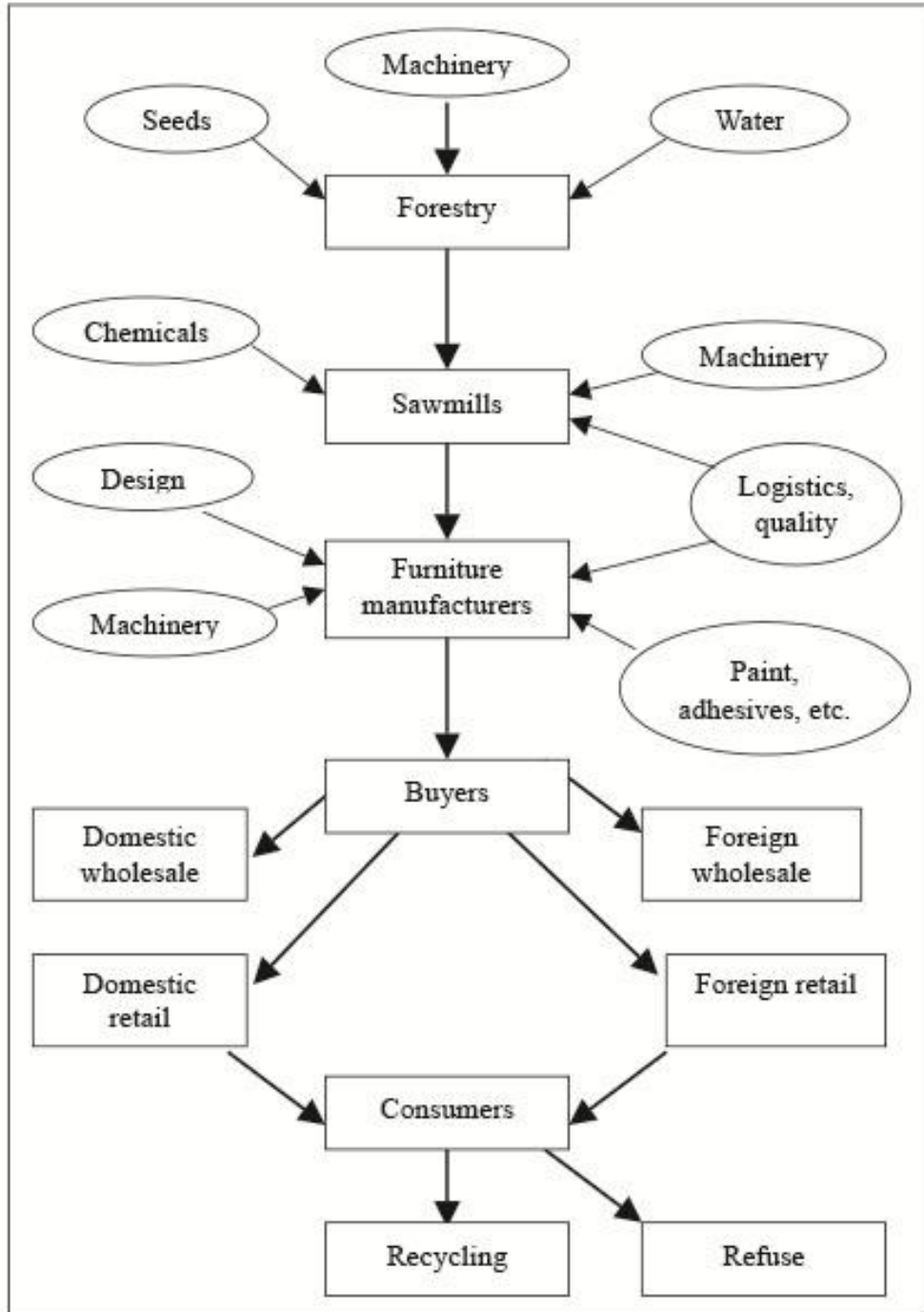
## J. Placement: Distribution Channels

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In USA furniture normally reaches the consumer through three channels: Gallery networks, specialty stores and full-time furniture stores. Manufacturers and other companies sources around the world and sell nationally.

The Global Wood Furniture Value Chain: What Prospects for Upgrading by Developing Countries?

Figure 3 Value chain in the wood furniture industry



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## K. Promotion

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### Trade Fairs

1. In USA 475 fairs take place in 104 cities. Of the 475 fairs are 19 Furniture Trade Shows.
2. [NeoCon 2016](#). Exhibition of contract furnishings for the design and management of the built environment-California
3. [IWF 2016](#). International Woodworking Machinery & Furniture Supply Fair-Atlanta
4. [Chicago Casual Market 2016](#). International Casual Furniture & Accessories Market
5. [IH/M&RS 2016](#). International Hotel/Motel & Restaurant Show - Furniture, furnishings, fixtures

*Important links: <http://10times.com/usa/furniture-shows/tradeshows>*

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## L. Potential Prospects

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List of importing company's in USA for the Wooden furniture is not available.