

Method

The general method for this study is the product of 30 years of research and development by BIS Shrapnel.

The study utilises three basic sources of information:

- Field research, which will include over 100 interviews with furniture manufacturers, as well as informal discussions with producers of material inputs, government, research authorities and trade associations. This provides the basis for determining the extent of usage of various material inputs, such as solid timber and wood based panels for specific applications, as well as changing attitudes towards the usage of these materials.
- Published data and information from government and industry statistics organisations, periodicals and industry journals, to provide an overview of the furniture sector.
- BIS Shrapnel's databases on the forest products industry, the furniture industry, the building industry and the economy, which will provide a basis for forecasting furniture demand and supply

Cost and timing

BIS Shrapnel plans to commence the study in April 2004, the final report to be delivered in June 2004.

Subscribers prior to 15 April 2004 will receive a significant discount.

Before 15 April 2004	A\$18,000
After 15 April 2004	A\$22,000

(Plus GST if purchased in Australia)

A\$ = Australian Dollars

BIS Shrapnel

BIS Shrapnel is a professional marketing intelligence and forecasting company with specialist knowledge in the following areas:

- Forestry and forest products
- Economic analysis and forecasting
- Financial services
- Building and Construction
- Information technology
- Commercial, residential and industrial property
- Industrial products and manufacturing

BIS Shrapnel Forestry specialises in multi-client and private client studies specific to the forest and forest product industry and has expertise in feasibility, forecasting, marketing and strategic advice.

Enquiries to:

Bernard Neufeld or Peter Grist

BIS Shrapnel Pty Ltd
Level 8, 181 Miller Street
NORTH SYDNEY NSW 2060
Australia

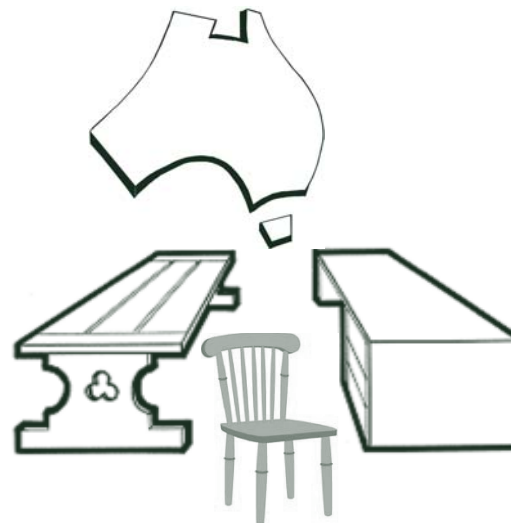
Tel: +61 2 9959 5924
Fax: +61 2 9959 5795

Email to : bneufeld@bis.com.au
pgrist@bis.com.au

Internet: www.bis.com.au

Wooden Furniture in Australia 2004 – 2008

Market opportunities, strategies and prospects for trade and investment



“The furniture industry is the second largest consumer of solid wood and wood based panels in Australia. A competitive and growing wooden furniture industry provides a basis for extracting the highest value from Australia’s substantial and unique forest resource”



BIS Shrapnel Pty Ltd

Global business research and forecasting

Wooden Furniture in Australia 2004 – 2008

The furniture industry in Australia contributes over \$3 billion to the Australian economy, and employs over 45,000 people. Wooden and upholstered furniture production comprises around 60 per cent of this and employs around 30,000 people.

The Australian furniture industry is currently import reliant, with \$1.2 billion of furniture imported each year, over half of which is wooden furniture. Imports are typically cheaper lower quality products from China and Southeast Asian countries. However, there are also some imports of high quality high value products from Europe.

Australian furniture producers have a competitive advantage in high value, high quality products in niche markets such as high value outdoor furniture, feature furniture and crafted furniture. Production is mainly for the Australian market, although an increasing proportion is targeted at export markets.

Cheap imports from China and Southeast Asia have made Australian producers less competitive in low cost mass produced furniture. However, access to an abundant forest resource would suggest that Australia has an inherent competitive advantage in furniture production. Australia has the potential to build an internationally competitive furniture industry, especially for high value high quality products.

Opportunities in Australia

Australia has a substantial high quality plantation softwood and native hardwood forest resource. It produces significant volumes of solid timber and also produces and exports significant volumes of wood based panels. Production of these products is expected to increase rapidly over the next decade. Much of this could be used as a basis for developing furniture manufacturing into a highly competitive, internationally focused industry, which can make a significant contribution to Australia's balance of trade.

With declining supplies of tropical hardwood in Malaysia and Indonesia, Australia is well positioned to replace imports and expand furniture exports.

Report Objectives

The objective of this report is to assist wooden furniture manufacturers and major suppliers to the wooden furniture industry to make strategic decisions on investment and production, and to investigate the prospects for expanding and developing furniture production in Australia.

Further objectives will be to:

- identify key factors driving the demand for wooden furniture;
- identify and quantify current and projected production, consumption, and trade flows for wooden furniture, over the next 5 years;
- highlight the major developments and changes that are likely to occur in the wooden furniture sector over the next 5 years; and
- provide an understanding of the supply requirements of the wooden furniture industry in Australia, for solid wood, wood panel and engineered wood product producers.

Contents of the Report

An **executive summary** highlighting the main conclusions.

An **introduction** explaining the method and approach.

An overview of **global wooden furniture production and trade**.

An overview of the **furniture industry in Australia**, and a discussion of the size and the structure of the industry.

An assessment of **material usage in the furniture sector**, derived from a detailed survey of furniture manufacturers in terms of types of furniture produced, current and expected future material usage, reasons for material preferences, and material input prices.

An assessment of the **key demand drivers for wooden furniture** in Australia, including an outlook for the Australian economy and the building industry over the next 5 years.

Analysis and forecasts of the **demand for wooden furniture** by state and for Australia, over the next 5 years.

Analysis and forecasts of the **supply of wooden furniture** by state and for Australia, over the next 5 years.

Analysis of the international and domestic **trade in wooden furniture**, including a state by state assessment of current trade flows and potential for exports and import substitution.

Analysis of the **furniture distribution** system in Australia.

Wooden Furniture in Australia: 2004-2008

First Edition



SUBSCRIPTION FORM

Please register my company to the 2004-2008 edition:

- | | |
|--|--------------|
| <input type="checkbox"/> Normal Subscription | A\$19,800 |
| <input type="checkbox"/> Subscription FIAA members | A\$ 9,900 |
| <input type="checkbox"/> Additional electronic version of the report | A\$ 1,000 |
| <input type="checkbox"/> _____ Extra hard copies | @A\$400 each |

Note: One subscription includes two hard copies of the report.
GST included for Australian subscribers.
A\$ = Australian Dollars.

Please send me information on:

- Sawn Timber in Australia 2004-2008

Dr/Mr/Ms _____

Position _____

Company _____

Street address (for courier) _____

Postal address _____

Country _____ Post Code _____

Phone () _____ Fax () _____

E-mail _____ Website: _____

I confirm that these reports are for the internal use of my organisation and its branches or subsidiaries only, and will not be made available or copied for the benefit of other organisations. I understand my company will be invoiced 50% on commencement of the report in May 2004 and the remainder on delivery of the report in August 2004.

Signature _____ Date _____

Please fax to:

Bernard Neufeld
Fax +612 9959 5795
Tel +612 9959 5924
Email: bneufeld@bis.com.au
Web: www.bis.com.au

or post to:

BIS Shrapnel Pty Ltd.
Level 8
181 Miller Street
North Sydney NSW 2060
Australia