



FACTSHEET FURNITURE INDUSTRY

The furniture industry in Germany generates a total annual sales volume of 19.4 billion euro as of December 2015 and is hence one of Germany's smaller industry sectors. Over 1130 employees are working in about 1.000 companies. Most of the furniture producing companies in Germany are medium sized, yet there are a few large producers.

EU furniture manufacturers set global trends. About 12% of designs registered in the European Union Intellectual Property Office relate to this sector.

German Furniture Industry

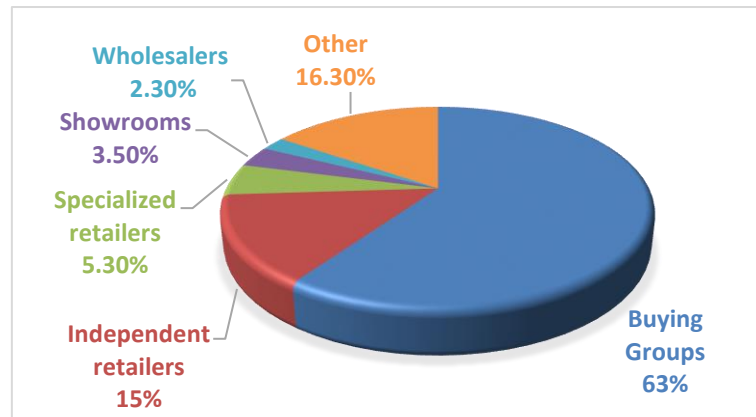
Production of furniture is labour intensive, noticeable in the salaries expenses account that amounts to 19% of total sales volume. Nonetheless modern technology and skilled labour is used in every production step.

Big part of the production is sold locally and 29% is exported, mainly to other European countries.

Positive development is achieved in the market, yet, slowed down by high prices for materials, fierce competition and intense price pressure.

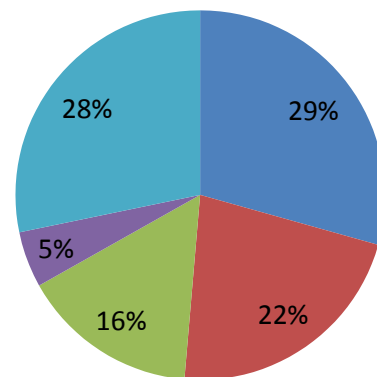
While furniture producers are characterised by medium sized companies, furniture traders & stores are dominated by large companies. Enterprises such as Ikea and Höffner have a significant market power and keep wholesale prices low.

Market Shares of the various sales channels



Furniture imports rose considerably during the past years. Most of the imports come from Poland, China, Italy and Czech Republic. Among these imports, is China, which has the greatest share, followed by Poland.

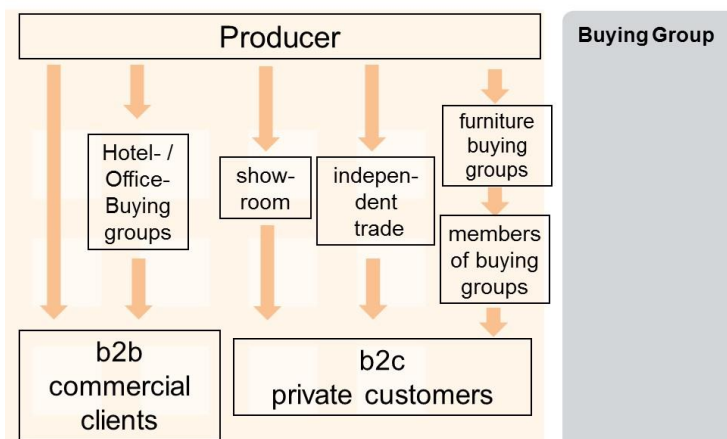
German Production of Furniture



- ▣ Seating Furniture
- ▣ Wooden Kitchen Furniture
- ▣ Office and Shop Furniture
- ▣ Mattresses
- ▣ Others

Source: Federal Statistics Office of Germany

Distribution of furniture



Source: Garant Moebel Group



Consumers and Market

On average, Germans are spending 400 Euro per year on furniture in 2015, which is the highest per capita spending on furniture in Europe. 2.4% of total consumer spending is used for furniture what amounts to 32 billion euro for the whole country.

Obstacles and Chances

Furniture made of natural materials in combination with innovative design is one of the upcoming trends in Germany. Foreign premium producers could find big margins in this specific market section. Generally, there is a significant trend towards natural material although these materials are getting more expensive.

The fact that labour cost in Germany is comparatively high and furniture production is labour intensive, production is carried out in countries such as China and Bosnia due to the low cost of labour. Therefore, one out of ten pieces of furniture sold in Germany is imported from China. While the trademark "Made in China" is seen as an indicator of lower quality by many Germans and hence often avoided, this does not apply on furniture because there is no obligation to indicate its origin.

Producers of furniture have best opportunities to succeed on the German market by providing good quality, natural materials and low prices. These products, however, also have to fulfil the requirement of a modern and appealing design. Furthermore, there is a market for niche products such as hand carved oriental style furniture, though sales potential is comparatively low.

Concerning German exports, furniture "Made in Germany" would first of all target upper class customers, as products are of high quality. Creative design and modern shapes make it appealing to younger generations. Nonetheless, prices of German furniture export products are competitive due to price pressure and strong competition on the domestic market.

All information has been researched and compiled thoroughly. The publisher (and the writers) does not accept liability for accuracy and completeness of the content, as well as interim changes.

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