Asia-Pacific Furniture Markets

John H. Jackson
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Mississippi State University
Franklin Furniture Institute
U.S. Furniture Exports to Asia (exc. medical & automotive)
U.S. Furniture Exports to Asia (exc. medical & automotive)
China & Hong Kong

<table>
<thead>
<tr>
<th>Product Type</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007 Q1-3</th>
<th>2007 Q1-Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture Parts (Not Seating; Not Automotive)</td>
<td>$16.00</td>
<td>$14.00</td>
<td>$12.00</td>
<td>$10.00</td>
<td>$8.00</td>
</tr>
<tr>
<td>Wooden Furniture (Not Seating)</td>
<td>$10.00</td>
<td>$8.00</td>
<td>$6.00</td>
<td>$4.00</td>
<td>$2.00</td>
</tr>
<tr>
<td>Seating Parts (Not Automotive)</td>
<td>$2.00</td>
<td>$1.00</td>
<td>$0.50</td>
<td>$0.25</td>
<td>$0.10</td>
</tr>
<tr>
<td>Upholstered Seating</td>
<td>$0.50</td>
<td>$0.25</td>
<td>$0.10</td>
<td>$0.05</td>
<td>$0.02</td>
</tr>
</tbody>
</table>
Who Exports to China?

• **Ethan Allen**
  28 stores in 20 cities, with Chinese partner manufacturing under contract & importing from U.S.

• **Da Vinci Group (Singapore)**
  - International furniture dealer representing global brands from Europe and the U.S.
  - Partner of Thomasville, with seven stores carrying brand.

• **Lane Furniture Industries**
  Partner / master distributor opened display showroom in Beijing in April 2006.

• **PSI, LLC**
  Manufacturer of standard & custom metal furniture.
Who are the Chinese Consumers?

- A country of more than 1 billion people, with the most rapidly growing per person GDP in the world.

- Quoting Thomasville representative in “U.S. brand names appeal to growing Chinese market” by Thomas Russell -- Furniture Today, September 26, 2005:

  “The business is growing just as the Chinese economy is growing. The size of the population is so large that any small movement is gigantic in terms of proportions… Upper class customers lean towards products with dark finishes and styles that are popular in the U.S.… New homes (in China) are huge in many instances. The rooms are large and ceilings are high. That dictates scale. Generally these are full scale if not larger scale collections ”
The Aussie Advantage

• U.S. Free Trade Agreement
• Cultural and language barriers exist, but are very low.
• Strong affinity for U.S. brands and outdoor lifestyle; keen influence of Asian culture.
• A gateway to Asian markets?
Japan’s Elusive Consumer

• A very difficult market to enter and gain market share.
• Mass Perfection and Craftsmanship
• Affinity for U.S. brands & “pop” culture, but very different lifestyle.
• The most steady economy in the world so far during the current economic situation.
• Long-term relationships
 Maryland Development Authority (MDA) International Trade Resources

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**Australia**  
Established relationships with both  
U.S. Department of Commerce  
Foreign Commercial Service Staff  
&  
Independent Local Contractors

**Local Mississippi Staff**  
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MDA Furniture-related International Trade Initiatives

• China International Furniture Fair & Interzum Guangzhou: March 2009
  Registration Deadline: Dec. 10, 2008

• China Furniture & Woodworking (Dalian): June 2009

• Vietnamwood (Ho Chi Minh City): Spring 2010
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THANK YOU!