Development Economic Policy Reform Analysis Project

Final Report

An Egyptian Furniture Industry Assessment

Part I: Trade Policy and Market Opportunities

Part II: The U.S. Furniture Market
Opportunities and Challenges for Egyptian Furniture Exports

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PREFACE

This report is based on a study conducted by the Development Economic Policy Reform Analysis (DEPRA) Project, under contract to the United States Agency for International Development, Cairo, Egypt (USAID/Egypt) (Contract No. 263-C-00-96-00001-00).

The DEPRA Project is intended to encourage and support macroeconomic reform in Egypt through the provision of technical service and assistance to the Ministry of Trade and Supply with particular focus on international trade and investment liberalization, deregulation, and financial sector strengthening.

The study was undertaken by Mr. Hilton P. Settle, of Hilton P. Settle and Associates of Springfield, Virginia, Team Leader, Dr. Montague J. Lord, partner in Boye-Lord International of Washington, D.C. and Palamos, Gerona, Spain, and Ms. Aisha Nadar, Managing Director of NCI of Greenville, Texas, with the assistance of Mr. Mahmoud El Hedini, Director of Textile and Handicraft Industries, Mr. Magdi El Drgaly, and Mr. Shouky Hegazi of the Egyptian Export Promotion Center (EEPC) of the Ministry of Trade and Supply. The views expressed herein are solely those of the authors, and are not intended to as statements of policy or opinion of either USAID/Egypt, the Ministry of Trade and Supply, or of the DEPRA Project or its parent institutions.

The team would like to thank the many people who generously gave of their time to provide the team with insights into the Egyptian furniture industry: the many furniture manufacturers and wood importers in Damietta, Egypt; Mr. Redallah Mohamed Helmy, Chairman and Managing Director of the Egyptian Fiber Manufacturing and Products Co., and Chairman of the Chamber of Woodworking Industries; Dr. Hamdi Salem, Chairman of the Egyptian Export Promotion Center; and the Director General and his staff at the Damietta Chamber of Commerce. In addition, the time contributed by about 20 U.S. manufacturers involved in importing furniture products is greatly appreciated. Their input was invaluable in providing additional insights into this report.

Thanks are also due to Dr. Omar Salman, Helwan University, for his assistance in putting together the complex data series that was indespensible in carrying out the policy analysis in Part II of this Report. Dr. Suzanne Messiha, of the DEPRA Team, likewise gave generously of her time and considerable resources. Mr. Maurice Thorne's work on the effective rate of protection in the shoe industry served as a model for the analysis in the present study.

The team would like to thank the DEPRA coordinator, Dr. Rollo Ehrich, for his insights, suggestions and feedback to the team. The team would also like to thank Dr. James L. Walker, Chief of Party for the DEPRA Project, and the rest of his staff, as well as the staff at the Nathan Associates, Inc. home office, for their generous support and assistance.

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Acronyms

CAD	Computer aided design
CAM	Computer aided manufacture
CAPMAS	Central Agency for Public Mobilization and Statistics
CES	Constant-elasticity-of-substitution (function)
DEPRA	Development Economic Policy Reform Analysis Project
DW	Durbin-Watson (test)
ECM	Error-correction mechanism
ERP	Effective rate of protection
EU	European Union
FDI	Foreign direct investment
GDP	Gross domestic product
GOI	General Organization for Industrialization
HS	Harmonized System
ISIC	International Standard Industrial Classification (system)
MFN	Most favored nation
NRP	Nominal rate of protection
NTM	Non-tariff measure
REER	Real effective exchange rate
RER	Real exchange rate
SAM	Social accounting matrix
SIC	Standard Industrial Classification (system)
SITC	Standard International Trade Classification (system)
UNICC	United Nations International Computing Center
UNIDO	United Nations Industrial Development Organization

An Egyptian Furniture Industry Assessment

EXECUTIVE SUMMARY

PART I: TRADE POLICY AND MARKET OPPORTUNITIES

The Furniture Industry in Egypt

Egypt has a long tradition of furniture making and woodworking that, in conjunction with its competitive wages, could give the furniture industry a comparative advantage in the global furniture market. At present, however, the wood furniture industry accounts for only a small fraction of the country's total industrial output, and even that share is less that half of what it was a decade ago. In contrast, other industries have flourished, most notably food products, refined petroleum, non-metallic mineral products, non-electrical machinery and apparel.

Despite this situation, the furniture industry remains a vital part of the economy. It supports a number of other economic activities through its linkages to other industries, especially wood and wood products, chemical products and metal parts, as well as research and development activities and the development of craftsmanship in the industry. Moreover, the industry's performance has improved measurably in both its capital and labor utilization during the 1990s. The ratio of capital to output has fallen, indicating that the amount of capital needed to produce each LE of output has decreased. At the same time that capital efficiency has increased (by 28 percent in the 1990s), the industry has become more capital intensive as the ratio of capital to labor has increased.

To remain competitive, furniture manufacturers need ready access to both inexpensive skilled and unskilled labor and material inputs. Producers are highly dependent on imported wood for raw materials, as well as a number of intermediate products that include paints and varnishes, glues, metal fittings, woodworking electrical and non-electrical equipment, upholstery material and plastics. As the principal input, wood needs to be available in large and varied quantities and the quality needs to be high. Upholstered furniture requires a broad spectrum of materials such as cotton, polyesters, and acrylics, as well as plastic materials. Similarly, ready supplies of glues, paints and varnishes are also needed. Finally, the industry relies heavily on woodworking machinery, which is essential for the technological progress of new and existing industry segments. In all these areas, Egypt relies on foreign supplies for its material inputs to furniture production.

In contrast, exports currently represent only a relatively small proportion of total domestic production. Household furniture, especially for the bedroom, is the major type of furniture exported, while office and kitchen furniture represents a relatively small proportion of the total. Exports of all types of wood furniture are distributed among the three global regional markets of the Middle East, the European Union (EU), and North America. Together these three regional markets absorb 75 percent of Egypt's total wood furniture exports. The two regional markets of North America and Europe are the world's largest markets, accounting for over 90 percent of total world imports. The other important market for Egypt is Russia, although this market has contracted sharply during the 1990s. The fastest growing market has been the Middle East, followed by North America and, in particular, the United States.

Exports to the EU market have also expanded, but at about two-thirds the rate of export growth to the North American market, and less than one-half of that to the Middle East.

The Policy Environment and Its Consequences

Import substitution policies have attempted to reverse the decline of furniture manufacturing activities. Furniture manufacturing remains one of the most highly protected industries in Egypt. Although the nominal rate of protection (NRP) for that industry was lowered from 50 percent in 1997 to 40 percent under Presidential Decree No./1998, its rate remains the fourth highest of all manufacturing categories. Only so-called luxury items such as automobiles, liquor and tobacco have higher rates. The mean average tariff for all manufacturing activities is just over 25 percent.

The effective rate of protection (ERP) for the wood furniture industry is also very high, averaging 216 percent for the industry as a whole. Moreover, the ERP for the private sector, which dominates the industry, is more than twice as high as that of the public sector. For the private sector the ERP is 219 percent, while that for the public sector is 106 percent. Tradable inputs represent the bulk of the costs of intermediate goods and services and consequently dominate the industry’s capacity to generate value added. For material inputs, the production-weighted average tariff is 25 percent for the private sector, while that on finished goods is 40 percent. As a result, the value added of the private sector at domestic equivalent prices is much higher than the value added at border equivalent prices.

Impact Assessment of Tariff Policies

The effect of high import tariffs on furniture products has been to lower overall imports considerably below what they would otherwise have been with growing consumer demand in Egypt. Calculations using partial equilibrium analysis show that the 40 percent tariff on furniture imports reduces the value of imports by $US3.9 million below what it would otherwise have been without protection afforded to the industry. The loss of consumer welfare is US$0.8 million. Overall, the 40 percent tariff has led to a 49 percent decline in the volume of imports, which together with the rise in prices, has reduced the value of imports by 29 percent.

The partial equilibrium approach excludes consideration of feedback effects between the external and domestic sectors, and therefore fails to take into account the sectoral adjustments that would accompany trade liberalization. Tariff cuts in the furniture industry would probably influence the industries that provide both materials and other inputs to the industry through changes in relative prices of factors of production and the final products themselves. These linkages would, in turn, affect the allocation of domestic resources and influence the competitive position of Egypt's furniture products in the domestic and foreign markets.

A rough approximation of the effect on exports of the tariff on both furniture and their inputs is the so-called ‘anti-export bias’ estimate. The results of these calculations indicate that the anti-export bias on wood furniture in mid-1999 equals 12 percent compared with an average calculated by an earlier DEPRA study of 20 percent for all activities in Egypt in 1997. This rate is also substantially lower than the 46 percent anti-export bias for the furniture industry in

1997. The large reduction in the anti-export bias in 1999 is the result of a reduction in the tariff on furniture imports from 50 percent in 1997 to 40 percent in 1999, and an implicit export subsidy rate of 2.5 percent calculated by the earlier DEPRA study for 1997 compared with an implicit 25 percent export subsidy rate calculated in the present study for 1999.

Although the calculations show that the bias against exports is lower than the average for all industries, it is still substantial. Furthermore, if the duty drawback system is not operating efficiently and exporters are not using it, which seems to be the case, then they would not derive substantially greater benefits under the present tariff schedule than in the past. Exporters do not in fact use the duty drawback system. Informal discussions with producers reveal that the system is too cumbersome to use since it involves extensive administrative and bureaucratic requirements needed to obtain refunds. Under these conditions, the anti-export bias without the drawback system being invoked simply equals the nominal rate of protection on furniture, that is, 40 percent. Therefore, customs regulations, tariffs and duty drawback system have increased the cost of production and thereby lowered the ability and willingness of furniture manufacturers to compete in the global marketplace.

Factors Affecting the Demand for Furniture

Foreign demand for Egypt’s furniture exports depends on two decision levels of the consumer. The first is the total amount of furniture that will be demanded by consumers based on income, price and demographic factors. The second is the amount that will be purchased from different domestic and foreign suppliers based on their relative prices. In the foreign markets, there is a strong income-related response in the demand for wood furniture in the global market. On average, the income elasticity is greater than unity, and the average income elasticity is 1.7. As expected, the Middle East has the highest income elasticity of the three global regional markets, reflecting the strong emerging demand for durable goods in that region. Within Europe there are also individual markets with strong demand prospects, particularly in Belgium and Austria. The US market has an income elasticity of 1.2, reflecting a relatively robust market. In Egypt import demand has a short-term price elasticity of –0.89 and a long-term price elasticity of –1.13. This relatively strong price responsiveness has important implications for tariff-related policies.

The demand for Egypt’s exports of furniture has been affected by the country’s declining international competitiveness due to the declining real exchange rate of the LE. The decline since 1991 has been more significant in the EU market than in those of the United States and the Middle East. As a result, Egyptian furniture producers face a relatively more favorable position in the US and Middle East markets than they do in the EU market. The effect of Egypt’s real effective exchange rate on its international competitiveness and the export demand for furniture are statistically significant in the global market and a number of regional markets. It is especially important in the US market in the long run. In contrast, Egypt’s international competitiveness has only a short-term effect in both the EU and Middle East markets. The long-term effect may, nevertheless be significant in individual markets within those regions. Specifically, the long-run competitive price elasticity of demand for exports is equal to -1.5 in the global market, and in the US market it equals -1.3. In the short run, the competitive price elasticity ranges from -0.2 to -0.5. The results of the estimated export demand relationships also confirm expectations about the relatively high income elasticities of export demand for Egypt’s furniture exports. These results suggest that Egypt could significantly affect the demand for its furniture exports in the global market, as well as in particular export markets such as the United States, by improving its international competitiveness with a more realistic exchange rate.

Recommendations

These findings point to a number of policy recommendations for the furniture industry in Egypt. The recommended policy initiatives are designed to strengthen exports of the furniture industry by improving the trade environment, lowering costs and improving efficiency. To be effective, these initiatives need to be viewed as an integral part of the country's overall economic policies and structural reforms. The specific recommendations presented in Box 5.1 aim to support the opening up of Egypt's furniture industry through initiatives in the areas of legislative and regulatory measures, trade liberalization, information support, exchange rate policies, and enhancement of foreign direct investment (FDI) inflows.

As part of these initiatives, it is important to note that industry-level analysis requires fairly detailed information that is not currently available. The primary source of industry-level statistics is CAPMAS. However, the information available from this agency often needs to be supplemented by industry data from UNIDO and the United Nations. Production data for industry sub-sector or segments are available from CAPMAS, but data on their material inputs are unavailable. Moreover, data reliability for industry segments, as well as that at the industry level, remains questionable, and there are large discrepancies between the information provided by different sources of data, notwithstanding the use of the same nomenclatures. Improved access to data and greater data reliability therefore remain an important priority for the country.

Three major policy adjustments are required and should be approached as a package. Generally, tariff rates should be reduced systematically, but such action should be accompanied by exchange rate adjustments. Furthermore, while adjusting tariff rates, the duty drawback system should be made to work properly, thereby immediately reducing the bias against exports inherent in the tariffs on inputs.

Box 5.1
Recommend Policy Initiatives to Stimulate Export Growth of Furniture Industry

Existing Challenge	Recommended Actions	Expected Impact / Benefits
Tariffs on Final Products 1. 40% tariff rate on furniture imports is fourth highest of all manufacturing categories 2. FDI and technology transfer potential is limited due to high import tariffs	**Lower tariffs to encourage FDI inflows and technology transfers into more competitive industries like furniture**	• Will help to develop furniture industry by stimulating competition • Will increase productivity of industry through technological improvements associated with FDI inflows • Will raise consumer welfare
Duty Drawback System 1. System is too cumbersome to use effectively 2. Tariffs and duty drawback system have increased the cost of production	**Improve the drawback system, including the information flow between public and private sectors**	• Will encourage production and expand exports • Will improve understanding between private and public sectors
Exchange Rate Policies **1. Egypt's international competitiveness has declined since 1991 based on the real exchange rate of the LE** **2. Demand for Egypt's exports of furniture have been affected in the global furniture market**	**Examine effect of real exchange rate appreciation on specific industries, especially as they affect international competitiveness, and consider exchange rate adjustments and/or compensatory mechanisms to improve international competitiveness of exports**	• Will expand demand for exports of furniture • Will increase the market shares of Egyptian furniture exporters in the global market
Tariffs on Inputs **1. Tradable inputs represent the bulk of the costs of intermediate goods and services.** **2. The average tariff on furniture inputs is high**	Lower or eliminate tariffs on inputs to reduce cost of production in furniture industry	• Will reduce production costs of the industry and increase efficiency • Will attract FDI and stimulate industry's international competitiveness.
Information System **1. Data on furniture market are lacking** **2. Existing data are often unreliable** **3. Access to existing data is limited**	Improve data collection, reliability and dissemination of information on furniture industry and industry segments	• Will improve market information and producers will have a better under-standing of the domestic and foreign market • Will stimulate FDI inflows as information on industry becomes more accessible

PART II: THE U.S. FURNITURE MARKET, OPPORTUNITIES AND CHALLENGES FOR EGYPTIAN EXPORTS

At present, the Egyptian furniture industry accounts for only a small fraction of the country's total industrial output, and this small share is even less than it was a decade ago. Egyptian exports of furniture have fallen with the reduction in trade with the previous East Bloc countries and Soviet Union, and are currently stagnating according to official trade statistics. Egypt's share of world trade in wooden furniture products is only marginal at the present time.

Yet, Egypt has a long tradition of furniture making and woodworking that, in conjunction with competitive wages and a skilled artisan labor pool, could give the furniture industry a comparative advantage in the global furniture market.

The Government of Egypt (GOE) has set a target for gross domestic product (GDP) growth at an average annual rate between 7 and 8 percent by the year 2000. An integral factor in achieving this targeted GDP growth rate is increasing exports. In this regard, the GOE has established a goal of reaching a 10 percent average annual growth rate for exports over the next decade as a major catalyst for increasing overall economic growth, as well as generating new investment and creating new jobs. An additional key element in this GOE strategy is policy reform aimed at enhancing export performance.

For a number of years, USAID has concentrated its efforts under Strategic Objective #1, accelerated economic growth through increased private sector exports, through projects focusing on assistance in five targeted export sectors, one of them being furniture. Though numerous studies have analyzed these targeted five export sectors in terms of policy impediments to enhanced export performance, productivity, and the firm-level technical assistance required, a comprehensive analysis has not been undertaken to evaluate the real potential of these sectors within the context of overall world competition, world trade patterns, projected growth rates in world consumption, nor a rational targeting of foreign export markets with the greatest potential.

The U.S. is the largest importer and consumer of furniture on the world market, yet Egyptian export promotion programs to date have had little success, and have focused on a limited number of marketing initiatives directed largely towards European Union and Arab Gulf countries.

Over the period 1988-1998, total U.S. retail home furnishings sales increased at an average annual rate of almost 6 percent, reaching a record level of $57.8 billion in 1998. Sales of household furniture by U.S. manufacturers have increased every year since 1992 by an average of about 5 percent per year to $25.4 billion in 1998. Shipments by U.S. manufacturers of office furniture have experienced an average annual increase of 8 percent since 1992, reaching an estimated $12.35 billion in 1998. Sales are being positively affected by a continued strong domestic economy and corporate profits, a high level of consumer confidence, new home building construction with more bedrooms, and consumer demand for furniture products, especially wooden furniture.

U.S. manufacturers' sales of wood household furniture increased at an average annual rate of over 3 percent from 1987 to 1998 to over $10 billion. U.S. manufacturers' shipments of wooden office furniture are estimated to have reached $2.86 billion in 1998, and have increased at an average annual rate if almost 8 percent since 1996. Wooden office furniture accounted for an estimated 23 percent of total office furniture shipments in 1998.

U.S. imports of wooden furniture, both for household and office furnishings, have been soaring, with growth rates even higher than that of shipments by U.S. manufacturers, resulting in a rising share of imports in the total U.S. furniture market. U.S. imports of wooden furniture (household, commercial and parts) increased 20.8 percent in 1998 to $ 5.6 billion after rising 15.9 percent in 1997. U.S. imports of wooden household furniture account for over 88 percent of this trade.

Growth sub-sectors within the U.S. household wooden furniture market are: (1) entertainment centers; (2) bedroom furniture; (3) upholstered furniture; and (4) ready-to-assemble (RTA) furniture. All sub-sectors of the wooden office furniture segment are experiencing good growth, with the largest increases registered by wood office panel systems, wooden chairs and seats, wood office tables and wood office desks and extensions.

One of the important findings of this study is the fact that Egyptian exports of wooden furniture products are much higher than previously thought. By just referring to official Egyptian export statistics, one does not obtain a true picture of what is happening in this sector. According to official Egyptian export statistics for wooden furniture products, shipments to the U.S. market totaled just over $3 million in 1998. According to official U.S. import statistics, however, Egyptian exports were over six times higher than that, and this trade has grown significantly over the past few years. In 1998, U.S. imports of all Egyptian wooden furniture products were almost $18.3 million. This trade was up a significant 24.2 percent, after registering a 12.5 percent increase in 1997.

The major product category exported by Egyptian manufacturers to the U.S. market falls within the segment of wooden wall units, entertainment centers, china cabinets, buffets and occasional tables. U.S. imports of Egyptian furniture products in this category totaled $13.2 million in 1998, an increase of almost 20 percent over the 1997 level. The second most important category of Egyptian furniture exports to the U.S. market is wooden bedroom furniture, which increased over 146 percent in 1998 to $1.9 million.

Based upon the results of this study, it is believed that the following Egyptian wooden furniture products have good potential for expanding exports to the large and growing U.S. market if the study's recommended marketing and policy initiatives are implemented: (1) wooden wall units, entertainment centers, china cabinets, buffets and occasional tables; (2) wooden bedroom furniture; (3) wooden household chairs and seats, including upholstered; (4) wooden office furniture; and (5) wooden furniture parts and wooden seating parts. Since these sub-sectors are indications of export potential, further in-depth targeted research is recommended to identify specific wooden furniture products within each sub-sector to assist Egyptian furniture exporters and industry promotion efforts.

With the revelation that Egyptian furniture exports to the U.S. market are six times higher than previously thought, combined with the fact that this trade has been increasing significantly in over the past couple of years, it seems appropriate that a fresh look and a new approach needs to be considered for this sector. It is believed that there exists good potential for increasing Egyptian furniture exports to the huge U.S. market, particularly for the products highlighted above, if proper policy initiatives and marketing activities are devised and implemented in line with a strong commitment of Egyptian furniture manufacturers to meet the requirements of the market with more competitive prices and better quality.

In order to achieve the potential for increasing Egyptian exports to the U.S. market, it must be realized that a number of major marketing constraints need to be addressed, such as: (1) lack of awareness of U.S. market requirements (particularly design and finishing), distribution, pricing, competition, trends and preferences; (2) lack of understanding of how to price products competitively on the U.S. market; (3) lack of understanding of potential returns of increasing the value-added portion of furniture finishing in Egypt, e.g., unfinished to semi-finished; semi-finished to finished; (4) lack of trade contacts; (5) poor image; (6) potential problems in meeting delivery times, e.g., a small U.S. order is a large order for Egyptian exporters; (7) export packing; and (8) lack of an export marketing plan.

We recommend that a number of marketing, trade policy and industry initiatives be undertaken to overcome these constraints and implement a new, concerted cooperative private sector/government partnership to expand furniture exports. These initiatives are:

- Trade mission to the Fall International Home Furnishings Market at High Point, North Carolina, including additional technical assistance from the U.S. to ensure that this mission is successful in maximizing new trade contacts and increasing the industry's understanding of the large, diverse U.S. furniture market

- Development of world-class industry and company brochures and sales collaterals

- Development of a new, world-class industry Web site, which would also incorporate a new system of trade leads

- Trade press and publicity activities

- Market research

- Development and implementation of strategic marketing plan

- Market Intelligence Mission to the Far East

- Increase Egyptian furniture contacts with major international industry groups

- Establish a representative office in the U.S. to assist the industry in developing and implementing the above initiatives

- Establish an Egyptian Furniture Manufacturers Association to spearhead industry efforts to evolve into a world class producer and exporter

- Improve the current duty drawback system for exporters

The U.S. furniture market presents major opportunities for Egyptian exporters, if they are dedicated to meeting the challenges of developing into a world class producer and exporter of furniture products, and the Government of Egypt is willing to work together with the industry in this effort and implement the study's recommendations on the policy side. Part II of this report analyzes the trade policy situation in Egypt and makes specific proposals for policy reform. It is clear that an entire package of actions will be necessary to increase furniture exports, including market analysis and development, improved production efficiency, and policy reform.

PART I: TRADE POLICY AND MARKET OPPORTUNITIES

1.0 Introduction

The present study on trade policies and markets for Egypt's wood furniture examines the mechanisms for enhancing exports through policy changes and the development of market leads. The analysis focuses on wood furniture and excludes that made primarily of metal. Where data permit, the study examines the major market segments of the industry with a view to identify efficient production activities and internationally competitive export products within the industry.

The present study relies heavily on earlier works by the Development Economic Policy Reform Analysis Project (DEPRA) on the performance of Egypt's exports and their response to macroeconomic and trade policy reforms. Two recent studies are particularly important. The first one is entitled *Enhancing Egypt's Exports* (DEPRA, 1998) and examines the steps that the Government of Egypt could take to lock in high and sustainable economic growth rates. It addresses various tariff and non-tariff barriers to trade and regulatory impediments that impact on the real costs of producing and marketing export-oriented products. It also examines several industries, including wooden furniture, in terms of their 'revealed' comparative advantage and efficiency indicators. Where data permit, these measures at the industry level are applied to the furniture industry's major market segments in this report.

The second DEPRA study is entitled *Effective Rates of Protection in Egypt* (1998) (ERPs) and derives measures of how trade barriers on final products and their tradable inputs jointly affect value-added in particular activities. Because published data from the CAPMAS survey of manufacturing are insufficient for computing ERPs, the study shows how computations can instead be derived using expert knowledge on an industry, in this case the leather shoe industry. Since the same data limitations confront the analysis of the furniture industry as that of the leather shoe industry, this procedure is adopted for the present study.

The present study is part of a broad analysis of the furniture industry conducted in Egypt between July and August 1999 by a team from Nathan Associates, Inc. It was prepared by Dr. Montague Lord, Nathan Associates Inc. consultant, under the direction of Dr. Rollo Ehrich, DEPRA/Ministry of Trade and Supply Advisor, and Dr. Hafiz Shaltout, USAID/COTR. Dr. Omar Salman provided local support in data gathering and computation. The study benefited greatly from the extensive data and information provided by Dr. Suzanne Messiha and the Comp Team of DEPRA. Dr. Stuart Callison also provided oversight of the work and his work on the real effective exchange rate on Egypt was used in the present study. Dr. Maurice Thorne's work on the effective rate of protection in the shoe industry was applied to the furniture industry. Dr. John Suomela's work on tariff impact assessments was used in the evaluation of tariff policy effects on the furniture industry, and Dr. James Walker provided valuable insights into the impact of the real effective exchange rate on Egypt's exports.

The study is organized as follows:

- Chapter 1: Introduction

  The chapter describes the scope and objective of the study, earlier works related to the present investigation, and the scheme of the study.

- Chapter 2: The Furniture Industry in Egypt

  This chapter describes the importance of the furniture industry to Egypt, examines the production characteristics of the industry, considers the major inputs to the industry, analyzes the major foreign markets, and discusses the sources and nature of the data used in the analysis.

- Chapter 3: Market Determinants

  This chapter assesses the productivity of the wood furniture industry in Egypt and producer responsiveness to price incentives, and it analyzes the factors affecting the demand for furniture in terms of foreign and domestic import demand and the demand for Egypt’s furniture exports.

- Chapter 4: The Policy Environment and Its Consequences

  The chapter analyzes the level of nominal and effective protection in the wood furniture industry and it evaluates the impact of tariff policies on imports, consumer welfare and exports of the industry.

- Chapter 5: Summary and Recommendations

  The chapter draws on the major findings of the study to set out a number of policy recommendations to expand Egypt’s furniture exports.

- The Technical Appendix presents the details of the quantitative methodologies used in the study.

- The Statistical Appendix contains basic statistics.

- The References presented at the end of the report list the documents and studies used in the preparation of this report.

2.0 The Furniture Industry in Egypt

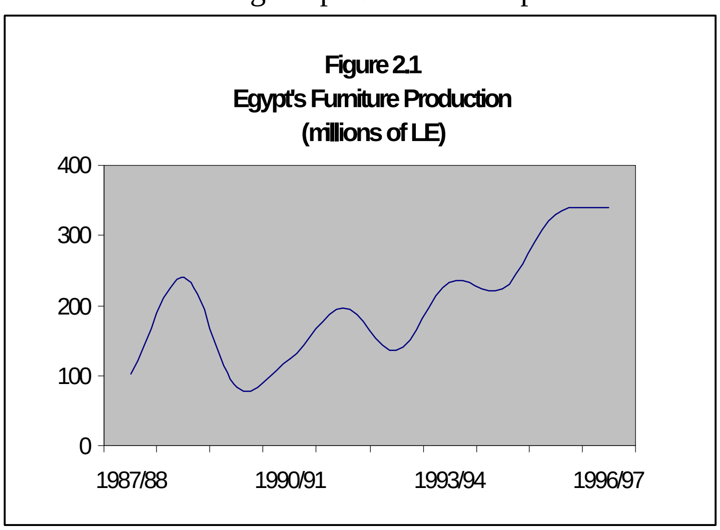
2.1 Importance to Egypt's Output and Employment

The furniture industry in Egypt is primarily oriented towards the production of wood-based furniture, which is also the most developed sector of the industry. Wood furniture is often classified into three broad categories: (1) wood furniture for office, (2) wood furniture for home, and (3) other types of wood furniture. Within the category of home furniture, there is a further breakdown into (a) wood furniture for kitchen use, and (b) wood furniture for use in the bedroom.

Although the wood furniture industry plays a relatively small role in Egypt's overall industrial activity, the long tradition of furniture making and woodworking combined with competitive wages of the sector could provide the industry with a comparative advantage in the world market. At present, the wood furniture industry accounts for about 0.3 percent of the country's total industrial output. Its contribution to overall output has fallen from 0.65 percent a decade ago as a number of other industries have flourished, most notably food products, refined petroleum, non-metallic mineral products, non-electrical machinery, and apparel. Nevertheless, the furniture industry supports a number of other activities through its linkages to other industries, especially wood and wood products, chemical products, and metal parts, as well as research and development activities and the development of craftsmanship in the industry.

The industry is composed of many establishments that reflect the large number of small and medium-size enterprises operating in Egypt. Only about 10 percent of the firms are large in size but these few account for a high percentage of total output from the industry. Small and medium-size firms, which represent nearly 90 percent of the total number of establishments in the industry, produce the remaining output. About 40 percent of the furniture is made in the Nile Delta town of Damietta, and most of the remaining output originates in factories and workshops located in Cairo and Alexandria.

Despite its relative decline in importance, the furniture industry continues to employ about the same proportion of total available workers as it did a decade ago. The industry



employed over 11,000 workers in 1995/96, according to data from the Central Agency for Public Mobilization and Statistics (CAPMAS). As a result, employment expanded by 3.7 percent a year between 1985 and 1995, notwithstanding a contraction in the constant dollar value added of the industry by 0.9 percent a year during that period.

2.2 Production Characteristics

2.2.1 Supply and Distribution

The Egyptian furniture industry has expanded in the last decade, albeit in a rather uneven manner and in only the domestic market. Between fiscal 1987/88 and 1995/96 overall production rose from LE 102.7 million to LE 329.4 million, which represents an average annual growth rate of over 30 percent for the period. However, year-to-year variations during this time have been large, ranging from –66 to 133 percent (see Table 2.1 and Figure 2.1).[1]

Table 2.1
Furniture Production and Trade in Egypt, 1987/88-1995/96
(thousands of LE)

	Production	Imports	Exports
1987/88	102,722	2,306	2,856
1988/89	239,667	1,849	8,495
1989/90	81,867	1,518	16,708
1990/91	123,338	4,492	87,090
1991/92	195,784	8,475	101,985
1992/93	135,458	11,286	57,731
1993/94	233,350	10,772	48,059
1994/95	222,747	26,169	37,407
1995/96	329,351	26,703	33,002
1996/97	339,869	36,170	34,066

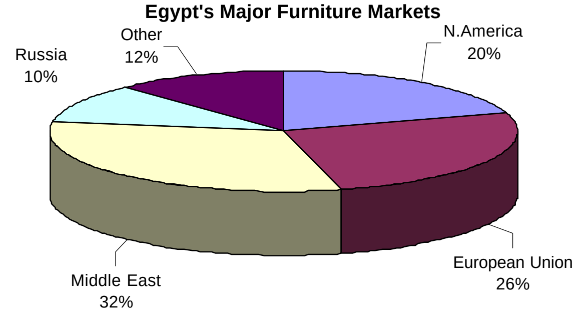
Note: Fiscal year is July 1 to June 30.
Source: Derived from CAPMAS, various publications, and UNIDO (1998).

Production is mainly oriented towards the domestic market. Foreign imports remain significant, representing about eight percent of total domestic consumption. Moreover, Egypt's dependence on foreign supplies has grown over time. A decade ago, only about one percent of apparent domestic consumption originated in foreign markets. Since then, the demand for imports of furniture has grown considerably faster than that of domestic production.

The rapid growth of the population and increased per capital incomes have led to a substantial expansion in demand for furniture. As a result of the concurrent lag in production growth, furniture imports reached US$10.6 million in 1997. The magnitude of these imports was 50 percent higher than only three years earlier, pointing to the rapidly expanding demand for these types of products. The majority of imports originated in the European Union countries, which represent over 70 percent of the total. Within this region, Germany and Italy are the leading suppliers of furniture to Egypt.

[1] These production figures are understated by a factor of three as CAPMAS only sampled firms with more than 10 employees. It is well known that most of the furniture production in Egypt is done by firms having less than 10 employees. Total production in 1996/97, for example, is estimated at LE 1031 million by the General Organization for Industrialization. The CAPMAS data were used in this analysis, however, in order to obtain a time series of sufficient length to estimate supply and demand functions.

Figure 2.2
Egypt's Major Furniture Markets



Exports currently represent a relatively small proportion of total domestic production. In 1997 exports of wooden furniture amounted to US$15.3 million.[2] The leading markets are the European Union and the United States, each of which accounts for about 20 percent of total exports. Russia is also an important market, although its role has been declining over the years (see Figure 2.2).

2.2.2 Major Industry Segments

Production and international trade data rely on different classification systems. Output and other industry-level data rely on the International Standard Industrial Classification (ISIC) system, of which Revision 2 is the most widely used. Internationally comparable data are available at the 4-digit level, although further disaggregation may be available at the national level. In Egypt disaggregated production data are available for the following categories in the furniture industry: (1) furniture and fixtures for bedroom, (2) chairs from wood and bamboo, (3) other furniture and fixtures, and (4) other bamboo furniture. These data were available for the period 1983/84 to 1995/96 at the time that the present study was conducted, and the information was separated into the private and public sector.

Table 2.2 shows the production value of the furniture sub-sectors. About one-half of production is bedroom furniture, and the rest is mainly in the form of other types of furniture. Chairs from wood and bamboo and other bamboo furniture represent a small fraction of overall production by the industry. The growth of bedroom furniture has been especially dynamic throughout the period, as has other furniture and fixtures, though to a lesser extent. These other types of wood furniture include various types of furniture for the domestic household, garden furniture and furniture finishing, restoration and repairs.

Information on international trade in furniture by Egypt and its major trading partners is classified into somewhat different categories: (1) office furniture, (2) kitchen furniture, (3) bedroom furniture and (4) other furniture. This classification is based on the Standard International Trade Classification (SITC), Revision 3. In the more recent international trade classification of the Harmonized System (HS), there is a clear distinction between

[2] According to UNCTAD. However, CAPMAS data put total exports at $10 million in 1996/97. Furthermore, the U.S. Census Bureau reported $14.7 million in imports from Egypt into the U.S. alone. Thus, the official GOE export estimates appear to be seriously understated.

office and home furniture. Egypt has adopted the HS system but information in earlier years relies on the SITC system.

Table 2.2
Production of Wood Furniture in Egypt, by Category
(millions of LE)

	Furniture Total	Furniture for Bedroom	Chairs from Wood and Bamboo	Other Furniture and Fixtures	Other Bamboo Furniture
1983/84	26.73	6.44	9.35	10.24	.69
1984/85	32.60	13.20	7.13	11.69	.57
1985/86	27.73	3.71	5.75	17.72	.55
1986/87	48.07	9.59	3.13	34.22	1.13
1987/88	80.66	53.95	3.52	23.19	-
1988/89	95.29	45.18	5.29	43.45	1.37
1989/90	99.20	36.12	4.51	56.35	2.22
1990/91	202.28	84.65	6.63	109.73	1.26
1991/92	220.26	114.75	34.37	68.07	3.07
1992/93	111.46	53.29	8.18	48.86	1.13
1993/94	171.41	94.55	8.82	64.97	3.07
1994/95	185.86	86.94	7.20	90.09	1.64
1995/96	214.19	102.06	11.54	98.40	2.18

Source: CAPMAS, Annual Industrial Production Statistics (various issues).

Table 2.3 shows Egypt's exports of wood furniture by sub-sectors. Bedroom furniture is also the major type of furniture exported among those specified, although 'other furniture' is a larger category. Egypt exports a relatively small amount of office and kitchen furniture compared with other types of wood furniture.

Table 2.3
Egypt's Exports of Wood Furniture, 1994-97
(Thousands of US$)

	Office furniture	Kitchen Furniture	Bedroom furniture	Other Furniture	Total
1994	176	141	4,244	9,516	14,077
1995	191	32	4,768	7,067	12,058
1996	76	68	5,753	7,226	13,123
1997	57	191	6,414	8,674	15,336

Source: UNCTAD, COMTRADE data reported in PC-TAS.

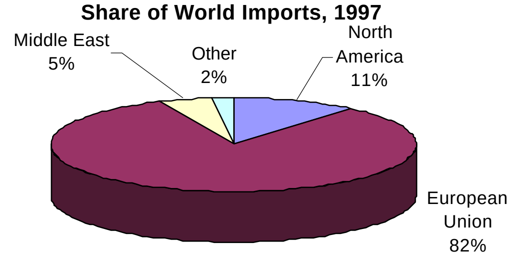
2.3 Major Inputs to the Industry

The furniture industry is highly dependent on imported wood for raw materials. Indigenous timber is limited to tamarisk, acacia and carob, and therefore the supplies of domestic wood sources are insufficient. Imports of wood amounted to over US$500 million in 1997. Of this amount, more than US$400 million was in the form of sawn conifer wood. Other inputs include paints and varnishes, glues, metal fittings, woodworking electrical and non-electrical equipment, upholstery material and plastics. As the principal input, wood needs to be available in large and varied quantities and the quality needs to be high. Quality refers to the uniformity of grade and color, treatment, standardization of dimensions and classification. Lack of quality wood is the principal constraint on Egypt's inputs for this industry. Upholstered furniture requires a broad spectrum of materials such as cotton, polyesters, and acrylics, as well as plastic materials. Similarly, ready supplies of glues, paints and varnishes are also needed. Finally, the industry relies heavily on woodworking machinery, which is essential for the technological progress of new and existing industry segments.

2.4 The Foreign Markets

Egypt's exports of wood furniture are distributed among the three global regional markets of the Middle East, the European Union (EU), and North America. Together these three regional markets absorb 75 percent of Egypt's total wood furniture exports. The other important market is Russia, which currently absorbs about 10 percent of Egypt's wood furniture exports. This market, however, contracted sharply during the 1990s compared with its importance during the second half of the 1980s, when it absorbed nearly 75 percent of Egypt's furniture exports. During the 1990s the fastest growing market has been the Middle East, followed by North America and, in particular, the United States. Exports to the EU market have also expanded, but at about two-thirds the rate of export growth to the North American market, and less than one-half of that to the Middle East.

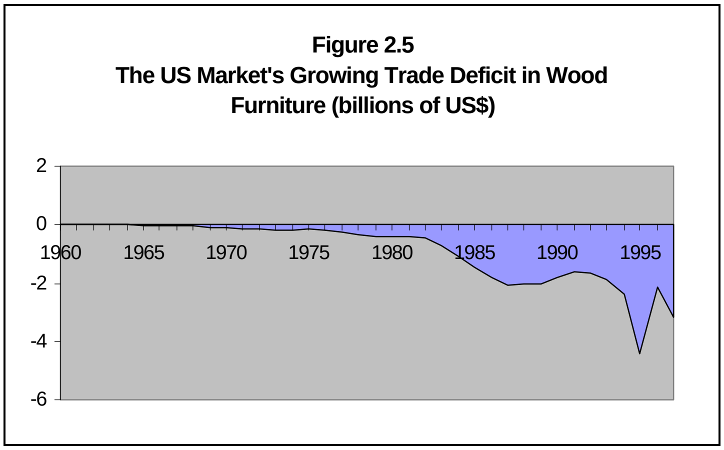
Figure 2.4
Share of World Imports, 1997



The global market for North America and Europe, which together account for 93 percent of total world imports, dominate wood furniture (Figure 2.4). The top importers are the United States and Germany. Other important importers are Japan and France.

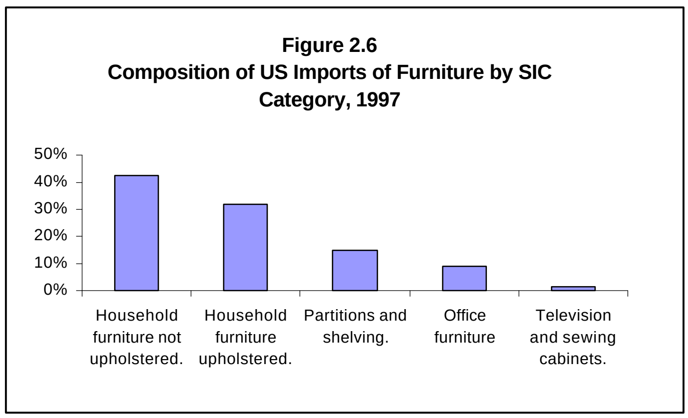
2.4.1 The U.S. Market

The United States has a large and growing trade deficit in furniture trade (see Figure 2.5). In 1997 the value of imports, classified according to the Standard Industrial Classification (SIC) nomenclature reached US$4.5 billion. The classification used in this system is broader than that of the SITC, under which US imports of wood furniture only registered US$566 million. The SIC nomenclature covers wood household furniture (both upholstered and non-upholstered), wood television, radio, phonograph and sewing machine cabinets, wood office furniture, and wood partitions, shelving, and office and store fixtures. In contrast, the SITC coverage is limited to household (kitchen and bedroom), office and other furniture of wood. Using the broader SIC system, data on US imports of wood furniture point to a rapid long-term growth.

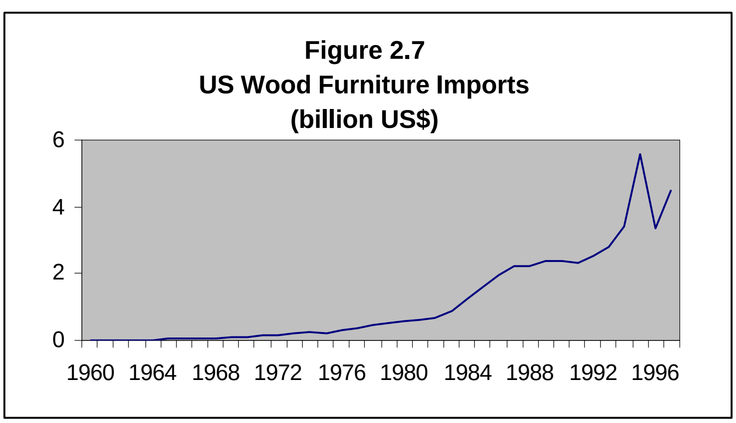


The US trade balance for wood furniture has grown to US$3.2 billion in the SIC system of trade classification. This trade balance has been the result of a long-term stagnation of US exports and a growing foreign demand for wood furniture. Between 1960 and 1997 the value of imports grew 1.25 times faster than that of exports.

The largest sector of US wood furniture imports is non-upholstered household furniture, followed by upholstered household furniture (see Figure 2.6). Together these two industry segments represent 75 percent of total wood furniture imports. Office furniture accounts for another 9 percent. Notwithstanding the large differences in the importance of these industry segments, all import sub-categories have experienced a strong long-term growth.



Since 1960 the value of US wood furniture imports has grown by nearly 20 percent a year (see Figure 2.7). More recently imports suffered a downturn in 1993-96, following cutbacks in purchases of durable goods, but they have since recovered sharply. Between 1960 and 1997 imports of household wood furniture imports grew at an average annual rate of 19 percent. These rates apply to both upholstered and non- upholstered furniture. Imports of wood furniture for office use also grew rapidly, averaging 24 percent a year. The other two sub-categories of partitions and shelving and cabinets for television, radios,



phonographs and sewing machines experienced average annual growth rates of 17 and 19 percent respectively.

In contrast to the United States, Canada has been a net exporter of wood furniture. But as in the United States, production declined in the early 1990s as a result of a sluggish economy and a consumption cutback in 1992-93. Since then, the sector has been restructured and productivity has increased with the result that production and exports have recovered rapidly. Exports in 1996 reached US$2 billion, while imports were worth US$1 million.

2.4.2 The European Market

Furniture consumption in the EU market in 1998 amounted to about ECU 9 billion in the kitchen furniture segment and ECU 7 billion in the office furniture segment (CSIL, 1999) (see Figure 2.8). In that market furniture consumption is dominated by Germany, which accounts for 32 percent of total EU consumption, followed by Italy (14 percent), France (12 percent) and the United Kingdom (12 percent).

Figure 2.8
EU Import Value (million US$)

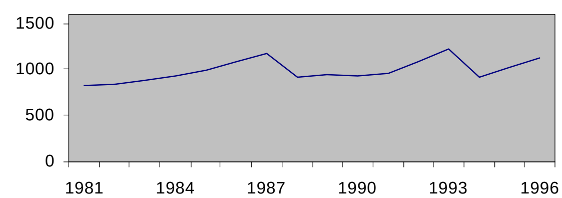
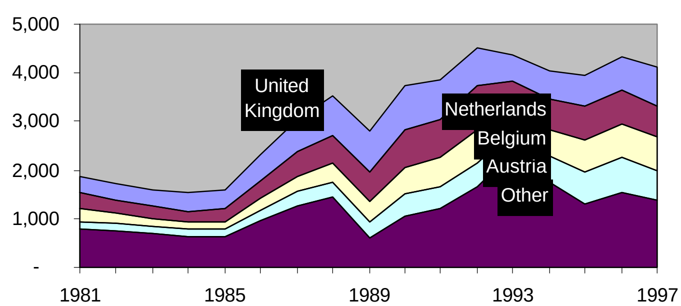


Figure 2.9
Major EU Imports (million US$)



Trade has expanded considerably under the EU market, although import growth was fairly stagnant in the 1994-95 period, following a period of rapid growth in 1985-93. The moderate growth of the furniture market in Europe is due to lack of consumer confidence in the economic situation of the region. Following the 1992-95 slowdown in the European Union and the accompanying cutbacks in demand for durable goods such as furniture, consumers have been slow to respond to improved prospects in the economy and have often postponed decisions to buy furniture. This slowdown in consumption has been mirrored in the import growth pattern of the region. Nevertheless, imports have begun to recover since 1996, and there are expectations that a recovery in demand will occur in 1999-2000.

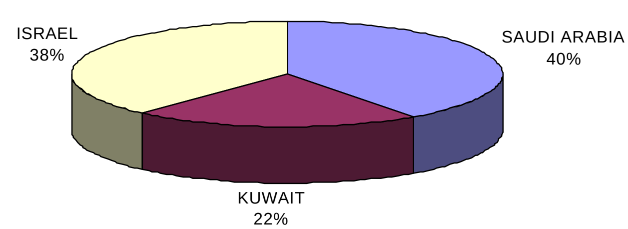
So far, the major foreign suppliers to the EU market have been the Eastern European countries of Poland, Romania, the Czech Republic, Estonia and Hungary, followed by the Asia countries of Indonesia, Taiwan, China and Thailand. Extra-regional suppliers seeking market outlets are increasingly penetrating this market, particularly in Spain since it is receptive to foreign suppliers and has one of the highest per capita consumption levels in Europe. At present, the major importer is the United Kingdom, which accounts for 20 percent of total EU imports, followed by the Netherlands and Belgium (both with 16 percent of the EU market) and Austria (14 percent) (see Figure 2.9). Other countries open to foreign suppliers are Italy, Sweden and Switzerland. In Italy, the distribution of supplies is patterned under the German model, whereby buying associations dominate the market. The other widely used system is that of franchising chains, which is largely used in France (CSIL, 1999).

Kitchen furniture has been a leading market segment in the European Union in terms of overall consumption and foreign purchases. Germany is the largest consumer of kitchen furniture and the long-term growth of demand in that market has averaged 5 percent a year since 1988. As the second largest consumer of kitchen furniture, Italy has experienced a growth more in line with the long-term average for the EU market, while Spain has experienced an above-average growth rate. The Netherlands has the highest per capita consumption of kitchen furniture in the EU market, followed by Switzerland. Both countries are major importers of this furniture segment. Other important importers are Ireland, Portugal, the United Kingdom, Greece, Norway, and Belgium.

2.4.3 The Middle East Market

The market for furniture in the Middle East has been strong, though year-to-year growth has been highly variable. On average, the value of wood furniture imports expanded by 26 percent a year between 1987 and 1997, with annual rates varying from –77 percent in 1988 to over 300 percent in 1990. The largest markets have been Saudi Arabia, Kuwait and Israel (see Figure 2.10). Israel is becoming an important market for Egypt, largely in response to the rapid economic growth in that country and the large influx of immigrants during the 1990s. Reduced barriers to trade have also helped to increase imports. The major foreign suppliers remain EU producers, which account for 82 percent of total furniture imports. North America supplies 11 percent of those imports, while the Far East provides another 4 percent. Egypt supplies only 0.2 percent of Israel's imports and therefore has a considerable scope for further penetrating that market. The distribution channels for furniture are mainly through wholesalers and importers, which are normally large purchasing and distribution companies and act as the principal reference point for

Figure 2.10
Share of Major Middle Eastern Importers



introducing foreign goods (CSIL, 1997a). Wholesale importers of kitchen furniture mainly concentrate on the large construction companies that supply new homes with fitted with wall and base units. Other buyers supply a growing number of hotel chains.

2.5 Data Considerations

The primary source of industry-level statistics used in the present study is CAPMAS, the national statistical office of the Egyptian government. Fairly disaggregated industry data are available for manufactures of furniture and fixtures, except primarily those of metal, at the 4-digit ISIC, Revision 2 level. Time-series data were available for the period 1987/88 to 1995/96 at the time that the study was conducted in July and August1999. This information was supplemented by industry data for the 1981-96 period. These data were compiled by United Nations Industrial Development Organization (UNIDO) (UNIDO, 1998 and UNIDO, 1999). Production data for sub-sectors of the industry were obtained from the CAPMAS publication, *Annual Industrial Production Statistics*. For these sub-sectors, data on material inputs were unavailable and were instead obtained from informal discussions with firms. Data reliability for these series, as well as the more disaggregated time series data for the industry as a whole, is questionable. In general, there were large discrepancies between sources of data, despite the same SITC, Revision 2, classifications.

International trade data of Egypt and its major export markets of wood furniture were obtained from the United Nations International Computing Center (UNICC). This information is available from 1981 onwards for Egypt. In order to ensure consistency of the series over time that would permit the estimation of economic relationships in the industry, relatively aggregated industry data were used under the SITC, Revision 2.

The following are the classifications for wood furniture used in the present study:

(1) ISIC sub-heading for wood furniture and fixtures: 3321.

(2) HS sub-headings and those of the earlier SITC, Revision 3 are as follows:

HS	Description
9403304	Bent-wood furniture of a kind used in offices
9403308	Wooden furniture used in offices, nes
9403404	Bent-wood furniture of a kind used in the kitchen
9403406	Wooden furniture, kitchen use, for motor vehicles
9403504	Bent-wood furniture of a kind used in the bedroom
9403506	Wooden furniture, bedroom use, for motor vehicles
9403604	Bent-wood furniture, nes
9403907	Furniture parts of wood

(3) SITC Rev. 3 sections for wood furniture are as follows:

SITC3	Description
82151	Office furniture of wood
82153	Kitchen furniture, wood
82155	Bedroom furniture, wood
82159	Other wooden furniture

(4) The US-based SIC 1972 classifications for furniture are as follows:

SIC	Description
2511	Wood household furniture, except upholstered.
2512	Wood household furniture, upholstered.
2517	Wood television, radio, phonograph and sewing machine cabinets.
2521	Wood office furniture
2541	Wood partitions, shelving, and office and store fixtures.

3.0 Market Determinants

3.1 Productivity Measures

In Egypt the production process for furniture is dominated by small and medium-size enterprises. Of the 135 enterprises recorded in 1997 by the General Organization for Industrialization (GOI), 105 were small-scale enterprises, 13 were medium-size enterprises, and the remaining 17 were large-scale enterprises. Small-scale enterprises averaged 13 workers, the medium-size enterprises had an average of 75 workers, and the large-scale ones averaged 250 workers. The distribution of these enterprises on the basis of size has remained almost unchanged during the 1990s.

Table 3.1
Productivity Measures of Egypt's Wood Furniture Industry

	1992	1993	1994	1995	1996	1997
Output/Capital	0.96	0.95	0.95	1.09	1.35	1.33
Output/Labor	7.14	7.14	7.14	8.33	11.11	11.11
Capital/Labor	7.53	7.64	7.63	7.60	8.15	8.50

Source: General Organization for Industrialization as reported in DEPRA (1999).

The industry's performance improved measurably in both its capital and labor utilization during the 1990s (see Tables 3.1-3.3). The ratio of output to capital rose from 0.96 at the beginning of the decade to 1.33 in 1997, indicating that the efficiency of capital use--the amount of output obtained from each unit of capital--went up by 39%. Labor productivity rose by 56 percent as the ratio of output per unit of labor rose from 7.14 to 11.11 during the same period. In addition, the industry has become more capital intensive, as the ratio of capital to labor increased somewhat during the 1990s.

Table 3.2
Productivity of Capital in Egypt's Wood Furniture Industry, by Enterprise Size

	1992	1993	1994	1995	1996	1997
Large-Size Enterprises	0.94	0.94	0.94	1.11	1.11	1.11
Medium-Size Enterprises	0.76	0.76	0.76	0.76	2.04	2.00
Small-Size Enterprises	1.33	1.19	1.19	1.23	1.30	1.32

Source: General Organization for Industrialization as reported in DEPRA (1999).

Medium-size enterprises have led the industry in productivity improvements. Between 1990 and 1997 the productivity of capital for this size of firm improved by 162 percent, while that of labor rose by a whopping 533 percent, or by more than 5 times. Large-size enterprises also experienced productivity improvements of 18 percent and 17 percent, respectively, for capital and labor utilization. Small-scale enterprises improved their labor productivity by 20 percent, but did not experience any significant change in the capital efficiency usage.

Table 3.3
Productivity of Labor in Egypt's Wood Furniture Industry, by Enterprise Size

	1992	1993	1994	1995	1996	1997
Large-Size Enterprises	7.14	7.14	7.14	8.33	8.33	8.33
Medium-Size Enterprises	6.25	6.25	6.25	6.25	25.00	33.33
Small-Size Enterprises	8.33	8.33	9.09	9.09	9.09	10.00

Source: General Organization for Industrialization as reported in DEPRA (1999).

These productivity improvements will make Egypt more competitive in the world market as producers increasingly penetrate the traditional US and EU markets and the emerging Middle East and African ones. Egypt faces stiff competition from producers from both developed and developing furniture-exporting countries. Developed furniture exporting countries such as Germany, Italy and France have fairly sophisticated export strategies that have been in existence for a considerably longer period of time than Egypt's current trade strategy. Producers in these countries have access to well-regarded organizations for furniture exporters, as well as ready access to trade shows and fairs that are highly publicized and well attended. There is also value added from furniture with the labels carried by products. 'Made in Germany', for example, imparts to the consumer an assurance of high quality and advanced technology, while 'made in Italy' is associated with a sophisticated design. Egypt's entry into this market will require aggressive initiatives on the part of producers and the government in its role as a facilitator for the private sector.

Competitors from the developing and emerging furniture export countries are mainly located in Eastern Europe and Southeast Asia. These countries, like Egypt, are attempting to penetrate the large traditional markets of Western Europe and North America. The main characteristic of these new exporters is their readiness to adopt their production techniques to the rapidly changing tastes and preferences of the global market for furniture. Increasing use is being made of PC-based technologies to facilitate design changes. Especially useful are computer aided design (CAD) and computer aided manufacture (CAM) applications for automated manufacturing processes of sophisticated furniture design and small-scale production, which are used by medium-size companies of 50 workers or more.

Parallel to these production adjustments are marketing initiatives required by consumers that provide quality assurances, including those associated with ISO 9000 standards, and guarantees in the form of both product warranties and compliance with environmental standards. While these factors add to the cost of producing and distributing furniture to foreign markets, they also provide value added to the product in areas required by customers in developed markets.

Concurrent with Egypt's efforts to penetrate the US and EU markets are its efforts to diversify markets and access those in the Middle East and Africa. Production controls for these markets currently requires fewer quality and environmental guarantees than those for developed markets where competition is much greater. Nevertheless, the Middle East market is becoming increasingly sophisticated as access increases to producers in Eastern Europe and Southeast Asia.

In Europe production and distribution activities are often distinct activities. While some furniture producers have their own distribution centers, especially for office furniture, most sales are through wholesalers or buyer groups that deal in final sales to consumers. The separation of these activities is the result of the complex geopolitical system in Europe and the existence of over 100,000 sales locations in the EU market, which are distinguished from one another at the national level (Pérez, 1998). In Germany, France and the United Kingdom large-scale businesses have helped to streamline the distribution system. For example, in Germany, about 30 buyer groups control two-thirds of furniture supplies and, of these, ten principal groups control 45 percent of the market. In France, franchises account for 30 percent of sales, and in the United Kingdom 10 principal distributors control 27 percent of the market (Pérez, 1998). In contrast, countries like Spain, Portugal and Italy have distribution systems that are much more fragmented than in other countries. For example, in Italy small and medium size companies account for three-fourths of the market, and many of these firms are family run. In Spain independent establishments sell about 60 percent of furniture.

3.2 Producer Response to Price Incentives

The ability and willingness of producers to expand production to meet domestic consumption and export requirements depend in large part on their responsiveness to price incentives. These incentives can be derived from product price movements in the domestic or international markets that reflect global market forces or price-related policy initiatives. Although competition within the Egyptian furniture industry may be vigorous, it is nonetheless imperfect since entry and exit costs exist within both the domestic industry and foreign markets. As a result, protection of the domestic market is likely to affect domestic prices and the performance of the domestic industry, which in turn can affect the ability of these firms to compete outside of Egypt.[1] Although there is some evidence that protection can stimulate technologically backward producers to invest in catching up with more advanced foreign producers, it is more likely that tariffs or quotas will delay technological adaptation by domestic producers (see Miyagiwa and Ohno, 1995, and Rodrik, 1992).

[1] For the theory underlying the current analysis of protection under imperfect competition, see Helpman and Krugman (1985) and Grossman (1992).

Table 3.4
Regression Results of Furniture Production Supply
$\Delta q_t = \alpha_o + \alpha_1 q_{t-1} + \alpha_2 p_{t-n} + \alpha_3 y_{t-n} + v_t$

					Summary Statistics		
	$\ln(Q)_{t-1}$	$\ln(P)_{t-n}$	$Ln(Y)_{t-n}$	Const	R^2	dw	SEE
Total Furniture		0.20(n=0) (1.6)	1.16(n=1) (2.5)	1.31	0.72	1.9	0.19
Bedroom Furniture		0.37(n=1) (0.8)	5.52(n=1) (2.4)	-18.6	0.57	2.2	0.69
Other Furniture	0.54 (3.2)	0.14(n=0) (1.8)	1.99(n=1) (2.6)	-3.76	0.94	2.0	0.16

Notes:
1/ The variables are defined as follows: Q is the volume of furniture production, P is the constant LE price of furniture, Y is real GDP (a proxy for capacity utilization).
2/ Period over which the equation was estimated equaled 1984-96.
3/ Binary variables were included in the equations for 1989 (1 in 1989; 0 otherwise).
4/ Figures in parentheses below the coefficients refer to t-statistics.
5/ Figures next to the estimated price and capacity variables refer to the length of the lag.

We can measure the price responsiveness of the major furniture segments in Egypt using a general unrestricted equation that relates production to a sequence of current and lagged prices price of furniture, measured in constant LE, and to a capacity measure based on the real gross domestic product (GDP) of Egypt. To ensure consistency of the data, the variables for real GDP and the general price level, measured by the consumer price index, have been converted to fiscal year data that matches the reported periodicity of the furniture production and price data. The production schedule is assumed to follow a generalized constant-elasticity-of-substitution (CES) function. The fist-order profit condition for profit maximization yields a supply schedule in which production is related to price and production capacity. The exponential values of the coefficients of the equation measure the elasticities. We can then introduce dynamics into the log-linear supply function by introducing appropriate lags of the price and capacity variables. In the present case, a distributed lag function has been used to represent the underlying nature of the response of production to price and capacity changes.

The results of the estimates presented in Table 3.4 indicate that furniture production is generally responsive to movements in the constant LE price of furniture. The response has the expected sign, and the estimated coefficients are statistically significant except in the case of the bedroom furniture segment of the industry. The results suggest that producers do respond to price incentives, and that the response is important to their production decision.

3.3 Factors Affecting the Demand for Furniture

Wood furniture is a durable good that is highly responsive to income expectations. Its purchase often represents a major investment by consumers of household and office furniture and there is therefore a tendency to postpone the purchase when income expectations decline. Consumption is also affected by demographic factors such as birth rates, marriage rates, life expectancy and household size. It is also responsive to the degree of social and geographic mobility of the population.

Foreign demand for Egypt's furniture exports depends on two decision levels of the consumer. The first is the total amount of furniture that will be demanded by consumers based on income, price and demographic factors. The second is the amount that will be purchased from different domestic and foreign suppliers based on their relative prices. Since Egypt is a price-taker in the global furniture market, its international competitiveness will depend on its real effective exchange rate. That rate will determine the country's competitiveness relative to other suppliers to foreign markets, and the ability of Egypt's producers to affect their price markups over costs. In the case of a real exchange rate appreciation, for example, imports would tend to increase their penetration while exports would decline. In the tradable goods industries, the exchange rate appreciation would reduce the margin between output prices and input prices and thereby limit the ability of domestic producers to compete in the domestic and foreign markets. If, however, the higher import penetration reflected the removal of trade barriers, then the spread between output prices and input prices would widen in favor of exportables and against importables. These determinants of the international market demand for furniture and the demand for Egypt's exports will be empirically examined in the remainder of this chapter.

3.4 Foreign and Egyptian Import Demand

The import demand relationships for wood furniture imports in the major global markets are presented in Table 3.5. The estimates are based on a distributed lag model in logarithmic form, whose properties are described in the Technical Appendix to this report. All markets have price inelastic demand schedules. The average price elasticity of demand is -0.6. In all markets the income elasticity is greater than unity, and the average income elasticity is 1.7. This elasticity reflects the strong income-related response in the demand for wood furniture in the global market. As expected, the Middle East has the highest income elasticity of the three global regional markets, reflecting the strong emerging demand for durable goods in that region. Nevertheless, within Europe there are also individual markets with strong demand prospects, particularly in Belgium and Austria. The US market has a income elasticity of 1.2, reflecting a strong market albeit one that is becoming quite mature.

The estimates are based on limited time-series estimates using annual data for the period 1981-97. Parameter constancy tests for the period before and after 1990 showed that the responsiveness of imports to price and income changes was stable. The present estimates therefore provide fairly accurate information on the responsiveness of the selected import markets to income and price changes that are likely to challenge Egypt's furniture exporters in the global regional markets.

Table 3.5
Import Demand Functions of Global Regional Markets for Wood Furniture
$m_t = \alpha_0 + \alpha_1 m_{t-1} + \beta_2 y_{t-n} + \gamma_1 p_{t-n} + u_t$

SITC2 Code	Market	Price Elasticity	Income Elasticity	Summary Statistics R2	D.W.
82192	United States	-0.56 (n=1) (11.5)	1.22 (n=0) (9.2)	0.96	2.6
82192	European Union	-0.16 (n=0) (2.2)	1.09 (n=0) (5.2)	0.80	1.7
82192	United Kingdom	-0.76 (n=1) (2.0)	1.08 (n=0) (5.0)	0.77	1.7
82192	Netherlands	n.s.	1.14 (n=0) (3.2)	0.54	1.6
82192	Belgium	n.s	3.17 (n=1) (11.8)	0.93	1.5
82192	Austria	-0.13 (1.3)	2.23 (n=0) (6.4)	0.94	1.5
82192	Middle East	-1.55 (n=0) (10.1)	2.09 (n=1) (3.6)	0.90	2.1

Notes:
1/ The variables are defined as follows: M is the volume of furniture imports, P is the constant US dollar price of furniture imports, Y is real GDP.
2/ Period over which the equations were estimated equaled 1981-97.
3/ n.s. denotes not statistically significant.
4/ Figures in parentheses below the coefficients refer to t-statistics.
5/ Figures next to the estimated price and income variables refer to the length of the lag.

In Egypt the demand for furniture imports is more responsive to price and income changes than in its foreign markets. Using the same specification for the import demand function as that for the major regional markets, the estimated equation for Egypt is as follows:

$$mt = -2.2 + \underset{(0.7)}{5.32yt\text{-}1} \;\; \underset{(1.6)}{-0.89pt} \;\; \underset{(1.8)}{-1.13pt\text{-}1} \qquad (3.1)$$

$$R2 = 0.92 \qquad DW = 1.7 \qquad SEE = 0.60$$

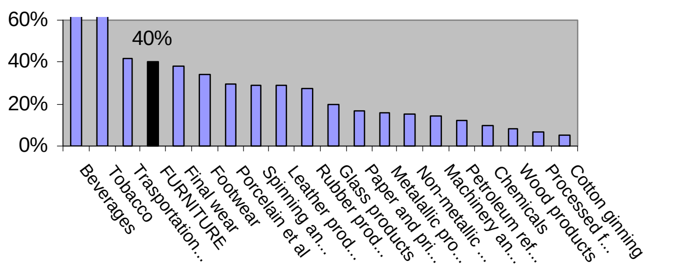
where the variables are specified in their log forms and the numbers below the coefficients refer to the t-statistics. The sample period is 1985-97 and a binary variable was included for 1994. The impact price elasticity is –0.89 and the one-period lagged price elasticity is –1.13. For the income variable, the elasticity is 5.3. While the coefficients for the price variables are significant, that of the income variable is not statistically significant. For policy impact analysis, however, the more important variable is that of prices. We will examine the implications of these estimates in the following chapter.

4.0 The Policy Environment and Its Consequences

4.1 Nominal and Effective Protection of the Industry

Egypt's tariff regime has undergone many changes in recent years. The current structure was established by Law 187 of 1986 and is based on HS codes adopted in 1994. Since then the general maximum tariff has been progressively reduced during the last several years, but in furniture protection remains high. Although the nominal rate of protection (NRP) for that industry was lowed from 50 percent in 1997 to 40 percent under Presidential Decree No./1998, its rate remains the fourth highest of all manufacturing categories. Those with higher rates are the so-called luxury items of automobiles, liquor and tobacco. The trade-weighted average tariff is just over 25 percent for all manufacturing activities.

Figure 4.1
Customs Tariffs by Category in mid-1999



Despite the gap between the tariff rates on furniture and those of its major inputs, the tariffs on wood and other inputs may reduce the furniture industry's competitiveness in the domestic and foreign markets. While the tariff on wood furniture imports protects domestic producers, tariffs on inputs used in the production of furniture raise costs and consequently reduce the competitiveness of the domestic industry. The effective rate of protection (ERP) measures these effects by considering tariffs applied to imports of raw materials and intermediate goods that affect the price of the final good. (See the Technical Appendix for the derivation of the ERP.) In particular, the ERP measures how tariffs on a product and its tradable inputs jointly affect the value-added of a particular activity. When only the nominal rate of protection is calculated, the tariff on furniture imports suggests that domestic producers will be encouraged to increase their output. However, whether they increase their output depends not only on the tariff on furniture imports, but on the tariffs applied to inputs used in their manufacture. While domestic producers are given an implicit subsidy on their furniture production when there are tariffs on furniture imports, they also face a tax on their imported inputs, which can neutralize the effect of the implicit subsidy. The ERP therefore measures the net protection on the furniture production process, rather than simply the gross protection on the industry's output.

By including inputs, the ERP becomes a more useful measure, and at the same time, it becomes more difficult to calculate. Previous work by DEPRA has shown how the effective rate of protection can be measured in Egypt in spite of data limitations on the inputs used to produce goods (DEPRA, 1998). The formula used in that study and applied to the furniture industry is as follows:

$$ERP = (1 - \Sigma_i a_i)/[1/(1+t)] - \Sigma_i [a_i/(1+t_i)] - 1 \tag{4.1}$$

where ERP = effective rate of protection
t = nominal tariff rate on imported furniture equivalent to the domestic output.
t_i = nominal tariff rate on tradable input *i* in the production of furniture.
a_i = value of input *i* per unit of furniture output.

Like the nominal rate of protection, a positive ERP indicates that the returns earned from furniture production are greater than those earned without intervention. Likewise, a negative ERP indicates that the reverse is true. In the case where the ERP is zero, the effect is the same as without intervention.

Production and aggregate input data for the calculations of the ERP for Egypt's furniture industry were obtained from CAPMAS. For individual tradable material inputs the technical coefficients of production were derived from input-output tables and industry analysts, and those coefficients were applied to the total value of the tradable material inputs reported by CAPMAS. The input-output tables of Egypt were not sufficiently disaggregated, and those of the United States and the European Union were used in conjunction with the input-output tables of Egypt. Those input-output tables are the social accounting matrix (SAM) for Egypt; the US tables are the benchmark input-output tables for the US economy in 1987 (US Department of Commerce, 1997); and the EU tables are the input-output tables for 1995 (EUSTAT, 1995).

Table 4.1 shows the production and input data for wood furniture in 1995/96, and it presents the nominal rates of protection for the industry. Statistical Appendix Tables 14-17 present the input coefficients for the following segments: wood furniture for households, wood furniture for offices, wood partitions, and wood cabinets. Following the production data from CAPMAS also shown in the Statistical Appendix, household furniture and partitions represent about two-thirds of total wood furniture production, and cabinets and office furniture account for the remaining one-third of total production. These production weights for each of these segments were used to calculate the average input coefficients for the industry as a whole.

Table 4.1 also contains the customs tariffs for wood furniture and its inputs. These tariffs are based on the tariff Harmonized schedule modified up to November 1998 under Presidential Decree No. 1/1998. They show that, in addition to the 40 percent tariff on wood furniture imports, there are also tariffs on imports of material inputs that range from 5 percent to 30 percent.

Table 4.1
Wood Furniture Industry:
Annual Production (1995/96) and Customs Tariff Rates (Dec. 1998)
(Thousand LE and percentages)

	Tariff Rate	Private	Public	Total
Products, subsidies, taxes	**40%**	**324,516**	**4,838**	**329,354**
Finished products		318,726	4,615	323,341
Unfinished products		4,800	129	4,929
Subsidies		-	-	-
Taxes and duties		990	94	1,084
Tradable material inputs		**170,482**	**2,000**	**172,481**
Reconstituted wood products	25%	19,983	234	20,217
Sawn wood	15%	14,553	171	14,723
Veneer and plywood	20%	11,980	141	12,121
Hardware, n.e.c	30%	7,563	89	7,652
Builders' joinery and carpentry of wood	25%	6,269	74	6,342
Paints and allied products	30%	39,606	465	40,071
Screw machine products, bolts, etc	30%	35,008	411	35,419
Petroleum oils and residues	13%	16,523	194	16,717
Miscellaneous plastics products, n.e.c.	22%	3,545	42	3,586
Paperboard containers and boxes	25%	2,701	32	2,732
Industrial chemicals	11%	2,158	25	2,183
Metal polishing pads	15%	1,662	20	1,682
Fabricated metal products, n.e.c	30%	1,629	9	1,648
Abrasive products	18%	1,377	16	1,394
Glass and glass products	25%	1,359	16	1,375
Adhesives and sealants	25%	1,221	14	1,236
Hand and edge tools	10%	886	10	897
Aluminum plates	20%	626	7	633
Coated fabrics, not rubberized	25%	397	5	401
Industrial and commercial machinery	12%	324	4	328
Woven fabrics	35%	291	3	295
Saw blades and handsaws	10%	232	3	235
Woodworking machinery	5%	170	1	171
Leather tanning and finishing	18%	150	2	152
Miscellaneous fabricated wire products	25%	134	2	136
Textile goods, n.e.c.	23%	106	1	108
Plastics materials and resins	8%	98	1	99
Other tradable inputs		**35,236**	**500**	**35,736**
Packaging materials	5%	876	1	877
Spare parts, prod. Components	5%	6,051	177	6,228
Equipment depreciation	5%	28,309	322	28,631
Non-tradable inputs		**34,531**	**456**	**34,987**
Fuel		1,651	97	1,748
Electricity		3,312	147	3,459
Industrial services purchased		3,963	7	3,970
Maintenance		1,986	29	2,015
Other services		23,619	176	23,795

Table 4.2
Value Added and Cost Composition of Wood Furniture Industry in Egypt (Thousand LE and percentages)

	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96
Gross Production	102,722	239,667	81,867	123,338	195,784	135,458	233,350	222,747	329,351
Minus: Use of Intermediates	73,875	113,375	65,260	96,506	162,461	93,808	160,884	147,838	212,011
of which: Goods	56,680	84,510	50,433	72,149	109,179	61,377	140,305	128,981	182,443
Services	17,195	28,865	14,827	24,357	53,282	32,431	20,579	18,857	29,568
= Value Added	28,847	126,292	16,607	26,832	33,323	41,650	72,466	74,909	117,340
Minus: Wages	16,630	21,104	12,935	1,845	24,221	20,977	27,011	34,800	40,554
= Gross Surplus	12,217	105,188	3,672	24,987	9,102	20,673	45,455	40,109	76,786
Intermediates /Production	72%	47%	80%	78%	83%	69%	69%	66%	64%
Wages/Prod	16%	9%	16%	8%	12%	15%	12%	16%	12%
Surplus/Prod.	12%	44%	4%	20%	5%	15%	19%	18%	23%

Source: Derived from data provided by CAPMAS.

According to CAPMAS data, intermediate goods and services to the industry accounted for an average of 70 percent of the total value of production between 1987/88 and 1995/96, although that share has fallen in recent years. These data appear to be consistent with industry data for other countries. In Europe, for example, intermediate goods and services account for 64 percent of the value of furniture production (Pérez, 1998). In the United States intermediate inputs represent 55 percent of the value of furniture production (US Department of Commerce, 1997). Labor cost in Egypt's furniture industry represents another 13 percent, and is also in line with industry figures in other countries. European producers have an expected higher labor cost, which accounts for 17 percent of the value of their furniture production (Pérez, 1998). In the United States the labor costs are 30 percent of the total value of production (US Department of Commerce, 1997). Lower labor cost makes the Egyptian furniture industry relatively profitable compared with producers in other countries. The percentage of gross surplus in the 1990s averaged 17 percent. Comparable figures for the European furniture industry average 7.8 percent, which are below the 12 percent average for all industries in the European Union, and below 15 percent for the furniture industry in the United States.

Calculations of the ERP for the wood furniture industry are shown in Table 4.3. The results show that the effective rate of protection is far higher that the nominal rate of protection in both the private and public sectors. Moreover, that for the private sector, which dominates the industry, is more than twice as high as that of the public sector. For the private sector, which accounts for 99 percent of all wood furniture output in Egypt, the ERP is 219 percent, while that for the public sector is 106 percent.

Table 4.3 also shows the industry's value added at both domestic and border equivalent prices and demonstrates the increase in value added in the furniture industry under protection relative to the value-added under free trade. The value-added at domestic prices is the domestic price of output less the sum of the tradable and non-tradable inputs valued at their domestic price. Value-added at border-equivalent prices is the border equivalent price of the output less the

Table 4.3
Wood Furniture Industry Annual Production and Customs Tariff Rates, 1995/96 (Thousand LE and percentages)[1]

		Domestic Price Equivalents			Border Price Equivalents		
	Tariff	Private	Public	Total	Private	Public	Total
Products, subsidies, taxes	**40%**	**324,516**	**4,838**	**329,354**	**231,797**	**3,456**	**235,253**
Finished products		318,726	4,615	323,341			
Unfinished products		4,800	129	4,929			
Subsidies		-	-	-			
Taxes and duties		990	94	1,084			
Tradable material inputs		**170,482**	**2,000**	**172,481**	**137,342**	**1,611**	**138,953**
Woodworking machinery	**5%**	102	1	101	95	1	96
Woven fabrics	**35%**	291	3	295	216	3	218
Paints and hardware	**30%**	83,806	983	84,789	64,466	756	65,223
Wood and carpentry wood	**25%**	32,063	376	32,439	25,651	301	25,952
Textile goods	**23%**	106	1	108	86	1	87
Plastics products	**22%**	3,545	42	3,586	2,905	34	2,940
Veneer and plywood	**20%**	12,606	148	12,754	10,505	123	10,628
Leather, abrasive products	**18%**	1,527	18	1,545	1,291	15	1,306
Sawn wood, polishing pads	**15%**	16,215	190	16,405	14,100	165	14,265
Petroleum oils and residues	**13%**	16,523	194	16,717	14,687	172	14,859
Industrial machinery	**12%**	324	4	328	289	3	293
Industrial chemicals	**11%**	2,158	25	2,183	1,942	23	1,965
Tools and saw blades	**10%**	1,119	13	1,132	1,017	12	1,029
Plastics materials	**8%**	98	1	99	91	1	92
Other tradable inputs							
Packaging, parts, depreciation	**5%**	**35,236**	**500**	**35,736**	33,558	476	34,034
Non-tradable inputs	**0**	**34,531**	**456**	**34,987**	34,531	456	34,987
Total non-factor costs		**240,320**	**2,957**	**243,277**	**205,431**	**2,544**	**207,974**
Effective Rate of Protection (%)		**219%**	**106%**	**216%**			

[1]This table summarizes the material inputs presented in Table 5.1, and presents border price equivalents.

sum of the same inputs valued at border-equivalent prices. Tradables inputs represent the bulk of the costs of intermediate goods and services and consequently dominate the industry's ability to generate value added. For material inputs, the production-weighted average tariff is only 25 percent for the private sector, while that on finished goods is 40. With the addition of other tradable inputs (packaging, parts and depreciation), the production-weighted average tariff on tradable inputs is 21 percent. As a result, the value added by the private sector at domestic equivalent prices is much higher than the value added at the border equivalent prices.

4.2 Impact Assessment of Tariff Policies

For industry and product-specific studies, it is appropriate to use partial equilibrium analysis and econometric models to estimate the parameters of the market components. This approach permits the calculation of the direct effects of trade liberalization based on detailed tariff line information. Nevertheless, it is also useful to examine the effects of tariff policies that can be deduced from general equilibrium models, since they can provide economy-wide estimates based on fully integrated models of industries within the context of the overall economy.

The *direct effects* captured by partial equilibrium analysis can be separated in the following components:

- *Total Effect* refers to the change in the level of domestic demand for imported inputs resulting from tariff-associated price changes.

- *Government Revenue Effect* is the change in customs fees resulting from tariff changes, which combine changes in revenue per unit of imports and changes in import volumes resulting from the *total trade* effect.

- *Consumer Welfare Effect* refers to the changes that consumers obtain from price changes on imported goods when tariffs are changed.

The *indirect effects* that can be measured within the general equilibrium framework depend on the level of disaggregation of the model, but as a minimum provide information about the following components:

- *Sector Production Effect* refers to changes in domestic output levels associated with the changes in the allocation of resources brought about by the movements of factors of production.

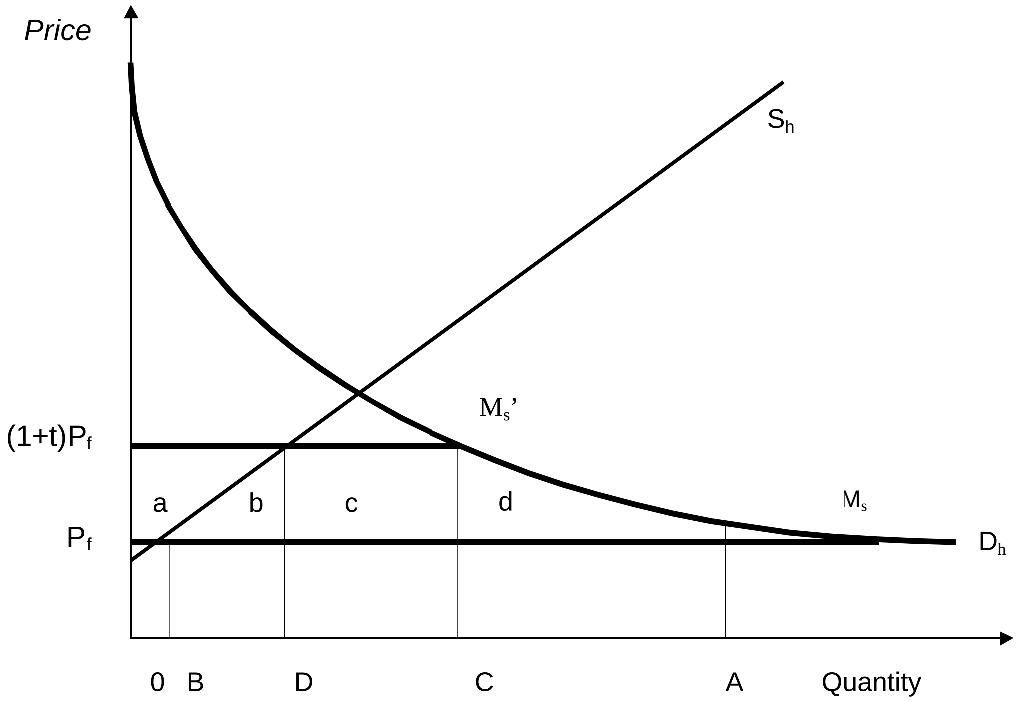
- *International Competitiveness Effect* arises from the changes in the access to factors of production for export-oriented goods, and the resulting changes in the export prices relative to competing suppliers to foreign markets.

- *Terms of Trade Effect* is brought about from the changes in prices of tradables that arise from exchange rate effects and other changes in the foreign and domestic economies.

The direct effects of Egypt's tariffs on the furniture industry are shown in Figures 4.2 and 4.3. Roussland and Suomela (1993) offer a description of those effects for a small open economy in a partial equilibrium framework. Figure 4.2 shows the domestic demand schedule, D_h, and the domestic and foreign supply schedules, S_h and M_s respectively of wood furniture. At the border-equivalent price P_f the amount *0A* is consumed and *0B* is produced. The amount *0B* is produced in Egypt and the difference *BA* is imported.

With an ad valorem tariff of *t*, the foreign supply schedule (import supply schedule) shifts from M_s to M_s'. The domestic-equivalent price is $P_d = P_f + tP_f = P_f(1+t)$. At that price the quantity demanded decreases to *0C* and the domestic supplied increases to *0D*. The tariff produces the

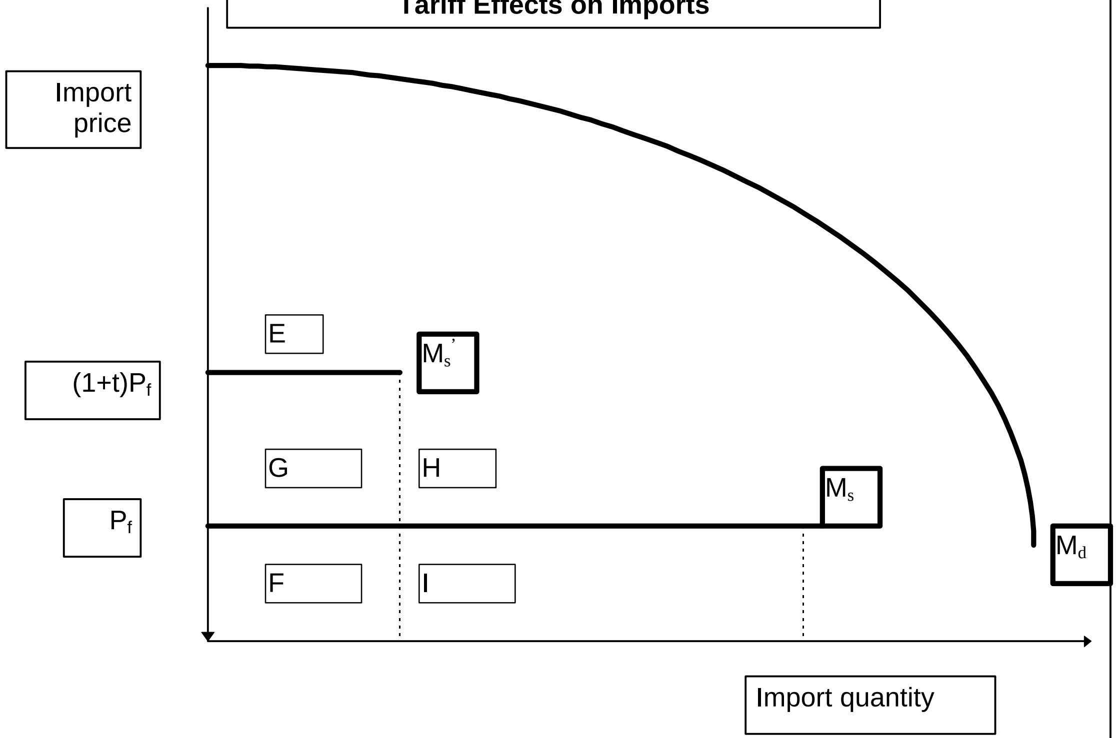
Figure 4.2
Tariff Effects on Production and Consumption



following effects:

(1) Consumer surplus declines by $a + b + c + d$.
(2) Producer surplus increases by *a*.
(3) Government revenue increases by *c*.
(4) The ‘deadweight’ loss for consumers is *d*.
(5) The ‘deadweight’ production or efficiency loss is *b*.
(6) Total welfare loss is $d + b$.

Figure 4.3
Tariff Effects on Imports



With MFN Tariff:

- Consumer surplus: E
- Foreign producer revenue: F
- Government revenue: G
- Deadweight loss: H

With Multilateral Free Trade:

- Consumer surplus: E + G + H
- Foreign producer revenue: F + I
- Government revenue: None
- Deadweight loss: None

The same conditions are represented for the industry in Figure 4.3 in terms of the amount imported at the domestic and border-equivalent prices. The industry's import demand function is M^d and, as in Figure 4.2, the import supply function is again shown to be perfectly elastic with respect to prices. As a result, the import supply schedules are shown by the horizontal lines at $(1+t)P_f$ and P_f.

The Technical Appendix contains the mathematical specification of the effects of the tariff. The calculations of the direct effects of Egypt's protectionist policies in the furniture industry are based on the import demand relationship estimated for wood furniture. The estimate takes into account changes in the levels of import demand arising from the imposition of tariffs, and time-related adjustments arising from the lagged response of imports to possible changes in those tariffs. By its very nature, the econometric-based modeling approach provides internally consistent empirical results at a detailed level.

Table 4.4
Effects of Protection on 1997 Value of Furniture Imports in Egypt (US$)

Actual Imports	Decreased Imports	Consumer Welfare Loss
9,478,000	-3,909,107	-803,191

Source: PC-TAS COMTRADE data

The results of the partial equilibrium analysis show that the 40 percent tariff on furniture imports reduces the value of imports by $US3.9 million below what it would otherwise have been without protection on the industry. The loss of consumer welfare is US$0.8 million (Table 4.4). The effect of protectionist measures take two years to occur. Following the introduction of a 40 percent tariff on furniture, the volume of imports would decrease by 26 percent in the first year and another 23 percent in the second year. As a result, there is a minimal effect on the value of imports in the first year, but a large effect by the time the adjustment has been completed in the second year. In the case of Egypt, where the tariff on furniture imports has recently been reduced from 50 to 40 percent, only the total (residual) effect is relevant (See Table 4.5).

Table 4.5
Overall Effects of Protectionism (percent change)

	First-Year Effect	Total Effect
Volume	-26.0%	-49.4%
Price	40.0%	40.0%
Value	3.7%	-29.2%

The present partial equilibrium approach excludes the consideration of feedback effects between the external and domestic sectors, and therefore fails to take into account the sectoral adjustments that would accompany trade liberalization. Tariff cuts in the furniture industry would probably influence the industries that provide both material and other inputs to the industry through changes in relative prices of factors of production and the final products themselves. These linkages would, in turn, affect the allocation of domestic resources and influence the competitive position of Egypt's furniture products in the domestic and foreign markets.[1]

A rough approximation of the effect on exports of the tariff on both furniture imports and those of their inputs is the so-called ‘anti-export bias’ estimate. The extent of tariff-induced

[1] The approach used to estimate the foreign demand for selected products in Egypt is adopted from Lord (1988, 1989a, 1989b, 1990, 1991, 1992), and has been applied elsewhere to measuring the effects of protectionism on trade of other countries (Boye and Lord, 1994, 1995, 1996a, 1996b).

bias against furniture exports (denoted B_x) is calculated from the estimated use of the duty drawback system, which provides tariff refunds on imported inputs used in the production of exported furniture. The formula widely used to calculate the anti-export bias is $Bx_j = [(1 + t_j)/(1 + s_j) - 1] * 100$, where t_j is import tariff rate on furniture, and s_j is the export subsidy rate, or duty drawback per LE of export, calculated as ($NRP_i * m_{ij}$) where NRP_i is the nominal tariff rate on input *i*, m_{ij} is the technical coefficient of imported commodity *i* per LE worth of product *j*. The technical coefficients are those used to calculate the ERP and are presented in the Technical Appendix.

The results of these calculations indicate that the anti-export bias on wood furniture equals 12.4 percent. This rate compares with an average for all activities in Egypt of 19.7 percent in 1997, according to calculations in a recent study by DEPRA (1999), and is substantially lower that the 46.2 percent for the furniture industry in that year. The decrease can be attributed to the 1998 reduction in the tariff on furniture imports from 50 to 40 percent.

Although the calculations show that bias against exports of furniture has recently decreased, the anti-export bias measure is defined in such a way that it assumes that the duty drawback system is operating efficiently and that exporters are using it. If duty drawback system were efficient and invoked by producers, then they would derive substantially greater benefits under the present tariff schedule than in the past. However, this does not appear to be the case. Informal discussions with producers reveal that the system is too cumbersome to use since it involves extensive administrative and bureaucratic requirements needed to obtain refunds. With no duty drawback the anti-export bias will be approximately equal to 40 percent, as s_j falls to zero. Our calculations show that tariffs on inputs were 25 percent, so with a 100 percent effective duty drawback system the anti-export bias on wood furniture comes to 12.4 percent. In other words, the implicit tax on exports is between 12.4 and 40%, depending on whether the duty drawback system is working effectively or not.

4.3 The Real Effective Exchange Rate and the Demand for Egypt's Exports

The international competitiveness of Egypt’s furniture exports is generally reflected in the country’s real exchange rate, which takes into account both general price movements in Egypt relative to that of each of its trading partners, and the cross exchange rate between Egypt and each of its trading partners.[2] Table 4.6 and Figure 4.4 both show the real effective exchange rate of Egypt and its international competitiveness, measured in terms of the currencies of its major export markets in North America, the European Union, and the Middle East. In recent years, there has been an increasing convergence of the real cross-rates for the United States and the Middle East. The real cross-rate for the European Union, however, has increasingly diverged from the other two regions.

Egypt’s international competitiveness based on the real exchange rate of the LE has been declining since 1991 in all its major markets. Nevertheless, the decline has been more

[2] The real exchange rate is defined as $e^r_t = e^n_t P^f_t / P_t$, where e^n is the nominal exchange rate, P^f is the foreign currency price of goods purchased abroad, and P is the domestic price level. A rise in e^r represents a real *depreciation* in a fixed exchange rate system that can be brought about by either a rise in the nominal exchange rate e^n, or a rise in the relative price of foreign goods (equivalent to a relative fall in the price of domestic goods). Conversely, a fall in e^r represents a real *appreciation* under a fixed exchange rate system. The fall is associated with either a drop in the nominal exchange rate e^n or a fall in relative prices of foreign goods (equivalent to a rise in relative prices of domestic goods).

Table 4.6
Egypt's Real Effective Exchange Rate (REER) and International Competitiveness (1991 = 100), 1980-98

	Nominal Exch. Rate (LE/US$)	REER Index	Index of International Competitiveness			
			All Major Markets	North America	European Union	Middle East
1980	0.700	128.6	77.7	75.3	76.9	75.7
1981	0.700	151.1	66.1	74.2	62.9	75.6
1982	0.700	175.1	57.1	68.3	52.5	68.5
1983	0.700	201.6	49.6	62.1	43.7	62.2
1984	0.700	252.1	39.7	55.3	35.1	55.4
1985	0.700	294.4	34.0	50.7	31.5	51.2
1986	0.700	282.4	35.4	41.7	33.8	42.1
1987	0.700	303.2	33.0	34.5	32.8	34.8
1988	0.700	325.6	30.7	31.7	30.3	31.8
1989	1.100	252.7	39.5	43.5	38.6	43.5
1990	2.000	143.9	69.4	68.8	70.1	68.9
1991	3.330	100.0	100.0	100.0	100.0	100.0
1992	3.330	114.4	87.3	84.9	89.0	85.1
1993	3.370	132.4	75.5	79.6	73.1	79.8
1994	3.387	139.3	71.8	75.0	69.9	75.4
1995	3.390	139.4	71.7	70.7	70.9	70.9
1996	3.388	144.6	69.1	68.0	68.0	68.2
1997	3.388	160.6	62.2	65.5	58.9	65.7
1998	3.388	167.1	59.9	63.7	57.3	64.3

Note: The index of international competitiveness is the inverse of the REER.

Figure 4.4
International Competitiveness of Egyptian Pound

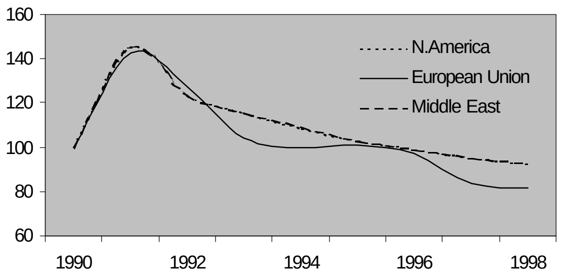
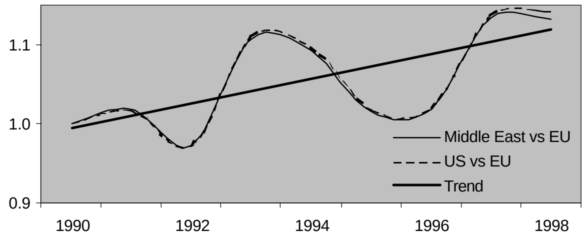


Figure 4.5
Egypt's Competitiveness in US and Middle East Markets Relative to EU Market



significant in the EU market than in the United States and the Middle East. As a result, Egyptian furniture producers face a relatively more favorable position in the US and Middle East markets than they do in the EU market (see Figure 4.5). As a result, the demand for exports of Egypt would be more favorable in the US market than it those of the European Union and Middle East if the price responsiveness of importers in those markets are the same.

We have measured the impact of Egypt's international competitiveness of its furniture exports in each of the major regional markets, as well as for the global furniture market as a whole. The results of the estimates of the demand for Egypt's exports of wood furniture are shown in Table 4.7 and details of the specification of the export demand relationship are discussed in the Technical Appendix.

The effects of Egypt's real effective exchange rate on its international competitiveness and the export demand for furniture are statistically significant in the global market and a number of regional markets. The magnitude of the price competitiveness and income elasticities of demand for Egypt's furniture exports are shown in Table 4.8. The long-run competitive price elasticity of demand for exports is equal to -1.5 in the global market, and in the US market it equals -1.3. In the short run, the competitive price elasticity ranges from -0.2 to -1.5.

Table 4.8 also confirms expectations about the relatively high income elasticities of export demand for Egypt's furniture exports. It is especially important in the US market in the long run. Given the relatively favorable competitive position of exports to that market (in comparison to that of the Middle East and the European Union), this situation would favor furniture exports to that market over that to other regions. Although Egypt's real effective exchange rate in the EU and Middle East markets is significant only in the short run, the long-term effect may, nevertheless, be significant in individual markets within those regions.

Table 4.7
Regression Results of Egypt's Export Demand for Wood Furniture
$\Delta x_t = \alpha_o + \alpha_1(x - y)_{t-1} + \alpha_2\Delta y_t + \alpha_3 y_{t-1} + \alpha_4\Delta r_t + \alpha_5 r_{t-1}$

							Summary Statistics		
	$\ln(X/Y)_{t-1}$	$\ln(Y_t/Y_{t-1})$	$\mathrm{Ln}(Y)_{t-1}$	$\ln(R_t/R_{t-1})$	$\ln(R)_{t-1}$	Const	R^2	dw	SEE
World	-0.99	10.84	3.38	-0.18	-1.47	-18.5	0.97	2.7	0.103
	(2.5)	(1.5)	(2.0)	(0.6)	(4.7)				
United States	-0.64		4.49		-0.82	-23.0	0.94	1.4	0.143
	(4.8)		(2.4)		(4.9)				
European Union	-0.77		7.4	-1.47		-33.5	0.94	2.0	-
	(2.8)		(4,1)	(4.1)					0.235
Middle East	-0.91	2.62	7.92	-1.39		-34.6			
	(2.3)	(0.5)	(1.7)	(1.2)					

Notes:
1/ The variables are defined as follows: X is the volume of furniture exports; Y is real GDP (a proxy for capacity utilization); R equals 1/REER, the real effective exchange rate, and it measures Egypt's international competitiveness in either the global marketplace or specific export markets.
2/ Period over which the equations were estimated equaled 1984-96.
3/ Binary variables were included in the equation for the US in 1990 (1 in 1990; 0 otherwise); in the EU for 1988; and in the Middle East for 1992.
4/ Figures in parentheses below the coefficients refer to t-statistics.

Table 4.8
Income and Competitive Price Elasticities of Demand for Egypt's Exports of Wood Furniture

		Elasticity with respect to:	
		Price	**Income**
World	Short-run	-0.18	10.84
	Long-run	-1.47	4.39
United States	Short-run	-	-
	Long-run	-1.29	8.00
European Union	Short-run	-1.47	-
	Long-run	-	10.67
Middle East	Short-run	-1.39	2.62
	Long-run	-	9.74

5.0 Summary and Recommendations

Egypt has a long tradition of furniture making and woodworking that, in conjunction with its competitive wages, could give the furniture industry a comparative advantage in the global furniture market. At present, however, the wood furniture industry accounts for only a small fraction of the country's total industrial output, and even that share is less that half of what it was a decade ago. In contrast, other industries have flourished, most notably food products, refined petroleum, non-metallic mineral products, non-electrical machinery and apparel.

Despite this situation, the furniture industry remains a vital part of the economy. It supports a number of other economic activities through its linkages to other industries, especially wood and wood products, chemical products and metal parts, as well as research and development activities and the development of craftsmanship in the industry. Moreover, the industry's performance has improved measurably in both its capital and labor utilization during the 1990s. The ratio of capital to output has fallen, indicating that the amount of capital needed to produce each LE of output has decreased. At the same time that capital efficiency has increased (by 28 percent in the 1990s), the industry has become more capital intensive as the ratio of capital to labor has increased.

To remain competitive, furniture manufacturers need ready access to both inexpensive skilled and unskilled labor and material inputs. Producers are highly dependent on imported wood for raw materials, as well as a number of intermediate products that include paints and varnishes, glues, metal fittings, woodworking electrical and non-electrical equipment, upholstery material and plastics. As the principal input, wood needs to be available in large and varied quantities and the quality needs to be high. Upholstered furniture requires a broad spectrum of materials such as cotton, polyesters, and acrylics, as well as plastic materials. Similarly, ready supplies of glues, paints and varnishes are also needed. Finally, the industry relies heavily on woodworking machinery, which is essential for the technological progress of new and existing industry segments. In all these areas, Egypt relies on foreign supplies for its material inputs to furniture production.

In contrast, exports currently represent only a relatively small proportion of total domestic production. Household furniture, especially for the bedroom, is the major type of furniture exported, while office and kitchen furniture represents a relatively small proportion of the total. Exports of all types of wood furniture are distributed among the three global regional markets of the Middle East, the European Union (EU), and North America. Together these three regional markets absorb 75 percent of Egypt's total wood furniture exports. The two regional markets of North America and Europe are the world's largest markets, accounting for over 90 percent of total world imports. The other important market for Egypt is Russia, although this market has contracted sharply during the 1990s. The fastest growing market has been the Middle East, followed by North America and, in particular, the United States. Exports to the EU market have also expanded, but at about two-thirds the rate of export growth to the North American market, and less than one-half of that to the Middle East.

Import substitution policies have attempted to reverse the decline of furniture manufacturing activities. Furniture manufacturing remains one of the most highly protected industries in Egypt. Although the nominal rate of protection (NRP) for that industry was lowered from 50 percent in 1997 to 40 percent under Presidential Decree No./1998, its rate remains the fourth highest of all manufacturing categories. Only so-called luxury items such as automobiles, liquor and tobacco have higher rates. The mean average tariff for all manufacturing activities is just over 25 percent.

The effective rate of protection (ERP) for the wood furniture industry is also very high, averaging 216 percent for the industry as a whole. Moreover, the ERP for the private sector, which dominates the industry, is more than twice as high as that of the public sector. For the private sector the ERP is 219 percent, while that for the public sector is 106 percent. Tradable inputs represent the bulk of the costs of intermediate goods and services and consequently dominate the industry's capacity to generate value added. For material inputs, the production-weighted average tariff is 25 percent for the private sector, while that on finished goods is 40 percent. As a result, the value added of the private sector at domestic equivalent prices is much higher than the value added at border equivalent prices.

The effect of high import tariffs on furniture products has been to lower overall imports considerably below what they would otherwise have been with growing consumer demand in Egypt. Calculations using partial equilibrium analysis show that the 40 percent tariff on furniture imports reduces the value of imports by $US3.9 million below what it would otherwise have been without protection afforded to the industry. The loss of consumer welfare is US$0.8 million. Overall, the 40 percent tariff reduces the volume of furniture imports by 49%, which together with the rise in prices has reduced the domestic value of these imports by 29 percent.

The partial equilibrium approach excludes consideration of feedback effects between the external and domestic sectors, and therefore fails to take into account the sectoral adjustments that would accompany trade liberalization. Tariff cuts in the furniture industry would probably influence the industries that provide both materials and other inputs to the industry through changes in relative prices of factors of production and the final products themselves. These linkages would, in turn, affect the allocation of domestic resources and influence the competitive position of Egypt's furniture products in the domestic and foreign markets.

A rough approximation of the effect on exports of the tariff on both furniture and their inputs is the so-called 'anti-export bias' estimate. The results of these calculations indicate that the anti-export bias on wood furniture in mid-1999 equals 12 percent compared with an average calculated by an earlier DEPRA study of 20 percent for all activities in Egypt in 1997.

Although the calculations show that the bias against exports of furniture has recently decreased, owing in part to the reduction from 50 to 40 percent in the furniture import tariff, the export bias measure is defined in such a way that it assumes that the duty drawback system is operating efficiently and that exporters are using it. If the duty drawback system were efficient and invoked by producers, then they would derive substantially greater benefits under the present tariff schedule than in the past. However, this does not appear to be the case. Informal discussions with producers reveal that the system is too cumbersome to use since it involves extensive administrative and bureaucratic requirements needed to obtain refunds. Under these conditions, the anti-export bias without the drawback system being invoked would simply equal the nominal rate of protection on furniture, that is, 40 percent. If this is the case, then customs regulations, tariffs and duty drawback system have increased the cost of production and thereby lowered the ability and willingness of furniture manufacturers to compete in the global marketplace. Producers therefore concentrate on the domestic market, leaving exports as a small residual of total production.

Foreign demand for Egypt's furniture exports depends on two decision levels of the consumer. The first is the total amount of furniture that will be demanded by consumers based on income, price and demographic factors. The second is the amount that will be purchased from different domestic and foreign suppliers based on their relative prices. In the foreign markets, there is a strong income-related response in the demand for wood furniture in the global market. On average, the income elasticity is greater than unity, and the average income elasticity is 1.7. As expected, the Middle East has the highest income elasticity of the three global regional markets, reflecting the strong emerging demand for durable goods in that region. Within Europe there are also individual markets with strong demand prospects, particularly in Belgium and Austria. The US market has an income elasticity of 1.2, reflecting a relatively robust market. In Egypt import demand has a short-term price elasticity of –0.89 and a long-term price elasticity of –1.13. This relatively strong price responsiveness has important implications for tariff-related policies.

The demand for Egypt's exports of furniture has been affected by the country's declining international competitiveness based on the real exchange rate of the LE. The decline since 1991 has been more significant in the EU market than in those of the United States and the Middle East. As a result, Egyptian furniture producers face a relatively more favorable position in the US and Middle East markets than they do in the EU market. The effects of Egypt's real effective exchange rate on its international competitiveness and the export demand for furniture are statistically significant in the global market and a number of regional markets. It is especially important in the US market in the long run. In contrast, Egypt's international competitiveness has only a short-term effect in both the EU and Middle East markets. The long-term effect may, nevertheless be significant in individual markets within those regions. Specifically, the long-run competitive price elasticity of demand for Egypt's furniture exports is equal to -1.5 in the global market, and in the US market it equals -1.3. In the short run, the competitive price elasticity ranges from -0.2 to -1.5. The results of the estimated export demand relationships also confirm expectations about the relatively high income elasticities of export demand for Egypt's furniture exports. These results suggest that Egypt could significantly increase its furniture exports in the global market, as well as particular export markets such as the United States, by improving its international competitiveness based on the real exchange rate of the LE

These findings point to a number of policy recommendations for the furniture industry in Egypt. The recommended policy initiatives are designed to strengthen exports of the furniture industry by improving the trade environment, lowering costs and improving efficiency. To be effective, these initiatives need to be viewed as an integral part of the country's overall economic policies and structural reforms. The specific recommendations presented in Box 5.1 aim to support the opening up of Egypt's furniture industry through initiatives in the areas of legislative and regulatory measures, trade liberalization,[1] information support, exchange rate policies, and enhancement of foreign direct investment (FDI) inflows.

As part of these initiatives, it is important to note that industry-level analysis requires fairly detailed information that is not currently available. The primary source of industry-level statistics is CAPMAS. However, the information available from this agency often needs to be supplemented by industry data from UNIDO and the United Nations. Production data for industry sub-sector or segments are available from CAPMAS, but data on their material inputs are unavailable. Moreover, data reliability for industry segments, as well as that at the industry level, remains questionable, and there are large discrepancies between the information provided by different sources of data, notwithstanding the use of the same nomenclatures. Improved access to data and greater data reliability therefore remain an important priority for the country.

It should be emphasized that three policy initiatives must be carried out simultaneously to insure a positive effect on welfare and on furniture exports. Adjustment in tariff policies, improving the duty drawback system, and exchange rate policy reform must be implemented as a package. Adjusting the exchange rate will cushion the competitive import effect of tariff reductions and provide room for the furniture industry to compete while structural adjustments are taking place. It is evident from the industry data that the sector as a whole would operate at a loss if tariffs were removed without also adjusting the exchange rate, since total costs would exceed total revenues at border prices. (See Tables 5.2 and 5.3, above.)

[1] In discussions regarding this study, private sector leaders of the Egyptian furniture industry indicated they would be better able to compete with imports and therefore be more inclined to support trade liberalization if a labeling requirement was imposed on imported furniture to state clearly whether or not it was made from solid wood. Egyptian consumers prefer the more costly solid wood furniture, they said, as is typically made in Egypt; but many cheaper imports pass themselves off as solid wood when they are not, and this is viewed as unfair competition by Egyptian producers.

Box 5.1
Recommend Policy Initiatives to Stimulate Export Growth of Furniture Industry

Existing Challenge	Recommended Actions	Expected Impact / Benefits
Tariffs on Final Products 1. 40% tariff rate on furniture imports is fourth highest of all manufacturing categories 2. FDI and technology transfer potential is limited due to high import tariffs	**Lower tariffs to encourage FDI inflows and technology transfers into more competitive industries like furniture**	• Will help to develop furniture industry by stimulating competition • Will increase productivity of industry through technological improvements associated with FDI inflows • Will raise consumer welfare
Duty Drawback System 1. System is too cumbersome to use effectively 2. Tariffs and duty drawback system have increased the cost of production	**Improve the drawback system, including the information flow between public and private sectors**	• Will encourage production and expand exports • Will improve understanding between private and public sectors
Exchange Rate Policies 1. Egypt's international competitiveness has declined since 1991 based on the real exchange rate of the LE 2. Demand for Egypt's exports of furniture have been affected in the global furniture market	**Examine effect of real exchange rate appreciation on specific industries, especially as they affect international competitiveness, and consider exchange rate adjustments and/or compensatory mechanisms to improve international competitiveness of exports**	• Will expand demand for exports of furniture • Will increase the market shares of Egyptian furniture exporters in the global market
Tariffs on Inputs 1. Tradable inputs represent the bulk of the costs of intermediate goods and services. 2. The average tariff on furniture inputs is high	**Lower or eliminate tariffs on inputs to reduce cost of production in furniture industry**	• Will reduce production costs of the industry and increase efficiency • Will attract FDI and stimulate industry's international competitiveness.
Information System 1. Data on furniture market are lacking 2. Existing data are often unreliable 3. Access to existing data is limited	**Improve data collection, reliability and dissemination of information on furniture industry and industry segments**	• Will improve market information and producers will have a better under-standing of the domestic and foreign market • Will stimulate FDI inflows as information on industry becomes more accessible

Technical Appendix

I. Estimating the Demand for Wood Furniture

The estimates of the relationships for domestic consumption, foreign import demand and Egypt's export demand in the furniture industry follow a sequence of steps to (a) identify the characteristics of each series, (b) specify the parsimonious model used to characterize the data-generating process, and (c) estimate the model. This Technical Appendix describes the steps needed to identify the characteristics of each series and, where appropriate, to model their relationship to one another.

Step 1: Unit Root Tests

An economic relationship generally refers to a state where there is no inherent tendency to change. Such a relationship is, for example, described by the export demand relationship of the log linear form $x_i = by_j$, where export changes in country *i* are related to changes in the economic activity of a foreign market *j*. In practice, however, an equilibrium relationship is seldom observed, so that measures of the observed relationship between x_i and y_j include both the equilibrium state and the discrepancy between the outcome and the postulated equilibrium. The discrepancy, denoted *d*, cannot have a tendency to grow systematically over time, nor is there any systematic tendency for the discrepancy to diminish in a real economic system since short-term disturbances are a continuous occurrence. The discrepancy is therefore said to be stationary insofar as over a finite period of time it has a mean of zero.

Individual time series that are themselves stationary are statistically related to each other, regardless of whether there exists a true equilibrium relationship. Thus, before estimating the export demand for Egypt's furniture, it is useful to determine whether the data generating process of each of the series is itself stationary. Since economic activity variables have a tendency to grow (positively or negatively) over time, the variables themselves cannot be stationary, but changes in those series might be stationary. Series that are integrated of the same order, however, are said to be cointegrated and to have a long-run equilibrium relationship.[1] For trending variables that are themselves non-stationary, but can be made stationary by being differenced exactly *k* times, then the linear combination of any two of those series will itself be stationary. It is therefore important to test the order of integration of the key series in the model.

[1]A series is said to be integrated of order *k*, denoted I(*k*), if the series needs to be difference k times to form a stationary series. Thus, for example, a trending series that is I(1) needs to be differenced one time to achieve stationarity.

Tests for stationarity are derived from the regression of the changes in a variable against the lagged level of that variable. Consider the following simple levels regression:

$$y_t = \mathrm{a} + \mathrm{b}y_{t-1} + \mathrm{d} \qquad \text{(A.1)}$$

where a and b are constants and d is an error term. y is a stationary series if -1< b <1. If =1, y is a non-stationary series and is instead a random walk with drift; if the absolute value of b is greater than one, the series is explosive.

By subtracting y_{t-1} from both sides, we obtain

$$\Delta y_t = \mathrm{a} + (\mathrm{b}-1)y_{t-1} + \mathrm{d} \qquad \text{(A.2)}$$

The disturbance term d now has a constant distribution and the t-statistic on y_{t-1} provides a means for testing non-stationarity. If the coefficient on y_{t-1} is zero, then b must be equal to 1, and y is therefore stationary. The Augmented Dickey-Fuller test is a test on the t-statistic of the coefficient on y_{t-1}. The hypothesis $H_0 = b-1 = 0$ is called the unit-root hypothesis and it implies that y_t is non-stationary.

The second test for non-stationarity is the Durbin-Watson (DW) test on the levels regression specified above. Since the DW statistically is given by

$$\mathrm{DW} = 2(1-\mathrm{r}) \qquad \text{(A.3)}$$

where r is the correlation coefficient between y_t and y_{t-1}, then y is white noise when r is zero. The DW is therefore 2 when y is stationary.

Step 2: Modeling Supply and Demand Relationships of the Furniture Industry

Economic series that are related to the long-run adjustment processes of other variables have been designated to be cointegrated series by Granger and Weiss (1983) and Engle and Granger (1987). The theory of cointegration states that if two series, x and y, grow over time in such a way that the linear combination of these two variables, given by $d_t = x_t - \alpha y_t$, is stationary, and if α is unique, then x and y are said to be cointegrated. The series d_t measures the disequilibrium at period t when the long-run relationship between the two variables is $x_t = \alpha y_t$. The theory of cointegration states that movements in variables are related in a predicable way to the discrepancy between observed and equilibrium states. The sequence of this discrepancy tends to decay to its mean of zero.

Engle and Granger (1987) have demonstrated that a data-generating process of the form known as the “error-correction mechanism” (ECM) adjusts for any disequilibrium between variables that are cointegrated. The ECM specification thus provides the means by which the short-run observed behavior of variables is associated with their long-run equilibrium growth paths. Davidson *et al.* (1978) established a closely-related specification know as the “equilibrium-correcting mechanism” (also having the acronym ECM) that models both the short and long-run relationships between variables. Rearranging the terms of a first-order stochastic difference equation yields the following ECM:

$$\Delta x_t = \alpha_o + \alpha_1(x - y)_{t-1} + \alpha_2\Delta y_t + \alpha_3 y_{t-1} + v_t \tag{A.4}$$

where $-1 < \alpha_1 < 0$, $\alpha_2 > 0$ and $\alpha_3 > -1$, and where all variables are measured in logarithmic terms.

The second term, $\alpha_1(x - y)_{t-1}$, is the mechanism for adjusting any disequilibrium in the previous period. When the rate of growth of the dependent variable x_t falls below its steady-state path, the value of the ratio of variables in the second term decreases in the subsequent period. That decrease, combined with the negative coefficient of the term, has a positive influence on the growth rate of the dependent variable. Conversely, when the growth rate of the dependent variable increases above its steady-state path, the adjustment mechanism embodied in the second term generates downward pressure on the growth rate of the dependent variable until it reaches that of its steady-state path. The speed with which the system approaches its steady-state path depends on the proximity of the coefficient to minus one. If the coefficient is close to minus one, the system converges to its stead-state path quickly; if it is near to zero, the approach of the system to the steady-state path is slow. Since the variables are measure in logarithms, Δx and Δy can be interpreted as the rate of change of the variables. Thus the third term, $\alpha_2\Delta y_t$, expresses the steady-state growth in *X* associated with *Y*. Finally, the fourth term, $\alpha_3 y_{t-1}$, shows that the steady-state response of the dependent variable *X* to the variable *Y* is non-proportional when the coefficient has non-zero significance.

The equilibrium solution of equation (A.4) is a constant value if there is convergence. Since the solution is unrelated to time, the rate of change over time of the dependent variable *X* (given by Δx_t) and the explanatory variable *Y* (given by Δy_t) are equal to zero. However, in dynamic equilibrium, equation (A.4) generates a steady-state response in which growth occurs at a constant rate, say *g*. For the dynamic specification of the relationship in (A.4), if g_1 is defined as the steady-state growth rate of the dependent variable *X,* and g_2 corresponds to the steady-state growth rate of the explanatory variable *Y*, then, since lower-case letters denote the logarithms of variables, $g_1 = \Delta x$ and $g_2 = \Delta y$ in dynamic equilibrium. In equilibrium the systematic dynamics of equation (A.4) are expressed as:

$$g_1 = \alpha_o + \alpha_1(x - y) + \alpha_2 g_2 + \alpha_3 y \tag{A.5}$$

or, in terms of the original (anti-logarithmic) values of the variables:

$$X = k_0\ Y_\beta \tag{A.6}$$

where $k_0 = \exp\{(-\alpha_o/\alpha_1) + [(\alpha_1 - \alpha_2\alpha_1 - \alpha_3)/\ \alpha_1^2]g_2$, and where $\beta = 1 - \alpha_3/\alpha_1$.

The dynamic solution of equation (A.6) therefore shows *X* to be influenced by changes in the rate of growth of *Y*, as well as the long-run elasticity of *X* with respect to *Y*. For example, where the rate of growth of the explanatory variable accelerate, say from g_2 to g'_2, the value of the variable *X* would increase. However, it is important to reiterate that the response to each explanatory variable can be either transient or steady-state. When theoretical considerations suggest that an explanatory variable generates a transient, rather than steady-state, response, it is appropriate to constrain its long-run effect to zero.

Step 3: Modeling Exchange Rate Effects in the Furniture Industry

The effects of changes in the international competitiveness of Egypt on the furniture industry can be measured by extending the first-order stochastic difference equation to include that variable. Transformation of an autoregressive distributed lag into an ECM with a 'differences' formulation of the relative price or exchange rate term nested in the levels form of the equation yields the equation:

$$\Delta x_t = \alpha_o + \alpha_1(x - y)_{t-1} + \alpha_2\Delta y_t + \alpha_3 y_{t-1} + \alpha_4\Delta r_t + \alpha_5 r_{t-1} + v_t \qquad \text{(A.7)}$$

where $-1 < \alpha_1 < 0$, $\alpha_2 > 0$, $\alpha_3 > -1$, $\alpha_4 > 0$ and $\alpha_5 > 0$, and where all variables are measured in logarithmic terms.

We measure the competitiveness, *r*, of Egypt as the inverse of the real effective exchange rate, *e*. The real exchange rate (RER) is the bilateral rate which takes into account changes in relative price levels between Egypt and a foreign country. It measures changes in the purchasing power between the domestic and the foreign economy, and it provides an indicator of changes in the international competitiveness of the domestic economy in its ability to purchase more (or less) goods and services per unit of foreign currency. As an extension, the real effective exchange rate (REER) measures the average relative strength of the local currency, and it is calculated as the weighted average of RERs, where the weights are the value of imports from and exports to a given partner country *i* divided by total imports and total exports of Egypt.

Formally the real effective exchange rate is defined as $e^r_t = \Sigma_i w_i\, [e^n_t(P^f_t/P_t)]$ where e^n is the nominal exchange rate, P^f is the foreign currency price of goods purchased abroad, and *P* is the domestic price level. A rise in e^r represents a real *devaluation* in a fixed exchange rate system, and a *depreciation* in a flexible exchange rate system, which can be brought about by either a rise in the nominal exchange rate e^n, or a rise in the relative price of foreign goods (equivalent to a relative fall in the price of domestic goods). Conversely, a fall in e^r represents a real *revaluation* under a fixed exchange rate system, and an *appreciation* under a flexible exchange rate system. The fall is associated with either a drop in the nominal exchange rate e^n or a fall in relative prices of foreign goods (equivalent to a rise in relative prices of domestic goods).

Step 4: Modeling Price and Income Effects of Foreign and Domestic Imports

An important characteristic of the import demand for any one product is that its long-term response to the growth of domestic income is not necessarily proportional. This suggests that the dynamic specification of the import demand equation should not introduce any restrictions that would impose long-run unitary elasticity with respect to income. In contrast, the model should encompass long-term proportionality responses when they exist.

A second feature of the present modeling approach is that the dynamics for import demand relationships can be restricted to one period since the adjustment of imports to price and income changes tends to decline exponentially over time. The third and final important characteristic is that prices of traded goods are measured in US dollar terms. If prices of imports were measured in local currency units, then the demand for imports by Egypt would also be directly affected by the real exchange rate, which would take into account changes in both the relative prices of domestic and foreign goods and the nominal exchange rate, as well as the foreign market price of the product.

The dynamic specification for imports, M, in terms of income, Y, and the price of the product, P, relative to the general price index, D, can be expressed as:

$$m_t = \acute{a}_0 + \acute{a}_1 m_{t-1} + \beta_1 y_t + \beta_2 y_{t-1} + \gamma_1 (p\text{-}d)_t + \gamma_2 (p\text{-}d)_{t-1} + u_t \qquad \text{...(A.8)}$$

where lower case letters denote logarithms of corresponding capital letters, e.g., (p-d) = ln(P/D), and the expected signs of the coefficients are $0 < \acute{a}_1 < 1$; β_1 and $\beta_2 > 0$; γ_1 and $\gamma_2 < 0$. Income is treated as (weakly) exogenous for the parameters of interest.

The use of the logarithmic specification in equation (A.8) provides a means by which the elasticity can be calculated directly from the estimated equation; the results are consistent when the elasticities remain constant over time. Tests of parameter constancy provide a means of validating that hypothesis.

On a steady-state growth path, the long-run dynamic equilibrium relationship implicit in equation (A.8) is:

$$M = kY^{\varepsilon_y} \, P/D^{\varepsilon_p} \qquad \text{...(A.9)}$$

where $\varepsilon_y = (\beta_1 + \beta_2)/(1-\acute{a}_1)$ and $\varepsilon_p = (\gamma_1 + \gamma_2)/(1-\acute{a}_1)$.

The results of the estimates provide quantitative measures of the impact that Egypt's market access concessions could have on its trade. Since data limitations restrict the application of the model, it is useful to review some of the widely used empirical models which equation (A.8) encompasses. These embedded models have been described by Hendry, Pagan and Sargan (1984) as follows:

(a) Static Model ($\acute{a}_1 = \beta_2 = \gamma_2 = 0$): $m_t = \acute{a}_0 + \beta_1 y_t + \gamma_1 (p\text{-}d)_t$

(b) Distributed Lag Model ($\acute{a}_1 = 0$): $m_t = \acute{a}_0 + \beta_1 y_t + \beta_2 y_{t-1} + \gamma_1 (p\text{-}d)_t + \gamma_2 (p\text{-}d)_{t-1}$

(c) Partial Adjustment Model ($\beta_2 = \gamma_2 = 0$): $m_t = \acute{a}_0 + \acute{a}_1 m_{t-1} + \beta_1 y_t + \gamma_1 (p\text{-}d)_t$

(d) First-Difference Model ($\alpha_1 = 1, \gamma_1 = - \gamma_2$): $\Delta m_t = \acute{a}_0 + \beta_1 \Delta y_t + \xi_1 \Delta p_t$

II. Analytical Tools for Trade Policy Assessments

1. Tariff Effect Measures

The effective rate of protection (ERP) can be defined for a product *j* as the percentage excess of domestic value added, *V* over the international market value added, *W*, i.e., that which would have been realized in the absence of the existing tariff structure:

$$ERP_j = (V_j - W_j) / W_j \qquad \text{…(A.10)}$$

The main determinant of the ERP level is the relationship between the nominal rates of protection of outputs and inputs, although the share of tradeable inputs in any selected activity, or the technical coefficient, also influences the level of the ERP. Practically, the ERP could be calculated either through detailed information concerning the activities at the firm level, or through the data supplied by input-output tables. If input-output tables are available, the ERP can be calculated in the following manner:

$$\text{Let} \quad W_j = P_j(1 - \Sigma_i a_{ij})$$
$$V_j = P_j[(1+t_j) - \Sigma_i a_{ij}(1+t_i)]$$

where:
a_{ij} is the technical coefficient of input in activity *j*, i.e., the value of input *i* per unit value of output in activity *j*;
t_j = the nominal rate of protection of production of *j*;
t_i = the nominal rate of protection of input *i*.

Then from equation (A.10) we can express the level of effective protection as follows:

$$ERP_j = \{P_j[(1+t_j) - \Sigma_i a_{ij}(1+t_i)] / P_j(1 - \Sigma_i a_{ij})\} - 1 \qquad \text{…(A.11)}$$

Rearranging terms yields the formula used to estimate the level of effective protection:

$$ERP_j = (t_j - \Sigma_i a_{ij} t_i) / (1 - \Sigma_i a_{ij})$$

$$= (1 - \Sigma_i a_i)/\{[1/(1+t)] - \Sigma_i [a_i/(1+t_i)]\} - 1 \qquad \text{…(A.12)}$$

which is the formula applied to the furniture industry in this study, and that applied in DEPRA (1998) to the footwear industry.

2. Measuring the Effects of Import Tariffs

Since the foreign market export supply to small markets like that of Egypt is likely to be perfectly price elastic, *in the short run* the percentage change in import demand associated with a change in tariff is equal to: [2]

$$\Delta M/M = \varepsilon^p_s\,[\Delta t_i/(1+t_i)] \qquad \text{…(A.13)}$$

where ε^p_s is the price elasticity of import demand in the short run, *M* is the volume of import demand, and *t* is the ad valorem tariff rate applied to wood furniture.

Similarly, in the *long run* the percentage change in imports of furniture corresponding to a change in the associated ad valorem tariff is equal to:

$$\Delta M/M = \varepsilon^p\,[\Delta t/(1+t)] \qquad \text{…(A.14)}$$

where ε^p is the price elasticity of import demand in the long run.

The change in import demand is obtained when equation (A.14) is multiplied on both sides of the equation by *M*:[3]

$$\Delta M = \varepsilon^p\,[\Delta t/(1+t)]\,M \qquad \text{…(A.15)}$$

The magnitude of the change in trade is therefore shown to depend on (a) the price elasticity of demand for imports, (b) the share of imports from all sources, and (c) the percentage change in the reduction of the MFN rate.

The *total trade effect* is the US dollar value of the change in imports calculated by multiplying both sides of the equation by the price of each product:

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[2] The ‘small market’ assumption is important for the calculations that follow. In calculating each of the different effects of tariff reductions, the assumption means that the Egypt market represents a fairly small proportion of its trading partners’ total exports and, hence, that the import supply schedule is infinite with respect to prices. Prices of each of Egypt’s imported furniture products are therefore changed by the full amount of any tariff reduction on the products. Were the import supply schedule to be less than perfectly elastic with respect to prices, a change in tariffs would lead to less than proportional changes in prices and smaller increases in the volume of imports than would otherwise occur under a perfectly price elastic import supply schedule.

[3] Similar calculations have been used by the UNCTAD Trade Policy Simulation Model (Laird and Yeats, 1986) and International Monetary Fund (1984).

$$\Delta V = \varepsilon^p [\Delta t/(1+t)] M + \Delta P/P \qquad \ldots(A.16)$$

The magnitude of changes in the government customs fees will depend on the offsetting movements arising from (a) lower MFN tariffs and (b) higher levels of trade with trading partners subject to MFN tariffs. The *customs revenue effect* is calculated from the *total trade effect*:

$$\Delta T/T = \Delta t/t + \Delta M/M \qquad \ldots (A.17)$$

where T denotes the customs revenue.

Consumers gain from lower prices of imported goods when tariffs are reduced. For the pre-tariff-cut level of imports Cline *et al.* (1978) has noted that the import prices resulting from tariff reductions simply represent a transfer to consumers of revenue formerly collected by the Government in the form of customs duties and indirect taxes. There is, however, a welfare gain from the total trade effect. This effect is normally calculated as the average increase in the quantity of imports, ΔM, valued at the average between the tariff incidence before and after liberalization. Hence the *consumer welfare effect*, W, is given by:[4]

$$W = - \Delta t \, \Delta M/2 \qquad \ldots (A.18)$$

The resulting calculation is the value of imports of individual products that can be summed to measure the total consumer welfare effect from the new tariff schedule. The US dollar value of the consumer welfare effect is calculated by multiplying both sides of the equation by the price of each product.

With material inputs also protected, we can also calculate the effect of protection on the changes in the amount sold to the consumers of furniture. Assuming that the inputs are used in fixed proportions and that the prices of inputs are fixed, the effect of protection on the unit cost of output, denoted *C*, of producing furniture is equal to:

$$\Delta M = \varepsilon^p \Delta C \, M/P \qquad \ldots (A.19)$$

where, as before, ε^p is the price elasticity of import demand for furniture, ΔC is the difference between the unit cost of output resulting from the protection on inputs, and M and P refer to the quantity and unit price of imported furniture.

[4] Note that the earlier assumption of a perfectly price elastic supply schedule implies that tariff cuts are fully passed on to import prices. Otherwise, Laird and Yeats point out that the domestic price of imports would not decline by the full extent of the tariff change and there would also be a producer welfare effect implicit in equation (A.18).

3. Non-Tariff Effect Measures

Non-tariff measures (NTMs) encompass a wide range of policies and instruments that are unrelated to tariffs and that affect the quantities and prices of both imports and exports. UNCTAD uses a coding system to classify over 100 NTMs, and omits measures applied to production or exports. Laird and Guzman (in Lord, 1998) classify NTMs into five broad categories according to the intended motives of the measures. These categories are useful for the classification of NTMs currently in effect in Egypt: (1) Import volume controls, (2) Import price controls, (3) Monitoring measures, (4) Production and export measures, and (5) Technical barriers. Lack of data prevented the assessment of the impact of the removal of the various types of NTMs on the furniture industry in Egypt. Nonetheless, an overview of tools is presented below, following the classification set out by Deardorff and Stern (1997) and Laird (1996).

Frequency-Type Measures - - The trade coverage ratio and frequency index are two type of measures that indicate the frequency or occurrence of NTMs. The *trade coverage ratio* measures the percentage of trade subject to NTMs for an industry *j* at a desired level of product aggregation:

$$C_{ij} = [S\ (D_{it}V_{iT})/(S\ V_{iT})] * 100 \qquad \ldots(A.20)$$

where, if an NTM is applied to the tariff line item *i*, the dummy variable D_i takes the value of one and zero otherwise; V_i is the value of imports in item *i*; *t* is the year of measurement of the NTM; and *T* is the year of the import weights.

The *frequency index* shows the percentage of import transactions covered by a selected group of NTMs for an indsutry , and is calculated as:

$$Fjt = [S\ (D_{it}M_{it})/(S\ M_{it})] * 100 \qquad \ldots(A.21)$$

where D_i reflects the presence of an NTM on the tariff line item, M_i indicates whether there are imports in industry *j* of good *i* and *t* is the year of measurement of the NTM.

The results of calculations of these types of measures over a period of time will likely show trends in whether or not the use of NTMs has increased or decreased, or whether their incidence is more concentrated in certain products or groups of products in an industry. According to Deardorff and Stern (1997), the drawbacks associated with the trade coverage and frequency ratios are that: (a) shortcomings could arise from how NTMs are defined due their inconsistency in reporting and the level of aggregation used; (b) effects the might deter price and quantity decisions of importers are not taken into account; (c) NTMs are mainly border measures and therefore ignore the effects of internal governmental measures such as administrative procedures and monitoring measures; and (d) the ratios do not take into account the possible economic impact of NTMs on prices, production, consumption and international trade.

Statistical Appendix

Appendix Table 1
Production of Wood Furniture in Egypt, 1983-94
(Egyptian Pounds and Units)

	No. of Establishments	No. of Employees	Wages and Salaries (LE)	Output (LE)	Value Added (LE)
1983	79	6654	10,170,000	59,591,000	16,594,000
1984	78	6018	13,011,000	68,154,000	25,701,000
1985	68	5038	12,483,000	69,644,000	24,951,000
1986	76	5425	13,799,000	79,879,000	17,777,000
1987	114	8659	23,256,000	117,000,000	26,000,000
1988	109	8690	26,811,000	254,000,000	126,000,000
1989	117	6000	15,800,000	85,700,000	17,100,000
1990	97	5800	19,200,000	127,900,000	25,900,000
1991	128	8200	28,900,000	200,600,000	58,900,000
1992	113	6700	25,300,000	140,100,000	44,200,000
1993	116	8000	30,700,000	242,200,000	58,800,000
1994	138	8510	39,930,000	286,900,000	61,810,000

Source: UNIDO Statistical Database 1999 4-Digit ISIC (CD-ROM).

Appendix Table 2
Egypt's Supply and Demand for Manufacture of Furniture and Fixtures, Except Those Primarily of Metal (ISIC 3320), 1982-96
(1000 US dollars)

Year	Output	Imports	Exports	Trade Balance	Consumption
1981	na	14,812	1,949	(12,863)	na
1982	na	13,523	1,943	(11,580)	na
1983	85,130	12,266	1,615	(10,651)	95,781
1984	97,363	9,475	3,698	(5,777)	103,140
1985	99,491	5,263	333	(4,930)	104,421
1986	114,113	7,221	3,432	(3,789)	117,902
1987	167,143	3,294	4,080	786	166,357
1988	na	2,642	12,136	9,494	(9,494)
1989	77,909	1,380	15,189	13,809	64,100
1990	63,950	2,246	43,545	41,299	22,651
1991	60,200	2,545	30,626	28,081	32,119
1992	41,724	3,389	17,335	13,946	27,778
1993	71,831	3,196	14,259	11,063	60,768
1994	na	7,727	11,045	3,318	na
1995	na	7,877	9,735	1,858	na
1996	na	10,676	10,055	(621)	na

Source: UNIDO, Industrial Demand and Supply Statistics 1998. CD-ROM format.

Appendix Table 3
Total Production of Wood Furniture by Category in Egypt, 1983/84-95/96
(Egyptian Pounds)

	Furniture Total	Furniture and Fixtures for Bedroom	Chairs from Wood and Bamboo	Other Furniture and Fixtures	Other Bamboo Furniture
1983/84	26,726,981	6,435,488	9,354,498	10,244,922	692,073
1984/85	32,596,980	13,198,134	7,133,994	11,690,456	574,396
1985/86	27,730,373	3,710,538	5,751,143	17,719,865	548,827
1986/87	48,071,742	9,585,884	3,132,636	34,218,882	1,134,340
1987/88	80,662,467	53,954,840	3,518,920	23,188,707	-
1988/89	95,291,259	45,177,202	5,294,457	43,448,729	1,370,871
1989/90	99,204,183	36,121,877	4,510,382	56,350,356	2,221,568
1990/91	202,282,697	84,654,903	6,633,866	109,730,244	1,263,684
1991/92	220,259,200	114,748,810	34,370,945	68,067,906	3,071,539
1992/93	111,464,049	53,288,350	8,182,704	48,859,886	1,133,109
1993/94	171,408,225	94,550,218	8,818,197	64,965,147	3,074,663
1994/95	185,860,612	86,939,772	7,195,252	90,090,276	1,635,312
1995/96	214,187,650	102,056,446	11,543,557	98,402,900	2,184,747

Source: CAPMAS, *Commodity Industrial Production* (various issues)

Appendix Table 4
Private Sector Production of Wood Furniture by Category in Egypt, 1983/84-95/96
(Egyptian Pounds)

	Furniture Total	Furniture and Fixtures for Bedroom	Chairs from Wood and Bamboo	Other Furniture and Fixtures	Other Bamboo Furniture
1983/84	20,589,194	6,125,889	8,342,785	6,120,520	692,073
1984/85	25,065,578	12,669,856	5,747,994	6,073,332	574,396
1985/86	18,996,298	3,012,137	4,483,763	10,951,571	548,827
1986/87	33,166,662	8,278,457	1,668,778	23,051,011	168,416
1987/88	57,173,748	50,237,219	2,564,920	4,371,609	-
1988/89	78,102,573	44,245,315	5,263,632	27,222,155	1,370,871
1989/90	90,104,740	35,319,876	4,236,107	48,327,189	2,221,568
1990/91	191,319,131	84,654,903	6,463,701	98,936,843	1,263,684
1991/92	202,252,112	109,038,030	23,651,425	66,491,118	3,071,539
1992/93	105,871,878	53,280,916	7,913,846	43,544,007	1,133,109
1993/94	169,042,743	93,655,360	8,465,830	63,846,890	3,074,663
1994/95	181,984,654	85,776,669	5,645,499	88,927,174	1,635,312
1995/96	208,878,041	101,064,619	10,736,774	94,891,901	2,184,747

Source: CAPMAS, *Commodity Industrial Production* (various issues).

Appendix Table 5
Public Sector Production of Wood Furniture
by Category in Egypt, 1983/84-95/96
(Egyptian Pounds)

	Furniture Total	Furniture and Fixtures for Bedroom	Chairs from Wood and Bamboo	Other Furniture and Fixtures	Other Bamboo Furniture
1983/84	5,445,714	309,599	1,011,713	4,124,402	-
1984/85	7,531,402	528,278	1,386,000	5,617,124	-
1985/86	8,734,075	698,401	1,267,380	6,768,294	-
1986/87	14,905,080	1,307,427	1,463,858	11,167,871	965,924
1987/88	23,488,719	3,717,621	954,000	18,817,098	-
1988/89	7,189,286	931,887	30,825	6,226,574	-
1989/90	8,905,564	802,001	80,405	8,023,158	-
1990/91	10,963,566	-	170,165	10,793,401	-
1991/92	8,017,080	5,720,780	719,520	1,576,788	-
1992/93	5,592,171	7,434	268,858	5,315,879	-
1993/94	2,365,482	894,858	352,367	1,118,257	-
1994/95	3,875,958	1,163,103	1,549,753	1,163,102	-
1995/96	5,309,609	991,827	806,783	3,510,999	-

Source: CAPMAS, *Commodity Industrial Production* (various issues)

Appendix Table 6
Total Production of Wood Furniture by Category in Egypt, 1983/84-95/96
(Units)

	Index of Total (1995/96=100)	Furniture and Fixtures for Bedroom	Chairs from Wood and Bamboo	Other Furniture and Fixtures	Other Bamboo Furniture
1983/84	34	1,708	631,111	na	na
1984/85	89	11,084	480,200	na	na
1985/86	102	3,110	339,269	140,176	25,608
1986/87	na	3,016	337,187	88,361	252,116
1987/88	92	33,166	186,512	38,305	na
1988/89	na	7,357	301,298	53,899	215,103
1989/90	92	14,201	148,189	95,420	na
1990/91	137	34,093	138,152	105,754	na
1991/92	na	14,820	131,632	103,140	na
1992/93	89	10,773	190,030	100,483	na
1993/94	137	39,999	195,403	87,754	na
1994/95	135	17,968	209,101	149,883	na
1995/96	100	14,248	200,997	106,930	13,064

Source: CAPMAS, *Commodity Industrial Production* (various issues)

Appendix Table 7
Private Sector Production of Wood Furniture by Category in Egypt, 1983/84-95/96
(Units)

	Index of Total (1995/96=100)	Furniture and Fixtures for Bedroom	Chairs from Wood and Bamboo	Other Furniture and Fixtures	Other Bamboo Furniture
1983/84	40	1,626	530,788	na	na
1984/85	91	10,951	383,200	na	na
1985/86	22	2,710	249,056	138,271	25,608
1986/87	na	2,605	243,025	76,536	49,720
1987/88	117	32,290	113,512	36,828	na
1988/89	na	6,989	299,513	46,260	215,103
1989/90	76	14,049	144,375	59,900	na
1990/91	170	34,093	130,916	104,405	na
1991/92	na	14,692	131,170	99,951	na
1992/93	64	10,766	178,382	98,134	na
1993/94	174	39,902	185,973	82,283	na
1994/95	110	17,834	174,934	149,749	na
1995/96	100	14,143	174,620	106,185	13,064

Source: CAPMAS, *Commodity Industrial Production* (various issues)

Appendix Table 8
Public Sector Production of Wood Furniture by Category in Egypt, 1983/84-95/96
(Units)

	Index of Total (1995/96=100)	Furniture and Fixtures for Bedroom	Chairs from Wood and Bamboo	Other Furniture and Fixtures	Other Bamboo Furniture
1983/84	214	82	100,323	na	-
1984/85	235	133	97,000	na	-
1985/86	363	400	90,213	1,905	-
1986/87		411	94,162.0	11,825	202,396
1987/88	329	876	73,000	1,477	-
1988/89		368	1,785	5,639	-
1989/90	86	152	3,814	35,520	-
1990/91	124	-	7,236	1,349	-
1991/92		128	462	3,189	-
1992/93	216	7	11,648	2,349	-
1993/94	67	97	9,430	5,471	-
1994/95	128	134	34,167	134	-
1995/96	100	105	26,377	745	-

Source: CAPMAS, *Commodity Industrial Production* (various issues)

Appendix Table 9
Total Private Sector: Manufacture of Furniture and Fixtures, 1987/88 - 1996/97
(Thousands of Egyptian pounds)

	Total Production							Intermediates													
	Value of Production							**Total**	**Intermediate Goods**									**Intermediate Services**			
Year	**Final Product**	**Semi-Final Product**	**Industrial Services to Others**	**Other Revenues**	**Total**	**Output at Factor Cost**	**Net Value Added**	**Goods and Services**	**Local**	**Foreign**	**Other**	**Total**	**Packaging**	**Fuel**	**Electricity**	**Spare Parts**	**Total I**	**Other**	**Maintenane**	**Others**	**Total**
1987/88	104,201	-2,202	209	514	102,722	102,732	24,448	72,309				55,114	337	226	245	758	56,680	878		16,317	17,195
1988/89	240,671	-2,163	232	927	239,667	239,406	122,361	110,181				81,316	740	552	622	1,280	84,510	1,714		27,151	28,865
1989/90	78,832	827	2,042	166	81,867	82,180	16,315	62,676	44,566	699	2,584	47,849	479	169	837	1,099	98,282	1,817	646	12,364	14,827
1990/91	125,395	-3,647	781	809	123,338	122,097	123,130		67,643	154	2,176	69,973	562	327	630	657	142,122	1,995	876	21,486	24,357
1991/92	188,339	-182	392	7,235	195,784	193,710	56,792	121,185	87,079	4,986	8,557	100,622	2,003	641	1,520	4,393	209,801	16,986	20,563	15,733	53,282
1992/93	130,426	1,504	806	2,722	135,458	134,709	42,828	222,051	58,806	4,105	4,233	67,144	442	462	1,700	1,629	138,521	16,386	154,907	5,426	176,719
1993/94	230,368	1,782	826	374	233,350	232,991	53,553	155,876	127,167	3,122	5,008	135,297	411	321	2,222	2,054	275,602	2,004	1,573	17,002	20,579
1994/95	228,820	-22,222	8,804	7,345	222,747	221,710	45,682	140,375	110,790	3,265	7,463	121,518	627	903	2,694	3,239	250,499	1,734	2,465	14,658	18,857
1995/96	318,726	4,800	3,807	2,018	329,351	328,361	88,041		166,666	3,887	0	170,553	876	1,651	3,312	6,051	352,996	3,963	1,986	23,619	29,568

Notes: Defined by ISIC 3321 for the manufacture of furniture and fixtures, excluding that made made primarily of metal.
Source: CAPMAS, various publications.

Appendix Table 10
Egypt's Exports of Wood Furniture, 1990-97
(US$ thousands)

	1990	1991	1992	1993	1994	1995	1996	1997
North America	**670**	**887**	**1,860**	**1,956**	**2,091**	**2,888**	**2,974**	**3,035**
CANADA	99	64	133	185	149	165	278	230
UNITED STATES	571	824	1,727	1,772	1,943	2,724	2,695	2,805
European Union	**1,306**	**2,349**	**2,443**	**2,768**	**2,453**	**3,259**	**3,847**	**3,636**
AUSTRIA	5	44	-	17	10	4	39	60
BELGIUM	221	472	405	299	168	373	215	196
DENMARK	30	27	27	9	34	29	96	54
FINLAND	18	43	8	146	0	-	9	8
FRANCE	416	593	815	1,265	986	901	539	536
GERMANY	96	9	40	70	41	61	135	272
GREECE	176	783	403	405	534	555	1,067	646
IRELAND	-	-	3	30	3	136	2	7
ITALY	65	79	243	270	295	552	970	550
LUXEMBOURG	-	-	-	-	-	-	-	-
NETHERLANDS	6	3	82	82	104	123	120	256
PORTUGAL	-	-	-	10	50	1	2	1
SPAIN	75	80	252	51	40	126	77	224
SWEDEN	2	13	6	-	-	7	41	56
UNITED KINGDOM	194	202	159	114	189	392	534	770
Middle East	**1,313**	**3,552**	**7,972**	**6,237**	**5,861**	**3,273**	**2,878**	**5,206**
SAUDI ARABIA	601	1,326	2,750	3,821	3,293	1,627	1,400	2,906
UNTD ARAB EM	-	149	561	605	725	347	470	685
KUWAIT	646	1,702	3,327	948	773	207	312	425
LEBANON	-	280	534	387	334	625	280	406
ISRAEL	21	12	28	60	502	399	326	400
QATAR	45	84	772	415	234	68	91	385
RUSSIA	2,537	9,594	8,168	4,424	2,027	867	1,283	1,514
OTHERS	2,271	3,689	2,099	2,527	1,595	1,762	2,140	1,921
WORLD	8,096	20,072	22,543	17,913	14,028	12,050	13,121	20,072

Source: COMTRADE database.

Appendix Table 11
Imports of Wood Furniture by Egypt, 1994-97
(US$ thousands)

Country of Origin	1993	1994	1995	1996	1997
ITALY	1063	2838	3704	3548	3728
USA	581	915	1404	1275	2335
FRANCE	3360	1248	1201	1707	1748
GERMANY	54	424	370	451	420
BELGIUM-LUX	242	3	203	196	337
KUWAIT	557	657	682	271	303
UNTD KINGDOM	158	420	701	106	259
CANADA	0	36	78	72	66
NETHERLANDS	0	30	9	0	64
TURKEY	0	1	24	294	63
INDONESIA	0	7	15	20	54
CHINA	10	46	108	4	45
DENMARK	26	14	58	9	45
CZECH REP	0	0	0	89	5
SWITZ.LIECHT	157	11	4	40	3
FINLAND	0	60	2	0	2
PHILIPPINES	0	0	9	100	1
SPAIN	252	240	1410	1379	0
MALAYSIA	41	0	98	206	0
KOREA REP.	10	17	156	90	0
AUSTRALIA	162	0	14	12	0
AUSTRIA	60	29	6	3	0
JAPAN	78	0	0	9	0
TOTAL	**6811**	**6996**	**10256**	**9881**	**9478**

Source: PC-TAS 1999 CD-ROM.

Appendix Table 12
Value of Wood Furniture Total Imports of US, EU and Middle Eastern Countries (US$ thousands)

	1990	1991	1992	1993	1994	1995	1996	1997
United States	**2,370,000**	**2,310,000**	**2,530,000**	**2,800,000**	**2,847,944**	**3,134,038**	**3,575,864**	**4,117,699**
European Union	**3,741,185**	**3,868,081**	**4,533,099**	**4,380,317**	**4,046,342**	**3,931,807**	**4,346,612**	**4,141,063**
AUSTRIA	422,360	452,594	488,816	472,965	536,567	665,226	700,973	598,380
BELGIUM	560,748	614,041	684,959	482,368	557,194	665,303	699,684	671,700
DENMARK	62,429	57,402	59,174	63,714	74,846	92,022	119,057	161,261
FINLAND	73,544	52,512	40,254	22,073	28,955	42,463	58,316	61,655
FRANCE	236,018	185,655	164,086	835,283	917,302	94,151	130,622	128,658
GERMANY	-	117,105	509,885	848,439	85,886	387,647	475,453	208,975
GREECE	39,878	49,565	58,405	49,513	59,450	82,235	98,399	108,786
IRELAND	69,658	73,207	74,290	36,762	40,544	44,192	65,498	87,080
ITALY	184,465	214,823	250,648	155,647	156,700	162,592	178,369	169,477
LUXEMBOURG	-	-	-	-	-	-	-	-
NETHERLANDS	764,257	792,902	891,115	540,046	636,939	686,524	703,622	651,807
PORTUGAL	34,501	50,243	67,770	49,846	50,662	60,991	66,379	82,938
SPAIN	110,479	116,786	155,390	87,985	86,260	101,527	138,362	159,648
SWEDEN	258,283	279,890	276,857	192,032	245,898	237,114	219,198	228,504
UNITED KINGDOM	924,566	811,357	811,450	543,645	569,138	609,820	692,680	822,196
Middle East	**237,565**	**381,641**	**486,295**	**379,003**	**354,028**	**362,060**	**359,672**	**229,739**
SAUDI ARABIA	186,090	216,886	270,108	209,860	162,727	158,456	144,074	-
UNTD ARAB EM	-	-	-	-	-	-	-	-
KUWAIT	21,213	111,992	147,387	92,521	74,218	81,741	78,092	86,872
LEBANON	-	-	-	-	-	-	-	-
ISRAEL	30,262	39,295	45,906	59,187	100,638	121,863	137,506	142,867
QATAR	-	13,469	22,895	17,435	16,444	-	-	-
Other	**34,197**	**31,085**	**44,047**	**47,668**	**80,633**	**86,157**	**113,454**	**104,431**
WORLD	**6,382,947**	**6,590,807**	**7,593,441**	**7,606,988**	**7,328,947**	**7,514,062**	**8,395,602**	**8,592,932**

Source: COMTRADE database.

Appendix Table 13
Input Coefficients for Wood Furniture and Corresponding Tariffs in Egypt

Input	IO Code	SIC Code	Coefficient	Tariff
Reconstituted wood products	20.0904	2493	0.1172	25%
Sawn wood	20.0200	2421	0.0853	15%
Veneer and plywood	20.0600	2435-6	0.0702	20%
Hardware, n.e.c	42.0300	3429	0.0443	30%
Builders' joinery and carpentry of wood	20.0300	2426	0.0368	25%
Paints and allied products	30.0000	285	0.2322	30%
Screw machine products, bolts, etc	41.0100	3451-2	0.2053	30%
Petroleum oils and residues	31.0101	291	0.0969	13%
Miscellaneous plastics products, n.e.c.	32.0400	308	0.0208	22%
Paperboard containers and boxes	25.0000	265	0.0158	25%
Industrial chemicals	27.0100	281	0.0127	11%
Metal polishing pads	41.0203	3469	0.0097	15%
Fabricated metal products, n.e.c	42.1100	3499	0.0096	30%
Abrasive products	36.1600	3291	0.0081	18%
Glass and glass products, except containers	35.0100	321, 3229, 323	0.0080	25%
Adhesives and sealants	27.0402	2891	0.0072	25%
Hand and edge tools, except machine tools	42.0201	3423	0.0052	10%
Aluminum plates	38.0800	3353-5	0.0037	20%
Coated fabrics, not rubberized	17.0600	2295	0.0023	25%
Industrial and commercial machinery	50.0400	3599	0.0019	12%
Woven fabrics	16.0100	221-3, 2261-2	0.0017	35%
Saw blades and handsaws	42.0202	3425	0.0014	10%
Woodworking machinery	48.0300	3553	0.0010	5%
Leather tanning and finishing	33.0001	311	0.0009	18%
Miscellaneous fabricated wire products	42.0500	3495-6	0.0008	25%
Textile goods, n.e.c.	17.1100	2299	0.0006	23%
Plastics materials and resins	28.0100	2821	0.0006	8%

Source: Production weighted average of Appendix Tables 15-17.

Appendix Table 14
Input Coefficients for Wood Household Furniture and Corresponding Tariffs

Input	IO Code	SIC Code	Coefficient	Tariff
Sawn wood	20.0200	2421	0.2168	15.0%
Builders' joinery and carpentry of wood	20.0300	2426	0.1575	25.0%
Reconstituted wood products	20.0904	2493	0.1518	25.0%
Veneer and plywood	20.0600	2435-6	0.0885	20.0%
Paperboard containers and boxes	25.0000	265	0.0855	25.0%
Hardware, n.e.c	42.0300	3429	0.0837	30.0%
Paints and allied products	30.0000	285	0.0660	30.0%
Glass and glass products, except containers	35.0100	321, 3229, 323	0.0420	25.0%
Screw machine products, bolts, etc	41.0100	3451-2	0.0240	30.0%
Miscellaneous plastics products, n.e.c.	32.0400	308	0.0192	22.0%
Abrasive products	36.1600	3291	0.0168	18.0%
Adhesives and sealants	27.0402	2891	0.0126	25.0%
Hand and edge tools, except machine tools	42.0201	3423	0.0099	10.0%
Woven fabrics	16.0100	221-3, 2261-2	0.0090	35.0%
Fabricated metal products, n.e.c	42.1100	3499	0.0064	30.0%
Woodworking machinery	48.0300	3553	0.0053	5.0%
Industrial and commercial machinery	50.0400	3599	0.0049	12.0%

Source: Derived from input-output tables of the 1990 social accounting matrix (SAM) for Egypt; the US tables are the benchmark input-output tables for the US economy in 1987 (US Department of Commerce, 1997); and the EU tables are the input-output tables for 1995 (EUSTAT, 1995).

Appendix Table 15
Input Coefficients for Wood Partitions and Corresponding Tariffs in Egypt

Input	IO Code	SIC Code	Coefficient	Tariff
Reconstituted wood products	20.0904	2493	0.2606	25.0%
Sawn Wood	20.0200	2421	0.1115	15.0%
Veneer and plywood	20.0600	2435-6	0.0934	20.0%
Industrial chemicals	27.0100	281	0.0668	11.1%
Blast furnaces and steel mills	37.0101	3312	0.0611	8.8%
Hardware, n.e.c	42.0300	3429	0.0608	30.0%
Wood partitions and fixtures	23.0400	2541	0.0520	40.0%
Metal polishing pads	41.0203	3469	0.0514	15.0%
Paperboard containers and boxes	25.0000	265	0.0389	25.0%
Fabricated metal products, n.e.c	42.1100	3499	0.0368	30.0%
Paints and allied products	30.0000	285	0.0358	30.0%
Builders' joinery and carpentry of wood	20.0300	2426	0.0229	25.0%
Adhesives and sealants	27.0402	2891	0.0181	25.0%
Abrasive products	36.1600	3291	0.0171	18.0%
Aluminum plates	38.0800	3353-5	0.0152	20.0%
Hand and edge tools, except machine tools	42.0201	3423	0.0145	10.0%
Coated fabrics, not rubberized	17.0600	2295	0.0123	25.0%
Screw machine products, bolts, etc	41.0100	3451-2	0.0114	30.0%
Petroleum oils and residues	31.0101	291	0.0077	12.5%
Paper or paperboard, coated or otherwise	24.0701	2671-2	0.0064	25.8%
Industrial and commercial machinery	50.0400	3599	0.0051	12.0%

Source: Derived from input-output tables of the 1990 social accounting matrix (SAM) for Egypt; the US tables are the benchmark input-output tables for the US economy in 1987 (US Department of Commerce, 1997); and the EU tables are the input-output tables for 1995 (EUSTAT, 1995).

Appendix Table 16
Input Coefficients for Wood Cabinets and Corresponding Tariffs in Egypt

Input	IO Code	SIC Code	Coefficient	Tariff
Reconstituted wood products	20.0904	2493	0.2799	25%
Veneer and plywood	20.0600	2435-6	0.1717	20%
Miscellaneous plastics products, n.e.c.	32.0400	308	0.1180	22%
Paperboard containers and boxes	25.0000	265	0.1044	25%
Hardware, n.e.c	42.0300	3429	0.0809	30%
Sawn Wood	20.0200	2421	0.0779	15%
Paints and allied products	30.0000	285	0.0651	30%
Builders' joinery and carpentry of wood	20.0300	2426	0.0272	25%
Saw blades and handsaws	42.0202	3425	0.0144	10%
Fabricated metal products, n.e.c	42.1100	3499	0.0144	30%
Abrasive products	36.1600	3291	0.0083	18%
Miscellaneous fabricated wire products	42.0500	3495-6	0.0083	25%
Adhesives and sealants	27.0402	2891	0.0068	25%
Plastics materials and resins	28.0100	2821	0.0061	8%
Petroleum oils and residues	31.0101	291	0.0061	13%
Hand and edge tools, except machine tools	42.0201	3423	0.0061	10%
Wooden panels	20.0400	2429	0.0045	35%

Source: Derived from input-output tables of the 1990 social accounting matrix (SAM) for Egypt; the US tables are the benchmark input-output tables for the US economy in 1987 (US Department of Commerce, 1997); and the EU tables are the input-output tables for 1995 (EUSTAT, 1995).

Appendix Table 17
Input Coefficients for Wood Furniture and Corresponding Tariffs in Egypt

Input	IO Code	SIC Code	Coefficient	Tariff
Veneer and plywood	20.0600	2435-6	0.2061	20.0%
Sawn Wood	20.0200	2421	0.1662	15.0%
Reconstituted wood products	20.0904	2493	0.1322	25.0%
Hardware, n.e.c	42.0300	3429	0.0981	30.0%
Coated fabrics, not rubberized	17.0600	2295	0.0772	25.0%
Miscellaneous plastics products	32.0400	308	0.0631	22.0%
Paperboard containers and boxes	25.0000	265	0.0561	25.0%
Paints and allied products	30.0000	285	0.0397	30.0%
Leather tanning and finishing	33.0001	311	0.0093	18.3%
Abrasive products	36.1600	3291	0.0091	18.0%
Aluminum plates	38.0800	3353-5	0.0083	20.0%
Adhesives and sealants	27.0402	2891	0.0074	25.0%
Petroleum oils and residues	31.0101	291	0.0072	12.5%
Textile goods, n.e.c.	17.1100	2299	0.0066	23.0%
Fabricated rubber products, n.e.c.	32.0300	306	0.0064	23.1%

Source: Derived from input-output tables of the 1990 social accounting matrix (SAM) for Egypt; the US tables are the benchmark input-output tables for the US economy in 1987 (US Department of Commerce, 1997); and the EU tables are the input-output tables for 1995 (EUSTAT, 1995).

Appendix Table 18
Real Effective Exchange Rates of Egypt, 1980-1998
(1990=100)

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
WORLD	**89.4**	**105.0**	**121.7**	**140.1**	**175.2**	**204.6**	**196.3**	**210.7**	**226.3**	**175.6**	**100.0**	**69.5**	**79.5**	**92.0**	**96.8**	**96.9**	**100.5**	**111.6**	**116.1**
North America	**91.4**	**92.8**	**100.7**	**110.8**	**124.4**	**135.9**	**165.1**	**199.3**	**216.9**	**158.2**	**100.0**	**68.8**	**81.0**	**86.5**	**91.7**	**97.4**	**101.2**	**105.1**	**108.1**
CANADA	102.2	102.9	109.9	120.2	141.8	161.2	195.2	223.4	227.6	159.5	100.0	66.8	84.0	96.8	110.9	119.2	124.8	132.7	146.1
UNITED STATES	91.0	91.1	100.5	110.8	124.2	134.5	163.5	197.5	216.7	158.1	100.0	68.9	80.9	86.4	91.3	97.1	101.0	104.8	107.1
European Union	**91.2**	**111.3**	**133.6**	**160.3**	**199.7**	**222.2**	**207.6**	**213.5**	**231.5**	**181.5**	**100.0**	**70.1**	**78.7**	**95.9**	**100.2**	**98.8**	**103.0**	**119.1**	**122.4**
AUSTRIA	90.6	115.3	134.6	159.1	196.3	220.5	198.1	202.6	221.7	180.3	100.0	71.3	78.2	87.7	90.7	85.6	94.5	114.2	118.8
BELGIUM-LUXEM	78.3	102.0	132.6	159.8	198.8	218.4	200.9	207.0	230.2	183.0	100.0	71.1	79.1	91.0	93.3	88.5	97.5	117.8	122.5
DENMARK	92.7	115.8	141.3	168.2	209.8	229.7	209.7	213.5	229.4	181.8	100.0	72.5	81.1	94.5	98.6	93.0	100.9	119.5	123.7
FINLAND	107.0	122.1	143.3	177.1	209.1	228.4	225.0	234.7	242.6	178.6	100.0	72.9	95.0	130.3	127.9	115.7	129.5	153.6	161.3
FRANCE	82.0	102.7	127.4	156.6	195.2	212.6	198.0	208.3	229.6	181.7	100.0	72.1	80.0	92.1	96.3	93.0	100.0	119.7	124.4
GERMANY	83.4	107.7	126.2	149.1	190.0	215.8	197.5	204.2	225.0	179.3	100.0	71.3	77.3	86.1	89.2	84.5	93.6	112.6	117.2
GREECE	54.8	73.2	93.2	132.3	186.4	214.6	219.1	228.0	240.3	185.1	100.0	69.1	75.5	87.2	90.3	86.5	88.9	101.6	108.8
IRELAND	96.9	113.3	126.2	151.0	186.9	202.6	192.1	210.2	229.2	181.2	100.0	71.4	79.5	100.0	103.8	103.4	109.2	120.5	129.7
ITALY	104.2	127.9	150.0	170.4	208.2	232.6	212.5	220.8	241.0	182.9	100.0	69.9	79.9	107.2	114.5	120.1	117.2	135.0	140.0
NETHERLANDS	79.5	103.1	119.7	144.2	183.5	208.2	190.3	199.0	220.6	179.1	100.0	71.5	78.9	89.2	92.4	87.3	96.1	115.6	119.3
PORTUGAL	96.9	109.7	132.6	171.4	205.1	224.1	218.4	235.2	250.6	187.9	100.0	65.3	67.9	83.4	88.8	84.8	89.9	106.2	110.0
SPAIN	98.3	121.9	145.7	196.6	231.8	252.7	237.0	248.6	255.4	185.9	100.0	69.1	77.8	101.6	110.8	107.7	113.1	136.2	141.2
SWEDEN	85.2	100.4	131.8	171.3	200.2	217.5	214.0	228.9	238.7	180.5	100.0	67.1	76.5	107.3	112.9	111.3	111.5	134.1	145.1
UNITED KINGDOM	79.9	90.2	110.6	140.8	179.1	196.8	207.9	223.9	224.9	176.6	100.0	67.8	78.6	98.6	102.4	105.6	111.0	109.4	109.4
Middle East	**79.1**	**96.0**	**103.9**	**114.8**	**146.3**	**171.0**	**180.1**	**209.8**	**215.6**	**163.2**	**100.0**	**68.1**	**80.5**	**88.2**	**90.4**	**89.3**	**93.5**	**98.0**	**105.1**
SAUDI ARABIA	50.1	54.8	63.1	73.6	89.3	106.2	138.9	178.7	202.2	153.1	100.0	68.7	83.4	90.9	98.0	102.0	108.2	115.4	120.0
UNTD ARAB EM	87.4	88.5	95.0	108.7	124.2	134.5	158.0	187.5	203.9	151.0	100.0	68.1	77.1	80.7	84.2	88.2	91.1	92.7	93.4
KUWAIT	75.4	80.0	87.8	101.5	117.3	129.7	159.1	197.8	222.6	164.8	100.0	65.8	80.1	87.4	93.1	98.6	102.3	109.6	112.0
LEBANON	81.5	94.7	100.9	104.2	149.1	248.9	368.8	460.3	375.6	202.5	100.0	63.9	71.4	64.0	62.0	59.1	56.3	54.1	51.6
ISRAEL	95.5	108.4	120.0	131.2	169.1	188.4	198.8	222.5	219.1	167.1	100.0	68.2	79.6	90.8	93.3	92.7	94.5	99.5	112.6
Q	82.4	83.5	90.7	102.5	118.6	131.5	159.9	191.5	208.7	154.5	100.0	68.8	80.8	89.5	95.9	101.7	106.2	110.0	111.3

Source: Calculated from nominal exchange rates and the consumer price indices for individual countries in IMF, *International Financial Statistics*, and weighted by Egypt's exports to each country based on 1980-97 data from IMF, *Direction of Trade.*

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PART II: THE U.S. FURNITURE MARKET, OPPORTUNITIES AND CHALLENGES FOR EGYPTIAN EXPORTS

1.0 Introduction

The Government of Egypt (GOE) has set a target for gross domestic product (GDP) growth at an average annual rate between 7 and 8 percent by the year 2000. An integral factor in achieving this targeted GDP growth rate is increasing exports. In this regard, the GOE has established a goal of reaching a 10 percent average annual growth rate for exports over the next decade as a major catalyst for increasing overall economic growth, as well as generating new investment and creating new jobs. An additional key element in this GOE strategy is policy reform aimed at enhancing export performance.

These goals are also shared by the major international donors, including USAID. In fact, USAID has set accelerated economic growth through increased private sector exports as its Strategic Objective #1 (SO1). One of USAID's major goals within this objective is to contribute to increasing private sector exports by 12 percent per year through a variety of initiatives, including its Growth Through Globalization (GTG) Results Package as well as other SO1 Results Packages and initiatives like DEPRA.

These strategies are deemed essential for Egypt to successfully re-enter the global economy. Conditions in the world economy appear conducive to Egypt in this regard, with the growth in the world economy and world trade levels, as well as large amounts of investment capital seeking productive opportunities.

Yet Egypt has serious challenges in striving to reach its targeted growth rates in GDP and export performance. Egypt is currently only a marginal player in world trade with export levels continually failing to keep pace with average annual growth in world exports. Furthermore, its exports are heavily concentrated in a handful of traditional export sectors and petroleum.

For a number of years, USAID has concentrated its efforts under SO1 through projects focusing on assistance on five targeted export sectors: (1) apparel; (2) processed foods, fresh fruit and vegetables; (3) leather products, especially footwear; (4) furniture; and (5) software.

These five targeted export sectors, however, have evolved over time without sufficient formal economic assessment evaluating the real potential for these industries to be selected versus others in the Egyptian economy. Though numerous studies have analyzed these targeted five export sectors in terms of policy impediments to enhanced export performance, productivity, and the firm-level technical assistance required, a comprehensive analysis has not been undertaken to evaluate the real potential of these sectors within the context of overall world competition, world trade patterns, projected growth rates in world consumption, nor a rational targeting of foreign export markets with the greatest potential.

This report focuses on one of the targeted export sectors--furniture. The present day Egyptian furniture industry formally began in the 19th Century, and enjoyed a steady growth through the middle of the 20th Century. The growth during the early part of the 20th Century was mainly fueled by demand for European style furniture by the colonialists who had settled in Egypt. This demand was satisfied by Italian, French and English furniture manufacturers establishing production facilities in Egypt. Local production of European designs served to enhance the portfolio of the Egyptian furniture industry by augmenting traditional Arabic and Islamic styles, such as Arabesque, with English, Italian and French reproductions.

Since it's inception, the Egyptian furniture industry has been characterized by adding value to imported goods through the artistry and craftsmanship of the local people. Furniture production involved the process of transforming imported wood (primarily beech, oak and pine) into intricate works of art. The process relies heavily on labor-intensive hand crafting, much of which is performed in small shops. Export of Egyptian hand crafted furniture began in the late 1950s, first to the Arab countries and then to the former Soviet Bloc countries.

Egyptian exports of furniture declined with the reduction in trade with the previous East Bloc countries and Soviet Union, and are currently stagnating according to official trade statistics. This report aims at identifying and assessing the potential for Egyptian furniture products in the large and growing U.S. market. The U.S. is the largest importer and consumer of furniture on the world market, yet Egyptian export promotion programs to date have had little success, and have focused only on a limited number of marketing initiatives directed only towards European Union and Arab Gulf countries.

The team met with many Egyptian furniture manufacturers, mainly during a visit to Damietta where the greatest concentration of the industry is located. Detailed discussions were also held with almost 20 U.S. manufacturers that import furniture products from all over the world.

In particular, we have analyzed the current situation within the U.S. furniture market, both for home furnishings and commercial office use, as well as assessing the level of imports by specific furniture products over the past couple of years. The recent performance of Egyptian exports to the U.S. market was also evaluated. We then pinpointed those sub-sectors of the U.S. furniture market which are projected to have the greatest growth potential, and analyzed the level of Egyptian trade in these sub-sectors to determine the group of specific furniture products that appear to have the best opportunities for increasing Egyptian exports. Finally, we recommend a number of marketing and policy initiatives to expand exports of Egyptian furniture products to the U.S. market. While we recognize that other firm-level technical assistance efforts are also needed to realize any potential for increasing the exports of Egyptian furniture products, there are other programs, such as USAID-funded ExpoLink project overseen by the Egyptian Exporters Association as well as other programs being undertaken by various European donors, that have analyzed and are currently addressing these issues. We have, however, also included some recommendations in this regard.

2.0 The U.S. Household Furniture Market

The U.S. household furniture market is a very competitive sector, which has experienced good growth in recent years. Over the ten-year period 1988-1998, total U.S. retail home furnishings sales increased at an average annual rate of almost 6 percent, reaching a record level of $57.8 billion in 1998. The home furnishing sector includes household furniture as well as appliances, electronics and lawn and garden equipment.

Sales of household furniture by U.S. manufacturers and have increased every year since 1992 by an average of about 5 percent per year to $25.4 billion in 1998. The American Furniture Manufacturers Association (AFMA) is projecting that consumer spending in 1999 on furniture should be 3 to 4 percent higher than 1998. Their forecast also calls for increases in manufacturers' shipments of 3 to 5 percent.

Table 2.1 Description of U.S. Household Furniture Sector by Industry

INDUSTRY	DESCRIPTION
Wood Household Furniture, except Upholstered	Industry primarily includes all wood household furniture commonly used in dwellings as well as wood furniture used for camping. This industry does not include upholstered furniture, reed/rattan furniture or wood cabinets.
Upholstered Household Furniture	Industry includes upholstered furniture on wood frames. Industry does not include dual-purpose sleep furniture, such as convertible sofas and chair beds.
Mattresses, Foundations and Convertible Beds	Industry primarily includes innerspring mattresses, box spring mattresses, and non-innerspring mattresses containing felt, foam rubber, urethane, hair, or any other filling material; and assembled wire springs (fabric, coil, or box) for use on beds, couches, and cots. This industry also includes dual-purpose sleep furniture, such as convertible sofas and chair beds, regardless of the material used in the frame.
Metal Household Furniture	Industry primarily includes all metal household furniture of a type commonly used in dwellings, except dual-purpose sleep furniture
Wood, TV, Radio, Stereo and Sewing Machine Cabinets	Industry primarily includes wood cabinets for radios, television sets, phonographs, and sewing machines.
Household Furniture, not elsewhere classified	Industry primarily includes reed, rattan, and other wicker furniture, plastics and fiberglass household furniture and cabinets, and household furniture, not elsewhere classified.

There are six industries within the household furniture sector: 1) Wood Household furniture, except upholstered; 2) Upholstered Household Furniture; 3) Metal Household Furniture; 4) Mattresses, Foundations and Convertible Beds; 5) Wood Television, Radio, Stereo, and Sewing Machine Cabinets; and 6) Household Furniture, not elsewhere classified. Table 2.1 above provides a brief description of the products included in each of these industries.

The largest segment of U.S. household manufacturers' sales is wood household furniture with a share of 40 percent of total household furnishing sales, followed by sales of upholstered furniture with 30 percent. Following are the segment shares of total U.S. manufacturers' sales of household furniture for 1997 and 1998:

Table 2.2 U.S. Household Furniture Sector by Industry Share of Sales

U.S. Household Furniture Segments	% Sales of U.S. Manufacturers	
	1997	1998
Wood Household Furniture	39%	40%
Upholstered Household Furniture	32%	30%
Mattresses, Foundations and Convertible Beds	16%	14%
Metal Household Furniture	9%	10%
Wood TV, Radio, Stereo and Sewing Machine Cabinets	2%	2%
Plastic, Fiberglass, Reed, Rattan and Other Household Furniture	2%	2%

Source: U.S. Department of Commerce

Imports of household furniture have increased by about 10 percent per year since 1994, and are now in excess of $5 billion annually, accounting for around 17 percent of total estimated U.S. household furniture consumption.

Factors that influence the demand for household furniture include:
- Disposable personal income
- Consumer confidence
- New housing starts
- An increase in the average size of new houses
- An increase in the number of bedrooms in new single-family homes

2.1 U.S. Household Wood and Upholstered Furniture Market

U.S. manufacturers' sales of wood household furniture increased at an average annual rate of over 3 percent from 1987 to 1998 to over $10 billion. Growth is being fueled by increased sales of entertainment centers, bedroom furniture, upholstered furniture and ready-to-assemble (RTA) furniture. Imports of wooden household furniture were almost US$5 billion in 1998, reaching fully 32 percent of the estimated consumption of this important category of furniture.

The segment of the U.S. household furniture market that has enjoyed the highest growth over the past few years has been the wood television, radio, stereo and combinations, or entertainment centers. U.S. manufacturers' sales in this segment have risen at a healthy average annual rate of almost 12 percent over the 1992-1998 period. Consumers trading up to larger televisions are driving U.S. sales of entertainment centers.

Increases in bedroom furniture sales are due to the rising number of bedrooms in new single-family homes, as well as American consumers buying more expensive bedroom furniture. Upholstered furniture is another growth segment of the U.S. household furniture market, with manufacturers' sales increasing at an average rate of over 5 percent over the 1987 to 1998 period. Upholstered furniture sales, usually for use in living and family rooms, are being influenced by the trend towards a more casual living style.

Growth in this segment is also being influenced by increased sales of ready-to-assemble (RTA) furniture, which have risen by an average annual rate of almost 14 percent over the last 15 years.

All of the above segments of the U.S. household furniture market are projected to continue to experience good growth over the next couple of years.

2.2 Recent U.S. Consumer Trends and Surveys

Recent consumer trends in the U.S. household market show tendencies toward a more casual lifestyle with an emphasis on luxury and relaxation, a decline in formal meals being served in the dining room, an increase in the popularity of combination kitchen/family rooms, and preferences for larger homes with more bedrooms (Business Trend Analysts, 1998).

A leading U.S. magazine, Better Homes and Gardens, runs a consumer panel that regularly conducts surveys on consumer opinions and preferences regarding household furniture. Relevant results of the 1996 panel that included 421 respondents are shown below. Respondents were allowed to give more than one response for each set of questions.

Table 2.3 Reasons for Purchasing Home Furnishings

Reason	% of Total Responses
Needed the item	25.0%
Replacing a worn item	20.2%
Redecorating	15.8%
Bought a new home	9.8%
Item had an individual style	8.9%
Establishing a new residence	6.7%
Remodeling	5.7%
An addition to the family	3.4%
Other	2.9%
No response	1.6%

Responses of the same consumer panel also highlighted the most important factors influencing consumer purchase decisions of household furniture, shown below. The most important factors for consumers were: (1) comfort; (2) construction; (3) durability; (4) fabric; (5) styling/design; and (6) finish on wood parts.

Table 2.4 Importance of Factors Influencing Furniture Purchases
(Average Ratings: 5 = very important; 1 = not at all important)

Factor	Importance
Comfort	4.81
Construction	4.75
Durability	4.75
Fabric	4.71
Styling/Design	4.67
Finish on Wood Parts	4.56
Function	4.55
Stain-resistant fabrics	4.49
Material(s) used	4.42
Price	4.37
Size	4.24
Guarantee/warranty	4.17
Retailer’s reputation	4.15
Manufacturer’s reputation	4.13
Brand name	3.24
Delivery time	3.14
Decorator/designer	2.99

The most preferred styles of furniture according to this consumer panel were: (1) Colonial/Early American; (2) Shaker; (3) Victorian; (4) Formal English; and (5) American Southwest. The full results of this 1996 Better Homes and Gardens Consumer Panel on most preferred furniture styles were:

Table 2.5 Most Preferred Styles of Furniture

Style	% of Total Responses
Colonial/Early American	18.6%
Shaker	13.2%
Victorian	12.4%
Formal English	10.4%
American Southwest	9.1%
Mission	6.8%
French Provincial	6.3%
Scandinavian	5.3%
Post Modern/Neoclassic	4.6%
Oriental	2.7%
Mediterranean/Spanish	2.6%
Art Deco	2.3%
Slick, high-style modern	1.8%
Formal French	1.6%
No response	2.3%

Source: 1996 Better Homes and Gardens Consumer Panel

2.3 Top 25 U.S. Furniture Manufacturers

The largest 25 U.S. furniture manufacturers, which are listed below, hold about a 40 percent share of total household furniture sales.

Table 2.6 Top 25 U.S. Furniture Manufacturers

	Furniture Shipments ($ Millions)			
	1995	1996	1997	% Change
1. Furniture Brands International	1,073.9	1,696.8	1,808.3	6.6%
2. LifeStyle Furnishings International	1,733.3	1,721.2	1,694.0[2]	-1.6%
3. La-Z-Boy	914.9	985.2	1,005.8	2.1%
4. Klaussner	655.0[1]	657.0[1]	716.0[2]	9.0%
5. LADD	599.2	497.5	525.5	5.6%
6. Ethan Allen	396.0	448.0	477.7[2]	6.6%
7. Sauder	445.0	475.0	475.0[2]	0.0%
8. Bassett	490.8	450.7	446.9	-0.8%
9. Ashley	370.0	442.0	NA	19.5%[3]
10. O'Sullivan	274.2	301.1	321.5	6.8%
11. Bush Furniture	220.0	248.6	315.5[2]	26.9%
12. Natuzzi	220.5	237.7	NA	7.8%[3]
13. Sunbeam	186.5	227.5	NA	22.0%[3]
14. Chromcraft Remington	152.6	175.9	225.6	28.3%
15. Stanley	174.2	201.9	211.9	5.0%
16. Hooker	144.7	161.2	NA	11.4%[3]
17. Pulaski	172.8	166.6	158.9	-4.6%
18. Flexsteel	145.0	151.0	157.8[2]	4.5%
19. Bernhardt	120.0[1]	153.0[1]	NA	27.5%[3]
20. The Jackson Companies	152.0[1]	152.0[1]	NA	0.0%[3]
21. Furniture Comfort	176.8	151.3	NA	-14.4%[3]
22. L&P Fashion Bed Group	142.0[1]	150.0[1]	NA	5.6%[3]
23. Rowe	124.9	142.7	144.1	1.0%
24. Century	135.7	143.1	NA	5.5%[3]
25. WinsLoew	147.2	144.0	114.7	-20.3%
Total Top 25	$9,355.2	$10,293.2	NA	10.0%[3]

[1] Furniture/Today estimate
[2] Business Trend Analysts estimate
[3] Percent change for 1995-1996
NA = Not Available
Source: Furniture/Today; Business Trends Analysts

2.4 Distribution Trends in the U.S. Household Furniture Industry

Over the ten-year period 1988-1998, total U.S. retail home furnishings sales increased at an average annual rate of almost 6 percent, reaching a record level of $57.8 billion in 1998. Increases also occurred over this period in both the numbers of furniture retailers and furniture wholesalers, as well as retail furniture outlets.

Many U.S. furniture manufacturers own and operate their own retail outlets, known in the industry as galleries, where they market their own brand lines of furniture. The number of gallery stores increased significantly during this decade. As an example, Ethan Allen, the 6th largest U.S. furniture manufacturer is also the 8th largest U.S. furniture retailer. Other major U.S. furniture manufacturers with a significant number of retail stores include: La-Z-Boy; Furniture Brands International with their Thomasville Home Furniture galleries; and Drexel Heritage Furnishings.

Table 2.7 Top 25 U.S. Furniture Retailers

	Furniture & Bedding Sales ($ Millions)			No. of Stores	
Company	1995	1996	% Change	1995	1996
1. Heilig-Meyers	821.4	994.6	21.1	716	944
2. Levitz	987.2	940.5	-4.7	135	129
3. JCPenney	696.0	738.0	6.0	258	253
4. Montgomery Ward	718.0	732.0	1.9	374	375
5. Sears	742.0	730.7	-1.5	330	146
6. Office Depot	611.0	679.7	11.2	502	565
7. Wal-Mart	640.0	660.0	3.1	2234	2304
8. Ethan Allen Home Interiors	616.0	629.9	2.3	264	273
9. La-Z-Boy	420.3	474.4	12.9	256	261
10. Haverty	379.7	438.6	15.5	94	95
11. Value City	402.6	429.8	6.8	58	61
12. Rooms To Go	292.8	427.5	46.0	39	48
13. Art Van	384.1	401.8	4.6	22	23
14. Rhodes	395.2	382.0	-3.3	108	105
15. Staples	251.6	369.0	46.7	443	557
16. Ikea	314.0	368.0	17.2	14	13
17. OfficeMax	300.0	356.1	18.7	468	564
18. Kmart	315.0	317.0	0.6	2161	2134
19. Pier 1 Imports	194.6	309.0	58.8	638	669
20. Breuner's Home Furnishings	229.7	294.4	28.2	27	50
21. W.S. Badcock	286.2	282.1	-1.4	364	369
22. Wickes Furniture	241.5	247.4	2.4	26	30
23. Drexel Heritage	242.2	246.7	1.9	94	97
24. Seaman's	222.2	234.4	5.5	36	38
25. Thomasville Home Furnishings	237.6	229.7	-3.3	91	80
Total Top 25	$10,941.1	$11,913.1	8.9%	9,752	10,183

Source: Furniture/Today

2.5 U.S. Imports of Wooden Household Furniture

U.S. imports of wooden, including upholstered, household furniture have risen at an average annual rate of almost 15 percent over the 1994 to 1998 period. In fact, imports have been rising at an increasing rate over this five-year period and surged 20.5 percent in 1998 to almost $5 billion.

2.5.1 Wooden Wall Units, Entertainment Centers, China Cabinets, Buffets and Occasional Tables

The largest segment of these imports, and one of the fastest growing with an annual average increase of almost 17 percent over the 1994-1998 period, is the category of wooden wall units, entertainment centers, china cabinets, buffets and occasional tables. Imports of these wood furniture products surged 27.5 percent in 1998 to over $2.2 billion. This parallels the increase in U.S. manufacturers' sales of entertainment centers, fueled by increased popularity and consumer demand.

China has overtaken Canada as the number one exporter of wooden wall units, entertainment centers, china cabinets, buffets and occasional tables to the U.S. market. Chinese exports of furniture products in this leading wooden furniture category increased an incredible 48 percent in 1998 to almost $544 million. Thailand and the UK also dramatically increased their shipments in 1998 by almost 44 and 41 percent, respectively. Four other top ten suppliers--Canada, Indonesia, Mexico, and Malaysia--also increased their exports by more than 23 percent each.

Egyptian exports also participated in the overall growth of U.S. imports of these wooden furniture products, registering a significant increase in 1998 of 19.7 percent to $13.2 million, following a 14.3 percent increase in 1997. This is by far the largest, and most successful, segment of Egyptian wooden furniture shipments to the U.S. market, though this trade still accounts for less than 1 percent of total imports in this category.

2.5.2 Bedroom Furniture

The second largest segment of household furniture imports is wooden furniture used in bedrooms. This grouping has also experienced a very healthy average annual growth rate of 17.7 percent over the 1994 to 1998 period. In 1998, imports of wooden bedroom furniture increased 22.3 percent to over $705 million.

Shipments in the bedroom furniture category from the top ten supplying countries increased except for exports from the UK and Denmark. These two European countries, as well as Sweden, appear to have lost market share in this category to cheaper-priced wooden bedroom furniture from China (up 95% in 1998), Indonesia (up almost 60% in 1998), and Thailand (up 65% in 1998).

Shipments of bedroom furniture from Egypt were also up dramatically to almost $1.9 million, an increase of 146.4 percent, for a market share of 2.6 percent of total U.S. imports of wooden bedroom furniture.

In line with this dramatic rise in U.S. imports of wooden bedroom furniture, U.S. imports of wooden beds have also increased significantly, growing at an average annual rate of 22.1 percent over the same five-year period. Imports of this category rose an impressive 33.8 percent in 1998 to over $235 million. This surge in imports of wooden bedroom furniture and wooden beds also is directly related to the recent housing surge, and the aforementioned fact that the vast majority (88 percent) of new homes are being built with three or more bedrooms, as well as recent consumer interest in upgrading their bedroom furniture.

Rounding out the grouping of wooden bedroom furniture is U.S. imports of bentwood furniture used in the bedroom. Imports in 1998 amounted to almost $4.4 million, with Canada shipping 58 percent of this total.

2.5.3 Upholstered Household Chairs and Seats

The third largest import category is upholstered seats with wooden frames, which also experienced a rapid average annual growth rate 21.4 percent over the 1994 to 1998 period. Imports of this category rose 19 percent in 1998 to over $508 million. Italy continues to dominate this imported market segment, shipping high value pieces to the U.S. What is noticeable about this category is the wide range in average imported CIF prices from the various countries of origin, ranging from an average value of $353.86 from Italy down to an average value of only $14.10 from China.

After declining in 1997, Egyptian shipments of upholstered household seats with wooden frames rebounded in 1998, increasing 71.6 percent to almost $221,000. Average CIF prices of $330, however, were up in the range of those from Italy and Norway, were even higher than the average CIF price on Canadian shipments, and were almost double that of Mexico.

The much smaller category of upholstered chairs of teak with wooden frames declined 9 percent in 1998 to almost $8.4 million. Egyptian shipments in this category increased from only $4,577 in 1997 to $137,582 last year, even though average CIF prices were higher than those from eight of the top ten supplying countries.

2.5.4 Non-upholstered Household Chairs and Seats

U.S. imports of household chairs with wooden frames also continued its growth in 1998, increasing 6.4 percent to almost $493 million. This exceeded the average annual growth rate of 4.9 percent over the 1994 to 1998 period.

After declining in 1997, Egyptian shipments of household chairs with wooden frames increased a marginal 1.3 percent in 1998 to almost $662,000. Average CIF prices of $113, however, were second only to Canada ($137) within the top ten suppliers of this category to the U.S. market. The average Egyptian price, in fact, was 2.5 to 11 times higher than those from eight of the top ten exporters of this category to the U.S. market.

U.S. imports of other household seats with wooden frames rose 4.2 percent in 1998 to $62.4 million. Major suppliers were: Malaysia; China; Italy; Indonesia; and Brazil.

Shipments from Egypt increased 23.4 percent in 1998 to $122,901, though the average CIF price was again very high compared to other major suppliers.

Rounding out the U.S. imports of non-upholstered household chairs and seats with wooden frames are two smaller categories: 1) other household chairs of teak with wooden frames and 2) household bentwood seats with wooden frames. Shipments from Egypt totaled only $16,646 and $2,282, respectively, in 1998.

2.5.5 Wooden Furniture Used in the Kitchen

U.S. imports of furniture used in the kitchen increased 7.5 percent in 1998 to $69.5 million. Major suppliers of wooden kitchen furniture were Canada, Thailand, Malaysia, Mexico and China. Shipments from Egypt amounted to only $46,807, down 32 percent from 1997.

U.S. imports of wooden dining tables used in the kitchen, which are supplied primarily by Asian countries, fell 8.6 percent to $64.7 million.

Shipments from Egypt in this category were up in 1998 to $67,365, but still below the level achieved in 1996.

The last remaining item in the kitchen furniture category is imports of bentwood furniture used in the kitchen. U.S. imports in 1998 fell 31 percent in 1998 to only $1.3 million. This is not a major import category for the U.S. market. (Please consult the statistical appendix for details.)

2.5.6 Wooden Dining Room Tables

U.S. imports of wooden dining tables increased 12.7 percent in 1998 to $253.6 million. Major countries exporting wooden dining tables to the U.S. market are China and Malaysia, each with an imported market share of more than 26 percent.

Shipments from Egypt fell 10 percent in 1998 to almost $382,000. Average import prices of Egyptian dining room tables in 1998 were almost $192, much higher than the average prices of all Asian countries, and even higher than imported dining room tables from Italy ($167) and Canada ($155).

2.5.7 Other Bentwood Furniture

U.S. imports of other bentwood furniture is the last remaining category under the household furniture grouping.   Imports of other bentwood furniture fell 0.6% in 1998 to $5.6 million. Mexico is the largest exporter of this category to the U.S. market, supplying almost $1.2 million last year.

2.5.8 Other Imported Wooden Products Primarily for Households

In addition to the imported household furniture items discussed above, the U.S. imports wooden cabinets for permanent installation in the kitchen, wooden furniture parts and wooden parts for seats. U.S. imports of cabinets for permanent installation in the kitchen increased 16 percent in 1998 to $329 million, with 88.5 percent of these shipments originating from Canada.

Wooden Furniture Parts and Wooden Seat Parts

The U.S. also is a large import market for wooden furniture parts and wooden seat parts. Imports of wooden furniture parts increased 13 percent to $358 million. The neighboring countries of Canada and Mexico supply 34 percent and 14 percent, respectively, of the U.S. import market. Shipments from Egypt grew to $107,182, up from only $7,809 in 1997.

U.S. imports of wooden parts for seats totaled $90.8 million in 1998, an increase of almost 5 percent over the 1997 level. Major exporters of wooden parts for seats to the U.S. market are Malaysia, China and Canada.

Egypt also ships a small amount of wooden seat parts to the U.S. market, though exports have fallen off the last two years to only $12,770 in 1998.

The U.S. market for furniture and seat parts may present some opportunities for Egyptian exports of hand-carved designs to be incorporated into U.S. manufactured and/or locally finished furniture.

Tabular data supporting the above discussion is provided below.

Table 2.8 U.S. Imports of Wooden Household Furniture, by Type

	CIF Value ($ 1000s)					% Change
Type of Furniture	1994	1995	1996	1997	1998	1997-1998
Wooden Wall Units, Entertainment Centers, China Cabinets, Buffets, & Occasional Tables	1,216,730	1,342,873	1,555,036	1,762,230	2,246,056	27.5%
Wooden Furniture Used in the Bedroom	374,121	423,620	492,958	577,193	705,658	22.3%
Upholstered Household Seats with Wooden Frames	245,547	283,323	335,037	427,079	508,245	19.0%
Household Chairs with Wooden Frames	396,085	412,160	426,393	462,960	492,659	6.4%
Upholstered Household Chairs with Wooden Frames	154,297	179,047	199,859	240,539	273,440	13.7%
Wooden Dining Tables	170,932	177,802	198,087	225,023	253,610	12.7%
Wooden Beds Used in the Bedroom	111,672	127,835	140,856	175,716	235,106	33.8%
Wooden Furniture Used in the Kitchen	47,648	41,655	53,260	64,608	69,079	6.9%
Other Household Seats with Wooden Frames	49,270	53,830	63,171	64,683	67,422	4.2%
Wooden Dining Tables Used in the Kitchen	45,809	55,066	70,031	70,791	64,701	-8.6%
Other Household Chairs of Teak with Wooden Frames	12,977	6,359	6,334	11,037	14,245	29.1%
Household Bentwood Seats with Wooden Frames	7,153	9,416	13,880	15,867	13,321	-16.0%
Upholstered Household Chairs of Teak with Wooden Frames	12,091	10,663	9,662	9,214	8,387	-9.0%
Other Bentwood Furniture	902	2,935	3,782	5,648	5,616	-0.6%
Bentwood Furniture Used in the Bedroom	931	4,018	6,449	3,240	4,386	35.4%
Bentwood Furniture Used in the Kitchen	1,779	3,481	1,069	1,871	1,290	-31.1%
TOTAL	**$2,847,944**	**$3,134,083**	**$3,575,864**	**$4,117,699**	**$4,963,221**	20.5%

Source: U.S. Department of Commerce

Table 2.9 U.S. Imports of Wooden Wall Units, Entertainment Centers, China Cabinets, Buffets and Occasional Tables

9403.60.8080 Wooden Wall Units, Entertainment Centers, China Cabinets, Buffets, and Occasional Tables

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value	% Change 1997-1998
China	275,912,980	367,388,373	543,613,875	48.0%
Canada	284,087,049	341,112,291	435,763,469	27.7%
Taiwan	215,191,978	198,562,738	196,610,971	-1.0%
Indonesia	95,535,6	116,922,275	144,026,054	23.2%
Mexico	102,377,202	106,923,835	135,159,000	26.4%
Italy	88,178,482	96,484,572	131,377,155	6.3%
Malaysia	78,182,409	82,154,018	102,549,602	24.8%
Thailand	67,594,751	64,941,209	93,444,497	43.9%
UK	41,928,841	45,925,295	64,643,102	40.8%
Denmark	55,356,428	54,161,271	62,105,130	14.7%
Subtotal	$1,304,345,804	$1,474,575,877	$1,909,292,855	29.5%
All Others	$250,690,443	$287,654,406	$336,762,856	17.1%
of which Egypt	9,663,809	11,046,765	13,226,625	19.7%
TOTAL	**$1,555,036,247**	**$1,762,230,283**	**$2,246,055,711**	**27.5%**

Source: U.S. Department of Commerce

Table 2.10 U.S. Imports of Wooden Furniture Used in the Bedroom

9403.50.9080 Wooden Furniture Used in the Bedroom

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value	% Change 1997-1998
Canada	176,956,798	228,480,495	258,213,893	13.0%
Mexico	78,904,018	105,188,838	125,082,748	18.9%
Italy	73,659,658	71,147,519	82,870,699	16.5%
China	25,981,885	30,274,044	59,047,705	95.0%
Indonesia	18,674,640	27,143,248	43,381,828	59.8%
Taiwan	42,581,520	29,998,388	34,322,625	14.4%
Denmark	16,762,776	15,530,926	12,742,917	-18.0%
UK	11,909,354	12,713,124	12,535,097	-1.4%
France	6,136,241	7,282,028	8,804,796	20.9%
Thailand	3,942,078	3,179,270	5,242,254	64.9%
Subtotal	$455,508,968	$530,937,880	$642,244,562	21.0%
All Others	$37,448,786	$46,255,224	$63,413,836	37.1%
of which Egypt	870,919	764,104	1,883,093	146.4%
TOTAL	**$492,957,754**	**$577,193,104**	**$705,658,398**	**22.3%**

Source: U.S. Department of Commerce

Table 2.11 U.S. Imports of Wooden Beds Used in the Bedroom

9403.50.9040 Wooden Beds Used in the Bedroom								
	CY 1996	CY 1996	CY 1997	CY 1997	CY 1998	CY 1998	% Change	Average CIF
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value	1997-1998	Prices 1998
Canada	284,983	34,958,987	339,597	46,809,209	337,892	51,439,772	9.9%	$152.24
Indonesia	494,325	27,360,688	453,518	27,123,050	477,390	34,125,351	25.8%	$71.48
China	77,028	5,638,892	160,723	13,980,287	321,405	32,883,494	135.2%	$102.31
Italy	84,923	17,692,614	114,335	23,727,371	154,365	29,968,762	26.3%	$194.14
Mexico	278,272	12,574,470	157,618	13,308,228	216,365	18,822,868	41.4%	$87.00
Taiwan	168,840	8,165,337	223,770	10,834,573	270,395	18,021,231	66.3%	$66.65
Honduras	19,494	3,426,450	34,918	5,443,663	40,049	6,350,983	16.7%	$158.58
Brazil	92,076	4,942,023	62,292	4,701,866	83,405	5,873,811	24.9%	$70.43
Philippines	4,008	1,947,415	3,715	2,319,813	9,346	5,713,238	146.3%	$611.30
Malaysia	77,140	4,722,654	56,450	3,338,357	74,581	4,766,737	42.8%	$63.91
Subtotal	1,581,089	$121,429,530	1,606,936	$151,586,417	1,985,193	$207,966,247	37.2%	$104.76
All Others	143,719	$19,426,346	176,108	$24,134,680	193,077	$27,816,971	15.3%	$144.07
-Egypt	39	30,015	142	55,878	102	37,831	-32.3%	$370.89
TOTAL	**1,724,808**	**$140,855,876**	**1,783,044**	**$175,721,097**	**2,178,270**	**$235,783,218**	**34.2%**	**$108.24**

Source: U.S. Department of Commerce

Table 2.12 U.S. Imports of Bentwood Furniture Used in the Bedroom

9403.50.4000 BENTWOOD FURNITURE USED IN THE BEDROOM				
	CY 1996	CY 1997	CY 1998	% Change
Country	CIF Value	CIF Value	CIF Value	1997-1998
Canada	4,564,732	1,409,813	2,559,227	81.5%
All Others	1,884,649	$1,832,285	$1,826,690	-0.3%
-Egypt	10,553			
TOTAL	**$6,449,381**	**$3,242,098**	**$4,385,917**	**35.3%**

Source: U.S. Department of Commerce

2.13 U.S. Imports of Upholstered Household Seats with Wooden Frames

9401.61.6010 UPHOLSTERED HOUSEHOLD SEATS WITH WOODEN FRAMES								
	CY 1996	CY 1996	CY 1997	CY 1997	CY 1998	CY 1998	% Change	Average CIF
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value	1997-1998	Prices 1998
Italy	526,272	208,443,575	633,964	262,036,121	862,322	305,142,049	16.5%	$353.86
Mexico	565,930	52,183,969	574,438	80,429,457	618,370	97,885,893	21.7%	$158.30
Canada	150,886	42,354,293	318,975	52,831,246	224,929	64,990,735	23.0%	$288.94
China	110,034	3,979,068	216,078	6,561,428	377,752	13,556,941	106.6%	$14.10
Taiwan	217,296	6,899,734	106,736	3,156,234	196,810	5,327,858	68.8%	$27.07
Malaysia	287,459	6,241,849	461,867	6,331,885	197,480	3,801,509	-40.0%	$19.25
Indonesia	42,557	2,845,572	23,374	2,194,672	27,582	2,769,255	26.2%	$100.40
Thailand	4,770	610,678	56,897	591,521	11,558	1,852,133	213.1%	$160.25
Norway	6,226	1,614,668	7,184	2,604,754	5,290	1,845,133	-29.2%	$348.80
Hong Kong	5,244	863,707	11,560	933,172	22,311	1,750,489	87.6%	$78.46
Subtotal	1,916,674	$326,037,113	2,411,073	$417,670,490	2,544,404	$498,921,995	19.5%	$196.09
All Others	40,053	$9,000,066	438,255	$9,408,056	61,718	$9,322,963	-0.9%	$151.06
-Egypt	743	180,742	982	128,733	669	220,852	71.6%	$330.12
TOTAL	**1,956,727**	**$335,037,179**	**2,849,328**	**$427,078,546**	**2,606,122**	**$508,244,958**	19.0%	$195.02

Source: U.S. Department of Commerce

2.14 U.S. Imports of Upholstered Household Chairs of Teak with Wooden Frames

9401.61.2010 UPHOLSHOUSEHOLD CHAIRS OF TEAK WITH WOODEN FRAMES								
	CY 1996	CY 1996	CY 1997	CY 1997	CY 1998	CY 1998	% Change	Average CIF
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value	1997-1998	Prices 1998
Norway	7,882	3,946,196	8,284	4,635,624	5,374	3,074,168	-33.7%	$572.04
Indonesia	4,718	481,838	10,730	644,005	14,345	1,105,269	71.6%	$77.05
Thailand	25,782	1,921,939	11,685	1,081,499	12,231	886,411	-18.0%	$72.47
Denmark	7,402	1,248,796	7,591	1,146,160	4,618	780,667	-31.9%	$169.05
Mexico	41,904	455,735	6,851	310,507	14,611	575,348	85.3%	$39.38
Canada	2,808	438,555	1,535	290,164	2,755	436,264	50.4%	$158.35
China	4,239	135,830	1,324	98,256	5,347	333,471	239.4%	$62.37
Italy	3,399	224,217	6,022	374,245	4,650	249,341	-33.4%	$53.62
France	226	71,303	73	41,730	175	167,838	302.2%	$959.07
Taiwan	3,619	408,135	3,926	168,674	6,867	160,320	-5.0%	$23.35
Subtotal	101,979	$9,332,544	58,021	$8,790,864	70,973	$7,769,097	-11.6%	$109.47
All Others	2,410	$329,209	3,974	$423,399	6,439	$617,984	46.0%	$95.98
-Egypt	42	8,506	79	4,577	492	137,582	2905.9%	$279.64
TOTAL	**104,389**	**$9,661,753**	**61,995**	**$9,214,263**	**77,412**	**$8,387,081**	**-9.0%**	**$108.34**

Source: U.S. Department of Commerce

2.15 U.S Imports of Household Chairs with Wooden Frames

9401.69.6010 HOUSEHOLD CHAIRS WITH WOODEN FRAMES								
	CY 1996		CY 1997		CY 1998		% Change	Average CIF
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value	1997-1998	Prices 1998
Malaysia	6,407,620	118,169,092	7,107,493	126,670,106	7,185,313	117,347,783	-7.4%	$16.33
China	3,619,737	76,201,142	4,011,293	86,703,363	4,563,535	99,589,983	14.9%	$21.82
Taiwan	1,942,042	61,816,196	2,047,130	69,605,129	2,212,613	74,529,120	7.1%	$33.68
Canada	256,796	32,819,301	268,676	35,336,388	313,624	43,030,602	21.8%	$137.20
Italy	624,584	32,181,091	750,902	34,394,359	811,870	37,232,509	8.3%	$45.86
Thailand	954,409	19,718,500	2,017,631	23,910,021	2,380,282	24,373,909	1.9%	$10.24
Slovenia	591,639	17,975,761	444,778	17,528,217	462,513	18,367,206	4.8%	$39.71
Indonesia	438,354	14,541,744	536,089	15,456,670	458,518	16,834,533	8.9%	$36.72
Spain	88,389	9,281,840	85,446	8,367,231	121,957	12,113,902	44.8%	$99.33
Mexico	94,065	3,668,384	102,530	4,005,084	147,100	5,634,152	40.7%	$38.30
Subtotal	15,017,635	$386,373,051	17,371,968	$421,976,568	18,657,325	$449,053,699	6.4%	$24.07
All Others	1,110,588	$40,019,948	1,066,563	$40,983,745	959,472	$43,605,543	6.4%	$45.45
-Egypt	8,980	744,846	6,846	653,513	5,843	661,750	1.3%	$113.26
TOTAL	**16,128,223**	**$426,392,999**	**18,438,531**	**$462,960,313**	**19,616,797**	**$492,659,242**	6.4%	$25.11

Source: U.S. Department of Commerce

2.16 U.S. Imports of Other Household Seats with Wooden Frames

9401.69.8010 OTHER HOUSEHOLD SEATS WITH WOODEN FRAMES								
	CY 1996		CY 1997		CY 1998		% Change	Average CIF
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value	1997-1998	Prices 1998
Malaysia	1,342,055	15,670,102	1,976,715	13,237,272	1,741,263	12,568,946	-5.0%	$7.22
China	616,288	8,254,749	1,790,542	10,135,435	1,360,176	11,771,725	16.1%	$8.65
Italy	181,164	8,753,667	160,849	8,422,492	302,510	9,678,693	14.9%	$31.99
Indonesia	102,050	6,614,192	117,655	8,167,936	140,025	8,515,128	4.3%	$60.81
Brazil	59,600	3,726,871	126,305	4,664,393	121,016	6,489,826	39.1%	$53.63
Thailand	187,084	3,477,568	308,881	2,933,797	135,077	2,720,210	-7.3%	$20.14
Canada	21,540	1,944,658	25,985	2,385,967	22,456	2,705,953	13.4%	$120.50
Mexico	16,570	970,766	27,208	1,302,145	29,298	1,999,746	53.6%	$68.26
Spain	7,332	627,936	5,864	569,486	37,573	1,087,865	91.0%	$28.95
Philippines	32,949	1,245,891	17,695	1,010,917	9,449	811,124	-19.8%	$85.84
Subtotal	2,566,632	$51,286,400	4,557,699	$52,829,840	3,898,843	$58,349,216	10.4%	$14.97
All Others	3,101,938	$11,885,082	1,579,664	$11,853,146	310,206	$9,072,973	-23.5%	$29.25
-Egypt	432	71,858	407	99,630	414	122,901	23.4%	$296.86
TOTAL	**5,668,570**	**$63,171,482**	**6,137,363**	**$64,682,986**	**4,209,049**	**$67,422,189**	**4.2%**	**$16.02**

Source: U.S. Department of Commerce

Table 2.17 U.S. Imports of Other Household Chairs of Teak with Wooden Frames

9401.69.4010 OTHER HOUSEHOLD CHAIRS OF TEAK WITH WOODEN FRAMES								
	CY 1996	CY 1996	CY 1997	CY 1997	CY 1998	CY 1998	% Change	Average CIF
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value	1997-1998	Prices 1998
Indonesia	28,208	3,464,024	85,378	8,414,853	112,239	11,075,588	31.6%	$98.68
Thailand	15,015	776,347	16,682	643,876	27,727	1,023,946	59.0%	$36.93
Subtotal	43,223	$4,240,371	102,060	$9,058,729	139,966	$12,099,534	33.6%	$86.45
All Others	36,680	$2,093,883	65,166	$1,978,504	39,232	$2,145,589	8.4%	$54.69
-Egypt					136	16,646		$122.40
TOTAL	**79,903**	**$6,334,254**	**167,226**	**$ 11,037,233**	**179,198**	**$14,245,123**	**29.1%**	**$79.49**

Source: U.S. Department of Commerce

Table 2.18 U.S. Imports of Household Bentwood Seats with Wooden Frames

9401.69.2010 HOUSEHOLD BENTWOOD SEATS WITH WOODEN FRAMES								
	CY 1996	CY 1996	CY 1997	CY 1997	CY 1998	CY 1998	% Change	Average CIF
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value	1997-1998	Prices 1998
Poland	110,786	2,729,787	103,742	2,865,799	144,495	3,833,351	33.8%	$26.53
Slovenia	69,223	2,451,972	80,799	2,870,216	97,385	3,647,358	27.1%	$37.45
Czech	58,593	987,189	49,232	895,695	91,180	1,719,413	92.0%	$18.86
Romania	15,822	303,094	10,166	200,513	50,736	1,036,385	416.9%	$20.43
Subtotal	254,424	$6,472,042	243,939	$6,832,223	383,796	$10,236,507	49.8%	$26.67
All Others	330,287	$7,408,297	371,199	$9,034,949	79,482	$3,084,196	-65.9%	$38.80
-Egypt	232	43,432			73	2,282		$31.26
TOTAL	**584,711**	**$13,880,339**	**615,138**	**$15,867,172**	**463,278**	**$13,320,703**	**-16.0%**	**$28.75**

Source: U.S. Department of Commerce

2.19 U.S. Imports of Furniture Used in the Kitchen

9403.40.9080 WOODEN FURNITURE USED IN THE KITCHEN

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value	% Change 1997-1998
Canada	11,985,280	13,048,929	17,567,677	34.6%
Thailand	8,893,021	14,442,223	15,875,004	9.9%
Malaysia	7,367,378	9,162,308	7,183,488	-21.6%
Mexico	3,180,138	5,380,865	6,452,125	19.9%
China	3,760,073	6,734,441	5,360,416	-20.4%
Italy	4,223,543	4,169,594	4,792,371	-44.1%
UK	1,992,026	2,476,021	2,330,597	-5.9%
France	1,875,273	1,109,401	1,541,646	39.0%
Indonesia	1,020,938	1,447,022	1,481,936	2.4%
Taiwan	2,501,101	1,547,148	1,234,388	-20.2%
Subtotal	$46,798,771	$59,517,952	$63,819,648	7.2%
All Others	$5,276,440	$5,185,330	$,713,333	10.2%
of which Egypt	38,561	69,143	46,807	-32.3%
TOTAL	**$52,075,211**	**$64,703,282**	**$69,532,981**	**7.5%**

Source: U.S. Department of Commerce

Table 2.20 U.S. Imports of Wooden Dining Tables Used in the Kitchen

9403.40.9040 WOODEN DINING TABLES USED IN THE KITCHEN

Country	CY 1996 Units	CY 1996 CIF Value	CY 1997 Units	CY 1997 CIF Value	CY 1998 Units	CY 1998 CIF Value	% Change 1997-1998	Average CIF Prices 1998
Malaysia	504,290	32,866,622	622,041	32,458,406	546,568	26,946,507	-17.0%	$49.30
China	76,949	4,821,683	151,071	8,281,538	230,501	12,358,533	49.2%	$53.62
Thailand	198,799	10,184,575	106,116	6,815,697	121,625	6,124,810	-10.1%	$50.36
Indonesia	17,055	1,634,973	27,153	2,538,625	59,711	3,658,378	44.1%	$61.27
Mexico	77,993	3,680,680	73,856	3,721,777	35,911	2,747,337	-26.2%	$76.50
Canada	10,468	1,291,280	13,454	2,107,933	12,949	2,432,799	15.4%	$187.88
Taiwan	114,081	8,252,667	87,206	6,111,669	32,102	2,222,767	-63.6%	$69.24
Italy	7,800	1,547,977	9,959	2,010,405	5,745	1,697,771	-15.6%	$295.52
Philippines	992	539,349	3,988	1,591,469	2,287	1,335,122	-16.1%	$583.79
Brazil	15,342	835,329	11,307	667,138	21,527	1,091,434	63.6%	$50.70
Subtotal	1,023,769	$65,655,135	1,106,151	$66,304,657	1,068,926	$60,615,458	-8.6%	$56.71
All Others	34,190	$4,380,313	36,927	$4,501,279	33,295	$4,085,664	-9.2%	$122.71
-Egypt	927	106,378	111	16,037	278	67,365	320.1%	$242.32
TOTAL	**1,057,959**	**$70,035,448**	**1,143,078**	**$70,805,936**	**1,102,221**	**$64,701,122**	**-8.6%**	**$58.70**

Source: U.S. Department of Commerce

Table 2.21 U.S. Imports of Wooden Dining Tables

9403.60.8040 Wooden Dining Tables

Country	CY 1996 Units	CY 1996 CIF Value	CY 1997 Units	CY 1997 CIF Value	CY 1998 Units	CY 1998 CIF Value	% Change 1997-1998	Average CIF Prices 1998
China	514,013	38,877,432	747,958	57,730,609	813,853	67,018,102	16.1%	$82.35
Malaysia	894,264	67,566,486	910,512	62,231,501	1,015,289	66,084,831	6.2%	$65.09
Taiwan	250,351	27,899,072	245,498	29,593,831	325,336	36,593,604	23.7%	$112.48
Italy	67,679	14,048,220	124,894	15,988,193	124,903	20,855,656	30.4%	$166.97
Canada	55,029	10,130,585	83,991	13,600,894	98,043	15,241,062	12.1%	$155.45
Thailand	153,547	11,636,765	172,041	12,494,742	206,404	12,530,903	0.3%	$60.71
Indonesia	56,728	5,137,867	55,134	5,951,833	72,662	7,178,881	20.6%	$98.80
Mexico	33,429	2,499,538	56,813	4,394,979	60,970	5,215,866	18.7%	$85.55
UK	9,633	2,672,444	10,563	3,072,345	7,936	3,228,925	5.1%	$406.87
Denmark	12,914	2,813,535	18,412	2,901,257	27,227	2,837,561	-2.2%	$104.22
Subtotal	2,047,587	$183,281,944	2,425,816	$207,960,184	2,752,623	$236,785,391		
All Others	162,438	$14,805,538	180,937	$17,063,138	164,979	$16,824,170	-1.4%	$101.98
-Egypt	2,812	311,114	2,555	424,621	1,991	381,812	-10.1%	$191.77
TOTAL	**2,210,025**	**$198,087,482**	**2,606,753**	**$225,023,322**	**2,917,602**	**$253,609,561**	**12.7%**	**$86.92**

Source: U.S. Department of Commerce

Table 2.22 U.S. Imports of Other Bentwood Furniture

9403.60.4000 OTHER BENTWOOD FURNITURE

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value	% Change 1997-1998
Mexico	356,759	887,456	1,192,762	34.4%
All Others	3,424,784	$4,760,973	$4,423,714	-7.1%
-Egypt		5,276	40,273	663.32%
TOTAL	**$3,781,543**	**$5,648,429**	**$5,616,476**	**-0.6%**

Source: U.S. Department of Commerce

Table 2.23 U.S. Imports of Wooden Cabinets Designed for Permanent Installation in the Kitchen

9403.40.9060 WOODEN CABINETS DESIGNED FOR PERMANENT INSTALLATION IN THE KITCHEN

	CY 1996	CY 1997	CY 1998	% Change
Country	CIF Value	CIF Value	CIF Value	1997-1998
Canada	190,420,950	248,438,319	291,458,832	17.3%
Germany	13,336,712	14,112,853	13,153,492	-6.8%
China	5,191,514	6,199,626	6,263,142	1.0%
Italy	5,297,022	4,093,008	5,542,486	35.4%
Mexico	5,846,429	5,270,680	4,969,852	-5.7%
UK	4,685,327	3,819,092	4,239,531	11.0%
Philippines	3,469	21,340	1,123,013	5162.5%
Subtotal	$224,781,423	$281,954,918	$326,750,348	15.9%
All Others	$2,213,373	$2,041,398	$2,614,824	28.1%
of which Egypt	11,629	5,746	5,431	-5.5%
TOTAL	**$226,994,796**	**$283,996,316**	**$329,365,172**	**16.0%**

Source: U.S. Department of Commerce

Table 24 U.S. Imports of Wooden Furniture Parts

9403.90.7000 WOODEN FURNITURE PARTS

	CY 1996	CY 1997	CY 1998	% Change
Country	CIF Value	CIF Value	CIF Value	1997-1998
Canada	79,760,730	91,153,194	120,426,983	32.1%
Mexico	29,308,521	45,028,452	51,204,707	13.7%
Taiwan	50,514,601	43,876,851	39,064,398	-11.0%
China	15,215,796	27,566,190	32,661,134	18.5%
Chile	7,095,595	12,627,422	15,727,757	24.6%
Italy	7,987,507	15,138,312	15,261,200	-1.1%
Indonesia	4,161,716	9,672,898	14,979,252	54.9%
Malaysia	12,969,797	9,642,953	11,339,140	17.6%
Sweden	9,375,081	8,821,827	7,823,749	-11.3%
Denmark	4,358,440	6,757,000	6,532,428	-3.3%
Subtotal	$220,747,784	$270,285,099	$315,020,748	16.6%
All Others	$38,568,264	$45,923,671	$43,142,349	-6.1%
of which Egypt	7,287	7,809	107,182	1272.5%
TOTAL	**$259,316,048**	**$316,208,770**	**$358,163,097**	**13.3%**

Source: U.S. Department of Commerce

2.25 U.S. Imports of Wooden Seat Parts

9401.90.4000 WOODEN SEAT PARTS

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value	% Change 1997-1998
Malaysia	15,899,719	15,943,889	17,578,885	10.3%
China	5,888,421	11,394,286	15,395,234	35.1%
Canada	9,510,756	12,610,685	12,493,049	-0.9%
Mexico	7,895,672	7,855,490	6,655,719	-15.3%
Italy	4,832,354	5,468,761	6,158,644	12.6%
Indonesia	2,021,006	4,217,226	5,327,027	-12.2%
Taiwan	4,150,574	4,963,781	3,704,432	-25.4%
Brazil	1,779,935	3,610,078	2,958,821	-18.0%
Thailand	5,018,526	3,461,491	2,668,718	-22.9%
Spain	2,379,755	2,328,534	2,343,618	0.6%
Subtotal	$59,376,718	$71,854,221	$75,284,147	4.8%
All Others	$11,038,884	$14,939,229	$15,556,688	4.1%
of which Egypt	41,174	19,686	12,770	-35.1%
TOTAL	**$70,415,602**	**$86,793,450**	**$90,840,835**	**4.7%**

Source: U.S. Department of Commerce

3.0 The U.S. Office Furniture Market

Shipments of office furniture by U.S. manufacturers increased an estimated 7.8 percent in 1998 to $12.35 billion (BIFMA International, 1999). Since 1992, U.S. manufacturers' shipments of office furniture have increased at an average annual rate of 8 percent. Recent growth in these shipments has been spurred by increases in sales of desks and desk extensions, tables, and storage files and units.

This growth is primarily attributed to the continued growth in the U.S. economy, and the economy's positive impact on corporate earnings and employment levels, particularly within small and medium-sized companies.

The largest U.S. office furniture retailer, Office Depot, estimates the retail office furniture market at $18 billion. Office Depot estimates that 25 percent of the total U.S. retail market is large company sales, with medium-sized companies accounting for 50 percent, and the small office/home office (SOHO) segment accounting for the remaining 25 percent. This retailer sees the medium-sized and SOHO market segments as the fastest growing, increasing about 9 percent annually. A significant part of this growth is due to the rising number of people getting paid for working at home, where RTA furniture sales are an important factor (SBI, 1998). Some estimates indicate that as many as 41 million Americans do at least some work at home.

3.1 U.S. Wooden Office Furniture Market

U.S. manufacturers' shipments of wooden office furniture are estimated to have reached $2.86 billion in 1998, accounting for 23 percent of total office furniture shipments.

The major segments with estimates of total U.S. manufacturers shipments in 1998 were:

Table 3.1 Major Segments of U.S. Wooden Office Furniture Segments

Product Segment	Estimated Shipment of U.S. Manufacturers (Millions of Dollars)
Wood Desks and Extensions	$ 829.3
Wood Seats	689.3
Wood Office Storage Units	652.1
Wood Panel Systems	378.8
Wood Office Tables	310.7
TOTAL	$2,860.2

Source: U.S. Department of Commerce; Specialists in Business Information

All of these wooden office furniture segments experienced good growth, with the largest increases registered by wood office panel systems, wooden chairs and seats, wood office tables and wood office desks and extensions.

The table below shows U.S. manufacturers sales for each product segment and office furniture types within each segment for 1996 and 1998, along with average prices.

Table 3.2 Value of U.S. Manufacturers Shipments of Wooden Office Furniture

Value of U.S. Manufacturers' Shipments of Wooden Office Furniture, By Product Type, 1996-1998						
	1996	1998	% Average	1996	1998	% Average
Product	Shipments	Shipments	Annual Change	Average	Average	Annual Change
	($	Millions)	1996-1998	Prices	Prices	1996-1998
Wood Seating						
Desk Chairs	$232.7	$282.8	10.8%	$232.86	$239.26	1.4%
Side & Arm Chairs	201.5	230.3	7.1%	172.59	173.73	0.3%
Lounge Seating	71.0	83.7	8.9%	478.44	457.88	-1.4%
Secretarial Chairs	42.5	51.9	11.1%	173.61	171.80	-0.5%
Stacking Chairs	12.3	16.8	18.3%	153.18	167.66	4.7%
Office Seating	11.0	11.9	4.1%	141.39	127.00	-5.1%
Tandem Seating	9.0	11.9	16.1%	231.96	225.66	-1.4%
Subtotal	580.0	689.3	9.4%			
Wood Desks & Extensions						
Desks	502.6	587.6	8.5%	466.28	513.05	5.0%
Desk Extensions	213.0	241.7	6.7%	306.10	330.58	4.0%
Subtotal	715.6	829.3	7.9%			
Wood Office Tables						
Work/Conference Tables	143.2	171.0	9.7%	297.16	316.61	3.3%
Equipment Supporting Tables	67.5	80.8	9.9%	133.93	144.83	4.1%
All Other Wood Office Tables	50.1	58.9	8.8%	165.18	159.84	-1.6%
Subtotal	260.8	310.7				
Wood Office Storage Units						
Wood Credenzas	206.1	238.6	7.9%	656.79	709.06	4.0%
Wood Storage Units	397.6	413.5	2.0%	291.75	322.61	5.3%
Subtotal	603.7	652.1	4.0%			
Wood Panel Systems						
Nonloadbearing Panels	10.7	11.7	4.7%	120.36	138.63	7.6%
Panel Support Systems	169.7	224.9	16.3%	160.70	198.76	11.8%
Work Surfaces	48.4	59.4	11.4%	178.27	221.72	12.2%
Filing & Storage (incl. Shelving)	80.3	82.8	1.6%	143.36	152.60	3.2%
Subtotal	309.1	378.8	11.3%			
TOTAL	**$2,469.2**	**$2,860.2**	**7.9%**			

Source: U.S. Department of Commerce; Specialists in Business Information

3.2 Distribution Trends in the U.S. Office Furniture Industry

The distribution of U.S. office furniture has undergone major changes in recent years with the consolidation of wholesale commercial and office furniture retailers into large national chains. With the shift toward lower cost and RTA furniture, there has been a corresponding shift toward a greater percentage of office furniture products moving through larger retail outlets like office superstores and warehouse clubs. This consolidation has increased the buying power of these chains, so they are able to purchase office furniture at lower price levels thereby giving them a competitive price advantage. These chains also offer their customers the design, delivery and installation services required (SBI, 1998).

Listed in the table below are the top six U.S. office furniture retailers and wholesalers.

Table 3.3 Top Six U.S. Office Furniture Retailers & Wholesalers

	Office Furniture Sales ($ Millions)		
Company	1995	1996	1997
1. Office Depot, Inc.	611.0	679.7	779.2
2. U.S. Office Products Co.	125.3[1]	445.0[1]	600.0[1]
3. Staples, Inc.	251.6	369.0	445.6
4. OfficeMax, Inc.	300.0	356.1	444.3
5. United Stationers, Inc.	262.7	344.7	383.7
6. Boise Cascade Office Products Corp.	121.1	158.8	337.6

[1] Estimate
Source: Company Financial Reports; Specialists in Business Information

3.3 U.S. Imports of Office Furniture

U.S. imports of commercial seating products and office furniture have increased dramatically this decade, increasing at an annual rate of 19.8 percent, to a level of $1.7 billion in 1998. Imports have been increasing at a much faster rate than shipments by U.S. office furniture manufacturers, thereby increasing the share of the U.S. office furniture market held by imported products. Canada is the major exporter supplying about 51 percent of total U.S. imports of office furniture and commercial seating products. Other major exporting countries are Taiwan, China, Italy, Mexico, Denmark and the United Kingdom.

3.4 U.S. Imports of Wooden Office Furniture

U.S. imports of wooden office furniture and commercial seating products soared 23.2 percent in 1998 to $661.5 million, on top of a similar dramatic 22 percent increase in 1997. Wooden office furniture imports in 1998 totaled $507.5 million, with the remaining $154 million in imports of commercial office seating products.

Table 3.5 below gives total U.S. imports of wooden office furniture and commercial seating products by category for the years 1996 through 1998.

3.4.1 Wooden Office Furniture

U.S. imports of wooden office furniture rose 28.6 percent in 1998 to $506 million. This category is dominated by Canada with shipments of $350.4 million in 1998, for an import market share of 69 percent. Other major suppliers are China (9.8%), Denmark (5.2%), and Mexico (4.7%). Shipments from Egypt rose almost 20 percent to $658,690, following an impressive 80 percent gain in 1997.

3.4.2 U.S. Imports of Wooden Commercial Seating Products

U.S. imports of all types of commercial seating products increased almost 9 percent in 1998 to $154 million.

Major categories within this import segment are listed in Table 3.4:

Table 3.4 Major Categories of U.S. Wooden Commercial Seating Product Imports

Product	Value of 1998 U.S. Imports ($ millions)
Other Wood Frame Chairs	$59.5
Other Upholstered Wood FrChairs	32.9
Other Seats with Wooden Frames	29.9
Other Upholstered Seats with Wooden Frames	14.3

3.4.3 Supporting Tabular Data

The tables below break out the imports of each of the above four commercial office seating products by major country of origin for the years 1996 through 1998, with average 1998 import prices and percentage changes in 1998 shipments compared to 1997. Egyptian shipments in all four categories fell in 1998.

Table 3.5 U.S. Imports of Wooden Office Furniture and Seating

	CIF Value			% Change
Type of Furniture	1996	1997	1998	1997-1998
Wooden Office Furniture	294,732,945	393,582,128	506,005,338	28.6%
Other Wood Frame Chairs	42,608,095	44,663,074	59,508,990	39.7%
Other Upholstered Wood Frame Chairs	31,095,202	34,045,706	32,915,918	-3.3%
Other Seats with Wooden Frames for				
Commercial Use	21,016,683	28,806,130	29,963,306	4.0%
Other Upholstered Seats with Wooden				
Frames for Commercial Use	33,346,107	19,778,197	14,308,659	-27.7%
Teak Chairs for Commercial Use	8,383,621	6,401,171	10,051,153	57.0%
Bentwood Seats for Commercial Use	7,345,200	6,642,781	5,394,710	-18.8%
Upholstered Teak Wooden Frame Chairs	879,987	1,180,344	1,864,702	58.0%
for Commercial Use				
Bentwood Office Furniture	617,932	1,768,899	1,499,253	-15.2%
TOTAL	**$440,025,772**	**$536,868,430**	**$661,512,029**	**23.2%**

Source: U.S. Department of Commerce

Table 3.6 U.S. Imports of Wooden Office Furniture

9403.30.8000 WOODEN OFFICE FURNITURE

	CY 1996	CY 1997	CY 1998	% Change
Country	CIF Value	CIF Value	CIF Value	1997-1998
Canada	198,280,150	278,666,693	350,359,691	25.7%
China	13,790,321	19,737,179	49,484,740	150.7%
Denmark	11,477,794	16,870,795	26,543,372	57.3%
Mexico	22,740,488	23,987,621	23,685,478	-1.3%
Italy	9,734,536	7,694,197	6,846,876	-11.0%
Taiwan	5,088,606	4,698,183	6,558,315	19.1%
Brazil	3,651,842	4,388,528	5,596,022	27.5%
Thailand	2,143,796	2,588,812	5,166,220	99.6%
France	3,562,952	4,510,927	4,459,497	-1.1%
Germany	6,619,146	11,083,852	4,067,677	-63.3%
Subtotal	$277,089,631	$374,226,787	$482,767,888	29.0%
All Others	$17,643,314	$19,355,341	$23,237,450	20.1%
of which Egypt	304,623	549,365	658,690	19.9%
TOTAL	**$294,732,945**	**$393,582,128**	**$506,005,338**	**28.6%**

Source: U.S. Department of Commerce

Table 3.7 U.S. Imports of Other Wooden Frame Chairs for Commercial Use

9401.69.6030 OTHER CHAIRS WITH WOODEN FRAMES FOR COMMERCIAL USE								
	CY 1996	CY 1996	CY 1997	CY 1997	CY 1998	CY 1998	% Change	Average CIF
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value	1997-1998	Prices 1998
Canada	149,031	8,991,720	164,685	11,320,772	256,040	18,023,425	59.2%	$70.39
Italy	182,810	8,336,500	132,615	6,734,398	231,723	9,240,580	37.2%	$39.88
Malaysia	369,733	6,253,407	488,640	6,866,280	725,305	9,205,221	34.1%	$12.69
China	166,375	2,810,692	141,703	2,740,186	199,547	4,008,038	46.3%	$20.09
Indonesia	90,727	1,972,796	68,253	1,950,606	107,290	3,170,399	62.5%	$29.55
Bulgaria	58,296	600,139	155,988	1,861,629	179,184	2,743,176	47.4%	$15.31
Mexico	18,142	932,704	29,270	1,581,505	29,559	2,299,799	45.4%	$77.80
Slovenia	56,492	1,941,312	59,164	2,427,144	49,404	1,854,323	-23.6%	$37.53
Thailand	40,574	839,934	24,093	925,688	112,421	1,241,950	34.2%	$11.05
Spain	11,528	1,264,759	16,232	1,647,745	11,363	1,210,396	-26.5%	$106.52
Subtotal	1,143,708	$33,943,963	1,280,643	$38,055,953	1,901,836	$52,997,307	39.3%	$27.87
All Others	234,938	$8,664,132	232,658	$6,607,121	209,387	$6,511,683	-1.4%	$31.10
-Egypt	212	30,546	1,030	102,160	920	72,250	-29.3%	$78.53
TOTAL	**1,378,646**	**$42,608,095**	**1,513,301**	**$44,663,074**	**2,111,223**	**$59,508,990**	**33.2%**	**$28.19**

Source: U.S. Department of Commerce

Table 3.8 U.S. Imports of Other Upholstered Chairs with Wooden Frames for Commercial Use

9401.61.4030 OTHER UPHOLSTERED CHAIRS WITH WOODEN FRAMES FOR COMMERCIAL USE								
	CY 1996		CY 1997		CY 1998		% Change	Average CIF
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value	1997-1998	Prices 1998
Canada	112,172	11,035,537	96,534	14,925,349	110,810	17,796,464	19.2%	$160.60
Italy	55,018	7,995,642	77,907	6,580,994	70,884	5,085,088	-22.7%	$71.74
Mexico	60,484	4,886,647	54,340	5,888,739	23,137	2,382,628	-59.5%	$102.98
China	34,222	915,958	41,852	1,129,654	32,016	1,206,302	6.8%	$37.68
France	6,140	458,520	6,926	711,690	6,271	1,029,853	44.7%	$164.22
Taiwan	33,316	596,180	34,426	747,136	157,446	1,027,106	37.5%	$6.52
Subtotal	301,352	$25,888,484	311,985	$29,983,562	400,564	$28,527,441	-4.9%	$71.22
All Others	116,348	$5,206,718	72,417	$4,062,144	91,995	$4,388,477	8.0%	$47.70
-Egypt	606	52,015	2,473	97,063	169	21,129	-78.2%	$125.02
TOTAL	**417,700**	**$31,095,202**	**384,402**	**$34,045,706**	**492,559**	**$32,915,918**	**-3.3%**	**$66.83**

Source: U.S. Department of Commerce

Table 3.9 U.S. Imports of Other Wooden Frame Seats for Commercial Use

9401.69.8030 OTHER SEATS WITH WOODEN FRAMES FOR COMMERCIAL USE								
	CY 1996	CY 1996	CY 1997	CY 1997	CY 1998	CY 1998	% Change	Average CIF
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value	1997-1998	Prices 1998
Canada	43,197	4,608,967	77,493	4,218,368	76,237	5,149,186	22.1%	$67.54
Malaysia	295,866	4,591,553	439,698	6,756,723	339,138	4,159,573	-38.4%	$12.27
Indonesia	31,064	1,323,332	39,684	2,223,258	54,992	3,537,774	59.1%	$64.33
China	248,271	2,506,662	371,699	5,326,545	184,689	3,219,529	-39.6%	$17.43
Italy	25,591	1,455,289	30,384	1,387,928	72,543	2,568,098	85.0%	$35.40
Brazil	476	5,524	22,405	93,281	34,312	2,190,410	2248.2%	$63.84
Thailand	41,732	693,264	443,484	1,546,938	269,759	2,013,745	30.2%	$7.46
Taiwan	32,109	797,927	52,923	1,339,092	66,402	1,674,422	25.0%	$25.22
Mexico	30,342	1,624,826	91,890	2,122,576	48,587	1,393,533	-34.3%	$28.68
Subtotal	748,648	$17,607,344	1,569,660	$25,014,709	1,146,659	$25,906,270	3.6%	$22.59
All Others	55,735	$3,409,339	79,700	$3,791,421	93,808	$4,057,036	7.0%	$43.25
-Egypt	10	3,518	942	94,118	232	59,717	-36.6%	$257.40
TOTAL	**804,383**	**$21,016,683**	**1,649,360**	**$28,806,130**	**1,240,467**	**$29,963,306**	**4.0%**	**$24.15**

Source: U.S. Department of Commerce

Table 3.10 U.S. Imports of Other Upholstered Seats with Wooden Frames for Commercial Use

9401.61.6030 OTHER UPHOLSTERED SEATS WITH WOODEN FRAMES FOR COMMERCIAL USE								
	CY 1996	CY 1996	CY 1997	CY 1997	CY 1998	CY 1998	% Change	Average CIF
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value	1997-1998	Prices 1998
Canada	20,553	2,793,238	28,814	3,413,999	114,659	6,324,035	85.2%	$55.16
Italy	57,857	25,427,672	34,141	10,503,583	10,248	2,766,765	-73.7%	$269.98
China	128,774	1,241,046	161,418	1,302,974	182,223	1,200,074	-7.9%	$6.59
Mexico	65,581	2,079,771	36,967	1,928,657	16,538	1,002,964	-48.0%	$60.65
Subtotal	272,765	$31,541,727	261,340	$17,149,213	323,668	$11,293,838	-34.1%	$34.89
All Others	59,111	$1,804,380	91,550	$2,628,984	90,2	$3,014,821	14.7%	$33.41
-Egypt	242	45,905	1,866	50,378	16	50,162	-0.4%	$3,135.13
TOTAL	**331,876**	**$33,346,107**	**352,890**	**$19,778,197**	**413,905**	**$14,308,659**	**-27.7%**	**$34.57**

Source: U.S. Department of Commerce

4.0 Egyptian Wooden Furniture Exports to the U.S.

The U.S. is the world's largest importer of wooden furniture products. As discussed in the above sections, U.S. imports of wooden furniture (household, commercial and parts) are growing very fast, increasing 20.8 percent in 1998 to $ 5.6 billion after rising 15.9 percent in 1997. U.S. imports of household furniture account for over 88 percent of this trade.

One of the most significant findings of this study is the fact that Egyptian exports of wooden furniture products are much higher than previously thought. By just referring to official Egyptian export statistics, one does not obtain a true picture of what is happening in this sector.

According to official Egyptian export statistics for wooden furniture products, shipments to the U.S. market totaled just over $3 million in 1998. According to official U.S. import statistics, however, Egyptian exports were over six times higher than that, and this trade has grown significantly over the past few years. In 1998, U.S. imports of all Egyptian wooden furniture products were almost $18.3 million. This trade was up a significant 24.2 percent, after registering a 12.5 percent increase in 1997.

The major product category exported by Egyptian manufacturers to the U.S. market falls within the segment of wooden wall units, entertainment centers, china cabinets, buffets and occasional tables. U.S. imports of Egyptian furniture products in this category totaled $13.2 million in 1998, an increase of almost 20 percent over the 1997 level.

The second most important category of Egyptian furniture exports to the U.S. market is wooden bedroom furniture, which increased over 146 percent in 1998 to $1.9 million.

Table 4.1 lists U.S. imports of all Egyptian furniture products (household, office and parts), by major product category, over the 1996 to 1998 period.

Table 4.1 U.S. Imports of Egyptian Furniture Products

	CIF Value			% Change
Type of Furniture	1996	1997	1998	1997-1998
Wooden Wall Units, Entertainment Centers, China Cabinets, Buffets, & Occasional Tables	9,663,809	11,046,765	13,226,625	19.7%
Wooden Furniture Used in the Bedroom	870,919	764,104	1,883,093	146.4%
Household Chairs with Wooden Frames	744,846	653,513	661,750	1.3%
Wooden Office Furniture	304,623	549,365	658,690	19.9%
Upholstered Household Chairs with Wooden Frames	495,591	494,702	427,448	-13.6%
Wooden Dining Tables	311,114	424,621	381,812	-10.1%
Upholstered Household Seats with Wooden Frames	180,742	128,733	220,852	71.6%
Upholstered Household Chairs of Teak with Wooden Frames	8,506	4,577	137,582	2905.9%
Other Household Seats with Wooden Frames	71,858	99,630	122,901	23.4%
Wooden Furniture Parts	7,287	7,809	107,182	1272.5%
Other Wooden Frame Chairs for Commercial Use	30,546	102,160	72,250	-29.3%
Wooden Dining Tables Used in the Kitchen	106,378	16,037	67,365	320.1%
Other Seats with Wooden Frames for Commercial Use	3,518	94,118	59,717	-36.6%
Other Upholstered Seats with Wooden Frames for Commercial Use	45,905	50,378	50,162	-0.4%
Wooden Furniture Used in the Kitchen	38,561	69,143	46,807	-32.3%
Other Bentwood Furniture		5,276	40,273	663.3%
Wooden Beds Used in the Bedroom	30,015	55,878	37,831	-32.3%
Other Upholstered Wooden Frame Chairs for Commercial Use	52,015	97,063	21,129	-78.2%
Other Household Chairs of Teak with Wooden Frames	0	0	16,646	
Wooden Seat Parts	41,174	19,686	12,770	-35.1%
Wooden Cabinets Designed for Permanent Installation in the Kitchen	11,629	5,746	5,431	-5.5%
Household Bentwood Seats with Wooden Frames	43,432	0	2,282	
Bentwood Office Furniture	0	11,570	0	
Bentwood Furniture Used in the Bedroom	10,553	0	0	
TOTAL	**$13,073,021**	**$14,700,874**	**$18,260,598**	**24.2%**

Source: U.S. Department of Commerce

5.0 Outlook for the U.S. Household Furniture Market

Total U.S. retail home furnishings sales were a record $57.8 billion in 1998, and the American Furniture Manufacturers Association (AFMA) is forecasting that consumer spending on household furniture will increase another 3 to 4 percent in 1999, setting another record level of approximately $60 billion this year.

Growth sub-sectors within the U.S. household furniture market are:

1. Wooden Entertainment Centers: The segment of the U.S. household furniture market which has enjoyed the highest growth over the past few years has been the wood television, radio, stereo and combination units, or entertainment centers. U.S. manufacturers' sales in this segment have soared at a healthy average annual rate of almost 12 percent over the 1992-1998 period. Consumers trading up to larger television sets are driving the sales in this category.

2. Wooden Bedroom Furniture: U.S. manufacturers' sales of bedroom furniture have increased at an average annual rate over 6 percent during the 1992 to 1998 period. Growth in this segment is being fueled by the recent trend of American consumers indulging themselves with more expensive bedroom furniture, and the rising number of bedrooms in new single-family homes.

3. Upholstered Furniture: Upholstered furniture is another growth segment of the U.S. household furniture market, with manufacturers' sales increasing at an average rate of over 5 percent over the 1987 to 1998 period. Upholstered furniture sales, usually for use in living and family rooms, are being influenced by the trend towards a more casual living style.

4. RTA Furniture: Sales of ready-to assemble (RTA) furniture have also experienced substantial growth over the last 15 years. Recently, many U.S. furniture manufacturers have started to produce upholstered flat-packed RTA furniture, which has the potential for increased sales in years to come.

All of the above segments of the U.S. household furniture market are projected to continue to experience good growth over the next couple of years.

5.1 Outlook for U.S. Household Furniture Imports

Imports of household furniture have increased by about 10 percent per year since 1994, and are now in excess of $5 billion annually, accounting for around 17 percent of total estimated U.S. household furniture consumption, and this share continues to increase.

U.S. imports of wooden, including upholstered, household furniture have risen at an average annual rate of almost 15 percent over the 1994 to 1998 period. In fact, imports have been rising at an increasing rate over this five-year period and surged 20.5 percent in 1998 to almost $5 billion.

The largest segment of these imports, and one of the fastest growing with an annual average increase of almost 17 percent over the 1994-1998 period, is the category of *wooden wall units, entertainment centers, china cabinets, buffets and occasional tables*. Imports of these wood furniture products surged 27.5 percent in 1998 to over $2.2 billion. This parallels the increase in U.S. manufacturers' sales of entertainment centers, fueled by increased popularity and consumer demand.

The second largest segment of household furniture imports is *wooden furniture used in bedrooms*. This grouping has also experienced a very healthy average annual growth rate of 17.7 percent over the 1994 to 1998 period. In 1998, imports of wooden bedroom furniture increased 22.3 percent to over $705 million.

The third largest import category is *upholstered seats with wooden frames*, which also experienced a rapid average annual growth rate 21.4 percent over the 1994 to 1998 period. Imports of this category rose 19 percent in 1998 to over $508 million.

U.S. imports of *household chairs with wooden frames* also continued its growth in 1998, increasing 6.4 percent to almost $493 million. This exceeded the average annual growth rate of 4.9 percent over the 1994 to 1998 period.

The U.S. also is a large import market for *wooden furniture parts and wooden seat parts*. Imports of wooden furniture parts increased 13 percent to $35million. U.S. imports of wooden parts for seats totaled $90.8 million in 1998, an increase of almost 5 percent over the 1997 level.

Imports of these wooden household furniture products are projected to continue to experience good growth rates, in line with the boom in U.S. home furnishings sales and a continued projected increase in the share of the these sales supplied by imports.

6.0 Outlook for the U.S. Office Furniture Market

Shipments of office furniture by U.S. manufacturers increased an estimated 7.8 percent in 1998 to $12.35 billion (BIFMA International). Since 1992, U.S. manufacturers' shipments of office furniture have increased at an average annual rate of 8 percent. This growth experienced in the U.S. office furniture market since 1992 is expected to continue as long as the U.S. economy continues to expand, and corporate earnings and employment levels continue to rise. Much of the growth in the U.S. economy is occurring in small and medium-sized companies. The home office/telecommuting trend will also continue to have an impact on the office furniture market. Therefore, it is expected that the medium-sized and SOHO market segments will continue to be the fastest growing.

U.S. manufacturers' shipments of wooden office furniture are estimated to have reached $2.86 billion in 1998, and have increased at an average annual rate of almost 8 percent since 1996. Wooden office furniture now accounts for 23 percent of total office furniture shipments (SBI, 1998).

6.1 Outlook for U.S. Office Furniture Imports

U.S. imports of wooden office furniture rose 28.6 percent in 1998 to $506 million. This follows an increase of 33.5 percent in U.S. imports of wooden office furniture in 1997.

The share of wooden office furniture imports compared with total U.S. wooden office furniture sales therefore continues to increase. In 1996, imports of wooden office furniture compared to U.S. manufacturers' shipments shows an imported market share of 17.8 percent. In 1998, this imported market share increased dramatically to 23.1 percent.

Imports of wooden office furniture products are projected to continue to experience good growth rates, in line with the continued growth in the U.S. economy and corporate earnings, as well as a continued projected increase in the share of the total U.S. wooden office furniture sales supplied by imports.

7.0 Outlook for Egyptian Wooden Furniture Exports to the U.S.

In 1998, U.S. imports of all Egyptian wooden furniture products were almost $18.3 million. This trade was up a significant 24.2 percent, after registering a 12.5 percent increase in 1997.

The major product category exported by Egyptian manufacturers to the U.S. market falls within the segment of wooden wall units, entertainment centers, china cabinets, buffets and occasional tables. U.S. imports of Egyptian furniture products in this category totaled $13.2 million in 1998, an increase of almost 20 percent over the 1997 level. The second most important category of Egyptian furniture exports to the U.S. market is wooden bedroom furniture, which increased over 146 percent in 1998 to $1.9 million.

Based upon the results of this study, it is believed that the following Egyptian wooden furniture products have good potential for expanding exports to the large and growing U.S. market.

- wooden wall units, entertainment centers, china cabinets, buffets and occasional tables

  It is believed that most of the Egyptian exports in this category are occasional tables. As recommended below, further research should be conducted to determine the potential for Egyptian exports of higher-priced entertainment centers, which is the fastest growing segment of the U.S. household furniture sector

- wooden bedroom furniture

- wooden household chairs and seats, including upholstered

- wooden office furniture

- wooden furniture parts and wooden seating parts

In addition to the above-mentioned furniture products, Egyptian manufacturers may be able to focus on exporting other items that utilize a “capability” to produce “new and different” products, such as hand-carved furniture products. In speaking with U.S. furniture manufacturers involved in importing, we learned that the Egyptian furniture industry also has the potential of being successful in exporting products that are different, which could be added to the current product lines of U.S. manufacturers. In addition, some U.S. manufacturers indicated that they would be interested in having international sources produce their labor intensive product lines.

It should be realized, however, that this projected potential will only be fully realized when a concerted industry/government effort is undertaken on the policy, industry and firm levels to address the following:

- Intensify current efforts on the part of Egyptian manufacturers to produce at more competitive prices the quality (including finishing) and styles (including fabrics) that can meet the requirements of the U.S. market, as well as additional efforts to:

  - Promote understanding and adoption of up-to-date production technology and management techniques

  - Increase efficiencies in production support functions by providing assistance in the areas of plant layout and stock control

  - Promote industry-wide understanding of financial management

- Address the lack of market information through targeted research efforts to identify the potential for specific Egyptian furniture products, and the best methods to realize this potential, including the potential for higher-priced, hand-carved products

- Development and implementation of a proactive strategic marketing plan to spearhead the drive to increase Egyptian furniture exports to the large and growing U.S. market

- Improve the current duty drawback system for imported inputs used in furniture production, primarily wood, that are exported. The current system is not functioning properly for most Egyptian furniture exporters, and only serves to increase their costs, making them less competitive on world markets. Almost all Egyptian furniture exporters the team visited complained of excessive paperwork, cumbersome bureaucratic procedures, and dissatisfaction with the ability, or even interest, of customs employees in processing any import tax rebate claims. One furniture exporter relayed his experience with the system by claiming that the responsible customs official did not believe that his company had exported at all, even though all necessary documentation had been presented including the export bill of lading, and instead penalized the exporter by claiming that he owed the additional VAT assessed on domestic production, and assessing the company penalties for not having paid already. Needless to say, this company now no longer bothers to tackle the burdensome system of import tax rebates. This was the general view of almost all Egyptian furniture manufacturers who are currently exporting, and they do not even attempt to use the current unworkable system.

The Egyptian furniture industry and the Egyptian government need to work hand-in-hand in a cooperative private/public sector partnership to expand exports of this sector. Beyond the policy role of reviewing the current duty drawback system and other policy recommendations of this study, the Egyptian Government, through the Egyptian Export Promotion Center (EEPC), can greatly assist Egyptian furniture exporters through assistance in reducing the export start up costs of breaking into, or expanding sales, in foreign markets. Ways that the EEPC can assist in this regard are elaborated in the following section.

8.0 Recommended Marketing Initiatives

With the revelation that Egyptian furniture exports to the U.S. market are six times higher than previously thought, combined with the fact that this trade has been increasing significantly over the past couple of years, it seems appropriate that a fresh look and a new approach needs to be considered for this sector.

It is believed that there exists good potential for increasing Egyptian furniture exports to the huge U.S. market, particularly for the products highlighted above, if proppolicy initiatives and marketing activities are devised and implemented in line with a strong commitment of Egyptian furniture manufacturers to meet the requirements of the market with more competitive prices.

In order to achieve the potential for increasing Egyptian exports to the U.S. market, it must be realized that a number of major constraints need to be addressed. These constraints are:

- Lack of awareness of U.S. market requirements (particularly design and finishing), distribution, pricing, competition, trends and preferences
- Lack of understanding of how to price products competitively on the U.S. market
- Lack of understanding of potential returns to increasing the value-added portion of furniture finishing in Egypt, e.g., unfinished to semi-finished; semi-finished to finished
- Lack of trade contacts
- Poor image
- Potential problems in meeting delivery times, e.g., a small U.S. order is a large order for Egyptian exporters
- Export packing
- Lack of any export marketing plan

If a market competition strategy of exporting more furniture to the U.S. is to be successful, Egypt’s furniture industry must first reform by reducing costs and initiating quality control, improving design, updating management and increasing marketing and sales effectiveness.

Egyptian furniture manufacturers appear to have made strides recently in making improvements that will help them in meeting the requirements of the U.S. market. They must continue to follow and adopt advancements in furniture production. In today's ultra-competitive retail environment, manufacturers cannot afford to just “tread water” when it comes to product quality, price and marketing. Although some factories have now installed drying equipment to bring the moisture content of imported lumber down to the necessary level for furniture production, most are still dependent on the quality of local supplies of wood. Those companies that purchase wood off the market should check every board with a hand-held moisture meter upon delivery to ensure the required moisture content.

In addition, only a small number of factories visited have improved their finishing techniques by sending staff to the U.S. for training and setting up controlled atmosphere finishing rooms with dust removal air filtration systems. Industry-wide utilization of these techniques is required for a sustained export promotion program.

Egyptian contacts with the U.S. furniture trade now need to be intensively developed and cultivated. The best way to initiate this is to actually go to the U.S. and meet with furniture trade contacts there to find potential business partners, and to learn more about the trends and requirements of the large U.S. furniture market. We met with many Egyptian manufacturers who were interested in the potential for exporting to the U.S., but had never taken the initiative to go there. It is vitally important for any Egyptian furniture manufacturer seriously considering exporting to the U.S. to actually travel there to see first-hand the current market situation and personally meet with potential new business contacts.

Trade Mission to the Fall International Home Furnishings Market

It is recommended that the Egyptian Export Promotion Center (EEPC) organize a trade mission to the U.S. during the time of the Fall International Home Furnishings Market, commonly known as the High Point Fair, that will take place October 14-20, 1999 in High Point, North Carolina. This is the world's largest furniture trade fair, held twice a year in April and October. It is attended by all segments of the U.S. furniture industry as well as participants and exhibitors from 106 countries.

The April 1999 High Point Fair continued to register increased attendance, including international participation, and solid sales levels. The spring trade fair attracted more than 74,500 manufacturers, sales representatives, home furnishings buyers, interior designers, suppliers and news media. More than 90 percent of the buying power in the U.S. home furnishings industry attends this major event.

We understand that EEPC has already acted upon this recommendation, and has changed its initial plans for a multi-sector September trade mission to the U.S. to be comprised of representatives of the furniture, ceramic and handicraft industries, to be instead limited to a furniture only trade mission to attend the Fall High Point Fair, as well as meetings in New York and Washington, D.C.

This is a positive step in the right direction, and the EEPC is to be complimented for acting so quickly on the team's recommendation in this regard.

In order to make this important trade mission as successful as possible we recommend that the Egyptian delegation include those manufacturers who are already exporting on a continuous basis to the U.S. market, as well as those that have the best potential to begin exporting on a continuing basis. Furthermore, it must be emphasized that communications in the U.S. must be made by well-informed professionals, so a delegation leader should be selected for his intimate knowledge and understanding of the industry and a strong English-language capability.

The U.S. is the world's largest furniture market, and for the most part, Egyptian furniture manufacturers are new to this market and are still in the learning stage. As such, the first mission of the Egyptian manufacturers delegation to this fair should be focused on exploring the possibilities and gaining experience in the U.S. marketplace.

We also highly recommend that DEPRA consider a follow-up phase of assistance to the EEPC for this trade mission to allow for support to the EEPC in working with a representative(s) in the U.S. to assist in making preparations for this important trade mission, and in arranging for constructive meetings during their visit. This need was highlighted by discussions with past Egyptian furniture industry participants in similar trade missions in the past, as well the team's own contact with the commercial representative offices in New York and Washington, D.C. In reviewing their lists of furniture trade contacts, most of the information provided was either incorrect or outdated.

This additional support phase should also begin immediately since it will be very difficult to meet important new U.S. furniture trade contacts during such a large international show unless arrangements are made well in advance. Otherwise, this trade team visit will not be nearly as informative and productive as it needs to be.

The EEPC should also note that the list of members of this furniture industry trade team to the U.S. needs to be finalized ***before September 13*** *in order to meet the registration deadlines for participation and hotel accommodations for visiting the Fall High Point Fair. Copies of the appropriate registration forms received from the High Point Fair authorities have been provided to the EEPC.*

We also recommend that the trade team arrange for trade visits immediately prior to, and/or right after the show to maximize their exposure to the U.S furniture industry.

If this October trade mission to the High Point Fair proves to be successful, a follow-up visit should be made to the Spring High Point Fair in April 2000. Consideration could also be given to an Egyptian furniture exhibit in the future, provided it is properly and professionally planned with participants who have been well-informed of the U.S. market requirements and who are in a position to supply quality furniture products that can compete.

Raising the Image and Visibility of Egyptian Furniture

The number one goal of Egyptian furniture manufacturers must be to build and maintain a quality reputation and effectively inform the U.S. market of their efforts in this regard. It is vitally important that the Egyptian furniture industry take the necessary steps to improve their image and raise their visibility on the U.S. and other export markets. The industry needs to put their "best foot forward", and initial export marketing efforts should concentrate on those companies that have proven they are capable, or are willing to take the required steps to make themselves capable, of producing quality furniture that can effectively compete in the U.S. market. This nucleus of companies can be expanded over time as those companies in need of more technical assistance are helped to overcome problems in meeting U.S. market requirements.

In addition to making arrangements for a successful trade mission to the U.S. in October, it is recommended that the EEPC and Egyptian furniture manufacturers undertake a number of specific initiatives to raise the image and visibility of Egyptian furniture on the U.S. market.

Trade Brochures

It is recommended that a world class brochure on the Egyptian furniture industry be developed for use in the U.S. market. This brochure should be professionally developed with world class text, graphics and photographs to educate the U.S. trade about the Egyptian furniture industry, its products and capabilities, including the skills of its artisans, and highlighting the emphasis of Egyptian furniture manufacturers on increasing exports.

It should include as an insert a listing of Egyptian furniture manufacturers who have proven they are able and willing to make the commitment to meet the demands and requirements of increasing exports to the U.S. market. This list can be easily and economically updated as additional companies are added to the list. Brochures should present the Egyptian furniture industry's product lines and capabilities in a fashion that compels the reader to want to see more, and should include specifications, capacities, price list and approximate shipping costs. The brochure should contain attractive photos, informative text and references. It is recommended that this trade brochure be maintained in a binder format for easy update and client targeting.

A number of Egyptian furniture manufacturers visited by the team had already taken the initiative to produce English-language company brochures. This is a positive step in the right direction. We recommend, however, that those companies with the greatest export potential be given professional marketing assistance to assist them in producing world class company brochures, catalogs, and marketing/sales collaterals that will make positive impressions on the U.S. furniture trade.

It must be remembered that these trade materials will provide the U.S. trade in many cases with their first direct contact with the Egyptian furniture industry and its manufacturers, and that these materials will be instrumental in persuading U.S. buyers to further investigate the possibility of importing from Egypt. Few importers are willing to meet with exporters if they don't see something in their introduction material that interests them. It is therefore extremely important that these materials be produced in a manner which compels the importer to want to know more. Only professionally produced, world class quality materials will serve to assist Egyptian furniture exporters in establishing and expanding their trade contacts on the U.S. market.

Industry World Wide Website

Another important marketing tool recommended for the Egyptian furniture industry is to develop a professional world class website. A number of major exporting countries that are competing on the U.S. market have developed and promoted industry websites. These countries include those in Asia that are members of the Council of Asian Pacific Furniture Associations (CAPFA), the British Furniture Manufacturers (BFM) in the United Kingdom, the Quebec Furniture Manufacturers Association (QFMA) in Canada, as well as furniture associations in Denmark, and Sweden.

Like the trade brochures, the furniture industry website should be professionally developed with world class text, graphics and photographs. It should include overall information on the industry, its products and capabilities, including the skills of its artisans, a list of qualified Egyptian exporters, and highlight the emphasis of Egyptian furniture manufacturers on increasing exports.

It should also include links to the websites of Egyptian exporters. A number of Egyptian manufacturers now have their own websites to promote their furniture products. It is also recommended that assistance be given to those exporters listed in the Egyptian furniture industry website to help them develop world class websites that will portray their company and its products in a highly professional manner.

The Egyptian website should also provide links to the many important international furniture industry sites on the web. These links can provide industry members with important information on the world furniture market to assist them in staying abreast with current trends and developments. This Web site should also provide Egyptian furniture industry members with information on furniture import statistics in major export markets, like the U.S., Germany, France, the United Kingdom, and selected Gulf countries, as well as access to major foreign market studies, market research reports, and other relevant industry trade information.

It is also recommended the EEPC incorporate a new trade lead system into this Egyptian furniture industry Web site. This will be of great assistance to the Egyptian furniture industry in its effort to promote the exports of its furniture products around the world when the international furniture industry moves more towards electronic sourcing on the Internet. Egyptian furniture exporters could also use this to advertise their search for new importers and distributors of their products in major export markets.

A sample trade lead form that could be incorporated into the Egyptian furniture industry Web site for the use of potential interested buyers of Egyptian furniture products is included on the following page of this report.

This new Egyptian furniture industry Web site, and the new trade lead system, should be publicized to the U.S. furniture industry through a professionally prepared trade press release distributed to the major U.S. furniture trade industry publications.

Establish a Representative Office in the U.S.

It is also strongly recommended that a pro-active approach to promoting Egyptian furniture exports be taken through the establishment of a representative office in the U.S. A market study should be undertaken to determine the optimal location for such an office subsequent to establishing the office charter and prior to establishing the office. This office should be established in close coordination and cooperation with marketing firms currently participating in the furniture industry in the U.S. The general activities in which the office would be involved are suggested below:

- *Liaison with U.S. Furniture Industry*

This office would greatly increase the visibility of the Egyptian furniture industry and serve as an initial point of contact for the U.S. furniture industry to help increase the awareness of the potential for increasing Egyptian furniture exports to the world's largest market.

It would maintain constant contact with the U.S. furniture industry and cultivate sound working relationships with buyers, retailers, major trade press, major furniture industry centers (design centers, etc.), relevant U.S. trade associations, like the American Furniture Manufacturers Association, and major industry trade show event organizers, like the International Home Furnishings Market that organizes the High Point Fair twice a year.

This office could also assist in arranging and organizing the schedule of furniture industry trade missions to the U.S., like the one scheduled in October 1999, to ensure that these missions are successful in expanding and cultivating business contacts to the maximum degree possible.

Furthermore, this office can greatly assist in organizing and publicizing future Egyptian participation and exhibitions at the High Point Fair, as well as other major trade events.

- *Trade Press and Publicity Initiatives*

Another important function of this representative U.S. office would be to engage actively in marketing activities to promote increased awareness of the Egyptian furniture industry, its exporting companies, and new industry initiatives to increase exports to the U.S. market. The office should also include a show room which displays sample products of Egyptian Furniture

These initiatives would include such marketing activities as the preparation and dissemination of trade press releases to major U.S. trade publications, highlighting such subjects as the recommended new Egyptian furniture industry Web site, the recommended new Egyptian furniture industry trade brochure, Egyptian furniture industry trade missions, increases in Egyptian furniture exports, etc.

- *Market Information*

This office would also gather detailed information on the U.S. market, current trends and preferences, recent developments in the U.S. furniture industry, and lists of U.S. furniture buyers by type (wholesaler, retailer, manufacturer, etc.) and product categories for dissemination to Egyptian furniture exporters.

SAMPLE TRADE LEAD FORM

Thank you for your inquiry regarding Egyptian furniture exports. We will inform our exporters about your company's request immediately upon completion of this form.

Exporting Companies Cannot Assist You Unless This Form is Complete

1. **Contact (Name/Title/Business/Country/Address/Phone/Fax/E-Mail Address)**

____

____

2. **Type of Buyer (Examples: Manufacturer, Broker, Wholesaler, Retailer, etc.)**

____

3. **Quantity (Specific requirements)**

____

____

4. **Specifications (Specific dimensions, quality, finishing, style and design characteristics)**

____

____

____

5. **Shipment Details (FOB, CIF; port(s) of shipment/destination; etc.)**

____

6. **Date bids due and delivery (shipment) period**

____

7. **Method of Payment**

____

8. **Bank References (Bank, contact name/phone/fax/e-mail address)**

1)____

2)____

3)____

THIS DOCUMENT IS NOT A CONTRACT. THE EGYPTIAN EXPORT PROMOTION CENTER (EEPC) IS NOT RESPONSIBLE OR LIABLE FOR ANY COMMITMENTS OR AGREEMENTS TO FURNITURE PROCUREMENT RESULTING FROM THIS INQUIRY.

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- *Market Research*

Since the sub-sectors identified previously are indications of export potential, further in-depth targeted research is recommended to identify specific wooden furniture products within each sub-sector to assist Egyptian furniture exporters and any industry promotion efforts. It is also highly recommended that targeted market research be undertaken by this office to obtain more detailed information on:

- more specific details on Egyptian furniture products currently being distributed on the U.S. market and information on how these products are being received by the U.S. furniture trade and U.S. consumers

- existing distribution channels for Egyptian furniture

- information on Egyptian furniture products which may have the best potential for increased sales on the U.S. market

- details and insights into the competitive position of Egyptian furniture products, as well as major competing products and price levels

- assess the potential for higher-priced, handcrafted furniture and seating products, the best distribution channels and products, as well as recommended marketing initiatives to maximize potential opportunities for increased Egyptian exports

- assess the potential for RTA furniture within both the household sector and the SOHO markets, the best distribution channels and products, as well as recommended marketing initiatives to maximize potential opportunities for increased Egyptian exports

- assess the potential for wooden office furniture (including RTA office furniture for the SOHO market), the best distribution channels and products, as well as recommended marketing initiatives to maximize potential opportunities for increased Egyptian exports

- investigate the added returns to Egyptian manufacturers of upgrading their capabilities to supply finished furniture products compared to unfinished or semi-finished

- assess the most appropriate target audiences and how best to position Egyptian furniture products which have the potential for increased exports

Development and Implementation of Strategic Marketing Plan

The recommended representative U.S. office would also be absolutely essential in developing, and subsequently implementing, a strategic marketing plan for the Egyptian furniture industry to launch major new marketing initiatives to promote increased sales of Egyptian furniture products on the U.S. market.

This strategic marketing plan should be based on the results of targeted market research, and the recommendations of key U.S. furniture trade contacts, with input from Egyptian furniture exporters and the EEPC.

A key element of this strategic marketing plan should incorporate key new marketing initiatives to address the major challenge of maximizing the potential for increased Egyptian exports of higher-priced, handcrafted furniture and seating products.

Market Intelligence Mission to the Far East

Gaining an understanding of the profile of the competition is a crucial element in the design and implementation of an effective marketing strategy. The study of the U.S. furniture market has revealed that the most significant competition Egypt will face in exporting to the U.S. will be that of the Asian furniture exporters. As such, a trade mission to Asia focusing on the gathering and compiling of market intelligence data is recommended. The objective of the mission would be to gain an understanding of the competition through the collection of information on the production and pricing techniques of the Asian furniture industry. A specific focus should be placed on China.

8.1 Other Recommended Initiatives

We recommend that *the current duty drawback system for exporters be improved*. As discussed previously, the current system is not working at all for furniture exporters, and only serves as a government revenue generator which affects the competitiveness of the Egyptian furniture industry on world markets and negatively impacts on their potential for increasing exports. One possible consideration is to make the city of Damietta a duty free zone, where furniture manufacturers would only have to deal with duties and taxes on those items sold on the local market.

We also recommend that the industry establish an *Egyptian Furniture Manufacturers Association (EFMA)*. The EFMA should be a private, self-regulating body which is responsible for establishing and verifying compliance with standards that govern all aspects of the furniture industry, such as inputs, design, production and quality. EFMA certification of a company's' adherence to these standards will serve to communicate to the global markets a commitment to quality. EFMA could also be the organization to focus on strengthening all segments of the Egyptian furniture industry value chain (material selection, design, production, finishing and marketing). Specifically EFMA could:

- Infuse formal training into the Egyptian furniture industry by making available long term courses and short term seminars in technical, management and marketing areas

- Establish and maintain industry channels to facilitate the process by which furniture manufacturers can work closely with their international counterparts and technicians representing suppliers of production equipment and input products

    - Sending operators to get training on new equipment

    - Design institute exchange program

  - Furniture manufacturers exchange program

- Establish and maintain a technical library which contains current technical and market information. This library should be maintained both in electronic and hard copy format and presented in a format easily usable by participants in the industry.

- Promote understanding and adoption of up-to-date production technology and management techniques. An industry-wide embrace of new and improved equipment will help companies advance in product quality, material yields and reduction of product rejections

- Promote use of in-process quality control to ensure parts are rejected prior to becoming part of the exported final product

- Increase efficiencies in production support functions by providing assistance in the areas of plant layout and stock control

- Promote industry-wide understanding of financial management

  - Disciplined use of cost accounting methods to facilitate correct allocation of costs and promote understanding where profits are being made and lost

  - Promote use of forecasting methods to reduce inventory carrying costs while ensuring timely delivery

- Assist in making available low cost financing

- Promote industry awareness of international contracting requirements and implications

- Spearhead the industry's international export promotion activities

In an effort to draw on the strengths of current organizations and avoid duplication, it is recommended the charter of the EFMA be reviewed against the charters of all other organizations involved with the furniture industry prior to establishing the EFMA. These organizations include: 1) The High Council of Furniture; 2) Chamber of Industrial Production for Furniture; and 3) Wood Workers Chamber; and 4) The Cooperative Production for Small and Medium Producers.

A number of other key initiatives are recommended to *increase Egyptian furniture contacts with major international industry groups* that can provide valuable assistance to Egyptian exporters, and the entire industry, in its effort to increase exports worldwide. These initiatives could be spearheaded by the EEPC, or the recommended Egyptian Furniture Manufacturers Association (EFMA), to the benefit of the Egyptian furniture industry. The possibility of financing these initiatives by USAID, or other donor organizations should also be investigated.

As recommended in a previous furniture export assessment study done for the ExpoLink/Egyptian Exporters Association, we endorse the idea of establishing programs with the internationally-renown Kendal School of Design in Grand Rapids, Michigan, and the Furniture Manufacturing and Management Program at North Carolina State University (Dossenbach Associates, 1998). These institutions could provide extremely valuable technical assistance to the Egyptian furniture industry in upgrading its capabilities to become a major world producer and exporter of high-quality furniture products.

In the same vein, it is recommended that links be established with major U.S. sources of finishing techniques and materials in order to establish an industry program that can educate Egyptian management and train workers in this important area. We understand from our visits with Egyptian furniture manufacturers that at least one major company has previously offered to conduct such training programs, and even offered initial finishing materials free of charge to individual companies.

Lastly, we recommend that the EEPC, and/or the recommended EFMA, explore the benefits of closer cooperation and membership with the Centro Studi Industria Leggera (CSIL) in Milan, Italy. The CSIL is Europe's leading furniture research institute, and the Center produces a free newsletter on the furniture industry and markets worldwide, called "World Furniture online". CSIL also produces a wide variety of furniture industry market reports that could be useful for the Egyptian furniture industry. Included below is a sample of such reports currently listed on CSIL's Web site:

- <u>CSIL's World Furniture Market Outlook</u> *(March 1999)*
- <u>The Main Furniture Importing Countries</u> *(April 1998)*
- <u>Upholstered Furniture in the United States</u> *(February 1999)*
- <u>The German Furniture Industry : 1999-2000 Forecast</u> *(March 1999)*
- <u>Furniture Distribution in Germany</u> *(April 1998)*
- <u>The Kitchen Furniture Industry in Italy</u> *(January 1999)*
- <u>Upholstered Furniture Distribution in Italy</u> *(April 1998)*
- <u>The Furniture Purchasing Process in Italian Families</u> *(January 1998)*
- <u>The Furniture Market in France</u> *(October 1998)*
- <u>European Union: The Furniture Industry</u> *(February 1999)*
- <u>Office Furniture Distribution in Europe</u> *(December 1998)*
- <u>Upholstered Furniture: The European Market</u> *(September 1998)*
- <u>The European Furniture Sector</u> *(January 1998)*

- <u>China: Great Vitality in the Furniture Sector</u> *(May 1999)*

- <u>China: Fast Growth of Both Imports and Exports of Furniture</u> *(April 1998)*

- <u>Canada: Furniture Production, Exports, Imports</u> *(January 1998)*

CSIL also produces other furniture industry reports on markets in Poland, Hungary and the Czech Republic; Russia; South East Asia, Korea and Taiwan; Japan; Middle East and Africa; India; Australia and New Zealand; Mexico; Argentina, Brazil and Chile. CSIL also sponsors workshops to discuss CSIL's furniture industry market research and forecasts, and publishes a quarterly news digest with the latest information on furniture market trends, joint ventures, investments, new technologies and distribution channels. Membership also confers preferential access to: lists of agents, distributors, and manufacturers; financial analysis and balance sheets of companies; market and/or sector information, and other relevant furniture statistics.

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Appendix A. Partial Listing of U.S. Manufacturers Importing Wooden Household Furniture Products

Company Name	Phone/Fax	E-mail	Address	Annual Sales ($ Millions)
Ameriwood Furniture Div.	Ph: (616) 782-8661 Fx: (616) 782-8959 Toll free #: (800) 253-2094	Web: http://www.ameriwood.com E-mail: kearney@ameriwood.com	P.O. Box 270, Dowagiac, Michigan 49047	$120.0 M
Ashley Furniture Industries Inc.	Ph: (608) 323-3377 Fx: (608) 323-3021		1 Ashley Way, Arcadia, Wisconsin 54612	$500.0 M
B.P. John Furniture Co.	Ph: (714) 261-9900		7777 Fay Ave., #K227, La Jolla, California 92037-4323	$35.0 M
Bernhardt Furniture Company Inc.	Ph: (828) 758-9811 Fx: (828) 754-0321		1839 Morganton Blvd., Lenoir, North Carolina 28645 P.O. Box 740 Lenoir, North Carolina 28645	$136.0 M
Broyhill Furniture Industries Inc.	Ph: (828) 758-3111 Fx: (828) 758-3720		1 Broyhill Park, Lenoir, North Carolina 28633	$450.0 M
Century Furniture Industries	Ph: (828) 328-1851 Fx: (828) 328-2176		401 11th St. N.W., Hickory, North Carolina 28601 (P.O. Box 608, Hickory, North Carolina 28603)	$135.0 M
Child Craft Industries Inc	Ph: (812) 883-3111		P.O. Box 444, Salem, Indiana 47167	$55.0 M
Crawford Furniture Manufacturing Corp.	Ph: (716) 661-9100	Web: http://www.furninfo.com	1021 Allen St. Ext., Jamestown, New York 14701	$53.0 M
Dixie Furniture Co.	Ph: (704) 249-5300		P.O. Box 1008, Lexington, North Carolina 27293	$250.0 M
Douglas Furniture of California Inc.	Ph: (310) 643-7200 Fx: (310) 536-0626	Web: http://www.dougfurn.com	P.O. Box 3368, Chula Vista, California 91909-3368	$161.0 M
Drexel Heritage Furnishings Inc.	Ph:(828) 433-3000 Fx: (828) 433-3349		101 N. Main St., Drexel, North Carolina 28619	$259.0 M
Ethan Allen Inc.	Ph: (203) 743-8000 Fx: (203) 743-8298		Ethan Allen Dr., Danbury, Connecticut 06811	$572.0 M
Ethan Allen Inc. Pine Valley Div	Ph: (828) 668-7686		P.O. Box 639, Old Fort, North Carolina 28762	$36.0 M

Appendix A. Partial Listing of U.S. Manufacturers Importing Wooden Household Furniture Products

Evenflo Juvenile Furniture Co.	Ph: (213) 759-9191 Fx: (213) 759-6540		6235 S. St. Andrews Pl., Los Angeles, California 90047	$30.0 M
Fairfield Chair Company Inc.	Ph: (828) 758-5571 Fx: (828) 758-0211		P.O. Box 1710, Lenoir, North Carolina 28645	$40.0 M
Fiberesin Industries Inc.	Ph: (414) 567-4427 Fx: (414) 567-4814	E-mail: tschwaba@execpc.com	P.O. Box 88, Oconomowoc, Wisconsin 53066	$31.0 M
Fisher-Price Inc.	Ph: (716) 687-3000 Toll free #: (800) 432-5437		636 Girard Ave., East Aurora, New York 14052	$165.0 M
Furniture Brands International Inc.	Ph: (314) 863-1100 Fx: (314) 863-5306		101 S. Hanley Rd., St. Louis, Missouri 63105-3493	
Gold Medal Inc.	Ph: (804) 233-4337 Fx: (804) 230-2347		P.O. Box 2028, Richmond, Virginia 23216	$40.0 M
Good Tables Inc.	Ph: (310) 513-6060		1118 E. 223rd St., Carson, California 90745	$50.0 M
Hammary Furniture Company Inc.	Ph: (828) 728-3231		P.O. Box 760, Lenoir, North Carolina 28645	$50.0 M
Harden Furniture Company Inc.	Ph: (315) 245-1000 Fx: (315) 245-2884	Web: http://www.harden.com	8550 Mill Pond Way, McConnellsville, New York 13401	$40.0 M
Hart Furniture	Ph: (901) 853-8595 Fx: (901) 854-0614		P.O. Box 760, Collierville, Tennessee 38027	$30.0 M
Hekman Furniture Co. Lexington Div.	Ph: (616) 452-1411 Fx: (616) 452-0688		1400 Buchanan S.W., Grand Rapids, Michigan 49507	$35.0 M
Henkel-Harris Company Inc.	Ph: (703) 667-4900		P.O. Box 2170, Winchester, Virginia 22601	$20.0 M
Henredon Furniture Industries Inc.	Ph: (828) 437-5261 Fx: (828) 437-5264		400 Henredon Rd., Morganton, North Carolina 28655 (P.O. Box 70, Morganton, North Carolina 28680)	
Henredon Furniture Industries Inc. Spruce Pine Div	Ph: (828) 765-9820 Fx: (828) 765-6664		Altapass Rd., Spruce Pine, North Carolina 28777	$47.0 M
Hickory Chair Co.	Ph: (828) 328-1801 Fx: (828) 328-8954		P.O. Box 2147, Hickory, North Carolina 28603	$59.5 M
Hooker Furniture Corp.	Ph: (703) 632-2133		P.O. Box 4708, Martinsville, Virginia 24115	$175.4 M

Appendix A. Partial Listing of U.S. Manufacturers Importing Wooden Household Furniture Products

Howard Miller Clock Co.	Ph: (616) 772-9131 Fx: (616) 772-1670		860 E. Main St., Zeeland, Michigan 49464	$50.0 M
Kay Home Products Inc. (Antioch, Illinois)	Ph: (847) 395-3300 Fx: (847) 395-3305		90 McMillen Rd., Antioch, Illinois 60002	$25.0 M
Khoury Inc.	Ph: (906) 774-6333 Fx: (906)774-8211		2201 E. Industrial Park Dr., Iron Mountain, Michigan (P.O. Box 729, Iron Mountain, Michigan 49801)	$25.0 M
Kimball International Inc.	Ph: (812) 482-1600	Web: http://www.kimball.com	1600 Royal St., Jasper, Indiana 4754[illegible] 1001	$1,032.6 M
Lehigh Portland Cement Co. Lehigh Furniture Div.	Ph: (850) 526-2811 Fx: (850) 526-3584		P.O. Box 640, Marianna, Florida 32447	$30.0 M
Minson Enterprises Inc.	(213) 589-6591		2665 Leonis Blvd., Los Angeles, California 90058	$34.0 M
Nichols and Stone Company Inc.	Ph: (978) 632-2770 Fx: (978) 632-2623		232 Sherman St., Gardner, Massachusetts 01440	$25.0 M
O'Sullivan Industries Inc.	Ph: (417) 682-3322 Fx: (417)682-6010	Web: http://www.osullivan.com	1900 Gulf St., Lamar, Missouri 6475[illegible] 1899	$321.5 M
Pilliod Furniture Inc.	Ph: (336) 884-3929 Fx: (336) 410-6722	____	4620 Grand Over Pkwy., Greensboro, North Carolina 27265	$100.0 M
Pilliod of Carolina Inc.	Ph: (803) 526-2113		202 Averett St., Nichols, South Carolina 29581 (P.O. Box 308, Nichols, South Carolina 29581)	$21.0 M
Sauder Woodworking Co.	Ph: (419) 446-2711 Fx: (419) 446-3692	Web: http://www.sauder.com	502 Middle St., Archbold, Ohio 43502	$500.0 M
Schnadig Corp.	Ph: (847) 803-6000		1111 E. Touhy Ave., Des Plaines, Illinois 60018	$64.6 M
Singer Furniture Co.	Ph: (336) 802-4600 Fx: (336) 889-2414		P.O. Box 11067, High Point, North Carolina 27265	$123.0 M
SK Products Corp.	Ph: (973) 916-5600 Fx: (973) 779-4582		125 Entin Rd., Clifton, New Jersey 07015	$50.0 M
Spalding and Evenflo Companies Inc.	Ph: (813) 204-5200 Fx: (813) 204-5219		P.O. Box 30101, Tampa, Florida 33630	$827.0 M

Appendix A. Partial Listing of U.S. Manufacturers Importing Wooden Household Furniture Products

Stanley Furniture	Ph: (703) 629-7561		P.O. Box 30, Stanleytown, Virginia 24168	$184.3 M
Swaner Hardwood Company Inc.	Ph: (818) 953-5350 Fx: (818) 846-3662		5 W. Magnolia St., Burbank, California 91502	$155.0 M
Telescope Casual Furniture Inc.	Ph: (518) 642-1100 Fx: (518) 642-2536		85 Church St., Granville, New York 12832	$31.0 M
Universal Furniture Industries Inc.	(336) 861-7200		2622 Uwharrie Rd., High Point, North Carolina 27263	$336.0 M
Vaughan-Bassett Furniture Co.	Ph: (540) 236-6161 Fx: (540) 236-0385		P.O. Box 1549, Galax, Virginia 24333	$50.0 M
Young-Hinkle Corp.	Ph: (704) 249-5100		P.O. Box 1537, Lexington, North Carolina 27293-1537	$43.0 M

Appendix B. Partial Listing of U.S. Manufacturers Importing Wood Television, Radio, Stereo and Sewing Machine Cabinets

Company Name	Phone/Fax	Email	Address	Annual Sales ($ Millions)
Ambience Inc.	Ph: (212) 688-0170 Fx: (212) 421-5879		979 3rd Ave., New York, New York 10022	$2.0 M
American Furniture Company Inc.	Ph: (703) 783-8173		1500 Industrial Rd., Marion, Virginia 24354	$13.0 M
Bean Station Furniture Factory Inc	Ph: (615) 993-3433 Fx: (615) 993-3438		County Line Road, Bean Station, Tennessee 37708 (P.O. Box 70 Bean Station, Tennessee 37708-0070)	$10.0 M
Carolina Furniture Works Inc	Ph: (803) 775-6381		P.O. Box 1120, Sumter, South Carolina 29151	$16.5 M
Chatham Novelties Co.	Ph: (919) 742-3378		P.O. Box 547, Siler City, North Carolina 27344	$2.2 M
Cherry Hill Div	Ph: (814) 438-3868 Fx: (814) 438-2190		77 S. Main St., Union City, Pennsylvania 16438	$16.0 M
Cooke Manufacturing Company Inc.	Ph: (615) 476-5536		P.O. Box 4230, Cleveland, Tennessee 37320	$20.0 M
Councill Craftsmen Inc	Ph: (704) 869-2155 Fx: (704) 869-5289		Old Hwy. 109, Denton, North Carolina P.O. Box 398 Denton, North Carolina 27239-0398	$14.0 M
Cramco Inc	Ph: (215) 427-9500		2200 E. Ann St., Philadelphia, Pennsylvania 19134	$18.0 M
Crescent Manufacturing Co	Ph: (615) 452-1671		350 Maple St., Gallatin, Tennessee 37066	$16.0 M
Daystrom Furniture	Ph: (804) 572-3981 Fx: (804) 572-9331		P.O. Box 130, South Boston, Virginia 24592	$16.0 M
Dimaria Tregnani Ruvolo	Ph: (212) 228-7030		121 W.19th St., 9th Fl., New York, New York 10011-4114	$1.0 M

Appendix B. Partial Listing of U.S. Manufacturers Importing Wood Television, Radio, Stereo and Sewing Machine Cabinets

Dinaire Corp.	Ph: (716) 894-1201		145 Gruner Rd., Buffalo, New York 14227	$13.0 M
Don P. Smith Company Inc.	Ph: (615) 458-2602 Fx: (615) 458-4680		425-30 Main St., Loudon, Tennessee 37774 P.O. Box 157 Loudon, Tennessee 37774	$2.2 M
Emperor Clock Co	Ph: (334) 928-2316 Fx: (334) 928-7299		Emperor Industrial Park, Fairhope, Alabama 36532	$13.0 M
Ficks Reed Company Inc.	Ph: (513) 985-0606 Fx: (513) 985-9293		6245 Creek Rd., Blue Ash, Ohio 45242	$3.0 M
Hickory Manufacturing Co	Ph: (704) 322-8624 Fx: (704) 322-3942		P.O. Box 998, Hickory, North Carolina 28603	$19.0 M
Hickory Manufacturing Co.	Ph: (704) 322-8624 Fx: (704) 322-3942		P.O. Box 998, Hickory, North Carolina 28603	$19.0 M
Hitchcock Chair Company Inc.	Ph: (203) 738-0141 Fx: (203)738-1756		13 Riverton Rd., Riverton, Connecticut 06065 (P.O. Box 409 New Hartford, Connecticut 06057)	$10.0 M
John Boos and Company Inc	Ph: (217) 347-7701 Fx: (217)347-7700		315 S. 1st St., Effingham, Illinois 62401 (P.O. Box 609 Effingham, Illinois 62401)	$12.0 M
Koch and Lowy Inc.	Ph: (718) 786-3520 Fx: (718) 937-7968		21-24 39th Ave., Long Island City, New York 11101	$11.0 M
La Barge Inc	Ph: (616) 392-1473 Fx: (616) 392-5001 Toll free #: (800) 253-3870		300 E. 40th St., Holland, Michigan 49423 (P.O. Box 1769 Holland, Michigan 49422-1769)	$13.0 M
Norwalk Furniture Corporation of Tennessee	Ph: (931) 432-4171		P.O. Box 3067, Cookeville, Tennessee 38502	$12.0 M
Perfect Plank Co.	Ph: (916) 533-7606		P.O. Box 3007, Paradise, California 95967	$1.0 M
Plycraft Corp.	Ph: (508) 975-7656 Fx: (508) 975-3405		39 S. Canal St., Lawrence, Massachusetts 01843	$2.0 M

Appendix B. Partial Listing of U.S. Manufacturers Importing Wood Television, Radio, Stereo and Sewing Machine Cabinets

Roberts Manufacturing Inc	Ph: (801) 756-6016 Fx: (801) 756-5758		120 W. 300 S. American, Fork, Utah 84003	$2.0 M
Salem Frame Company In	Ph: (703) 389-8661		1972 Industrial Dr., Salem, Virginia 24153	$12.5 M
Sandberg Furniture Manufacturing	Ph: (213) 582-0711 Fx: (213) 589-5507		3251 Slauson Ave., Los Angeles, California 90058	$15.0 M
Southern Inc.	Ph: (919) 762-4481 Fx: (919) 762-4482		P.O. Box 627, Wilmington, North Carolina 28401	$2.5 M
Weiman Co. (Bassett, Virginia)	Ph: (703) 629-7592 Fx: (703) 629-6000		P.O. Box 670, Bassett, Virginia 24055	$15.0 M

Appendix C. Partial Listing of U.S. Manufacturers Importing Other Household Furniture

Company Name	Phone/Fax	Email	Address	Annual Sales ($ Millions)
Ambience Inc.	Ph: (212) 688-0170 Fx: (212) 421-5879		979 3rd Ave., New York, New York 10022	$2.0 M
American Furniture Company Inc.	Ph: (703) 783-8173		1500 Industrial Rd., Marion, Virginia 24354	$13.0 M
Bean Station Furniture Factory Inc.	Ph: (615) 993-3433 Fx: (615) 993-3438		County Line Road Bean Station, Tennessee 37708 (P.O. Box 70, Bean Station, Tennessee 37708-0070)	$10.0 M
Burlwood Industries	Ph: (707) 822-4843 Fx: (707) 822-0111		P.O. Box 1152, Arcata, California 95521	$0.5 M
Chatham Novelties Co.	(919) 742-3378		P.O. Box 547, Siler City, North Carolina 27344	$2.2 M
Councill Craftsmen Inc.	Ph: (704) 869-2155 Fx: (704) 869-5289		Old Hwy. 109, Denton, North Carolina (P.O. Box 398, Denton, North Carolina 27239-0398)	$14.0 M
Dinaire Corp.	Ph: (716) 894-1201		145 Gruner Rd., Buffalo, New York 14227	$13.0 M
Don P. Smith Company Inc.	Ph: (615) 458-2602 Fx: (615)458-4680		425-30 Main St., Loudon, Tennessee 37774 (P.O. Box 157, Loudon, Tennessee 37774)	$2.2 M
Emperor Clock Co.	Ph: (334) 928-2316 Fx: (334) 928-7299		Emperor Industrial Park, Fairhope, Alabama 36532	$13.0 M
Ficks Reed Company Inc.	Ph: (513) 985-0606 Fx: (513) 985-9293		6245 Creek Rd., Blue Ash, Ohio 45242	$3.0 M
Fournier Furniture Inc.	Ph: (612) 941-0300 Fx: (612)593-5267		7275 Bush Lake Rd., Edina, Minnesota 55439	$100.0 M

Appendix C. Partial Listing of U.S. Manufacturers Importing Other Household Furniture

Harbor Furniture Manufacturing Inc.	Ph: (213) 636-1201		12508 Center St., South Gate, California 90280	$0.6 M
Heirwood Shutters Inc.	Ph: (714) 548-6841 Fx: (714) 548-3161		23201 Mill Creek Rd., #200, Laguna Hills, California 92653	$2.0 M
Hitchcock Chair Company Inc.	Ph: (203) 738-0141 Fx: (203) 738-1756		13 Riverton Rd. Riverton, Connecticut 06065 (P.O. Box 409, New Hartford, Connecticut 06057)	$10.0 M
John Boos and Company Inc.	Ph: (217) 347-7701 Fx: (217) 347-7700		315 S. 1st St., Effingham, Illinois 62401 P.O. Box 609, Effingham, Illinois 62401	$12.0 M
Kimball International Inc.	Ph: (812) 482-1600	http://www.kimball.com	1600 Royal St., Jasper, Indiana 47549-1001	$1,032.6 M
Koch and Lowy Inc.	Ph: (718) 786-3520 Fx: (718)937-7968		21-24 39th Ave., Long Island City, New York 11101	$11.0 M
La Barge Inc. (Holland, Michigan)	Ph: (616) 392-1473 Fx: (616) 392-5001 Toll free #: (800) 253-3870		300 E. 40th St., Holland, Michigan 49423 (P.O. Box 1769, Holland, Michigan 49422-1769)	$13.0 M
National Office Furniture Manufacturing Div.	Ph: (502) 276-3606		P.O. Box 155, Hwy. 69, Fordsville, Kentucky 42343	$22.0 M
Norwalk Furniture Corporation of Tennessee	Ph: (931) 432-4171		P.O. Box 3067, Cookeville, Tennessee 38502	$12.0 M
Palazzetti Inc.	Ph: (212) 832-1199 Fx: (212) 832-1459		515 Madison Ave., New York, New York 10022	$0.7 M
Pat Higdon Industries Inc.	Ph: (904) 627-9524 Fx: (904) 627-9525		P.O. Box 980, Quincy, Florida 32351	$0.3 M
Perfect Plank Co.	Ph: (916) 533-7606		P.O. Box 3007, Paradise, California 95967	$1.0 M
Royal Creations Inc.	Ph: (909) 987-4647 Fx: (909) 945-1813		P.O. Box 130, Rancho Cucamonga, California 91730	$1.0 M

Appendix C. Partial Listing of U.S. Manufacturers Importing Other Household Furniture

Salem Frame Company Inc.	Ph: (703) 389-8661		1972 Industrial Dr, Salem, Virginia 24153	$12.5 M
Sandberg Furniture Manufacturing	Ph: (213) 582-0711 Fx: (213) 589-5507		3251 Slauson Ave., Los Angeles, California 90058	$15.0 M
Southern Inc.	Ph: (919) 762-4481 Fx: (919) 762-4482		P.O. Box 627, Wilmington, North Carolina 28401	$2.5 M
Weiman Co. (Bassett, Virginia)	Ph: (703) 629-7592 Fx: (703) 629-6000		P.O. Box 670, Bassett, Virginia 24055	$15.0 M

Appendix D. Partial Listing of U.S. Retailers Importing Household and Office Furniture

Company Name	Phone/Fax	Email	Address	Annual Sales ($ Millions)
Amana Society Inc.	Ph: (319) 622-3051	http://www.amanasociety.com	P.O. Box 189, Amana, Iowa 52203	$28.0 M
American Furniture Co.	Ph: (505) 883-2015		P.O. Box 3685 Stat D, Albuquerque, New Mexico 87190	$100.0 M
American Furniture Warehouse Co.	Ph: (303) 296-1651 Fx: (303) 297-2334		5445 N. Bannock St., Denver, Colorado 80216	$52.0 M
Baby's Room Inc.	Ph: (630) 832-9880 Fx: (630) 832-0139		752 N. Larch Ave., Elmhurst, Illinois 60126	$26.0 M
Ethan Allen Inc.	Ph: (203) 743-8000 Fx: (203) 743-8298		Ethan Allen Dr., Danbury, Connecticut 06811	$572.0 M
Glicks Furniture Co.	Ph: (614) 253-7441 Fx: (614) 251-1439		1800 E. 5th Ave., Columbus, Ohio 43219	$35.0 M
Granite Furniture Company Inc.	Ph: (801) 486-3333		1050 E. 21st S., Salt Lake City, Utah 84106	$55.0 M
Hurwitz-Mintz/Units	Ph: (504) 568-9555	www.hurwitzmintz.com E-mail: hmu@hurwitzmintz.com	227 Chartres St., New Orleans, Louisiana 70130	$23.0 M
IKEA U.S. Inc.	Ph: (610) 834-0180 Fx: (610) 834-0872		Plymouth Commons, Plymouth Meeting, Pennsylvania 19462	$305.0 M
Morris Kirschman and Company Inc.	Ph: (504) 947-6673 Fx: (504) 942-9468		5050 Almonaster St., New Orleans, Louisiana 70186 (P.O. Box 26427, New Orleans, Louisiana 70186-6427)	$37.0 M

Appendix D. Partial Listing of U.S. Retailers Importing Household and Office Furniture

Pier 1 Imports Inc.	Ph: (817) 252-8000 Fx: (817) 878-7883 Toll free #: (888) 807-4371	http://www.pier1.com	301 Commerce St., #600, Fort Worth, Texas 76102	$1,138.6 M
Plunkett Furniture Co.	Ph: (847) 843-9000 Fx: (847) 843-9096	http://www.plunkettfurniture.com	2500 W. Golf Rd., Hoffman Estates, Illinois 60194	$52.0 M
R.C. Willey Home Furnishings	Ph: (801) 461-3900 Fx: (801) 461-3901	http://www.rcwilley.com	2301 S. 300 W., Salt Lake City, Utah 84115	$347.0 M
Raleigh Office Supply Company Inc.	Ph: (919) 834-1601 Fx: (919)829-1745		712 Tucker St., Raleigh, North Carolina	$27.0 M
Schewel Furniture Company Inc.	Ph: (804) 522-0200		1031 Main St., Lynchburg, Virginia (P.O. Box 1600, Lynchburg, Virginia 24505)	$79.0 M
Self-Service Furniture Inc	Ph: (509) 535-7717		5401 E. Sprague Ave., Spokane, Washington 99212	$43.0 M
Star Furniture Co	Ph: (281) 492-6661	http://www.starfurniture.com	16666 Barker Springs, Houston, Texas 77084 (P.O. Box 219169, Houston, Texas 77218)	$100.0 M
Walsh Bros.	Ph: (602) 392-0653 Fx: (602) 252-8222		1636 N. Central Ave., Phoenix, Arizona (P.O. Box 1711, Phoenix, Arizona 85001)	$35.0 M
Workbench Inc.	Ph: (212) 532-7900		470 Park Ave. S., New York, New York 10016	$45.0 M

STATISTICAL APPENDIX

Table 1. U.S. IMPORTS OF UPHOLSTERED HOUSEHOLD CHAIRS OF TEAK WITH WOODEN FRAMES, CY 1996 - 1998, BY COUNTRY OF ORIGIN

9401.61.2010 UPHOLSTERED HOUSEHOLD CHAIRS OF TEAK WITH WOODEN FRAMES

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF VALUE	Units	CIF Value	Units	CIF Value
Canada	2,808	438,555	1,535	290,164	2,755	436,264
Mexico	41,904	455,735	6,851	310,507	14,611	575,348
Dominican Rep	54	9,934				
Barbados	31	1,882				
Costa Rica			3	1,950		
El Salvador					61	11,346
Honduras					119	9,519
Ecuador			67	8,912		
Colombia					8	4,278
Brazil	276	25,412	246	15,269	806	20,062
Argentina			28	19,498		
Sweden	153	51,978	118	35,985	78	46,694
Norway	7,882	3,946,196	8,284	4,635,624	5,374	3,074,168
Finland	26	5,602				
Denmark	7,402	1,248,796	7,591	1,146,160	4,618	780,667
UK	38	18,114	328	40,755	141	30,220
Netherlands			100	28,599	6	3,999
Belgium	1	1,820				
France	226	71,303	73	41,730	175	167,838
Germany	444	110,049	164	70,329	114	28,510
Austria			1	6,087		
Czech Rep					1,296	33,474
Slovak Rep			4	1,325		
Switzerland			14	12,012	6	13,570
Poland	2	1,612	1,420	33,973		
Spain	2	2,235	286	47,871	60	25,956
Italy	3,399	224,217	6,022	374,245	4,650	249,341
Romania	884	23,017				
India	8	5,806	67	25,950	1,083	10,053
Burma					34	11,463
Thailand	25,782	1,921,939	11,685	1,081,499	12,231	886,411
Malaysia			88	8,699	414	15,966
Singapore			17	1,592	59	4,627
Indonesia	4,718	481,838	10,730	644,005	14,345	1,105,269
Philippines					108	118,588
Macao	20	1,430	48	3,137		
China	4,239	135,830	1,324	98,256	5,347	333,471
HK	380	46,501	874	41,597		
Taiwan	3,619	408,135	3,926	168,674	6,867	160,320
Australia					3	5,489
Morocco	3	5,057				
Egypt	42	8,506	79	4,577	492	137,582
S. Africa	46	10,254	22	15,282	104	52,608
TOTAL	**104,389**	**$9,661,753**	**61,995**	**$9,214,263**	**77,412**	**$8,387,081**

Source: U.S. Department of Commerce

Table 2. U.S. IMPORTS OF UPHOLSTERED TEAK CHAIRS WITH WOODEN FRAMES FOR COMMERCIAL USE, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.61.2030 UPHOLSTERED TEAK CHAIRS WITH WOODEN FRAMES FOR COMMERCIAL USE

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	468	105,185	3,025	565,017	5,215	869,103
Mexico	272	10,668	492	23,821	400	69,068
Honduras					141	10,806
Colombia					88	54,078
Brazil	64	10,435			30	13,015
Argentina					54	11,961
Norway	171	102,866	78	53,557	114	69,880
Denmark	677	102,613	851	95,838	1,427	129,147
UK	75	45,951	16	18,245	20	17,351
Netherlands	12	6,170			31	5,908
France	3	12,984	35	17,704	982	218,305
Germany	15	7,913	14	14,390	24	4,402
Austria	2	4,172	21	32,555	2	1,701
San Marino					65	3,005
Switzerland	113	111,088				
Poland			17	1,749		
Italy	707	142,081	2,354	184,937	1,745	177,283
India					275	27,136
Thailand	1,843	77,134	945	95,787	650	67,521
Malaysia	3,964	53,402				
Indonesia	73	11,002	562	52,551	617	79,475
China	1,020	2,591	127	6,813	3,978	32,154
HK			334	17,380		
Taiwan	2,223	879,987			16	3,403
TOTAL	**11,702**	**$879,987**	**8,871**	**$1,180,344**	**15,874**	**$1,864,702**

Source: U.S. Department of Commerce

Table 3. U.S. IMPORTS OF UPHOLSTERED HOUSEHOLD CHAIRS WITH WOODEN FRAMES, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.61.4010 UPHOLSTERED HOUSEHOLD CHAIRS WITH WOODEN FRAMES

Country	CY 1996		CY 1997		CY 1998	
	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	130,959	23,370,547	100,356	22,263,105	176,093	32,554,184
Mexico	446,782	15,148,593	629,168	25,218,976	393,406	15,072,607
Guatemala	3,026	160,047	871	51,282	845	40,465
Belize					50	7,148
El Salvador	778	55,192	677	127,680		
Honduras	786	72,741	3,296	146,418	3,618	220,699
Nicaragua	239	14,650				
Costa Rica	534	27,040	466	44,825	637	8,374
Jamaica			34	12,761		
Haiti	113	1,367	301	8,285		
Dominican Rep	8,229	796,408	6,518	709,425	4,187	590,759
Colombia	82	20,143	99	45,428	12	3,740
Venezuela			54	6,473		
Ecuador	4	1,708	74	11,609		
Peru	112	14,953				
Bolivia	930	140,627	1,895	198,451	201	27,318
Chile	94	11,807			61	25,847
Brazil	3,086	228,669	3,729	265,960	3,043	293,044
Argentina	1,219	167,204	1,868	226,559	2,545	295,457
Iceland					700	49,800
Sweden	3,196	324,690	1,330	186,701	413	134,276
Norway	5,938	2,375,348	8,756	3,646,178	9,820	4,079,413
Finland	3,154	505,272	5,661	564,018	6,961	698,131
Denmark	19,037	1,844,041	17,355	1,699,719	19,792	1,757,527
UK	7,173	2,769,135	13,559	3,630,342	8,643	4,353,174
Ireland	16	2,076	10	5,159	84	37,242
Netherlands	3,423	453,897	5,384	434,531	3,074	537,344
Belgium	1,742	217,056	1,455	203,526	1,644	286,421
France	8,853	1,585,146	21,279	2,394,040	19,892	2,879,524
Germany	4,559	296,186	2,156	375,032	1,130	516,921
Austria	184	137,082	1,050	215,359	208	185,528
Czech Rep	3,221	139,724	2,006	93,262	14,989	507,273
Slovak Rep					1,412	26,059
Hungary	8	3,950	86	33,981	110	66,373
Switzerland	127	113,711	162	190,164	1,536	250,381
Estonia	804	51,513	206	14,063		
Lithuania			4	1,486		
Poland	5,006	76,560	5,504	198,369	10,916	519,925
Russia	44	5,657				
Ukraine					792	68,750
Spain	6,303	1,281,757	8,536	1,579,019	16,931	2,665,899
Portugal	17	16,128	28	13,282	4	1,613
Gilbratar					50	4,536
Italy	578,129	70,807,878	544,184	81,924,571	759,338	99,012,117
Croatia					1,069	32,168
Slovenia	4,040	292,354	12,364	882,819	21,489	999,588
Greece			113	2,755	14	11,211
Romania	5,725	118,144	10,131	197,485	6,498	107,425

Source: U.S. Department of Commerce

Table 3. U.S. IMPORTS OF UPHOLSTERED HOUSEHOLD CHAIRS WITH WOODEN FRAMES, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.61.4010 UPHOLSTERED HOUSEHOLD CHAIRS WITH WOODEN FRAMES (cont'd)

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Turkey	597	50,393	263	23,119	97	21,431
Cyprus			2	1,552		
Lebanon	21,580	864,344	6,047	383,870	1,007	247,078
Israel			12	8,146	1	2,793
Jordan			24	5,431		
UAE	149	27,330	12	4,446	2	2,809
India	395	58,182	525	69,840	4,711	201,979
Pakistan	332	13,665	225	19,623	77	9,458
Sri Lanka	15	1,659				
Burma	52	2,126				
Thailand	59,645	1,711,329	67,384	2,374,181	76,031	3,187,707
Vietnam			325	11,392	32	4,600
Malaysia	811,774	20,646,751	919,856	25,150,146	837,123	16,644,213
Singapore	77,286	3,471,328	51,688	2,323,674	8,247	313,323
Indonesia	129,935	8,638,172	160,680	8,979,919	165,238	12,030,852
Philippines	14,201	2,124,475	14,479	1,987,262	15,935	2,185,185
Macao	29	5,541	84	2,118		
China	569,648	18,770,196	744,345	24,111,967	1,080,318	38,335,456
Korea Rep	193	25,636	22	3,297	1,357	42,728
HK	8,179	381,027	22,629	1,019,359	23,116	985,208
Taiwan	436,919	18,623,915	625,669	25,562,438	878,273	29,665,811
Japan	42	13,156	220	26,448	139	31,007
Australia	5	8,501	1	1,483	306	55,838
New Zealand	8	1,631			112	19,911
Fiji			16	2,965		
Morocco			164	14,495		
Egypt	6,134	495,591	6,121	494,702	7,079	427,448
Ethiopia	16	2,687				
Cameroon					200	5,542
Kenya					19	4,143
S. Africa	705	271,750	361	133,990	3,503	87,714
TOTAL	**3,395,411**	**$199,858,746**	**4,031,879**	**$240,538,961**	**4,595,130**	**$273,440,495**

Source: U.S. Department of Commerce

Table 4. U.S. IMPORTS OF OTHER UPHOLSTERED WOODEN FRAME CHAIRS FOR COMMERCIAL USE, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.61.4030 OTHER UPHOLSTERED CHAIRS WITH WOODEN FRAMES FOR COMMERCIAL USE

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	112,172	11,035,537	96,534	14,925,349	110,810	17,796,464
Mexico	60,484	4,886,647	54,340	5,888,739	23,137	2,382,628
Guatemala			77	3,067		
El Salvador			220	41,988	78	17,901
Honduras					166	16,706
Costa Rica	729	281,595				
Dominican Rep	528	39,370				
Colombia			42	28,109		
Venezuela			56	6,511		
Ecuador			90	16,399		
Chile			63	4,430		
Peru	8	2,374			102	18,155
Brazil	768	25,801				
Uruguay	14	6,526				
Argentina	200	26,841	4	1,965		
Iceland	12	1,769				
Sweden	794	175,975	439	88,008	1,590	267,230
Norway	268	111,113	179	65,186	208	94,413
Finland	448	74,435	4	1,604		
Denmark	3,557	617,353	4,203	431,017	3,184	410,296
UK	675	148,403	1,223	271,049	690	336,182
Ireland	103	7,134	24	4,472	370	66,298
Netherlands	22	11,863	12	11,287	31	20,315
Belgium	714	13,200	3	4,653	41	18,260
France	6,140	458,520	6,926	711,690	6,271	1,029,853
Germany	227	52,388	323	90,778	4,725	221,844
Austria	1,034	18,440	1,635	43,758	10	10,911
Czech Rep	1,008	27,500	1,512	44,408	1,188	35,437
Switzerland			11	5,221	89	39,610
Poland	2,376	114,190	96	29,759	764	49,062
Russia	58	21,670				
Spain	2,498	494,952	9,090	1,046,675	6,636	811,992
Portugal	3	1,774				
Italy	55,018	7,995,642	77,907	6,580,994	70,884	5,085,088
Croatia	10,298	341,500	1,824	48,848	2,970	91,078
Slovenia	9,214	365,290	14,664	561,143	8,255	363,345
Romania	2,828	51,785				
Bulgaria	100	2,052				
Turkey	180	22,100			57	5,392
Lebanon					800	85,600
Israel			409	45,315	14	2,501
Jordan					12	8,250
India	68	9,498	9	10,111	218	16,500
Thailand	8,633	119,320	6,059	61,385	874	36,575
Vietnam	330	7,262				
Malaysia	56,415	1,457,960	18,907	381,294	43,925	613,218
Singapore	500	10,211			91	25,523
Indonesia	8,169	264,663	4,939	187,967	7,142	290,806

Source: U.S. Department of Commerce

Table 4. U.S. IMPORTS OF OTHER UPHOLSTERED WOODEN FRAME CHAIRS FOR COMMERCIAL USE, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.61.4030 OTHER UPHOLSTERED CHAIRS WITH WOODEN FRAMES FOR COMMERCIAL USE (cont'd)

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Philippines	176	33,524	1,232	125,266	401	57,331
Macao			164	10,283	25	10,217
China	34,222	915,958	41,852	1,129,654	32,016	1,206,302
Korea Rep	210	14,368	347	35,923	834	55,317
HK	2,270	96,352	1,688	75,326	6,028	174,248
Taiwan	33,316	596,180	34,426	747,136	157,446	1,027,106
Japan	296	80,354	348	46,655	280	75,815
Australia					8	2,440
New Zealand					1	2,758
Morocco					3	2,677
Egypt	606	52,015	2,473	97,063	169	21,129
S. Africa	11	3,798	38	35,221	16	13,145
TOTAL	**417,700**	**$31,095,202**	**384,402**	**$34,045,706**	**492,559**	**$32,915,918**

Source: U.S. Department of Commerce

Table 5. U.S. IMPORTS OF UPHOLSTERED HOUSEHOLD SEATS WITH WOODEN FRAMES, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.61.6010 UPHOLSTERED HOUSEHOLD SEATS WITH WOODEN FRAMES

Country	CY 1996		CY 1997		CY 1998	
	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	150,886	42,354,293	318,975	52,831,246	224,929	64,990,735
Mexico	565,930	52,183,969	574,438	80,429,457	618,370	97,885,893
Guatemala	2	1,738	19	1,700	181	22,781
El Salvador	70	11,679				
Belize					2	1,796
Honduras	385	55,292	174	47,668	1,017	202,139
Costa Rica			427	19,547		
Nicaragua					68	4,671
Dominican Rep	2,485	219,838	2,499	291,395	4,763	467,694
Colombia	28	17,490	100	18,383	4	3,959
Peru	917	161,158	1,071	156,605	232	38,444
Bolivia					402	32,205
Brazil	243	21,549	978	125,767	707	108,012
Argentina	238	26,695	2,200	514,835	3,544	991,881
Sweden	377	114,707	115	44,478	231	40,565
Norway	6,226	1,614,668	7,184	2,604,754	5,290	1,845,133
Finland	78	58,839	85,151	20,911	42	43,193
Denmark	2,627	974,576	28,768	972,116	4,648	805,088
UK	3,152	1,587,405	1,880	1,084,818	1,603	595,416
Ireland	1	2,256	2	4,365	60	24,971
Netherlands	298	98,682	492	120,247	973	399,243
Belgium	223	76,772	482	206,710	298	102,785
France	4,415	840,331	174,615	889,835	8,438	933,597
Germany	4,238	1,414,784	111,851	767,274	2,361	822,274
Austria	98	72,133	106	137,182	286	75,685
Czech Rep	9	1,647	60	13,189	140	4,390
Slovak Rep					19	9,934
Hungary	160	3,849	8	14,945	75	24,099
Switzerland	727	383,310	345	325,324	2,883	331,102
Poland	4,565	339,014	6,016	556,158	4,840	822,902
Spain	1,053	312,592	2,720	501,925	2,799	438,458
Portugal	15	5,215			260	10,508
Italy	526,272	208,443,575	633,964	262,036,121	862,322	305,142,049
Croatia			1,128	35,884	180	6,648
Slovenia	630	5,404	470	10,039	320	21,178
Romania	366	9,268	258	21,316		
Bulgaria			43	15,486		
Turkey	3,766	42,465	267	7,724	362	33,353
Lebanon	210	91,104	1,618	197,559	712	200,574
Israel			7	9,511		
UAE	46	27,598	5	8,290		
India	966	19,633	225	37,707	465	42,571
Pakistan	9	6,321	65	14,406	28	10,275
Sri Lanka	4	1,794				
Burma	6	2,886				
Thailand	4,770	610,678	56,897	591,521	11,558	1,852,133
Vietnam	144	6,800			144	15,260
Malaysia	287,459	6,241,849	461,867	6,331,885	197,480	3,801,509

Source: U.S. Department of Commerce

Table 5. U.S. IMPORTS OF UPHOLSTERED HOUSEHOLD SEATS WITH WOODEN FRAMES, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.61.6010 UPHOLSTERED HOUSEHOLD SEATS WITH WOODEN FRAMES (cont'd)

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Singapore	839	34,987			20	10,737
Indonesia	42,557	2,845,572	23,374	2,194,672	27,582	2,769,255
Philippines	3,239	455,444	3,636	676,385	3,821	563,383
Macao	3	2,001				
China	110,034	3,979,068	216,078	6,561,428	377,752	13,556,941
Korea Rep	333	143,387	117	194,433	196	119,719
HK	5,244	863,707	11,560	933,172	22,311	1,750,489
Taiwan	217,296	6,899,734	106,736	3,156,234	196,810	5,327,858
Japan	11	9,946	8,406	775,490	2,161	194,033
Australia	8	3,994	265	47,581	4	15,372
New Zealand			3	1,559	329	94,864
Fiji			12	8,984	70	42,250
Morocco	2	4,770				
Egypt	743	180,742	982	128,733	669	220,852
S. Africa	2,324	1,149,971	641	378,270	11,361	374,102
Zimbabwe			28	3,322		
TOTAL	**1,956,727**	**$335,037,179**	**2,849,328**	**$427,078,546**	**2,606,122**	**$508,244,958**

Source: U.S. Department of Commerce

Table 6. U.S. IMPORTS OF OTHER UPHOLSTERED SEATS WITH WOODEN FRAMES FOR COMMERCIAL USE, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.61.6030 OTHER UPHOLSTERED SEATS WITH WOODEN FRAMES FOR COMMERCIAL USE

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	20,553	2,793,238	28,814	3,413,999	114,659	6,324,035
Mexico	65,581	2,079,771	36,967	1,928,657	16,538	1,002,964
Honduras			12	2,370		
Colombia			33	12,922		
Venezuela			2	3,812		
Ecuador			257	24,311		
Peru			120	8,843		
Argentina			50	5,618		
Chile					2	3,969
Brazil					760	60,136
Sweden	83	28,127	275	34,864	38	12,725
Norway	19	4,006	56	20,119	164	100,730
Finland	20	2,310	171	12,593	21	12,454
Denmark	316	91,196	1,811	133,691	1,369	82,546
UK	359	108,062	33	54,332	105	41,025
Ireland	17	4,634	198	39,371	617	198,849
Netherlands	3	5,087	165	26,698	129	96,212
Belgium	783	40,465	183	7,892	13	10,073
France	45	117,806	270	197,991	878	352,818
Germany	46	61,109	129	59,416	353	147,009
Austria	1	1,387	1	1,541	3	6,939
Czech Rep			20	1,675		
Switzerland	10	4,230	37	29,142	4	14,780
Lithuania			4	1,463		
Poland	434	113,388	240	68,395	9	10,902
Russia			36	4,221	41	4,892
Spain	666	112,074	1,568	319,396	927	207,006
Portugal					82	9,842
Italy	57,857	25,427,672	34,141	10,503,583	10,248	2,766,765
Croatia					12	1,546
Slovenia	912	38,127	1,611	81,130	4,617	241,556
Greece	4	1,419			3	3,110
Romania	1,104	34,589			38	8,766
Turkey	2,555	35,521	6,322	60,474	2,643	32,221
Lebanon	5	4,543				
Israel	2	3,616	6	3,640	116	12,331
Saudi Arabia			60	3,067		
India	12	2,722	18	3,762	9	5,932
Pakistan			87	12,297	28	4,954
Thailand	1,376	39,420			17,475	265,249
Malaysia	8,620	202,947	40,383	626,781	49,593	595,354
Singapore	6	4,562	1	1,942		
Indonesia	979	87,916	1,600	116,786	953	70,855
Philippines			94	19,066	81	17,950
Macao			72	4,725		
China	128,774	1,241,046	161,418	1,302,974	182,223	1,200,074
Korea Rep	18	6,727	137	9,630	171	29,415
HK	1,308	69,152	562	34,187	623	34,934

Source: U.S. Department of Commerce

Table 6. U.S. IMPORTS OF OTHER UPHOLSTERED SEATS WITH WOODEN FRAMES FOR COMMERCIAL USE, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.61.6030 OTHER UPHOLSTERED SEATS WITH WOODEN FRAMES FOR COMMERCIAL USE (cont'd)

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Taiwan	39,063	507,678	33,006	523,370	8,289	224,412
Japan			45	3,311	26	21,459
Australia			9	3,762	1	2,459
Egypt	242	45,905	1,866	50,378	16	50,162
Kenya	81	11,580				
S. Africa	22	14,075			28	19,249
TOTAL	**331,876**	**$33,346,107**	**352,890**	**$19,778,197**	**413,905**	**$14,308,659**

Source: U.S. Department of Commerce

Table 7. U.S. IMPORTS OF HOUSEHOLD BENTWOOD SEATS WITH WOODEN FRAMES, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.69.2010 HOUSEHOLD BENTWOOD SEATS WITH WOODEN FRAMES

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	2,586	295,257	5,108	246,598	2,403	125,005
Mexico	45,858	427,428	5,670	141,222	4,766	145,833
Belize			19	1,732		
Honduras			20	6,601		
Costa Rica			657	25,076		
Colombia	55	3,225	300	12,525		
Chile					870	59,095
Argentina			516	37,060	86	5,599
Sweden					7	2,019
Denmark	101	11,184	909	62,122	192	37,950
UK	105	4,249	61	10,530	49	24,342
Ireland	70	7,620				
Netherlands	152	11,045	1,116	34,241		
France	46	12,461	50	9,656	265	44,600
Germany			7	4,444		
Austria					13	6,522
Czech Rep	58,593	987,189	49,232	895,695	91,180	1,719,413
Slovak Rep					1,021	29,683
Hungary	7,013	294,567	2,000	81,550	1,000	35,250
Switzerland			5	18,866		
Poland	110,786	2,729,787	103,742	2,865,799	144,495	3,833,351
Spain			39	9,705		
Italy	1,742	125,083	2,221	110,447	2,195	169,049
Croatia	22,869	627,933	26,996	786,483	22,166	746,669
Slovenia	69,223	2,451,972	80,799	2,870,216	97,385	3,647,358
Romania	15,822	303,094	10,166	200,513	50,736	1,036,385
Turkey					400	12,338
India			89	11,096		
Pakistan			98	9,357		
Thailand	404	7,429	316	31,147	1,456	78,739
Malaysia	134,389	2,337,120	177,370	2,991,926	13,350	247,841
Singapore			9,038	154,316		
Indonesia	372	22,484	655	35,673	485	41,918
Philippines	260	39,612	5	1,743	234	13,122
China	55,430	1,147,640	104,165	2,312,894	13,005	488,835
Korea Rep					9	2,391
HK					866	15,335
Taiwan	58,603	1,990,528	33,769	1,887,939	14,571	749,779
Egypt	232	43,432			73	2,282
TOTAL	**584,711**	**$13,880,339**	**615,138**	**$15,867,172**	**463,278**	**$13,320,703**

Source: U.S. Department of Commerce

Table 8. U.S. IMPORTS OF BENTWOOD SEATS FOR COMMERCIAL USE, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.69.2030 BENTWOOD SEATS FOR COMMERCIAL USE

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	17,298	252,935	7,440	1,096,821	6,167	900,058
Mexico	6,666	137,963	2,360	112,403	10,430	621,197
Haiti	76	1,950	211	5,282	187	4,954
Dom Rep					147	8,676
Venezuela			13	2,802		
Argentina			927	113,956	396	71,392
Denmark					30	4,915
UK	1	14,954	111	63,290	27	10,749
Ireland			14	3,046		
Belgium			14	5,432	286	42,191
France			7	15,780	3,029	267,312
Germany			154	33,549	330	37,350
Austria	894	63,279	517	25,839	45	78,791
Czech Rep	45,203	443,928	5,510	90,362	1,178	26,705
Hungary	15,145	360,413	8,574	98,480	1,000	42,400
Poland	129,740	3,548,990	127,074	3,450,553	90,669	2,055,865
Spain			63	9,711		
Italy	1,064	180,551	715	2,639	670	46,279
Croatia	2,636	114,540	2,146	85,335	3,686	118,280
Slovenia	57,485	1,892,043	40,587	1,256,297	10,041	420,388
Romania	5,262	96,340	6,285	57,915	24,610	182,282
Turkey					5	7,232
India			30	2,163		
Sri Lanka	1,300	5,205				
Thailand	13	3,226				
Malaysia	144	3,299			3,309	52,544
Indonesia			204	19,394	823	57,009
Philippines	43	10,665	25	18,448	8	3,946
China	6,760	142,805	1,653	71,826	24,468	288,079
HK	24	8,591				
Taiwan	1,178	62,523	40	1,458	547	32,077
New Zealand					10	14,039
TOTAL	**290,932**	**$7,345,200**	**204,674**	**$6,642,781**	**182,098**	**$5,394,710**

Source: U.S. Department of Commerce

Table 9. U.S. IMPORTS OF OTHER HOUSEHOLD CHAIRS OF TEAK WITH WOODEN FRAMES, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.69.4010 OTHER HOUSEHOLD CHAIRS OF TEAK WITH WOODEN FRAMES

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	4,776	428,926	891	122,739	149	25,215
Mexico	1,193	23,697	416	37,462	360	26,892
Guatemala	1,024	54,596	550	29,945	1,425	21,933
Honduras			62	9,135	13	2,691
Nicaragua	458	12,532			78	7,511
Costa Rica			110	7,466	1,209	42,101
Neth Antilles					12	1,758
Colombia					70	20,555
Peru			40	6,735		
Argentina	566	26,804	26	10,598		
Sweden					11	4,546
Norway	269	115,033	1,356	305,871	666	229,990
Denmark	2,912	335,213	3,973	468,441	2,427	261,935
UK	358	44,478	233	56,931	440	90,999
Ireland			12	4,445		
Netherlands	258	12,399	50	3,676	2	2,456
Belgium			27	4,201		
France	276	29,737	129	35,390	457	84,256
Germany	82	18,402	60	7,633	32	7,687
Czech Rep					800	22,894
Poland	264	6,695	132	3,324		
Spain	31	8,729			1,434	147,109
Italy	2,744	180,847	1,473	135,507	4,028	289,351
Slovenia	952	64,794	617	42,036	1,131	38,363
Bosnia	270	2,079				
Romania			20	2,459		
India	1,664	169,784	2,112	122,026	2,707	189,728
Sri Lanka					11,400	113,350
Burma			12	7,660		
Thailand	15,015	776,347	16,682	643,876	27,727	1,023,946
Vietnam	648	25,130				
Malaysia	2,506	64,322	45,125	260,391	3,063	131,789
Singapore	3	3,443	28	4,258	34	6,251
Indonesia	28,208	3,464,024	85,378	8,414,853	112,239	11,075,588
Philippines	2,203	150,517	408	95,520	162	80,009
Macao			78	4,558	40	2,706
China	4,854	163,550	6,727	124,217	3,771	196,835
Korea Rep	1,398	15,846				
HK	2,110	99,981	180	13,234	861	11,458
Taiwan	4,861	36,349	313	50,884	2,238	60,037
Egypt					136	16,646
S. Africa			6	1,762	76	8,538
TOTAL	**79,903**	**$6,334,254**	**167,226**	**$ 11,037,233**	**179,198**	**$14,245,123**

Source: U.S. Department of Commerce

Table 10. U.S. IMPORTS OF TEAK CHAIRS FOR COMMERCIAL USE, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.69.4030 TEAK CHAIRS WITH WOODEN FRAMES FOR COMMERCIAL USE

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	5,127	390,631	3,137	161,390	405	58,041
Mexico	206	13,864	169	7,271	4,774	114,978
Guatemala			1,580	75,314	1,052	50,145
Dominican Rep			58	3,271		
Chile			40	2,541		
Sweden					6	2,336
Norway	570	105,509	102	54,974	27	12,792
Denmark	50	8,983	567	40,253	131	23,472
UK	6,538	1,413,544	9,882	1,860,533	11,750	2,542,668
Belgium	26	5,297	329	52,873	526	79,040
France	5	4,247	2	3,607	757	74,120
Czech Rep					1,916	61,243
Spain			1,119	19,530		
Italy	381	19,450	2,271	131,730	4,938	283,542
Slovenia	734	28,275	1,375	58,915	692	25,022
Romania	2,160	40,790				
Turkey	6	2,404				
India	270	39,983	204	12,376	1,068	81,366
Burma			1,500	222,134	538	19,598
Thailand	9,812	1,337,072	12,854	1,792,413	15,589	2,330,837
Malaysia	901	31,363	13,218	185,822		
Singapore			65	19,055		
Indonesia	27,704	4,105,614	38,454	1,655,357	57,375	4,105,402
Phillippines					20	1,614
China	19,392	666,478			8,813	122,993
Korea Rep					589	31,039
HK	876	61,701				
Taiwan	3,292	108,416	1,285	40,311	220	27,900
Ivory Coast					104	3,025
Tanzania			1	1,501		
TOTAL	**78,050**	**$8,383,621**	**88,212**	**$6,401,171**	**111,290**	**$10,051,153**

Source: U.S. Department of Commerce

Table 11. U.S. IMPORTS OF HOUSEHOLD CHAIRS WITH WOODEN FRAMES, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.69.6010 HOUSEHOLD CHAIRS WITH WOODEN FRAMES

Country	CY 1996		CY 1997		CY 1998	
	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	256,796	32,819,301	268,676	35,336,388	313,624	43,030,602
Mexico	94,065	3,668,384	102,530	4,005,084	147,100	5,634,152
Guatemala	20,164	1,145,961	21,115	1,037,092	9,913	510,408
Belize	146	11,733				
El Salvador	82	15,615	128	20,190		
Honduras	5,368	531,639	6,222	707,508	7,619	1,033,450
Nicaragua	832	26,518	548	16,890	828	31,844
Costa Rica	952	59,786	1,161	124,797	6,524	308,765
Panama			78	4,680	120	10,327
Bermuda					2	2,466
Jamaica	4,034	477,247	1,272	176,313	26	6,847
Haiti	6,710	115,521	3,763	69,749	990	19,461
Dom Rep	409	24,645	33	4,970		
Monserrat					56	2,705
Aruba			118	6,339		
Colombia	8,382	937,800	6,934	925,370	8,980	1,754,983
Venezuela	2,569	53,880	8	1,268		
Ecuador	92	5,665			74	9,758
Peru	213	5,945	1,165	98,492	837	98,836
Bolivia	6,550	648,868	9,673	959,675	17,863	1,683,587
Chile	48,983	960,543	67,630	612,966	25,263	1,301,207
Brazil	75,443	1,751,567	85,963	2,430,431	46,855	1,535,158
Argentina	7,113	382,795	3,511	243,573	1,377	121,605
Iceland					774	42,769
Sweden	22,118	735,199	3,835	212,723	8,450	280,555
Norway	304	49,512	1,899	174,736	707	96,332
Finland	424	31,423	725	64,311	3,019	57,855
Denmark	6,508	561,724	25,340	1,289,558	17,666	1,117,815
UK	30,745	3,071,240	34,154	3,125,802	43,117	4,489,030
Ireland	51	11,315	53	4,329	193	38,741
Netherlands	7,508	461,580	7,234	432,443	14,686	608,767
Belgium	5,391	309,125	5,088	349,941	6,316	519,568
France	20,461	2,120,409	17,016	2,300,261	22,821	3,093,362
Germany	467	83,140	1,309	191,012	1,879	210,418
Austria	19	18,730	260	16,871	22	26,704
Czech Rep	26,883	481,458	44,302	1,059,122	30,343	724,197
Slovak Rep			90	5,100	3,890	104,177
Hungary	835	13,223	1,300	54,362	261	16,685
Switzerland	3,472	75,500	337	83,359	3,451	69,518
Latvia	6,580	144,684	1,200	9,969		
Estonia			2,200	21,762	1,560	15,863
Lithuania					1,134	5,989
Poland	28,499	539,083	48,042	1,299,998	70,664	1,871,762
Russia	12,328	213,866	13,941	244,417	9,985	93,791
Ukraine			126	13,514	7,308	63,941
Spain	88,389	9,281,840	85,446	8,367,231	121,957	12,113,902
Portugal	1,064	75,074	88	10,663	141	20,139
Malta	14	1,733	28	3,005		

Source: U.S. Department of Commerce

Table 11. U.S. IMPORTS OF HOUSEHOLD CHAIRS WITH WOODEN FRAMES, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.69.6010 HOUSEHOLD CHAIRS WITH WOODEN FRAMES (cont'd)

Country	CY 1996		CY 1997		CY 1998	
	Units	CIF Value	Units	CIF Value	Units	CIF Value
San Marino					270	6,356
Italy	624,584	32,181,091	750,902	34,394,359	811,870	37,232,509
Croatia	54,915	1,637,670	48,080	1,506,591	35,424	1,138,282
Slovenia	591,639	17,975,761	444,778	17,528,217	462,513	18,367,206
Bosnia	255,634	5,418,365	196,320	4,859,114	133,786	2,898,710
Macedonia	13,180	279,512	4,460	105,839	5,950	129,954
Greece			4,200	81,008	2,928	87,624
Romania	70,471	1,146,258	101,873	1,759,956	104,626	1,686,722
Bulgaria	9,739	190,541	31,746	628,385	83,561	1,406,798
Turkey	859	43,839	2,517	107,533	897	46,664
Cyprus					170	5,117
Syria					23	4,886
Lebanon	31,992	1,317,929	19,730	974,017	16,988	1,241,101
Israel	94	24,440			1	5,529
Jordan	6	4,051	37	2,958		
UAE					41	19,233
India	4,413	272,070	6,268	510,302	12,799	1,119,194
Pakistan	242	37,811	676	60,628	4,556	132,583
Sri Lanka	50	7,768	1,119	28,037	5,552	50,998
Burma	2	2,217	36	11,454		
Thailand	954,409	19,718,500	2,017,631	23,910,021	2,380,282	24,373,909
Vietnam	986	27,500	5,685	157,999	1,526	47,629
Cambodia	100	7,074	45	3,061		
Malaysia	6,407,620	118,169,092	7,107,493	126,670,106	7,185,313	117,347,783
Singapore	162,873	5,648,739	103,450	3,899,154	46,232	1,904,813
Indonesia	438,354	14,541,744	536,089	15,456,670	458,518	16,834,533
Philippines	58,811	5,115,937	50,981	4,768,244	58,137	5,448,135
Macao			9	1,497	820	34,105
China	3,619,737	76,201,142	4,011,293	86,703,363	4,563,535	99,589,983
Korea Rep	5,959	127,885	2,746	126,793	636	71,688
HK	59,953	1,120,169	52,465	1,488,029	50,988	2,136,550
Taiwan	1,942,042	61,816,196	2,047,130	69,605,129	2,212,613	74,529,120
Japan	871	11,085	68	14,013	234	35,730
Australia	5,135	552,283	5,432	655,333	9,119	984,101
New Zealand	173	6,953			8	1,520
Fiji					112	48,637
New Caledonia			64	6,982		
Morocco	347	22,261	539	34,871	363	14,693
Tunisia			1,650	24,011		
Egypt	8,980	744,846	6,846	653,513	5,843	661,750
Cameroon	250	1,973				
Sierra Leone	2,220	61,050				
Ivory Coast					120	4,536
Nigeria	2	2,563	195	2,800		
Kenya	399	1,965				
Ethiopia			1	2,962		
Ghana					493	18,275
Tanzania					54	3,295

Source: U.S. Department of Commerce

Table 11. U.S. IMPORTS OF HOUSEHOLD CHAIRS WITH WOODEN FRAMES, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.69.6010 HOUSEHOLD CHAIRS WITH WOODEN FRAMES (cont'd)

Country	CY 1996		CY 1997		CY 1998	
	Units	CIF Value	Units	CIF Value	Units	CIF Value
Mauritius			740	17,067		
S. Africa	149	21,195	490	67,736	1,339	187,971
Zambia			12	1,811	16	3,620
Namibia	60	5,752				
Zimbabwe	10	4,501	41	9,125	146	19,359
TOTAL	**16,128,223**	**$426,392,999**	**18,438,531**	**$462,960,313**	**19,616,797**	**$492,659,242**

Source: U.S. Department of Commerce

Table 12. U.S. IMPORTS OF OTHER CHAIRS WITH WOODEN FRAMES FOR COMMERCIAL USE, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.69.6030 OTHER CHAIRS WITH WOODEN FRAMES FOR COMMERCIAL USE

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	149,031	8,991,720	164,685	11,320,772	256,040	18,023,425
Mexico	18,142	932,704	29,270	1,581,505	29,559	2,299,799
Guatemala	3,786	188,360	1,150	56,528	1,000	42,545
El Salvador			128	7,503		
Honduras	2,397	157,909	4,425	302,787	2,502	208,308
Nicaragua			105	2,033	408	1,950
Costa Rica	192	12,203	327	16,950	755	25,563
Dominican Rep					159	20,009
Haiti	98	2,143				
Bahamas			4	2,253		
Colombia			190	22,265	18	1,936
Venezuela			5	6,263		
Peru	1	8,909			488	35,470
Bolivia	2,489	59,167				
Chile	7,516	199,883	793	49,198	2,249	51,363
Brazil	11,028	291,131	5,118	142,244	10,090	317,586
Uruguay	27	2,213				
Argentina	3,193	251,952	4,002	259,975	2,124	118,061
Sweden	16	4,837	44	4,428	330	33,882
Norway	37	10,064	18	12,150	6	5,858
Finland			78	12,278	41	5,108
Denmark	5,049	298,996	1,220	111,175	1,731	150,430
UK	3,410	463,394	7,894	481,744	2,727	373,519
Ireland	1,609	25,024	290	51,555	343	68,424
Netherlands	656	57,991	189	9,104	745	57,827
Belgium	198	54,948	6	2,398	41	6,104
France	8,177	547,806	2,379	304,922	743	304,068
Germany	448	94,626	927	109,421	875	143,609
Austria	1,983	66,423			2	6,706
Czech Rep	3,214	75,075	28,038	220,473	24,229	205,994
Slovak Rep			3,590	84,901	5,074	129,936
Hungary	24,084	650,720	61,184	1,012,033	43,805	618,605
Switzerland	10	2,651	6	1,965		
Poland	222	8,570	90	3,899	36,044	996,642
Spain	11,528	1,264,759	16,232	1,647,745	11,363	1,210,396
Portugal	10	2,405	294	10,868	307	36,594
Malta			14	1,639	14	1,656
Italy	182,810	8,336,500	132,615	6,734,398	231,723	9,240,580
Croatia	2,850	84,661	3,513	95,819	1,120	30,372
Slovenia	56,492	1,941,312	59,164	2,427,144	49,404	1,854,323
Greece			2	6,300		
Romania	2,856	43,936	3,713	124,612	2,237	79,527
Bulgaria	58,296	600,139	155,988	1,861,629	179,184	2,743,176
Turkey	1,176	40,820	434	28,759	866	65,260
Cyprus	842	13,736				
Lebanon	15	7,210			306	5,550
Israel					7	3,784
India	672	49,662	978	58,581	355	38,106

Source: U.S. Department of Commerce

Table 12. U.S. IMPORTS OF OTHER CHAIRS WITH WOODEN FRAMES FOR COMMERCIAL USE, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.69.6030 OTHER CHAIRS WITH WOODEN FRAMES FOR COMMERCIAL USE (cont'd)

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Pakistan	147	19,123	60	10,619	100	10,343
Thailand	40,574	839,934	24,093	925,688	112,421	1,241,950
Vietnam	916	9,665				
Malaysia	369,733	6,253,407	488,640	6,866,280	725,305	9,205,221
Singapore			2,306	56,400	407	10,570
Indonesia	90,727	1,972,796	68,253	1,950,606	107,290	3,170,399
Philippines	510	66,350	1,344	52,620	1,119	129,901
Macao	214	10,900	105	6,013		
China	166,375	2,810,692	141,703	2,740,186	199,547	4,008,038
Korea Rep	593	48,696	635	57,665	1,484	91,552
HK	4,987	93,919	7,345	149,618	12,780	108,168
Taiwan	136,264	4,294,218	83,877	2,145,563	42,166	1,133,974
Japan	240	31,937	509	83,236	63	10,238
Australia	2,360	256,431	3,305	294,995	7,390	738,379
New Zealand	106	18,477			1	3,165
Egypt	212	30,546	1,030	102,160	920	72,250
Ivory Coast			260	2,568		
Ghana					1,200	10,014
S. Africa	105	4,645	688	23,102	16	2,777
Zimbabwe	23	1,800	45	5,539		
TOTAL	**1,378,646**	**$42,608,095**	**1,513,301**	**$44,663,074**	**2,111,223**	**$59,508,990**

Source: U.S. Department of Commerce

Table 13. U.S. IMPORTS OF OTHER HOUSEHOLD SEATS WITH WOODEN FRAMES, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.69.8010 OTHER HOUSEHOLD SEATS WITH WOODEN FRAMES

Country	CY 1996		CY 1997		CY 1998	
	Units	CIF Value	Units	CIF VALUE	Units	CIF VALUE
Canada	21,540	1,944,658	25,985	2,385,967	22,456	2,705,953
Mexico	16,570	970,766	27,208	1,302,145	29,298	1,999,746
Guatemala	4,431	74,846	7,479	176,159	1,339	46,926
Belize	60	2,135			5	2,000
Honduras	2,564	193,640	2,528	222,131	1,867	184,120
Nicaragua	1,691	32,837			222	12,257
Costa Rica	13,843	265,932	8,749	210,235	3,930	66,725
Jamaica	371	60,880	145	26,334	36	8,567
Haiti	1,053	32,869	1,286	23,105	2,873	53,836
Domican Rep	3,879	311,810	112	36,675	57	22,310
Virgin Is					292	16,887
Colombia	290	21,938	144	31,241	199	30,864
Venezuela	5	5,261	51	6,715		
Peru	200	6,022	175	11,676	120	3,081
Bolivia			20	3,594		
Chile	5,285	291,597	4,871	381,494	9,157	178,852
Brazil	59,600	3,726,871	126,305	4,664,393	121,016	6,489,826
Argentina	8,059	504,197	7,904	412,871	447	35,174
Sweden	763	49,995	505	40,231	198	23,444
Norway	1,538	214,896	890	162,486	119	75,087
Finland	768	57,192	768	50,242	1,348	67,586
Denmark	1,100	138,965	1,422	143,963	3,146	243,399
UK	3,291	361,508	3,049	496,523	1,614	484,501
Ireland			12	3,303	16	2,043
Netherlands	638	90,175	509	117,734	1,695	147,223
Belgium	65	13,404	76	19,737	176	29,130
France	4,654	481,037	1,893	571,964	1,542	483,076
Germany	994	145,033	682	115,702	849	270,781
Austria	38	37,275	151	5,557	6	9,493
Czech Rep	2,059	7,253	5,112	89,986	2,633	51,398
Slovak Rep	420	18,863				
Hungary			228	22,029		
Switzerland			325	14,979	212	68,088
Estonia			593	23,216		
Latvia			1,000	7,930		
Poland	5,923	235,131	4,554	252,408	7,543	382,746
Russia			2,000	11,690	19,392	84,218
Ukraine	3,840	8,514	3,840	9,316	173	45,967
Spain	7,332	627,936	5,864	569,486	37,573	1,087,865
Portugal	1,557	4,717	304	9,683	455	17,748
Italy	181,164	8,753,667	160,849	8,422,492	302,510	9,678,693
Croatia	4,344	130,527	1,564	57,968	1,816	55,992
Slovenia	16,343	547,565	16,919	812,953	16,313	705,862
Bosnia	5,017	131,741	9,755	242,372	7,794	195,414
Greece	6	6,030				
Romania	15,913	224,102	454	17,200	7,627	188,933
Bulgaria	204	2,509	3,184	15,132	2,128	57,056
Turkey	35	2,065			80	15,979

Source: U.S. Department of Commerce

Table 13. U.S. IMPORTS OF OTHER HOUSEHOLD SEATS WITH WOODEN FRAMES, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.69.8010 OTHER HOUSEHOLD SEATS WITH WOODEN FRAMES (cont'd)

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF VALUE	Units	CIF VALUE
Jordan			43	51,869		
India	1,262	127,708	3,253	229,073	8,638	391,698
Pakistan	122	11,392	158	1,725	157	27,291
Sri Lanka	40	83,907	6	4,451	5,201	52,901
Thailand	187,084	3,477,568	308,881	2,933,797	135,077	2,720,210
Vietnam	37	10,043	452	18,830		
Cambodia	12	14,164				
Malaysia	1,342,055	15,670,102	1,976,715	13,237,272	1,741,263	12,568,946
Singapore	1,207	121,513	955	26,825	468	17,626
Indonesia	102,050	6,614,192	117,655	8,167,936	140,025	8,515,128
Philippines	32,949	1,245,891	17,695	1,010,917	9,449	811,124
Macao	533	35,291			457	14,018
China	616,288	8,254,749	1,790,542	10,135,435	1,360,176	11,771,725
Korea Rep	2,672	156,115	2,612	159,365	4,214	222,209
HK	21,983	516,252	29,044	907,513	21,157	759,638
Taiwan	2,951,659	5,414,499	1,435,669	4,662,470	163,260	2,707,059
Japan	10,342	585,449	10,182	647,083	3,726	215,883
Australia	2	3,013	3	3,258	51	8,550
Morocco	154	5,920	30	7,802		
Tunisia			1,162	70,486		
Egypt	432	71,858	407	99,630	414	122,901
Mali	96	2,913				
Ivory Coast	112	6,458	181	4,603	54	5,164
Ghana			1,964	44,063	2,703	84,117
Ethiopia					52	4,425
Kenya					2,145	55,581
Togo			18	1,522		
S. Africa	8	2,323	100	46,777	90	17,149
Namibia	24	3,803				
TOTAL	**5,668,570**	**$63,171,482**	**6,137,363**	**$64,682,986**	**4,209,049**	**$67,422,189**

Source: U.S. Department of Commerce

Table 14. U.S. IMPORTS OF OTHER SEATS WITH WOODEN FRAMES FOR COMMERCIAL USE, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.69.8030 OTHER SEATS WITH WOODEN FRAMES FOR COMMERCIAL USE

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	43,197	4,608,967	77,493	4,218,368	76,237	5,149,186
Mexico	30,342	1,624,826	91,890	2,122,576	48,587	1,393,533
Guatemala	504	26,346	22	2,887	416	25,893
Honduras	43	5,057	99	10,140	210	31,470
Nicaragua	29	2,124	33	2,873		
Costa Rica	20	1,805			406	15,216
Haiti					29	4,021
Dominican Rep	78	1,871	26	12,007		
Neth Antilles			1,001	26,180		
Trinidad	2	3,086				
Colombia			2	2,380	449	47,505
Peru			74	3,815		
Bolivia			81	5,160		
Chile	680	25,755	5,885	648,311	17,724	177,077
Brazil	476	5,524	22,405	93,281	34,312	2,190,410
Argentina	496	35,005	598	53,035	1,947	75,713
Sweden	57	30,582	583	29,399	327	57,230
Norway	6	2,202	1	3,686	11	1,410
Finland			375	26,937	162	9,235
Denmark	99	36,395	256	52,314	283	25,769
UK	904	241,587	1,157	356,420	1,750	321,678
Ireland	215	32,290	352	47,567	699	119,451
Netherlands	1	4,144	249	23,680	724	69,329
Belgium	12	2,984	20	4,076	99	9,681
France	6,991	254,154	5,776	122,278	4,859	598,169
Germany	142	58,707	74	53,436	852	90,104
Austria	134	23,582	579	36,433	4	4,204
Switzerland	10	1,863				
Czech Rep			11	1,490	110	8,785
Slovak Rep					13	3,717
Switzerland			2,689	85,506		
Poland	78	6,872	47	3,794	48	4,709
Spain	1,695	208,513	1,303	182,447	1,430	192,011
Portugal	14	2,456	8	1,612		
Italy	25,591	1,455,289	30,384	1,387,928	72,543	2,568,098
Croatia	303	14,468	504	21,535		
Slovenia	4,594	209,585	6,574	274,409	8,038	396,318
Greece	3	5,816	5	6,000	2	2,556
Romania	7,938	91,146	583	70,344	350	12,383
Turkey	24	2,708				
Lebanon					18	2,820
Israel	1,305	253,620	583	70,344	2	8,157
India	495	68,067	600	77,280	929	93,213
Pakistan	58	1,470			68	4,477
Sri Lanka					1,200	6,216
Burma			12	3,630		
Thailand	41,732	693,264	443,484	1,546,938	269,759	2,013,745
Vietnam	47	1,597	130	8,083	1,300	33,304

Source: U.S. Department of Commerce

Table 14. U.S. IMPORTS OF OTHER SEATS WITH WOODEN FRAMES FOR COMMERCIAL USE, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.69.8030 OTHER SEATS WITH WOODEN FRAMES FOR COMMERCIAL USE (cont'd)

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Malaysia	295,866	4,591,553	439,698	6,756,723	339,138	4,159,573
Singapore	971	10,885	9	2,272	33	4,413
Indonesia	31,064	1,323,332	39,684	2,223,258	54,992	3,537,774
Philippines	2,162	76,823	1,442	88,035	5,095	172,386
China	248,271	2,506,662	371,699	5,326,545	184,689	3,219,529
Korea Rep	2,249	127,808	3,325	170,038	5,861	255,325
HK	5,456	149,704	35,312	531,176	26,614	354,455
Taiwan	32,109	797,927	52,923	1,339,092	66,402	1,674,422
Japan	15,628	1,131,720	4,794	310,253	3,840	267,764
Australia	1,803	172,680	2,797	270,826	3,316	385,156
New Zealand	20	12,245				
Morocco	5	3,504			99	4,185
Egypt	10	3,518	942	94,118	232	59,717
Cameroon					3	2,756
Ghana	100	6,037	386	12,412	3,439	56,196
Ethiopia			22	7,596		
S. Africa	304	55,800	962	45,551	776	37,463
Zimbabwe					41	5,399
Malawi	50	2,758				
TOTAL	**804,383**	**$21,016,683**	**1,649,360**	**$28,806,130**	**1,240,467**	**$29,963,306**

Source: U.S. Department of Commerce

Table 15. U.S. IMPORTS OF WOODEN SEAT PARTS, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.90.4000 WOODEN SEAT PARTS

Country	CY 1996	CY 1997	CY 1998
	CIF Value	CIF Value	CIF Value
Canada	9,510,756	12,610,685	12,493,049
Mexico	7,895,672	7,855,490	6,655,719
Guatemala	11,347	12,864	76,352
Honduras	196,411	315,024	135,589
Costa Rica		13,208	3,447
Panama			9,344
Colombia	21,320	95,400	23,143
Guyana	14,664		
Bolivia	540,069	1,385,904	1,819,492
Chile	1,500,568	1,608,778	1,967,567
Brazil	1,779,935	3,610,078	2,958,821
Paraquay	733,463	335,158	260,273
Uruguay	23,930		
Argentina	48,789	196,472	
Sweden	285,100	239,725	127,513
Norway	75,505	95,845	1,274,846
Finland	134,744	340,625	254,043
Denmark	120,799	383,767	309,041
UK	33,299	25,731	45,566
Ireland	2,368	21,075	10,683
Netherlands	120,597	104,450	29,116
Belgium	7,487		14,351
France	82,665	109,316	81,190
Germany	365,827	411,814	628,899
Austria	56,743	143,430	126,746
Czech Rep	627,284	486,493	1,173,987
Hungary	13,272	8,971	91,340
Switzerland	168,755	111,086	87,786
Poland	2,631	579,585	1,024,757
Ukraine			6,385
Spain	2,379,755	2,328,534	2,343,618
Portugal			11,158
Italy	4,832,354	5,468,761	6,158,644
Croatia	311,769	354,775	95,312
Slovenia	3,506,963	2,670,113	1,984,318
Bosnia	6,677	82,131	60,395
Macedonia		2,650	6,104
Yugoslovia			1,447
Romania	721,529	896,882	1,274,608
Bulgaria			42,639
Turkey		6,216	3,411
Israel	5,600	2,200	
India	19,894	50,530	1,397
Thailand	5,018,526	3,461,491	2,668,718
Vietnam			14,763
Malaysia	15,899,719	15,943,889	17,578,885
Singapore	58,586	116,621	23,411
Indonesia	2,021,006	4,217,226	5,327,027

Source: U.S. Department of Commerce

Table 15. U.S. IMPORTS OF WOODEN SEAT PARTS, CY 1996-1998, BY COUNTRY OF ORIGIN

9401.90.4000 WOODEN SEAT PARTS (cont'd)

Country	CY 1996	CY 1997	CY 1998
	CIF Value	CIF Value	CIF Value
Philippines	977,431	2,677,241	2,022,111
China	5,888,421	11,394,286	15,395,234
Korea Rep			206,387
HK	201,624	1,011,886	194,907
Taiwan	4,150,574	4,963,781	3,704,432
Japan			9,444
Australia		3,430	
Egypt	41,174	19,686	12,770
S. Africa			10,650
WORLD	**$70,415,602**	**$86,793,450**	**$90,840,835**

Source: U.S. Department of Commerce

Table 16. U.S. IMPORTS OF BENTWOOD OFFICE FURNITURE, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.30.4000 BENTWOOD OFFICE FURNITURE

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Canada	181,344	922,849	335,902
Mexico	28,943	155,982	434,540
Costa Rica		280,020	
Brazil	235,296		
Sweden	11,686	6,103	
Jamaica			6,277
Denmark		19,696	67,058
UK	28,307	11,620	119,621
France	1,691	9,775	49,917
Germany		10,854	
Austria		17,807	167,560
Spain		6,583	
Italy	69,219	51,350	41,672
Slovenia	24,555	42,644	40,409
Turkey			5,450
India			6,592
Pakistan			2,760
Thailand		2,150	57,771
Indonesia	6,006	18,894	3,128
Philippines			13,992
China	17,138	43,019	8,911
Korea Rep		3,391	
Hong Kong	13,747	27,135	58,482
Taiwan		127,457	69,323
Japan			9,888
Egypt		11,570	
TOTAL	**$617,932**	**$1,768,899**	**$1,499,253**

Source: U.S. Department of Commerce

Table 17. U.S. IMPORTS OF WOODEN OFFICE FURNITURE, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.30.8000 WOODEN OFFICE FURNITURE

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Canada	198,280,150	278,666,693	350,359,691
Mexico	22,740,488	23,987,621	23,685,478
Guatemala	437,564	219,983	271,445
Belize		1,845	
El Salvador		13,734	
Honduras	29,260	21,020	2,934
Costa Rica	11,656	62,525	49,504
Panama		1,579	
Dominican Rep	4,140	21,937	11,001
Trinidad	2,948		
Colombia	14,758	35,559	22,488
Venezuela		32,206	3,167
Surinam		4,949	
Ecuador	28,845	6,852	22,418
Peru		6,722	
Bolivia	17,155	30,852	
Chile	88,668		8,250
Brazil	3,651,842	4,388,528	5,596,022
Argentina	30,916	11,892	15,500
Iceland	13,045		
Sweden	1,713,517	2,096,681	2,659,039
Norway	64,248	246,076	275,767
Finland	64,677	6,076	57,082
Denmark	11,477,794	16,870,795	26,543,372
UK	2,179,479	2,131,959	2,492,969
Ireland		3,315	8,327
Netherlands	2,217,459	1,370,843	784,509
Belgium	462,307	613,121	320,894
Monaco	4,985		
France	3,562,952	4,510,927	4,459,497
Germany	6,619,146	11,083,852	4,067,677
Austria	13,849	42,130	46,272
Czech Rep			42,400
Slovak Rep	38,320		
Hungary	82,642		1,780
Lichtenstein	10,899		
Switzerland	569,833	890,806	2,415,890
Estonia	1,902		
Lithuania			6,505
Poland	15,326	7,096	29,878
Russia	21,959	3,650	
Spain	327,748	382,628	443,634
Portugal	85,551	316,985	666,155
Vatican City	26,255		
Italy	9,734,536	7,694,197	6,846,876
Croatia	775,360	1,442,904	1,572,570
Slovenia	328,132	537,550	1,057,037
Greece	9,555	2,840	21,733

Source: U.S. Department of Commerce

Table 17. U.S. IMPORTS OF WOODEN OFFICE FURNITURE, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.30.8000 WOODEN OFFICE FURNITURE (cont'd)

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Romania	58,083		79,527
Turkey		8,568	21,733
Israel	172,396	3,982	39,780
Lebanon	10,296	5,777	
Oman	36,717		
Jordan		18,770	
Qatar			3,991
UAE			15,710
India	120,923	143,482	127,619
Pakistan	5,702	35,340	35,167
Thailand	2,143,796	2,588,812	5,166,220
Vietnam	1,678		
Malaysia	2,057,609	2,994,535	2,522,821
Singapore	26,570	10,451	13,873
Indonesia	2,189,075	2,948,577	2,710,734
Philippines	206,648	223,380	238,776
China	13,790,321	19,737,179	49,484,740
Korea Rep	888,856	835,141	1,343,124
HK	854,037	759,263	1,271,442
Taiwan	5,088,606	4,698,183	6,558,315
Japan	197,674	120,782	114,562
Australia	167,248	7,905	226,947
New Zealand	17,614		8,376
Morocco		6,858	32,521
Egypt	304,623	549,365	658,690
Ivory Coast	2,992		
Djibouti			5,626
Sierra Lione		16,244	
S. Africa	13,683	92,844	487,580
Zimbabwe		7,789	
TOTAL	**$294,732,945**	**$393,582,128**	**$506,005,338**

Source: U.S. Department of Commerce

Table 18. U.S IMPORTS OF BENTWOOD FURNITURE USED IN THE KITCHEN, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.40.4000 BENTWOOD FURNITURE USED IN THE KITCHEN

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Canada	845,436	421,480	380,687
Mexico	68,923	115,797	129,388
Venezuela	1,696		
Dominican Rep			5,522
Colombia			31,386
Brazil		23,020	38,999
UK	1,911		32,873
Denmark		1,761	
Belgium	2,149	28,083	23,091
France	3,917	32,530	28,135
Germany	6,234	20,128	2,362
Czech Rep	63,047		
Poland		73,402	71,767
Spain	1,977	11,706	2,613
Italy		15,778	20,062
Indonesia	39,414	161,382	119,511
Romania		6,296	
India		2,710	
Thailand		147,316	
Malaysia		621,750	
Singapore		16,080	
Philippines			4,011
China	27,598	142,786	132,725
Hong Kong	6,974	5,931	12,096
Taiwan		23,506	235,310
New Zealand			19,643
TOTAL	**$1,069,276**	**$1,871,442**	**$1,290,181**

Source: U.S. Department of Commerce

Table 19. U.S. IMPORTS OF WOODEN DINING TABLES USED IN THE KITCHEN, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.40.9040 WOODEN DINING TABLES USED IN THE KITCHEN

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	10,468	1,291,280	13,454	2,107,933	12,949	2,432,799
Mexico	77,993	3,680,680	73,856	3,721,777	35,911	2,747,337
El Salvador	6	2,808	5	2,352		
Guatemala					72	20,607
Honduras	413	86,711	1,071	229,450	730	143,694
Costa Rica	10	2,500				
Jamaca	3	3,103				
Panama			1	2,137		
Dominican Rep	1	1,886	8	4,135		
Colombia	126	49,480	308	90,181	2,091	67,517
Ecuador	2	1,575	77	26,680		
Venezuela					2	2,228
Peru	20	2,369	212	18,198	117	11,322
Chile	20	10,167			16	9,189
Brazil	15,342	835,329	11,307	667,138	21,527	1,091,434
Argentina	268	80,093	211	91,414	532	178,495
Sweden	505	7,391	11	4,012	67	30,363
Finland	33	6,230				
Denmark	541	165,956	988	230,516	882	136,655
UK	2,962	771,432	3,766	726,799	3,334	993,190
Ireland	26	15,539	31	10,556	107	29,244
Netherlands	471	99,918	368	65,596	665	93,985
Belgium	406	163,549	1,958	231,510	479	123,807
France	3,758	430,661	1,142	216,760	1,640	580,341
Germany	72	43,412	8	13,678	39	45,983
Austria	15	5,881	101	50,034	369	21,908
Czech Rep	29	5,210	11	1,548		
Hungary	5	3,787	2	51	7,865	
Switzerland	1	9,849	1	5,484	264	23,389
Latvia	3,600	251,448				
Poland	239	32,010	157	32,697	20	2,174
Russia			1	8,013		
Spain	266	160,319	640	262,249	203	204,339
Portugal	100	71,049	1	3,369	3	3,419
Italy	7,800	1,547,977	9,959	2,010,405	5,745	1,697,771
Slovenia			388	27,446	90	13,118
Greece	6	4,731				
Romania	164	7,486			2,240	168,673
Turkey	5	2,412	415	15,928		
Lebanon			667	61,895	2,072	192,493
Israel			3	5,450	2	2,143
India	92	21,281	660	105,241	2,945	80,470
Pakistan			165	21,144	140	2,055
Sri Lanka			480	27,545	4	7,254
Thailand	198,799	10,184,575	106,116	6,815,697	121,625	6,124,810
Vietnam	52	6,179			111	39,846
Cambodia	7	13,129				
Malaysia	504,290	32,866,622	622,041	32,458,406	5,465,568	26,946,507

Source: U.S. Department of Commerce

Table 19. U.S. IMPORTS OF WOODEN DINING TABLES USED IN THE KITCHEN, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.40.9040 WOODEN DINING TABLES USED IN THE KITCHEN (cont'd)

	CY 1996		CY 1997		CY 1998	
Country	Units	CIF Value	Units	CIF Value	Units	CIF Value
Singapore	13,316	1,419,915	7,778	865,972	74	13,383
Indonesia	17,055	1,634,973	27,153	2,538,625	59,711	3,658,378
Philippines	992	539,349	3,988	1,591,469	2,287	1,335,122
Macao			33	2,757	1	2,994
China	76,949	4,821,683	151,071	8,281,538	230,501	12,358,533
Korea Rep	4,909	203,741	8,376	263,175	9,700	246,516
HK	746	78,322	6,071	689,188	3,484	450,407
Taiwan	114,081	8,252,667	87,206	6,111,669	32,102	2,222,767
Japan	31	4,389	414	19,578		
Australia	1	2,310	1	3,249	7	27,838
New Zealand			1	2,742		
Morocco			270	20,535	485	24,989
Egypt	927	106,378	111	16,037	278	67,365
Ivory Coast	14	8,037				
S. Africa	22	13,653	15	10,642	21	24,271
Zimbabwe	11	4,017	1	2,195		
TOTAL	**1,057,959**	**$70,035,448**	**1,143,078**	**$70,805,936**	**1,102,221**	**$64,701,122**

Source: U.S. Department of Commerce

Table 20. U.S. IMPORTS OF WOODEN CABINETS DESIGNED FOR PERMANENT INSTALLATION IN THE KITCHEN, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.40.9060 WOODEN CABINETS DESIGNED FOR PERMANENT INSTALLATION IN THE KITCHEN

	CY 1996	CY 1997	CY 1998
Country	CIF Value	CIF Value	CIF Value
Canada	190,420,950	248,438,319	291,458,832
Mexico	5,846,429	5,270,680	4,969,852
Honduras	12,181		
Costa Rica	9,862	2,271	1,741
Dominican Rep	182,303	334,655	437,193
Argentina		8,472	
Trinidad			3,092
Colombia	1,541		46,781
Venezuela			15,279
Brazil			81,090
Sweden	795,664	128,479	
Norway		8,589	9,028
Finland	195,303	10,848	1,896
Denmark	287,999	189,926	103,902
UK	4,685,327	3,819,092	4,239,531
Ireland		145,072	125,774
Netherlands	32,563	14,586	3,132
Belgium	7,890	18,879	6,654
France	161,437	190,076	161,279
Germany	13,336,712	14,112,853	13,153,492
Austria	12,362	14,327	
Hungary	3,679		6,999
Switzerland	4,991	48,193	15,512
Latvia	19,722	124,957	378,834
Poland		7,560	26,578
Russia		44,857	21,863
Spain	50,946	22,496	78,940
Portugal	31,759	3,824	41,303
Italy	5,297,022	4,093,008	5,542,486
Turkey			122,220
Greece		30,912	
Romania		2,191	
Israel			8,356
UAE		9,260	
Saudi Arabia			40,928
India	116,174	164,774	106,415
Pakistan	3,459	17,231	
Sri Lanka	8,104		
Thailand	7,817	38,724	21,207
Malaysia		6,552	5,906
Singapore	1,598		1,749
Indonesia	32,557	115,601	125,513
Philippines	3,469	21,340	1,123,013
China	5,191,514	6,199,626	6,263,142
Korea Rep	213,704	101,608	348,963
HK	3,929	12,291	
Taiwan	4,200	33,336	17,801
Japan		134,825	229,065

Source: U.S. Department of Commerce

Table 20. U.S. IMPORTS OF WOODEN CABINETS DESIGNED FOR PERMANENT INSTALLATION IN THE KITCHEN, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.40.9060 WOODEN CABINETS DESIGNED FOR PERMANENT INSTALLATION IN THE KITCHEN (cont'd)

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Australia		6,107	12,366
New Zealand		41,903	
Egypt	11,629	5,746	5,431
Nigeria		2,270	
TOTAL	**$226,994,796**	**$283,996,316**	**$329,365,172**

Source: U.S. Department of Commerce

Table 21. U.S. IMPORTS OF WOODEN FURNITURE USED IN THE KITCHEN, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.40.9080 WOODEN FURNITURE USED IN THE KITCHEN

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Canada	11,985,280	13,048,929	17,567,677
Mexico	3,180,138	5,380,865	6,452,125
Guatamala		3,309	
El Salvador		4,000	
Honduras	90,331	56,278	102,476
Nicaragua	3,865		
Costa Rica	35,867	35,896	
Jamacia	5,499		
Haiti		3,249	
Dominican Rep	94,085	50,008	12,334
Colombia	630,209	683,843	884,040
Venezuela	14,160	98,606	51,393
Ecuador		37,942	2,494
Peru	26,463	2,180	2,040
Chile	51,266	16,333	32,237
Brazil	139,527	567,556	550,972
Argentina	49,881	70,950	123,059
Sweden	10,360	39,751	11,272
Norway	4,871	23,648	23,990
Finland			4,628
Denmark	148,775	85,031	63,156
UK	1,992,026	2,476,021	2,330,597
Ireland	133,528	89,275	72,690
Netherlands	259,008	166,050	
Belgium	79,681	70,555	105,674
France	1,875,273	1,109,401	1,541,646
Germany	1,238,862	1,354,264	1,197,366
Austria	11,985	20,958	46,303
Czech Rep	25,605	52,319	41,249
Slovak Rep		6,829	2,854
Hungary	6,731	2,146	2,321
Switzerland	21,635	17,926	35,216
Latvia	158,134		16,952
Poland		37,379	12,427
Russia	5,122	9,955	
Ukraine	13,814		
Spain	1,350,407	60,147	89,880
Portugal	8,021		23,814
Italy	4,223,543	4,169,594	4,792,371
Slovenia	86,390	52,210	105,367
Romania	55,737	25,245	
Greece	2,810		53,475
Turkey	4,065	8,503	6,888
Syria			4,284
Lebanon			10,420
Israel		17,094	16,964
Saudi Arabia			4,095
India	364,746	155,572	219,053

Source: U.S. Department of Commerce

Table 21. U.S. IMPORTS OF WOODEN FURNITURE USED IN THE KITCHEN, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.40.9080 WOODEN FURNITURE USED IN THE KITCHEN (cont'd)

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Pakistan	22,447	30,857	95,502
Sri Lanka	6,261	2,319	6,924
Thailand	8,893,021	14,442,223	15,875,004
Vietnam	1,451	11,173	16,733
Malaysia	7,367,378	9,162,308	7,183,488
Singapore	14,995	70,212	17,446
Indonesia	1,020,938	1,447,022	1,481,936
Philippines	371,361	265,161	709,263
Macao		17,546	5,084
China	3,760,073	6,734,441	5,360,416
Korea Rep	381,992	55,054	80,991
HK	289,928	450,018	286,471
Taiwan	2,501,101	1,547,148	1,234,388
Japan	166,803	141,648	21,755
Australia	14,579	23,583	32,841
New Zealand	11,862		
Morocco	9,807	28,495	8,628
Egypt	38,561	69,143	46,807
Kenya	9,960	13,232	
South Africa	20,353	106,389	56,806
Zimbabwe		2,493	2,623
TOTAL	**$52,075,211**	**$64,703,282**	**$69,532,981**

Source: U.S. Department of Commerce

Table 22. U.S. IMPORTS OF BENTWOOD FURNITURE USED IN THE BEDROOM, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.50.4000 BENTWOOD FURNITURE USED IN THE BEDROOM

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Canada	4,564,732	1,409,813	2,559,227
Mexico	1,156,665	1,083,742	790,842
Jamaica	4,397		
Venezuela	3,461		
Honduras			1,850
Colombia			38,635
Peru			2,405
Costa Rica		5,108	
Brazil	13,910	118,890	64,433
Denmark		14,218	23,406
UK	6,546	10,546	82,717
Ireland	6,288		
Netherlands	6,936	5,247	9,241
Belgium		4,228	
France	11,041	10,488	115,059
Germany		21,339	13,807
Austria			36,110
Switzerland			15,168
Poland	281,561	8,136	22,485
Spain	20,538	8,152	44,222
Portugal			2,897
Italy	278,728	108,361	266,661
Turkey	4,751		
India	3,005	2,077	51,473
Indonesia	46,543	187,380	125,818
Philippines	2,060	3,369	
China	21,226	191,255	86,516
Korea Rep		3,129	17,050
HK	1,445	44,224	
Taiwan			5,020
Australia	4,995		
Egypt	10,553		
Morocco			10,875
S. Africa		2,396	
TOTAL	**$6,449,381**	**$3,242,098**	**$4,385,917**

Source: U.S. Department of Commerce

Table 23. U.S. IMPORTS OF WOODEN BEDS USED IN THE BEDROOM, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.50.9040 WOODEN BEDS USED IN THE BEDROOM

Country	CY 1996		CY 1997		CY 1998	
	Units	CIF Value	Units	CIF Value	Units	CIF Value
Canada	284,983	34,958,987	339,597	46,809,209	337,892	51,439,772
Mexico	278,272	12,574,470	157,618	13,308,228	216,365	18,822,868
Guatemala	312	22,642	3,641	188,416	3,804	188,889
El Salvedor	66	54,344	4	34,488	69	56,794
Honduras	19,494	3,426,450	34,918	5,443,663	40,049	6,350,983
Nicaragua					63	15,105
Costa Rica	8,692	292,739	7,063	406,430	1,989	58,140
Bahamas	1	4,539				
Jamaica	532	479,929	142	179,753	37	56,902
Haiti	9	2,845			186	7,180
Dominican Rep	794	92,208	243	39,241	161	18,198
Guadaloupe					13	1,987
Colombia	43	26,559	1,094	666,009	1,231	823,706
Venezuela	76	22,597				
Ecuador	72	10,406	97	18,549	95	9,929
Chile	4,219	1,244,485	9,166	2,869,131	12,930	2,689,982
Brazil	92,076	4,942,023	62,292	4,701,866	83,405	5,873,811
Uruguay	4	1,595				
Argentina	6,304	443,749	5,508	372,518	3,791	403,882
Iceland					1	3,807
Sweden	2,622	264,247	5,551	582,720	10,242	1,027,741
Norway	298	123,921	6	1,773	2	5,483
Finland	40	13,141	2,422	76,939	8,316	502,331
Denmark	38,892	4,878,110	34,047	4,021,163	38,203	3,722,508
UK	3,732	611,559	8,437	1,039,974	3,945	989,159
Netherlands	1,903	201,856	2,643	243,532	2,367	400,106
Belgium	1,482	211,363	1,054	197,661	1,241	244,583
Monaco			91	10,879		
France	7,448	2,544,094	8,506	3,139,990	8,637	3,162,248
Germany	181	72,178	429	113,739	280	130,412
Austria	23	4,095	535	59,424	157	28,819
Czech Rep	660	47,081	585	44,536	698	61,594
Slovak Rep			45	13,652		
Estonia	263	26,104				
Hungary			10	4,271	3	7,324
Switzerland			2	1,888	136	25,430
Lithuania			2	2,260	58	14,597
Poland	97	23,699	814	104,422	480	105,698
Russia	988	41,777			563	42,250
Maldovia	187	21,174				
Ukraine			3,424	221,168	236	13,202
Spain	1,351	275,897	756	424,449	2,125	991,883
Portugal	63	7,831	65	14,467	114	16,096
Gibraltar					6	2,299
Italy	84,923	17,692,614	114,335	23,727,371	154,365	29,968,762
Croatia	3,566	497,555	7,266	840,067	16,798	754,670
Slovenia	1,350	228,522	9,103	1,437,809	19,009	3,076,487
Bosnia					5	6,946

Source: U.S. Department of Commerce

Table 23. U.S. IMPORTS OF WOODEN BEDS USED IN THE BEDROOM, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.50.9040 Wooden Beds Used in the Bedroom (cont'd)

Country	CY 1996		CY 1997		CY 1998	
	Units	CIF Value	Units	CIF Value	Units	CIF Value
Macedonia	1,568	168,854	3,284	429,577	1,942	262,750
Greece	93	43,188	32	15,620	100	63,633
Romania	11,862	1,113,382	13,264	830,663	17,120	1,441,600
Bulgaria	944	54,826	5,033	284,866	7,774	462,662
Turkey	4	6,664	2	1,734	80	13,650
Lebanon	14	18,959	15	20,449	4	7,940
UAE	3	12,952				
Israel			2	4,628	89	20,933
India	758	289,009	639	284,634	1,334	629,408
Pakistan	111	109,583	96	115,512	111	107,670
Sri Lanka			15	6,068	6	7,344
Burma			1	2,394		
Thailand	6,733	1,460,952	3,145	1,221,695	4,920	1,736,469
Vietnam					7	5,343
Malaysia	77,140	4,722,654	56,450	3,338,357	74,581	4,766,737
Singapore	1,378	286,135	6,308	1,536,003	4,145	1,010,140
Indonesia	494,325	27,360,688	453,518	27,123,050	477,390	34,125,351
Philippines	4,008	1,947,415	3,715	2,319,813	9,346	5,713,238
Macao	21	8,122	28	13,502	108	33,424
China	77,028	5,638,892	160,723	13,980,287	321,405	32,883,494
Korea	415	91,208	1,012	235,509	1,534	304,793
HK	2,661	301,432	4,131	437,873	11,951	1,282,364
Taiwan	168,840	8,165,337	223,770	10,834,573	270,395	18,021,231
Japan	24	19,215	5	10,521	144	37,218
Australia	1	2,710	29	27,334	4	6,378
New Zealand			1	2,237		
Pitcairn Island	6	3,942				
Morocco			33	8,321	13	1,721
Egypt	39	30,015	142	55,878	102	37,831
Ivory Coast	10	4,826	150	33,137	11	1,692
Burkina	39	5,898				
Kenya			8	4,864		
S. Africa	30,765	2,601,633	25,940	1,174,746	3,339	504,390
Zimbabwe					248	171,251
TOTAL	**1,724,808**	**$140,855,876**	**1,783,044**	**$175,721,097**	**2,178,270**	**$235,783,218**

Source: U.S. Department of Commerce

Table 24. U.S. IMPORTS OF WOODEN FURNITURE USED IN THE BEDROOM, CY 1996 1998, BY COUNTRY OF ORIGIN

9403.50.9080 WOODEN FURNITURE USED IN THE BEDROOM

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Canada	176,956,798	228,480,495	258,213,893
Mexico	78,904,018	105,188,838	125,082,748
Guatamala	74,105	118,681	96,654
El Salvador	44,941	123,785	28,374
Honduras	3,984,203	5,298,623	5,803,702
Nicaragua	3,276	3,353	10,173
Costa Rica	166,855	146,900	263,061
Panama	33,193	80,738	1,923
Jamaica	383,517	147,752	75,943
Cayman Islands	3,120		11,958
Haiti	5,747	10,175	12,090
Dominican Rep	421,183	114,085	7,416
Virgin Islands			43,768
S VN GR		3,429	3,330
Netherlands Antilles			21,111
Guadeloupe			2,275
Colombia	31,929	1,141,605	851,007
Venezuela	20,375	1,945	
Ecuador	88,527	151,239	118,290
Peru	115,178	108,294	184,876
Chile	1,683,325	4,850,319	4,519,605
Brazil	2,865,675	1,804,985	3,494,188
Uruguay	14,975		
Argentina	740,900	502,004	526,059
Iceland			34,059
Sweden	7,430,292	4,814,178	4,341,722
Norway	13,863		3,492
Finland	241,973	461,774	615,543
Denmark	16,762,776	15,530,926	12,742,917
UK	11,909,354	12,713,124	12,535,097
Ireland	99,113	70,110	93,449
Netherlands	1,195,352	748,401	771,927
Belgium	1,287,648	1,326,322	1,944,633
Luxembourg			1,382
France	6,136,241	7,282,028	8,804,796
Germany	1,139,112	3,059,169	914,758
Austria	232,056	70,153	38,613
Czech Rep	100,389	182,245	211,775
Slovak Rep	1,311,357	2,439,946	3,589,752
Hungary	561,615	884,635	917,267
Switzerland	152,839	22,916	32,641
Latvia	7,056	85,930	33,402
Poland	504,606	1,243,671	4,098,882
Russia	11,109	8,004	3,237
Ukraine	58,277	59,235	168,497
Spain	1,343,943	1,321,985	2,813,880
Portugal	53,413	108,665	26,323
Gibraltar			10,379

Source: U.S. Department of Commerce

Table 24. U.S. IMPORTS OF WOODEN FURNITURE USED IN THE BEDROOM, CY 1996 1998, BY COUNTRY OF ORIGIN

9403.50.9080 Wooden Furniture Kind Used in the Bedroom (cont'd)

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Italy	73,659,658	71,147,519	82,870,699
Croatia		20,046	40,807
Slovenia	492,522	567,094	492,250
Macedonia	172,609	17,219	1,463
Greece	1,841		
Romania	83,902	49,657	58,309
Bulgaria	6,603	4,706	29,219
Turkey	30,525	132,260	75,550
Syria	4,500	2,934	4,564
Lebanon	63,149	439,875	164,256
Israel	76,740	76,304	90,941
Saudi Arabia			4,605
United Arab Emirates			6,453
Oman			14,133
India	300,384	502,474	973,820
Pakistan	103,781	93,863	99,311
Nepal		6,570	
Sri Lanka	11,352	12,848	
Bangladesh			71,270
Thailand	3,942,078	3,179,270	5,242,254
Vietnam	11,215	4,773	76,071
Malaysia	3,739,173	4,196,557	7,353,645
Singapore	1,240,406	2,325,246	217,418
Indonesia	18,674,640	27,143,248	43,381,828
Philippines	2,210,659	4,039,532	7,178,607
Macao	18,603	63,877	126,764
China	25,981,885	30,274,044	59,047,705
Korea Rep	198,242	239,994	293,279
Hong Kong	1,154,173	901,795	2,577,862
Taiwan	42,581,520	29,998,388	34,322,625
Japan	116,728	23,943	31,231
Australia	35,923	34,745	18,960
New Zealand	5,003	4,406	17,689
New Caldedonia		2,356	
Pitcairn Island	16,060		
Morocco	2,426	41,447	40,540
Tunisia	20,377		154,035
Egypt	870,919	764,104	1,883,093
Ivory Coast		52,781	
Kenya	12,759		
Nigeria		3,092	
S. Africa	23,175	115,475	4,576,275
TOTAL	**$492,957,754**	**$577,193,104**	**$705,658,398**

Source: U.S. Department of Commerce

Table 25. U.S. IMPORTS OF OTHER BENTWOOD FURNITURE, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.60.4000 OTHER BENTWOOD FURNITURE

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Canada	605,171	686,933	801,946
Mexico	356,759	887,456	1,192,762
Guatemala		3,010	
Belize			7,336
Nicaragua			4,941
Costa Rica		1,585	49,690
Dominican Rep			11,125
Colombia		3,806	17,680
Peru	1,442,023	1,250,561	584,296
Brazil	19,366		34,125
Argentina	86,402	448,628	84,111
Denmark		18,095	7,470
UK	65,189	163,039	156,047
Netherlands			11,707
Belgium			3,048
France	15,109	35,439	8,225
Germany		18,934	24,009
Austria		4,629	108,745
Czech Rep		50,812	16,397
Hungary	40,500	67,013	88,315
Poland	110,794	414,436	621,839
Spain	65,421	23,429	19,517
Italy	27,908	51,371	153,264
Slovenia		4,278	53,938
Israel			22,831
India	1,949	31,360	74,867
Singapore		3,049	
Thailand			28,895
Vietnam	3,446		6,325
Indonesia	343,922	387,309	405,289
Philippines			9,861
China	477,014	450,682	676,616
Korea Rep	2,300		8,124
HK	88,313	85,364	44,611
Taiwan	29,957	551,935	228,835
Japan			5,540
New Zealand			3,876
Egypt		5,276	40,273
TOTAL	**$3,781,543**	**$5,648,429**	**$5,616,476**

Source: U.S. Department of Commerce

Table 26. U.S. IMPORTS OF WOODEN DINING TABLES, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.60.8040 WOODEN DINING TABLES

Country	CY 1996 Units	CY 1996 CIF Value	CY 1997 Units	CY 1997 CIF Value	CY 1998 Units	CY 1998 CIF Value
Canada	55,029	10,130,585	83,991	13,600,894	98,043	15,241,062
Mexico	33,429	2,499,538	56,813	4,394,979	60,970	5,215,866
Guatamala	18	3,666	2,595	205,241	864	34,833
El Salvador	47	18,917	98	28,766		
Honduras	632	39,570	957	63,449	417	28,749
Nicaragua	125	11,015	52	11,761	41	7,934
Costa Rica	488	39,697	260	86,631	85	15,186
Bahamas			10	6,147		
Panama						
Jamaica	101	14,827	3	4,470	36	19,620
Cayman Islands						
Haiti						
Dominican Rep	167	27,942	14	3,482	7	1,505
Barbados	20	3,880				
Virgin Islands						
Trinidad			200	8,155	2	15,254
S VN GR						
Neth Antilles					1	1,385
Guadeloupe						
Colombia	231	78,230	2,163	108,355	61	127,071
Venezuala	9	10,940	11	35,305		
Ecuador					1	4,280
Peru	18	2,979			63	2,900
Bolivia	1,760	93,960				
Chile	1,097	279,701	1,596	599,030	1,058	531,525
Brazil	59,139	3,605,386	52,776	2,809,434	30,629	1,556,509
Argentina	511	149,721	2,458	164,882	230	95,317
Iceland						
Sweden	2,502	381,700	4,271	166,626	3,156	391,241
Norway			1	1,559	3	5,395
Finland	2,887	329,955	6,298	689,496	13,954	1,057,583
Denmark	12,914	2,813,535	18,412	2,901,257	27,227	2,837,561
UK	9,633	2,672,444	10,563	3,072,345	7,936	3,228,925
Ireland	24	1,915	486	122,666	46	9,297
Netherlands	397	116,439	577	149,918	1,534	234,245
Belgium	775	255,703	968	262,348	1,090	360,746
Luxembourg						
France	5,172	1,012,230	9,327	1,922,402	17,451	2,229,322
Germany	5,129	83,515	136	63,557	348	129,978
Austria	7	9,609	243	16,627	193	35,746
Czech Rep	6	2,018	49	5,219	3,359	218,132
Slovak Rep						
Hungary	387	85,397	630	153,383		
Lichtenstein	8	1,720				
Switzerland	621	35,232	1,389	201,671	317	48,884
Latvia						
Poland	7,148	275,845	5,910	384,928	13,017	548,235
Russia						

Source: U.S. Department of Commerce

Table 26. U.S. IMPORTS OF WOODEN DINING TABLES, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.60.8040 Wooden Dinning Tables (cont'd)

Country	CY 1996 Units	CY 1996 CIF Value	CY 1997 Units	CY 1997 CIF Value	CY 1998 Units	CY 1998 CIF Value
Ukraine						
Spain	2,270	512,911	515	401,638	1,143	683,506
Portugal	96	24,447	7,576	62,437	9	10,895
Malta			80	6,584		
Gibraltar					6	5,749
Italy	67,679	14,048,220	124,894	15,988,193	124,903	20,855,656
Croatia	50	3,726			56	8,926
Solvenia			5,933	51,151	1,430	239,650
Macedonia						
Greece	38	17,696	6	4,725	2	19,457
Romania	7,802	404,760	25,294	1,605,132	18,323	889,871
Bulgaria	809	72,548	593	28,894	950	21,413
Turkey			33	15,066	48	12,068
Syria						
Lebanon	444	83,028	55	53,552	7,896	1,070,515
Israel			4	7,035	1	3,117
Jordan					22	2,377
UAE			2	4,616	1	1,684
Oman						
India	4,802	407,990	1,506	366,999	2,403	763,298
Pakistan	25	18,008	142	39,032	199	65,166
Bangladesh					310	21,230
Sri Lanka	1	1,504	23	15,300	43	9,084
Thailand	153,547	11,636,765	172,041	12,494,742	206,404	12,530,903
Vietnam	14	20,142	458	29,612	679	188,187
Malaysia	894,264	67,566,486	910,512	62,231,501	1,015,289	66,084,831
Singapore	20,599	2,926,002	14,393	1,841,200	4,996	648,561
Indonesia	56,728	5,137,867	55,134	5,951,833	72,662	7,178,881
Philippines	14,171	1,091,786	7,969	1,799,940	9,291	1,824,220
Macao			162	8,902	1,019	13,427
China	514,013	38,877,432	747,958	57,730,609	813,853	67,018,102
Korea Rep	8,105	606,812	9,177	508,357	10,313	521,612
HK	10,782	1,151,337	10,118	1,357,413	14,405	1,393,500
Taiwan	250,351	27,899,072	245,498	29,593,831	325,336	36,593,604
Japan	170	60,549	439	70,606	421	166,498
Australia	10	21,386	1	5,761	5	8,630
New Zealand	2	6,882			6	12,529
Figi					2	2,319
Morocco	10	1,863	425	17,802	1,046	46,682
Tunisia						
Egypt	2,812	311,114	2,555	424,621	1,991	381,812
Kenya			7	4,443		
Mauritius			157	18,840		
S. Africa	498	83,254	41	33,714	173	40,424
Zimbabwe	1	2,276	2	1,741	20	36,891
TOTAL	**2,210,025**	**$198,087,482**	**2,606,753**	**$225,023,322**	**2,917,602**	**$253,609,561**

Source: U.S. Department of Commerce

Table 27. U.S. IMPORTS OF WOODEN WALL UNITS, ENTERTAINMENT CENTERS, CHINA CABINETS, BUFFETS, AND OCCASIONAL TABLES, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.60.8080 Wooden Wall Units, Entertainment Centers, China Cabinets, Buffets, and Occasional Tables

Country	CY 1996	CY 1997	CY 1998
	CIF Value	CIF Value	CIF Value
Canada	284,087,049	341,112,291	435,763,469
Mexico	102,377,202	106,923,835	135,159,000
Guatemala	3,858,585	4,843,236	6,023,701
Belize		3,902	
El Salvador	131,144	61,670	497,626
Honduras	9,692,762	9,436,997	11,927,031
Nicaragua	55,417	76,053	60,623
Costa Rica	894,072	689,335	479,870
Panama	13,181	57,656	79,651
Bermuda		3,385	
Bahamas	6,091	4,483	1,791
Jamaica	305,476	345,422	54,348
Cayman Islands			
Haiti	85,750	336,776	339,472
Dominican Rep	1,728,295	1,076,291	556,774
Dominica	3,493	5,665	
S VN GR			6,674
Br Virgin Islands	2,401		
Barbados			1,925
Trinidad	3,644	11,275	22,286
Aruba		4,980	
Neth Antilles			4,018
Guadeloupe		6,020	3,899
Colombia	794,638	993,617	913,731
Venezuela	113,171	71,671	23,797
Surinam		95,058	
Guyana			6,757
Ecuador	119,049	356,323	262,389
Peru	565,413	633,940	2,637,292
Bolivia	37,556	51,249	45,723
Chile	14,512,512	14,124,565	14,676,228
Brazil	30,471,196	34,162,363	28,567,905
Paraguay	1,831		
Uruguay	27,379		7,900
Argentina	1,785,249	2,834,477	3,327,522
Iceland		10,694	9,047
Sweden	12,864,688	13,629,578	16,224,765
Norway	434,248	5,839	2,033,273
Finland	1,510,958	1,688,292	1,799,298
Denmark	55,356,428	54,161,271	62,105,130
UK	41,928,841	45,925,295	64,643,102
Ireland	350,628	949,377	1,700,165
Netherlands	3,088,779	3,412,070	4,595,055
Belgium	4,143,284	3,843,961	5,653,333
Monaco		92,842	
Luxembourg			
France	14,642,095	17,445,565	25,855,206
Germany	13,863,930	13,757,935	17,609,530

Source: U.S. Department of Commerce

Table 27. U.S. IMPORTS OF WOODEN WALL UNITS, ENTERTAINMENT CENTERS, CHINA CABINETS, BUFFETS, AND OCCASIONAL TABLES, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.60.8080 Wooden Wall Units, Entertainment Centers, China Cabinets, Buffets, and Occasional Tables (cont'd)

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Austria	240,342	465,509	277,476
Czech Rep	1,682,445	2,609,796	2,980,149
Slovak Rep	624,165	554,338	275,205
Hungary	600,658	344,851	412,932
Switzerland	605,196	1,255,859	1,857,663
Estonia	92,266	276,408	453,967
Latvia	276,799	44,146	19,305
Lithuania	229,544	188,560	87,406
Poland	6,185,926	7,228,773	7,701,042
Russia	69,691	31,899	17,861
Belarus	3,944	1,783	9,639
Ukraine	10,574	30,381	45,684
Georgia		3,521	
Spain	8,174,027	8,382,415	11,570,371
Portugal	325,846	247,883	659,274
Gibraltar			30,267
Malta		48,347	11,826
Italy	88,178,482	96,484,572	131,377,155
Croatia	597,680	159,175	1,207,240
Slovenia	10,909,779	9,765,584	13,184,694
Bosnia	694,364	1,142,701	378,343
Macedonia	203,422	399,827	517,445
Greece	313,765	238,653	68,038
Romania	1,234,743	2,166,890	5,000,016
Bulgaria	81,594	101,705	38,524
Turkey	457,751	976,063	1,282,135
Cyprus	26,389	77,266	28,816
Syria	52,862	4,792	17,665
Lebanon	149,715	324,317	1,227,072
Israel	1,055,998	1,443,844	1,681,027
S. Arabia			633,806
Qatar			3,708
Jordan	17,554	12,349	
Kuwait		12,754	
UAE	37,909	16,306	133,350
Oman			20,166
Bahrain			1,976
India	6,131,788	7,277,421	12,662,737
Pakistan	376,990	472,632	459,178
Nepal	12,449	87,674	205,917
Sri Lanka	133,411	150,522	146,369
Burma	150,510	100,350	37,101
Bangladesh			
Thailand	67,594,751	64,941,209	93,444,497
Vietnam	116,164	192,745	734,550
Cambodia	5,570	3,073	4,889
Malaysia	78,182,409	82,154,018	102,549,602
Singapore	14,068,079	13,387,314	4,857,966

Source: U.S. Department of Commerce

Table 27. U.S. IMPORTS OF WOODEN WALL UNITS, ENTERTAINMENT CENTERS, CHINA CABINETS, BUFFETS, AND OCCASIONAL TABLES, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.60.8080 Wooden Wall Units, Entertainment Centers, China Cabinets, Buffets, and Occasional Tables (cont'd)

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Indonesia	95,535,684	116,922,275	144,026,054
Philippines	254,570	53,058,768	64,146,708
Macao	254,570	413,579	498,916
China	275,912,980	367,388,373	543,613,875
Korea Rep	3,404,852	3,308,655	4,761,179
HK	12,297,229	19,851,494	27,016,228
Taiwan	215,191,978	198,562,738	196,610,971
Japan	1,117,398	1,373,639	1,719,141
Australia	1,431,086	4,279,412	2,416,600
New Zealand	657,999	435,262	412,522
Pitcairn Island	8,101		
Nauru	19,597		
New Caledonia		13,637	
Fr Polynesia		2,515	
Palau		3,344	
Fiji		5,432	22,091
Morocco	162,932	467,027	359,162
Tunisia		4,787	28,305
Egypt	9,663,809	11,046,765	13,226,625
Cameroon	8,033	61,585	29,781
Sierra Leone		35,810	
Senegal			4,713
Ivory Coast	40,109	16,388	8,954
Ghana	30,159	8,110	24,256
Togo	2,188		
Niger		12,092	
Nigeria		3,100	17,576
Burkina		5,441	
Co Kins		2,348	
Congo			16,699
Ethiopia		6,137	38,428
Uganda	6,149	2,115	2,036
Kenya	90,296	33,343	48,452
B Ind	1,834		
Seychelles		7,001	
Tanzania			6,402
S. Africa	3,098,831	4,159,678	4,191,519
Zambia			25,436
Swaziland	5,757,899	3,134,099	591,534
Zimbabwe	83,198	119,534	147,848
Malawi	4,157		
TOTAL	**1,555,036,247**	**1,762,230,283**	**2,246,055,711**

Source: U.S. Department of Commerce

Table 28. U.S. IMPORTS OF WOODEN FURNITURE PARTS, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.90.7000 WOODEN FURNITURE PARTS

Country	CY 1996 CIF Value	CY 1997 CIF Value	CY 1998 CIF Value
Canada	79,760,730	91,153,194	120,426,983
Mexico	29,308,521	45,028,452	51,204,707
Guatemala	66,101	73,346	162,285
El Salvador	4,396		
Honduras	2,185,713	2,743,202	2,601,624
Nicaragua	1,723	15,435	71,589
Costa Rica	183,661	232,982	43,714
Panama	4,686		
Jamaica	1,760		
Cayman Islands			56,725
Haiti			4,685
Dominican Rep	40,617	3,877	7,426
Trinidad	5,047		
Virgin Islands			22,875
Colombia	1,163,517	1,031,416	1,477,069
Venezuela	1,530		
Ecuador		44,809	14,807
Peru			1,849
Bolivia	112,736		52,752
Chile	7,095,595	12,627,422	15,727,757
Brazil	5,424,978	3,906,912	3,209,462
Paraguay			22,016
Argentina	212,693	252,985	50,747
Sweden	9,375,081	8,821,827	7,823,749
Norway	153,881	1,039,293	1,025,144
Finland	1,495,404	1,646,844	1,025,451
Denmark	4,358,440	6,757,000	6,532,428
UK	1,207,744	713,859	960,569
Ireland		84,179	1,824
Netherlands	3,735,369	4,662,492	5,134,073
Belgium	68,261	15,597	31,729
France	804,075	1,337,114	1,283,434
Germany	3,876,318	4,570,255	3,606,206
Austria	83,429	343,664	51,482
Czech Rep	138,018	565,173	427,071
Slovak Rep	78,667	60,408	122,829
Hungary	385,009	791,904	1,000,086
Switzerland	123,353	121,523	51,096
Estonia	28,041	15,611	34,754
Lithuania	159,166	90,599	88,324
Poland	1,507,730	2,376,826	2,374,060
Russia	60,978	39,367	66,207
Spain	464,303	1,576,259	890,334
Portugal	141,104	48,689	75,142
Italy	7,987,507	15,138,312	15,261,200
Croatia	1,100,241	1,490,929	2,371,330
Slovenia	2,289,444	1,597,173	2,078,921
Bosnia	771,187	886,552	470,681

Source: U.S. Department of Commerce

Table 28. U.S. IMPORTS OF WOODEN FURNITURE PARTS, CY 1996-1998, BY COUNTRY OF ORIGIN

9403.90.7000 WOODEN FURNITURE PARTS (cont'd)

Country	CY 1996	CY 1997	CY 1998
	CIF Value	CIF Value	CIF Value
Macedonia	23,163	15,523	17,332
Greece	11,408	9,305	
Romania	105,711	262,547	122,606
Bulgaria	21,538	17,187	
Turkey	223,023	287,089	808,319
Lebanon	22,164	2,676	28,513
Israel	1,320,004	1,798,253	1,278,809
UAE	1,357	68,725	
India	72,597	142,541	380,056
Sri Lanka	6,780		
Pakistan		4,754	21,774
Bangladesh		4,437	6,145
Burma		2,948	
Thailand	2,881,339	2,079,127	1,134,631
Vietnam	60,912		13,271
Malaysia	12,969,797	9,642,953	11,339,140
Singapore	1,619,200	2,450,985	2,072,331
Indonesia	4,161,716	9,672,898	14,979,252
Philippines	3,087,673	3,996,536	3,939,626
China	15,215,796	27,566,190	32,661,134
Korea Rep	32,023	1,995,167	162,461
HK	876,735	1,995,167	1,941,882
Taiwan	50,514,601	43,876,851	39,064,398
Japan	13,545	91,084	14,731
Australia	1,641	23,320	27,912
New Zealand	3,640	8,671	8,242
Morocco	1,822	22,688	3,537
Tunisia			12,712
Egypt	7,287	7,809	107,182
Ivory Coast	3,667		
S. Africa	90,155	61,555	12,589
Zimbabwe			57,316
TOTAL	**$259,316,048**	**$316,208,770**	**$358,163,097**

Source: U.S. Department of Commerce