



**Flanders**  
State of the Art



**IMPORTED  
FURNITURE MARKET  
IN CHINA**

**FLANDERS INVESTMENT & TRADE MARKET SURVEY**



# Imported Furniture Market in China

December 2014

FIT Beijing Office

Qin Li

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## Market Information

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### General Information

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In China, as living conditions continue to improve, people are becoming more and more willing to invest in home decoration. People's increasing purchasing power has driven the furniture market to develop rapidly. From 2010 to 2013, the sales value of wholesalers and retailers above a certain scale in the industry (Turnover above RMB20 million/year) grew at an average annual rate of 41%. In 2013, the growth slowed down somewhat to 21%, with sales value reaching Rmb195.75 billion.<sup>∞</sup>

China is the biggest furniture manufacturers and exporter in the world, which has exported furniture and accessories valued at 52 billion USD in 2013. The US is still the biggest importer of Chinese furniture, which takes about 25% of the China's total export. Malaysia, Japan, GB and Germany take the following positions<sup>α</sup>.

For the last decade, China witnessed a steady growth on furnishing importation. When it came to 2009, the world financial crisis led to a significant decline in the world trade and economic activities. However, it seems that there is no influence to the Chinese furniture importation market.

In 2013, China imported furniture valued at only about 2.57 billion USD, increased with 10.11% compared with 2012. See following chart: <sup>π</sup>

**Furniture import by China in 2011, 2012 and 2013.**



Remark:

- 1.) Blue line is 2011 import, red line is 2012 import, green line is 2013 import
- 2.) Numbers on left axis is import amount, unit is USD10million
- 3.) Number on bottom axis is month

From the chart, the import of furniture kept rising since the second half of 2013 and reached to the top. According to official statistics of first half of 2014, the import amount reached USD1.4 billion, based on the traditional trend of furniture import practice, the import of second half of every year is for sure more than the first half of the year. So it is estimated that the import of furniture in 2014 will be reaching about US3 billion.

Germany, Japan, United States, Italy, South Korea and France are the top six countries in the imported furniture market by importation value. Germany and Japan are usually Top 2 regarding importation value, the total importation value from these two countries usually accounted over 1/3 of the total importation value.

Regarding the importation value of different categories of furniture in the recent years, the top three categories were always HS 9401 (Seats, other than those of HS 9402), HS 9403 (metal and wooden furniture used in the office, kitchen and bedroom) and HS 9405 (lamps, lighting and fitting). The total importation value of these three

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<sup>∞</sup> China Statistics Year Book 2011, 2012 and 2013

<sup>α</sup> China Customs Year Book 2011, 2012 and 2013

<sup>π</sup> [www.clii.com.cn](http://www.clii.com.cn)

categories accounted by 90% of total furniture importation in China, in which 50% by category HS 9401, 22 % by category HS 9403 and 18% by category HS 9405 respectively<sup>π</sup>.

Though the import tariff rates have been decreased to Zero for commodities under HT number 9401-9403, the import kept rising in recent years steadily instead of sharply, the absolute amount of import is still rather limited comparing with export, the reasons could be:

- The imported furniture products are mainly mid-high class furniture and special furniture whose price is triple or even higher compared with that of domestic furniture. Those foreign furniture companies, who want to enter the Chinese market, must provide the good products that satisfy the local customers, and also have a suitable price. The current prices for furniture industry in China restrict high-end imports to an extremely small market niche. A successful strategy in this segment cannot ignore the price factor, and therefore implies producing in China at local costs. For projects, the purchase decisions are heavily influenced by price<sup>π</sup>.
- Huge production capacity of China can meet most of the domestic demand. At present, there are more than 50,000 furniture manufacturers active in the Chinese market, among which about 4500 manufacturers are operating in scale production, which means their yearly turnover is over RMB20 million.
- Following the development of production and designing ability, more and more Chinese manufacturers can provide more different styles of furniture with good quality and cheaper price comparing with imported ones.
- Export ability of many Chinese enterprises also resulted that imported furniture with **average quality** cannot compete with Chinese domestic made furniture. At present, most of the imported furniture still focuses on the high-end market of China, which is a niche market.
- The market for imported furniture is still limited to the main cities of China, such as Beijing, Shanghai, Shenzhen, Guangzhou, Hangzhou and some coastal cities, whose economy is more developed, and whose consumers accept the western style furniture more easily.
- Following the the implementation of the strict certification requirements by EU and economy decreasing in Europe and North America, many export oriented Chinese manufacturers also switched part of their business to domestic market, which also occupied a certain part of the market originally for imported furniture.
- Copy right is not well protected in China, especially in the sector of furniture, which also makes imported furniture difficult to be deployed further in China.
- In Chinese market, there are also many Chinese manufacturers producing with imported raw materials and foreign designers, which takes the biggest part of the high-end market.

## Consumption trend on furniture

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Though the Chinese furniture market is in fierce competition situation, there is still enough space for the imported furniture considering the following market characteristics in China:

➤ **Environmental friendly**

With the economic development, an increasing number of consumers, in particular mid-to-high end consumers, choose to embrace new living concepts, such as the “eco home”, in their life. These consumers have a strong preference for “eco” and “environment-friendly” furniture, such as odor-and

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<sup>π</sup> *Italian Trade Commission*

formaldehyde-free products<sup>π</sup>, According to consumer survey, over 90% of the respondents are interested in using green, eco-friendly materials and are willing to pay a premium of 14% on average in purchasing products made of green materials.

In view of this, many furniture and building materials brands have added the idea of “eco-friendliness” in their brand concept. It is believed that during the next five years, purchasing concepts among consumers will change from seeking cheap, durable furniture to green and environmentally-friendly products.



#### ➤ Different design

For many years, the mainstream design of furniture has been embracing elements of culture, nature, environmental protection, and trendiness. Where personalised design is concerned, consideration has been given to ergonomics in terms of colour, shape, silhouette and size<sup>π</sup>. Such personalised design is gradually winning the hearts of many people.



#### ➤ Materials

In the choice of furniture materials, consumers tend to go after the back-to-basics trend such as solid wood furniture with minimalistic design or wood veneer furniture showing the wood grain. While plywood furniture is the mainstream of wooden furniture, solid wood furniture is gaining increasing popularity. More and more consumers with certain economic strength now opt for solid wood furniture. Meanwhile, plywood furniture is moving towards imitation solid wood.<sup>π</sup> Meanwhile, metal furniture is more popular among young people; plastic and glass are increasingly replacing wood furniture in products such as dining tables and bookshelves.



#### ➤ Style diversifications

For classical style Western furniture, it does not only come in colours rich and exuberant, fresh and bright, or quaint and nostalgic, but also a great variety of styles and designs for buyers to choose from. As more people are buying villas in China, the demand for large furniture pieces for such luxurious villas is rising. Chinese consumers’ pursuit of Western home styles benefits a number of foreign chain brands.

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<sup>π</sup> Hongkong Trade & Development Council

Modern classical furniture combining Chinese and Western elements is emerging as new trend in the furniture market, which could be attributed to the prevailing social culture. Nowadays, more international and domestic home brands are incorporating Chinese elements in their designs. This type of furniture uses a great diversity of materials such as Manchurian ash wood, elm wood and paulownias wood, as well as pheasant wood, pine wood, catalpa wood and cherry wood which are more expensive. Some furniture items are even decorated with such details as rattan webbing and hand carving to give them a touch of trendiness.<sup>π</sup>



#### ➤ Children furniture

Demand for both children's furniture and children's bedroom decoration service are on the rise. As more and more parents become aware of the importance of furniture to child development, prospects for the children's furniture market are promising. Since China is still carrying out one child policy, parents pay special attention to kid's living atmosphere. <sup>π</sup>And with the rise of family income, most of the parents are born in 80's who are more open to western living style, thus kid furniture are better accepted. And for rich family, imported kid furniture is always the first choice.



#### ➤ Office furniture

The recent construction boom in many major Chinese cities has resulted in significant increases in office space, with significant requirements for office furniture. Most newly constructed prime office space in China now features airy, open-concept plans typical of American office layouts. As a result of the architectural changes, many companies in China are now converting to modular-style office furniture<sup>π</sup>. Companies that upgrade their offices also upgrade their office furnishings when they move, creating a significant rise in the middle and upper-end office furniture markets.

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<sup>π</sup> Hongkong Trade & Development Council

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➤ **Luxury**

China's overall luxury market including luxury furniture has grown at more than 30% annually in the last decade<sup>π</sup>. At present, the key consumer market for high-end imported furniture is in Tier 1 cities of Shanghai and Beijing, and a few wealthy Tier 2 cities along the east coast of China such as Shenzhen, Wenzhou and Hangzhou, etc.



### Main original countries and brands of the imported furniture

- *Main original countries*  
Italy, France, US, Germany, Spain, GB, Denmark, Japan, S.Korea, Indonesia and Malaysia.
- *Some brands*  
At present, at least more than 100 imported brands of furniture are being sold in China. They are: Calligaris, Caliaitalia, Natuzzi, Armani, Versace, Lamborghini, Fendi, Cappelletti, Oak, Kenzo, Provasi, Tarocco Vaccari, Canella, Timothy Oulton, Vicente Aragoza, Poltrona Frau, Therapedic, Hypnos, Arthur Brett, Fitz Hansen, Schelbach Home, Rational, Hukla, Moltenic, Flexform and etc.

### Import duty rate & VAT<sup>π</sup>

HT number	Description	Import Duty rate	VAT
9401	Seat	0%	17%
9402	Medical furniture	0%	17%
9403	Other furniture & parts	0%	17%
9404	Mattress & parts	10%	17%
9405	Lamps & parts	10%-20%	17%
9406	Prefabricated buildings	10%	17%

<sup>π</sup> China Customs Tariff Book 2014

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## Sales Channels, Strategy and distribution system

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### Sales Channels

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Though the target clients of imported furniture are different from the common clients, the sales channels are the same:

**Channel 1:** To participate in big fairs in China in the main cities, like Beijing, Shanghai, Guangzhou and Shenzhen. This is a good way to meet and communicate with other peers, and promote your products to the market. The organization of regular furniture exhibitions also plays an important part in promoting the industry. These display the most fashionable furniture from other countries to meet the demand of those who desire imported furniture. Trade fairs are also helpful in establishing brand names, promoting exports, and forging international co-operation.



**Channel 2:** To set up your own stores in China. However, it requires big investment, which could be considered after you have some stable and loyal customer. The famous example is IKEA.



**Channel 3:** To cooperate with Chinese local companies or find distributors in China. Due to the growing demand for imported furniture / objects in China, more and more Chinese companies are interested in this industry and would like to cooperate with foreign companies. Chinese companies can use their own channels and connections to help you enter the market. This is also the most widely used sales channel.



## Sales strategy

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- As the target clients of imported furniture are different from the common ones, the promotion strategy should be different from the one for common furniture. At this moment, it is hard to find any promotion of high end imported furniture on TV commercials or newspapers. The main opinion leaders are furniture/design magazines and interior design professionals. Design Magazines are the main information source for the general public, whilst interior design firms are the consultants to those private clients who are willing to seek out quality products. Their influence may be limited to styles, but sometimes it stretches as far as endorsing individual brands. Lastly, the manufacturer's publicity (more often the distributors') also affects the potential customers<sup>π</sup>.
- As the market for high-end furniture is rather limited, the promotion is mostly depending on the way of mouth-to-mouth among some high end clients, which requires the salesman to establish very good and wide social connections, which also means that you should hire high-quality salesmen, who can communicate with your targeted customers and are familiar with the western culture.



- In addition, cooperation with high-end real estate developers is very useful, as the clients of the property are also the most potential clients of hi-end furniture.



## Distribution system

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On the retail side, chain stores and supermarkets are the most popular sales channels in China. Imported furniture is mainly sold in specialized stores and high-class furniture shopping malls. In these matured markets, buyers increasingly source furniture directly from manufacturers, while some still purchase through agents and distributors.

Independent retailers usually retail one or several different types of furniture. Generally, sales representatives from manufacturers contact these independent retailers and sell products to them, or independent retailers attend furniture exhibitions and negotiate with manufacturers. In China, independent retailers are the most competitive in providing specialized guidance and service to clients, particularly for medium and high-end products.

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<sup>π</sup> *Italian Trade Commission*

As for the direct sales, furniture is sold to end users in exhibition halls, manufacturers' outlets and the internet. In China, office furniture is commonly sold via direct sales, in contrast to household furniture, which is more commonly purchased in retail and wholesale outlets<sup>π</sup>.

Franchised stores are still a relatively new concept in China for furniture sales.

Most of the furniture sold in department stores is aimed at high-income consumers.

Warehouse clubs and mass merchandisers are the largest distributors for the low-end segment.

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## Related government departments and regulations

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### Government departments and association

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- Regarding to the government department for imported furniture, General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ- <http://english.aqsii.gov.cn/>) is in charge of the commodity quality inspection.
- China Furniture Quality Supervision and Inspection Center - [http://www.sqi.com.cn/SQI\\_JC/index.html](http://www.sqi.com.cn/SQI_JC/index.html)
- China National Furniture Association - <http://www.cnfa.com.cn/index.html>

### Import Regulations

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- Certificate of Origin is required to provide upon the request of importer.
- It needs to prove that furniture material has been treated/fumigated, if imported furniture is made in solid wood.
- Imported furniture needs to comply with the National Standard GB3324-2008, if it is made in solid wood. (See [Attachment](#))
- Formaldehyde emission or other harmful chemical emission is required to be inspected when imported. The national standard for the limit of Formaldehyde emission of wood based panels is GB 18580: 2001. (See [Attachment](#))

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## Extra information on European Antique Furniture

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In recent year, following development of the economy, more and more common Chinese people began to flood into the antique collection market. At present, most of the Chinese collectors are still mainly focusing on Chinese antiques.

The booming of the antique collection also resulted in the continuous increase of the prices of Chinese antiques, which made some people to switch their eyes from Chinese antiques to western antiques, including furniture, piano, clocks and gem stones.

For European antique furniture, there are mainly three kinds of buyers in China:

Some people want to use something unique. They are not satisfied with furniture manufactured in modern production lines any more. Some Chinese people with big house/villa also begins to notice that a few pieces of

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<sup>π</sup> *Italian Trade Commission*

western antique furniture will bring more highlights to their houses and show their cultural taste different from other people.

Some people really love European culture.

Some people collect the furniture as a kind of investment<sup>π</sup>.

The collection for western antique furniture is still in the very preliminary stage, which is estimated to begin no more than 10 years ago and developed rather slow. Even now, it is estimated that there are no more than 20 Chinese companies engaged in this sector, of course, the private persons is not counted in. However, this situation also resulted that the profit margin is huge at this moment depending on quality, materials and ages. It is believed that there will be more and more Chinese people getting into this field in the coming years.

### Flemish exporters need to pay attention to the following points:

1. Chinese customs charges Zero import tariff to imported antiques over 100 years old.
2. As some furniture (especially piano) might have decorations embedded with ivory, turtle shell or other wild animals' bone, skin and etc., please provide official certificates for proving that these things are old instead of new ones according to requirements of the Chinese importers. In order to avoid conflict and troubles with the Chinese importers, please also mention to them that they might meet difficulties during the import, as some Chinese newcomers are not aware of this before purchasing<sup>∞</sup>.



3. Chinese customers normally like furniture with complicated decorations and carvings, so the furniture with styles of Renaissances, Rococo, Baroque are more welcomed.



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<sup>π</sup> China Daily

<sup>∞</sup> [www.shengxinyu.com](http://www.shengxinyu.com)

4. As for the wood used in the furniture production, oak, walnut and mahogany are the most popular ones, amongst Walnut and mahogany are more welcomed by Chinese customers.
- 5.



6. To experienced/professional Chinese importers, it is better to offer a BETTER sales price, if you can provide whole set of the documents for the antiques, especially when it has signature of the manufacturers.



### Channels to export European antique furniture and related objects in China:

- Channel 1: To participate in regular fairs in China which introduce and promote European antique furniture and antique objects to Chinese dealers, collectors and buyers. This is a good way to meet and communicate with other peers, and promote your products to the market.
- Channel 2: To set up your own stores in China. It is reported that some European antique furniture companies are planning to set up their own stores in China to meet the growing demand for European antique furniture / objects.
- Channel 3: To cooperate with Chinese local companies or find distributors in China. Due to the growing demand for European antique furniture / objects in China, there are more and more Chinese companies/persons are interested in this sector and would like to cooperate with foreign companies.
- Channel 4: To participate in the auctions. By learning the operation mode of European antique furniture / objects market, currently the well-known Chinese auction lines started bringing European antique furniture / objects to the market.

- Channel 5: To utilize the e-commerce websites. There are some private persons opening antique furniture e-stores online based on two biggest C2C and B2B website platforms in China: [www.taobao.com](http://www.taobao.com) (C2C) and [www.alibaba.com](http://www.alibaba.com) (B2B). Both of them belong to the same company – “Alibaba Group”. You can set up your own e-store online for looking for Chinese importers.

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## Conclusion

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In China, the total importation value of furniture in China market is stably increasing in recent years despite the world financial crisis.

High freight fee, high selling costs and appreciation of currency will still be disadvantage for imported furniture in foreseeing future.

It is important that Flemish enterprises fully use their comparative advantage and minimize their disadvantages. Also they need to balance the market niche promotion with cost effective strategy.

For the imported furniture merchant, they still should continue to focus on high-class furniture market for their unique quality, design and environmental concept.

For the Flemish furniture manufacturers, they could consider to set up own factories in China or work as component suppliers. This would help them to counter the challenge and risk facing in Chinese market.

# Appendix I

## Furniture Importers/distributors and chain stores/exhibitions

### Importers/distributors

**1. Meiyi Home**

No. 1 Tongju Street, Xigang District, Dalian, Liaoning Province  
(W) [www.meiyihome.com](http://www.meiyihome.com)  
(T) +86411-83618971 (F) +86411-83618973  
(E) [info@meiyihome.com](mailto:info@meiyihome.com)

**2. Goodrich Global Co. Ltd**

No. 3-18, Hua Teng Guo Ji, Storefront Dajiaoting Zhongjie, Chaoyang District, Beijing  
(W) [www.goodrichglobal.com](http://www.goodrichglobal.com)  
Contact person: Ms Ding  
(T) +86-10 8777 8288 (F) +86-10 8795 1375  
(E) [diana.ding@goodrichglobal.com.cn](mailto:diana.ding@goodrichglobal.com.cn)

**3. Beijing Yidefajia Trade Co. Ltd**

Logistic Center of Yidefajia, East of Yongding River, Jingliang Road, Daxing District, Beijing 102613  
(W) [www.idealidea.com.cn](http://www.idealidea.com.cn)  
Contact person: Ms Guo  
(T) +86-10 6120 0270 ext 620 (F) +86-10 6120 0270 ext 619  
(E) [guoliqiong@dyrs.com.cn](mailto:guoliqiong@dyrs.com.cn)

**4. Beijing Euroart Co. Ltd**

Jianke Hotel, No. 2A Anwaixinghua Road, Chaoyang District, Beijing 100013  
(W) [www.china-euroart.com](http://www.china-euroart.com)  
Contact person: Mr Zheng  
(T) +86-10 8427 0361 (F) +86-10 8427 0536  
(E) [sd1@china-euroart.com](mailto:sd1@china-euroart.com)

**5. UniChina Distribution Limited**

Rm. A1515 Nanxincang International Tower, No. 22 Dongcheng District, 100007 Beijing, P. R. China  
(W) [www.unichinadistribution.com](http://www.unichinadistribution.com)  
Contact person: Mr. Li  
(T) +8610-6409 6238 ext 66 (F) +8610-6409 6239  
(E) [rug@bulckaert.cn](mailto:rug@bulckaert.cn)

**6. Beijing Eurohan Trade Co. Ltd**

Rm.102-105, Building 5, Landu Guoji, North Road of East 4th Ring, Chaoyang District, Beijing, P. R. China  
(W): [www.eurohan.cn](http://www.eurohan.cn)  
Contact person: Mr. Wang  
(M) +86 189 0105 5859 (T) +8610-8479 7558 (F) +8610-8479 7559  
(E) [18901055859@189.cn](mailto:18901055859@189.cn)

**7. Boloni Home Products (Beijing) Ltd.**

No. 11 Yu-Hui Road, Chaoyang District, Beijing  
(W) [www.boloni.com.cn](http://www.boloni.com.cn)  
Contact person: International Business Dept.  
(T) +86-10 51348858  
(E) [ouyanglu@kebao.cn](mailto:ouyanglu@kebao.cn)

#### **8. Super Comfort**

No. 233, Huizhongli, Beichendonglu, Chaoyang District, Beijing

(W) [www.supercomfort.cn](http://www.supercomfort.cn)

(T) +8610-88428833 (F) +8610-88425522

(E) [wuxiaoliang@supercomfort.cn](mailto:wuxiaoliang@supercomfort.cn)

#### **9. Zhengyangjindi Trade Co., Ltd**

38-1-2203, Happiness Plaza Chaoyang District, Beijing

(W) [www.zycasa.com](http://www.zycasa.com)

(T) +8610-85561939 (F) +8610-85561933

(E) [zycasa@126.com](mailto:zycasa@126.com)

### List of furniture store chains

#### **1. Beijing Qumei Furniture Group**

No. 93, Laiguangying Xilu, Chaoyang District, Beijing

(W) [www.qumei.cn:8081/en/](http://www.qumei.cn:8081/en/) | (T) +8610-8493 7626 | (F) +8610-8493 7162

(E) [online@qumei.com.cn](mailto:online@qumei.com.cn)

#### **2. Markor International Furniture (TianJin) Manufacture CO.,LTD**

NO.52, The 7th Avenue, TEDA, TianJin, China

(W) [www.markor.com.cn/indexEN.php](http://www.markor.com.cn/indexEN.php) | (T) 86-22-59818888 | (F) 86-22-59819999

(E) [MHF-MER@markorhome.com](mailto:MHF-MER@markorhome.com)

#### **3. Red Star Macalline Co., Ltd**

Xinchangzheng Business Plaza, No. 1263 Zhenbei Road, Putuo District, Shanghai

(W) <http://www.chinaredstar.com> | (T) 86-21-51041688 | (F) 86-21-51041666

#### **4. Easyhome Investment Co., Ltd**

No. 3A Dongzhimennei, Dongcheng District, Beijing

(W) <http://www.juran.com.cn> | (T) +8610-84098863

#### **5. Euro Home Interiors**

Room 232-235, B2F, Zhongliang Plaza, Dongcheng District, Beijing

(W) <http://www.eurohome.com.cn> | (T) +8610-65253265

### Important Exhibitions

#### **1. China International Furniture Expo**

Website: <http://www.furniture-china.cn/>

Frequency: Annual

Venue: Shanghai

#### **2. China International Furniture**

Website: <http://www.ciff-gz.com/>

Frequency: twice a year (Spring and Autumn)

Venue: Guangzhou

## Appendix II

### European antique furniture

#### **1. Qingdao Shengxin Art Co. Ltd.**

Tel: 0086-532-88960252 Fax: 0086-532-88960259

Contact: Mr. Zhang Hongbin

GSM: 1357 3270 562

Email: [shengxinyu123@163.com](mailto:shengxinyu123@163.com)

Website: <http://www.shengxinyu.com/Main.html>

Mr. Zhang has wide connections with Belgian antique furniture dealers and most of its furniture is imported from Belgium.

#### **2. Beijing Tongmao European Antique Furniture Co. Ltd.**

Tel: 0086-10-65079909 Fax: 0086-10-65301749

Contact: Ms. Song Naiguo

GSM: 0086-13501015677

Email: [songng69@126.com](mailto:songng69@126.com)

No Website

#### **3. Shanghai Rombouts European Antique Furniture Co. Ltd.**

Tel: 0086-21-58580586 Fax: 0086-21-58585186

Contact: Mr. Jan Rombouts

Website: <http://www.europeanantiques.cc/>

### Trade Fair

Every year, there is an antique furniture exhibition in Shanghai, please refer to the website:

<http://www.antiquefurniturefair.com/enindex.html>