



# **Consumer Goods**

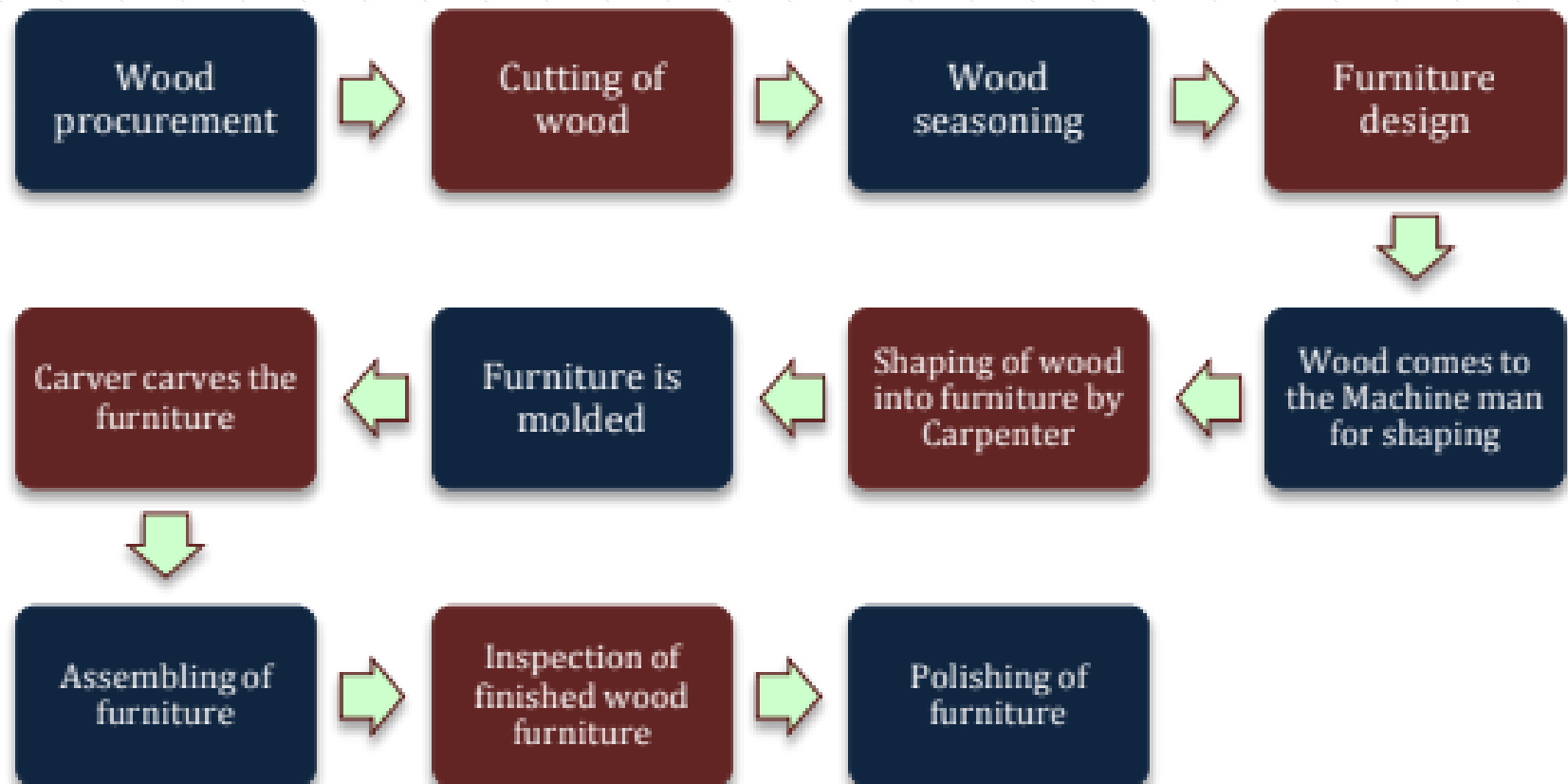
## ***Furniture & Fixture***

**February 2019**

# Value Chain



# Production Process | Wooden Furniture





# Segments

## Residential

Dining Table, living, bedrooms, kitchen and storage

- *Beds, tables, chairs, sofas, wardrobes, doors, paneling etc*

## Institutional

Office Furniture, Hotels, Hospitals, Schools etc

- *Office Desk, workstations, Beds, tables, chairs, sofas, wardrobes, doors, paneling etc*

### Wood

Sheesham,  
Teak,  
Rosewood,  
Walnut,  
Oak,  
Plywood,  
Keekar

### Metal

Stainless  
steel,  
Aluminum,  
Wrought  
Iron

### Others

Plastics  
Cane

# Global Dynamics

Exporters	2012	2013	2014	2015	2016	2017
<b>Total ( '000 USD)</b>	69,814,147	72,467,071	76,836,431	74,591,307	74,757,613	80,708,706

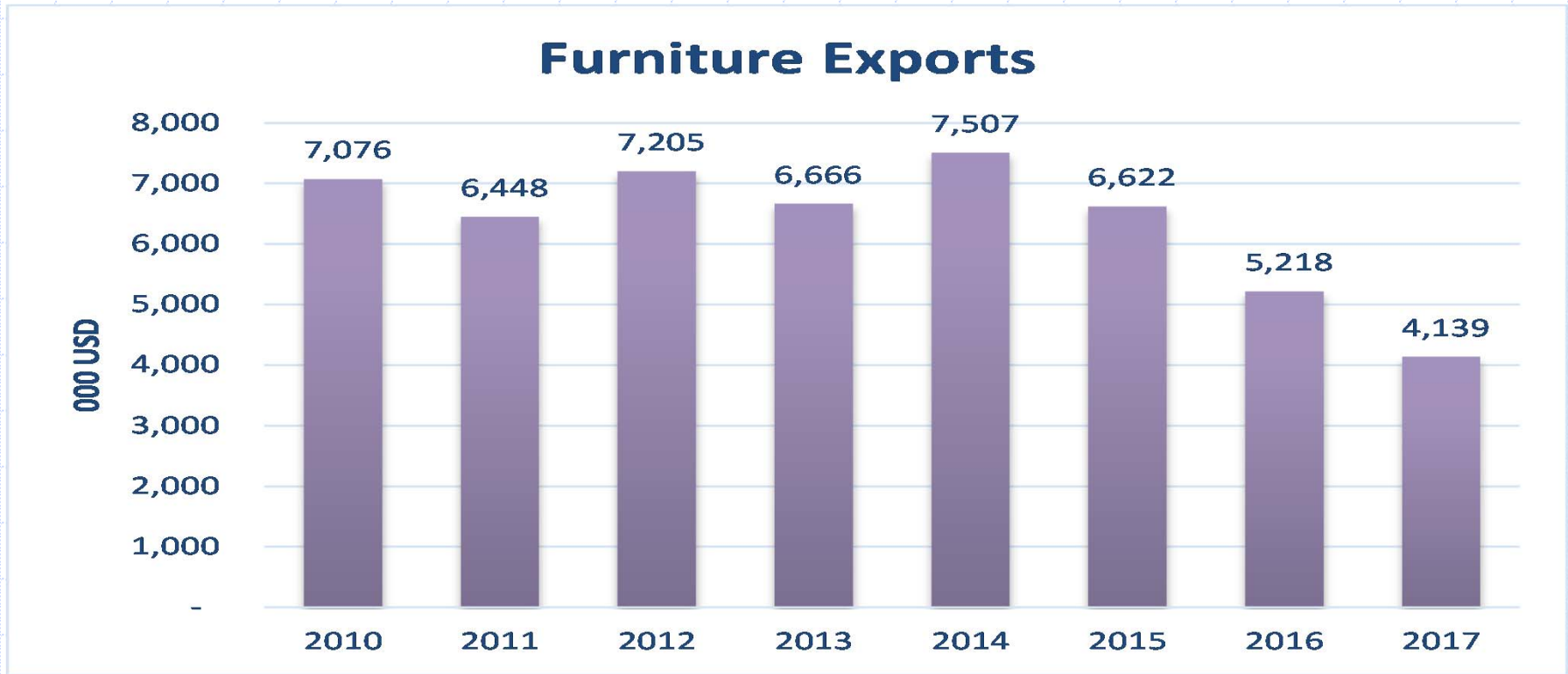
Exporting Country	'000 USD	% Share
	2017	2017
<b>China</b>	26,560,182	32%
<b>Germany</b>	7,462,489	9%
<b>Italy</b>	7,223,066	9%
<b>Poland</b>	4,313,820	5%
<b>Veitnam</b>	4,277,077	5%

Importing Country	'000 USD	% Share
	2017	2017
<b>United States of America</b>	25,386,296	31%
<b>Germany</b>	5,727,907	7%
<b>United Kingdom</b>	4,835,789	6%
<b>France</b>	4,222,359	5%
<b>Canada</b>	2,874,139	4%

Source: Trade Map

HS Code: 9403 Furniture and parts thereof, n.e.s. (excluding seats and medical, surgical, dental or veterinary furniture)

# Pakistan



- ~ USD 4mln Exports from Pakistan
- Country has seen a declining trend in it's exports registering a negative CAGR of ~ 7%
- Exports to UAE averaged ~ 19% (highest) over the years
- USA is observed to have an increasing share in exports jumping from 10% in 2010 to 25% in 2017
- Other countries include Afghanistan, UK , Malaysia and Saudi Arabia

Source: Trade Map

HS Code: 9403 Furniture and parts thereof, n.e.s. (excluding seats and medical, surgical, dental or veterinary furniture)

# Pakistan

## Furniture Imports



- *Total Furniture imports have registered a CAGR of ~ 14%*
- *Over 50% of Imports are from China*
- *Other Countries include USA, Italy and Malaysia*
- *Imports from USA have seen an overall declining trend with a market share of ~14% in 2010 to 1% in 2017*
- *In 2017, Imports from China and Italy alone constituted 80% of furniture imports*

Source: Trade Map

HS Code: 9403 Furniture and parts thereof, n.e.s. (excluding seats and medical, surgical, dental or veterinary furniture)

# Import of Key Raw Materials

Wood Sawn or Chipped of a thickness exceeding 6 mm (HS Code 4407)	2013	2014	2015	2016	2017
	--- '000 USD ---				
United States of America	13,275	22,376	19,047	21,201	25,933
Canada	12,834	13,263	17,510	16,760	18,337
Germany	5,341	10,633	8,948	10,051	12,554
Malaysia	2,808	5,120	5,978	6,739	5,884
Austria	2,001	5,844	3,673	4,295	5,300
Rest of the world	14,112	18,466	18,386	23,230	25,246
<b>Total</b>	<b>50,371</b>	<b>75,702</b>	<b>73,542</b>	<b>82,276</b>	<b>93,254</b>

Fiberboard of wood (HS Code 4411)	2013	2014	2015	2016	2017
	--- '000 USD ---				
Malaysia	18,607	23,982	27,739	29,178	23,372
China	2,779	3,632	5,099	8,173	9,675
Sri Lanka	8,755	8,477	8,672	8,954	9,042
Thailand	3,712	2,848	4,492	6,355	5,937
Turkey	111	161	121	447	687
Rest of the World	1,666	1,151	2,554	2,011	1,027
<b>Total</b>	<b>35,630</b>	<b>40,251</b>	<b>48,677</b>	<b>55,118</b>	<b>49,740</b>

Plywood, veneered panels and similar laminated wood (HS Code 4412)	2013	2014	2015	2016	2017
	--- '000 USD ---				
China	2,356	2,891	5,511	6,913	8,812
Finland	13	0	0	263	212
Malaysia	164	185	132	100	144
Germany	7	34	22	36	52
Russian Federation	0	0	0	0	38
Rest of the World	271	176	269	204	217
<b>Total</b>	<b>2,811</b>	<b>3,286</b>	<b>5,934</b>	<b>7,516</b>	<b>9,475</b>

Sheets for veneering (HS Code 4408)	2013	2014	2015	2016	2017
	--- '000 USD ---				
China	2,519	2,774	3,024	3,442	3,239
United Arab Emirates	21	54	44	6	60
Turkey	0	0	0	5	59
Austria	0	0	0	0	48
Viet Nam	0	0	0	0	38
Rest of the World	69	182	204	284	119
<b>Total</b>	<b>2,609</b>	<b>3,010</b>	<b>3,272</b>	<b>3,737</b>	<b>3,563</b>

Paints and varnishes (HS Code 3208)	2013	2014	2015	2016	2017
	--- '000 USD ---				
China	2,737	4,203	4,301	6,511	7,555
Taipei, Chinese	1,710	2,083	2,852	3,539	3,452
Switzerland	913	1,646	1,616	1,117	2,989
Italy	1,238	1,622	1,716	2,181	2,739
United Arab Emirates	2,671	1,313	2,172	1,954	2,309
Rest of the World	7,431	9,506	10,318	12,490	12,529
<b>Total</b>	<b>16,700</b>	<b>20,373</b>	<b>22,975</b>	<b>27,792</b>	<b>31,573</b>

Boards of wood (HS Code 4410)	2013	2014	2015	2016	2017
	--- '000 USD ---				
Malaysia	206	269	523	671	447
Thailand	1,302	935	166	1,050	423
China	21	44	234	65	240
Korea, Republic of	8	32	63	87	220
Estonia	46	109	71	253	200
Rest of the World	44	81	167	246	178
<b>Total</b>	<b>1,627</b>	<b>1,470</b>	<b>1,224</b>	<b>2,372</b>	<b>1,708</b>





# Industry Players/ Exporters

1	M/s. National Furnishers (Pvt) Ltd
2	M/s. Heaven Furniture (Pvt) Ltd
3	M/s. Al-Mohkam Furnishers (Pvt) Ltd
4	M/s. Chenone (Pvt) Ltd
5	M/s. Gourmet Furnisher
6	M/s. Enviro Furniture
7	M/s. Habitt Furniture
8	M/s. Master Furniture (Pvt) Ltd
9	M/s. N.M. Furniture
10	M/s. Trendline Furniture
11	M/s. Woodco Furniture
12	M/s. Shelwood
13	M/s. Best Buy Furniture
14	M/s. General Furniture



# Industry | Fundamentals & Growth Drivers

## **Furniture Industry Growth depends on:**

- Populations Growth
- Urbanization
- Increase in Disposable Income

## **Key Statistics**

- Pakistan is the sixth most populated country in the world with an estimated population of ~200 millions
- The average population growth is ~2 %
- Population in the Urban Sector has grown at an average of 1%
- Population in urban areas has increased from ~ 39% in 2015 to ~ 41% in 2017 of total population
- Per Capita Income has grown by ~6% in FY17/18
- Approximately ~ 2%– 3% of income is spent on furnishing, household equipment and house maintenance



# Regulatory Structure

Customs Tariff				
Description	HS Code	2019	2018	2017
		Duty	Duty	Duty
Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end- jointed, of a thickness exceeding 6 mm	4407	3%	3%	3%
Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end- jointed, of a thickness not exceeding 6 mm	4408	11%	11%	16%
Particle board, oriented strand board (OSB) and similar board (for example, waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances.	4410	16%	16%	16%
Fiberboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances	4411	11% - 16%	16%	16%
Plywood, veneered panels and similar laminated wood.	4412	20%	20%	20%
Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non- aqueous medium; solutions as defined in Note 4 to this Chapter	3208	11%/20%	11%/20%	11%/20%
Other furniture and parts thereof	9403	20%	20%	20%
Seats (other than those of heading 94.02), whether or not convertible into beds, and parts thereof	9401	3% - 35%	3% - 35%	3% - 35%

- Sales Tax : 17%
- The duty on imported furniture has been increased from 35% to 45% in October 2018

# Bibliography

1. Trademap <https://www.trademap.org>
2. Pakistan Economic Survey 2017 – 18
3. Household Integrated Economic Survey (HIES) 2015 – 16
4. Pakistan Customs Tariff 2016-17; 2017-18 & 2018-19

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