



THE FURNITURE MANUFACTURING SECTOR IN CE EUROPE, EASTERN EUROPE AND SE EUROPE

A FRD Center newsletter



This is a **FRD Center newsletter** for the foreign furniture producers interested to outsource part of their furniture manufacturing to local producers in low-cost-countries in Central Eastern Europe, South Eastern Europe or Eastern Europe, such as Romania, Poland, Turkey, Bulgaria, Lithuania, Serbia etc.

*For new supplier qualification services and facilitation of direct contact with local furniture producers selected according to your requirements, do not hesitate to contact the FRD Center team at
email: europa@frdcenter.ro or phone +4021 411 1459 / 60 / 61*

This free newsletter is produced by FRD Center – www.frdcenter.ro - one of the pioneer privately owned independent market entry consulting and M&A advisory firms in Romania as a promotional sample-report.

Since 2000, FRD Center offers tailor-made market research and intelligence, B2B matchmaking and M&A consulting services to foreign organisations interested to enter Romania and the emerging markets in Europe as exporters, consultants, investors or joint-ventures, to relocate their operations, or to source in CE, SE and Eastern Europe.

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As part of the CSR activity, FRD Center endorses the
Sibiu International Theatre Festival FITS (SibFest) - www.sibfest.ro

The Sibiu International Theatre Festival is the most complex festival in Romania. Internationally, it has become the most important performing arts festival in Europe, judging by its amplexness, dimension, and quality of events, before Edinburgh International Festival (Great Britain) and Avignon Festival (France)



ROMANIA

Furniture manufacturing in Romania enjoys both good reputation and a long tradition.

The Romanian furniture factories manufactured products worth approximately 1.1 bnEUR in the first five months of 2018. Romania exported furniture worth 987 mEUR in the first five months of 2018, up by 3.2% compared to the same period of 2017. Romania exported furniture in the first five months of 2018 predominantly to Germany, France, Italy, the Czech Republic and the Netherlands.

According to the FRD Center analysis based on EUROSTAT data, the Romanian production of upholstered seats with metal frames went up 11% in 2017 vs. 2016.

Romanian furniture sector counts on qualified and experienced staff, new technologies, innovative design and locally sourced quality wood.

According to Technavio, the furniture manufacturing market in Romania will post a CAGR of over 6% between 2018 and 2020.

Some of the Romanian furniture manufacturing companies that FRD Center has been contacting on behalf of the foreign producers interested to source part

of their furniture production in Romania include

- Italsofa,
- Larix Mobila,
- Lemet,
- PGS Sofa & CO,
- Plimob,
- Sortilemn,
- Staer International,
- Taparo
- Aramis Invest
- Ardudana
- Casa Rusu
- Elvila
- Famos
- Gammet 2000
- GP Sofa
- Imar

Many of them are quite dynamic. For example, according to the FRD Center analysis based on official data, Aramis Invest registered in 2017 a turnover 17% higher than in 2016. Taparo's sales went up 11% in 2017 compared to 2016 while Lemet registered a growth of 6%.

The ten largest employers in the Romanian furniture manufacturing sector had a cumulated number of almost 15,000 employees at the end of 2016, an increase of 2,000 employees compared to the same period of 2015, shows a ZF analysis based on data from the Labour Inspection office.

FRD Center facilitates direct contact with qualified local suppliers of furniture and manufacturers in Romania. How to find qualified local producers in low cost countries in Eastern Europe?



POLAND

Poland is the sixth largest producer of furniture in the world. The value of the Polish furniture sold production reached approximately 10 bnEUR in 2017, up by 5.9% compared to 2016.

Most of the furniture produced in Poland is exported. Poland is the world's fourth largest exporter of furniture. The Polish furniture is exported mainly to Germany, the UK, the Czech Republic, France and the Netherlands.

According to the FRD Center analysis based on EUROSTAT data, the Polish production of wooden bedroom furniture was 13% higher in 2017 vs. 2016.

Some examples of main Polish producers of furniture that FRD Center has been monitoring are:

The value of the Polish furniture exports is forecasted to reach approximately 11 bnEUR in 2018, a 7% increase compared to 2017.

Based in Lubon, Poland, the furniture manufacturer ZUWO was established in 1993.

The company produces chairs, tables, armchairs, sofas and performs furnishing projects in commercial facilities, restaurants and cafes.

JEKSTOL is a renowned Polish manufacturer of high quality furniture for restaurants, pubs and hotels. Using modern technologies, the company produces tables, chairs, armchairs, sofas, bar stools and wall panels.

Located in Lublin, Poland, Blank&Munk is a Polish supplier and exporter of high quality stylish furniture. It is a well recognized name in the world of handmade furniture from Poland.

Its portfolio includes upholstery furniture, wooden furniture, sofas, armchairs, console tables, bookstands, contract hotel furniture and custom made furniture.

FRD Center facilitates direct contact of the foreign producers with Polish furniture manufacturers, selected according to the foreign Client's requirements. Which are the most relevant producers in Poland?



TURKEY

Turkey is renowned for its good quality furniture, both hand-crafted and industrially manufactured, that conforms to European standards, at low prices.

According to Technavio, the furniture manufacturing market in Turkey will witness significant growth and post a CAGR of more than 9% during 2018 - 2020.

The augmented use of medium-density fiberboard (MDF) in furniture is one of the emerging trends spurring this market's growth prospects during the forecast period.

The foreign producers looking to source manufacturing in Turkey are encouraged by the abundance of cheap labour and high-quality outputs.

The Turkish furniture is produced in workshops, as well as in industrial manufacturing units. The small furniture workshops produce hand carved and handmade furniture. The workshops are flexible and have enough capacity and labour force to expand their production line in order to supply large orders for foreign producers.

The wooden furniture has a major share in total furniture production in Turkey. The main types of wood used in the manufacture of massive furniture in Turkey are ash, beech, oak, pine, linden and mahogany.

Some of the Turkish furniture manufacturers identified by FRD Center include:

Armonna Furniture is one of the largest manufacturers of furniture in Turkey. Established in 2004, Armonna offers a wide range of product assortments such as bedroom, living room and dining room furniture.

Founded in 1992, CASA is recognized as a pioneer in the Turkish furniture industry. In its 35,000 sqm facility, CASA creates contemporary furniture for retail and institutional clients from over 20 countries. Its range of products include chairs, armchairs, sofas, tables, sideboards and bookcases.

Founded in 1983 in Bursa, Turkey, Mobi is a manufacturer of high-end contemporary furniture. The company's range of products includes tables, chairs, armchairs, sofas, sideboards, consoles, cabinets, beds, desks etc. The products are sold all over the world.

In Turkey, there are around 35,000 furniture manufacturing companies and approximately 260,000 employees directly involved in the furniture production.



FRD Center facilitates direct contact of the foreign producers with Turkish furniture manufacturers, selected according to the foreign Client's requirements. How to find qualified local producers in Turkey?

BULGARIA

The Bulgarian furniture industry is growing and introducing innovations, design ideas, improving quality and reliability of the production: smart kitchen solutions, mattresses, sleeping systems and classic wooden furniture, as well as furniture with modern designs.

According to Technavio, the market for furniture manufacturing in Bulgaria will grow at a CAGR of over 5% by 2020.

According to the FRD Center analysis based on data from EUROSTAT, the Bulgarian production of upholstered seats with wooden frames went up 11% in 2017 compared to 2016.

Some of the main Bulgarian furniture producers monitored by FRD Center are:

- Avgusta Mebel
- Bonana
- Dabora
- Elma 13
- Evrika
- Gadevski
- Gold-Apolo
- Hegra D
- Interior 46 Design
- Karabulev
- Kronos Mebel
- Mebel Stil
- Mebex
- Nicoletti
- Pantadesign Studio
- Retroujut
- Valiyan

They are investing in enhancing production, technologies to increase productivity and lower costs, while expanding their portfolios and introducing new designs.

FRD Center provides B2B matchmaking with qualified Bulgarian furniture manufacturers, selected according to the foreign Client's requirements. Which of the local furniture producers in low cost countries in South Eastern Europe are the most relevant for you?



LITHUANIA

The Lithuanian furniture manufacturing sector has a long-standing tradition in producing high quality products. The industry is well-developed, has modern production facilities and the workforce is highly skilled. The Lithuanian companies produce a wide range of furniture and the majority of the production (around 85%) is exported.

The Lithuanian market presents interesting options for international furniture manufacturers looking for qualified local producers in order to source production of furniture and components for home decor or DIY.

The Lithuanian production of furniture is exported mainly to Sweden, Germany, UK, Norway, USA and Denmark. Lithuania is the fourth biggest IKEA supplier in the world.

The key competitive advantages of Lithuania's furniture manufacturing sector are:

- One of the most competitive and highly developed branches in Lithuania's manufacturing industry
- Up to date design solutions, custom, handcrafted furniture
- Innovative production methods, high quality furniture
- High staff competences
- Integration into global value chains

895 companies were active in the Lithuanian furniture industry in 2016, out of which 97.5% were SMEs. The furniture industry accounts for approximately 2.5% of the Lithuanian GDP, employing around 27,000 workers. In Lithuania, the professionals in the furniture industry rank among the professions with highest demand.

The Lithuanian exports of furniture and related articles, lamps and lighting fittings, prefabricated buildings amounted to 1.94 bnEUR in 2017, up by 11.1% compared to 2016.

According to the FRD Center analysis based on data from EUROSTAT, the Lithuanian production of wooden bedroom furniture in 2017 was 5% higher than in 2016.

The furniture market in Lithuania is expected to grow at a CAGR of 6.2% during 2018 - 2021.



Through our Suppliers Selection services, FRD Center assists the foreign producers contact directly the selected Lithuanian furniture manufacturers. How to find qualified local furniture producers in low cost countries in the Baltics?

SERBIA

Serbia has the potential to become a preferred country for foreign investments in the wood and furniture sector.

The Serbian wood processing and furniture industry comprises over 2,200 companies. More than 90% of enterprises are privately owned and mainly located in the central areas of Serbia.

According to Technavio, the Serbian furniture manufacturing market will grow at a CAGR of over 4% by 2020, mainly triggered from demand from Russia.

According to the FRD Center analysis based on data from EUROSTAT, the

Serbian production of upholstered seats with wooden frames went up 14% in 2017 compared to 2016.

Some of the main furniture manufacturing firms operating in Serbia include

- Atlas
- Casa Italia
- Chigo Contract
- Cimo
- Dunav Apatin
- HK Andrijasevic
- Jela Jagodina
- Kedar
- Matis
- Philip & Co Filipovic
- Promenada
- Rezbos
- Schlarafia
- Simpo

FRD Center provides B2B matchmaking with qualified Serbian furniture manufacturers, selected according to the foreign Client's requirements. How to find qualified local producers in low cost countries in the Balkans and South Eastern Europe?

