The objective of this study was to analyze trends in imports and exports of furniture industry in the U.S. over the last decade. Main competitive strategies of countries exporting furniture to the U.S. are identified and briefly explained within the scope of this study by observing the changes in the values of last five years. Taiwan was one of the most important furniture exporters to the U.S. until 1994. Decreasing trend of Taiwan export values continued in last ten years while Vietnam increased its share of the U.S. furniture market. Since 2004, China was the most important source of imported furniture and currently accounts for over 55% of total imports value. Overall, low-cost structure, government support and advanced technologies in Asia have provided the Chinese manufacturers with competitive advantage over their European and American competitors. Therefore, lower price of imported products has been the main influential and decisive factor for furniture consumers in U.S., and set the benchmark for manufacturers in terms of competitive advantages. On the other hand, examples exist where U.S. furniture consumers favor the design, thus customization could be a competitive strategy for U.S. based furniture manufacturers.

### Methods and Materials

This analysis utilized data reported by U.S. Census Bureau and International Trade Administration to determine the current trend changes in international trade within the scope of U.S. furniture industry (NAICS 337) from 2009 to 2014. In this study, no product classification was taken into consideration and the snapshot of the entire industry coded NAICS 337 was of primary interest. In addition to all comparisons of top 10 importers and exporters of the U.S., change in number of establishments in U.S. furniture industry and number of employees of the same establishments was briefly explored in order to provide a better understanding of effects of global furniture market trends.

### Results

U.S. furniture imports increased in value by 54.87% from 2009 to 2014 as a function of total number of shipments from China, Vietnam and Canada as well as other players such as Mexico, Taiwan and Italy. Vietnam, Mexico and Poland had the most aggressive growth rates, 128%, 112% and 83%, respectively. On the other hand, Malaysia was reported to be trying to cope with challenges such as increased labor costs, thus the country experienced a slowdown growth rate of export with a value of 17% in the recent years. Furniture shipments to U.S. rose to US $33.29 billion in 2014 whereas it was around US $30.53 billion the year before. Top 10 exporters created approximately 92% of the total import volume by the end of 2014.

The value of U.S. furniture exports reached US $4.8 billion level, which was 5.38% and $250 million higher than the figures of 2009 and 2013, respectively. Canada was the top buyer of U.S. furniture items with a value of US $3 billion, which turned out to be more than double of the second place by at least US $2.3 billion.

Competitive advantages such as lower labor cost, advanced manufacturing technologies, government support and flexibility to adjust for current trends altered the global furniture industry balance in favor of foreign manufacturers. Import and export rates are expected to keep increasing in the future as well. Thus, domestic manufacturers could be more innovative in order to regain their competitive advantage and reverse declining trend in U.S. furniture industry. Increased government support could be another key factor for domestic establishments and their global market share.

### References