

In 2019, the USA primarily imported furniture from China, Vietnam and Canada, while Canada primarily imported furniture from China, the USA and Mexico, and Brazil primarily imported furniture from China Mexico and United States. Based on furniture import value, Malaysia was ranked the 6th largest furniture importer to the USA with USD1.1 billion in 2019, and the 7th largest furniture importer to Canada with USD99.3 million. The close ties between the USA and Malaysia on trade and investment issues as well as the favourable exchange rates have had a positive effect on the USA's import of furniture from Malaysia.

Furniture consumption in Europe was largely driven by the top furniture consuming nations in the region, namely Germany, the United Kingdom, and France. Germany was the largest consumer of furniture in Europe, with USD22.9 billion in furniture consumption in 2019. The United Kingdom was the 2nd largest furniture consumer in the region with USD14.4 billion, followed by France with USD13.4 billion. The economic growth, increasing disposable income, population growth, and increased urbanisation rates recorded by the top furniture consuming nations in Europe have contributed to the growth in furniture consumption in the Europe region. In 2019, Germany primarily imported furniture from Poland, China, and the Czech Republic, while France primarily imported furniture from China, Germany and Italy, and the United Kingdom primarily imported furniture from China, Italy and Poland.

Global furniture consumption is expected to dip to USD400.4 billion in 2020, with China, USA and Germany as the top 3 consuming nations globally.

2.2 FURNITURE ELECTRONIC COMMERCE MARKET

Furniture can be purchased via offline sales channels such as traditional brick-and-mortar stores, or through online sales channels such as electronic commerce (“**e-commerce**”) websites. E-commerce refers to the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the Internet. E-commerce transactions may take place between enterprises, households, individuals, governments, and other public or private organisations. The method of payment and delivery of the e-commerce goods or services may be done through a computer network / internet or traditionally through the exchange of payment at the point of delivery.

Retail businesses (e-commerce businesses and traditional retail stores) today, including furniture businesses, are increasingly adopting omni-channel retailing. Omni-channel retailing involves the convergence of e-commerce businesses and traditional retail stores (brick-and-mortar stores) as merchants aim to provide customers with a seamless experience whether shopping online via a desktop or mobile device or at a traditional retail store. This has resulted in e-commerce businesses opening brick-and-mortar extensions to establish a physical presence, while businesses with brick-and-mortar stores have started adopting electronic channels to market and sell their products. Businesses who have adopted this convergence of brick-and-mortar stores and online businesses to create a physical and digital presence are commonly referred to as bricks-and clicks.

Between 2012 and 2016, global furniture e-commerce sales registered an average annual growth rate of 15.0%. Furniture e-commerce sales in China and India were higher than the global average growth of 15.0%, recording average annual growth rates of 22.0% and 17.0% respectively over the same period.¹⁹ In 2016, global furniture e-commerce sales stood at USD28.6 billion, and accounted for 4.0% of global furniture sales. Global furniture e-commerce sales then increased to USD56.1 billion in 2019.

The furniture e-commerce industry is a growing industry due to the rapid growth in the number of Internet users and the corresponding rise in Internet usage as consumers are increasingly leveraging on the Internet to shop. This is evidenced by the growing number of individuals using the Internet worldwide, which increased from 34.3% in 2012 to 51.4% in 2019. The increased accessibility and connectivity provided by the Internet is expected to continue having a positive effect on global furniture e-commerce sales, as consumers opt to shop online. The percentage of consumers which prefer to purchase furniture online rather than in-store increased from 27.0% in 2016 to 30.0% in 2017.

Due to mandatory movement controls and business operation restrictions imposed by various countries in an effort to contain the COVID-19 pandemic, e-commerce has become an increasingly important sales channel for the furniture industry in 2020. While world furniture consumption is projected to dip from USD495.7 billion in 2019 to an estimated USD400.4 billion in 2020 (CAGR -19.2%), e-commerce sales of furniture is projected to rise from USD56.1 billion to an estimated USD72.3 billion (CAGR 28.9%) during the same period.

¹⁹ CSIL