CBI MARKET SURVEY

THE DOMESTIC FURNITURE MARKET IN FRANCE

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Report summary
This CBI market survey discusses, amongst others, the following highlights for the domestic furniture market in France:

- France's consumption of domestic furniture was valued at € 8,881 million in 2005, up by 2.3% since 2001, while production was valued at € 7,223 million, down by 8%.
- Imports were up by 30% since 2001, and were valued at € 4,411 million. Furniture parts were the largest product group.
- Developing countries account for 20% of all imports, up from approximately 16% in 2001. Over 70% of this is from Asia. The main supplier is China, followed by Indonesia. Supplies from Africa are in decline.

This survey provides exporters of domestic furniture with sector-specific market information related to gaining access to France. By focusing on a specific country, this survey provides additional information, complementary to the more general information and data provided in the CBI market survey 'The domestic furniture market in the EU', which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.nl/marketinfo

1. Market description: consumption and production

Consumption

Total market size
The domestic furniture market in France was valued at € 8,881 million in 2005. This is the fourth largest market in the EU after Germany, Italy and the UK. Per capita consumption in France at € 141 is well below the European average. France accounted for 11.6% of all EU25 domestic furniture sales in 2005. Sales were 5.5% higher than 2003.

Table 1.1 Consumption of domestic furniture in France, 2001-2005, € million

	2001 €m	2003 €m	2005 €m	Population (million)	Consumption per capita €	Households (000's)	Occupants per h/h
France	8,673	8,412	8,881	62.8	141	27,045	2.3

Source: National Trade Associations, IPEA, Eurostat (2006)

France outperformed the other major EU furniture markets but the trade is still relatively weak. The performance was helped by a reduction of VAT rates to 5.5% on certain essential household purchases. The building of more new homes should result in a bigger improvement in sales for 2006.

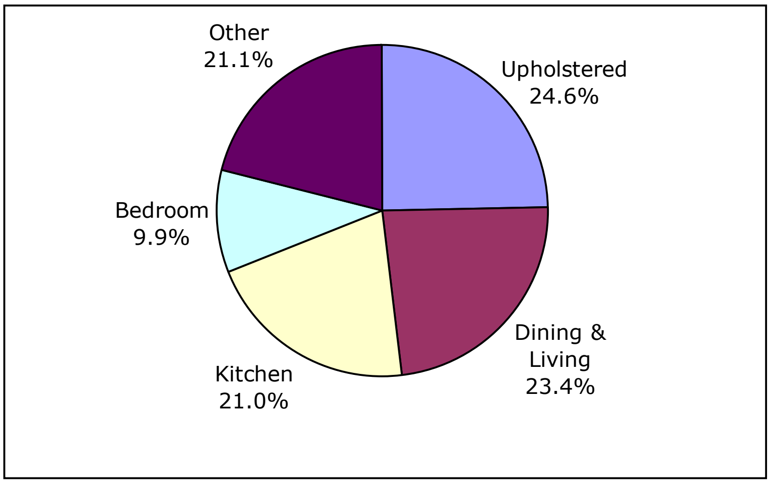
The recovery is also due to the French passion for home improvement, further helped by a lowering of interest rates. Retailers are also starting to respond to the demand for more contemporary furniture by presenting more new ranges. This is also starting to stimulate purchasing.

Product groups
Upholstered furniture is valued at € 2,185 million, or 24.6% of the market, a slight proportional reduction over 2004 despite the continued growth in comfortable seats and chairs for home cinema viewing.

The dining and living room sector is valued at € 2,078 million. Living room furniture continues to be stimulated by features in colour magazines with appealing photography of desirable room sets.

The kitchen sector, like many other EU countries, is increasing at a faster rate than other sectors. It is currently valued at € 1,865 million. This sector has benefited most from the decrease in VAT rates. Bedroom furniture has seen increases in volume, but no real movement in value. This sector is currently valued at € 880 million.

Figure 1.1 French domestic furniture consumption by product group, % value, 2005



Source: IPEA, Euromonitor (2006)

Market segmentation

- *Segmentation by price:* A recent study of 300 consumers by the Internet site source-a-id.com found that price is not the dominant purchase motivation:
  - French consumers firstly look for the reassurance of a brand.
  - Then they look for the pleasure in the purchase (its design, shape, material, colour or other desirable attribute).
  - The price is third on the list. However, the study also showed a high degree of awareness of prices, due to the ability to make comparisons on the web.

  Nevertheless, it were the more aggressive major retailers such as IKEA, Alinéa, Fly and Habitat that have moved ahead at the expense of the traditional specialists. These specialists are rapidly trying to reposition themselves towards the contemporary market, but have not yet been successful in doing so.

- *Segmentation by region and style:* France is a large country, and many regional styles still exist in different parts of the country. Differences in particular continue to exist between furniture purchasing in urban as opposed to rural areas. This also highlights the fact that old style traditional furniture continues to represent a strong share of the market, despite the growth in contemporary furniture for households with young people. More than six million households claim their home is furnished in either a rustic, country or old style.

Exporters from developing countries should concentrate on the more contemporary sector. Greater opportunities exist here. In addition, some traditional styles of French furniture are difficult to replicate. Designers are trying to incorporate period styles in modern pieces of furniture.

Trends in consumption

- In terms of chairs, there is something of a seventies-style revival, which may be short-lived. Although the style is recognisable from this period, the actual pieces are in fact designed for contemporary living, i.e. they have been adapted to work in restricted spaces.
- Other trends in sofas and chairs highlight the importance of shape and form. Increasingly you can find more interesting shapes – a curve to lengthen the item, or perhaps a different shape to stimulate the imagination.
- Two differing principles govern French furniture styles: basic and luxury. Basic offers what is necessary through simple designs, proven materials and shapes. Luxury is associated with space, safety, technology and home automation.
- There is a move away from furniture that is sold as complete bedrooms or dining rooms. Ready to assemble products will continue to grow in popularity, and mid-range products will experience increasing demand.
- New style is being found as a mixture of traditional and modern. For example, design furniture is exploring the possibilities arising from art deco and ethnic furniture.
- Environmental issues and the related life cycle considerations have also influenced finishing techniques.

Production

Total production

The value of domestic furniture production was estimated at € 7,223 million, down 8% since 2001, but a small increase over the low point of 2003. According to Eurostat, the volume of French production was 77.9 million items in 2003. There are many competitive pressures facing the French furniture industry, particularly from lower cost overseas competitors. Prospects for the future are uncertain but in the short term, small improvements are forecast.

Table 1.2 Production of domestic furniture by France, 2001- 2005, € million

	2001 value	2003 value	2005 value*	Average % change in value	Number of companies 2004	Number of employees 2004
France	7,875	7,095	7,223	-8.3	7,500	64,750

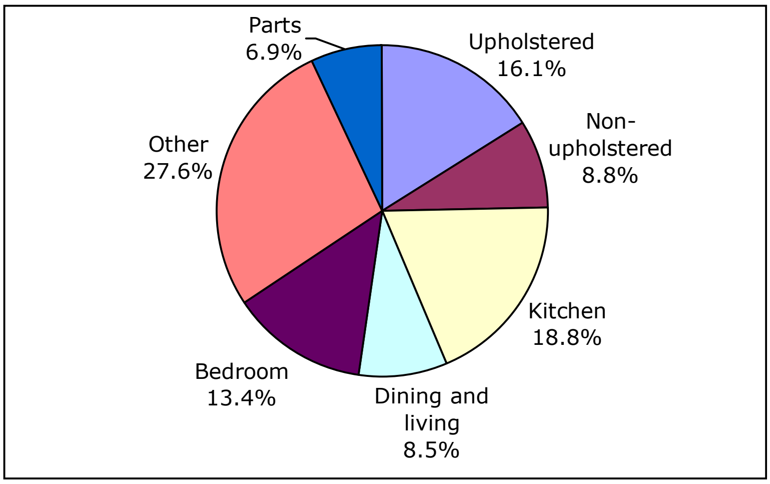
Source: UAE
*estimated

Furniture production in France accounts for 10% of the EU total and is the third largest in the EU, after Germany and Italy. However, production is less than half that of those countries. Both Spain and the UK have similar levels of production as France. Between them, these top five producers account for 73% of all EU production.

- Two thirds of all French production is concentrated in the northern regions (Ouest/Vendée/ Bretagne, Ile-de-France and Normandie) and the south-eastern Rhône-Alpes region.
- Over 60,000 people are employed by a total of 7,500 companies, most of which employ 100 people or less.
- However the top 3 of companies generate almost 30% of production value.

As shown in figure 1.2, other furniture is the largest product group, followed by kitchen furniture, which is also the fastest growing product group. Production of dining and living room furniture is declining.

Figure 1.2 Production of furniture in France 2005, as % of total value



Source: Eurostat 2006

Major players

The main furniture manufacturers in France are:

- Groupe Jacques Parisot is the leading furniture manufacturing group in France, specialising in RTA furniture, upholstered and solid wood furniture (http://www.parisot.com).
- Gautier is the leading contemporary furniture manufacturer. Nearly 30% of their revenue is generated by exports (http://www.gautier.fr).
- Capdevielle & Fils are leaders in wooden bedroom furniture and the third largest furniture manufacturer in France (http://www.capdevielle.fr).

Trends in production

- The main trends in French furniture production are concentration into larger production units and outsourcing.
- While many of the smaller manufacturers prefer to make all parts within the factory, changes are taking place. Semi-finished parts are being imported from Italy, China and Brazil. Component factories are in place but this is less important in France than other countries. There is little networking among manufacturers.
- A recent analysis by the Service des Etudes et des Statistiques Industrielles (SESSI) indicates that some leading producers are outsourcing in order to be able to concentrate on the important production processes, and to reach higher creativity and innovation levels.
- The leading furniture makers are technologically advanced. An increasing proportion of companies are owned or part-owned by foreign investors.
- Co-operation is good between manufacturers and their suppliers, and the influence of the main furniture distributors on the direction of some production is very strong.

Opportunities and threats

- Opportunities exist for exporters from developing countries, particularly in the sectors related to ready to assemble furniture, contemporary furniture aimed at younger people and flexible or multi-functional furniture.
- There are also opportunities for those exporters who can forge relationships with traditional French manufacturers and produce good value reproduction versions of classic traditional French furniture designs.
- Outsourcing also provides opportunities. French manufacturers have had to adapt their systems to remain competitive. They have forged partnerships with domestic and overseas suppliers. They will particularly appreciate input from suppliers who can demonstrate design flair and innovation. However, the French have also been turning to Poland, a historical partner, for furniture linkages. This poses a major threat to exporters from developing countries.

Useful sources

- The Union Nationale des Industries Françaises de L'Ameublement (UNIFA) can be found at http://www.unifa.org
- As well as production figures from Eurostat, figures can be obtained from the National Institute for Statistics and Economic Studies (http://www.insee.fr).
- The Service des Etudes et des Statistiques Industrielles (SESSI) can be found at http://www.industrie.gouv.fr/sessi/
- A web magazine for decorating trends – http://www.source-a-id.com

2. Trade: imports and exports

Imports

Total imports

In 2005, France imported furniture valued at € 4,411 million, or 1,599,000 tonnes. This accounted for 14.8% of all EU imports by value, or 15% by volume. This represented an increase of 46% in value (42% in volume) since 2001. France is the third largest importer of domestic furniture in the EU after Germany and the UK. The country with similar levels of imports is the UK.

This growth in imports contrasts with a reduction of 7.5% in exports by value (2.8% increase by volume). France's furniture imports are more than double their exports and the gap is widening. Currently imports exceed exports by 2.5 times in value and by over 3 times in volume. Production is down and consumption is starting to increase after a couple of years of reversals. Consequently the importance of imports in the market continues to grow.

Italy and Germany are the most important suppliers, accounting for a third of all supplies. Some of this will be re-exports. Around 74% of all imports are intra-EU. Imports from Portugal, Austria and Poland are increasing.

- Developing country suppliers account for 20% of all imports. More than 40% of these come from China.
- Imports from developing countries are increasing year on year. Although China and Indonesia are the dominant developing country suppliers, there is a mixed picture from other developing countries.
- Supplies from Africa are decreasing, particularly South Africa, while supplies from Brazil, the main Latin American supplying country, are holding steady. Imports from most Asian countries are increasing, although volumes from Thailand and the Philippines are down.

Imports by product group

Furniture parts are the largest product group of imports to France. Valued at € 1,215 million in 2005, this group represented 27% of all imports in 2005 (20% by volume), a lower share than in 2001. This highlights the importance both of re-exports and the separation of production and assembly. Intra-EU trade dominates the supply of furniture parts, led by Italy, Germany and Poland. While imports from Austria and Portugal have increased considerably, imports from Belgium are down.

Developing countries supply 10% of furniture parts to France. In fact the contribution from developing countries is diminishing. Supplies from Tunisia are increasing in volume but values are down. Supplies from Africa have been overtaken by Latin America. Most Asian country suppliers with the exception of Thailand and Vietnam have increased supplies. The other developing country with decreasing supplies is Turkey.

Other furniture is the next largest product group, valued at € 942 million in 2005, representing 21% of imports by value (29% by volume), a similar proportion as in 2001. This group is much more important for suppliers from developing countries, compared to furniture parts.

Almost 27% of all imports came from developing countries, up from 23% in 2001.

Italy is the largest supplier by value but China is now the largest volume supplier. China's imports have more than doubled since 2003 to € 106 million. Other Asian suppliers have also seen increased imports to France, particularly Vietnam. In Africa, supplies from South Africa, are down but imports from North Africa have increased. Brazil is the dominant Latin American supplier, but volumes and values are gradually decreasing.

Upholstered seating is the third largest product group, valued at € 690 million in 2005. This is probably the fastest growing group of imports for developing country suppliers, and they now account for 16% of all imports. Italy dominates but is being caught up by China in volume supplies.

China and Malaysia are the leading developing country suppliers, with imports increasing by five times over the period in the case of China. Asian suppliers dominate, but Brazil and Tunisia are also growing providers of upholstered furniture to France.

Table 2.1 Imports by and leading suppliers to France, 2001-2005, share in % value

Product	**2001**	**2005**	**Leading suppliers in 2005** (share in %)	**Share**
Total domestic furniture	3,387 (€ mln)	4,412 (€ mln)	Intra-EU : Italy (21%), Germany (12%), Belgium (8%) Ext EU excl DC*: Romania (3%), Taiwan (0.5%), USA (0.4%) DC* : China (8%), Indonesia (3%), Brazil (2%) Vietnam (2%), Tunisia (1.5%), Malaysia (0.7%)	74% 6% 20%
Upholstered seating	509	690	Intra-EU : Italy (49%), Belgium (12%), Poland (6%) Ext EU excl DC*: Romania (1%), Bulgaria, Switzerland DC* : China (11%), Malaysia (1.8%), Vietnam, Indonesia, Thailand, Brazil	82% 2% 16%
Dining/living room	417	504	Intra-EU : Italy (13%), Belgium (10%), Poland (7%) Ext EU excl DC*: Romania (13%), Bulgaria, Russia DC* : China (7%), Indonesia (5%), Brazil (4%), India, Vietnam, Malaysia	61% 15% 24%
Non-upholstered seating	289	393	Intra-EU : Italy (22%), Belgium (9%), Portugal (6%) Ext EU excl DC*: Romania (1.9%), Bulgaria (1.3%), Russia DC* : China (14%), Vietnam (7%), Indonesia (7%), Malaysia (1%), Ukraine (1%), Brazil (1%)	60% 5% 35%
Bedroom	248	300	Intra-EU : Denmark (11%), Belgium (10%), Italy (10%) Ext EU excl DC*: Romania (5%), Taiwan, Russia DC* : China (12%), Brazil (11%), Malaysia (1%), Indonesia (1%), Tunisia (1%), Vietnam	63% 6% 31%
Kitchen	174	263	Intra-EU : Germany (35%), Italy (23%), UK (14%), Ext EU excl DC*: Switzerland, Romania, Bulgaria DC* : China, Brazil, Vietnam, Croatia, Thailand, India	96% 1% 3%
Rattan	92	105	Intra-EU : Italy (17%), Spain (10%), Belgium (8%) Ext EU excl DC*: USA (2.7%), Taiwan (2%), Canada DC* : China (17%), Indonesia (16%), Vietnam (8%), Philippines (2%), Malaysia, Tunisia	43% 9% 48%
Other	676	942	Intra-EU : Italy (16%), Germany (12%), Spain (9%) Ext EU excl DC*: Romania (2.6%), Taiwan (1%), USA DC* : China (11%), Indonesia (4%), Vietnam (3%), Brazil (2.7%), India, Turkey	66% 7% 27%
Parts	982	1,215	Intra-EU : Italy (17%), Germany (16%), Poland (13%) Ext EU excl DC*: Japan, USA, Russia DC* : Tunisia (4%), Turkey (2.6%), China (2%), Croatia, Morocco, Bosnia-Herzegovina	86% 4% 10%

Source: Eurostat (2006), *Developing Countries

Imports of *dining and living room furniture* were valued at € 504 million in 2005 (11% by value and 14% by volume of all furniture imports). This represents an increasing proportion of all imports since 2001. 24% of supplies come from developing countries. Italy and Belgium are the leading suppliers.

Asia supplies 67% of all developing country imports of dining and living room furniture. China and Indonesia are the two main developing country suppliers, although supplies from Indonesia are declining. Other countries also increased their supplies, with the exception of Thailand, South Africa and Turkey.

Non-upholstered furniture had imports worth € 393 million in 2005, almost 35% of which came from developing countries. Although imports are unchanged in this category over the period, the share from developing countries has increased significantly since 2001. The major supplier is Belgium. China is the largest developing country supplier. Other Asian suppliers are also increasing. Supplies from North Africa are also increasing.

Bedroom furniture imports are up by 20% over the period. Developing country suppliers account for 31% of this, the majority of which is from China and Brazil. China's supplies are increasing at a faster rate. Supplies from Malaysia and South Africa are down, but most others are up.

Rattan furniture is the smallest category, valued at € 105 million, and although developing countries account for 48% of all supplies. Only 3% of *kitchen furniture* comes from developing countries.

Exports

In 2005, France exported domestic furniture worth € 1,742 million, or 480,000 tonnes. This represents a decrease of 7.5% in value since 2001. Volumes were up by 3%. Over the period under review, Spain, the UK, Belgium and Italy registered a higher fall in exports. Finland registered a similar decrease.

France is the fifth largest EU exporter, after Italy, Germany, Poland and Denmark. Spain receives 19% of French exports. Germany, Belgium and the UK were also important destinations. Almost 71% of exports were intra-EU. Outside the EU, France's major export markets are Switzerland and the USA. Turkey, Russia, Morocco and Japan are the next largest export destinations outside of the EU.

Other countries with similar levels of exports include Denmark and the Czech Republic, which may be set to overtake France in the near future. Poland had similar levels of exports in 2001 but they are now well over double that of France.

Furniture parts accounted for 32% of exports by value (€ 563 million) but 27% by volume. Other furniture represented 23% of exports. Together with parts, they represented 60% of all exports by volume. The main destinations for these products outside of the EU were the USA, Switzerland, Brazil, Japan, China and parts of North Africa (Morocco and Tunisia).

Dining and living room furniture exports were also a sizeable product group. Kitchen furniture and rattan furniture were the smallest groups. Exports of furniture parts were up over the period. Exports of rattan, kitchen and non-upholstered furniture were down.

Opportunities and threats

France has traditionally been an important country in the furniture industry in Europe. However, it has been forced to restructure to meet the challenges of the global market, and consequently this is offering opportunities for exporters from developing countries. The opportunities exist principally in two areas:

- Firstly, French manufacturers are looking for outsourcing partners abroad to supply items in semi-finished form.
- Secondly, opportunities exist for direct exporting of products in selected product groups.

Imports from developing countries are currently not at a high level but they are growing year on year. Non-upholstered seating is already an important sector for developing country exporters. Upholstered seating is probably the area with the best opportunities, but this category may not be suitable for all exporters. It is also likely that, with increased outsourcing, more opportunities will become available in supplying furniture parts, although strong competition exists with parts of Eastern Europe and the Balkan region.

Useful sources

- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int/
  Go to: trade statistics.
- Eurostat – official statistical office of the EU - http://epp.eurostat.cec.eu.int
  Go to: 'themes' on the left side of the home page - 'external trade' - 'data – full view' - 'external trade - detailed data'.
- National Institute for Statistics and Economic Studies – http://www.insee.fr

3. Trade structure

Please refer to the CBI market survey "The domestic furniture market in the EU" for a detailed explanation of the trade channels in this sector.

Trade channels

Concentration in the trade is continuing. The move towards less outlets, but bigger outlets has an important impact on how exporters from developing countries can access the French furniture market. There are many furniture agents and distributors in France but their influence is reducing as more companies buy direct from manufacturers.

Some importers specialise in a particular type of furniture, others are more general in which products or sectors they work. France is a fairly large country, so some agents and importers may just work on a regional basis. The French furniture portal http://www.ameublement.com provides good links to a number of important furniture distributors. These include http://www.123meuble.com, http://www.ameublement-francois.com, http://www.meublena.com and http://www.euromob.fr who specialise in importing from Asia.

An example of an online furniture agent is http://www.net-opportunity.com.

The furniture portal http://www.vive-la-maison.com also has links to significant importers and distributors in the French market. Additional importers to consider are also http://www.meublefrance.com, http://www.meubles-fonction.com and http://harthetcie.com.

Retail trade

Furniture was sold through 8,360 outlets in 2005, of which specialists accounted for approximately 80% of sales. The two most important specialists are Conforama (http://www.conforama.fr) and But with 104 outlets (http://www.but.fr). Conforama have 9 million visitors per annum to over 140 of their outlets throughout the country. They sell 4 million items of furniture each year, one million kitchens and 20% of all bedroom furniture.

IKEA is the third largest retailer with 14 outlets (http://www.ikea.fr), followed by Fly with 120 outlets (http://www.fly.fr), owned by Mobilier Européen. Other interesting outlets for exporters from developing countries include Pier Import (135 outlets), Casa (102 outlets), Ambiance et Style (82 outlets) and Habitat (24 outlets).

The biggest change in distribution patterns over the last year has been the great increase

in outlets that sell furniture for young people. This demographic shift is driving changes in the trade structure to a certain extent.

Table 3.1 Share of Retail Distribution in France, 2005, % value

CHANNEL	% share	% change vs 2004
Specialists	**83.4%**	**+2.7%**
Household goods shops	26.7%	-2.1%
Furniture for young people	14.6%	+13.8%
Furniture specialists	12.3%	-1.1%
Kitchen specialists	9.1%	+7.1%
Artisans	5.2%	+2.0%
Decorative furniture outlets	4.5%	+61%
Small generalists	2.4%	+5.0%
Other specialists	7.5%	+4.7%
Non-specialists	**16.6%**	**+1.6%**
Mail order	6.3%	+1.0%
DIY sector	4.1%	+3.1%
Hypermarkets	1.9%	+2.2%
Department stores	0.8%	-5.0%
Others	3.5%	+1.9%
Total	**100%**	**+2.5%**

Source: IPEA (2006)

Within the specialist sector are a number of co-operative buying groups. These include Monsieur Meuble (http://www.monsieur-meuble.com) and Mobiclub (http://www.mobiclub.fr). In the non-specialist sector, mail order represents a significant share. La Redoute (http://www.laredoute.fr), Trois Suisses (http://www.trois-suisses.fr) and Camif (http://www.camif.fr) are the main players. Mail order is threatened by a general increase in Internet shopping. Many specialists now also sell on-line. There is a trend to consumers visiting stores, and then making the actual purchase online – sometimes at the site of the retailer they visited, sometimes not. The DIY sector is the only other non-specialist sector that is performing well. This sector tends to be highly price sensitive.

Trends

- The influence of larger retailers continues as the trade continues to polarise and concentrate further. Exporters from developing countries need to try to find sympathetic importers in a particular niche if they do not feel they are equipped to supply the large specialists. These companies are increasingly purchasing direct from established suppliers (either French manufacturers or from overseas contacts), or even investing in their own production facilities in a low-labour cost country.
- Downward pressure on prices is coming from the market for furniture for young people. These consumers are happy to purchase RTA furniture and put it together themselves to save money.

Useful sources

Information on the structure of distribution channels in France can be found from:
- The Institute of Furniture Promotion (http://www.ipea.fr).
- The French Furniture Retailing Federation (http://www.fnaem.fr).
- Euromonitor (http://www.euromonitor.com) publish country-specific reports on retailing, and also focus on the home furniture sector.
- Mintel (http://www.mintel.com) has information on the structure of the French trade in its European retail directory.
- The Furniture Industry Research Institute (http://www.csilmilano.com) publishes reports on the furniture distribution channels in France.

4. Prices and margins

Prices and margins

Furniture prices in France have not increased significantly in real terms for some time. The only sector where there is much activity is furniture for young people. Traditionally the French have been the Europeans who have spent the most on their homes.

Imports have created a downward pressure on furniture prices. This has counteracted the upward pressure that was caused by the introduction of the Euro. The growth in furniture for younger people is in part due to the lower prices on these items. Much of it is ready to assemble and consequently costs less.

Retailers have been cutting their margins to keep prices competitive. Encouraging signs in the market in 2005 may result in furniture prices starting to move upwards again. However any increases are likely to be small as competitive pricing seems to have impacted on all sectors, except for the very top end of the market.

Examples of retail prices from three leading retailers are given below:

Table 4.1 Examples of retail prices of furniture items in France, 2006

Habitat		**Roche Bobois**		**IKEA**	
Dorma Sofa¹	€ 2,000	Victorine Bed³	€ 2,034	Agen Rattan Chair²	€ 24
Utah Sofa¹	€ 2,500	Victorine Bureau³	€ 1,691	Jokkmokk Table/4 Chairs¹	€ 99
Utah Armchair²	€ 1,450	Victorine Bedside Table³	€ 447	Kloffsta Dining Table¹	€ 149
Dub Stool¹	€ 350	Honfleur Bed³	€ 2,322	Jussi Folding Table¹	€ 99

Note: ¹ = Modern style ² = Contemporary style ³ = Provincial style
Source: European Consumer Centre, IKEA French website 2006

Useful sources

The European Consumer Centre that regularly produces price checks and comparisons on a wide range of products can be reached at http://www.evz.de. The IKEA price list for each country can be found at http://www.ikea.com. The monthly Eurostat bulletin "Statistics in Focus" published a comparative furniture price index in November 2003. A new report is due in November 2006 (http://epp.eurostat.cec.eu). Also check the websites of the major furniture retailers, listed above in Chapter 3.

5. Market access requirements

As a manufacturer in a developing country preparing to access France, you should be aware of the market access requirements of your trading partners and the French government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.

Legislative requirements

National legislation in EU countries is compulsory for all products traded within the country concerned. Therefore, as an exporter in a developing country you have to comply with the legislative requirements that are applicable to your products. For information on legislation for domestic furniture go to 'Search CBI database' at http://www.cbi.nl/marketinfo, select your market sector, and the EU country of your interest in the category search, click on the search button and click on legislative requirements for an overview of all documents on legislation in your country of interest.

Non-legislative requirements
Social, environmental and quality related market requirements are of growing importance in international trade and are often requested by European buyers through labels, codes of conduct and management systems. For information on non-legislative requirements applicable to domestic furniture go to 'Search CBI database' at http://www.cbi.nl/marketinfo, select your market sector and the EU in the category search, click on the search button and click on your subject of interest under non-legislative requirements for an overview of all documents on the subject concerned.

Quality requirements in France are almost completely according to the European Norms (EN) that have replaced national standards (NF Ameublement). You can check at the Wood and Furniture Technical Centre (CTBA) which standards are relevant for your product. Many standards are on safety and give rules and test guidelines for raw material and for furniture items (e.g. beds or children's furniture) for 'normal use' and for 'long-term use'.

Most buyers expect woods of an excellent quality e.g. kiln dried, free from pest, cracking, splitting and from full grown trees from well-managed forests. In the case of self-assembly, the material of the fittings should be of good quality and be correctly made so that all components match and fit well.

- Social and environmental related market requirements are of growing importance in France and may be requested by French buyers through certificates (e.g. ISO 14001, EMAS) and management systems.
- In France the FSC label is not as well recognised as in other EU countries. Instead, furniture or wood with a PEFC label (Pan European Forest Certification scheme) is more popular, especially by DIY stores such as Castorama and Leroy Merlin.

Packaging, marking and labelling
Apart from the safety aspects and protection against damage, the focus of packaging is on environmentally friendly transport. You can download information on requirements on packaging, marking and labelling in specific EU markets from the CBI website. Go to 'Search CBI database' at http://www.cbi.nl/marketinfo. You can also find here a packaging checklist for export.

Tariffs and quota
The global furniture trade is rather liberal and therefore most items are free from duties. Import duties in France are only payable on parts, seats/furniture of cane, osier, bamboo and kitchen furniture. Further details can be found in the CBI Market Survey 'The Domestic furniture market in the EU'.

The Value Added Tax (VAT) for all furniture in France is 19.6% (standard rate) and 5.5% (reduced rate).

There are no quantitative restrictions for imports of furniture in France.

Useful sources
- Association Francaise de Normalisation – http://www.afnor.fr
- Wood and Furniture Technical Centre (CTBA) – http://www.ctba.fr
- Pan European Forest Certification – http://www.pefc-france.org
- Union Nationale des Industries Francaises de L'Ameublement (UNIFA) - http://www.unifa.org
- French Customs - http://www.douane-gouv.fr or
  - http://ec.europa.eu/taxation_customs/dds/en/tarhome.htm

6. Business practices

General information on business practices can be found in the CBI Market Survey "The domestic furniture market in the EU". Although many business people speak English, it is recommended you use French, especially in the early stages when creating the right impression is vital. Culture is important to the French.

Selecting a suitable trading partner
Furniture exporters need to be aware of cultural issues when doing business in France.
- The French do not like personal questions and value their privacy. It will depend on the channel you wish to sell to as to whether you will need to appoint an agent or distributor.
- Local agents can facilitate entry of products into the country, so this option should be seriously considered.
- France considers itself one of the world's centres of fashion and design, and this can be seen at the main trade fair, which takes place each January in Paris (Salon du Meuble). Although there are smaller, regional trade fairs throughout the year, this is the best place to make contacts. The trade association will also help you.
- Professionalism is highly valued in France so make sure you have a properly prepared presentation. The French can be very direct, questioning and probing, so anticipate awkward questions.
- Things can tend to get done through a network of alliances, networks and personal relationships. Although they are open to new ideas, they do not often take risks.

Reaching an agreement with your trade partner
Ultimately, decisions are taken by the highest ranking individual in the organisation. However, you will need to be able to work with all members of the organisation. A written contract is advisable.

Internet usage has increased significantly in France. Email is the most common form of correspondence, but other methods such as fax are still used.

Common practices of drawing up an offer
French furniture buyers like to see precise specifications and clear photographs of samples of items they are buying, particularly if you are doing business with them for the first time. It is advisable to provide as much detail as possible to avoid any misunderstandings at a later stage.

Usual methods of payment
The most common method is by open account. The exporter sends the customer an invoice and trusts them to pay when and as instructed. There are no standard payment terms in France. Generally companies use terms such as "60 days end of month" (60 jours fin du mois). This means a company delivering and invoicing in early June will usually be paid 60 days from the end of that month.

Payment terms vary depending on the type of contract. It may also vary by sector. For example, mail order sector buyers prefer the above formula but also request "30 days end of month" in return for a discount of 2.75 - 3%.

Usual terms of delivery
Make sure your deliveries are made on time and in the agreed manner. Ensure there is no damage in transit. France has an extensive coastline. The main sea port is Marseilles in the south and Le Havre in the north. Some items are delivered via the Netherlands or Belgium and forwarded by road.

More information on payment and delivery terms can be found in CBI's *Export Planner.*

Sales promotion
French is obligatory in written and spoken publicity. An English slogan is only permitted if it is translated into French. Initial correspondence and product literature should be translated into French. The communication value of a website is recognised by the French and photography of furniture items in suitable home context is valuable.

Much business is conducted at the main trade fair (http://www.salondumeuble.fr).

The main trade association can be reached at http://www.unifa.org.

The principal furniture trade publication is Le Courrier du Meuble et de l'Habitat. It can be reached at mailto:courrierdumeuble@hotmail.fr.

More information can also be found in CBI's *Export Planner* and *Your Image Builder.*

This survey was compiled for CBI by ***Searce*** in collaboration with Mr. Johan Jonkers