CBI MARKET SURVEY

THE DOMESTIC FURNITURE MARKET IN THE NETHERLANDS

Publication date: September 2006

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

- The Netherlands' consumption of domestic furniture was valued at € 3,339 million in 2005, down by 8% since 2001, as was production, which was valued at € 1,892 million.
- Imports were down by 9% since 2001, and were valued at € 1,535 million. Other furniture was the largest product group.
- Developing countries account for 40% of all imports, up from approximately 23% in 2001. Nearly 90% of this is from Asia. The main supplier is China, followed by Indonesia. Supplies from Africa are in significant decline.

This survey provides exporters of domestic furniture with sector-specific market information related to gaining access to The Netherlands. 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 The Netherlands was valued at € 3,339 million in 2005, making it the sixth largest market in the EU after Germany, Italy, the UK, France and Spain. The Netherlands accounts for 4.3% of EU25 domestic furniture sales. Per capita consumption of € 205 is above the EU25 average but sales in The Netherlands have performed badly in recent years.

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

	2001 €m	2003 €m	2005 €m	Population (million)	Consumption per capita €	Households (000's)	Occupants per h/h
Netherlands	3,628	3,390	3,339	16.3	205	7,091	2.3

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

The year 2005 was the first year since 2001 that sales showed a very small increase. Confidence is high in the industry that 2006 will be the best year for some time.

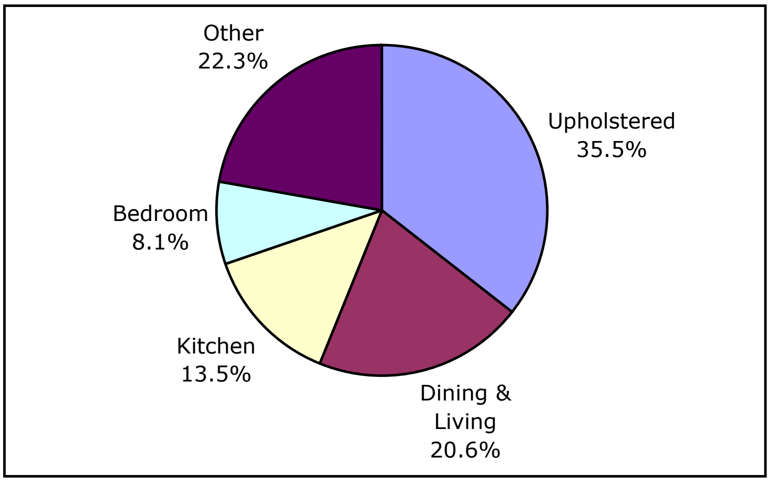
Most confidence is centred around increases in kitchen and bedroom furniture in the next year.

Product groups
Upholstered furniture is the largest product group by some distance, valued at € 1,185 million and accounting for some 35.5% of the market, a slight reduction on the previous year. The nature of these products is changing. Traditional seating is purchased less frequently. More flexible types of seating are in demand, particularly for the living room.

Dining and living room furniture was valued at € 688 million, a further reduction on the previous year. Sales of dining room furniture are declining throughout Europe, particularly Northern and Western Europe where changing lifestyles have reduced the significance of the dining room.

Kitchen furniture is valued at € 451 million, a small increase on the previous year, but nevertheless an important indicator that the market is starting to pick up after years of decline. The other major sector is bedroom furniture that is valued at € 270 million, a figure which was virtually unchanged from the previous year.

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



Source: CBW, Euromonitor (2005/2006)

Market segmentation

Segmentation by psychographic variables. Here consumers are looked at in relation to whether they are extroverted or introverted, and whether they are outgoing or not. This has produced six consumer groupings around which furniture purchasing behaviour has been estimated. The groups in question are:

- People who are frequently moving home and consequently change their purchasing regularly, they are creative and receptive to new ideas, predominantly younger people who live in urban areas and are often trendsetters.
- Perfectionists who tend to be older and more affluent who are very demanding about the products they purchase. Status is important and they are often buy luxury products. Many are 30-50 year olds with children and choose well known brands.
- Socialisers who like to copy what is fashionable – they read and watch home interest stories in the media. Interior decoration is very important to them. They are spontaneous and enthusiastic, in their 30s and 40s, may be married or co-habiting.
- Local residents are neat, helpful, good natured and sociable. They are less expressive in their tastes and change furniture less often than average.
- People who like to keep themselves to themselves and do not want to be noticed. Usually in their 40s or 50s with children soon to leave home. They do not spend much money on their home.
- Traditionalists tend to be passive or timid. Most people in this group are elderly and live somewhat insular lives. They rarely change anything in their home.

The consumers in the first three groups are those that are of greatest interest to exporters from developing countries. These consumers are the most affluent consumers and are more likely to be interested in new products. The challenge for exporters is to be able to identify, and know how to reach these consumers.

While there are some regional differences in purchasing furniture, the country is relatively homogenous in this respect, and exporters will find media channels and retailers to reach most of the populous parts of the country.

Trends in consumption

As upholstered seating is the largest product group, developments in this area is of overall interest.

- The major trend is the increasing popularity of leather seating and plain colours or designs for other materials, compared with a decline in interest in seats with patterned material. There is also a growing demand for reclining chairs.
- While the overall domestic furniture market has been in decline, the home office market has increased significantly. From just € 100 million in 2000, it is now valued at something close to € 200 million. Various storage and shelving systems are now a larger sub-sector than desks.
- Dutch people are sensitive to changing trends, and are often one of the leading EU countries where new trends and fashions first take place. There is increasing use of the Internet for purchasing furniture. This is mainly for the purpose of making price comparisons, but it also makes the Dutch very well informed about different products.
- Specific trends include a desire for bigger tables; a strong preference for wood or wood combination products; preferences for walnut, cherry and oak; finished products with a natural or light look; desire for certified wood.
- Furniture boulevards, where a large number of different furniture retailers are grouped together under one roof, or in a single area, were pioneered in The Netherlands and have greatly contributed to the trend of getting information about a wide range of products before making the final purchase decision.

Production

Total production

The value of domestic furniture production was estimated at € 2,035 million, down 8% since 2001, but virtually unchanged since the low point of 2003. According to Eurostat, the volume of Dutch production was 2.1 million items in 2003. Prospects for the future are uncertain but in the short term output appears to have stabilised. The Dutch furniture industry has suffered particularly from a drop in exports to its main market, Germany. As the German economy starts to improve, this should benefit the Dutch furniture industry.

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

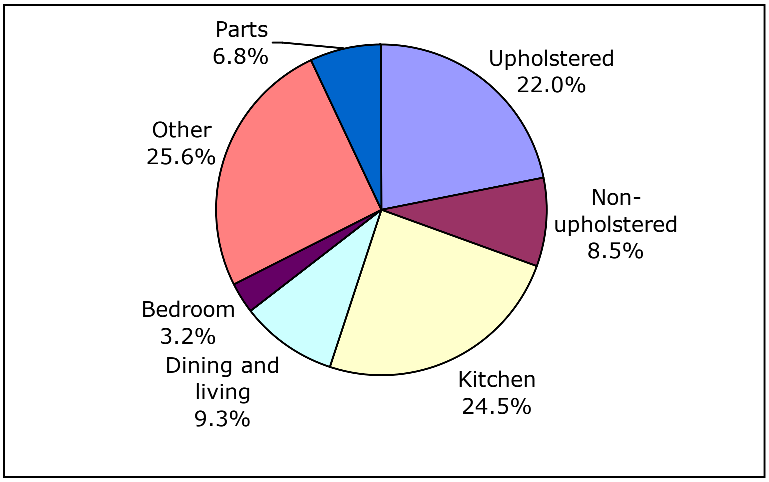
	2001 value	2003 value	2005 value*	Average % change in value	Number of companies 2004	Number of employees 2004
The Netherlands	2,224	2,013	2,035	-8.5	3,100	19,500

Source: UAE
*estimated

Furniture production in The Netherlands accounts for 3% of the EU total. It is the seventh largest in the EU, after the top five of Germany, Italy, France, Spain and the UK, having in recent years also been overtaken by Poland. It is also close in size or slightly larger than a group of countries including Denmark, Belgium, Austria and Sweden.

Two thirds of production is concentrated in the top 10 companies. 19,500 people are employed in 3,100 companies in the domestic furniture industry as a whole. As shown in figure 1.2, other furniture, kitchen furniture and upholstered seating are the largest product groups, but production of upholstered seating is in decline. Production of non-upholstered seating is also declining.

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



Source: Eurostat 2006

Major players

Over one third of furniture production in The Netherlands is kitchen furniture. The main manufacturers are:

- Bruynzeel Keukens have been established for over 100 years and have produced over 15 million kitchens to date (http://www.bruynzeelskeuken.nl).
- Tulp keukens is another leading kitchen manufacturer (http://www.tulpkeuken.nl).
- Leolux produce concepts in seating (http://www.leolux.nl).
- Other general domestic furniture manufacturers include Vroomshoop, Vepa and Pastoe.

Trends in production

Dutch furniture has a reputation for style and innovation. A structural change in the industry is currently underway.

- Smaller manufacturers are moving towards flexible specialist production. This is helpful in networking and will enable them to become suppliers to larger companies.
- Foreign outsourcing is also becoming more common.

Opportunities and threats

- As the Dutch economy starts to improve after years of stagnation, opportunities will become apparent for exporters from developing countries. The Dutch are open-minded and are receptive to new products and new design ideas, but they are also very critical consumers. Nevertheless, they are an entry point to the EU and as such can also provide good connections to other countries.
- Product opportunities are in the areas of new lifestyles – particularly working from home and relaxing at home. Items for home office furniture, and home entertainment products are in demand. These products are perfectly acceptable as good value, functional designs. High-end design is not always sought after in these product groups.
- There also may be opportunities for supplying new forms of upholstered seating. This product group is being increasingly manufactured overseas, and domestic production has been declining. Opportunities will also exist in supplying functional, ready to assemble and flexible bedroom furniture.

Useful sources

- The main trade association in The Netherlands representing the furniture industry is the Centrale Bond van Meubelfabrikanten (http://www.cbm.nl).
- Information on consumption can be found at the Centrale Brancheverenigin Wonen (http://www.cbw.org).
- As well as production figures from Eurostat, production information can also be obtained

from the Dutch Office of National Statistics (http://www.cbs.nl).

2. Trade: imports and exports

Imports

Total imports
In 2005, The Netherlands imported furniture valued at € 1,535 million, or 553,000 tonnes. This accounted for 5.2% of all EU imports by value, and by volume. This represented a decrease of 9% in value (1% increase in volume) since 2001. The Netherlands is the sixth largest importer of domestic furniture in the EU after Germany, the UK, France, Belgium and Spain. Countries with similar levels of imports include Spain and Italy.

This decrease in imports contrasts with an increase in exports. The Netherlands' furniture imports are approximately double the level of exports in value and more than double in volume. Production and consumption are both down over the period. This discrepancy highlights the importance of re-exports in The Netherlands' figures.

Germany is the most important supplier, accounting for over a quarter of all supplies. A good proportion of this will be re-exports. 52% of all imports are intra-EU. Imports from most EU countries are decreasing.

- Developing countries account for 40% of all imports. This is the highest proportion of all the major EU countries. Imports from developing countries are increasing rapidly year on year. Although China and Indonesia are the dominant developing country suppliers, there is a mixed picture from other developing countries.
- Supplies from South Africa used to be significant but are now negligible, while supplies from Brazil, the main Latin American supplying country, are not increasing. Honduras is a new supplier.
- Imports from most Asian countries are increasing, although supplies from India and the Philippines are down.

Imports by product group
Other furniture is the largest product group of imports to The Netherlands. Valued at € 340 million in 2005, this group represented 22% of all imports in 2005 (28% by volume), a larger share than in 2001. Intra-EU trade accounts for 37% of the supply of other furniture. Germany is the main EU supplier. Imports from Poland have increased considerably, but imports from Italy and Spain are down.

Developing country suppliers account for 52% of all other furniture imports to The Netherlands. In fact the contribution from developing countries is increasing. Half of this comes from China. Supplies from Brazil have fallen. African countries are virtually uninvolved. Most Asian country suppliers with the exception of Malaysia have increasing supplies. Myanmar is a new supplier of other furniture.

Dining and living room furniture is the next largest product group, valued at € 252 million in 2005, representing 16% of imports by value (20% by volume), a similar proportion as in 2001. This group is also very important for suppliers from developing countries, like other furniture. 50% of all imports came from developing countries, up from 30% in 2001.

Indonesia is the largest supplier, valued at € 53 million, ahead of Romania and Belgium. Over 80% of developing country supplies come from Asia, and this proportion is growing. Around 14% of supplies come from Latin America. Other Asian suppliers have also seen increased imports to The Netherlands, with the exception of Thailand and India. Tunisia is the largest African supplier.

Non-upholstered seating is the third largest product group, valued at € 235 million in 2005. This is probably the most important group of imports for developing country suppliers, as they represent 73% of all imports. This has increased from approximately 50% in 2001.

China and Indonesia are the leading developing country suppliers, with imports increasing from all Asian countries, except Myanmar. Asian suppliers dominate, but Turkey is also an important supplier of non-upholstered seating.

Table 2.1 Imports by and leading suppliers to The Netherlands, 2001-2005 Share % value

Product	**2001**	**2005**	**Leading suppliers in 2005** (share in %)	**Share**
Total domestic furniture	1,688 (€ mln)	1,535 (€ mln)	Intra-EU : Germany (26%), Belgium (8%), Poland (5%) Ext EU excl DC*: Romania (4%), Taiwan (1%), USA (1%) DC* : China (17%), Indonesia (10%), Vietnam (3%) Malaysia (3%), Brazil (2%), Thailand (1%)	52% 8% 40%
Upholstered seating	257	220	Intra-EU : Germany (25%), Poland (14%), Belgium (11%) Ext EU excl DC*: Romania (5%), Switzerland (1.5%), USA DC* : China (15%), Turkey (4%), Malaysia (2%), Indonesia, Vietnam, Serbia-Montenegro	68% 8% 24%
Dining/living room	288	252	Intra-EU : Belgium (12%), Germany (8%), Italy (4%) Ext EU excl DC*: Romania (15%), Bulgaria (1%), Russia DC* : Indonesia (21%), China (10%), Brazil (7%), Vietnam (5%), Malaysia, India	33% 17% 50%
Non-upholstered seating	206	235	Intra-EU : Germany (8%), Italy (4%), Poland (3%) Ext EU excl DC*: Taiwan (1%), Romania (1%), USA DC* : China (38%), Indonesia (14%), Malaysia (8%), Vietnam (8%), Turkey (1%), Thailand (1%)	24% 3% 73%
Bedroom	158	121	Intra-EU : Germany (36%), Belgium (16%), Denmark (8%) Ext EU excl DC*: Romania (3%), Switzerland, Russia DC* : China (12%), Brazil (6%), Malaysia (1%), Indonesia, Turkey, Oman	74% 5% 21%
Kitchen	183	154	Intra-EU : Germany (94%), Belgium (2%), Italy (1%), Ext EU excl DC*: Bulgaria, Russia, USA DC* : China, Indonesia, Thailand, Vietnam, Turkey, Bosnia-Herzegovina	99% 0% 1%
Rattan	40	38	Intra-EU : Germany (10%), Belgium (3%), Italy (3%) Ext EU excl DC*: Taiwan, Hong Kong, Romania DC* : Indonesia (54%), China (11%), Philippines (6%), Vietnam (3%), Turkey (1%), Myanmar	22% 1% 77%
Other	291	340	Intra-EU : Germany (16%), Belgium (6%), Poland (4%) Ext EU excl DC*: Taiwan (3%), Romania (2%), USA (2%) DC* : China (25%), Indonesia (14%), Vietnam (3%), Thailand (3%), Brazil (3%), Malaysia	37% 11% 52%
Parts	264	176	Intra-EU : Germany (34%), France (12%), Belgium (8%) Ext EU excl DC*: USA (2%), Russia (2%), Romania (2%) DC* : China (8%), Thailand (3%), Malaysia (2%), Indonesia (2%), Turkey, Croatia	76% 8% 16%

Source: Eurostat (2006), *Developing Countries

Imports of *upholstered seating* were valued at € 220 million in 2005 (14% by value and 8% by volume of all furniture imports). This represents a decreasing proportion of all imports since 2001. However, this group represents the fastest growing product group for developing country suppliers. Now standing at 24%, this proportion has doubled over the period.

Asia supplies 77% of all developing country imports of upholstered seating. China is the main developing country supplier. Other countries also increased their supplies, although supplies from Indonesia are declining.

Furniture parts had imports worth € 176 million in 2005, down considerably since 2001. This is one of the lowest proportions of furniture parts of any EU country. However volumes from developing countries are up over the period. 19% of parts volume came from developing countries. The major supplier is Germany, although re-exports will play a part of this. China is the largest developing country supplier. Volumes from Asia are up considerably, while supplies from South Africa, once an important supplier, have virtually disappeared.

Bedroom furniture imports are down over the period. Developing country suppliers account for 21% of this, the majority of which is from China and Brazil. Other Asian suppliers are also increasing, with the exception of the Philippines.

Rattan furniture is the smallest category, and although developing countries account for 77% of all supplies this is valued at € 38 million in total. Only 1% of *kitchen furniture* comes from developing countries.

Exports
In 2005, The Netherlands exported domestic furniture worth € 779 million, or 211,000 tonnes. This represents an increase of 18% in value since 2001. Volumes were up by 15%. Over the period under review, of the original EU15 exporters only Portugal registered a larger increase. All of the 10 new countries, with the exception of Latvia and Estonia, registered significantly higher increases.

The Netherlands ranks thirteenth in the list of the EU25 countries, according to the size of its exports. This is a similar value to the exports of the UK, Slovakia, Hungary and Portugal. Germany (30%) and Belgium (23%) are the biggest EU markets for Dutch exports, followed by the UK, France and Sweden. 87% of exports were intra-EU. Outside the EU, The Netherlands' major export markets are the USA, Switzerland, Russia and Norway, followed by Romania, Japan, Canada, Australia and China.

The Netherlands is an important re-exporter of domestic furniture to other EU countries, although not to the same extent as Belgium.

Other furniture accounted for 33% of exports by value (€ 256 million) but 40% by volume. Germany, Belgium, France and the UK were the principal destination countries. Other important destinations for these products outside of the EU were Switzerland, USA, Russia and Norway. Dining and living room furniture represented 17% of exports. Main destinations for these products were Belgium, Germany, the UK and the USA.

Upholstered and non-upholstered furniture exports were also sizeable product groups. Kitchen, rattan and bedroom furniture were the smallest groups. Exports of other furniture were up over the period. Exports of dining and living room furniture were down. Other product groups were broadly unchanged.

Opportunities and threats
The Netherlands is a very important gateway into the EU, as well as being an affluent market in its own right.

- Imports have been falling while exports have been rising, suggesting that the role of re- exports in the market may be less important than previously. This has partly been attributed to difficulties in the German market, one of The Netherlands' main trading partners. Nevertheless, consumption is starting to pick up after a few years of negative or static sales, so opportunities will be appearing again.

- The Netherlands has traditionally taken a high proportion of imports from developing countries. The main supplier has been Indonesia, perhaps due to the large indigenous population. Overall, The Netherlands imports over half of its consumption but exports around 30% of its production.

- Other furniture, particularly made of wood, and non-upholstered seating continue to be important opportunity areas for exporters from developing countries. Upholstered furniture may also be an area of opportunity.

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'.
- Statistics Netherlands – http://www.cbs.nl

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
Like most European countries, specialised furniture outlets dominate the trade. Buying groups are particularly strong in The Netherlands, holding almost as strong a market position as buying groups in Germany. Over 5,000 outlets sell furniture in The Netherlands. Most of these are small outlets, but the majority of volume is accounted for by buying groups and chain stores.

Hence traditional wholesalers and agents are taking a smaller share of the furniture trade as it concentrates into the hands of less but more powerful groups. The Dutch Association of Furniture Agents may be worth contacting (http://www.vnt.org/vma) to find out whether this channel would be suitable for your products.

There are many different kinds of importers in The Netherlands, each supplying different products and sectors. A selection of importers to contact are suggested here:
- Hadu Meubelen (http://www.hadu.nl).
- The Dutch Furniture Export Organisation (http://www.dufex.nl) may provide some contacts. Many manufacturers also operate as importers.
- Quintell Furniture Agents (http://www.quintell.nl).
- Werner Hansen (http://www.werner-hansen.nl).

The major buying groups operating in The Netherlands are:
- Euretco (http://www.euretco.nl with 262 furniture/furnishing outlets).
- Intres (http://www.intres.nl with 198 furniture/furnishing outlets).
- Macintosch (http://www.macintosh.nl with 10 outlets).

Retail trade
In 2004 there were around 4,125 outlets selling furniture including 1,655 stores selling a combination of furniture and furnishings. Most stores are small (400 – 1,000 m²) with the majority being linked to an organisation. As in Germany, specialist retailers connected to a buying group form the largest part in Dutch furniture sales holding a market share of 52% in 2005.

Kitchen and bedroom specialists are mostly affiliated to or organised in a buying group as well. IKEA is the leading furniture retailer in The Netherlands with 12 outlets (http://www.ikea.nl). Their success in this country is based on their same global strategy of selling affordable contemporary furniture of high quality. It is popular among students and young households.

Table 3.1 Share of Retail Distribution in The Netherlands, 2005, % value

Outlet type	% share
Specialists	**81%**
Buying groups	52%
Chain stores	20%
Independents	5%
Franchised stores	4%
Non-specialists	**19%**
DIY stores	8%
Department stores	2%
Mail order	4%
Direct sales	2%
Other	2%
Total	**100%**

Source: Euromonitor, HBD (2005/2006)

- Chain stores accounted for about 20% of the market. Leen Bakker, part of the Blokker group with 100 outlets, is an important furniture chain (http://www.leenbakker.nl).
- Other major furniture stores in The Netherlands were Profijt Meubel (http://www.profijtmeubel.nl, 56 outlets owned by Euretco), Trendhopper (http://www.trendhopper.nl, 59 outlets), Beter bed (70 outlets), Citymeubel (16 outlets, Intres), Garant meubel (44 outlets, Intres) and Novastyl (29 outlets, Intres).
- Major stores at the cheaper end of the market are Profijt Meubel (20 outlets, Euretco) and Kwantum.
- Franchise operations include Lundia (25 outlets), Montèl (13 outlets) and Royal Sleeptrend (30 outlets).
- The Macintosh Group operates around 10 well-established furniture retail stores including Piet Klerkx, Woonexpress and Stoutenbeek.
- It is vital to have a high street presence. They rely on a large flow of people and effective display in large showrooms.

Trends

- The market is becoming more consolidated, as more multiples and franchising organisations increased their grip on the market. Concentration is particularly high in the low and mid-price segment, where value for money is most important.
- Two strategies are developing. One is the "all under one roof" concept, such as IKEA. The other is retailers with different formulas and fascias in every niche, but share logistics, wholesaling and other facilities to operate more efficiently, such as Euretco and Intres.
- The other feature of Dutch furniture retailing is furniture boulevards (woonboulevards e.g. *Alexandrium* in Rotterdam or *Villa Arena* in Amsterdam). According to the CBW (Central Association for Furniture Retailers), shopping malls attract many consumers, who primarily shop around and look for the latest trends in home decoration and interior design. Since 2002, the number of visitors to these malls has dropped substantially, however, from 2005 onwards the better times have returned.

Useful sources

Information on the structure of distribution channels in The Netherlands can be found from:

- The Association of Furniture Retailers (http://www.cbw.org) and Hoofdbedrijfschap Detailhandel (http://www.hbd.nl).
- 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 Dutch trade in its European Retail Directory.
- The Furniture Industry Research Institute (http://www.csilmilano.com) publishes reports on the furniture distribution channels in The Netherlands.

4. Prices and margins

Prices and margins

The Dutch economy has been in recession in recent years and this has resulted in a very poor performance for the furniture sector. Consumers have been deferring major purchases such as furniture and consequently prices have either remained unchanged or fallen as retailers have been fighting for the reduced market.

Other attempts to stimulate the market by interior design TV programmes have helped to a certain extent. Younger people are buying more lower-priced RTA furniture. Traditional furniture retailers continue to struggle.

Furniture prices in The Netherlands are somewhat below the European average. Imports have been traditionally a feature of the Dutch market. The global nature of the market further serves to keep a check on prices.

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

Table 4.1 Examples of retail prices of furniture items in The Netherlands, 2006

Ligne Roset		Roche Bobois		IKEA	
Brera Dining Table[1]	€ 2,092	Victorine Bed[3]	€ 2,043	Agen Rattan Chair[2]	€ 27.50
Extensia Dining Table[1]	€ 1,899	Victorine Bureau[3]	€ 1,699	Jokkmokk Table/4 Chairs[1]	€ 99
Libra Chair[2]	€ 377	Victorine Bedside Table[3]	€ 659	Kloffsta Dining Table[1]	€ 99
Zoe Chair[1]	€ 313	Honfleur Bed[3]	€ 2,274	Jussi Folding Table[1]	€ 99

Note: [1] = Modern style [2] = Contemporary style [3] = Provincial style

Source: European Consumer Centre, IKEA Netherlands 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 The Netherlands, you should be aware of the market access requirements of your trading partners and the Dutch 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.

For quality requirements, you can check at the Netherlands Institute for Standardisation (NEN) or at the CBM/ Association of Furniture Manufacturers (Dufex) which standards are relevant for your product. In general, 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. The FSC label is well recognised in The Netherlands, especially in DIY stores.

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 The Netherlands 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 The Netherlands is 19% (standard rate).

There are no quantitative restrictions for imports of furniture in The Netherlands.

Useful sources
- Netherlands Institute for Standardisation (NEN) - http://www2.nen.nl
- CBM/ Association of Furniture Manufacturers (Dufex) - http://www.cbm.nl
- CBW / Central Association for Furniture Retailers - http://www.cbw.org
- Dutch Customs - http://www.douane.nl 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". The Dutch have a long tradition as international traders and The Netherlands is one of the world's leading trading countries. The majority of Dutch business people speak extremely good English.

Selecting a suitable trading partner
- Before exporting furniture, be aware of Dutch business culture. Long-term relationships built on mutual respect are important to the Dutch.

- In most cases it is important to have local representation. This should be an agent or distributor.
- Agents work on commission, they are often sole traders and do not hold stock, merely samples.
- The Home Trade Centre in Nieuwegein is the main place where furniture professionals meet. Trade fairs take place there at various times throughout the year. Advice on contacts can also be obtained from the trade association.
- Any documents you produce need to be clear and concise. Good visuals are also important. The Dutch are used to high quality brochures.
- The Dutch are very direct and commitments are taken seriously, so do not promise anything you cannot deliver.

Reaching an agreement with your trade partner
Decision-making can be slow and the Dutch like to reach a consensus. Sometimes Dutch companies like to conduct background checks on prospective suppliers. Quality is always appreciated over quantity. Establishing trust is an essential prerequisite to reaching any agreement.

Agreements with agents and distributors should be set out in writing with detailed terms agreed. It can be difficult to withdraw from an agreement, even a verbal one. Written agreements by email are becoming increasingly acceptable.

Common practices of drawing up an offer
Provide as much detail as possible. Legal advice is often sought beforehand. The detail in the specification of an order is as important as a good photograph.

Usual methods of payment
The most common method of payment is by open account, where the exporter sends the customer an invoice and trusts them to pay as instructed. Standard payment terms vary. Payment on delivery is quite common on new accounts, but buyers will accept a discount of between 2% and 3% and payment is 30 days net. Otherwise payment terms are either 30, 60 or 90 days from the date of invoice.

Usual methods of delivery
An important requirement is to get the goods to the customer on time. Air and sea are the most common forms of delivery. The Netherlands is one of the main trading hubs of Europe and the port of Rotterdam is well experienced in accepting deliveries from all over the world.

Sales promotion
The Internet is an important communication medium in The Netherlands, along with the trade press. Promotional materials should be of a high standard and professionally produced. The main trade fair contact is http://www.htc.nl.

The main trade association is the Association of Furniture Manufacturers (http://www.cbm.nl). The Association of Furniture Retailers can be reached at http://www.cbw.org. The most important trade publication is Meubel (http://www.meubel.nl)

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