#01

MARKETS, PLAYERS AND TRENDS

WORLD FURNITURE MAGAZINE

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WORLD FURNITURE MAGAZINE – Year 1 – March 2024 www.worldfurnitureonline.com

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World Furniture Magazine is a quarterly working tool for professionals and a platform of information on global markets, business strategies, trends and innovation for the furniture and furnishings industry (kitchen, bathroom, living, upholstery, bedroom, outdoor) and major related sectors (components and materials, flooring, doors and windows, lighting fixtures, appliances).
The magazine has been publishing since 1999 by CSIL, an independent research institute specialized in applied economics, industry competitiveness, market analysis, feasibility, and development studies, established in 1980 in Milan.
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GIOVANNA CASTELLINA
EDITORIAL DIRECTOR

Juggling on winding roads

The current landscape presents formidable challenges for the furniture industry as it faces a confluence of factors that are making its path more difficult. In addition to prevailing narratives of economic slowdown, pervasive uncertainties and disruptive paradigms, the sector is confronted with a bundle of specific complexities including inflationary pressures affecting production costs and consumer purchasing power, difficult post-pandemic adjustments as consumer behaviour shifts towards remote working and digital commerce, heightened trade tensions and the intricate interplay of geopolitical dynamics shaping trade policies and global market landscapes.

Indeed, the furniture industry has always demonstrated remarkable resilience, stemming from inherent qualities such as flexibility and creativity. These attributes have historically served as pillars supporting the industry's ability to weather storms, adapt to change and cope with adversity.

Adaptation is essential to meet the challenges ahead, and therefore prioritizing product and material innovation, alongside embracing the burgeoning trend towards sustainability, are emerging as the key strategies to navigating furniture industry's winding road ahead.

Speaking of challenges and winding roads, as far as we are concerned, after 25 years and 100 issues, World Furniture is facing its own transition, changing its look and format, going digital while maintaining its usual commitment to monitoring, reporting and profiling the global furniture and furnishings industry.

We would like to thank our Paola Govoni, former editor-in-chief for her invaluable work and for the constant care she has shown over the years in preparing each issue leaving no aspect of the diverse world of furniture and its related sectors untouched.

World Furniture Magazine #1 is constructed upon a solid foundation of contributions from internal CSIL researchers, complemented by invaluable submissions from esteemed external experts. I would like to take this opportunity to thank each and every contributor for making this project a reality.

In the scenario section, we discuss the outlook for the global furniture industry, the potential of the Indian furniture industry, the challenge of inflation and current product trends.

The Market Intelligence section includes articles on the furniture markets in Europe and China, opportunities in the high-end segment, discussions on challenges in the kitchen furniture sector, product innovations in the office segment, connected lighting.

A extensive section of the magazine is dedicated to sustainability, where we discuss challenges and opportunities, circularity and recycling, the green transition, textiles and regulations.

The prospects and spotlight sections cover trends in mattress consumption, design projects and a bird's eye view on international trade fairs.

STEFANIA PELIZZARI
CSIL SENIOR STATISTICAL RESEARCHER

World Furniture Outlook 2024

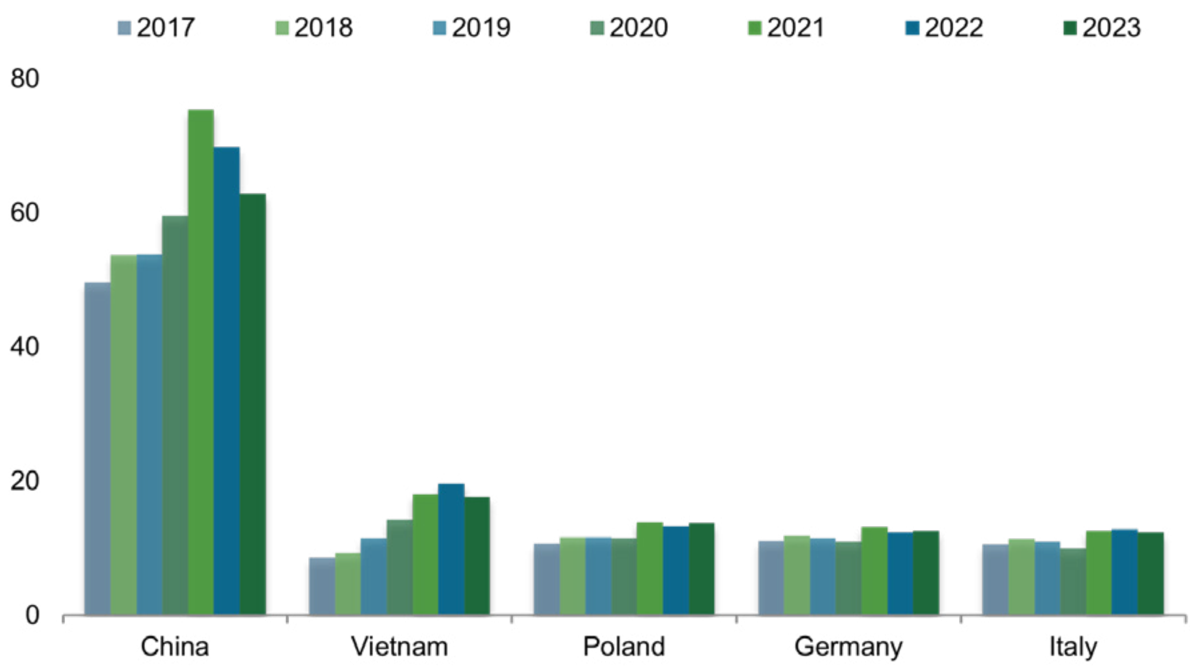
According to The World Trade Organization (Global Trade Outlook, Oct 23) in 2023 international trade is expected to grow more slowly than GDP. The lack of recovery of the Chinese economy, inflation that has remained sticky in the United States and Europe, together with US dollar appreciation, and geo-political tensions have impacted 2023 international trade. The trade slowdown appears to be broad-based, involving a large number of countries and a wide array of goods. International trade of furniture is no exception. 2021 was a year of strong growth due to the recovery from the pandemic, followed by stagnation in 2022. According to CSIL preliminary estimates, 2023 has been a very bad year for international trade of furniture (-7% in current US$ notwithstanding inflation) to about US$ 174 billion, but above the pre-pandemic level. Forecasts for 2024 and 2025 indicate that recovery will be slow. Growth in 2025 in current US$ will be positive for the first time in 4 years. The leading importers of furniture are the United States, Germany, France the United Kingdom, and the Netherlands (a trading hub). These countries together account for about one-half of total imports. Preliminary estimates for 2023 indicate a decrease for all main importing countries, particularly the US.
The main furniture exporting country is China, followed at a distance by Vietnam, Poland, Germany, and Italy. After a major increase in 2021, China's exports decreased substantially in 2022 and 2023. It should be noted that all data are in the current US$ and are affected by inflation and by the devaluation of major currencies in relation to the US$.

Considering a ten-year span, the breakdown of furniture exports among different world regions has remained substantially unchanged in 2023 compared with 2014. The increased share of the Asia and Pacific region in the first years of the decade did not last: in 2022 and 2023 the contraction of the furniture industry in China changed the picture. The main variations in export shares over the 10 years are the reduction of China from 36% in 2014 to 33% of the total furniture exports in 2023, and the increase of Vietnam from 4% in 2014 to 9% in 2023.
According to the IMF (International Monetary Fund) World Economic Outlook (October 2023), World GDP growth is expected to be 3% in 2023, 2.9% in 2024 and 3.2% in 2025. Downside risks derive from continuing inflation, possible further slowdown of China's economic growth, volatility of commodity prices, and additional trade restrictions caused by geopolitical tensions.
For the world as a whole (100 countries) furniture consumption is forecasted to decrease slightly in real terms in 2024. Growth should resume in 2025.

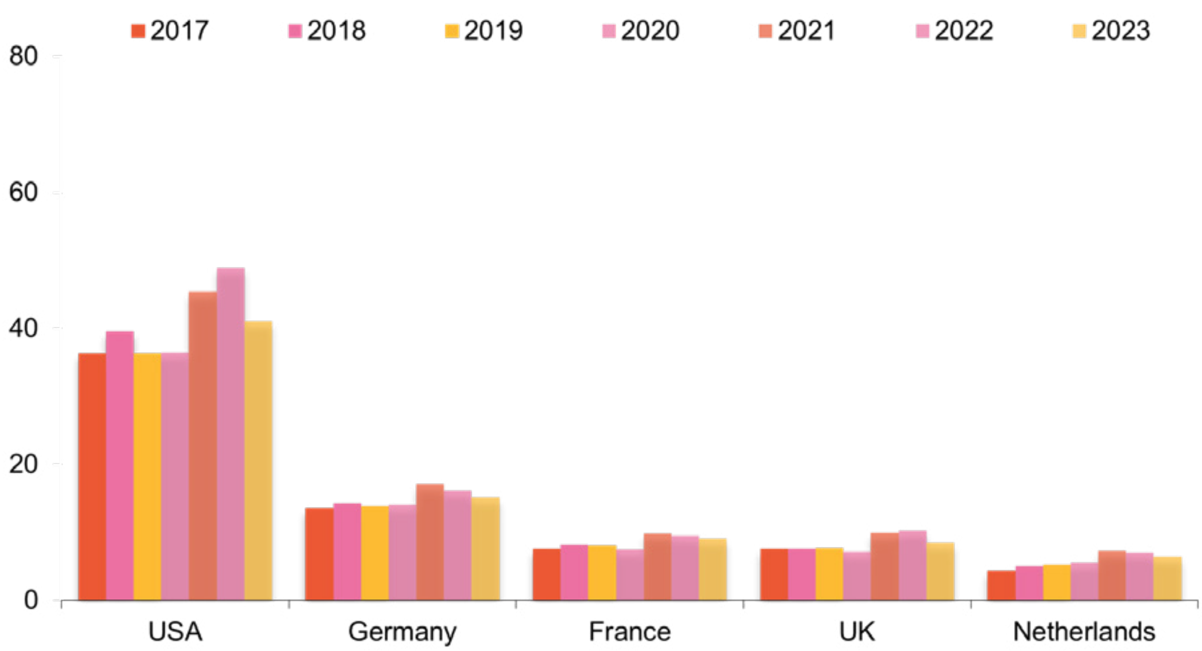
World Furniture Outlook is the CSIL flagship publication, issued twice a year, in July and November, providing status and prospects of the world furniture sector. **'World Furniture Outlook 2024'** analyses the global furniture market with historical statistical data on production, consumption, imports, and exports, furniture market forecasts for 2024-2025 for 100 countries, country rankings, major furniture importing and exporting countries, and main trading partners."World Furniture Outlook 2024" is available for online purchase and immediate download at
www.worldfurnitureonline.com

MAJOR FURNITURE EXPORTING AND IMPORTING COUNTRIES ACCORDING TO CSIL'S 'WORLD FURNITURE OUTLOOK 2024' REPORT

MAJOR FURNITURE EXPORTING COUNTRIES, 2017-2023 US$ BILLION



MAJOR FURNITURE IMPORTING COUNTRIES, 2017-2023 US$ BILLION



Source: CSIL 2023: preliminary estimates

SCENARIO
INDIA

GIULIA TAVEGGIA
CSIL SENIOR RESEARCHER

India: greatness and complexity

According to CSIL estimates, India is the fourth largest furniture market in the world, climbing from 10th place ten years ago to reach a value of around US$ 19 billion in 2023.

Economic growth was strong in 2023 and is expected to continue in 2024 (+6%, real GDP growth). 2023 will be remembered as the year when India overtook mainland China to become the world's most populous country, with more than 1.4 billion people. The crown may have no intrinsic value, but it symbolises things that matter. According to UN projections, India's population will almost certainly continue to grow for several decades, accounting for more than one-sixth of the increase in the world's working-age population (15-64 year olds) between now and 2050. In contrast, China's population has recently peaked and is set to decline sharply.

India is one of the world's largest developing economies, but it often struggles to reconcile its considerable potential with its complex reality.

Despite impressive economic growth, per capita income remains low compared with China and other South-East Asian countries. Today, Chinese consumers are three times richer and South Korean and Japanese consumers six times richer than Indian consumers. This is also reflected in the furniture sector, where the Indian market is still characterised by low per capita furniture spending, both globally and compared to other Asia-Pacific countries. There is therefore significant growth potential in the coming years. India's market has already been gradually catching up in recent years. The Indian furniture market has been driven by several structural social and economic factors, including population growth, urbanisation, economic growth and an emerging middle class with rising per capita income. These factors, as well as other structural drivers specific to the furniture sector, will continue to support the country's market in the coming years.

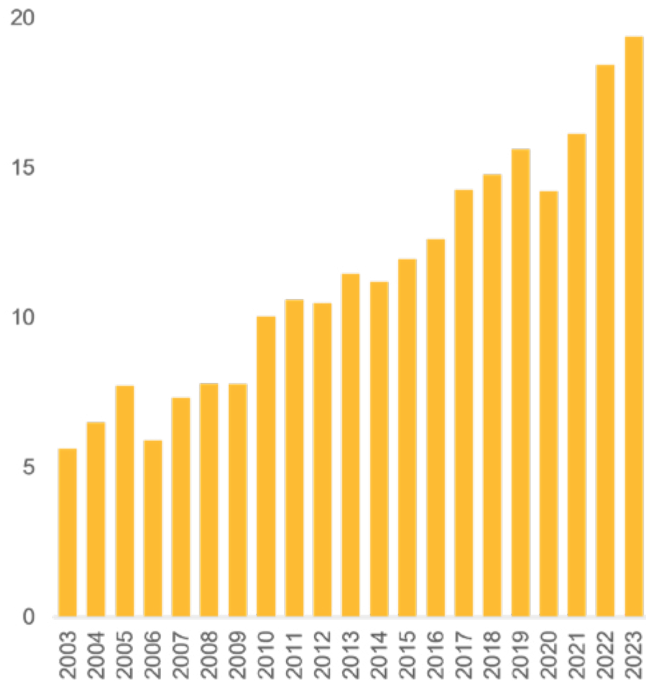
The Indian furniture sector is still in the process of modernisation. At present, furniture retailing is still highly fragmented and characterised by the dominance of the unorganised sector, which accounts for the vast majority of the market (up to 80-90%). The recent boom in e-commerce in the furniture sector will contribute to the modernisation of the retail sector. During the pandemic, e-commerce development accelerated rapidly - between 2019 and 2022, furniture e-commerce sales in India are estimated to have doubled. Tens of millions of new internet shoppers entered the market during these years, driven by the special conditions created by the pandemic. And there is plenty of room for further growth: e-commerce penetration in India is significantly lower than in other major Asia-Pacific markets.

The outlook to 2024 remains positive for India's furniture market, with the most promising performance in Asia Pacific. The market is expected to grow by a further 4% in real terms by 2025.

The Indian furniture industry is fragmented and highly unorganised, with a shortage of skilled labour and relatively high raw material, transport and logistics costs (compared to China, for example). In recent years, a policy push by both state and central governments has encouraged the establishment of furniture parks and clusters across the country, with the aim of increasing the capacity and scale of furniture manufacturers, including by reducing logistics and supply chain costs. These policies have also encouraged foreign investment to set up manufacturing facilities in the country. In a scenario where companies are rethinking their supply strategies, India is potentially well placed to benefit from geopolitical and economic trends that are driving the diversification of Asia's manufacturing supply chain. New entrants include two major upholstered furniture manufacturers, HTL, the leading Chinese upholstered furniture manufacturer, and Master Sofa from Malaysia.

The internationalisation of the Indian furniture sector is also being promoted by major furniture exhibitions, which not only cater to local manufacturers but also attract foreign ones. This is the case of IIFF, the India International Furniture Fairs (https://iiffglobal.com/), which took place in New Delhi from 14 to 17 December 2023 in the vast Pragati Maidan. This year's edition was the largest of the five editions, both in terms of exhibitors (around 150) and visitors (8,000 visitors, a growing number compared to the 2022 edition). The exhibition hosted furniture manufacturers exhibiting a wide range of products representing different foreign countries such as Turkey, Italy, Malaysia, France and Vietnam. For many companies, it was the first stepping stone to the Indian market and to establishing a long-term relationship with trade buyers. IIFF has established itself as a hub for trade buyers from various sectors of the furniture industry, including chain stores, independent retailers, HORECA (Hotel, Restaurant and Café), interior design, e-commerce, real estate development and institutional sales. Companies in particular from Vietnam and Malaysia found great opportunities of scouting to grabs prospects to differentiate their export destinations including also India since the poor performance of other markets of the region.

INDIA. FURNITURE CONSUMPTION, 2003-2023.
US$ BILLION



Source: CSIL estimates - 2023 preliminary estimate

The CSIL report **' The Furniture Industry in India'** (March 2024) contains all the main statistics and indicators useful to analyze the furniture sector in India. Furniture production, market size and international trade; factors affecting the competitiveness of producers; top manufacturers; market potentials; development insights; data by segment.
The Furniture Industry in India is available for online purchase and immediate download at
www.worldfurnitureonline.com

SCENARIO
TRENDS

PATTI CARPENTER
GLOBAL TREND AMBASSADOR

Trend Talk: inspired, informed and invigorated for 2024 and beyond

As this season passes into the next, and our emotional well-being continues to inform our selections, our environments, and reactions to our realities, we are intentionally moving through carefully curated lives that reflect who we are and who we aspire to become.

Color is ever evolving and this season we will see rich, ripe saturated shades that draw us in with their boldness and optimism. The warmer side of the palette continues to lead the way, with Passionate Red and Terracotta, but don't lose sight of the essential and elemental greens. They draw our focus to Nature and to our responsibility for sustainability. As all of life needs its balance, softer shades continued, but they are subtly nuanced, playing with light and shadow. Tactility featured heavily here as well, and all of this provides us with the perfect foundation for a timeless approach to simpler spaces and the quiet reflection that supports our well-being.

As always, there is something for every taste. The coming seasons encourage us to remain alert, alive and engaged as we encircle and envelop ourselves with products that inspire, invigorate and inform our day-to-day living so that we thrive in our surroundings.

1/ Sunflower Sun Shower is a warm and sunny shade that soothes the spirit while offering a burst of energy. A reddened yellow deepens with the sun in to a bold and bright optimism. With a nod to nostalgia, it carries with it clarity and creativity.

2/ Grounded in Green it keeps us on a strong and steady road to a sustainable future. Reassuring us of renewal, we are revitalized by this hopeful and harmonizing hue.

3/ Bisque is a new neutral which acts as a buttery balm. It's simplicity is soothing, offering calm and comfort during unsettled times.

4/ Talking Taupe is the tasty take on neutrality that will ground us with its timeless simplicity. This subtle shade plays perfectly with all other colors and offers the perfect middle ground for warm and inviting design.

5/ Terracotta is the kind and kindred shade that harkens back to the beginnings of design. A warm and inviting color that heals our hearts and forms a functional foundation.

6/ Verdigris brightens the palette with a green that simultaneously soothes and stimulates. Initially born of a natural aging process, we now seek this shade to for its vibrancy and vitality.

7/ Passionate Red is ripe for the picking. As we move forward believing that the best is yet to come, we are passionate in our pursuits.

Patti Carpenter is Principal of carpenter + company and an award-winning Designer in globally sourced home décor, accessories, fragrance and gifts, with experience in product design and development, merchandising and color + trend forecasting.
www.patticarpenter.com/ Instagram: @pattictrendscope

1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2


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GROUNDED IN GREEN

3


BISQUE

4


TAUPE TALK

5


TERRACOTTA

6


PASSIONATE RED

7


VERDIGRIS
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CSIL RESEARCH TEAM

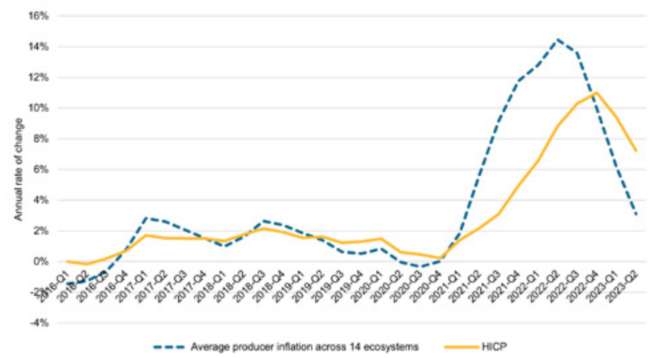
The impact of high inflation on European small and medium enterprises

Within the framework of an EU-funded research project, CSIL research team conducted over the course of 2023 an in-depth analysis of the drivers and the effects of high inflation on SMEs - Small and Medium Enterprises, due to their strategic relevance for the EU economic growth (SMEs account for more than 99% of the total number of firms in non-financial sectors, 65 % of employment, and over 50% of value added in the EU).

The study employed a mixed methodology including econometric analysis, case studies, and interviews to relevant stakeholders to estimate the effect of high inflation on SMEs. considering the industrial ecosystems where they operate. The following ecosystems were covered: construction, textile, electronics, agri-food and energy intensive sectors.

The analysis of inflation drivers highlighted the role of unexpected shocks such as the pandemic and the Russia-Ukraine war in setting the stage for inflationary pressure. These shocks exacerbated already existing structural barriers SMEs deal with as compared to large firms, including labour shortages, higher costs and access to finance. Ecosystem-specific drivers also played a part. Shortages of skilled workers, as well as national policies aimed at boosting demand in the construction sector, have resulted in greater workloads and higher costs for contractors. The electronics ecosystem has also suffered a shortage of semiconductors and electronic components. The study then turned to the analysis of the specific effects of the sustained high levels of inflation on SMEs' performance, including their ability to invest, their access to labour, participation in public procurements, adoption of green and digital solutions as well as their performance in terms of competitiveness,

CHANGES IN INFLATION COMPARED WITH THE SAME QUARTER IN THE PREVIOUS YEAR (%) IN THE EU-27, Q1/2016-Q1/2023, AND HICP



Source: SMEs and high inflation – Final report, Publications Office of the European Union, 2023

profitability, turnover etc. In terms of impacts, higher inflation seems most directly associated with longer collection periods for payments, and increased difficulties in accessing skilled labour. When considering the effects of inflation on the profitability of SMEs, the key factor seems to be the ability of these businesses to pass rising costs on to consumers, with some firms scoring record profits while others have struggled to remain afloat. The indirect effects of inflation (decreased aggregate demand due to increased interest rates, lower growth and greater economic uncertainty) have also had a widespread negative impact, having a especially significant effect on investment decisions and probability of survival.

This project was implemented by a consortium made by CSIL, CSES, PMMI. The full report **'SMEs and high inflation'** is accessible from the EU publications website at the following page **https://single-market-economy.ec.europa.eu/publications/smes-and-high-inflation_en**

MATTEO GRIGOLINI
CSIL SENIOR RESEARCHER

The High-End furniture sector: seeking opportunities in a challenging year

Based on CSIL's estimates, approximately 10% to 15% of the overall global furniture market value is attributed to the high-end segment. This sector displays a diverse landscape, featuring companies of varied styles (ranging from classic to avant-garde), size (including both artisanal workshops and industrial groups), and specialization within the high-end furniture sector (with some companies integrating premium products into a broader range and others exclusively concentrating on high-end products).

CSIL is continuously tracking the evolution of the high-end furniture segment, whose distinct patterns can unfold independently of the broader market dynamics, to some extent. As of the time of writing, CSIL is still in the process of elaborating updates for the high-end furniture market development. Nevertheless, discernible trends have already surfaced.

In the years following the pandemic, the high-end market witnessed exceptional growth, surpassing even the unprecedented pace observed in the mass furniture market. However, the year 2023 posed challenges in many countries. This can be attributed, in part, to a 'physiological' reduction in demand following the boom of previous years and, in part, to an uncertain climate and less favorable macroeconomic environment in various markets (for example inflation in several Western countries). While these factors definitely had a more pronounced impact on the middle classes than on the wealthier segments of the population, their effects have also resonated in the high-end market. As put by a manager interviewed by CSIL: a wealthy entrepreneur running a middle company may not be significantly impacted by inflation in their personal finances, but they might be less inclined to make expensive luxury furniture purchases if they believe that their business is or will be affected by inflation. Consumers' perceptions can outweigh their financial capacities.

Within a generally difficult year, however, the performance varied among different companies, and several players still managed to keep expanding their sales also in 2023. It is worth to consider that opportunities were seized by some in the non-residential segment (for example in the hospitality), that according to many was more resilient than the residential segment in 2023.

Looking at geographical markets, among the most interesting ones in 2023 there was the Gulf area, where demand remained lively. In UAE, for example, an increase in investments in luxury homes was observed, which sustained the demand for luxury furniture.

For what concerns innovations in the product development of high-end manufacturers, sustainability is gradually playing a more significant role in influencing design choices. Some high-end companies are investing in developing products that present sustainable features, for example employing recycled and/or renewable components, or (less frequently) easy-to-disassemble. There is still much to explore in this filed.

The high-end furniture segment and its features are topics covered by CSIL's research activities.
Visit **www.worldfurnitureonline.com** for further details.

MARKET INTELLIGENCE
EUROPE

GIULIA TAVEGGIA
CSIL SENIOR RESEARCHER

The defensive strength of the European furniture industry

In 2023, Europe faced increased uncertainty, sluggish economic performance and a marked slowdown in the construction industry. As a result, European consumer demand for furniture is under strain, particularly in the lower and mid-price segments. This is due to the higher cost of living caused by inflation, rising interest rates and higher raw material and energy prices. In addition, a renewed interest in other discretionary spending categories, such as travel, is adding to the challenges in the furniture market.

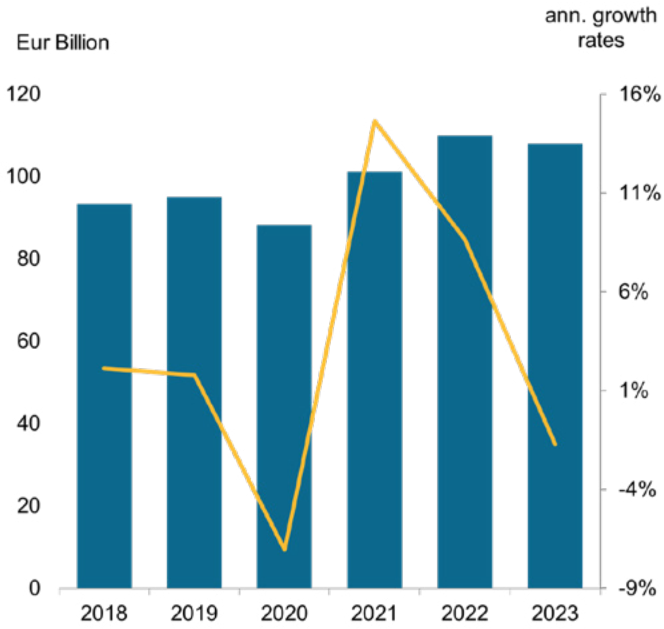
In addition, European furniture production is being undermined and opportunities for European exporters in foreign markets are also deteriorating. Extra-EU export prospects, particularly in the US and China, are cooling and are not buoyant enough to support EU production.

According to CSIL's preliminary estimates, within the EU, countries faced similar challenges and almost all of them saw a decline in furniture production in 2023: the German industry is one of the hardest hit, but the profitability of Eastern European industries (including Poland) is also particularly challenged by higher than usual production costs (for energy, wood, chemical components, etc.). Labour costs are also rising. Various bankruptcies, layoffs and downsizing plans have been reported.

The expected upturn in furniture production in the second half of the year has not materialised, and demand for furniture remains subdued. Furniture demand is expected to gradually improve in the second quarter of 2024 and to recover in 2025. The major challenges that have recently weighed heavily on the European furniture industry, such as price increases and supply chain disruptions, appear to be easing. Due to persistently high price inflation and extraordinary increases in energy costs, furniture production costs have increased exponentially in 2022, leading furniture manufacturers to revise their list prices upwards (generally by more than 10%). Production prices have increased more than consumer prices, squeezing retailers' margins and affecting the structure of distribution channels. In 2023, price increases have been more moderate (due to easing cost pressures), although they remain above the historical average. Supply chain disruptions caused by the pandemic, which continue in 2022, are subsidised in 2023, mainly due to reduced market pressure as furniture demand weakens. The European furniture industry is highly integrated from both a market and an industrial perspective. Most furniture components (such as foam, wood and wood-based panels) come from European countries and almost 80% of furniture consumption is met by European production. Imports from Asian countries are relatively limited (less than 20%) but increasing. The low dependence on imports from distant countries has helped

to mitigate some supply chain problems (such as rising transport and logistics costs).
Since the outbreak of the pandemic, the entire value chain has been disrupted, forcing furniture manufacturers to rethink their strategies and implement measures along the supply chain. Most furniture manufacturers surveyed by CSIL in 2023 said they were increasingly shortening supply chains by becoming more local (at country or regional level). Within Europe, Portugal, Italy and Spain are the main beneficiaries of this perspective. The relocation is driven by various reasons, including shortening time to market. However, business sustainability, liquidity and security of supply have emerged as key issues that are intensified by international events.
An analysis of the competitive system shows that the European furniture industry is predominantly made up of small and medium-sized enterprises (SMEs). The sector employs a significant number of people, with more than 1 million workers in over 135,000 manufacturing companies. While the industry remains SME-based, both manufacturing and retailing are becoming increasingly concentrated. According to CSIL, the top 100 European companies generate more than 30% of the total value of furniture produced in Europe, an increasing share compared to 10 years ago. On the distribution side, the top 15 EU furniture retailers also account for almost 30% of the market.
Over the past few years, from 2019 to 2023, a notable trend in the European furniture manufacturing sector has been characterised by a number of strategic mergers and acquisitions. This has highlighted the dynamic and evolving nature of the industry, with companies strategically positioning themselves to strengthen their market position and leverage synergies.
Furthermore, the M&A landscape within the European furniture industry shows a predominant focus on local transactions, with the vast majority of total deals being acquired by companies within the region.
In the area of global acquisitions, several strategic transactions took place across regions. In 2021, Dorel Home, a segment of Canada's Dorel Industries, secured the Danish company

EUROPE. TOTAL FURNITURE PRODUCTION, 2018-2023. PERFORMANCE. EUR BILLION

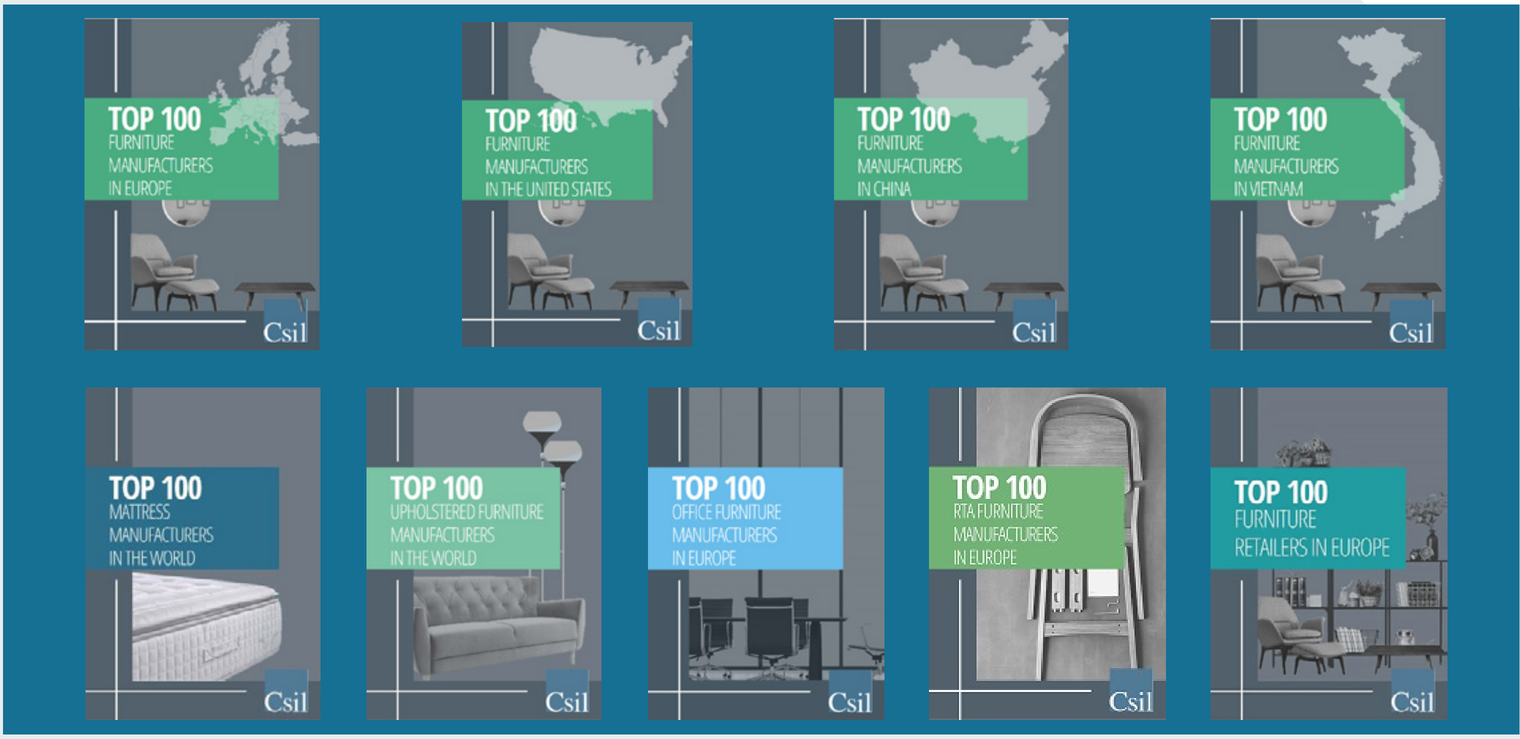


Source: CSIL 2023: preliminary estimates

Notio Living. At the same time, La-Z-Boy, through its subsidiary La-Z-Boy UK Ltd, expanded its presence by acquiring Furnico Furniture Ltd, a UK-based upholstered furniture manufacturer. US-based Steelcase made a significant move by acquiring Spanish contemporary furniture manufacturer Viccarbe Habitat. In 2020, Herman Miller will acquire an additional 34% stake in HAY, a Danish design company. In 2019, Switzerland's Lista Office (LO) was sold to Zhejiang Henglin Chair Industry, a listed company based in China's Anji County. In addition, Steelcase completed the acquisition of the UK-based Orangebox Group, which specialises in furniture solutions for contemporary workplaces and hospitality environments. In the same year, Norwegian company Flokk acquired US office seating manufacturer 9to5 Seating, facilitating Flokk's expansion in the US and Asia through manufacturing facilities in China.

CSIL Top furniture companies

The new series of CSIL research insights that focus on the largest companies in the furniture and furnishing markets, providing rankings and performance data of firms operating on a global level or by geographical areas.



The information provided by the 'CSIL TOP FURNITURE COMPANIES' series generally includes:

- Company name and headquarters location
- Company Turnover
- Number of Employees
- Ranking by turnover

The aim of this series is to offer a bird's-eye view of the competitive landscape, benchmarking companies' performance, their relevance in the business and the sector concentration.

Currently available 'CSIL TOP FURNITURE COMPANIES' publications:

- Top 100 **furniture manufacturers** in Europe
- Top 100 **furniture manufacturers** in the United States
- Top 100 **furniture manufacturers** in China
- Top 100 **furniture manufacturers** in Vietnam
- Top 100 **mattress manufacturers** in the World
- Top 100 **upholstered furniture manufacturers** in the World
- Top 100 **office furniture manufacturers** in Europe
- Top 100 **RTA furniture manufacturers** in Europe
- Top 100 **furniture retailers** in Europe

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LU ZHANG
CSIL RESEARCHER

China's pivotal role in the furniture competitive landscape

Boasting a long expertise in the global furniture industry, CSIL has built a widespread database of furniture companies headquartered in more than 70 countries worldwide, operating in different furniture segments and of different sizes in terms of revenues, employment, and financial capabilities. Navigating through this extensive database, CSIL provides the analysis of the Chinese furniture competitive system, identifying top revenue companies which is essential for understanding market dynamics and recent companies' strategies in one of the most significant players in the furniture sector.

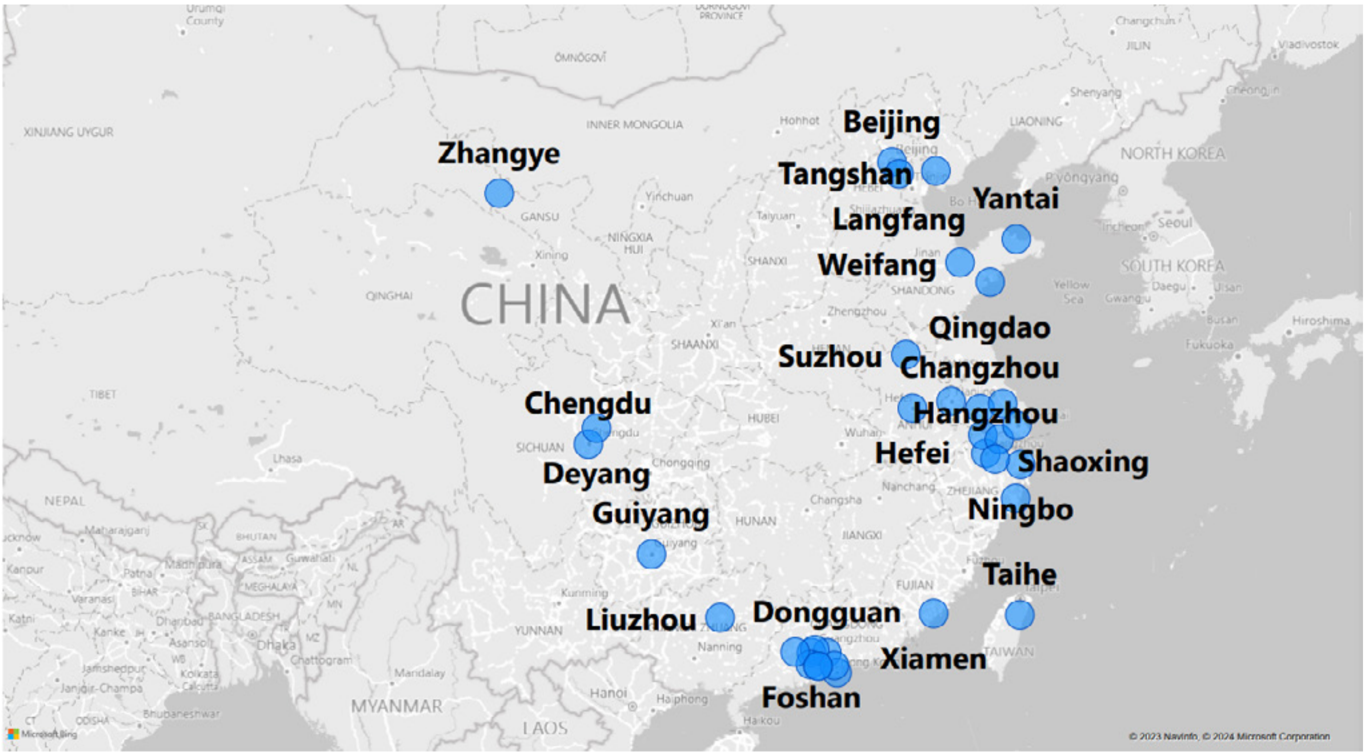
China holds a dominant position in the global furniture industry, serving as the leading producer and exporter. With an impressive output of nearly USD 160 billion, China commands a substantial 34% share in worldwide furniture production in 2023. This leading status extends to furniture exports, where China contributes over 30% of global exports. Such a prominent presence underscores China's pivotal role in shaping the international furniture market, significantly contributing to production volumes and global trade. Notably, China maintains its leadership in specific furniture segments, holding the top position in production and exports within the mattress, upholstered furniture and office sector. This comprehensive overview emphasizes China's multifaceted dominance and profound impact across various dimensions of the global furniture landscape.

The Chinese furniture industry exhibits a fragmented landscape, primarily dominated by small and medium-sized enterprises (SMEs). However, it is noteworthy that a select group of manufacturers has risen to prominence, boasting turnovers exceeding USD 1 billion. Oppein, Kuka, Man Wah, Suofeiya, and Yotrio are among these distinguished companies, each specializing in different sectors such as home and outdoor furniture. Delving into the top 100 companies, the average turnover stands at USD 380 million, with an associated workforce averaging 3,402 employees. In the global top 200 companies identified by CSIL, Chinese entities make up 16%. The concentration of these leading manufacturers is particularly located in the southeast coastal regions, with key cities including Guangzhou, Shenzhen, Shanghai, and Foshan. Upon closer examination, it becomes apparent that around 30% of companies in the industry specialize in office furniture, including Dious, Henglin Chair, Jongtay, and UE Furniture. Another 25% focus on upholstered furniture, represented by companies like Markor, Trayton Group, LINSY, ZuoYou Furniture. Additionally, approximately 20% concentrate on kitchen furniture, exemplified by Schmidt Suofeiya Kitchen (a joint venture with french company Schmidt Groupe), Shangpin, ZBOM, and Quanyou Furniture. The remaining companies engage in various sectors, such as general furniture production, customization, or outdoor furniture. Furthermore, an additional dimension to the industry's dynamics is that nearly 25% of the top 100 manufacturers are publicly listed.

It's worth noting that some leading manufacturers are expanding their production plants beyond their domestic borders. Among the top 100 manufacturers, nearly 20% have established plants outside China, with Vietnam and Mexico being the primary destinations. Chinese manufacturers strategically establish plants in Vietnam to address challenges and navigate uncertainties stemming from trade difficulties between the US and China, mitigating exposure to US tariffs. Simultaneously, prominent Chinese furniture producers strategically employ a proactive business approach to broaden their manufacturing footprint in Mexico. This business expansion effectively leverages its proximity to the US market to minimizes potential shipping challenges and geopolitical uncertainty.

Notably, companies like Man Wah Group have manufacturing plants in China and Southeast Asia, South America, and Eastern Europe. Similarly, KUKA has expanded its production beyond domestic borders, with plants in North America and Southeast Asia. In 2024, the top players keep expanding their footprint outside the domestic market. For example, Zoy Home

Top 100 Chinese Furniture Manufacturers' Headquarter Location. Source: CSIL



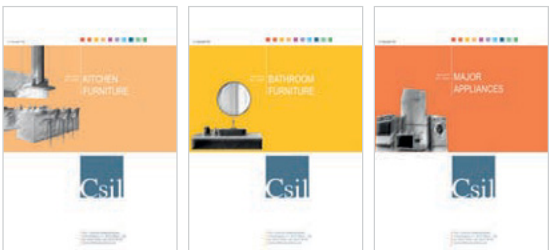
Living, a prominent Chinese upholstered furniture producer with a global presence, invested $28 million in establishing a new factory in Vietnam. This strategic move aims to strengthen the company's supply chain, enhance resilience, and support broader business expansion goals. In a similar vein, Suofeiya Home marked a significant milestone in global brand expansion by unveiling a high-end custom experience center in Ho Chi Minh City, Vietnam. This center serves as a crucial showcase for Suofeiya's brand allure and product excellence, underscoring the company's commitment to expanding its global footprint.

It is worth noting that, in recent years, leading Chinese export-oriented companies have also actively tapped into the vast domestic market. The online channel is also grabbing market shares in the furniture market, with the success of the most popular e-commerce platforms such as Tmall, JD.com, and TikTok e-commerce. Just as an example, notably, during China's globally renowned Double Eleven (11.11) shopping festival, including furniture, has been evident. The top 8 furniture brands by sales in this online shopping festival, namely LINSY, YESWOOD, Quanyou Furniture, SLEEMON, KUKA, CHEERS, AIRLAND, and DE RUCCI, showcase a strong brand identity. These brands exhibit proactive adjustments to evolving consumer preferences and design trends, strategically catering to younger consumers' consumption behaviors and favorite trends.

The CSIL Market Research Report "Top 100 Furniture Manufacturers in China" (edition 2023) is part of CSIL 'Top Furniture Companies' a series of research insights and detailed reports that focus on the largest companies in the furniture and furnishings industry, providing rankings and performance data of firms operating on a global level or by geographical areas.

This publication offers a bird's eye view of the furniture competitive landscape in China with an analysis of the 100 leading furniture producers. The information provided includes ranking by company's turnover, company name and group, number of employees, product portfolio, and company's website. Also, China's Furniture production and export evolution from 2013 to 2022 enriches the report.

Kitchen Bathroom Appliances market reports



CSIL offers a global perspective of kitchen furniture, bathroom furniture, and appliances sectors, with insights into their segments and in-depth knowledge of their distribution and value chain

- The European market for kitchen furniture
- The kitchen furniture market in China
- Kitchen furniture: World market outlook
- The European market for bathroom furniture, furnishings and wellness
- Profiles of 50 major appliance manufacturers worldwide
- World market for professional appliances

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MARKET INTELLIGENCE
KITCHEN FURNITURE

DONATELLA CHERI
CSIL SENIOR RESEARCHER

Slowdown in momentum for the kitchen furniture industry

According to CSIL's estimates, the kitchen furniture industry in 2023 reached a total production value of US$ 62 billion, representing around 13% of total world furniture output.
This industry is globally widespread, and almost equally distributed among the three main areas: 34% of total output took place in Europe, another 32% in North America, and 28% took place in Asia. Leading kitchen furniture manufacturers are prevalent all over the world, with companies/groups having headquarters in the US, Germany, Italy, and other EU countries, as well as in Japan, China, Turkey, and Brazil.

World kitchen furniture production includes US$ 53 billion for local consumption in the manufacturing countries and US$ 9 billion for exports, the latter constitutes the international kitchen furniture trade.
Because of the product's nature, only 14% of world kitchen furniture production is traded internationally, for this reason, international kitchen furniture trade is relatively less relevant compared to other furniture segments. Technical specifications, the incidence of customization, and the different ways kitchens are built all over the world, constituting a limitation for export but progressive product standardization is occurring.

In 2023, kitchen furniture production recorded a decline of around -3.6% in current US$ (compared to 2022). The decrease is the result of mixed performances across the areas. Europe seems to have performed better compared to North America, and Asia Pacific. However, attention should be given to the currency issue. Data reported are in US dollars and are affected by the exchange rate fluctuation. The last years (2017-2022) have been relatively dynamic for world kitchen production. The average growth has been equal to 3.7% per year in current US$. In 2021, the rebound of sector activity in the sector (a business that was historically growing less than others) has been significant with a double-digit recovery of +16% in current US$, to a value of about US$ 65 billion. In 2022, the production of kitchen furniture remained nearly at the same levels as in 2021.

INTERNATIONAL TRADE

Global kitchen trade experienced a setback in 2023, with a decline of approximately -7% (in current US$, compared to 2022). Import demand fell as growth slowed down in major economies. The macroeconomic framework continues to be affected by the effects of monetary tightening. Tighter credit conditions weighed on housing markets, investment, consumption, and economic activity.
According to CSIL forecast, the world trade of kitchen furniture is expected to reach about US$ 9 billion by 2026.

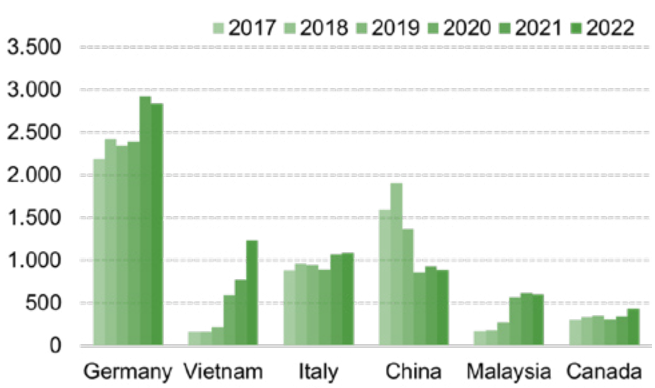
Qualitative and quantitative indicators point to a wide-ranging contraction in the manufacturing sector, that is expected to last at least until the first half of 2024. This weakness reflects the combined effects of the post-pandemic shift in consumption back toward services, weaker demand stemming from a higher cost of living, the unwinding of crisis policy support, tighter credit conditions, and general uncertainty aggravated by the geopolitical crisis.

The kitchen furniture sector is still not very open to foreign markets. The import penetration (imports/consumption ratio valued in current US$) for the 60 countries as a whole has been around 13%-15% during the last years. The kitchen furniture sector is less subject to import penetration compared to other furniture businesses.
A sizable percentage of international trade of kitchen furniture is carried out within the largest economic regions into which the world economy can be divided:

- For the EU countries: more than 80% of the international trade of kitchen furniture takes place within these countries.
- In the NAFTA area (USA, Canada, and Mexico): about 38% of total foreign trade of kitchen furniture is within the three countries.
- The Asia and Pacific area: about 40% of total foreign trade of kitchen furniture takes place within the countries of the area.

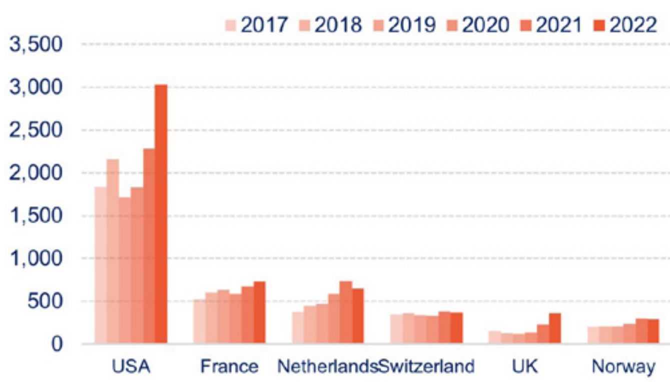
About 60% of world exports of kitchen furniture in values come from the EU countries. Germany has been by far the leading exporter of kitchen furniture worldwide.
Exports from North American countries represent less than 10% of world exports of kitchen furniture.
In the last ten years, the share of kitchen furniture exports coming from Asia and Pacific increased from 15% to 32% in 2022, reaching a value of over US$ 3 billion. Most of the exports are made of RTA kitchen furniture. The major exporters in this area are Vietnam, China, and Malaysia.
Approximately 35% of global kitchen furniture imports are destined to the United States market. About 65% of total American imports come from Asia and Pacific and are low-budget products destined to large chain stores and also partly purchased by US kitchen producers.
Other leading importers of kitchen furniture are France, the Netherlands, Switzerland, the United Kingdom, and Norway.

SIX MAJOR EXPORTING COUNTRIES OF KITCHEN FURNITURE. EXPORTS, 2017-2022, US$ MILLION



Source: CSIL processing

SIX MAJOR IMPORTING COUNTRIES OF KITCHEN FURNITURE. IMPORTS, 2017-2022, US$ MILLION



Source: CSIL processing

The CSIL report **'Kitchen Furniture: World Market Outlook'** (November 2023 edition) provides an overview of the global kitchen furniture sector, including statistics on production, market size, and international trade for the time period 2017-2023, key trading partners, market outlook until 2026, summary tables for the 60 countries for kitchen furniture production, consumption, and trade. All CSIL reports can be purchased online and downloaded from: **www.worldfurnitureonline.com**

MARKET INTELLIGENCE
LIGHTING INDUSTRY

LAURA DE CARLI
CSIL SENIOR RESEARCHER

The uphill path of the lighting fixtures sector

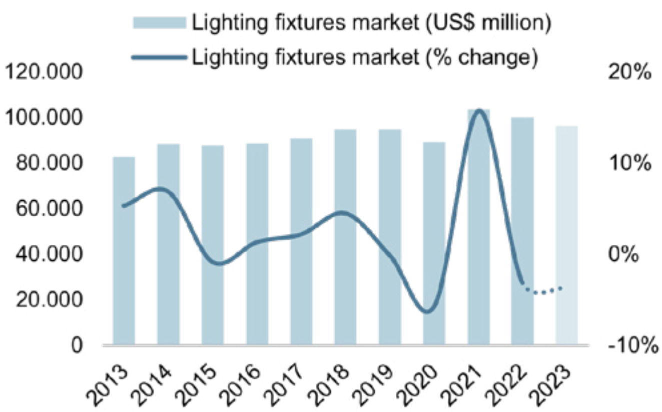
According to CSIL's estimates, the global lighting fixtures market has grown over the course of a decade (2013-2023) from US$ 83 billion to US$ 97 billion, with an average annual growth rate just below 2%.

The global lighting fixtures market includes the residential and professional segments for both indoor and outdoor use. In 2022, all segments experienced a slowdown, particularly the market for indoor residential lighting. Architectural lighting constitutes the primary segment, with the highest share in the overall consumption of lighting fixtures (calculated based on value data).
According to CSIL estimates, the year 2023 followed the same path, as a decline of 3.6% was registered by the lighting fixtures sector as a whole.
Preliminary estimates indicate a decrease in all market segments. The residential indoor segment continued to suffer the weak consumer sentiment experiencing a slowdown for the second consecutive year.
For the next future the world market for lighting fixtures is expected to remain stable in 2024, followed by moderate growth in 2025 and 2026 (in real terms).

Looking at the industrial output, almost 50% of the world lighting fixtures supply originates in China, which combined with the United States, Japan, Germany, India, Italy, Mexico, South Korea, Poland and Türkiye, account for an aggregate share of over 80% (in value) of the global luminaire production.

When it comes to the competitive system, the top 100 global lighting players hold a share of over 40% of the worldwide market for lighting fixtures. CSIL analyses the main key financial indicators for a sample of 100 global companies whose core business is lighting manufacturing.
EBITDA is commonly regarded as the most reliable indicator for assessing the profitability of companies in their core business activities, excluding the impact of external economic factors and taxes. Average EBITDA margin among companies in the lighting sector in our selected sample is close to 9%.
The indicators related to the equity and financial structure of companies indicate their ability to meet both short-term and medium-term debts based on their immediate and/or realizable assets. The Current ratio and the solvency ratio are indicators of the financial structure.
The average level of Current ratio in our sample was to be considered satisfactory in terms of solvency criteria without penalising the cost-effectiveness of the management.
In terms of financial stability, CSIL's analysis has shown that the companies examined in the sample are in a balanced solvency position.
Over the past five years, employment in our selected sample of companies has remained almost stable, while for the period 2020-2022, there has been an average growth of

WORLD. LIGHTING FIXTURES MARKET TREND, 2013-2023. US$ MILLION AND % CHANGE

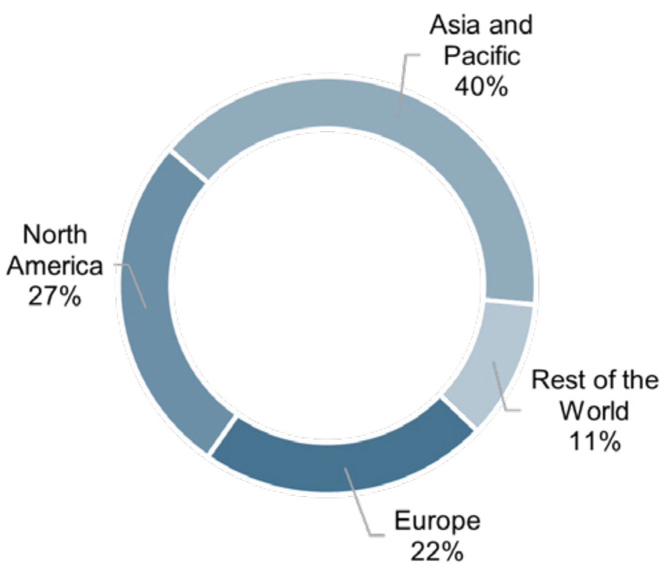


Source: CSIL processing (2023: Preliminary) over 3% in the number of employees.

LIGHTING MARKET BY GEOGRAPHIC REGION

From a geographic point of view the consumption of lighting fixtures can be distributed as follows: approximately 27% in North America, 22% in Europe, 40% in Asia and Pacific, 11% in the Rest of the World.

WORLD. LIGHTING FIXTURES MARKET BY GEOGRAPHIC REGION, 2023. PERCENTAGES SHARE ON VALUE DATA



Source: CSIL processing (2023: Preliminary)

According to CSIL, following the decline already recorded in 2022, a further decrease in the consumption of lighting fixtures was registered in European countries for 2023.
European lighting sales decrease include the negative currency effect from the fluctuation of the US dollar.
The last five years (2017-2022) have been relatively dynamic for the US lighting fixtures market, registering a yearly average growth rate of 1.7%.
The housing recession that began in 2022 continued in 2023 with rising inflation and mortgage rates and, together with the high building material construction costs, took a toll on the construction industry.
After the strong contraction in 2022, Chinese lighting fixtures market is expected to return to growth in the medium-term, even if the speed of growth will be reduced if compared to the past performance. In 2023 the Chinese lighting fixtures market was estimated to grow (in local currency), thanks in particular to the support of investments on infrastructure projects, as part of the 14th Five Year Plan (2021-2025).

DISTRIBUTION CHANNELS

Generally speaking, lighting fixtures distribution operates primarily through Electrical Wholesalers, followed by the Contract/Project channel (including direct sales from the lighting manufacturer) and Lighting Specialists.
However, the distribution systems are peculiar to each market and sometimes they differ significantly according to each country.
In the United States, most companies operate primarily through agents and representatives responsible for regional markets. "Electrical distributors" are by far the main sales channel for the American lighting fixtures market, serving the full range of market segments.
The "Contract" incidence is very high in China. Several local companies make over 50% of their turnover through this channel.

In Europe, due to the competition of the contract business from one side, and e-commerce from the other side, the channel of lighting specialists is frequently suffering. On the other hand, the contract is the segment that has experienced the highest growth rates in recent years.
The United States are by far the main market for online sales.
In China the RTA chains and DIY stores are very active in the lighting segment.

MATTEO GRIGOLINI
CSIL SENIOR RESEARCHER

The future of lighting is “connected”

CONNECTED LIGHTING AND ITS APPLICATIONS

Among the first reports published by CSIL early in 2024 is worth mentioning the brand-new analysis "The worldwide market for connected lighting". When we talk about connected lighting, we're referring to smart lighting systems that combine LED technology and IoT devices, allowing lamps or lighting fixtures to be managed and controlled remotely.

The combination of these two technologies is leading to a real revolution and although connected lighting still represents a limited share of the LED lighting fixtures market it is expected to grow rapidly in the near future. So far, interest in smart lighting systems has been the strongest in the commercial, industrial, and outdoor lighting segments rather than in the residential lighting (indoor lighting fixtures for private homes), but it is expected that the residential lighting will follow suit.

Retail is definitely one of the areas where connected lighting is being used in its most advanced forms. In the retail sector, light plays a key role, as it is a driver for conveying certain emotions associated with product features and brand identity, thus, enhancing the shopping experience. In the case of "grocery," for example, in addition to creating different scenarios within the store, connected systems allow the customer to navigate through special applications that indicate the presence of products of interest, discounts, tips, recipes, shopping list, etc.

Offices represent another interesting application area. Connected lighting not only has a positive impact on the well-being and performance of employees, but also has a significant impact on the way spaces are managed. The ability to collect useful data on energy consumption, occupancy of different areas of the business and how they are being used, allows us to identify opportunities and make more strategic and efficient decisions.

Certainly, one of the main areas of application remains the urban context, where LED street lighting systems not only significantly reduce energy consumption but also become true connected networks capable of providing new value-added services by laying the foundations for the creation of true smart cities. Connected lighting in urban contexts is growing exponentially, and the European continent is proving to be the most advanced in this field.

In terms of residential lighting, smart systems are still uncommon, but the supply is growing so fast that rapid development is expected in the coming years. The control offered by a smart lighting system is almost total: switching on and off all the lights in a room, a set of rooms (such as a living room or bedroom), a floor or the whole house. The ability to control it all by leveraging an app or using voice through virtual assistants (such as Siri, Alexa or Google Assistant) makes this technology attractive to everyone.

A MAJOR OPPORTUNITY TO IMPROVE PRODUCTS’ SUSTAINABILITY

According to a recent survey carried out by CSIL among European lighting fixtures manufacturers, improving energy efficiency is one of the first priorities identified by companies when it comes to their medium-term investments to enhance their sustainability.

Indeed, increasing products’ energy efficiency has always been key for lighting fixture manufacturers, as energy efficient products are more appealing in the market, and the more so at times in which energy costs have been increased significantly. At the same time, as confirmed by CSIL analysis, this aspect clearly plays a pivotal role also in terms of sustainability, as a high share of overall emissions along the lighting fixtures value chain lies in the product use phase. Several major players have estimated that this phase accounts for by far the large majority of the total footprint stemming from their business, in terms of CO2 emissions. Thus, on top of the already mentioned commercial rationale, companies willing to improve the

sustainability of their business can't overlook this key aspect. In addition, the evolution of EU regulations has been an important driver in the same direction.

In the last decade, the lighting fixture industry has already improved massively products' energy efficiency: the LED revolution constituted a milestone in this process, LEDs offering up to 50% greater efficiency compared to conventional lighting. Currently, the majority of products manufactured in Europe are LEDs, and the incremental improvements resulting from the widespread adoption of this solution have slowed down. The emergence of smart and connected lighting can be considered as a new frontier that holds the promise of further substantial developments in the energy efficiency of lighting fixtures.
Smart and connected lighting products provide new opportunities for energy savings. Solutions as lighting systems that allow scheduling and optimizing light settings, occupancy sensors that adjust lighting based on human presence, daylight harvesting systems that respond to natural light levels, and lighting systems integrated with other systems like HVAC (Heating, Ventilation, and Air Conditioning), can result in significant energy savings.
It is estimated that heating, cooling, ventilation and lighting account for 60% of the improving lighting fixtures energy efficiency consumed in buildings: benefits that can be achieved improving energy efficiency, as well as integrating efficiently connected lighting and ventilation systems, are substantial.
Connected lighting systems can also offer further environmental benefits beyond optimizing lighting emissions, for example they can optimize systems' maintenance by efficiently identifying when and where maintenance is needed, thereby increasing the product's lifetime..

The lighting fixtures segment and its features are topics covered by CSIL's research activities visit **www.worldfurnitureonline.com** for further details.

MARKET INTELLIGENCE
OFFICE FURNITURE

MAURO SPINELLI
CSIL SENIOR RESEARCHER

Office seating: tailoring to the evolution

A GLOBAL GROWTH

CSIL recently published the report "The World Marker for Office Seating", a global picture of the office seating industry, including quantification of production and consumption in the main countries, market trends, and competitive landscape.
According to the report, the global production of office seating will reach US$ 15 billion in 2023, remaining at the same level as in 2022. The leading producers of office chairs are China, the United States, Germany, India, and Japan.
At the international level, exports of office seating are US$ 1.4 billion higher in 2023 than in 2019. The total value of exports in 2023 is US$ 6,238 million (+1.1% compared to 2022). In recent years, the growth of international trade values has had a significant impact on market openness. The ratio of exports to production increased from 34% in 2018 to 42% in 2023, and the ratio of imports to consumption also increased from 29% in 2018 to 32% in the current year.

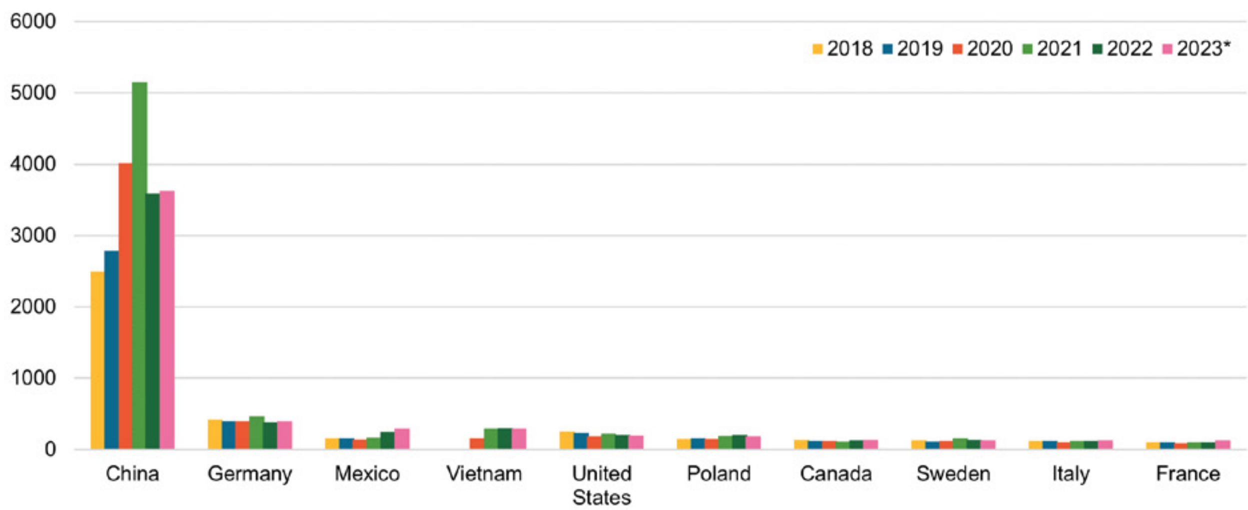
CHINA IS THE LEADING EXPORTER

The Asia-Pacific region is by far the largest office seating factory in the world, with China accounting for more than 90% of total Asian exports, followed by a rapidly expanding Vietnam. In 2023, Chinese office seating exports will be worth US$ 3,625 million, almost the same as the previous year. After peaking in 2021, values fall significantly but remain well above pre-pandemic levels. The main destinations for \sChinese exports are the United States, Japan, Germany, and the United Kingdom.

THE PRODUCT TRANSFORMATION

The blurring of work and home environments is a trend that has been underway for some time, but has accelerated rapidly in recent years, with implications for space and product design. The potential market for office seating manufacturers has expanded into the home office, where they are expected to have significant opportunities.

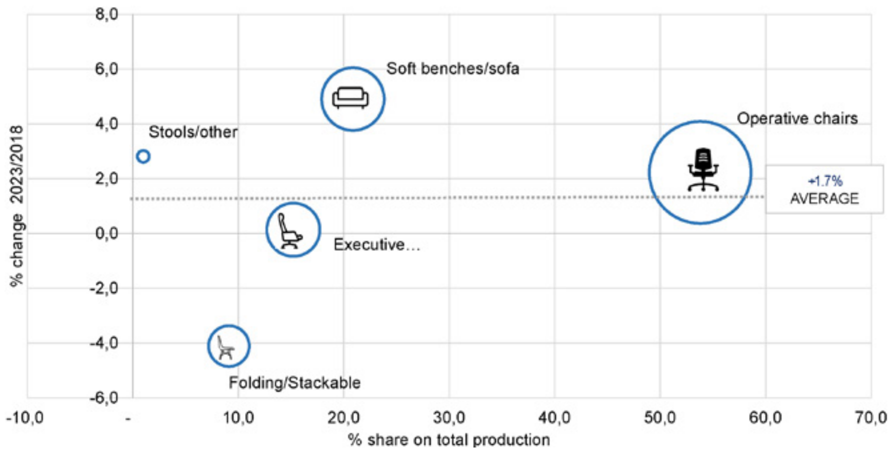
OFFICE SEATING. LEADING EXPORTING COUNTRIES, 2018 – 2023. US$ MILLION



Source: CSIL (*) 2023:preliminary

The weight of office seating in the overall office furniture business has increased significantly in recent years. Today, office seating represents 30% of global production (28% in 2018).
The incidence of each seating category varies considerably by region. More than half of global production is accounted for by operational task chairs, followed by soft benches/sofas, executive chairs, folding/stackable meeting chairs, and stools. The post-pandemic return to the office has been accompanied by a strong expansion of soft benches/sofas, as they jump to 25% of total seating production in 2023. Executive chairs and folding/stacking chairs have remained fairly stable, accounting for 12% and 7% of total production respectively in 2023. Stools and other products continue to represent a small share of total output. Specifically, operational seating is changing its forms, and less technical and clean design, to improve its placement in different environments, often home or hotel, guaranteeing suitable combinations for any setting.
The use of the home office in the pandemic period has brought office chairs into the home, which have ended up stimulating sensitivities and tastes that are more attentive to shapes and materials. For this reason, even the simplest work chairs now have colour variations of the plastic, chromatic, and typological variations of the base and multiple possibilities of interchangeable metal or wooden bases.
Ergonomics, attention to correct posture, and a greater awareness of the value of well-being in the office have led users to seek out seats with backrests and mesh seats.

WORLD. OFFICE SEATING PRODUCTION BY SEGMENT. US$ MILLION AND SHARES 2023, % CHANGES 2023/2018



Source: CSIL; NOTE: the dimension of the bubble represents the market value of each segment in US$ million

SUSTAINABLE SEATING

Sustainability is becoming a pillar of the office seating industry and the furniture sector in general. Companies are increasingly focused on creating products and solutions that are designed to last. This means lower lifecycle costs for customers and a reduced environmental impact. A sustainable approach starts at the very beginning of a product's development - in the design process. A simple design that uses few but durable, high-quality materials and requires less energy to produce helps lay the foundations for a sustainable product. A product that is designed to last and can be reused, recycled, or upcycled is more sustainable and reduces waste. The materials most used are the traditional range, mainly plastic, metal, wood, and upholstery fabrics. What is changing is that these materials are now an integral part of the brand's 'green' vision. In particular, the world of plastics is undergoing radical change, and the use of post-consumer polymers is now a must.
The introduction of components made from recycled plastics (often recycled PET bottles are used) is a valid option for furniture manufacturers. Recycled PET is a common option for acoustic panels in Europe and worldwide. Recycled plastics are also used for the seats and/or backs of office chairs. Manufacturers are emphasising the importance of being able to update or refurbish a product to extend its life, for example with machine-washable upholstery or new parts. The ability to use something over a long period is important in reducing its environmental impact. At the end of a product's life cycle, it is also important to be able to separate the materials for recycling and possible new life. This approach starts at the design

Office and contract furniture reports

CSIL, a global perspective of the furniture sector with insights into all furniture segments and in-depth knowledge of the entire value chain.

- The world office furniture industry
- E-Commerce for the office furniture industry
- The European market for office furniture
- The office furniture market in Asia Pacific and China
- The office furniture market in North America
- Home office furniture market in Europe
- The contract furniture and furnishings market in Europe

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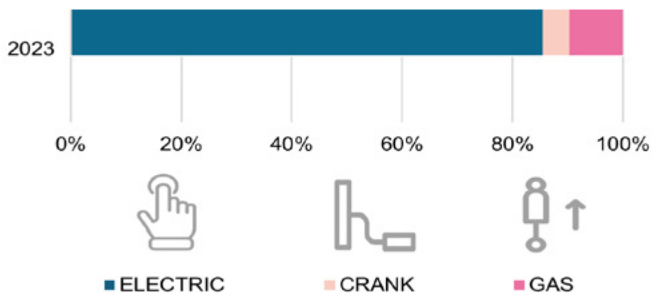
MAURO SPINELLI
CSIL SENIOR RESEARCHER

The strong expansion of height-adjustable desks

Height-adjustable desks (HAT) have been confirmed as one of the fastest growing segments in the global office furniture business, with growth outpacing that of office desks and the office furniture sector as a whole.
Originating in Scandinavia several years ago, height-adjustable desks began to expand in Central Europe during the last decade. But it's only in recent years that HAT has made its presence felt in North America. Almost all of the major players in the industry worldwide have introduced sit-stand desk collections, and these products are also becoming visible at the retail level (including e-commerce and large retailing surfaces).
According to CSIL estimates, global consumption of HAT amounted to US$3.5 billion in 2023, with double-digit cumulative growth over the last five years. This strong evolution has led these desks to account for more than a quarter of global office desk consumption, and market forecasts are expected to remain positive for 2024 and 2025.
Sales of height-adjustable furniture continue to grow in North America, but the share of total desks sold is lower than in Europe, with its stronger worker protection laws, which often require height-adjustable options. In the vast majority of Asia-Pacific countries, the use of HAT is quite limited, with the exception of South Korea and Australia.
The global supply of HAT bases and mechanisms is driven by a limited number of manufacturers with a global presence. Leading companies are mainly based in Europe and China, but also have manufacturing and assembly facilities in North America. A large proportion of the suppliers of height-adjustable desk components in North America are from outside the continent, mainly European and Asian companies that have set up warehouses and factories in the US to supply the industry.

WORLD HAT CONSUMPTION BY MECHANISMS USED, 2023.
PERCENTAGES SHARES



Source: CSIL

In terms of product features, electric is by far the most popular mechanism used worldwide (85% on average). The switch is mounted on the front of the desk, usually on the right-hand side, where the user presses a button to raise the desk to the desired height. Often these controls have preset buttons so that users can select several of their preferred heights. Control boxes mounted under the desks control and synchronise the movement of the legs.
It is worth noting that companies are introducing HAT desks not only in workstations, but also in common areas where people can eat, take a break or even hold short meetings. Usually, this type of combination consists of several small desks that are independently connected and have a single motor per position. Recent trends show that HAT collections are increasingly moving outside the traditional office domain, especially in education and home offices.

The CSIL report **'The world market for Height Adjustable Tables (HAT)'** (November 2023) offers a detailed analysis of the HAT market's dynamics, delving into key players, trends, types and product features, destinations, and budgets. This study can be ordered online with immediate download at **www.worldfurnitureonline.com**

MARKET INTELLIGENCE
OFFICE FURNITURE

CATERINA IACOBONI
CSIL RESEARCHER

Office furniture: what's next?

The office furniture industry worldwide reaches a total production value of over USD 52 billion, representing about 12% of global furniture production. As a sector, due to global events such as the COVID-19 pandemic, the office furniture segment has been subjected to various pressures and fluctuations in recent years. After rebounding by 13% in 2021, global production at current prices decreased marginally both in 2022 and 2023. Performance does vary across regions however, with Europe outperforming both North America and Asia-Pacific in terms of year-on-year growth. One caveat to this analysis that must be mentioned, is the effect of exchange rate fluctuations and inflation, which conditions the relative performances of each country. In general, the office furniture industry is highly concentrated in only 8 countries, which account for nearly 80% of total output: China and the United States are the largest players, followed at a distance by Germany, India, Japan, Canada, Italy, and Poland.

The top 5 producing countries are also the largest markets in the world for office furniture, though in a slightly different order: the US, China, Japan, India, and Germany. This highlights the fact that despite globalization, the office furniture sector remains a relatively local business in which most of the output is consumed where the product is manufactured. In fact, import penetration for office furniture is lower with respect to other furniture sectors.

The competitive landscape in the largest markets across the globe are also showing signs of concentration at regional levels. The North American market is concentrated around a few large US and Canadian firms, which are also major players on the world stage. The past two years saw an increase in level of concentration as 4 of the top 10 players merged into 2: Herman Miller and Knoll became MillerKnoll and in 2023 HNI International acquired Kimball. Following these brands, other important and large manufacturers include Steelcase, Haworth, KI, and Teknion. All these companies have a widespread production presence in North America and Mexico. However, procurement from Asia (especially China) is becoming more and more relevant, particularly regarding office seating.

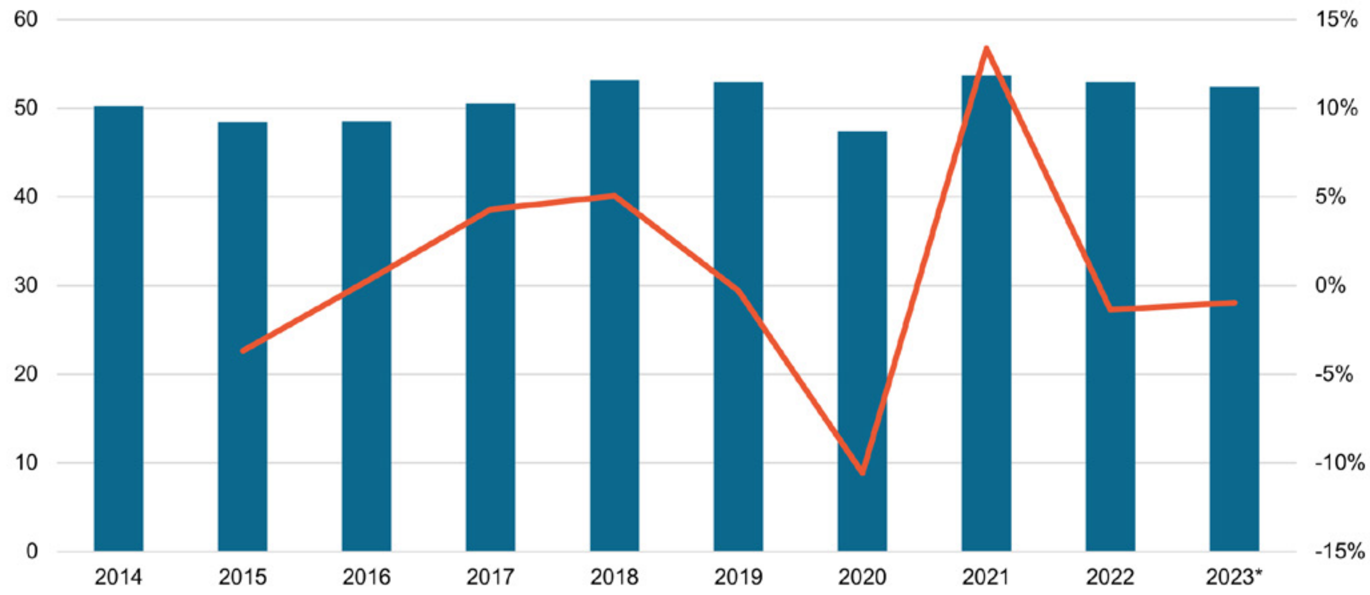
The following largest markets, China and Japan, could not be more different in terms of competitive landscape. On the one hand, Japan's office furniture market is one of the most concentrated, with a few companies holding the lion's share of the market. There are 4 leading brands, the first two which control a sizeable share of the market being Kokuyo and Okamura, but Itoki and Uchida Yoko, are also important players. On the other hand, China's office furniture sector is still highly fragmented. The leading players have a lower turnover range compared to other regions such as North America. Not only do they control a smaller share of the domestic market, but they are followed by a vast number of small-medium companies. Moreover, while the Japanese producers mentioned above concentrate their production in Asian countries, more and more Chinese owned factories are being bought or built in other regions. For example, UE Furniture opened a plant in Romania for its European customers, while Sunon opened a plant in Mexico dedicated to office seating for the North American market. Another Chinese segment leader, Henglin, decided to buy a Swiss manufacturer, Lista Office.

Market concentration in Europe also continues to increase. As of the end of 2023, the top 20 players represent an estimated market share of nearly 50%, which is a significant increase with respect to 2017. Most of the market share gains in this case however are taking place through strategic M&A operations.

AN UNCERTAIN FUTURE

The office furniture market in general is marked with deep uncertainty. Since 2020, when COVID-19 brought traditional offices to a halt, no one quite knows when or if traditional

WORLD PRODUCTION OF OFFICE FURNITURE, 2014 – 2023. US$ BILLION, % CHANGE



Source: CSIL estimates - 2023* preliminary estimate

offices and office-practices will come back. If anything, all signs point towards the office furniture market continuing to be impacted by structural and cyclical challenges, particularly regarding office occupancy. According to JLL, quarterly gross leasing volumes around the world have yet to return to pre-pandemic levels. Moreover, the global office vacancy rate rose to a record high of 15.6% as of mid-2023, with the largest shift occurring in the US (which reached 20%).

Other aspects that affect the office furniture market are rising construction costs, project delays and limited new financing, meaning that 2023 is expected to be the peak of the global development cycle. New groundbreakings have already fallen in the US and will slow in Asia following a record level of deliveries in 2023. However, this year an intensifying demand for new or refurbished space is likely to result in a growing shortage of adequate new supply as the pipeline reduces.

Looking at the long-term, a decline in construction and more stringent financing conditions will lead to supply falling below long-term averages from 2025. Combined with intensifying demand for new space, this will create a shortage of premium space as new supply vacancy reduces, encouraging greater rates of retrofits in second-generation stock to meet demand.

MANUELA MURA
CSIL INTERNATIONAL MARKETING

Shaping industry trends: key topics of CSIL multiclient 2024 reports

In a rapidly evolving landscape, staying ahead demands more than just keeping up with trends; it requires a strategic understanding of market dynamics. CSIL, through its 40-year research activities, monitors the furniture and furnishings industries, providing key insights to empower businesses with the most useful tools needed to understand the reference markets and make informed decisions and investments.

Navigating the dynamic furniture sector requires detailed market research as a strategic guide. CSIL's comprehensive catalogues are designed to offer the latest market data and trends, the most up-to-date statistics, an overview of the competition, and an in-depth analysis of market prospects, and are shaped by ongoing dialogue with companies in the target industries.

Within the furniture market research, CSIL's focus for 2024 includes a series of consolidated studies, delving into markets with high potential and product segments of significant interest to furniture players like outdoor furniture which is notably gaining attention thanks to the increasing focus on outdoor spaces in the last years, driving demand with substantial growth, and office furniture, which is undergoing a huge transformation after the challenges of recent years, with CSIL analysing product innovations like the HAT (Height-Adjustable Tables), Office Seatings, and Home Office products, along with company strategies.

The CSIL flagship report, 'World Furniture Outlook' will consolidate the analysis of the global furniture market, offering biannual releases in July and November and providing demand prospects for 100 countries. The CSIL Country Reports series will explore 30 European countries and potential markets such as India. CSIL catalogue will also include a title on furniture retailing in Europe, with an enhancement in contents and an expansion of the geographical area traditionally considered.

In the realm of soft furnishings, CSIL will report on mattresses and upholstered furniture, providing in-depth analysis of the world's main markets, supply systems, competitive landscapes, detailed profiles of the largest companies, and key manufacturers by country.

Turning to the lighting industry, CSIL will delve into this ever-evolving sector already from the first publication in this field, 'The World Market for Connected Lighting' (February 2024), reflecting a focus on trends and innovation, exploring a market that steadily grows due to the increasing adoption of smart technologies, IoT-based management systems, and other connected lighting devices.

Later in the year, CSIL will conduct an in-depth analysis of the main markets, focusing on established regions such as Europe and the United States.

Stay ahead with CSIL's market research, off-the-shelf reports, and tailored studies by visiting **www.worldfurnitureonline.com.**
All CSIL's multi-client studies are available for online orders and immediate download.

SUSTAINABILITY
RESEARCH

ALESSANDRA TRACOGNA
CSIL SENIOR RESEARCHER

Are European furniture companies embracing the green transition?

The European furniture sector generates approximately 2.8 million tons of CO_2 emissions, constituting around 0.4% of European manufacturing emissions. It consumes over 110,000 terajoules of energy and produces about 4.8 million tons of hazardous and non-hazardous waste (Eurostat). It is estimated that at present, between 80% and 90% of EU furniture waste in municipal solid waste is incinerated or sent to landfills. In a recent JRC study prepared for the ESPR – Ecodesign for Sustainable Product Regulation, furniture was identified as having a relatively high potential for improvement in terms of waste generation and product life extension.

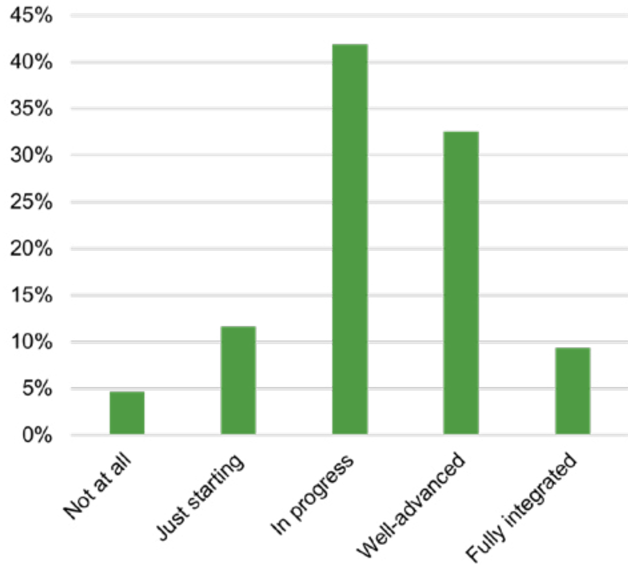
The European furniture sector, like other manufacturing industries, is embarking on its green journey. Key factors driving the adoption of innovative environmental solutions include compliance with regulations and a desire to enhance corporate reputation. Recently, escalating energy costs have also become a significant catalyst for companies to prioritize energy efficiency enhancements.

As demonstrated by a recent study conducted by CSIL, furniture and lighting fixture manufacturers are more and more actively engaged in transitioning towards greener practices. Out of a sample of 100 EU companies interviewed by CSIL, only a minority admitted to not being involved in the green transition. The majority indicate they are "in progress," while a significant portion claim their transition is "well-advanced."

Sustainable strategies focus on operational processes and product development, each with its own priorities. Currently, the main focus is put on reducing emissions from production processes.

Further evidence of the sector's commitment to the green transition can be found in data released by Eurostat on air emissions intensity. The figures suggest that the European furniture sector has been actively working to diminish its environmental impact. Between 2012 and 2020, major furniture industries experienced a decrease in emissions intensity, in some countries even faster than the overall manufacturing industry.

HOW WOULD YOU DESCRIBE YOUR COMPANY'S CURRENT LEVEL OF ENGAGEMENT IN GREEN TRANSITION? BREAKDOWN OF COMPANIES' ANSWERS



Source: CSIL Survey to a sample of 100 furniture and lighting fixtures manufacturers, November-December 2023

When asked about the proportion of investment devoted to the green transition, the most common response from respondents to the CSIL survey is in the range of around 1% of total turnover, with a significant proportion devoted to research and development. However, CSIL found significant differences between companies.

For many of them, the journey towards sustainability also leads to the decision to hire a sustainability manager - more than half of the companies in the CSIL sample have made this investment. And 70% of companies that have not yet done so will do so in the future.

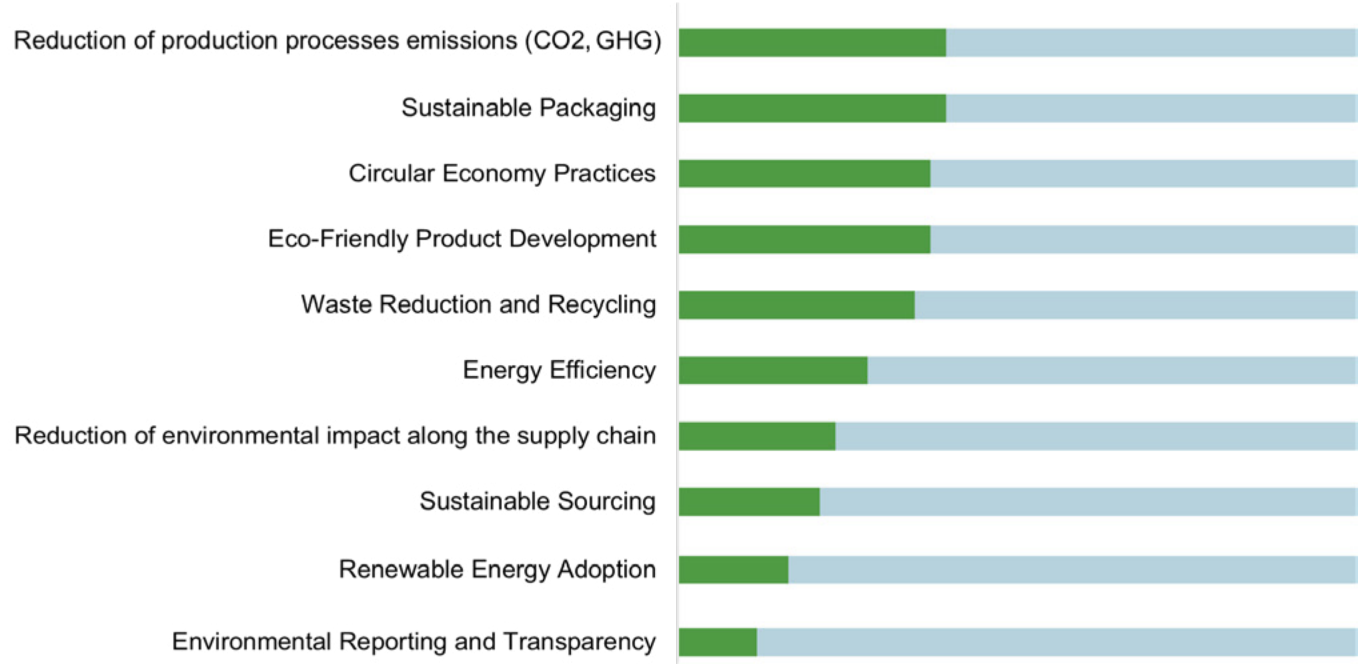
To testify their engagement in the sustainability journey, almost half of large companies (45% of the top 50 furniture companies monitored by CSIL) at present produce a sustainability report (in several cases at the #1 edition). GRI -Global Reporting Initiative-standards are often used as a framework for their sustainability reporting . Another substantial portion of companies, even if not publishing a specific sustainability report, devotes at the scope some dedicated webpages on the corporate website. The picture changes when looking at the whole furniture industry, which is mostly made up of SMEs which generally communicate less on this front. Transparency on sustainability issues is expected to increase in the future, also thanks to the Corporate Sustainability Reporting Directive legislation, which has been in force since January 2023 (see related article).

*HOW GREEN TRANSITION & DIGITAL TRANSFORMATION AFFECT THE FURNITURE AND LIGHTING FIXTURES INDUSTRY" is a study conducted by CSIL for ELCA-European Lighting Cluster Alliance and BIZ-UP Building Innovation Cluster Business Upper Austria within the framework of the SILEO Project. SILEO – Supporting recovery and business transformation of lighting and furniture SMEs for the Europe industry of tomorrow. The project was promoted and financed by EUROCLUSTERS (Call Joint Cluster Initiative).
For this study, CSIL adopted an evidence-based approach, focusing on company-level data gathering to have a real understanding of the present situation and direct feedback on companies' expectations regarding its progressive development in the green transition. In addition to field data gathering, desk-derived information was integrated into the analysis. More specifically,the study included:

- focussed desk..
- the implementation of
- desk review

Focussed desk review of company data for the top50 EU furniture players & the top50 EU lighting fixture companies. The selection was based on CSIL rankings, which order companies in descending order of turnover. Information gathered and reviewed included annual reports, sustainability reports, other official information released by companies, and other press releases.
The implementation of an online survey with a structured questionnaire to furniture and lighting fixture companies, gathering 100 replies from SMEs and large companies. The questionnaire investigated companies' present and planned engagement in the green and digital transition and their priorities in strategy formulation.
Desk review of multiple sources including: I) CSIL market reports on the furniture and lighting fixtures sectors, ii) EUROSTAT and other official statistical databases, iii) European Commission documents.

PRIORITIES IN THE COMPANY'S GREEN TRANSITION IN THE MEDIUM TERM. BREAKDOWN OF COMPANIES' ANSWERS



Source: CSIL Survey to a sample of 100 furniture and lighting fixtures manufacturers, November-December 2023

SUSTAINABILITY
RESEARCH

MARCO RICCHETTI
CEO BLUMINE

Circularity and textile recycling in Egypt

Experts Round table, Cairo, November 21st 2023

On November 21, 2023, during a one-day event in Cairo, the conclusive results of a study focused on the assessment of the technical, economic-financial, and market conditions for the modernization of the textile recycling sector in Egypt were presented by Blumine, coordinating the project, and CSIL.. The research was part of a project targeting the industrial textile supply chains of Egypt, Morocco, and Tunisia in the framework of the SwitchMed Programme launched by the European Union and managed by the United Nations Industrial Development Organization (UNIDO) to develop resource-efficient and circular value chains in the Mediterranean region.

Through the waste mapping carried out by the team, the research found that over 200,000 tons of pre-consumer textile waste are produced annually in Egypt. On the other hand, the country's recycling capacity is still limited and unable to fully valorize several types of waste. The aim of this UNIDO project was thus to demonstrate the technical and economic feasibility of the development of a modern textile waste valorization chain in the country.

Francesca Ardizzon, CSIL Researcher

Saccavini, Blumine Researcher

More specifically, two specific studies were presented during the event.
The first, carried out by Blumine with the collaboration of CSIL, was a feasibility study for a large-scale investment - approximately €200 million - for a chemical recycling plant aimed at the treatment of textile waste that is more difficult to process with mechanical or thermo-mechanical recycling. This is the case, for example, of mixed fibers. It was estimated that these technologies could recycle approximately 60 thousand tons of mixed textile waste annually. The study considered a scenario in which the input of textile waste (polycotton, other mixed fibers, pure polyester) consists of 70% polyester and 30% cotton. In this scenario, the plant would produce up to 40 thousand tons of recycled polyester and 17 thousand tons of cotton fiber to be transformed into cellulose.

The second, prepared by Blumine, was a business plan, based on existing cost and revenue conditions in Egypt, for an investment in a modern mechanical recycling line to produce cotton fibers for spinning. The considered investment size was of €2.5 million for a complete line, including complementary equipment and construction expenses of the plant, on a total area of 7,000 square meters, including warehouses and the logistics area. The results of the study highlighted the profitability conditions of the investment, assuming no incentives or public contributions and net of bank interests. The study also identified the most suitable industrial areas for plant location. With recycled polyester prices around €1,500-1,600 per ton and €400-500 for cotton fiber to be transformed into cellulose, gross industrial margins are positive, and the investment payback period from the start of production is 7 years. Finally, it was estimated that the plant could potentially replace between 35% and 50% of Egypt's annual PET imports with local production from waste recycling.

In addition to the presentation of the studies, the event featured interventions on the topic of modernizing the recycling chain in the country by Ayman El Zahaby, Regional Coordinator of Switchmed for Egypt and Jordan (UNIDO), Egyptian textile entrepreneurs, the Apparel Export Council of Egypt, the Egypt Textiles & Home Textiles Export Council, PETCORE Europe, the European association of PET producers, and the vice president of Chemical Recycling Europe, the European association of chemical synthetic fiber recyclers.

Finally, the intervention of local financial institutions illustrated the financing tools available for recycling plant investments under the Egyptian Pollution Abatement Project (EPAP III) and the Green Economy Financing Fund (GEFF).

Marco Ricchetti is the CEO of Blumine, founded in Milan in 2010 by a network of professionals and researchers committed to the mission of creating value in the fashion and design supply chains by applying sustainability principles. https://blumine.it

SUSTAINABILITY
POINT OF VIEW

MINDAUGAS MORKUNAS
FURNITURE SUPPLY CHAIN AND BUSINESS DEVELOPMENT EXPERT

No panic to mitigate the challenges

How would you describe the recent performance of the furniture industry?
The last 15 years have seen many ups and, more recently, downs. The decade before the global pandemic witnessed steady growth for the industry and 2020-2021 brought a further, unexpected upturn for furniture manufacturers. But from 2022 to the present, the industry has been experiencing a sharp downturn.

What are the main challenges the industry has been facing?
The lingering effects of the energy crisis, material price increases and supply chain disruptions, consumer reluctance to spend due to rising mortgage/rent costs, and the uncertain financial outlook are all taking their toll.
Although the furniture market has seen some light at the end of the tunnel, the beginning of 2024 doesn't look promising, and manufacturing companies are still navigating a barrage of economic and geopolitical issues.

How should companies react to these challenges?
In my opinion, uncertainty due to fluctuations and fast-changing circumstances is the overarching problem that the furniture sector continues to face. We can mitigate the challenges if we don't panic; if we look to the future and focus on creative solutions in the present. What can we do now? The industry can navigate through these uncertain times only if it focuses on some core values, including, but not limited to, investment in skills, design, new technologies; and by focusing on sustainability.

Why is the focus on sustainability so important?
To make the world a better place, regardless of the size of the business, it is essential to invest in sustainable business models and sustainable products of high quality, made from responsibly sourced materials that are built to last. Moreover, furniture manufacturers should consider investing in a more circular economy, where products can be easily upcycled or recycled at the end of their life. According to the European Environment Agency, adopting circular economy principles in the furniture sector could lead to a 50% reduction in carbon emissions and a 32% reduction in material consumption.

Can you give some examples of actions and strategies?
Forging alliances with sustainability-focused partners is of paramount importance. Whether they focus on innovative adhesive solutions, alternative fuels, or sustainable materials and certification, such collaborative partnerships drive sustainability transformation in the furniture industry.
A more localized approach to manufacturing is another way to support a sustainable and resilient future by reducing the carbon emissions associated with long-distance shipping and supporting the growth of regional economies.
On-demand manufacturing - making products in response to specific customer orders rather than producing goods in large quantities in advance -minimizes inventory and storage costs, enhances overall efficiency, and reduces waste while ensuring that products are available precisely when customers want them.
The use of digital and advanced manufacturing technologies can support this approach. 3D modeling, virtual reality, and augmented reality are all increasing the customization and visualization of furniture designs. Similarly, automated production systems help to improve efficiency and reduce lead times. Finally, I would like to stress the importance of continuing to talk, share and collaborate across the furniture sector in Europe.

Mindaugas Morkunas is a professional with more than 15 years of experience in the international furniture supply chain. He has worked, among others, for IKEA and Henkel.
https://morkunasconsulting.com

CSIL RESEARCH TEAM

Corporate sustainability reporting: what the EU is doing and why

The European Union regulations mandate that large corporations and listed companies must regularly release reports concerning the social and environmental risks they encounter and detail the effects of their operations on society and the environment. Sustainability reports are increasingly accessible to investors, civil society organizations, consumers, and other stakeholders and constitute an essential piece of information for assessing companies' sustainability performance.

Recently, the EU made a further step forward in this direction and on 5 January 2023 the Corporate Sustainability Reporting Directive (CSRD) came into force. This new Directive modernizes and strengthens the rules concerning the social and environmental information companies have to report on and extends the set of companies that will have to comply.

In particular, businesses that meet two of the following three conditions will have to comply: i) €40 million in net turnover, ii) €20 million in assets, iii) 250 or more employees. Additionally, non-EU companies with an EU presence must comply if their turnover exceeds €150 million. It is estimated that the CSRD will directly affect around 50,000 companies in the EU.

The timeline for rules application is between 2024 and 2028, starting from large public-interest companies (with over 500 employees) already subject to the Non-Financial Reporting Directive (NFRD), with reports due in 2025 to January 2026 for listed SMEs and other undertakings, with reports due in 2027. SMEs can opt-out until 2028.

The new regulations aim to guarantee that investors and other stakeholders can access necessary information while also lowering reporting costs for companies in the medium to long term by harmonizing the required information.

CSRD reporting is based on the concept of double materiality: organizations have to disclose information on how their business activities affect the planet and its people and how their sustainability goals, measures, and risks impact the business's financial health. For instance, beyond merely disclosing energy consumption and expenses, CSRD mandates the inclusion of emission metrics illustrating the environmental repercussions of energy usage, set goals for mitigating these impacts, and insights into how achieving these objectives will affect the company's financial performance.

Currently, only one in two of the top 50 EU furniture companies monitored by CSIL issues a Sustainability Report (in several cases at the #1 edition). This number will increase year by year. Many companies are gradually adopting advanced software solutions and artificial intelligence to efficiently manage the information flows mandated by the Directive. These technologies enable data collection and analysis automation, minimizing errors and improving the accuracy of sustainability reports.

SUSTAINABILITY
CSIL SERVICES

ALESSANDRA TRACOGNA
CSIL SENIOR RESEARCHER

Sustainability and circular economy: how CSIL can help companies to navigate sustainable paths

Sustainability is one of the most important megatrends presently impacting on product development, markets, industrial transformation, and economic models. The identification and assessment of opportunities and challenges arising in the green transition process and the design of strategies that empower businesses to thrive while contributing to a more sustainable future are becoming top priorities. CSIL in-depth knowledge of value chain functioning maturated over the grounds of sectorial economic analysis in various sectors including construction and interior design (furniture, windows, doors, flooring), textile and fashion (clothing and footwear, household textile, technical textile), electronics (lighting fixtures, domestic appliances), and the related supply chains of wood, plastic, metal, leather, textile, glass, ceramics, etc is a unique asset which CSIL exploit when supporting companies to design and navigate sustainable paths. CSIL offers dedicated services in various areas: markets, materials, business models.

Markets acceptance of (more) sustainable and circular products is a crucial element in the green transition process. For sustainability initiatives to make a significant impact, they must scale across markets which is feasible when products or services offered drive or intercept and align with demand for sustainability. CSIL offers support to:

- Sustainable market(s) assessment, market sizing and forecast at the product or sector level;
- Market opportunities identification and mapping;
- Analysis of demand features and consumers' acceptance of sustainable and circular products; Consumers' willingness to pay
- Analysis of the regulatory context

Materials are a critical step in the decarbonization and green transition process. The way they are produced, sourced, and potentially reused is becoming more and more crucial and new paths for materials in the circular economy are constantly emerging. Materials traceability is also expected to increase in importance in the future. CSIL offers support to:

- Supply chain(s) mapping and identification of new supply chains (e.g. through industrial symbiosis)
- Materials flow mapping, industrial preferences in materials adoption
- Secondary markets assessment
- Feasibility analysis for investments in sustainable products and processes, including recycling

In the context of the green transition, the shift from a linear to a circular economy requires **business models** to transform and innovate. The shift to (more) circular business models is strategically important but at the same time poses multiple challenges to address, particularly concerning their economic and financial feasibility.
CSIL offers support to:

- Competitive system mapping, benchmarking analysis
- Analysis of economic and financial performance of circular business models
- Feasibility studies for the implementation of circular business models.

Avery Dennison, Aquinos Group, and TripleR announce landmark initiatives to drive mattresses traceability

COLOGNE – January 16, 2024

Avery Dennison, a global leader in materials science and digital identification solutions, and partner TripleR, are pleased to work with European bedding giant Aquinos Group to enable it to become the first in its sector to be in line with the recently agreed EU Digital Product Passport (DPP) rules. The initiative ensures that all bedding materials can be digitally identified and managed - helping to prevent them from going to waste and aiding the circular economy.

Aquinos Group is one of Europe's largest mattress manufacturers and operates 20 European factories. Within the group, Aquinos Bedding commercializes branded products under well-known brand names with a strong heritage, such as BEKA, Lattoflex, Swissflex,
Schlaraffia, Sembella and Superba. Starting in 2024, it will now begin tagging products with digital ID technology powered by Avery Dennison's atma.io connected product cloud providing those in the circularity chain with unprecedented information about the origins and materials used in the product.

This process creates a 'digital twin' on the atma.io platform with precise product information. In the future, RFID tags on products will be scanned at recycling centers so that product dismantlers can instantly understand the materials used in manufacturing and separate them more efficiently and effectively so they can be used again. Consumers will also be able to scan the QR code with their smartphone to access detailed product information pre and post-purchase to make better-informed decisions.

When the DPP scheme for mattresses comes into force, Aquinos will have already tagged one million items.

Some regions will become active even sooner – in Belgium all mattresses will be RFID-enabled by 2025. Aquinos and TripleR are in alliance with the Belgian industry association Valumat as part of a pioneering collaboration that also includes product dismantlers.

Benjamin Marien, international commercial director at Aquinos Bedding, explains: "DPP sets the next important step in circularity. We want to lead by example to inspire the markets, our industry partners, and the bedding sector overall to advance environmentally responsible business practices. As the brand owner of some of the leading European bedding brands, we will use the power of the brands to raise external awareness of the importance of DPPs. With TripleR and Avery Dennison, we are moving bedding sustainability beyond niche implementation to mainstream, and this will be crucial to put an end to bedding materials going to waste."

Stefaan Cognie, co-founder, TripleR, adds: "This project is an important milestone and sets a benchmark for how the DPP scheme will operate across Europe to enable sustainability and circularity. We have already developed a digital Identification standard in the bedding industry in Belgium and are engaging with extended producer responsibility (EPR) bodies and mattress associations in different European countries, as well as with the overarching European Mattress Association EBIA to bring DPP compliance to fruition."

Michael Goller, senior director for atma.io at Avery Dennison, concludes: "We are proud to be working on this project with Aquinos and TripleR. Mattresses are complex and bulky products that require a highly sophisticated sorting and dismantling process. To date, it has proven difficult to do this in a cost-efficient manner - leading to millions of mattresses going to landfill each year. This is precisely why DPPs have been established and we are excited to push boundaries with our partners towards greater traceability, efficiency, and circularity."

AVERY DENNISON

SPOTLIGHT

TREVIRA CS

When safety meets design and sustainability

© Photo: Indorama Ventures Fibers Germany GmbH | Torn fibers and Nonwovens

Textiles that satisfy international fire standards are an absolute must in the contract market thus putting a special challenge to designers and interior architects. Trevira CS fabrics meet the important fire safety standards that have been defined worldwide and stand out for their inherently flame-retardant qualities. Due to these the fabrics create a safe, attractive and comfortable environment for hotels, restaurants, hospitals, offices, public buildings, railways, aircraft and cruise ships. A wide range of Trevira CS collections with thousands of designs is available worldwide. The fabrics are used as curtains, drapes, decorative and upholstery fabrics, in interior sun protection and as wall coverings or room dividers.

It is the built-in safety that makes the difference. In contrast with other fibres and textiles which owe their flame-retardant properties to a finish that must be replaced after washing or cleaning, Trevira CS provides permanent safety which cannot be reduced by use, cleaning or ageing. This is due to the chemical structure of the polyester fiber: the flame-retardant properties are firmly anchored in the fiber and cannot be altered by external influences.

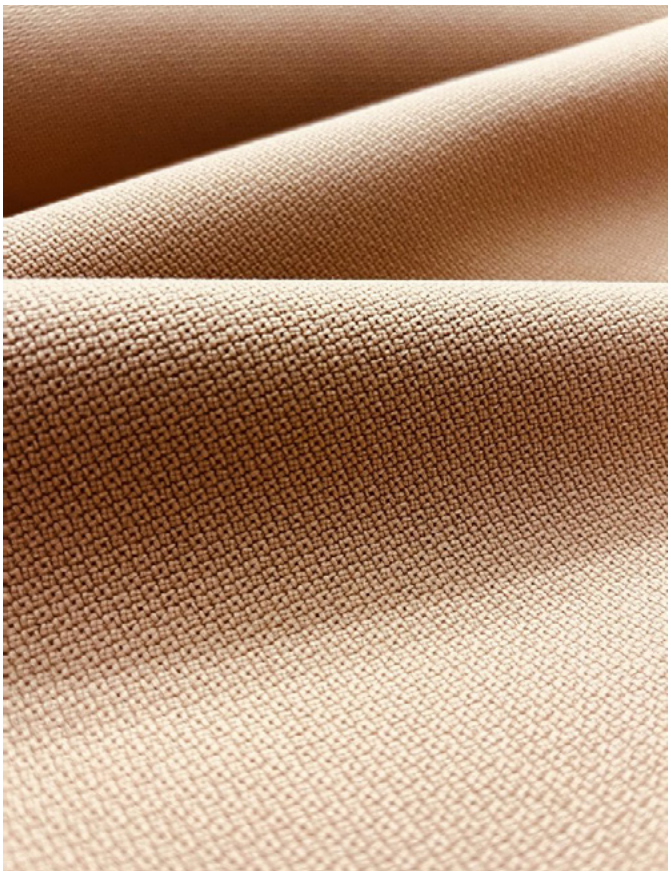
In contract applications functionality and performance are a must. However, Trevira CS has a lot more to offer. From a sustainably furnished ambiance, to a luxurious interior or a casual outdoor area, to a cozy retreat – Trevira CS creates a high-end aesthetic, an atmosphere that inspires and appeals to our emotions – and does so with fabrics that are safe.

Trevira CS takes multiple approaches to enhance its sustainability performance. One approach is to take care of fabrics that are no longer needed. For some years already, Trevira CS has had a take-back program in place. Used Trevira CS fabrics (post-consumer) or unsold Trevira CS residual materials (pre-consumer) can be recycled as part of the Trevira CS return program. The returned fabrics are mechanically recycled and shredded into torn fibers,

© Photo: Indorama Ventures Fibers Germany GmbH | Selection of Trevira CS fabrics
© Photo: Indorama Ventures Fibers Germany GmbH | Trevira CS fabric from Gabriel S/A made from chemically recycled raw material

which are further processed into nonwovens with various specifications, if necessary, by adding new and/or low-melt fibers. These can be used in a variety of ways, like for thermal and acoustic insulation and as soundproofing panels. Nonwovens for acoustic panels are particularly interesting, becoming sound-absorbing wall coverings, free-standing partitions, ceiling suspensions or decorative objects, to name a few.

The long-term goal in developing sustainable products is undoubtedly to enter a circular economy. For this new path, an innovative Trevira CS product development was launched, producing flame-retardant fibers and filament yarns from chemically recycled raw material. By recycling valuable materials such as packaging material, waste can be avoided. The raw material obtained from this recycling process is comparable to the original material and can be used again in high-quality products. The greatest advantage, however, lies in the potential that this approach opens up for the future. If we use raw materials obtained by chemical recycling of PET packaging / bottles today, we could potentially recycle textile waste in a similar fashion in the future.



SPOTLIGHT

PAOLA GOVONI
CSIL EDITORIAL CONTRIBUTOR

Introducing MMA projects, where architecture and genius loci merge

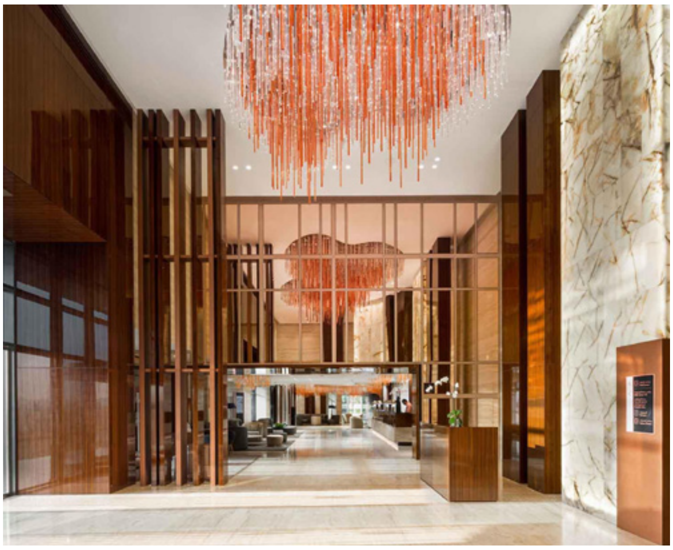
MMA Projects is an architecture and interior design studio internationally known and recognized as a reality that promotes Made in Italy in the countries where it is present, through excellent synergies, skills and specializations in the main areas of architectural design, from villas and luxury residential compounds to retail, from corporate headquarters to conference halls and high end hotels.

VOCATION TO BEAUTY AND CONTINUOUS GROWTH

A press meeting organized by OGS Public Relations & Communication allowed to review the most significant projects of the studio based in the hinterland of Milan and born in 1999 from the encounter of Marco Mangili, Dorotea De Simone and Alessandro Vaghi, who constitute the central nucleus around which a continuously growing group has developed, made up of 40 collaborators, including architects, designers, engineers and researchers, who work in synergy to provide the customer with integrated solutions.

MELTING POT OF CULTURAL MOULDS

The presence of different cultural moulds in the MMA Projects studio allows projects to be enriched with aspects that arise from an original approach to shapes and materials and are developed through constant attention to the specificities linked to the place and culture for which the project is intended.
Examples include the reference to the mashrabiya, the natural forced ventilation device typical of the architecture of hot countries and to the grills, originally made up of inlaid wooden elements assembled according to a complex scheme or, again, the presence of a formal area divided into majilis, the place of Arab hospitality and conviviality, as well as the presence of textures and decorative bas-reliefs referring to local traditions.
The Genius loci approach thus translates into projects with a unique vision.



Hotel Millennium Place, Dubai, 2018

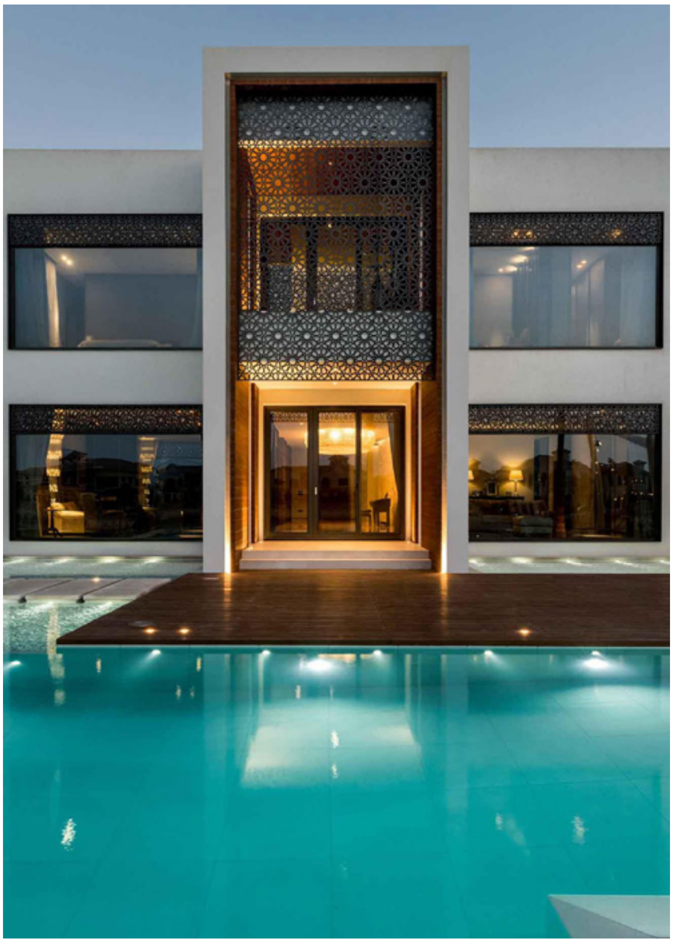
CREATION OF FUNCTIONAL AND POETIC SPACES

The imprint of a sculptural architecture is strong in the creations of MMA Projects, where the play of volumes and reflections of light define the architectural spaces in an amazing game of lights and shadows, full and empty spaces. As underlined in the studio's presentation: "MMA Pojects is the elaboration of contemporary styles and expressions in which the dialogue between design and scenography, architecture and technology, is applied to the context and needs of the client, for the creation of functional and poetic spaces . The creative code of the minds that characterize the team is a high visual and aesthetic approach, which combines with practicality, functionality, precision and 'sartorial' attention to detail, leading to the search for excellence."

FROM THE MIDDLE EAST TO CHINA

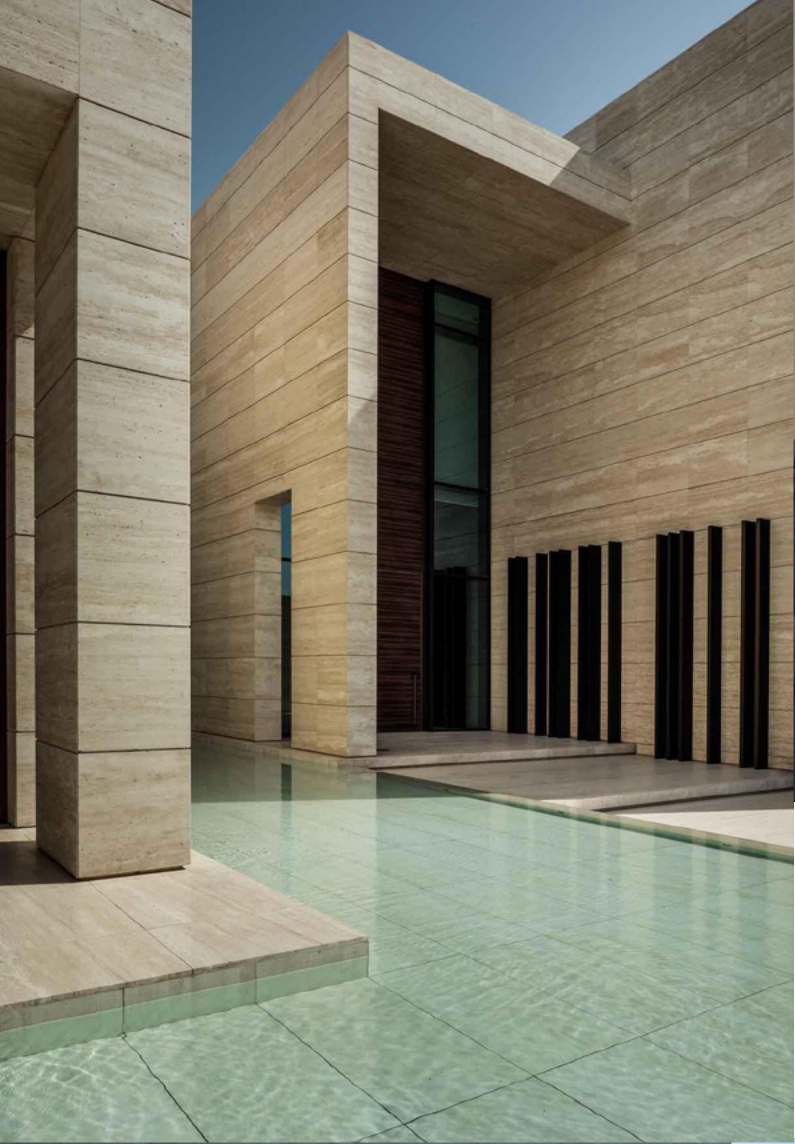
Over the years, important projects have contributed to the growth and expansion of MMA Projects in Italy and towards

Right: Pozzoli Headquarters, Italy, 2007
Left: Villa AZ, Dubai Palm Jumeirah, 2018/2022



On the sustainability front, the studio shows excellent skills and sensitivity, which are expressed, for example, through the application of cogeneration systems, the extensive use of photovoltaic panels, the use of recyclable materials and low energy consumption lighting, as well as the application of home automation control systems of the newest generation.

international markets, particularly in the Middle East and China. The studio boasts a multi-year presence in Dubai, where it operates with a local consultant, while in China it benefits from the consolidated partnership with a local developer.
For the development and implementation of projects, the studio works with a network of Italian professionals, who offer the technical skills, high craftsmanship and level of customization required to cover each step of the project. The materials - marble, natural stone, king size ceramics, crystals, metals, precious woods, fabrics and leathers - come mainly from Italy, as do the decorative lighting and technical lighting fixtures. This implies a first-level logistics organization, capable of managing the entire supply chain and the handling of materials from the place of origin to the onsite construction sites. Having good relations with local working teams is also part of a successful project implementation.



Left: Villa AB, Jumeirah, Dubai, 2017
Above (from left): Marilena Puppi, CEO OGS Communication, Dorotea De Simone, Marco Mangili, Alessandro Vaghi, Studio MMA Projects
Below: Axiom Telecom Headquarter, Dubai Silicon Oasis, 2018

SPOTLIGHT

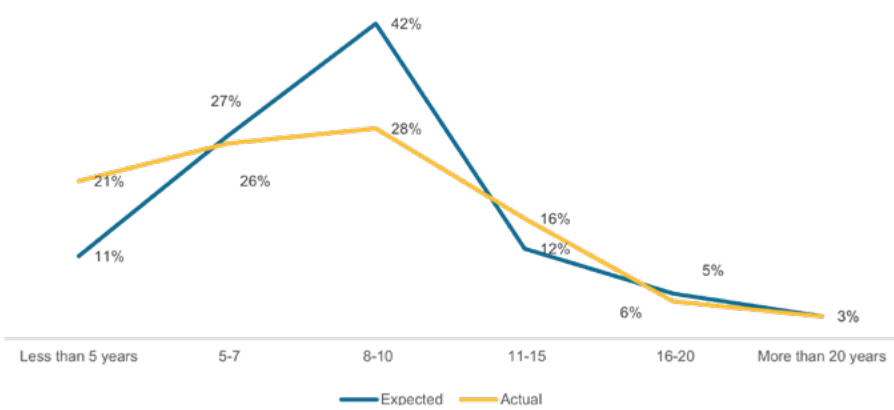
RYAN TRAINER
PRESIDENT, INTERNATIONAL SLEEP PRODUCTS ASSOCIATION (ISPA) AND MATTRESS RECYCLING COUNCIL (MRC)

New mattress consumer research

Mattresses, like any investment, deserve a regular check-in for comfort and support. The Better Sleep Council (BSC), the consumer research arm for the International Sleep Products Association, suggests consumers evaluate their mattress every seven years for comfort and support. A recent BSC survey highlights the reasons why consumers start shopping for a new mattress, from wear and tear to income changes, cost concerns, health considerations and the allure of new technology.

What are the most common influences on consumer behavior when purchasing and replacing their mattress? The survey explores influences like replacement cycles, pricing, and overall buying experiences. Providing an insider's look into the preferences of today's shoppers, this survey compiles insights from 1,039 US respondents aged 18 and older.

MATTRESS REPLACEMENT CYCLE



Expected: How many years would you expect to keep a new quality mattress? (N=1039, 13% not sure)
Actual: How many years did you have your previous mattress before your replaced it with the one you currently sleep on? (N=1039, 29% not sure)
Source: The Better Sleep Council (BSC)

SAYING GOODBYE TO YOUR MATTRESS

For 34% of people surveyed, their mattress' age triggers them to buy a new one, but other factors can also influence a consumer's return to the marketplace. The most common reason for replacement (77%) is the deterioration of the mattress itself, including discomfort, sagging in the middle, or becoming too noisy or squeaky. Next is a health or comfort reason (71%). Among those who get a new mattress for health reasons, their top cause for replacement (cited by a little more than half of respondents) is the feeling that it no longer provides a good night's sleep, followed by the mattress being too soft (25%), the consumer's body changes like weight gain or aging (14%), the mattress being too firm (12%) or a doctor's recommendation (10%).

Other triggers include mattress improvement or upgrade (37%) and home or lifestyle improvement (34%). Within the home improvement group, 37% of respondents had a mattress 4 years old or less. Overall, mattress deterioration and health and comfort are the most common triggers for mattress replacement.

Of those who purchased a new mattress for home improvement, 16% said they made the purchase because they were moving to a new house or apartment. Other reasons included needing a mattress for a guest room or kids' room (12%), a lifestyle change such as marriage, divorce, or a new job (9%) or redecoration (7%).

SOMETHING NEW

According to the study, most consumers expect a mattress to last between 8 and 10 years. On average, expected and actual replacement cycles in 2023 are like those in 2020 and 2016. Since 2016, more consumers expect to keep their mattress less than 8 years (38% in 2023 vs. 32% in 2016).

Once consumers decide to shop for a new mattress, what do they plan to buy? And when? Of the 81% of respondents who said they were planning to replace their mattress, 33% plan to do it within two years, compared with 8% in the next few months. Those on longer timelines for replacement expect to purchase a mattress in the next three to four years (19%), five to seven years (16%), or eight to 10 years (8%). A small 5% planned to wait 11 years or longer. Although most knew when they would replace their mattresses, 13% of consumers were unsure. Surprisingly, 6% stated they did not plan to replace their mattresses.

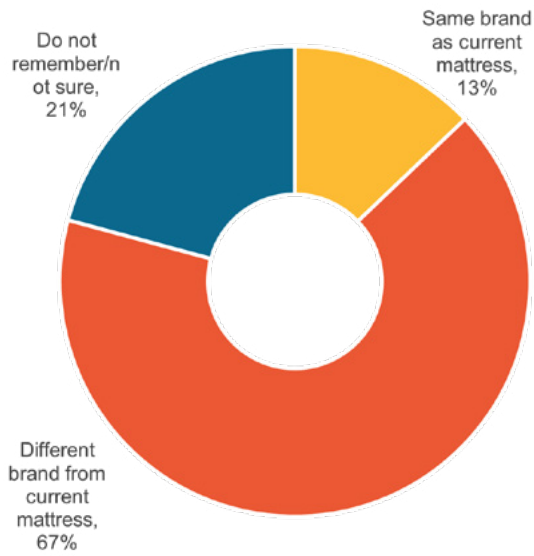
A little more than half of respondents with replacement plans intend to buy only a mattress, compared with 36% who plan to get a new mattress set (mattress and flat box spring or foundation), and 13% who plan to purchase a mattress and adjustable foundation. For consumers who expect to buy a mattress soon, many know the size they'll be purchasing and how much they want to spend. According to the survey, when buying a mattress for themselves (as opposed for a guest or child's room), over eight in 10 would buy a king, California king or queen size. On average, those consumers are willing to spend around $1,300 for a mattress or mattress set. Smaller sizes are less popular, with just 10% of consumers intending to buy a full-size or double mattress, followed by 4% who plan to purchase a twin size.

ON BRAND

Study after study shows that advertising wields considerable influence on what a consumer purchases, and mattresses are no exception. One-third of mattress buyers attribute their decision to begin shopping to advertisements, often driven by factors like sales, special offers or coupons. Purchases inspired by advertising often involve state-of-the-art technology (39%), followed closely by the allure of a new mattress brand (26%).

Two-thirds of consumers note a brand shift between their current and previous mattresses. Delving deeper, the top three reasons for opting for a different brand include a low price or discount (38%), a more favorable brand reputation (31%) and dissatisfaction with their prior mattress or mattress set (21%). Among the 13% whose current mattress is the same as the previous brand, almost half attribute it to satisfaction with their prior mattress or mattress set. Not surprisingly, less than half of consumers express a high likelihood of sticking with the same brand. This may be because only one-quarter of respondents consider themselves "highly knowledgeable" about mattress brands.

BRANDS OF PREVIOUS MATTRESS VS. CURRENT MATTRESS



Source: The Better Sleep Council (BSC)

AREA OF INFLUENCE

The research also analyzed 30 features and characteristics that influence consumers' mattress purchasing decisions. Ultimately, fulfillment, choice and price, in that order, are the top three factors when choosing a particular retailer. In the fulfillment category, the most important services for consumers were free delivery (60%), free pickup of discarded or old mattresses (38%) and easy returns (26%). The factors that scored the lowest included online chat support (5%) and offering appointment-only shopping (3%), suggesting that these have less influence on consumers' retailer preferences. When considering pricing, a little over half of respondents considered low prices or discounts in their shopping, while 19% were motivated by financing options. In the category of choice, the top drivers were a wide selection of mattresses (42%) and the ability to comparison shop (29%). After fulfillment, choice and price, the top considerations included a retailer's reputation, sales associates, the retail environment, warranties, and the benefits of the mattress, including potential for health improvement or details about its construction.

The BSC has played a vital role in educating the public about the significance of sleep in one's overall health and the pivotal role of a quality mattress and sleep environment. This latest report from the BSC serves as a valuable resource for today's mattress producers, component suppliers and retailers by providing insights into the factors that guide consumers in the mattress marketplace.

PROSPECT
PREVIEWS

PAOLA GOVONI
CSIL EDITORIAL CONTRIBUTOR

Light + building 2024 Lighting of today and tomorrow

The interaction of digital systems, intelligent building-control systems and connected mobility is leading to dynamic changes in the use of rooms. The living room can become an office. Office should have both quiet working areas and communication zones for social interaction, while hotel lobbies turn into co-working spaces. Outdoors, green areas, recreation and encounter spaces are ideal for socialising and sporting activities. Luminaires play a vital role in the successful, multifunctional use of rooms and spaces. They influence people's perceptions, set the scene and ensure the appropriate atmosphere in each individual case.

Over 2,000 exhibitors of lighting solutions will present innovative lighting concepts at Light + Building in Frankfurt am Main, Germany from 3 to 8 March 2024. After Germany, the best represented nations include Italy, Turkey, Spain, Poland, the Netherlands, Great Britain, France, Belgium, Greece and China. "There is a high level of interest in taking part again in 2024, on both the lighting and building sides", says Johannes Möller, Head of Light + Building Brand Management. The top theme 2024, 'Work + Living' will focus on the modular use of rooms and spaces both indoors and outdoors, alongside changing demands on lighting, which should be adaptable and usable individually, as well as integrate different functions and combine high-grade design with innovative technology in all its facets and fields, including special situations and unusual applicative solutions.

DESIGN LIGHTING. Facing an age of dynamic change and hybridity, luminaires can keep up with a process of continuous change, calling for maximum flexibility and adaptive concepts. Designers experiment with new materials and technologies, cooperate with glass blowers and take advantage of sustainable manufacturing processes and resources. Lighting experts will show creations allowing situational changes between different lighting moods and making statements in terms of modern aesthetics and technology, including luminaires with iridescent surfaces, ribbed glass panels or glass of different thicknesses. Handcrafted sculptural luminaires also set special accents. Unexpected and contrasting material combinations result in highly expressive lighting fixtures.

NEW WORK. Flexible working at home, in 'traditional' office or when travelling, offers greater freedom asking for new concepts linked to the specific communication circumstances. This brings a great potential in terms of staff creativity, well-being and productivity. Lighting has an immediate impact on interior settings with the associated planning work taking place in the area between, on the one hand, normative and building regulations and design requirements and, on the other hand, individual working needs. Appropriate lighting management can ensure a high level of energy efficiency. Modular systems combining intelligent control with a simple, elegant design offer maximum flexibility. Open tracks allow LED spotlights to be combined with suspended elements, sensors and a variety of other elements. Uncluttered, modern luminaires can be positioned directly above workstations without creating distracting reflections on reflective surfaces such as tablets. Flat lighting elements ensure a lighting design harmonising with the architectural lines, allowing a variety of applications within a uniform design language. Strip lighting systems create different spatial dimensions generating dynamic effects in the room.

ACOUSTIC LIGHTING. Light, colour, and furniture influence our space perception. However, another invisible aspect also contributes to a sense of well-being: the acoustics. Whether open-plan offices, catering areas or reception areas, acoustics play a pivotal role wherever several people are gathered, communicate with each other or hold confidential conversations. Luminaires have the potential

to combine a pleasant lighting atmosphere with sound-absorbing qualities. Such lighting fixtures are sustainably manufactured from felt, recycled plastic bottles or other acoustically effective materials, taking the form of acoustic panels in various sizes and colours, as well as integrated light sources that can be mounted on walls or suspended from ceilings.

URBAN AND OUTDOOR LIGHTING. Light and lighting fulfil various functions in urban settings. They are used to safely illuminate streets, squares, parks, subways and sports facilities. Moreover, the aesthetic aspect has an influence on people's perceptions and the atmosphere. Light promotes public life. The more attractive a place, the higher the quality of time spent there. Architecture can be accentuated effectively with accent lighting or harmonious facade lighting. Bollards and lamp masts provide not only light for paths. They offer much more, i.e., they can be fitted with charging technology for electric vehicles, serve as Wi-Fi hotspots or provide space for additional sockets, floodlights and emergency lighting. Timeless lighting columns prevent shadows from being cast on paths by creating ambient light. Reduced design is also used in gardens, where waterproof plug-in connections allow for more flexibility. Small luminaires highlight plants and selected areas.

THE TRENDS FOR 2024/25. Claudia Herke, Cem Bora and Annetta Palmisano analyse international trends in fashion and art, interior and lifestyle for Messe Frankfurt. Three key trends will play a major role.
EMBRACE SIMPLICITY. It looks at the ever-growing awareness of beneficial designs and quiet arrangements. New design approaches open the view for holistic considerations, that are sustainable, functional and emotional. Pure, natural, with structural and material sincerity, the authentic luminaire designs and the sustainable material developments are always associated with a story. Here, quality craftsmanship is just as much in focus as natural materials, imaginative experiments with alternative materials, modern manufacturing technologies and an amazing sense for the useful and the emotional.

CREATE UNIQUENESS. Here, the special, the "one of a kind", the incomparable, diverse and special designs with a distinctly unique character come together to create an eclectic mix. Striking shapes, expressive surfaces, unconventional designs make interiors look like a select, curated collection of artistic pieces. The use of different between industry and craftsmanship,

WELCOME TOMORROW. It combines magical lighting effects, fascinating designs with advanced technologies. Designers and developers ingeniously explore the innovative possibilities and create visionary designs. With stunning visual and illusory effects such as reflections, movement, unreal colour glow as well as sensory lighting effects, they create a hypnotic aesthetic effect. Craftsmanship and sophisticated technologies come together consistently in the trendsetting designs.

EMILIA PREVOSTI
EDIMOTION

A global hub for the furniture industry

Following the overall theme 'Design Trend, Global Trade and Full Supply Chain', CIFF 2024 opens its doors once again at the Canton Fair Complex in Guangzhou Pazhou playing a key role in the global furniture industry, both by promoting design and innovation and by fostering international trade in furniture Made in China, ensuring privileged access to the vast Chinese market for international brands.

The 53rd CIFF Guangzhou 2024 will take place in two phases organised by the product sector, proposing a new exhibition layout to optimise the space, which has been further expanded to 830,000 square meters, and better meet the needs of the anticipated 380,000 visitors.

The first phase, from 18 to 21 March 2024, is dedicated to home furnishing. In the Home Furniture sector, a great deal of space will be reserved for the theme of Design: No fewer than five pavilions in Area A of the Canton Fair Complex will showcase the latest trends in home furnishing, attracting professionals from both Chinese and international large-scale projects; eight pavilions in Area B will feature the Sofa & Bed theme with important brands whose production, OEM/ODM services, and 'one-stop' solutions are particularly in demand among international buyers. The Dining & Living world will feature 600 exhibitors occupying 150,000 square meters and 17 pavilions in Areas C and E (PWTC Expo), and will be especially dedicated to meeting the demands of international buyers.

The Homedecor & Hometextile sector – interior decoration products and furnishing fabrics, with its 700 exhibitors and 85,000 square meters of exhibition space–will be relocated to the eight new pavilions in Area D showcasing home accessories, decorative lighting, ceramics, glassware, paintings and illustrations, furnishing fabrics, curtains, carpets, bed linens and cushions, and more.

CIFF Guangzhou Pazhou

Outdoor Furniture, Sunshade, and Leisure – the outdoor furniture sector, featuring garden tables, chairs, and awnings as well as leisure equipment and decorations mainly dedicated to exports–will be attended by 300 exhibitors occupying five pavilions in Area B.

The second phase, from 28 to 31 March 2024, will present Office and Commercial Space, dedicated to office furniture and commercial design with over 1,000 exhibitors and 240,000 square meters of exhibition space. Workplace systems and seating, trends, and solutions for the smart office as well as for public, commercial, and school spaces, and furniture for medical care will be on display in the eight new Area D pavilions, in all 13 Area A pavilions, and three Area B pavilions, meeting the interests and needs of designers, international trade professionals, and contractors.

At the same time, CIFM/Interzum Guangzhou 2024 will host more than 1,400 Chinese and international brands. In 24 pavilions across Areas B and C, it will showcase the most innovative technologies, machinery, materials, surfaces, and components.

Free pre-registrations and further information are already available at **www.ciff-gz.com**

FAIRS CALENDAR

A GLIMPSE INTO SELECTED EXHIBITIONS WITHIN THE GLOBAL FURNITURE, LIGHTING AND FURNISHINGS INDUSTRY

2024	FAIR	CITY	COUNTRY
26-29 Feb	**VIFA Expo**	Ho Chi Minh	Vietnam
29 Feb-3 Mar	**IFEX**	Jakarta	Indonesia
1-4 Mar	**MIFF**	Kuala Lumpur	Malaysia
1-4 Mar	**KBB**	Birmingham	United Kingdom
3-8 Mar	**Light + Building**	Frankfurt	Germany
5-8 Mar	**EFE**	Kuala Lumpur	Malaysia
5-7 Mar	**Wood Tech Expo**	Warsaw	Poland
5-7 Mar	**WoodShow Dubai**	Dubai	UAE
6-9 Mar	**Hawa Expo**	Ho Chi Minh	Vietnam
12-14 Mar	**Ispa Expo**	Columbus	United States
12-15 Mar	**LF Lighting Fair**	Tokyo	Japan
15-19 Mar	**3F Furniture Fair**	DongGuan	China
18-21 Mar	**CIFF Guangzhou - Home**	Guangzhou	China
28-31 Mar	**CIFF Guangzhou - Office**	Guangzhou	China
28-31 Mar	**CIFM / Interzum**	Guangzhou	China
3-5 Apr	**FBC Forum HolzBau**	Nancy	France
4-7 Apr	**MEDWOOD**	Athens	Greece
13-17 Apr	**High Point Market Spring Ed.**	High Point	United States
16-21 Apr	**Eurocucina**	Milan	Italy
16-21 Apr	**Salone Internazionale del Bagno**	Milan	Italy
16-21 Apr	**Salone Internazionale del Mobile**	Milan	Italy
16-21 Apr	**Salone Satellite**	Milan	Italy
16-21 Apr	**Workspace 3.0**	Milan	Italy
22-27 Apr	**Modef Expo**	Inegol	Türkiye

2024	FAIR	CITY	COUNTRY
23-25 Apr	**Sleep Expo Europe**	Maastricht	Netherlands
23-25 Apr	**Utech Europe**	Maastricht	Netherlands
2-4 May	**Proposte**	Cernobbio	Italy
14-17 May	**Kitchen & Bath China**	Shanghai	China
14-15 May	**REbuild**	Riva del Garda	Italy
21-23 May	**Clerkenwell Design Week**	London	United Kingdom
21-23 May	**HFS Hive Furniture Show**	Sharjah	UAE
21-24 May	**Xylexpo**	Milan	Italy
29-31 May	**Orgatec Tokyo**	Tokyo	Japan
4-6 Jun	**INDEX Dubai**	Dubai	UAE
4-7 Jun	**Momarik**	Inegol	Türkiye
6-7 Jun	**Interzum Forum Italy**	Bergamo	Italy
9-12 Jun	**GILE Guangzhou Int. Lighting Exhibition**	Guangzhou	China
10-12 Jun	**NeoCon**	Chicago	United States
16-18 Jun	**Spoga & Gafa**	Cologne	Germany
6-9 Aug	**IWF**	Atlanta	United States
2-4 Sep	**Saudi Wood Expo**	Riyadh	Saudi Arabia
5-9 Sep	**Maison & Objet**	Paris	France
10-13 Sep	**Furniture China**	Shanghai	China
10-12 Sep	**Sleep Middle East Expo**	Dubai	UAE
11-14 Sep	**CIFF Furniture Fair**	Shanghai	China
11-14 Sep	**WMF**	Shanghai	China
12-15 Sep	**InterMob**	Istanbul	Türkiye
17-19 Sep	**INDEX Saudi**	Riyadh	Saudi Arabia

Explore the complete Fairs calendar at **www.worldfurnitureonline.com/fairs-calendar/**
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