

MARKET OPPORTUNITY

ASEAN



OVERVIEW

- Asia Pacific (including ASEAN) has the fastest predicted growing furniture consumption at 3.5% for 2016.
- ASEAN is strategically located at the crossroads of major global trade flows.
- People in the middle and affluent classes expected to double to 400 million by 2020.
- ASEAN region: 5.1% economic growth since 2007.
- The EU is ASEAN's 2nd biggest trading partner and largest FDI provider

Business Opportunities for EU companies



Changes in lifestyle across business and consumer segments have increased demand for high quality products and design solutions

Favourable domestic policies and incentives to encourage FDI and partnerships with local companies

Wide availability of educated labour, abundant natural resources, and low operating costs to support business friendly manufacturing operations

Increasing awareness and appetite for eco-friendly solutions within the value chain from raw materials, production processes and end product

Sector Characteristics

- Diverse opportunities across the value chain and within the ASEAN market from high end finishing and luxury goods in Singapore, to low production costs in Vietnam and Indonesia, and emerging prospects in Myanmar, Cambodia and Laos
- Burgeoning consumer class with rising discretionary spend, demonstrating a growing preference for modern retail formats and increasing brand awareness
- Improved furniture production capabilities in Vietnam, Malaysia, Indonesia, Thailand and the Philippines with increased investment
- Established trade networks within ASEAN and to other key markets including China, Europe, Japan, Middle East, South Korea and USA



**3rd Largest
Population**
622 million people



**7th Largest
Economy**
€2.5 trillion GDP



**4th Largest
Exporting Region**
7% of global exports



MARKET OPPORTUNITY

Singapore



CONTEMPORARY
EUROPEAN
DESIGN



Country facts: Singapore

- Capital city : Singapore
- Population : 5.5 million (2015 est.)
- GDP per capita : €49,871 (2013 est.)
- Currency : Singapore Dollar (SGD)
- Official Languages: English, Malay, Tamil, Standard Mandarin

OVERVIEW

- Singapore's furniture market was worth €4 billion in 2015 with 1,921 companies and 19,700 personnel
- The Singapore Government is supporting furniture entrepreneurs through SPRING to enhance productivity by focusing on design, branding, international market expansion, and people development
- The Local Enterprise and Association Development (LEAD) programme, administered by government agencies, supports the Singapore Furniture Industry Council (SFIC) in strengthening initiatives for the industry
- Malaysia, Indonesia and China remain the favoured locations for furniture companies to set up permanent operations outside Singapore due to factors including geographical proximity, cultural similarities, increasing populations and lower operations costs

Key opportunities

	Singapore's government has been promoting a shift to a high-tech creative economy in the artistic agency, industrial design and lifestyle sectors. Entrepreneurs have the opportunity to become pioneers in the emerging sector.
	At least one in three companies in Singapore within the furniture sector plans to expand overseas in the next 3 years to Malaysia and China, along with interests in gradually liberalising Myanmar and designer-friendly Philippines.
	Demand for higher quality retail consumption is expected to grow steadily. It is forecasted that over one-third of Singapore households will earn more than €135,000 by 2018.

Key sub-sectors

1.	Contract manufacturers
2.	Manufacturers
3.	Retail
4.	Wholesale
5.	Design

Key players

Aedas

Aedas is one of the world's leading global architecture and design practices and was involved in the famous South Beach Hotel in Singapore.

GRAFUNKT

Grafunkt, founded by a recipient of the Singapore President's Design Award, has a 7,000 sq. ft. flagship store focusing on lifestyle products that promote good design appreciation.

studio juju

Studio Juju gained international recognition when it bagged the Design Miami and W Hotels award for Designers of the Future. Studio Juju now features products at W properties around the world.

MARKET OPPORTUNITY

Indonesia



CONTEMPORARY
EUROPEAN
DESIGN

OVERVIEW

- Indonesia has one of the largest export industries in the world, exporting €2.7 billion in 2014.
- The Indonesian Furniture & Handicraft Association (ASMINDO) estimates there are more than 3,500 companies, employing approx. 4 million workers in the industry.
- Boosted by high export demands, industrial production in Indonesia's furniture industries has recorded high increase and profits gains over the past few years and the trend will continue in 2016 and beyond.
- Wood furniture makes for 58.1% of the industry's total exports in the Indonesia furniture sector in 2010.
- Indonesia timber products are the first in Asia to meet EU Timber Regulation Standards.

Key opportunities

	Competitive manufacturing base with the country's labor wages and wide availability of skilled carpenters and wood carvers
	Increasing demand for boutique producers of high end contemporary furniture and fittings as well as niche sectors (i.e. leather furniture, European classic style pieces) with the continued expansion of the affluent middle class
	Increasing demand for interior design services with the booming domestic property sector, such as hotels, condotels, and restaurants

Key sub-sectors

1.	Wood furniture manufacturers
2.	Rattan furniture manufacturers



Country facts: Indonesia

- Capital city : Jakarta
- Population : 259 million (2015 est.)
- GDP per capita : €3,141 (2013 est.)
- Currency : Rupiah (IDR)
- Official Language : Bahasa Indonesia

Key players

LIGNA FURNITURE



Hadinata Bros PT, with its Ligna brand targets middle-to-low income consumers with wooden furniture



Cahaya Sakti Multi Intraco PT is a large indoor furniture manufacturer with a brand called Olympic



Tanditama Mandiri PT is proving to be a threat to established manufacturers as they are placing more effort into producing better export quality furniture