FOREIGN MARKET SECTOR BRIEF
- FURNITURE IN FRANCE
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Chisinau, 2016
In the context of Deep and Comprehensive Free Trade Area (DCFTA), signed in 2014 between the Republic of Moldova and European Union, many trade opportunities arise. Strategy of Investment Attraction and Export Promotion for 2016-2020 states the development issues in the field and strengthens the legal framework related to export support and promotion.

This favourable environment, along with support programs provided by development partners involved the need to study the market conjuncture for Moldovan products considered competitive on foreign market, especially on that of the European Union. Such research can be embedded in the Foreign Market Sector Brief (FMSB) format.

The purpose of the market research was to understand the state and trade opportunities for Moldovan furniture sector (9403 H.S. products) in order to develop its export to France.

Main tasks to achieve the purpose of the FMSB were:

1) to elucidate the furniture sector in France, its trends and perspectives;
2) to understand country’s consumer habits, sector size and dynamics;
3) to highlight quality and procedures requirements;
4) to understand furniture market opportunities.

Main findings revealed that France is an important EU player on furniture market and many trade opportunities for Moldovan exporters are arising related to 9403 H.S. products. French consumption of furniture is stable and refined, but its production is decreasing, creating opportunities for imports. French demographic characteristics as well as purchasing power, consumer habits and market size are encouraging for Moldovan 9403 products exports. Moldova is facing price competitors on French market, especially represented by EU members, but due to good quality, possibility of niche specialization and DCFTA opportunities, domestic exporters can approach this issue.
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European Union’s furniture sector is large, diversified and promising

European Union’s (EU) furniture manufacturers\(^1\) have a good reputation worldwide due to the creative capacity for new designs and adaptation to new demands. This sector is important in EU in party because:

- the sector employs around 1 million workers in 130 thousand companies, generating an annual turnover of around 96 billion Euro;
- a quarter of the world’s furniture is produced in EU\(^2\) (but this share is decreasing since 2003);
- EU is a world leader in the high-end segment of the furniture market.

However, challenges\(^3\) faced by EU furniture sector create trade opportunities for third country exports into EU market:

- The furniture sector is facing enormous competition from countries having low production costs (e.g. China); EU companies have to comply with strict and costly regulations and they have to compete with non-EU companies that are not facing such regulations;
- EU ageing workforce may lead to disruptions in maintaining skilled workers;
- Duties on raw material imports and tariffs on exports create market distortions related to EU furniture sector.

Although consumption is largely satisfied by domestic production, the imports of furniture from extra EU countries are increasing

The value of the EU furniture market is larger\(^4\) than that of North America. The great majority of demand in the EU (about 85%) is satisfied by domestic production; the rest (about 15%) is imported from extra-EU countries. Last 10-12 years, the share of

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furniture imports in EU from other countries has increased from 8% to 15%, representing a CAGR (Compound Annual Growth Rate) of +6.49%. The increasingly penetrating imported items are eroding EU manufacturers’ shares.

In 2003, EU share in world furniture consumption accounted about 36% or 80,566 million Euro. Nowadays, it has a share of about 23%, or 80,337 million Euro. However, European per capita furniture spending is 10% higher than the average for North America and 4 times higher than the average value in middle and low-income countries.

**EU trade balance of furniture products got worse in the last period**

Generally, the EU accounts for about 45% of total world trade, 40-50% of world furniture imports and 30-35% of world furniture exports\(^5\). Intra-EU trade represents the majority of this quota (about 85%).

Last 3 years (2013-2015)\(^6\) there is a clear trend on decreasing furniture trade balance in EU (94 HS Code). Some countries as France, Great Britain, Sweden, Greece, Austria or Spain registered a negative trade balance.

EU share in world imports of furniture was 37.9% in 2014 or 83,998,816 USD thousand:

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**Figure 1. EU furniture trade, USD thousand, 2006-2015**

Furniture trade trends in EU reveal that in the period 2006-2015:

\(^5\) [http://www.tmf.se/MediaBinaryLoader.axd?MediaArchive_FileID=fce74663-4f62-4b5b-b7b4-2992a30efd68&FileName=2015+EFIC-manifest+f%C3%B6r+europeisk+m%C3%B6belindustri+(eng).pdf](http://www.tmf.se/MediaBinaryLoader.axd?MediaArchive_FileID=fce74663-4f62-4b5b-b7b4-2992a30efd68&FileName=2015+EFIC-manifest+f%C3%B6r+europeisk+m%C3%B6belindustri+(eng).pdf)

• annual growth rate of EU furniture **exports was 2.01%**;
• annual growth rate of EU furniture **imports was 2.35%**;
• annual growth rate of EU furniture **trade balance was -3.25%**.

Such trade context with increasing import and decreasing trade balance dynamics is a potential sign for exporters.

The main foreign supplying markets for imported furniture by EU in 2015 were (USD thousand):

1. China = 17,857,380
2. USA = 1,142,546
3. Vietnam=1,126,792
4. Turkey=991,640
5. India=583,517
6. ... 
7. Moldova=100,353

**10 EU member states account for more than 31% of world imports of furniture**

Significant furniture import growth of EU member states resulted in good outcomes on trade indicators:

**Table 1. Top EU member states on furniture trade indicators, USD thousand, 2014**

<table>
<thead>
<tr>
<th>Country</th>
<th>Value imported</th>
<th>Annual growth in value between 2010-2014 (%)</th>
<th>Share in world imports (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>20358480</td>
<td>3</td>
<td>9.3</td>
</tr>
<tr>
<td>Great Britain</td>
<td>11396574</td>
<td>3</td>
<td>5.2</td>
</tr>
<tr>
<td>France</td>
<td>10584557</td>
<td>-1</td>
<td>4.9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>5129045</td>
<td>3</td>
<td>2.4</td>
</tr>
<tr>
<td>Belgium</td>
<td>4300571</td>
<td>2</td>
<td>2.0</td>
</tr>
<tr>
<td>Spain</td>
<td>3862414</td>
<td>-3</td>
<td>1.8</td>
</tr>
<tr>
<td>Italy</td>
<td>3735129</td>
<td>-1</td>
<td>1.7</td>
</tr>
<tr>
<td>Austria</td>
<td>3725577</td>
<td>3</td>
<td>1.7</td>
</tr>
<tr>
<td>Sweden</td>
<td>3212282</td>
<td>4</td>
<td>1.5</td>
</tr>
<tr>
<td>Poland</td>
<td>2632851</td>
<td>8</td>
<td>1.2</td>
</tr>
</tbody>
</table>

7 EU members from the top 10 ranked by furniture imported value in 2014 reflected positive annual growth rate in imports in period 2010-2014; all of top importing countries have a share in world imports higher than 1.2% and 3 of them (Germany, Great Britain and France) showed a percentage above 4.

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[7](http://comtrade.un.org/)
WHY THE PARTICULAR COUNTRY AND SECTOR

EU is an important trade partner for Moldovan furniture

In choosing the relevant sector (product) to be analysed within a FMSB, one should consider the following:

- to be convergent with the recent policy papers on trade development;
- to be convergent with trade indicators and trends (TIT).

Strategy for Investment and Export Promotion for 2016-2020⁸ states as priority the trade with high-value products, such as furniture - item oriented to trade development.

Since 2011, the Republic of Moldova has a positive trade balance of furniture with EU⁹ (for example it was 53,852 USD thousand in 2014), in the context of a great export value for this product (94,142 USD thousand in 2014¹⁰). Although this amount is significant, the figure encompasses n.e.s.¹¹ seats products¹² and wooden frames. EU market has a share of 84% in Moldovan furniture exports and the CAGR for these exports to EU accounted for more than +31.90% in the period 2003-2014. In addition, the latest dynamics are encouraging: overall furniture trade balance is positive and exported growth in value during 2010-2014 represented +25%.

In top 10 trade partners for the exported Moldovan furniture, EU member states occupied progressive number of positions - from 7 in 2012 to 8 in 2013 and 2014 (table 2, countries on blue background). All these partners are constant, except Germany, which is a ”newcomer”.

EU top importers’ trade value increased from 63,221 USD thousand in 2012 to 93,481 USD thousand in 2014 or for more than 1.4 times in 2 years.

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¹⁰ For reference approach
¹¹ Not elsewhere specified
¹² Including Leoni company’s parts of seats
Table 2. Top Moldovan furniture importers, value in USD thousand, 2012-2014

<table>
<thead>
<tr>
<th>Top</th>
<th>2012 / USD thousand</th>
<th>2013 / USD thousand</th>
<th>2014/ USD thousand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Russia</td>
<td>25889</td>
<td>Russia</td>
</tr>
<tr>
<td>2</td>
<td>Hungary</td>
<td>24276</td>
<td>Germany</td>
</tr>
<tr>
<td>3</td>
<td>Poland</td>
<td>12170</td>
<td>Czech Republic</td>
</tr>
<tr>
<td>4</td>
<td>Czech Republic</td>
<td>9168</td>
<td>Hungary</td>
</tr>
<tr>
<td>5</td>
<td>Romania</td>
<td>7368</td>
<td>Romania</td>
</tr>
<tr>
<td>6</td>
<td>Netherlands</td>
<td>5844</td>
<td>Poland</td>
</tr>
<tr>
<td>7</td>
<td>Slovakia</td>
<td>2671</td>
<td>Netherlands</td>
</tr>
<tr>
<td>8</td>
<td>Belgium</td>
<td>1724</td>
<td>Slovakia</td>
</tr>
<tr>
<td>9</td>
<td>Ukraine</td>
<td>1466</td>
<td>Ukraine</td>
</tr>
<tr>
<td>10</td>
<td>Azerbaijan</td>
<td>1347</td>
<td>Belgium</td>
</tr>
</tbody>
</table>

France is a good and untapped potential destination for Moldovan furniture

In approaching furniture export target destination, one has to take into account trade statistics and EU trade specific requirements. In addition, an appropriate segmentation of products is relevant.

In overall export amount of Moldovan furniture products to EU market (94,142 USD thousand in 2014), the main categories included are:

- **9401 (HS Code)** Seat (dentists' & barbers' chairs etc.) & part thereof, **85.3%** of total furniture exports
- **9403** Other furniture and parts thereof (office, kitchen, bedroom), **8.6%**
- **9404** Mattress supports; mattresses, quilts etc., **3.2%**
- **9406** Prefabricated buildings, **2.6%**

There are quite clear different potential reserves among these product groups, but taking into account the capacity, export potential, tradition and possibility of diversifying of domestic furniture industry on these products, it can be concluded that the second position (**9403** Other furniture and parts thereof - office, kitchen, bedroom) is a fit to be approached when analysing export potential.

The biggest EU economies\(^\text{13}\) to be analysed are: Germany, France, United Kingdom and Italy (table 3).

\(^{13}\) [http://www.imf.org/external/country/index.htm](http://www.imf.org/external/country/index.htm)
Among 6 trade performance indicators, France and Germany are leaders on furniture exports value and share in world imports. France is leader in unit value and exported growth value. Germany is leader in share in world imports and import growth. As to requirements, France and Germany are leaders.

In deducting "overall winners" on the basis of structured "index winners", France occupied 2 positions of 6 resulted, including 1st rank in statistics. As a result, France became "the chosen market" to be approached by Moldovan furniture exporters.
Table 3. Weighted indicators in assessing export potential partner for Moldovan furniture, 9403 HS code, 2014

<table>
<thead>
<tr>
<th>Countries – abbreviation</th>
<th>Statistics</th>
<th>Requirements (Helpdesk)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exported value 2014 (USD thousand)</td>
<td>Share in Moldova’s, exports (%)</td>
</tr>
<tr>
<td>France - FR</td>
<td>215</td>
<td>1.2</td>
</tr>
<tr>
<td>Germany - GE</td>
<td>15</td>
<td>0.1</td>
</tr>
<tr>
<td>United Kingdom - UK</td>
<td>10</td>
<td>0.1</td>
</tr>
<tr>
<td>Italy - IT</td>
<td>29</td>
<td>0.2</td>
</tr>
<tr>
<td>Index winners</td>
<td>FR</td>
<td>FR</td>
</tr>
<tr>
<td>Overall winners</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.FRANCE</td>
<td>2.GERMANY</td>
</tr>
<tr>
<td>Chosen market</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14 http://comtrade.un.org/
15 http://exporthelp.europa.eu/thdapp/display.htm?page=form%2fform_MyExport.html&docType=main&languageId=en
**Moldova-France relations are stepping within EU format**

France is a member state of the European Union and all multilateral agreements of the latter are valid for France too. The Association Agreement (AA) between Moldova and EU, signed in June 2014, introduced a preferential trade regime - Deep and Comprehensive Free Trade Area (DCFTA)\(^{16}\). In April 2015, France ratified the Agreement.

France is one of the first European states that established economic and diplomatic relations with Moldova. Its first ambassador to Moldova was appointed in 1992, shortly after Moldova achieved independence.

Some key facts:

- as importing market for Moldova’s exports\(^{17}\), France has ranked 11\(^{\text{th}}\)-13\(^{\text{th}}\) for the last 5 years and has occupied a constant 11\(^{\text{th}}\) place as a supplying market for Moldova;
- the main French-owned enterprises operating in Moldova are: "Societe Generale" (banking), "Orange" (telecom), "Lafarge" (construction materials); "Kazayak Vin" (wine), "Lactis" (dairy).

**...and bilateral framework is under development too**

14 Agreements have been signed between Moldova and France till now\(^{18}\). The main Moldova-France agreements are reflected in table 4.

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\(^{18}\) [http://www.mec.gov.md/ro/content/cooperare-economica-internationala](http://www.mec.gov.md/ro/content/cooperare-economica-internationala)
<table>
<thead>
<tr>
<th>No.</th>
<th>Agreement</th>
<th>Signed/initiated for negotiations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The protocol on establishment of diplomatic relations between the French Republic and the Republic of Moldova</td>
<td>March 1992</td>
</tr>
<tr>
<td>2</td>
<td>Treaty of friendship, agreement and cooperation</td>
<td>January 1993</td>
</tr>
<tr>
<td>3</td>
<td>Protocol of cooperation between the Moldovan Ministry of Foreign Affairs and Ministry of Foreign Affairs of the French Republic</td>
<td>January 1993</td>
</tr>
<tr>
<td>4</td>
<td>Agreement on cultural, scientific and technical cooperation</td>
<td>November 1994</td>
</tr>
<tr>
<td>6</td>
<td>Protocol of agreement between the Ministry of Agriculture and Food of the Republic of Moldova and the Ministry of Agriculture and Fisheries of the French Republic in agriculture and rural development</td>
<td>October 1997</td>
</tr>
<tr>
<td>7</td>
<td>Agreement on double taxation avoidance and tax evasion fighting</td>
<td>October 2006</td>
</tr>
<tr>
<td>8</td>
<td>Project of the Protocol of Cooperation between the Ministry of Economy of the Republic of Moldova and the Ministry of Economy, Finance and Industry of French Republic</td>
<td>July 2008¹</td>
</tr>
</tbody>
</table>
France has a large and increasing population

France was historically the Europe’s most populous nation. With all its territories, France has a population of 66.62 million\(^{19}\); as to metropolitan country (France located in Europe), the population is about 64.58 million. This ranks the country number 22 in the list of countries by population (or 0.88% of world total population)\(^{20}\), surpassing such countries as Italy, Spain, Ukraine, Poland, Canada. Moreover, the population projections\(^{21}\) reveal that France is predicted to reach 70 million rate between 2025 and 2030 and to overtake the Germany’s later. France, along with Netherlands and Great Britain are the only countries in Europe top 10 most populous states that have not a declining population.

In January 2016, the demographic profile of France looked like that:

![Figure 2. Total population of France, by sex and age, 2016](image)

UN data\(^{22}\) show France as a country that has a growing population at a faster rate than other EU states. Yearly population growth rate (%) reflected different values for the period 1980-2015. This rate is +0.42% in 2016, in contrast of a growth of +0.36% in 1980 and +0.37% in 1998. With such values, France is overtaking Denmark (0.38%),

\(^{19}\) [http://www.insee.fr/](http://www.insee.fr/)


Finland (0.37%), Netherlands (0.32%), Austria (0.29%), Slovenia (0.09%), Romania (-0.75%) etc.

**More births and less big cities**

France has the second highest number of children per family in Europe\(^{23}\).

Per day, in France there are:

- 10,632 births
- 8,099 deaths
- 1,096 net migrations

As a result, the net change per day is +3,629 people and the median age is 41.3 years.

Although the urban rate of population is quite high in France (80.5%, i.e. surpassing Greece, Germany, Czech Republic, Bulgaria), there is only one city proper\(^{24}\) with a population of 1 million. Paris (2.2 million) is followed by Marseille (853 thousand), Lyon (484,000) and Toulouse (449,000).

However, urban rate and density per km will continue to grow. The first will tend to reach 84.3% in 2030\(^{25}\), the latter - 124 P/km\(^2\) (from 120 currently).

**Roman Catholic and white are the most numerous**

85% of the population of Metropolitan France is estimated to be white, 10% from North Africa, 3.5% black and 1.5% Asian. About 40% of France population is descended, at least in part, from the immigration since the start of the 20\(^{th}\) century\(^{26}\).

As to religions\(^{27}\), it is believed that 83%-88% are Roman Catholic, 5%-10% Muslim, 2% are Protestant, 1% Jewish and 4% are unaffiliated.

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\(^{23}\) [http://worldpopulationreview.com/](http://worldpopulationreview.com/)

\(^{24}\) Without metropolitan area


\(^{26}\) [http://worldpopulationreview.com/](http://worldpopulationreview.com/)

France - among the leaders in terms of GDP and PPP

France is the 6th economic power in the world, based on Gross Domestic Product (GDP) nominal values\(^\text{28}\). With a GDP of 2833 billion USD, this amount represents 4.5% of the world economy. France overtakes on this index Italy, Spain, Netherlands, Sweden and it is 5.3 times bigger than Belgium’s GDP.

On the other hand, GDP per Capita, in France, when adjusted by Purchasing Power Parity (PPP) is equivalent to 209 percent of the world's average. In 2014 it registered 38848 USD\(^\text{29}\) (ranked 24 in the world). A comparison among biggest EU member economies reveals a good position for France as a forecast in terms of GDP based on PPP (figure 3).

\[\text{Figure 3. Forecast on GDP based on PPP valuation in 4 biggest EU economies, current international dollar, 2016-2020}\]

However, other purchasing power (PP) related indicators should be taken into account in order to obtain “the big picture”.

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\(^\text{29}\) [https://www.worldbank.org/](https://www.worldbank.org/)
Table 5 makes a synthesis on these\textsuperscript{30}.

Table 5. Purchasing Power related indicators in France

<table>
<thead>
<tr>
<th>No.</th>
<th>Indicator</th>
<th>Value</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GDP Growth Rate</td>
<td>0.3%</td>
<td>2015</td>
</tr>
<tr>
<td>2</td>
<td>GDP per Capita</td>
<td>35670 USD</td>
<td>2014</td>
</tr>
<tr>
<td>3</td>
<td>Wages</td>
<td>2912 EUR/month</td>
<td>2014</td>
</tr>
<tr>
<td>4</td>
<td>Wage growth</td>
<td>0.2%</td>
<td>2015</td>
</tr>
<tr>
<td>5</td>
<td>Food inflation</td>
<td>0.4%</td>
<td>2015</td>
</tr>
<tr>
<td>6</td>
<td>Retail sales</td>
<td>1.9%</td>
<td>2015</td>
</tr>
<tr>
<td>7</td>
<td>Consumer spending</td>
<td>287991 EUR million</td>
<td>2015</td>
</tr>
<tr>
<td>8</td>
<td>Disposable personal income</td>
<td>342358 EUR million</td>
<td>2015</td>
</tr>
</tbody>
</table>

Over the period 200-2007, purchasing power in France grew by more than 4000 EUR per household\textsuperscript{31} (or about 500 EUR per year per household). But over the period 2008-2015, purchasing power per household fell by more than 1600 EUR. The change in PP per household from 2011 to 2015 amounted to -1750 EUR, out of which: -1100 EUR in tax charges, -770 EUR in labour income, -300 EUR in capital income, -60 EUR in other income, +480 EUR in social benefits.

Domestic PP is obtained as divided gross and net hourly wages of a city by a respective cost of goods basket (excluding rent) and indexed relative to New York\textsuperscript{32}. In this classification, Lyon and Paris cumulated as follows (rank based on net hourly pay):

\textsuperscript{30} http://www.tradingeconomics.com/
\textsuperscript{31} http://www.ofce.sciences-po.fr/
\textsuperscript{32} https://www.ubs.com/microsites/prices-earnings
Table 6. Domestic PP in French cities, compared points

<table>
<thead>
<tr>
<th>Cities</th>
<th>Gross hourly pay</th>
<th>Net hourly pay</th>
<th>Net annual income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vienna</td>
<td>104.7</td>
<td>106.5</td>
<td>96.8</td>
</tr>
<tr>
<td>Berlin</td>
<td>101.0</td>
<td>101.9</td>
<td>97.6</td>
</tr>
<tr>
<td>New York</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Lyon</td>
<td>90.4</td>
<td>96.9</td>
<td>85.5</td>
</tr>
<tr>
<td>Paris</td>
<td>86.5</td>
<td>92.4</td>
<td>80.2</td>
</tr>
<tr>
<td>Brussels</td>
<td>108.4</td>
<td>90.9</td>
<td>84.5</td>
</tr>
<tr>
<td>London</td>
<td>89.2</td>
<td>85.3</td>
<td>80.4</td>
</tr>
<tr>
<td>Stockholm</td>
<td>98.9</td>
<td>82.9</td>
<td>79.4</td>
</tr>
</tbody>
</table>

Household structure of consumption

As a key-factor in purchasing power, the number of households determines an important part of consumer profile in France. There are 23.8 million\(^{33}\) households in France and their consumption expenditure has increased during 2012-2014\(^{34}\) period (figure 4).

Figure 4. French household consumption expenditures, 2012-2014

\(^{33}\) http://w3.unece.org/PXWeb/en/
\(^{34}\) https://en.santandertrade.com
French household consumer\textsuperscript{35} habits rank housing, water, electricity and gas category 1\textsuperscript{st} in family expenditure, with a share of 26.9%. Furniture is an important item in consumption, amounting for about 5.0% in household expenditure, just how much is spent on clothes, for example.

**New trends are arising among French furniture consumers**

The latest analysis of the French consumer habits\textsuperscript{36} reveals that a middle-class Frenchman had changed its attitudes to consumption, including:

- looking for promotions,
- finding substitutions,
- migrating to the Internet shopping,
- buying from local outlets\textsuperscript{37}.

A positive trend is the so-called “fraternal consumption”, when consumers are exchanging opinions on a specific products and prefer to compare information before making a purchase.

In the last decades\textsuperscript{38}, the expenditures related to furniture and house appliances decreased in France (with 62%). On the other hand, 30% of French consumers are ready to approach furniture purchase in a hard discount now. IPEA\textsuperscript{39} data revealed that furniture consumption patterns have changed in France, especially related to the following statements:

- consumers are satisfied with their furniture and from an ecological standpoint as this period is an asset, especially since a majority of consumers (47%) give or reuse their old furniture; others get rid of them (38%) or are taken back in stores (10%), sell them (1.7%) or donate to charity (1%).
- French keep a kitchen on average 23 years before the change; among 800 consumers having changed furniture in the last three years, it is resulted that a table is

\textsuperscript{35} http://data.un.org/Data.aspx?d=SNA&f=group_code%3a302
\textsuperscript{36} http://www.mslgroup.com/
\textsuperscript{37} http://www.euromonitor.com/
\textsuperscript{38} http://www.oeconomia.net/private/cours/economiegenerale/CAPET/09.consommation.pdf
\textsuperscript{39} http://www.ipea.fr/
retained on average 19 years, chair and sofa 18 to 15 years. Libraries or garden furniture is renewed as regularly as they are kept on average only 9 and 8 years. Differences in particular\textsuperscript{40} continue to exist between furniture purchasing in urban areas as opposed to rural areas. Old style traditional furniture continues to represent a strong share of the market, despite the growth in contemporary furniture for households with young people. More than 6 million households claim their home is furnished in either a rustic, country or old style.

\textbf{Hints:} Moldovan exporters must concentrate on furniture modern sector, as great opportunities exist here. Some incorporate period styles in modern pieces of furniture is a recommendation.

New habits determined new furniture pattern:

- kitchen furniture market is including two-thirds in kit. The market rose sharply in the last 25 years and the price pressure was such that the kit has grown strongly; today it accounts for two thirds of the market value.
- currently, over 80% of storage furniture products are in kit form; the cabinet and office furniture are products fit in this type of arrangement because over 90% of the quantities produced are set.

\textit{Other trends in consumption}\textsuperscript{41}:  
- Trends in sofas and chairs highlight the importance of shape and form\textsuperscript{42}.
- Two differing principles govern French furniture styles: basic and luxury. Basic offers what is necessary through simple designs, proven materials and shapes. Luxury is associated with space, safety, technology.

\textsuperscript{40} \url{https://www.cbi.eu}
\textsuperscript{41} \url{https://www.cbi.eu}
\textsuperscript{42} \url{http://www.collectorsweekly.com/furniture/french} and \url{http://www.roomsketcher.com/blog/interior-design-trends-2016/}
There is a move away from furniture that is sold as complete bedrooms or dining rooms. Ready to assemble products will continue to grow in popularity, and mid-range products will experience increasing demand.

New style is being found as a mixture of traditional and modern. For example, design furniture is exploring the possibilities arising from art deco and ethnic furniture.
French furniture market - being large and facing challenges

French furniture market is one of the largest in EU\(^{43}\) accounting over 9.34 billion Euro (in 2015)\(^{44}\) and is behind such markets as those of Germany, Italy and UK. The production value is over 5.4 billion Euro. The market - which now has around 130 000 employees\(^{45}\) in France - reported a negative general trend, estimated at - 1.6% in 2014 and an increase of +1.0% in 2015. This decline is less than in 2013 and 2012 (which had resulted respectively in - 3.0% and -2.8% respectively).

However, furniture market value increased during 1988-2014 and accounted +0.20%, with minimum values of 8.31 billion of Euro in 2002 and maximum values of 9.84 billion Euro in 2011.

In terms of product groups, as in 2012 and 2013, only the bedding recorded growth in sales (by value) on the fiscal year 2014 with +2.6%, evolution is frankly higher than that recorded in 2013 (+1.6%). The market is now worth 1.24 billion Euro or 13% of household furniture.

The bedding is found as the only "locomotive" of the market: accompanied in this role for many years, through the kitchen, the latter continues to record a negative trend, as is the case for two years, and hollow even this decline: the -2.8% in 2014 surveys to follow - 1% reflected in 2013. The kitchen now weighs a little over a quarter of the market (25.5%), with 2.38 billion Euros. There are under-equipped households French kitchen - only 60% of households are now equipped.

The seating segment (sofas, armchairs and benches), meanwhile, limited the damage, with a slight decrease (-0.2%), which contrasts with -3.4% in 2013; of total sales in 2015 estimated at 2.33 billion Euro they weigh 24.9% market share.

The furnishing, meanwhile, reflected - 2.9%, softening its decline from 2013 (where she had been - 5.4%) with a calculated total to 3.02 billion Euro, it represents 32.4% of

\(^{43}\) [http://courrierdumeuble.fr/](http://courrierdumeuble.fr/)

\(^{44}\) Over 12 000 of companies

\(^{45}\) Most of companies 100 people or less
the French market. Bathroom furniture continued to be in trouble in 2014, with - 3.5% (after - 4% in 2013) sales totalled 260 million Euro on 2014, representing 2.6% of the market in 2015. Finally, the garden furniture records an evolution - 3% (against - 5.3% the previous year), with sales of 130 million Euro (representing 1.4% of French furniture market).

The latest market trends are reflected in table 6

Table 6. Furniture market trends in France, 2013-2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Furnishing furniture</td>
<td>3.02</td>
<td>32.4</td>
<td>+0.4%</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Kitchen furniture</td>
<td>2.38</td>
<td>25.5</td>
<td>+3.8%</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Sofas, armchairs, benches</td>
<td>2.33</td>
<td>24.9</td>
<td>+3.6%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Bedding</td>
<td>1.24</td>
<td>13.2</td>
<td>+4.1%</td>
<td>+2.6%</td>
</tr>
<tr>
<td>Bathroom furniture</td>
<td>0.24</td>
<td>2.6</td>
<td>-4.2%</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Garden furniture</td>
<td>0.13</td>
<td>1.4</td>
<td>+2.7%</td>
<td>-3.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9.34</strong></td>
<td><strong>100</strong></td>
<td><strong>+2.4%</strong></td>
<td><strong>-1.5%</strong></td>
</tr>
</tbody>
</table>

Furniture production[^47] in France accounts for 10% of the EU total and is the third largest in the EU, after Germany and Italy. However, production is less than half that of those countries. Both Spain and the UK have similar levels of production as France. Between them, these top five producers account for about 70% of all EU production.

*Other trends:*

⇒ Two thirds of all French production is concentrated in the northern regions (Bretagne, Ile-de-France, Normandie) and the south-eastern Rhône-Alpes region.

⇒ Top 3[^48] of companies generate almost 30% of production value.

⇒ The main trends in French furniture production are concentration into larger production units and outsourcing.

[^47]: [https://www.cbi.eu](https://www.cbi.eu)
[^48]: Groupe Jacques Parisot is the leading furniture manufacturing group in France, specializing in RTA furniture, upholstered and solid wood furniture (http://www.parisot.com). Gautier is the leading contemporary furniture manufacturer. Nearly 30% of their revenue is generated by exports (http://www.gautier.fr). Capdevielle & Fils are leaders in wooden bedroom furniture and the third largest furniture manufacturer in France (http://www.capdevielle.fr).
While many of the smaller manufacturers prefer to make all parts within the factory, changes are taking place. Semi-finished parts are being imported from Italy, China and Brazil. Component factories are in place but this is less important in France than other countries. There is little networking among manufacturers.

The leading furniture makers are technologically advanced. An increasing proportion of companies are owned or part-owned by foreign investors.

Co-operation is good between manufacturers and their suppliers, and the influence of the main furniture distributors on the direction of some production is very strong.

**Main opportunities**[^49]:

- Modern and contemporary furniture dominate the market (over 60%)
- Ready-to-Assemble sector is an important sector
- Imports of furniture parts and kitchens/kitchen parts are also increasing
- Imports from developing countries are increasing

**Consumption is strong and increasing**

Per capita furniture consumption in France is about 180 Euro[^50] (amounting 12,079 million Euro or 15% of EU consumption). Dynamics of French furniture consumption per capita[^51], based on 2003 year, is well performing, with an average yearly growth rate of +2.0% in the last decade - compared to Germany with an increase of only 0.9%, or Italy and UK, with decrease of 2.5% and 1.4% respectively.

On the other hand, the share of national production in total consumption is about 57% in France while in Italy (83%), Spain (65%) or Poland (66%) is higher.

**Hints:** furniture sector trends in France may represent incentives for Moldovan exporters, covering deficiency in French furniture consumption.

[^50]: Accounting for about 11.7% of EU market share
FNAEM\textsuperscript{52} 2013 survey data on 5 000 households and 2016 assessments revealed that purchase intent for furnishing, bedding and bathroom furniture is increasing in 2016 compared to 2015 with respectively 3.6%, 4.7% and 1.4% in the structure of furniture consumers' intentions. Also, a third of French people buy furniture and decor online.

On the other hand, various tendencies related to consumers’ age arise\textsuperscript{53}, especially related to budget which is the largest in the case of adults that are spending big amounts of money on bathroom, bedding and kitchen furniture:

Table 7. Furniture market consumption patterns in France, based on consumers’ age

<table>
<thead>
<tr>
<th>Furniture categories</th>
<th>Juniors&lt;25 y.o.</th>
<th>Adults=25-49 y.o.</th>
<th>Seniors=50+ y.o.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total sales, %</td>
<td>Average budget, Euro</td>
<td>Total sales, %</td>
</tr>
<tr>
<td>Furnishing furniture</td>
<td>45</td>
<td>455</td>
<td>37</td>
</tr>
<tr>
<td>Padded seat</td>
<td>24</td>
<td>560</td>
<td>26</td>
</tr>
<tr>
<td>Kitchen furniture</td>
<td>19</td>
<td>1230</td>
<td>19</td>
</tr>
<tr>
<td>Bedding</td>
<td>8</td>
<td>290</td>
<td>12</td>
</tr>
<tr>
<td>Bathroom furniture</td>
<td>3</td>
<td>250</td>
<td>4</td>
</tr>
<tr>
<td>Garden furniture</td>
<td>1</td>
<td>145</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>-</td>
<td>100</td>
</tr>
</tbody>
</table>

Furniture average budget

| Furniture average budget     | 974            | 1245             | 1157            |

Furniture, as an industrial product, has no a prominent seasonal pattern. However, furniture import related data\textsuperscript{54} reveals a clear seasonal trend for it.

For 2011-2015 period (figure 5), our compiled data show that the most fragmented seasonal evolution is characteristic for kitchen furniture, with maximum import values registered in Q2 (April-June) and Q4 (October-December) along the respective period. The most stable furniture product (in terms of seasonality) is office furniture, where a clear quarterly trend is not present. As to bedroom furniture – it is placed between above stated items as quarter dynamics (here, Q2 shows minimum values along the period).

\textsuperscript{52}http://www.fnaem.fr/
\textsuperscript{53}http://www.insee.fr/sessi/publications/etudes/mek/mode_de_vie.pdf
\textsuperscript{54}http://comtrade.un.org/
Figure 5. Import seasonality of the main categories of furniture in France, USD thousand, 2011-2015
Furniture imports are growing faster and value more than furniture exports in France
As mentioned, France has a declining trend of the national production’s share in French furniture consumption (about 57%). Also, share of extra-EU imports in consumption is over 13% and is increasing. This percentage is higher than in Spain (11%), Italy (6%), Poland (9%) or Austria (10%).
However, expressed in value terms, 9403\textsuperscript{55} item has shown imports outrunning exports; the latter involved a CAGR of -3.9% during the last 10 years (2006-2015) while CAGR of imports was slightly positive (+0.03%):

\begin{center}
\textbf{Figure 6. French exports, imports and trade balance of office, kitchen and bedroom furniture, USD thousand, 2006-2015}
\end{center}

Nowadays, France\textsuperscript{56} is the biggest importer of furniture parts in the EU and its imports of solid wood parts are particularly high and growing (43% of the market is solid wood).

\textbf{Strong trade partnership}
Trade partners’ profile in furniture products is quite stable in France in the last 10 years\textsuperscript{57} (table 8).

\textsuperscript{55} office, kitchen and bedroom furniture
\textsuperscript{56} http://pdf.usaid.gov/pdf_docs/Pnadh793.pdf
\textsuperscript{57} http://unctadstat.unctad.org
Largely, France top trade partners for 9403 item are European states. It applies to French exports, where almost all importers are EU member states (except Switzerland and USA) and more to imports, where China is the only extra-EU partner. This is mainly explained due to developed internal market within EU and tight partnerships among member states.

Import partners are potential competitors for Moldovan 9403 products so there is important to understand their position, dynamics and outlook. An analysis for 2014, related to 9403 exporters to France revealed the following:

<table>
<thead>
<tr>
<th>9403 products exporting countries</th>
<th>Share in France’s imports (%)</th>
<th>Imported growth in value during 2013-2014 (%)</th>
<th>Export growth in value of partner countries during 2010-2014 (%)</th>
<th>Share of partner countries in world exports, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>18.5</td>
<td>3</td>
<td>13</td>
<td>3.1</td>
</tr>
<tr>
<td>Italy</td>
<td>18.2</td>
<td>4</td>
<td>2</td>
<td>5.2</td>
</tr>
<tr>
<td>Germany</td>
<td>16.0</td>
<td>-1</td>
<td>3</td>
<td>6.5</td>
</tr>
<tr>
<td>Spain</td>
<td>6.4</td>
<td>6</td>
<td>7</td>
<td>2.0</td>
</tr>
<tr>
<td>Poland</td>
<td>5.6</td>
<td>12</td>
<td>8</td>
<td>2.0</td>
</tr>
<tr>
<td>Moldova</td>
<td>0.005</td>
<td>435</td>
<td>4</td>
<td>0.4</td>
</tr>
</tbody>
</table>

Poland, Spain and Germany are emerging export partners for France. Their export growth in France, as well as worldwide, is booming.

On the other side, Moldova is well positioned in imported growth in value, this index accounting 435% in the period 2013-2014\textsuperscript{58}. However, these trends may set some

\textsuperscript{58} Namely this period because of data availability to make countries’ comparisons
unsustainable tendencies amid Moldova's spontaneous export growth in a short term period. At export growth index, Moldova is overcoming Italy and Germany⁵⁹. China is still the EU’s main supplier of 9403 products exported in France, with good share and export growth index.

**French furniture market - diversified distribution**

In France, furniture is sold through over 12,400 outlets⁶⁰ with an estimated total selling space of 18 million m². Over 86%⁶¹ of the furniture distribution market is owned by specialist retailers. As much as 37% of this value is distributed by buying groups and franchises (UCEM, Mobilier Européen, MDF, Pem, Gram, Maxiam etc.).

Independent furniture chains (IKEA, Roche Bobois, Alinéa, Conforama etc.) are showing a highly organized distribution network and account for 32%. Both these categories showed significant growth since 2006. Non-specialist retailers represented 9.6% share of furniture distribution in 2010 exhibiting a significant drop when compared to the previous year. Both mail-order operators and DIY⁶² chains hold about 4% of the market. Mail order, in particular, is on the increase driven both by online operators (e.g. CAFOM, Quelle, Redoute) and the new-entry furniture chains’ online websites (e.g. Conforama, Habitat, IKEA).

In the period 2006-2010 the following evolutions in furniture distributions entities in France took place:

**Decreases:**

- ✓ Hypermarkets and multistores decreased their share in distribution channel from 2% to 1%
- ✓ Independent specialist retailers - from 18% to 17%
- ✓ Mail order - from 6% to 4%
- ✓ Department stores - from 1% to 0.6%

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⁵⁹ Amid modest shares
⁶² Do-It-Yourself
Increases:

- Independent furniture chains increased from 30% to 32%
- Buying groups & franchising – from 36% to 37%

In 2015, the structure of the furniture distribution chain in France is the following:

**Figure 7. Furniture distribution chain in France - market share and turnover, 2015**

The influence of larger retailers continues as the trade continues to polarize and concentrate further. Moldovan exporters need to try to find sympathetic importers in a particular niche if they do not feel they are equipped to supply the large specialists. These companies are increasingly purchasing direct from established suppliers (either French manufacturers or from overseas contacts), or even investing in their own production facilities in a low-labour cost country.

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64 [https://www.cbi.eu](https://www.cbi.eu)
Downward pressure on prices is coming from the market for furniture for young people. These consumers are happy to purchase RTA\textsuperscript{65} furniture and put it together themselves to save money.

\textsuperscript{65} Ready to Assemble Furniture
As a large and important furniture sector, the kitchen items are distributed in France by 2 categories of entities:

1. **Industrial:**
   a. *kitchen specialists:* Schmidt, Mobalpa, SoCoo’c, hygena, cuisinella, IXINA.
   b. *supermarkets for home:* Ikea, Conforama, Fly, BUT.
   c. *DIY superstores:* castorama, LAPEYRE, LEROY MERLIN.

2. **Artisans.**

43% of turnover in kitchen furniture sector is realized by specialty shops.

Related to price issues, there are the following entities:

1. **Low-price:** LEROY MERLIN, cuisinella, castorama.
2. **Mid-range price:** LAPEYRE, IXINA.
3. **High-range price:** Schmidt, Mobalpa.

- Most of kitchen specialist stores are located in North-West and South-East regions of France.
- Junior consumers prefer kitchen furniture in kit, while adults and senior prefer “ready-made” products.

**Hints:** several large scale distributors are investing resources both in logistics and in creating overseas networks in order to be competitive on prices, particularly in the middle/low end of the market.

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Tariffs favour Moldovan exports to France but EU countries are relevant price competitors

Due to DCFTA\(^{67}\) signed in 2014 between the European Union and the Republic of Moldova, Moldovan exports to the EU market are not a subject of tariffs. Imported 9403 products from Moldova are imposed at 0% tariffs, based on Regulations/Decisions D0492/14 (while *ERGA OMNES* tariff is 2.7%). Imposed VAT is 20% in France for furniture.

According to actual legal framework, Moldova can export unlimited furniture quantities to EU market, which refers to France too, as a EU Member State.

For the last 10 years (2006-2015) 9403 products import prices in France have never been lower than 2100 USD/ton\(^{68}\):

![Figure 8. Price for 9403 products imports in France, USD/ton, 2006-2015\(^{69}\)](image)

The highest unit values are registered for office furniture, followed by kitchen and bedroom items. A clear convergence trend is representing unit value of 9403 products, especially in the years 2008 (all increasing) and 2015 (all decreasing).

\(^{67}\) [http://dcfta.md/](http://dcfta.md/)

\(^{68}\) [http://www.trademap.org/](http://www.trademap.org/)

\(^{69}\) As reference data, UN Comtrade and UNCTAD are proposing kg/tons for furniture trade [http://comtrade.un.org/data/](http://comtrade.un.org/data/)
In 2014, among top 15 furniture exporting countries to France, Moldova received a price of 12 000 USD/ton for office furniture and overtook 12 countries from top 15: Sweden (10173), Netherlands (9277), Germany (5176) etc. Moldovan office furniture price is higher than EU 2015 average price (3433 USD/ton) but is lower than the price of a few countries like: Austria (12328), Belgium (12879), Switzerland (23529), UK (27441), USA (28881) and New Zealand (39667). Except the EU member states, Switzerland is Moldova’s no.1 competitor for demanding a higher price.

**Price perception is important, but it is not the main motivation**

Price is not the dominant purchase motivation for French in buying furniture⁷⁰: French consumers firstly look for the reassurance of the brand. After, they look for the pleasure in the purchase (design, shape, material, colour or other attribute) and the furniture price is third on the list. However, there is a high degree of awareness of prices, due to the ability to make comparisons on various web sources.

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

**Price formation in France – recent developments**

Furniture prices depend on the margin applied by the manufacturer to production costs⁷¹ (margins are treated below this page), which are in turn the result of many factors. Among these, the price trends in raw materials, labour costs and energy costs. Market conditions obviously also affect the trend. As a whole the EU furniture industry has seen rising production prices over the last decade (in 2012 prices were +17% above the 2003 level); prices increased year after year, even during the crisis. However, the average growth in furniture production prices was lower than the average for the whole manufacturing sector (+24%).

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⁷⁰ [https://www.cbi.eu](https://www.cbi.eu)
In France, the trend of increasing production prices in furniture manufacturing is the combined result of three factors:

1. An increase in the prices of raw materials and energy;

2. A share of furniture production moving from the middle to the upper-market range (with higher unit prices). However, it is interesting to note that during the recession there was also a polarization pushing most consumers on a tighter budget to choose own-priced furniture, which still represents an important share of European production.

3. Operational costs increased by compliance with environmental, sustainability and technical standards and regulations.

It is also worth detailing the trend in prices on the basis of the final destination of the output. A key issue is to compare the production prices applied to the domestic market with those relating to imports. For this purpose, data availability is reduced, but it is still possible to make a comparison. Prices of imports into the Euro area from extra-EU countries have been growing slower than the prices applied to countries in the Euro area and to their domestic market. The former increased by +10% over the last decade, the latter by +15%. Thus, as a general trend, French furniture manufacturers are seeing prices rising more than their extra-EU foreign competitors (which operate mainly in the middle/low market range).

Margins vary greatly across the distribution channels and over the years. The consumer price index, which includes both imported and locally produced items, was 11% higher in 2011 with respect to 2003. This seems to indicate that both an increase in imports prices and, to a lesser extent, production prices are reflected into higher consumer prices.
CASE STUDY: kitchen furniture prices

According to CSIL\textsuperscript{72} data, on average, kitchen furniture prices can be broken down as follows (prices are including VAT):

- **Luxury segment** - kitchens with factory prices of over €7,500.
- **Upper-end market** - kitchens with factory prices of between €5,000 and €7,500.
- **Upper-middle price segment** - kitchens priced between €3,600 and €5,000, at factory prices.
- **Middle price segment** - kitchens priced between €2,300 and €3,600, at factory prices.
- **Middle-low segment** - kitchens priced between €1,300 and €2,300, at factory prices.
- **Low-end price segment** - kitchens with factory prices lower than €1,300.

**Examples**

Furniture prices\textsuperscript{73} in France have not increased significantly in real terms for some time. The only sector where there is much activity is furniture for young people. Traditionally the French have been the Europeans who have spent the most on their homes. Imports have created a downward pressure on furniture prices. This has counteracted the upward pressure that was caused by the introduction of the Euro. The growth in furniture for younger people is in part due to the lower prices on these items. Much of it is ready to assemble and consequently costs less.

Retailers have been cutting their margins to keep prices competitive. However any increases are likely to be small as competitive pricing seems to have impacted on all sectors, except for the very top end of the market.

Examples of retail prices from some leading retailers are the following:

\textsuperscript{72} http://www.csilmilano.com/
\textsuperscript{73} https://www.cbi.eu
Table 10. Examples of retail prices of furniture items\textsuperscript{74} in France, April 2016

<table>
<thead>
<tr>
<th>Item</th>
<th>IKEA</th>
<th>Habitat</th>
<th>Roche Bobois / Alinea*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office table, wooden</td>
<td>149</td>
<td>300,50</td>
<td>1705,20</td>
</tr>
<tr>
<td>Office chairs, swivel</td>
<td>234</td>
<td>249,20</td>
<td>720,25</td>
</tr>
<tr>
<td>Bedframe, wooden</td>
<td>699</td>
<td>952,50</td>
<td>2811,50</td>
</tr>
<tr>
<td>Kitchen table and chairs set</td>
<td>720</td>
<td>1123,50</td>
<td>540*</td>
</tr>
</tbody>
</table>

In price positioning, the difference is quite big, e.g. Ikea and Roche Bobois. At the same time, entire kitchen sets are various and their price characteristics are convergent with the case study info.

**Furniture price framework**

Attempts by manufacturers\textsuperscript{75} to increase their prices and the prolonged EU economic recession in major mainland EU economies have made French consumers more critical on price. Now, they shop around and use the internet to source the latest models, designs, brands, (foreign) prices. A ‘snowball’ effect will increase this move over the next few years.

The oversupply of low - to medium range furniture items has resulted in prices being under pressure at all levels in the supply chain. Especially at retail level where price cutting and early clearance sales have become regular features of the trade, fuelling intensified competition.

After a wave of mergers and acquisitions at retail in 2005, it was the international chain stores and buying groups who were able to keep their position in this competitive environment. Some department stores and especially non-specialist retailers have entered the furniture sector to add value to their hyper-store shopping experience. That increases their buying power, forcing prices down further and seeking strong settlement discounts because of their wide coverage and effective volume business. This move also requires large manufacturing resources and effective storage, handling and distribution warehouse systems to cope with these demands.

\textsuperscript{74} Convergent on characteristics
\textsuperscript{75} \url{http://pdf.usaid.gov/pdf_docs/Pnadh793.pdf}
In short, French furniture prices are under pressure because of:

- More non-specialist outlets selling furniture (DIY stores, discounters, hypermarkets, catalogue shops).
- Direct sales by manufacturers with Flagship stores, factory outlets, E-commerce.
- Consumers are more demanding in design and delivery and they often expect a discount.
- Faster changes in interior fashion have shortened the lifespan of a furniture item. Hence, consumers are less prepared to pay high prices, as they use the items for a shorter time.
**REQUIRED EXPORT PROCEDURES AND DOCUMENTATION**

**Procedures of furniture products exports**

In Moldova, a simplified scheme on pre-customs procedures for furniture exports can be represented as following:\(^{76}\):

- **Documents preparation and registration of furniture exporter at Customs Service**
- **Preparation of papers related to merchandise: license copy, contract, invoice**
- **Identification of transport company: CMR, TIR papers**
- **Preparation of export related certificates: of origin (EUR.1. issued by Customs Service), of conformity**
- **Drafting customs declaration: contracting broker, temporary storage**

![Figure 9. Pre-customs phases in conducting furniture export procedures](image)

All laboratory testing in order to obtain conformity certificates have to be done in accredited entities. List of these laboratories can be found here:\(^{77}\):


Additionally to standard documents and pre-customs and customs procedures\(^{78}\), there are specific documentation (and procedural) issues related to furniture exports to EU\(^{79}\).

The placing on the EU market of illegally harvested timber and their derived products is prohibited. Moreover, operators marketing timber and timber products on the EU for the first time will have to comply with obligations laid down by Regulation (EU) No 995/2010 of the European Parliament and of the Council (OJ L-295 12/11/2010) [CELEX 32010R0995]\(^{80}\).

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\(^{76}\) Origin certificates [http://lex.justice.md/md/354909/](http://lex.justice.md/md/354909/)


\(^{78}\) [http://exporthelp.europa.eu/thdapp/taxes/show2Files.htm?dir=/requirements&reporterId1=EU&file1=ehir_eu16_02v001/eu/main/req_spiltimber_eu_010_1303.htm&reporterLabel1=EU&reporterId2=FR&file2=&reporterLabel2=France&label=Control+on+illegal+timber+and+timber+products&languageId=en&status=PROD](http://exporthelp.europa.eu/thdapp/taxes/show2Files.htm?dir=/requirements&reporterId1=EU&file1=ehir_eu16_02v001/eu/main/req_spiltimber_eu_010_1303.htm&reporterLabel1=EU&reporterId2=FR&file2=&reporterLabel2=France&label=Control+on+illegal+timber+and+timber+products&languageId=en&status=PROD) related to timber products


Proof of origin

Under the rules of origin applicable to Moldova (Articles 109-120 of Regulation (EEC) 2454/93 implementing the Community Customs Code\(^81\)) in order to benefit from the preferential duty rates, products originating in Moldova must be accompanied by either:

- a **movement certificate EUR.1** (specimen in Annex 21 to Regulation (EEC) 2454/93\(^82\)) - issued by the Moldovan customs authorities. The exporter applying for the certificate should be prepared to submit documents proving the originating status of the products concerned.

- an **invoice declaration by the exporter** (specimen in Annex 22 to Regulation (EEC) 2454/93\(^83\))

For consignments of products originating in Moldova valued €6 000 or less, any **exporter** can fill out a declaration. When filling in an invoice declaration, exporter should be prepared to submit documents proving the originating status of its products. To make an invoice declaration, furniture exporter should **type, stamp or print the following declaration** (in the appropriate language) on the invoice, delivery note or other commercial document:

"The exporter of the products covered by this document (customs authorization No ...) declares that, except where otherwise clearly indicated, these products are of ... preferential origin".

Exporter can find the different language versions, together with explanatory notes, in the second page of the invoice declaration (specimen in Annex 22 to Regulation (EEC) 2454/93\(^84\)). Exporter must sign its invoice declaration by hand. Proof of origin remains valid for 4 months.

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The main requirements

As reference to wooden products, above Regulation applies to timber and their derived products listed in Annex\(^85\) thereto, which are placed on the market from 3 March 2013 in the course of a commercial activity. Besides, the 9403 products will not have to comply with the requirements of the Regulation, since they will be considered to have been legally harvested, when presenting:

- A **CITES certificate** for timber of species listed in Annex A, B or C\(^86\) to Council Regulation (EC) No 338/97 on protection of species of wild fauna and flora by regulating trade therein (CITES) (OJ L-61 03/03/1997)(CELEX 31997R0338\(^87\)).

- A **FLEGT license** according to Council Regulation (EC) 2173/2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community (OJ L-347 30/12/2005)(CELEX 32005R2173\(^88\)).

Other obligations

1. Operators shall apply the **due diligence system** to each specific type of timber or timber product and supplier. In applying their diligence system, *operators should*:

   - Be able to demonstrate how the information gathered was checked against the risk criteria, how a decision on risk mitigation measures was taken and how the operator determined the degree of risk.

   - Maintain information concerning the operator's supply and application on risk mitigation procedures documented through adequate records, which shall be stored for five years and made available for checks by the competent authority.

2. Traders have to **maintain traceability** of timber and timber products throughout the supply chain. They must keep the information for at least five years. Operators can decide whether they use their own due diligence system or the system provided by a monitoring organization. Monitoring organizations will be recognized by EU

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Commission and will have to provide operators their due diligence system as well as verify the proper use of the system by operators.

If operators decide to use their own system, they may use a certification or other third-party verified schemes as basis of their risk assessment and mitigation procedures. In addition, they must maintain and regularly evaluate the due diligence system they use.

The competent authorities\textsuperscript{89} of the Member States shall carry out checks at regular intervals in order to verify that the monitoring organizations continue to fulfil their functions and shall carry out checks to verify if operators comply with the requirements laid down by the applicable legislation.

**Related legislation**


\textsuperscript{89} http://exporthelp.europa.eu/update/requirements/ehir_eu16_02v001/auxi/eu_spiltimber_competent_authorities.pdf
\textsuperscript{90} France from here
\textsuperscript{91} http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012R0363&from=EN
\textsuperscript{92} http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012R0607&from=EN
Relevant sources

Further useful information on European Commission's Directorate General for Environment website:

✓ Forest - Illegal Logging\textsuperscript{93}
✓ EU Timber Regulation\textsuperscript{2013}\textsuperscript{94}
✓ Guidance document for the EU Timber Regulation\textsuperscript{95}.

More information about illegal logging and forest governance on European Forest Institute - EU Timber Regulation and FLEGT-licensed timber\textsuperscript{96}.

\textsuperscript{93} \url{http://ec.europa.eu/environment/forests/illegal_logging.htm}
\textsuperscript{94} \url{http://ec.europa.eu/environment/forests/timber_regulation.htm}
\textsuperscript{95} \url{http://ec.europa.eu/environment/forests/pdf/guidance_document.pdf}
\textsuperscript{96} \url{http://www.euflegt.efi.int/home}
Complex requirements for furniture delivered in France

Ultimately, collaboration decisions\textsuperscript{97} are taken by the highest ranking individual in the organization. However, Moldovan exporters will need to be able to work with all members of the organization. A written contract is advisable. Internet usage has increased significantly in France. Email is the most common form of correspondence, but other methods such as fax are still used.

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

Methods of payment

The most common method is by open account. The exporter sends the customer an invoice and trusts them to pay when and as instructed. There are no standard payment terms in France. Generally companies use terms such as “60 days end of month” (60 jours fin du mois). This means a company delivering and invoicing in early June will usually be paid 60 days from the end of that month. Payment terms vary depending on the type of contract. It may also vary by sector. For example, mail order sector buyers prefer the above formula but also request “30 days end of month” in return for a discount of 2.75 – 3.0%.

Terms of delivery

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

\textsuperscript{97} \url{https://www.cbi.eu}
General selling requirements

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

Product safety

Products on the European Union (EU) market for consumers or likely to be used by them, including all products that provide a service and excluding second-hand products that have antique value or that need to be repaired, must comply with the provisions laid down by Directive 2001/95/EC of the European Parliament and of the Council (OJ L-11 15/01/2002) (CELEX 32001L0095) designed to protect consumer health and safety.

The General Product Safety Directive (GPSD) establishes the following common provisions concerning particularly:

- General safety requirement
- Additional manufacturer and distributor obligations
- Market surveillance

Safety requirement

Producers are obliged to place only safe products on the market. When the manufacturer is not established in the EU, this obligation applies to his representative in the EU or, in the absence of a representative, to the importer. A safe product is one that poses no threat or only a reduced threat, in accordance with the nature of its use and which is acceptable in view of maintaining a high level of protection for the human health and safety, taking into account the following points:

- the characteristics of the product, including its composition, packaging, instructions for assembly and for installation and maintenance;

98 http://exporthelp.europa.eu/
- the effect on other products, where it is reasonably foreseeable that it will be used with other products;
- the presentation of the product, the labelling, any warnings and instructions for its use and disposal and any other indication or information regarding the product;
- the categories of consumers at risk when using the product, in particular children and the elderly.

The General Product Safety Directive establishes the regulatory scheme to determine compliance with the general safety requirement in which the European Standards (CEN)\textsuperscript{100} adopted to define the appropriate safety specifications are considered.

**Additional manufacturer and distributor obligations**

In addition to the basic requirement to place only safe products on the market, producers must inform consumers of the risks associated with the products they supply particularly, when such risks are not obvious. They must take measures to be informed of risks posed by the products and take the appropriate measures to prevent such risks (e.g. withdraw products from the market, warning consumers, recall products which have already been supplied to consumers etc.). The obligations on producers apply to any professional in the supply chain who may affect the safety characteristics of a product. In particular, they are obliged to monitor the safety of products and provide the necessary documents ensuring that the products can be traced. Manufacturers or the distributors must not supply products that they know or should presume to be dangerous. If they discover that a product is dangerous, it must be notified to the competent authorities of the Member States and, if necessary, cooperate with them on the action taken to avoid the risks for consumers.

**Market surveillance**

Nominated authorities in the Member States are in charge of checking that the products meet the applicable safety requirements. They may take appropriate measures to impose marketing restrictions, require product withdrawal from the

\textsuperscript{100} \url{http://exporthelp.europa.eu/update/requirements/ehir_1602v001/eu/auxi/eu_safeprod_censtands.pdf} with furniture as an object of regulation
market or recall products when there is evidence that there is any danger. The Directive also sets up a system for Rapid exchange of information (RAPEX-system\textsuperscript{101}) among Member States authorities\textsuperscript{102} and the Commission on measures adopted to prevent, restrict or impose specific conditions on the marketing or use of products posing serious risks.

EU legislation on general product safety is various and complex\textsuperscript{103}.

(Voluntary) EU Eco-label for wooden furniture

The Community Eco-label or "Flower logo" is the official mark in the European Union (EU) for products with the lowest environmental impact in a product range. Its aim is to promote, as well as to help consumers to identify those products which contribute significantly to improvements in relation to key environmental aspects. Participation on the scheme is voluntary. This means that products can be sold within the EU market without the Flower logo and that there are no regulations which oblige to apply for the Eco-label.

Product scope

According to Commission Decision 2009/894/EC (OJ L-320 05/12/2009)(CELEX 32009D0894\textsuperscript{104}) the product group "wooden furniture" comprises free-standing or built-in units, which are used for storing, hanging, lying, sitting, working and eating of domestic furniture, whether for indoor or outdoor use, or used indoors for business purposes. Business purposes include office and school furniture as well as furniture for restaurants and hotels.

The following conditions shall be fulfilled:

- The product shall be made of at least 90 % w/w solid wood or wood-based materials. Glass, if easily replaceable in case of damage or breakage, may be excluded from the weight calculation as may technical equipment and fittings.

\textsuperscript{101} http://ec.europa.eu/consumers/consumers_safety/safety_products/rapex/index_en.htm
\textsuperscript{102} http://ec.europa.eu/consumers/consumers_safety/safety_products/rapex/how_does_it_work/docs/rapex_contact_points_en.pdf
\textsuperscript{103} http://exporthelp.europa.eu/update/requirements/ehir_eu16_02v001/eu/auxi/eu_safeprod_leg.pdf
\textsuperscript{104} http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32009D0894
The weight of any individual material, other than solid wood and wood-based materials, shall not exceed 3% of the total weight of the product. The total combined weight of such materials shall not exceed 10% of the total weight of the product.

Procedure

When a product is included in the product group definition and complies with the published Eco-label criteria, manufacturers, importers, service providers, trader or retailers who want to market their products in the EU, may apply for the Eco-label in accordance with Regulation (EC) No 66/2010 of the European Parliament and of the Council of 25 November 2009 on the EU Ecolabel (OJ L-27 30/01/2010) [CELEX 32010R0066].

For a product made outside the European Community, the application must be presented to a Competent Body of any of the Member States in which the product is to be or has been placed on the market. The application must include all relevant documentation to prove that the product complies with the ecological and performance criteria. The Competent Body will inform the applicant of the necessary documents that need to be submitted, the test results that must be provided, how they should be carried out etc.

After assessing whether the product conforms to the Eco-label criteria and that the application complies with the assessment and verification requirements set out in Commission Decision 2009/894/EC, the Competent Body will decide on the award the label. If the application is successful the Competent Body will conclude a contract with the applicant covering the terms of use of the label. Eco-labelled products can be marketed in all Member States.

Once obtained, the holder has the choice of displaying the Flower logo on any part of the product. It can be used from the date it is awarded until the end of the period of validity of the criteria. Applications for the award of an Eco-label are subject to payment of a fee. In addition, there is an annual fee for the use of the label.

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Eco requirements

In order to be awarded the Community Eco-label, wooden floor-coverings must comply with the criteria set out in the Annex to Commission Decision 2009/894/EC referring to 107:

- Product description
- Hazardous substances
- Wood and wood-based material requirements
- Criteria for surface treatments
- Criteria for the assembly of furniture
- Criteria for the final product

The end of the period of validity of the criteria for wooden floor coverings will be 31 December 2016.

In France, the Competent body is Association Française de Normalisation - AFNOR- UTE (French Standardization Association), AFNOR Certification - (AFNOR Certification). 108

Legislation:


Mandatory and voluntary schemes in force

Looking at mandatory and voluntary schemes in force in the EU 111 other than eco-labels (11 out of 19), only France and Italy enacted general measures that are

108 http://www.afnor.org/metiers/certification/panorama-certification
mandatory, encompass a wide range of furniture products, and broadly aim at informing and protecting consumer.

In France, the President of the Republic in August 2009 enacted a law to implement the key points of the so-called Grenelle de l’environnement, a multi-party debate on environmental issues; this law is not yet in force, as implementing regulations are required. Article 40 is the ground to set out new rules on labelling of volatile pollutants (e.g., formaldehyde, volatile organic compounds, etc.) for home furniture. Article 54, instead should lead to the establishment of a new eco-label (affichage environnemental) to disclose the environmental impacts of all furniture products. Reportedly, discussions are ongoing and part of these initiatives is expected to be mandatory (e.g., labelling of volatile pollutants for children furniture might be made compulsory).

As regards EU consumer protection, the following is relevant:

**Table 11. Consumer information obligations included in EU consumer protection and product safety legislation**

<table>
<thead>
<tr>
<th>Directive</th>
<th>Consumer information obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price Indication Directive 98/6/EC</td>
<td>⇒ Price</td>
</tr>
<tr>
<td>UCP Directive 2005/29/EC</td>
<td>⇒ Material information that an average consumer needs</td>
</tr>
</tbody>
</table>
| Consumer Rights Directive 2011/83/EU | ⇒ Main characteristics of the good/service  
⇒ Trader’s name, address, and phone  
⇒ Price  
⇒ Arrangements for payment, delivery, performance, the lead time and trader’s complaint handling policy  
⇒ Reminder of the conformity guarantee, after-sales services and commercial guarantees |
| GPS Directive 2001/95/EC | ⇒ Risk inherent in the product  
⇒ Identity and details of the producer (on the packaging)  
⇒ Details to univocally identify the product  
⇒ Warning consumers as a corrective action |

Other information requirements - **label or product card** - included in mandatory and voluntary schemes in force in France, related to 9403 products, are explained in the following market information requirements matrix:
Table 12. Information requirements included in 9403 furniture mandatory and voluntary schemes in France

<table>
<thead>
<tr>
<th>Info Criteria</th>
<th>France</th>
<th>France</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope of information</td>
<td>General</td>
<td>Leather</td>
</tr>
<tr>
<td>Product range</td>
<td>All furniture</td>
<td>Furniture covered in leather or split leather</td>
</tr>
</tbody>
</table>

**Mandatory information according to EU consumer protection and product safety legislation in force**

| Name and/or address of the manufacturer            | NO  | YES   |
| Name and/or address of the importer               | NO  | YES   |
| Name and/or address of the distributor/retailer    | NO  | YES   |

**Information provided in at least one mandatory scheme**

| Materials used                                    | YES  | YES   |
| Compliance with safety requirements               | YES  | NO    |
| Instructions on maintenance                       | YES  | NO    |
| Date of manufacturing                             | NO  | NO    |
| Instructions on cleaning                          | NO  | NO    |
| Instructions and/or precautions on use            | YES  | NO    |
| Dimensions                                        | YES  | NO    |
| Items included (if they can be sold separately)   | YES  | NO    |
| Flammability                                      | NO  | NO    |
| Clear indication of material imitated             | YES  | NO    |
| Self-assembly/assembled                           | YES  | NO    |
| Date of importation                               | NO  | NO    |
| Instructions on disposal or recycling             | NO  | NO    |
| Clear indication of the style imitated            | YES  | NO    |
| New/second-hand/antique                           | YES  | NO    |
| Production process applied                         | YES  | NO    |

**Information provided only in voluntary schemes**

| Durability of use and resistance to "wear and tear" | NO  | NO    |
| Hazardous substance contained in the product       | NO  | NO    |
| Origin of the product                              | NO  | NO    |
| Weight-bearing capacity                            | NO  | NO    |
| Environmental friendliness                         | NO  | NO    |
| Conformity to fair labour conditions               | NO  | NO    |
| Weight                                            | NO  | NO    |

**Information not provided in existing schemes**

| Home delivery included/excluded                   | NO  | NO    |
| Identification of design protection               | NO  | NO    |
| Origin of the product’s component materials       | NO  | NO    |

**Market access**

Requirements are demanded in France\(^\text{112}\) through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.

\(^{112}\) [https://www.cbi.eu](https://www.cbi.eu)
**Legislative requirements**

National legislation in EU countries is compulsory for all products traded within the country concerned. Therefore, as an exporter in a developing country, Moldovan entities will have to comply with the legislative requirements that are applicable to respective products.

**Non-legislative requirements**

Social, environmental and quality related market requirements are of growing importance in international trade and are often requested by French buyers through labels, codes of conduct and management systems.

Quality requirements in France are almost completely according to the European Norms (EN) that have replaced national standards (NF Ameublement). Many standards are on safety and give rules and test guidelines for raw material and for furniture items (e.g. beds or children’s furniture) for "normal use" and for "long-term use".

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

Social and environmental related market requirements are of growing importance in France and may be requested by French buyers through certificates (e.g. ISO 14001, EMAS) and management systems.

In France the FSC label\textsuperscript{113} is not as well recognized as in other EU countries. Instead, furniture or wood with a PEFC label (Pan European Forest Certification scheme) is more popular, especially by DIY stores such as Castorama and Leroy Merlin.

**Packaging, marking and labelling**

Apart from the safety aspects and protection against damage, the focus of packaging is on environmentally friendly transport.

\textsuperscript{113} **FSC certification** ensures that products come from well managed forests that provide environmental, social and economic benefits
When delivering furniture, the packaging volume is considerable, as the pieces have to be delivered without being damaged. The reduction of the amount of packaging could be considered, however it would be difficult to evaluate this through a tender process without appropriate reference standards. Therefore criteria for packaging should concentrate on the recyclability, separability and the content of recycled material.

Finally, in relation to packaging, reference needs to be made to Directive 94/62/EC on packaging and packaging waste. The Directive contains essential requirements which all packaging introduced onto the EU market must satisfy. The Directive aims at reducing waste generation through packaging and indicates methods for achieving this, one of which is recycling.

The global furniture trade is rather liberal and therefore most items are free from duties. There are no quantitative restrictions for imports of furniture in France.

Useful sources related to standards, certification, customs

- Association Francaise de Normalisation
- Wood and Furniture Technical Centre (CTBA)
- Pan European Forest Certification
- Union Nationale des Industries Francaises de L’Ameublement (UNIFA)
- French Customs

Customs issues

All traders moving goods across the EU under TIR are required to submit a declaration using New Computerized Transit System (NCTS) when the consignment reaches the frontier of the EU.

Businesses that are already involved in international trade and have an Economic Operator Registration and Identification Number (EORI), may wish to consider

115 http://www.afnor.fr
117 http://www.pefc-france.org
118 http://www.unifa.org
119 http://www.douane.gouv.fr/
120 https://www.gov.uk/guidance/importing-goods-from-outside-the-eu
registering with HM Revenue and Customs (HMRC) as an Authorized Economic Operator (AEO). While the scheme is not compulsory, companies that meet the requirements will be registered as AEOs and can take advantage of simplified customs procedures that relate to the security and safety of their imported goods in transit. Furniture importers established outside France will be assigned an EORI the first time they lodge:\footnote{122}{http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/general/eori/taxud1633_2008_rev2_en.pdf}

- a customs declaration
- an entry summary declaration (ENS)
- an exit summary declaration (EXS)

The deadline for lodging the ENS depends on the mode of transport carrying the goods:

- Container maritime cargo: at least 24 hours before loading commences in the foreign port
- Bulk maritime cargo: at least 4 hours before arrival
- Short sea shipping: at least 2 hours before arrival
- Short haul flights (less than 4 hours): at least by the actual time of take-off of the aircraft
- Long haul flights (4 hours or more): at least 4 hours before arrival at the first airport in the customs territory of the EU
- Road traffic: at least 1 hour before arrival.

\textbf{Hints:} The ENS requires information contained in documents originating with the exporter (bill of lading, commercial invoices etc.). Make sure these documents reach the party responsible for lodging the declaration in time.

\footnote{122}{http://www.exporthelp.europa.eu}
When furniture arrives at the customs office of entry to the EU, it is placed into temporary storage\(^\text{123}\) under customs supervision (no longer than 45 days in the case of goods carried by sea, or 20 days in other cases) until they are assigned one of the following customs approved treatments or uses:

- \textit{Release for free circulation}
- \textit{Transit procedure}
- \textit{Customs warehousing}
- \textit{Inward processing}
- \textit{Temporary importation}
- \textit{Entry into a free zone or warehouse}

\textbf{Documents for customs clearance}

Documents for French customs clearance imply the following\(^\text{124}\):

- \textit{Commercial invoice}
- \textit{Customs value declaration}
- \textit{Freight documents}
- \textit{Freight insurance}
- \textit{Packing list}
- \textit{Single Administrative Document (SAD)}

Although some entries specific to the export-import trade are added, it is similar to an ordinary sales invoice. The minimum data generally included are the following:

- Information on the exporter and the importer (name and address)
- Date of issue
- Invoice number
- Description of the goods (name, quality, etc.)
- Unit of measure

\(^\text{123}\) \url{http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/temporary_storage/index_en.htm}

\(^\text{124}\) \url{http://www.exporthand.europa.eu/thdapp/display.htm?page=rt/rt_DocumentsForCustomsClearance.html&docType=main&languageid=EN}
• Quantity of goods
• Unit value
• Total item value
• Total invoice value and currency of payment. The equivalent amount must be
  indicated in a currency freely convertible to Euro or other legal tender in the
  importing EU country
• The terms of payment (method and date of payment, discounts, etc.)
• The terms of delivery according to the appropriate Incoterm
• Means of transport

A Customs Value Declaration\textsuperscript{125} must be presented to the customs authorities where
the value of the imported goods exceeds € 10 000. The Customs Value Declaration
must be drawn up conforming to form DV\textsuperscript{1} \textsuperscript{126}. This form must be presented with the
Single Administrative Document (SAD).

\textsuperscript{125} \url{http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1993:253:0001:0766:EN:PDF}
\textsuperscript{126} \url{http://exporthelp.europa.eu/update/requirements/ehir_eu12_02v002/eu/auxi/au_gen_valuedec_dv1.pdf}
The DCFTA\textsuperscript{127} signed between the Republic of Moldova and the European Union could represent a business platform in order to enhance trade relations. There are some supporting tools related to DCFTA, useful for business environment, such as: Electronic Guide “Doing Business with EU”\textsuperscript{128}, Business Support on Funding\textsuperscript{129}, Export Helpdesk\textsuperscript{130}. They cover the best practices in identification, financing and establishing a clear vision towards EU market.

In this context, B2B opportunities have to be capitalized too.

Moldovan furniture exporters\textsuperscript{131} need to be aware of cultural issues when doing business in France. The French do not like personal questions and value their privacy. It will depend on the channel the exporters wish to sell to as to whether they will need to appoint an agent or distributor. Local agents can facilitate entry of products into the country, so this option should be seriously considered.

France considers itself one of the world’s centres of fashion and design, and this can be seen at the main trade fair, which takes place each February in Paris (Salon du Mobilier\textsuperscript{132}). Although there are smaller, regional trade fairs throughout the year, this is the best place to make contacts. The trade association will also help exporters. Professionalism is highly valued in France so exporters should make sure they have a properly prepared presentation. The French can be very direct, questioning and probing, so exporters should anticipate different questions. Things can tend to get done through a network of alliances, networks and personal relationships. Although they are open to new ideas, they do not often take risks.

The main trade association can be reached at \url{http://www.unifa.org}.

\textsuperscript{127} \url{http://dcfta.md/eng}
\textsuperscript{128} \url{http://chamber.md/files/business_guide/ENGLISH/Guide.html}
\textsuperscript{129} \url{http://finantare.gov.md/}
\textsuperscript{130} \url{http://exporthelp.europa.eu/thdapp/index.htm}
\textsuperscript{131} \url{https://www.cbi.eu}
\textsuperscript{132} \url{http://www.salondumobilier.com/le-salon/presentation}
The principal furniture trade publication is *Le Courrier du Meuble et de l’Habitat*. It can be reached at mailto: redaction@courrierdumeuble.com.

Concentration in the trade is continuing. The move towards less outlets, but bigger outlets has an important impact on how exporters from developing countries can access the French furniture market. There are many furniture agents and distributors in France but their influence is reducing as more companies (i.e. retailers, specialists or not) buy direct from manufacturers.

**Hints:** Some importers specialize in a particular type of furniture, others are more general in which products or sectors they work. France is a fairly large country, so some agents and importers may just work on a regional basis. The French furniture portal [http://www.ameublement.com](http://www.ameublement.com) provides good links to a number of important furniture distributors.

These also include [http://www.123meuble.com](http://www.123meuble.com), [http://www.meublena.com](http://www.meublena.com) that specialize in importing. An example of an online furniture agent is [http://www.net-opportunity.com](http://www.net-opportunity.com).

Additional importers to consider are also [http://www.meublefrance.com](http://www.meublefrance.com) and [http://www.fonction-meuble.fr/default.php](http://www.fonction-meuble.fr/default.php).

An Intracen\textsuperscript{133} analysis shows a geographic profile of some 9403 products importers\textsuperscript{134} in France (table 13).

\textsuperscript{133} [http://www.trademap.org/](http://www.trademap.org/)

\textsuperscript{134} apart of direct importers that are retailers
<table>
<thead>
<tr>
<th>Company name</th>
<th>Number of product or service categories traded</th>
<th>City</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIROY</td>
<td>51</td>
<td>BOUXWILLER</td>
<td><a href="http://www.diroy.com">http://www.diroy.com</a></td>
</tr>
<tr>
<td>ETABLISSEMENTS JEAN BABUT</td>
<td>8</td>
<td>AUBIERE</td>
<td><a href="http://www.babut.com">http://www.babut.com</a></td>
</tr>
<tr>
<td>MEUBLES BLACHERE HYPER LITERIE</td>
<td>23</td>
<td>AUBENAS</td>
<td><a href="http://www.meublesblachere.com">http://www.meublesblachere.com</a></td>
</tr>
<tr>
<td>PARIS SUD BUREAU</td>
<td>130</td>
<td>ENGHEN LES BAINS</td>
<td><a href="http://www.psb-amenagement.fr">http://www.psb-amenagement.fr</a></td>
</tr>
<tr>
<td>SOCIETE COMMERICALE THEIS</td>
<td>569</td>
<td>PRIVAS</td>
<td><a href="http://www.buro-faure.com">http://www.buro-faure.com</a></td>
</tr>
<tr>
<td>SOCIETE ARRO</td>
<td>12</td>
<td>WEYERSHEIM</td>
<td><a href="http://www.arro-mobilier.fr">http://www.arro-mobilier.fr</a></td>
</tr>
<tr>
<td>HAWORTH</td>
<td>50</td>
<td>PARIS, 16</td>
<td><a href="http://www.haworth.fr">http://www.haworth.fr</a></td>
</tr>
<tr>
<td>MOBILIER BUREAU SCOLAIRE</td>
<td>94</td>
<td>DOMONT</td>
<td><a href="http://www.mbs95.com">http://www.mbs95.com</a></td>
</tr>
<tr>
<td>AGENCEMENT CUISINE 1</td>
<td>5</td>
<td>NICE</td>
<td><a href="http://www.acuisine1.eu">http://www.acuisine1.eu</a></td>
</tr>
<tr>
<td>D F L</td>
<td>27</td>
<td>BEAUNE</td>
<td><a href="http://salle-bain-cuisine.dl-augey.com/">http://salle-bain-cuisine.dl-augey.com/</a></td>
</tr>
<tr>
<td>LUSINE PORTUGAISE</td>
<td>10</td>
<td>MARCQ EN BAROEUL</td>
<td><a href="http://www.lusineportugaise.com">http://www.lusineportugaise.com</a></td>
</tr>
<tr>
<td>SIEMATIC FRANCE</td>
<td>7</td>
<td>PARIS, 08</td>
<td><a href="http://www.siematic.fr">http://www.siematic.fr</a></td>
</tr>
<tr>
<td>SOC GH SALES MEUBLES FINIT CUISINES</td>
<td>10</td>
<td>FONSORBES</td>
<td><a href="http://www.gh-sales.com">http://www.gh-sales.com</a></td>
</tr>
<tr>
<td>ARRIVETZ SA</td>
<td>33</td>
<td>LYON, 02</td>
<td><a href="http://www.arrivetz.com">http://www.arrivetz.com</a></td>
</tr>
<tr>
<td>BOIS RODIOUX</td>
<td>10</td>
<td>VIUZ EN SALLAZ</td>
<td><a href="http://www.baud-lavigne.com">http://www.baud-lavigne.com</a></td>
</tr>
<tr>
<td>CAGNETTA</td>
<td>7</td>
<td>GENEUILLE</td>
<td><a href="http://www.cagnetta.fr">http://www.cagnetta.fr</a></td>
</tr>
<tr>
<td>CONFORT ET DECORATION DES FOYERS</td>
<td>4</td>
<td>PARIS, 19</td>
<td><a href="http://www.mobeco.com/">http://www.mobeco.com/</a></td>
</tr>
<tr>
<td>HOME DISTRIBUTION</td>
<td>9</td>
<td>PARIS, 6</td>
<td><a href="http://www.misendemeure.com/fr/">http://www.misendemeure.com/fr/</a></td>
</tr>
<tr>
<td>MEUBLES DEMEYERE</td>
<td>9</td>
<td>PERENCHIES</td>
<td><a href="http://www.demeyere.fr">http://www.demeyere.fr</a></td>
</tr>
<tr>
<td>RYOHIN KEIKAKU FRANCE SAS</td>
<td>14</td>
<td>PARIS, 8</td>
<td><a href="http://www.muji.eu">http://www.muji.eu</a></td>
</tr>
<tr>
<td>KNOLL INTERNATIONAL</td>
<td>22</td>
<td>GENNEVILLIERS</td>
<td><a href="http://www.knoll-int.com">http://www.knoll-int.com</a></td>
</tr>
</tbody>
</table>
List of main Market Trade Fairs

There are different general and specific market trade fairs in France. A calendar of furniture trade fairs in France\textsuperscript{135} is presented below (clickable content):

\begin{itemize}
  \item \textbf{Les puces rouennaises} \\
      \begin{itemize}
        \item 9 - 11 September 2016
        \item \textit{Parc Expo-Rouen} Le Madrillet 76120, Le Grand Quevilly (France)
      \end{itemize}
  \\
  \item \textbf{Salon Maison & Déco} \\
      \begin{itemize}
        \item 7 - 10 October 2016
        \item \textit{Parc Expo-Rouen} Le Madrillet 76120, Le Grand Quevilly (France)
      \end{itemize}
  \\
  \item \textbf{Salon Déco la Rochelle} \\
      \begin{itemize}
        \item 21 - 24 October 2016
        \item \textit{Espace Enca La Rochelle} Quai Louis Prunier, La Rochelle (France)
      \end{itemize}
  \\
  \item \textbf{Salon Funéraire} \\
      \begin{itemize}
        \item 19 - 21 November 2017
        \item \textit{Paris Nord — Villepinte} 82 Avenue des Nations, Villepinte (France)
      \end{itemize}
  \\
  \item \textbf{É gast} \\
      \begin{itemize}
        \item 13 - 16 March 2016
        \item \textit{Parc des Expositions de Strasbourg Wacken} place de la Foire Exposition 67000, Strasbourg (France)
      \end{itemize}
  \\
  \item \textbf{Salon de l'Habitat Fontenay-le-Comte} \\
      \begin{itemize}
        \item 11 - 13 March 2016
        \item \textit{Espace Culturel René Cassin} Avenue de la Gare,Fontenay-le-Comte (France)
      \end{itemize}
\end{itemize}

\textsuperscript{135} \url{http://www.tofairs.com/fairs.php?fld=15&rg=1&cnt=1047&cty=&sct=}

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Salon Déco de Nantes-Rezé
- 26 - 29 February 2016
- La Trocadière 101, rue de la Trocadière, Rezé (France)

NOW! Design à Vivre (Within Maison&Objet)
- 22 - 26 January 2016
- Paris Nord – Villepinte 82 Avenue des Nations, Villepinte (France)

Tradexpo Paris
- 17 - 21 January 2016
- Paris Le Bourget Paris Le Bourget, parc d’expositions, Paris (France)

Amenago
- Du samedi 7 au dimanche 15 novembre 2015
- Lille Grand Palais 1, bd Cités Unis 59777 Lille, Lille (France)

SERBOTEL
- 18 - 21 October 2015
- Expo Nantes Atlantique - Parc de la Beaujoire, Nantes (France)

D.A. Vending Expo
- 24 - 26 October 2012
- Paris Expo Porte de Versailles, place de la Porte de Versailles, Paris (France)

Salon du Meuble de Paris
- 22 - 26 January 2009
- Paris Le Bourget Paris Le Bourget, parc d’expositions, Paris (France)
D.A. Expo  
- 29 October - 1 November 2008  
- Paris Expo Porte de Versailles, place de la Porte de Versailles, Paris (France)

Country Show  
- 29 February - 3 March 2008  
- Paris Expo Porte de Versailles, place de la Porte de Versailles, Paris (France)

Méuble

Planete Meuble  
- 24 - 28 January 2008  
- Paris Le Bourget, parc d’expositions, Paris (France)

Also, a quite important event is "Meuble Paris"\textsuperscript{136} fair. It will take place between 2-6 September 2016 and is an International Furniture Fair presenting contemporary, classic or quaint furniture. It exhibits selective international offer structured around new lifestyles.

**List of Useful Contacts (importers, distributors, wholesalers, retailers)**

1. As it was stated, there are many furniture agents and distributors in France, but their influence is reducing as more companies (i.e. retailers, specialists) buy direct from manufacturers. However, the most prominent French 9403 products *importers and distributors* can be reached by selecting entities at the following link: \url{http://www.ameuble.com/fr/content/annuaire}.

2. Some other 9403 products *distributors and wholesalers* in France have been presented in Table 13 at page 55 above.

3. Main furniture retail selling actors in France are divided in:
   - **buying groups and franchises**: UCEM, Mobilier Européen, MDF, Pem, Gram, Maxiam etc.

\textsuperscript{136} \url{http://www.eventseye.com/fairs/f-meuble-paris-10599-0.html}
- **independent furniture chains**: IKEA, Roche Bobois, Alinéa, Conforama, Fly, BUT etc.
- **online operators**: CAFOM, Quelle, Redoute etc.
- **DIY superstores**: castorama, LAPEYRE, LEROY MERLIN etc.

**Export Promotion Support Programs Available**

In general, MIEPO (Moldova Investment and Export Promotion Organization)\(^{137}\) is supporting Moldovan exporters by providing different market information and assistance in participating at different fairs/exhibitions. Other trade supporting institution is Chamber of Commerce & Industry of Moldova (CCI)\(^{138}\).

Also, there are some project-oriented programs, funded by development partners of Moldova, such as EU, World Bank, USAID, EBRD etc.

Some of these projects are:

- **BRITE**\(^{139}\) (it is working with business associations) [http://brite.md/en/](http://brite.md/en/)
- **Second Competitiveness Enhancement Project (CEP II)** [http://uipac.md/eng/second-competitiveness-enhancement-project-cep-ii](http://uipac.md/eng/second-competitiveness-enhancement-project-cep-ii)
- **Stimulation program of participation of companies in fairs and exhibitions** [http://odimm.md/ro/component/content/article/117-subventionarel-expozitii.html](http://odimm.md/ro/component/content/article/117-subventionarel-expozitii.html)

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\(^{137}\) [http://miepo.md/](http://miepo.md/)


The European Union (EU) is made up of 28 Member States who have decided to gradually link together their know-how, resources and destinies. Together, during a period of enlargement of 50 years, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms.

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The European Commission is the EU's executive body.

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