



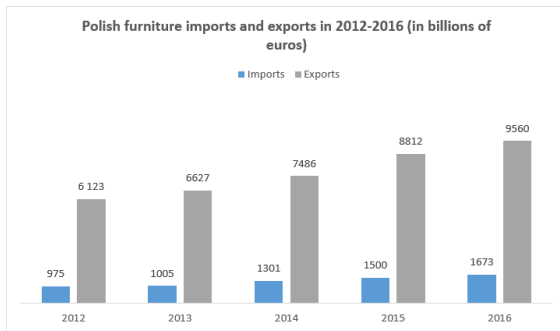
SPOTLIGHT ON THE FURNITURE MARKET IN POLAND

Introduction & Basic Facts:

Poland has become **one of the world's biggest furniture producers**, being the **4th global biggest exporter** right after China, Germany and Italy. In 2016, the value of sold production amounted to **PLN 42 billion (around 10 million euros)**, **90% of which was directed to export**. **The local consumption trends upwards as well**, reinforced by the growing purchasing power of the Polish society and the booming Polish construction and real estate sectors.

Furniture production in Poland is an important part of the economy that has gone through a dynamic development over the last 25 years. The value of furniture production in 2016 was estimated at PLN 42.45 billion (10 billion euros), including micro companies, which represents an increase of 8 percent from 2015.

Exports and imports: 5 years statistics

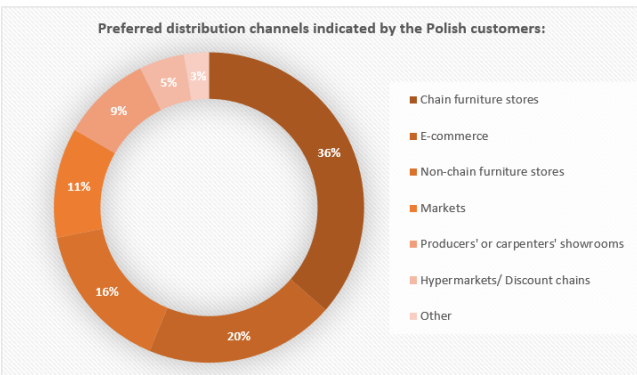


Source: GUS

Furniture is **the fourth largest group of goods exported from Poland** and at the same time furniture is the most important group in terms of balance in foreign trade in 2016, which amounted to +34.6 bln euros. According to Eurostat, exports of furniture from Poland increased by 10% and amounted to 8.812 billion euros. In 2016, the value of exported furniture was once again record-breaking and amounted to 9.56 billion euros. The increase in exports was also accompanied by **an increase in imports, which in 2016 increased to 1.67 billion euros**.

In 2017 the Polish Development Fund announced investing up to 50 mln PLN for projects to support the manufacturing industry of the Polish furniture for export. The "Polish Furniture" program aims to make Poland the European leader in the sector by 2022.

Polish furniture manufacturers are **increasingly willing to invest in modern tools and systems**, perceiving their potential and counting on it as a way to bolster their business. **Over the past five years, the value of orders for automation solutions filed by Polish furniture customers has increased by as much as 281%**. It represents an excellent opportunity for foreign machinery manufacturers to enter the Polish market.



Sources: OIGPM, Biznesmblowy.pl

The strong development of the **Polish construction and real estate sectors boosts the local demand for furniture** as both the commercial and residential real estate have been hitting records over the last years in terms of new developments.

Furthermore, there is **an upward trend in purchasing new furniture as the average Polish household's net income grows**.



Business opportunities for foreign furniture market players:

- Favorable location close to both Western and Eastern markets
- Relatively low production costs, including labor costs for highly-skilled employees
- Strong governmental support for the furniture industry as well as availability of various aid funds
- The proximity to resources of both solid wood and wood-based materials
- The increasing interest for high technology solutions
- The growing domestic market, driven by the growth of the construction sector and the improving purchasing power of the local consumer

Sources: University of Lodz, Euromonitor, PAIiZ

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Authors: Marta Szmelter & Cédric Fromont – Valians International

Contact: Cédric Fromont – cfromont@valians-international.com