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# Furniture production industry



## FURNITURE INDUSTRY

***Furniture market is one of the most competitive and dynamic markets in Belarus.***

Furniture production in Belarus is one of the major industries of the timber processing complex. The output of furniture in 2011 increased by 13% compared to 2010 and accounted for 597,1 mn USD. Retail turnover of residential furniture in 2011 amounted to 483,1 mn USD, office furniture – 7,13 mn USD. Total retail turnover grew by 12% compared to 2010.

***Furniture production in Belarus is export-oriented.***

Exports of furniture is as much as five times higher than imports. In 2011 exports made up 398 mn USD (22% growth to 2010). Imports also increased by 12% and amounted to 72 mn USD. Exports share in production is about 50%. Imports share at the domestic market of residential furniture is 6,6%, office furniture – 12%.

***In Belarus consumption of furniture per capita amounts to 52 USD per year.***

Furniture production in Belarus has 1% share in total industrial output. This indicator is higher than in Ukraine (0,5%), but much lower than in EU countries (3-5%) that demonstrates great potential of Belarusian furniture market. In average, the Belarusians spend for furniture 52 USD a year. The level of consumption per capita in Belarus is higher than in Baltic countries (22-33 USD) and Ukraine (9 USD), but much lower than in EU countries (at the average 252 USD). This indicator in Belarus is also much lower than in Russia (105 USD) and Poland (104 USD). The total share of import product at the domestic market in Belarus is 9%, in Russia – 19%.

***For the last five years share of the “Bellesbumprom” concern has decreased from 51,6% to 38,0%.***

In 2011 38% of furniture production accounted for the “Bellesbumprom” concern (in 2006 – 51,6%), which includes “ZOV-LenEvromebel”, “Molodechno mebel”, “Bobruisk mebel”, “Gomel furniture factory “Progress”, “Holding company “Pinskdrv”, “Slonimmebel”, etc. Among major non-departmental enterprises there are “Black-Red-White” (produces 400 t/day) and “Involux” (produces 80 t/day).

***In 2012 new IKEA furniture factory will be built in Belarus***

In 2012 IKEA furniture factory will be built in free economic zone “Mogilev”. Investment project is realized according to the investment contract made between Belarus and “Vakaru Medienos Grupe” (VMG). Business plan provides for investments in the amount of 14 mn euro.

***The main problem of furniture industry in Belarus is outdated technological and marketing basis.***

Typical problems of Belarusian furniture enterprises are lack of own design ideas, low staff skill level, outdated equipment, poor advertising and PR-policy.

UNITER Investment Company – financial and investment adviser in Belarus with 14+ years of experience with national and international investors in 40+ industries and markets within the country.

The company's activity is focused on investment banking; support of foreign investors and attraction of financing for national companies; conducting marketing and analytical research; project and asset management.

UNITER



220114 Belarus, Minsk, 117A Nezavisimosti avenue 12 floor (Aleksandrov Passage Business Center)

Office +375 17 385 24 65, Fax +375 17 385 24 64, [uniter@uniter.by](mailto:uniter@uniter.by), [www.uniter.by](http://www.uniter.by)

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