Lithuanian furniture industry (NACE C31)

OVERVIEW

▶ In 2019 the furniture industry accounted for about 2.5% of GDP. At the beginning of 2021 enterprises in operation have employed around 29 thousand employees or 3.1% of the total employment.
▶ 993 enterprises were active in the industry at the beginning of 2021, 97% of them were small and medium sized enterprises (SMEs) with 1-249 persons employed.

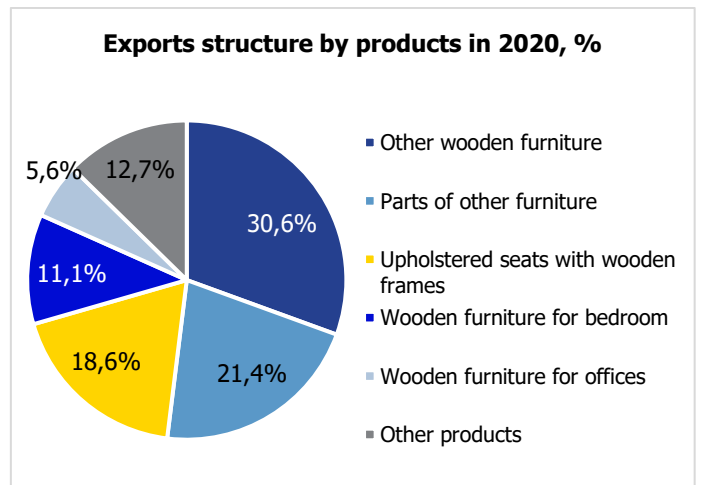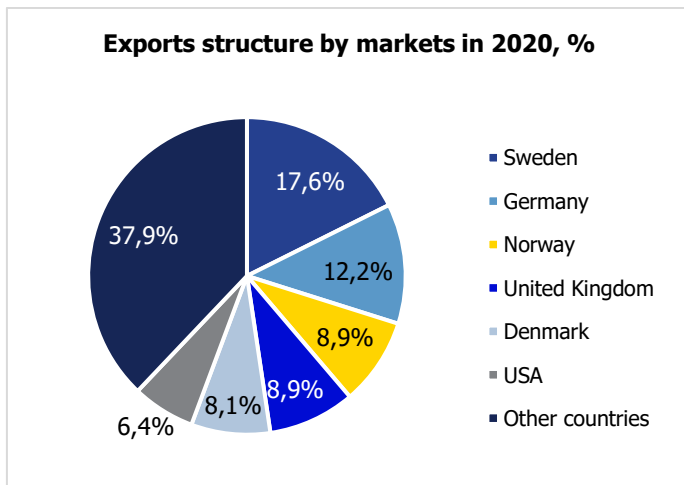| Indicator	2017	2018	2019	2020	2021
Number of companies	907	924	930	971	993
Number of employees	27,558	27,951	28,664	29,178	29,234

Source: Statistics Lithuania.

▶ In 2019 production of the furniture industry (at current prices) amounted to 1.9 billion EUR, which was 13% more than in 2018.

Indicator	2016	2017	2018	2019	2020
Exports of goods of Lithuanian origin (million EUR)	1,285.5	1,447.0	1,581.4	1,756.9	1,770.2
Industrial production (million EUR)	1,466.5	1,641.8	1,656.9	1,878.5	-

Source: Statistics Lithuania.

▶ In 2020 the growth of domestically produced furniture exports was around 0.8% and reached the value of 1,8 billion EUR. In 2020 furniture represented about 97.3% of the exported products, whereas mattresses - 2.7%. In 2020 exports of domestically produced goods consisted mainly of other wooden furniture (30.6%), parts of other furniture (21.4%), upholstered seats primarily with wooden frames (18.6%) and wooden furniture for bedroom (11.1%). The increase in domestically produced furniture exports in 2020 was mainly driven by the growth of exports of wooden furniture for bedroom (export value increased by 21% or 34 million EUR), whereas the largest decline in exports was recorded for wooden furniture for offices (decreased by 14% or 16 million EUR).
▶ The most important export markets for Lithuanian furniture industry in 2020 were Sweden (18%), Germany (12%), Norway (8.9%), the United Kingdom (8.9%) and Denmark (8.1%). Countries in the European Union accounted for 76% of exports value by the furniture industry. The export of Lithuanian furniture industry in 2020 has grown most significantly to Denmark (exports value increased by 11% or 15 million EUR), Germany (increased by 7.1% or 14 million EUR) and Norway (increased by 9.5% or 14 million EUR), whereas the largest decline in exports was recorded for the United Kingdom (decreased by 14% or 25 million EUR).
▶ Several factors have determined recent trends in the European furniture market: rapid economic growth and rising personal income stimulate the demand for furniture made according to individual orders; the growing EU population and the diminishing living space increase the demand for multifunctional, mobile, space-saving furniture (the sofa-bed, uplifted, folding beds and coffee tables, folding tables, even mobile kitchen sets); the lifestyle changes increase the demand for home office furniture. All these factors created favorable conditions for further development of the Lithuanian furniture industry, producing furniture according to individual orders and manufacturing the mass production of furniture in the EU market. Meanwhile, the trend to promote sales producing furniture collections with the famous people names has become increasingly popular in the US market. Using such method of the partnership, manufacturers can introduce new trademarks and increase their visibility more easily, saving time and other costs that occur, when the trademark is being developed and delivered to the market in the normal way.

Exports structure by markets in 2020, %

- Sweden — 17,6%
- Germany — 12,2%
- Norway — 8,9%
- United Kingdom — 8,9%
- Denmark — 8,1%
- USA — 6,4%
- Other countries — 37,9%

Exports structure by products in 2020, %

- Other wooden furniture — 30,6%
- Parts of other furniture — 21,4%
- Upholstered seats with wooden frames — 18,6%
- Wooden furniture for bedroom — 11,1%
- Wooden furniture for offices — 5,6%
- Other products — 12,7%

Source: Statistics Lithuania.

Exports of Lithuanian furniture industry by products, million EUR

Products	2016	2017	2018	2019	2020
Other wooden furniture	419.9	436.2	468.9	540.8	540.9
Parts of other furniture	261.0	311.2	328.2	368.9	379.0
Upholstered seats with wooden frames	250.4	275.3	301.1	324.3	328.8
Wooden furniture for bedroom	133.4	149.7	148.4	163.3	197.2
Wooden furniture for offices	66.1	91.8	111.4	116.1	100.0
Parts of seats	24.1	28.7	42.2	57.5	50.8
Other metal furniture	23.4	26.9	34.6	36.6	31.1
Mattress supports	21.2	24.6	27.7	27.1	26.6
Other products	86.0	102.6	118.9	122.3	115.8
Total	**1,285.5**	**1,447.0**	**1,581.4**	**1,756.9**	**1,770.2**

Source: Statistics Lithuania.

Strengths of Lithuanian furniture industry:

► Time-honored traditions;
► One of the most competitive and highly developed branches in Lithuania's manufacturing industry;
► Innovative production methods, high-quality furniture;
► Up to date design solutions, custom, handcrafted furniture and whole concepts;
► High technological and linguistic staff competences and work culture;
► Integration into global value chains.