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# Status Analysis of China's Furniture Export to Countries of "One belt, one road"

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**Abstract:** Furniture manufacturing industry is an important pillar of China's light industry. The current situation of Chinese furniture exports is dissected first. Then, the overall trade of China's furniture export to countries of "One belt, one road" is analyzed, and the China's export market structure to countries of "One belt, One road" is studied, and preliminary conclusions are drawn.

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**Key words:** One belt, one road; Furniture; Export trade

Before the "One belt, one road" initiative was suggested, trade of part countries of "One belt, one road" had been studied by some scholars. As "One belt, one road" initiative was proposal, scholars' studies of trade of countries of "One belt, one road" was gradually deepening. In 2017, Ceng Zhaorui and others divided the export trade of China's wooden furniture by "one belt" and "non one belt" all along the way: China's furniture export to counties of "One belt, one road" was in the stage of complementarity and export, and China had more potential for exporting furniture. China also encouraged countries of "One belt, one road" to the Chinese wooden furniture export to guide or actively promote the strategic market transfer of China's wooden furniture export manufacturers to the countries and regions along the "One belt, one road". In addition, Li Yumin in 2011, and Zhou Liangyue in 2019 conducted a detailed study on the export trade potential of wooden furniture between China and multi-trade countries and between China and Mongolia and Russia based on the gravity model. In 2017, Shen Zizheng and others conducted export trade of wooden forest products between China and ASEAN. In 2014, Luo Laijun and others introduced the derived bilateral international trade based on the gravity model. The research showed that distance had a significant impact on bilateral trade. In 2018 Wang Qiang analyzed export trade potential and affecting factors between China and countries of "One belt, one road" by the stochastic frontier trade gravity model. The results showed that GDP per capita, population size and geographical distance had a significant impact on the export trade between China and the countries of "One belt and one road". In 2018, Xiong Lichun and others used the data of bilateral log trade along the belt road to conduct an empirical study. The main factors affecting the export of Chinese logs to the countries along the border were analyzed, and the efficiency and potential of log export trade were further calculated. The results showed that China's export of wood-based panels and wood furniture, the per capita GDP of the countries along the border, and the land area of the country, Whether there was a common border with China, distance and relative differences in economic scale were the main factors affecting log exports to China. In 2017Wang Lili studied market between China and countries of "one belt, one road " and she found that the trade was not efficient. China had much room to explore the export trade along countries of "One belt, one road". In 2019 Miao Yongjie studied the wooden products trade between China and countries along "One belt, one road" by authentic proof analysis. The paper proposed to strengthen basic construction between China and countries of "One belt and one road" and adopted differentiated trade strategies according to different market conditions.

## 1. Current situation of China's furniture trade

Furniture manufacturing industry is an important pillar of China's light industry. In 2017, China's total export of goods trade was 2.263 trillion US $, and the total export of national light industry was 599.844 billion US $, of which the total export of furniture was 51.424 billion US $, accounting for 2.27% of China's total export of goods trade and 8.57% of the total export of light industry.

Since the reform and opening up, China's furniture industry had developed rapidly, the scale of furniture industry had been expanding, the main business income of furniture enterprises above designated size had been increasing, and the furniture output was also increasing. The main business income of Chinese furniture enterprises above designated size increased continuously from 2002 to 2017, from 49.668 billion US $ in 2002 to 905.597 billion US $ in 2017, with an average annual growth rate of 21.35%; In 2004, China's furniture industry developed very rapidly, and the year-on-year growth rate reached the peak in 2004. Compared with 2003, the GDP of furniture above designated size in 2004 increased by 55.1%. Since 2004, the year-on-year growth rate had generally shown a downward trend, but it had always been higher than 10%. The main business income of furniture enterprises above designated size was still rising. Furniture production showed a growing trend from 2002 to 2010. Furniture production decreased slightly from 2011 to 2013. After 2013, furniture production rebounded again and maintained an increasing trend. The output of furniture increased from 134 million pieces in 2002 to 807 million pieces in 2017, with an average annual growth rate of 12.7%. When the year-on-year increased, the total profit of furniture was high and the year-on-year increase in output was low, it showed that the profitability of Chinese furniture enterprises had been improved, that is, the added value of furniture products had increased.

### 1.1 Overview of furniture import and export trade

The total import and export volume of China's furniture basically showed an increasing trend year by year. In 2002, the total import and export volume of China's furniture was 5.56 billion US $, which increased to 54.48 billion US $ in 2017, nearly 10 times the total import and export volume of furniture in 2002. The highest year-on-year increasing in China's furniture import and export was in 2004, with a year-on-year growth rate of 44.2%, which once again showed that the development of China's furniture entered a stage of rapid progress in 2004. However, the total import and export volume decreased slightly in 2009 and 2016, with the total import and export volume of 27.25 billion US $ and 51.82 billion US $ respectively, a year-on-year decrease of 5.4% and 8.8% respectively. In 2009, affected by the financial crisis, the demand for furniture in the international furniture market was briefly depressed, and the furniture export volume decreased by 6% year-on-year. Under China's repeated adjustment of tax rebate rate and introduction of policies, China's furniture development again showed vitality in 2010, with a year-on-year increase of 30%. As China's economy slowed down and entered the new normal, the development of China's furniture industry also entered the new normal. In 2016, the furniture industry was facing China's economic slowdown and growth, the adjustment of furniture industry structure and the complex and changeable international environment, resulting in a decline in exports. In 2017, the world economy was generally good, China's economy grew steadily, the year-on-year growth rate of China's furniture export ended the decline for several consecutive years since 2013, bottomed out and rebounded, with a year-on-year increase of 4.54%. As the world's largest furniture producer and exporter, China's export volume in the foreign trade of the furniture industry accounted for more than 95% of the total import and export volume. It had always been in a trade surplus and had a high degree of foreign dependence.

### 1.2 Structure of China's furniture export products

There were many kinds of furniture exports in China. Furniture was classified by material and use. Through sorting and calculation, the total export volume, proportion of export volume and average annual growth rate of different furniture materials and uses from 2002 to 2017 were obtained.

#### 1.2.1 Export product structure of material layer furniture

The export volume of furniture of different materials from 2002 to 2017 was shown in table 1. Wooden furniture, metal furniture and furniture made of other materials accounted for a relatively high proportion of exports, and the sum of the three accounted for more than 97% of the total exports from 2002 to 2017; The export volume of plastic furniture, bamboo furniture and stone furniture accounted for only 3%.

Table 1 Export value of furniture of different materials from 2002 to 2017 Unit:100 million US $

| Year | Wooden furniture | Metal furniture | Plastic furniture | Bamboo furniture | Stone furniture | Other materials furniture |
|---|---|---|---|---|---|---|
| 2002 | 27.06 | 15.96 | 0.81 | 0.55 | / | 4.78 |
| 2003 | 38.16 | 20.70 | 1.22 | 0.53 | / | 12.62 |
| 2004 | 55.29 | 28.64 | 1.77 | 0.63 | / | 17.29 |
| 2005 | 68.43 | 38.73 | 2.39 | 0.66 | / | 24.05 |
| 2006 | 87.84 | 49.88 | 3.06 | 0.55 | / | 29.23 |
| 2007 | 106.85 | 66.45 | 3.42 | 0.46 | 0.45 | 43.51 |
| 2008 | 110.21 | 84.21 | 4.67 | 0.45 | 0.83 | 67.83 |
| 2009 | 120.34 | 70.08 | 4.52 | 0.58 | 1.26 | 51.27 |
| 2010 | 161.57 | 92.37 | 6.21 | 0.69 | 1.09 | 65.56 |
| 2011 | 171.19 | 111.25 | 7.48 | 1.52 | 1.24 | 83.35 |
| 2012 | 183.31 | 171.55 | 9.84 | 0.65 | 1.84 | 111.04 |
| 2013 | 194.41 | 175.62 | 11.03 | 0.73 | 1.72 | 126.18 |
| 2014 | 220.93 | 158.41 | 11.21 | 0.80 | 1.86 | 114.41 |
| 2015 | 228.55 | 153.24 | 12.37 | 0.83 | 2.24 | 121.27 |
| 2016 | 222.09 | 133.25 | 10.96 | 0.91 | 1.61 | 111.35 |
| 2017 | 226.92 | 141.49 | 12.05 | 1.12 | 1.50 | 120.56 |

Data source: according to the export data of China furniture Yearbook; Note: "/" indicates that the data of this year is missing

**1.2.2 Export product structure of purpose floor furniture**

The export volume of furniture of different materials from 2002 to 2017 was shown in table 2. Compared with furniture of different materials, the export volume of furniture for different purposes was relatively balanced. Among all kinds of furniture for different purposes from 2002 to 2017, all kinds of seats and furniture for other purposes were the two types of furniture with the largest export volume in China, and their total export volume accounted for the highest proportion of the total export volume, 37.37% and 34.19% respectively; Furniture parts and bedroom furniture accounted for 12.16% and 8.47% respectively; Office furniture and kitchen furniture accounted for the smallest proportion, 2.94% and 2.46% respectively.

Table 2 Export value of furniture of different use from 2002 to 2017 Unit:100 million US $

| Year | Office furniture | Kitchen furniture | Bedroom furniture | Chairs | Parts of furniture | Other furniture |
|---|---|---|---|---|---|---|
| 2002 | 1.40 | 2.25 | 6.15 | 16.50 | 2.84 | 21.56 |
| 2003 | 2.12 | 2.95 | 9.24 | 25.87 | 5.91 | 30.68 |
| 2004 | 2.95 | 3.24 | 12.14 | 40.02 | 9.76 | 38.96 |
| 2005 | 4.22 | 3.78 | 15.06 | 49.21 | 14.34 | 50.81 |
| 2006 | 5.80 | 4.89 | 19.55 | 65.35 | 17.06 | 61.59 |
| 2007 | 7.06 | 6.16 | 22.98 | 89.85 | 25.72 | 73.42 |
| 2008 | 9.00 | 6.22 | 24.33 | 105.90 | 41.86 | 86.95 |
| 2009 | 7.30 | 6.14 | 23.37 | 99.81 | 31.09 | 88.36 |
| 2010 | 9.65 | 7.47 | 28.25 | 129.51 | 36.10 | 124.55 |
| 2011 | 10.44 | 8.09 | 30.37 | 145.28 | 48.27 | 143.95 |
| 2012 | 13.07 | 8.89 | 33.73 | 186.48 | 67.21 | 184.81 |
| 2013 | 13.89 | 10.39 | 34.27 | 196.62 | 78.30 | 192.41 |
| 2014 | 15.76 | 12.07 | 42.63 | 201.13 | 63.08 | 194.22 |
| 2015 | 18.12 | 16.36 | 49.01 | 198.53 | 67.65 | 187.02 |
| 2016 | 16.60 | 14.80 | 49.89 | 183.16 | 63.73 | 158.73 |
| 2017 | 17.45 | 15.95 | 45.64 | 195.64 | 68.04 | 166.57 |

According to the classification data of material layer and use layer, the product structure of China's furniture export was unreasonable. In the material layer, the export was mainly concentrated in wooden furniture, metal furniture and furniture made of other materials, while the export of plastic furniture, bamboo and rattan furniture and stone furniture accounts for only 3%. In the use layer, the export of all kinds of seats and furniture for other purposes accounts for a large proportion, while the export of office furniture and kitchen furniture accounted for a small proportion. From the perspective of specific types of furniture, furniture exports were mainly concentrated in wood furniture and metal furniture, among which other wood furniture, wooden frame seat with cushion and other metal furniture had the largest export volume. China was facing the problem of shortage of forest resources, so we should reasonably adjust and optimize the product structure of furniture export to further promote the development of China's furniture industry.

## 2 Overall trade analysis of China's furniture export to countries of “One belt, one road”

Countries and regions of “One belt, one road” has huge population and economic aggregate. The proposal of the "One belt and one road" initiative will bring broad market development space for China's furniture industry. The advantage of "one belt and one road" will bring more vitality to the development of China's furniture industry. China’s furniture expert market development along the countries of “One belt, one road” will help improve our furniture export market too concentrated, export resistance to poor ability of the current situation.

### 2.1 China’s total export volume of countries of "One belt, one road"

71 furniture areas as one whole , the total export volume of China’s furniture from 2002 to 2017 has increased from 308 million US $ in 2002 to 11.429 billion US $ in 2017, with a growth rate of 27.26% according to furniture statistics. From 2002 to 2013, it was increasing , and from 2013 to 2017 it was decreasing. In 2013 it reached the peak, and it was 16.520 billion US $. In recent years, the international market continued to be weak, the market environment was complex and changeable, and the competitiveness of emerging countries continued to improve. China's furniture industry was facing many challenges. Since 2013, China's furniture export growth had been weak, and the development of China's furniture industry was in a critical period. In 2017, countries of China's furniture export were more than 200. China's total exports of furniture to 71 countries of "one belt, one road" were 11.429 billion US $, accounting for 22.22% of China's furniture exports. A year-on-year decrease of - 0.67%, a decrease of 21.37 percentage points compared with the previous year.

### 2.2 Share of counties of “one belt, one road” in China's furniture export market

Share of countries of “One belt, one road” in China's furniture export market had increased from 2002 to 2013. From 2013 to 2017, the trend had been increasing first and then decreasing, according to the calculation. Share of 5.68% in 2002 changed to 22.22% in 2017. China's furniture industry had continuously strengthened international exchanges and cooperation with countries and regions of "One belt and one road".

In 2017, share of countries of “One belt, one road” accounted for less than 1/4 of China's furniture exports. This showed that although the scale of China's furniture exports to countries "One belt, one road" was increasing from 2002 to 2017, they were still not the most important trading partners of furniture export in China compared with the European and American markets. China's furniture export to countries of “One belt, one road” had been on the decline in recent years due to the weakness of Malaysia and other countries, and the rise of the Southeast Asian countries to seize the Chinese furniture market. China should utilize the cooperation superiority with countries of” One belt, one road”, occupy the export their share, and stabilize the status of China's furniture export power.

## 3 Market structure analysis China's furniture export to countries of “One belt, one road”

### 3.1 Expert area

China's furniture export to countries of “One belt, one road” from 2002 to 2017 are increasing basically in Oceania, Central Asia, Western Asia, South Asia, Eastern Europe, Africa and Latin America. The main destination of the export of Oceania's furniture was the Asian and the Oceania countries among China's furniture export to countries of “One belt, one road”. The volume of the furniture was from 162 million US $ in 2002 to 5.688 billion US $ in 2017 , the growth rate was 26.78%. From 2002 to 2017, China's total export to Asia and Oceania countries was 567.02 billion US $, accounting for 46.48% of the total export volume of China's furniture export to countries of “One belt, one road”. China's furniture export to western region of “One belt, one road” , which grew from 103 million US $ in 2002 to 2.654 billion US $ in 2017, with a growth rate of 24.23%. From 2002 to 2017, China's total exports to the Western Asian countries were 32.517 billion US $, accounting for 26.71% of the total exports of furniture to countries of "One belt and one road". China's exports to countries of East Asia, Africa and Latin America, South Asia and Central Asia of "One belt, one road" were relatively small, the total export volume was less than 10% from 2002 to 2017. It was worth noting that although China's furniture exports to these four regions were not high, the average growth rate was high. Although there were only five countries in Central Asia and China's total furniture exports to them were the least, the export volume increased from 101300 US $ in 2002 to 83053200 US $ in 2017, with an average growth rate of 56.41%. China's furniture export to countries of "One belt, one road" had been steadily increasing to Eastern Europe, Central Asia, Africa and Latin America, with an annual growth rate of 15.22%, 11.13% and 5.87% respectively. This showed that the "One belt and one road" initiative had promoted China's trade cooperation with Eastern Europe, Central Asia, Africa and Latin America and South Asia, etc. We had strengthened trade ties with each other and opened up the international trade market of the furniture industry.

**3.2 Export countries**

The top ten countries and regions among China's furniture export to countries "One belt, one road, their exports accounted for Korea (17.67%), Singapore(15.05%), Saudi Arabia(13.71%), the United Arab Emirates (10.49%), Malaysia (8.43%), New Zealand (3.50%), Philippines (3.28%), Poland (2.46%), Kuwait (2.45%), South Africa (2.37%) in 2002 according to "Year book of China's furniture in 2008". In 2017 The top ten countries and regions among China's furniture export to countries "One belt, one road", their exports accounted for Korea (14.34%), Singapore (9.85%), Malaysia (9.19%), Saudi Arabia (7.78%), India (7.03%), United Arab Emirates (5.97%), South Africa (4.45%), Poland (3.97%), Philippines (3.69%) and Thailand (3.69%). Among them, China's furniture exports to South Korea, Singapore and Malaysia exceeded 1 billion US $, 1.638 billion US $, 1.125 billion US $ and 1.051 billion US $ respectively. Meanwhile, the top ten countries with year-on-year growth rates in 2017 and their growth rates were Belarus (64.78%), Macedonia (53.84%), Afghanistan (40.22%), Cambodia (39.36%), Nepal (35.16%), Armenia (33.86%), Kyrgyzstan (30.79%), Myanmar (27.39%), Bosnia and Herzegovina (27.18%) and Lithuania (26.85%).

Among the top 20 countries of China's furniture export to countries of "One belt, one road", 17 countries are duplicated in 2002 and 2017. Share of the top 20 countries accounted for China's furniture export to all countries "One belt, one road" were 93.23%、88.26% respectively in 2002 and in 2017. It showed that China's furniture export market was relatively concentrated. China's furniture export to countries of "One belt, one road" was mainly concentrated in Korea, Singapore, Malaysia, Saudi Arabia, India and other countries. The furniture exports to other countries of "One belt and one road" were few, which showed that our country's dependence on furniture exports was large, and its ability to resist risks was insufficient. "One belt, one road" initiative had slightly decreased market concentration. Therefore, to maintain sustainable development, China's furniture industry must actively explore the international market, take full the advantages of "One belt and one road" to break the overconcentration of export markets, and better adapt to changes in the international market.

**4 Preliminary conclusion**

Through the study on China's furniture trade status, the China's furniture export structure and China's furniture export situation to countries of "One belt and one road" from 2002 to 2017,it shown that because of "One belt and one road" initiative in 2013 China's furniture export was put forward, the average growth rate of China's furniture industry had been declining no longer, and the scale of furniture industry had been steadily improving. "One belt and one road" initiative had been a stimulus to China's furniture industry. The study of the "One belt and one way" international market will help to promote the development of China's furniture industry. From 2002 to 2017, China's total furniture exports were increasing. There was no doubt that China was a big furniture country. China's furniture export market share to countries of "One belt, one road" was rising, the market concentration of countries of "One belt, one road" was higher, mainly in Korea, Singapore and Malaysia. The export product structure of furniture was not balanced. From 2002 to 2017, the export volume of wooden furniture was the largest among all kinds of furniture, and the export volume of all kinds of seating utensils was the largest among all kinds of furniture. Among all types of furniture exports, other wooden furniture, wooden frame seats with cushions and other metal furniture had the largest export volume.

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