FRENCH OFFICE FURNITURE MARKET SHRINKS BY 16% IN 2009

The economic crisis, which started in the second half of 2008, caused the French office furniture market, as well as other industrial sectors, to contract sharply in 2009.

According to the IPEA[(1)]'s monthly statistics, sales plunged between 15 and 26 % from January to August 2009, but dipped between only 3 and 12 % from September to December, pointing to an improvement towards year end.

Apparent domestic market in 2009 by type of operator

	2009 (in million EUR excl. tax)	***% change vs. 2008***
French market (A + B + C)	**1 024**	**-16%**
Sales by French manufacturers on the French market (A)	613	-16%
Sales by importers on the French market (B)	228	-17%
Products imported by distributors (C)	183	-17%

Pro forma changes
Source: Global Insight France

Domestic production suffered a painful 21% fall resulting from a massive 37% plunge in exports. Similarly manufacturers saw their sales take a 16% dip on the French market.

Imports, whether by large B2B distributors or by foreign manufacturers distributing their products on the French market, decreased by 17% in 2009. For the first time in ten years, sales of imported products were lower than those of locally produced items.

STEELCASE and MAJENCIA remained the two market leaders, followed closely by EOL and HAWORTH. In 2009 the MARCADET plant shut down and SAMAS France, the French subsidiary of the former SAMAS group, was taken over by the OPTEAMANCE holding company and renamed MAJENCIA.

(1) IPEA (Institut de promotion et d'études de l'ameublement), the French furniture industry research institute, conducts monthly surveys on behalf of UNIFAs's Association of office furniture manufacturers

RESELLING FARES BETTER THAN LARGE B2B DISTRIBUTION AND DIRECT SELLING

The uncertain economic outlook led private companies, regardless of their sizes, to react very quickly by halting their spending on office design and furniture, By contrast, the French government tried to maintain a certain level of activity, either by placing direct orders or by encouraging local authorities to buy. The French public purchasing authority, UGAP, and, to a lesser extent, regional resellers, were able to benefit from this public outlay.

Final market in 2009 by distribution network

	2009 (in million EUR excl. tax)	***% change vs. 2008***	***Market share per distribution channel***
French market	**1 373**	**-16%**	
Direct selling	286	-17%	21%
Reselling	637	-14%	46%
Large B2B distributors (1)	319	-17%	23%
Household furniture (2)	131	-21%	10%

Pro forma changes
(1) Mail order firms, sales account managers, superstores.
(2) Home equipment, shops for young homeowners, furniture stores.
Source: Global Insight France

Large B2B distributors were hit the hardest by budget cuts made by companies, in particular by VSEs, who are their main clients. They saw their sales fall by an estimated 17 %. Excluding UGAP, which is part of this market segment, sales for B2B distributors are thought to have decreased by 20 %.

BASIC PRODUCTS FARE BEST

Clients who maintained their level of furniture spending went for relatively basic items such as simple operator chairs (down 5%), multiple seating (down 5%) or contract chairs (down 8 %).

Regarding office design, professionals have noticed a return to partitioning following the spread of open-plan offices. Partition sales were down by only 8%. As a result of small square footage per person, sales of conference room furnishings edged up slightly with conference table sales down by only 5%.

For all other products, sales were down by 10 to 27% in value terms.