

PRESS

**WOOD-FURNISHING SECTOR CLOSES 2022 UP 12.6% DRIVEN BY EXPORTS: US BOOM +25.7%, CHINA STABLE IN 7th PLACE, RUSSIA DROPS OUT OF TOP TEN.
ARAB EMIRATES AND INDIA ARE THE NEW MADE IN ITALY FURNITURE DESTINATIONS**

President Claudio Feltrin: “2023 will be a year of normalisation. Investment in digital, ecological transition, human resources and internationalisation will be resumed.”

68,000 businesses – equal to 14.9% of total manufacturing – **298,000 employees** – equal to 8% of the total – a **56.5 billion euro** turnover – equal to 4.6% of the total – and a **12.6% increase compared with 2021**. These are the figures the wood-furnishing chain will have under its belt at the year’s most important event, the Salone del Mobile di Milano, in the Rho Fiera pavilions from 18th to 23rd April.

Definitive data from the **FederlegnoArredo** Study Centre confirm that, despite 2022 being a year of geopolitical uncertainty and instability, the wood-furniture companies tackled it with determination, managing to maintain, if not actually increase, employment levels, **seeing 2023 as a year of stabilisation** following a two-year period that, for good or bad, was undoubtedly exceptional.

Overall, **wood-furnishing sector turnover rose by 12.6%**, increasing from 43.2 billion euros in 2019 to 50.2 billion in 2021 to a current 56.5 billion, getting off to brilliant start during the first quarter of 2022 that steadily declined as the year went on, on both the domestic and the foreign markets. The 12.6% increase is the synthesis of a **12.2% rise in Italian sales** (35.6 billion euros) and a **13.3% rise in exports (21 billion euros), representing 37% of total sales**.

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Specifically, the **wood macrosystem** (23.5 billion euros) saw a 14.3% rise, the **furnishing macrosystem** (approx. 29 billion euros) was up 11% and the **timber trade** (4 billion euros) rose 15%.

In a year in which positivity undoubtedly reigned, it is hard to work out whether and how much this was really an indication of effective growth within the sector or whether it was in fact the algebraic result of industrial production and turnover, in which **the costs of raw materials and energy were a decisive element in determining the companies' viability.**

If we compare the industrial production index, which measures production volume, with the industrial turnover index, there was a clear **gap of over 11 points** for the furniture industry (12.1% turnover minus 0.8% production) and 17 for timber, on which the cost of raw materials has a greater and more immediate impact (turnover 20.3% - production 3.7%). **The increases in the cost of wood**, which began back in February 2021, **continued at a sustained pace throughout 2022** seeing an average rise of 14.5% in 2022. Furniture also experienced a 10.3% price surge, accelerating in the Spring of 2022 and **reaching peak levels last Autumn.**

EXPORTS

Wood-furnishing exports (21 billion euros) rose 13.3%, **driven in particular by the United States, (+25.7%)** which **became the second destination country ahead of Germany (+9.7%) and behind France (+9.5%)**, the top outlet market. The export results can be ascribed to a 12.6% increase in the furnishing macrosystem (15 billion euros) and a 14.9% increase in the wood macrosystem (5.5 billion euros).

The growth in exports should be seen within the context of a game-changing war: in 2022 exports to Russia accounted for 334 million euros, seeing a contraction of 27.3%, equal to 126 billion euros, compared with 2021, thus knocking Russia out of the sector's top ten export destinations.

Suffice it to say that in 2013, Russia was our fourth export destination country, accounting for around 1 billion euros, a figure that had halved by 2017, and has continued to slide. On the other hand, exports to the **United States**, which in 2013 was the fifth destination country, grew by **488 million euros, compared to the previous year** (+25.7% on 2021), currently totalling 2.3 billion euros.

France was the top destination country for Italian wood-furnishing exports, accounting for around **3.3 billion euros** in 2022, a rise of 9.5%. **Germany was the third market**, seeing 9.7% growth compared to 2021 and accounting for **2.3 billion euros**. China was the seventh destination country, and has proved particularly dynamic over the last few years, with more marked growth percentage variations than other countries, whilst in 2022, due to the Chinese government's handling of the pandemic and the ensuing lockdowns, it was one of the top ten markets with the lowest growth rate (+1.1%).

The domestic market, which nudged 35.6 billion euros in 2022, saw 12.2% growth, thanks in particular to the positive contribution of the wood macrosystem, **driven by the building finishes segments** (doors, windows, wood flooring) and by **products destined for the home which directly benefited from the Superbonus, furniture bonus and construction bonus incentives** to a greater extent than others.

It is worth bearing in mind that imports also grew in 2022, timber exports, especially from Austria for example (+35.2%) the leading supply market for our sector, followed by Germany and China. **Strong demand for raw materials** linked to high productivity levels began back in 2021, and the **scarcity of some crucial materials**, after the war broke out, determined a **rise in costs** that spiralled in 2022, also triggered by the rise in energy and logistics prices.

FURNISHING MACROSYSTEM

After an exceptional 2021, exceeding pre-Covid levels, **furnishing macrosystem turnover nudged 29 billion euros** in 2022, due also to the exponential rise in costs, **seeing a +11% variation on 2021**.

Domestic sales (13.6 billion euros, +9.2%, and especially exports (+12,6%), accounting for 15.3 billion euros and representing 53% del of total turnover, contributed to overall performance.

Furniture macrosystem export mapping shows that **France** – accounting for 16% of the total – became the leading country, with a 2.4 billion euro turnover and 8% growth. The **United States** were in second place, with exports of around 1.9 billion euros and a +25.5% variation, seeing growth equal to 380 million euros. **Germany** was the third destination country (1.4 billion euros, +5.3%), followed by the **United Kingdom** (799 million euros, +8.9%) and **Switzerland** (728 million, +14.7%).

China remained stable in seventh place with a very contained rise, equal to 2.1%.

Russia has exited the top ten, accounting for 290 million euros, down 24.2%, whereas the United Arab Emirates has made its entrance, accounting for 313 million euros and a 31.6% increase.

The furnishing macrosystem currently represents around **21,750 businesses** with some **140,300 employees**, a **15% increase**.

LIGHTING SYSTEM

Following the **steep contraction in 2020**, determined in particular by the sector's heavy dependence on foreign markets, the lighting system returned to pre-pandemic levels in 2021, and then began growing again in 2022, seeing a 7.2% increase in turnover, equal to 2.5 billion euros. The Italian market saw modest growth of 1.6% (575 million euros), **while exports - representing 77% of turnover - rose 9% for a value of over 1.8 billion euros.**

France was the leading market (220 million euros, +6.5%), followed by **Germany** (210 million, +2.5%). The **United States** remained in third place, with sales of around 143 million and experiencing the most significant variation of all the top destinations (+27.1%). Of particular note was the entry of China into the top ten, with exports from Italy worth 42 million euros and a 15.9% growth trend.

On the other hand, Russia fell from seventh place in 2021 to 13th (-30%).

The lighting sector comprises **1,360 companies** and around **10,900 employees**.

A HEALTHY SECTOR

Claudio Feltrin, President of FederlegnoArredo, had this to say: *"The final statements for 2022 provide a snapshot of a healthy sector, reaping the rewards of the quality and uniqueness of its products, despite having had to contend with a constantly evolving situation: first Covid, then the war and now the banking crisis, which we all hope will prove to be a false alarm, destined to subside soon."*

*The figures speak for themselves, sectoral turnover has reached levels that were unthinkable just a few years ago, but **heavy inflation** and the cost of raw materials have resulted in a gap of a good 11 points between turnover and furniture production, which was a little over zero.*

Turning to exports – which spearheaded the sector in 2022, the way in which the routes of Made in Italy design products are changing should be underscored.

*While entrepreneurs would all have pinpointed China as the market of the future prior to Covid, it still remains a key market for contracts and commissions, but is no longer a country in which to directly invest. **Europe has proved to be the market to be supported and developed constantly, along with the USA, currently enjoying an upswing, and the new entries, the United Arab Emirates and India, which are moving up the rankings year after year, increasing the value of our imported goods.***

*Overall, backed up by the survey of a representative sample group of companies carried out by our Study Centre, **we are looking at 2023 as a year of adjustment**, during which we must put the double-figure rises of the previous two years out of our minds, and **it might even be realistic to hope that furnishing will end the year up 5%**, driven by exports in particular. The domestic market may feel the effects of the on and off construction bonus policy, although I wouldn't go so far as to talk about a real slowdown in construction and its supply chain ,which looks likely as of 2024.*

*By the end of the year, **wood** could even see a **3.2% contraction**, which should be read as an indicator of the steady drop in the price of energy and wooden raw material and other materials, such as urea-based glues, which are indispensable for the creation of panels, for instance. A negative sign that isn't actually so negative for the woodworking world since it means a return to a situation in which exorbitant production costs no longer determine turnover.*

Overall, therefore, we can go so far as to say that 2023 could be the year of market normalisation, with a knock-on resumption of investments in ecological and digital transition, in human resources training and internationalisation, the real drivers of development for the entire sector."

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