The Current Situation, Problems and Countermeasures of Furniture Export in Guangdong Province

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Abstract. Based on the data of Guangdong furniture export from 2009 to 2019, this paper analyzes the amount, structure and market of Guangdong furniture export. It is found that Guangdong Province, as a major furniture export province in China, its export growth rate is slowing down, the export structure is unreasonable, and the export market is too concentrated. However, trade barriers, lack of famous furniture brands and imperfect policies are the main factors that restrict its export. Therefore, it is an inevitable choice for the sustainable development of furniture export in Guangdong Province to improve the environmental protection level of products, create famous brands and improve relevant policies.

Keywords: furniture, export, trade barriers, brands.

1. Introduction
In more than 30 years, Guangdong furniture industry has developed rapidly, with many leading enterprises and broad overseas markets. However, at present, many furniture manufacturers in Guangdong Province still lack the ability of independent research and development, and the quality of exported furniture is not high. Facing the strong competition of foreign furniture and the frequent trade barriers of foreign countries, the development of furniture in Guangdong Province is also subject to many constraints. How to solve these problems and make Guangdong furniture on the road of sustainable development should be concerned.

2. The current situation of furniture export in Guangdong province

2.1. Annual export amount of furniture in Guangdong Province
Guangdong Province has always been a major furniture export province in China. As shown in Table 1 below, from 2009 to 2019, the export value of Guangdong furniture increased from US $5.802 billion to US $9.844 billion. In the past 11 years, six of them have maintained year-on-year growth with a large growth rate. Five years showed negative growth year on year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Export</th>
<th>growth rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>58.02</td>
<td>-4.32%</td>
</tr>
<tr>
<td>2010</td>
<td>81.07</td>
<td>39.73%</td>
</tr>
</tbody>
</table>
2.2. Export structure of furniture in Guangdong province

Over the years, Guangdong Province mainly exports metal furniture, wood furniture, plastic furniture, bamboo, rattan and wicker furniture and stone furniture. But in recent years, the export proportion of wood furniture, bamboo, rattan and wicker furniture and stone furniture is declining, while the export proportion of metal furniture and plastic furniture is rising. As shown in Table 2 below, the decline of wooden furniture export is the largest, from 53.02% in 2009 to 43.86% in 2019.

Table 2. Export structure of furniture in Guangdong Province from 2009 to 2019.

<table>
<thead>
<tr>
<th>Year</th>
<th>Metal</th>
<th>Wood</th>
<th>Plastic</th>
<th>Bamboo, rattan and wicker</th>
<th>Stone</th>
<th>other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>24.49%</td>
<td>53.02%</td>
<td>2.40%</td>
<td>0.17%</td>
<td>1.44%</td>
<td>18.49%</td>
<td>100%</td>
</tr>
<tr>
<td>2010</td>
<td>22.94%</td>
<td>58.39%</td>
<td>2.15%</td>
<td>0.11%</td>
<td>1.00%</td>
<td>15.40%</td>
<td>100%</td>
</tr>
<tr>
<td>2011</td>
<td>24.26%</td>
<td>53.80%</td>
<td>1.74%</td>
<td>0.09%</td>
<td>0.84%</td>
<td>19.27%</td>
<td>100%</td>
</tr>
<tr>
<td>2012</td>
<td>30.75%</td>
<td>45.60%</td>
<td>2.19%</td>
<td>0.04%</td>
<td>0.87%</td>
<td>20.55%</td>
<td>100%</td>
</tr>
<tr>
<td>2013</td>
<td>27.54%</td>
<td>68.45%</td>
<td>2.28%</td>
<td>0.07%</td>
<td>0.86%</td>
<td>0.81%</td>
<td>100%</td>
</tr>
<tr>
<td>2014</td>
<td>25.63%</td>
<td>48.33%</td>
<td>2.07%</td>
<td>0.07%</td>
<td>1.05%</td>
<td>22.85%</td>
<td>100%</td>
</tr>
<tr>
<td>2015</td>
<td>24.33%</td>
<td>49.84%</td>
<td>2.22%</td>
<td>0.09%</td>
<td>1.23%</td>
<td>22.29%</td>
<td>100%</td>
</tr>
<tr>
<td>2016</td>
<td>24.80%</td>
<td>52.60%</td>
<td>2.16%</td>
<td>0.05%</td>
<td>1.27%</td>
<td>19.13%</td>
<td>100%</td>
</tr>
<tr>
<td>2017</td>
<td>26.08%</td>
<td>52.94%</td>
<td>2.21%</td>
<td>0.07%</td>
<td>0.98%</td>
<td>17.72%</td>
<td>100%</td>
</tr>
<tr>
<td>2018</td>
<td>29.67%</td>
<td>50.96%</td>
<td>2.39%</td>
<td>0.07%</td>
<td>0.59%</td>
<td>16.32%</td>
<td>100%</td>
</tr>
<tr>
<td>2019</td>
<td>29.67%</td>
<td>43.86%</td>
<td>2.65%</td>
<td>0.09%</td>
<td>0.63%</td>
<td>23.09%</td>
<td>100%</td>
</tr>
</tbody>
</table>

2.3. Main export markets of furniture in Guangdong province

For a long time, the United States, the European Union, ASEAN, Hong Kong and Japan are the main export markets of Guangdong furniture. The annual export volume of these five markets accounts for more than half of the total annual export volume of Guangdong furniture, of which the United States is the largest export market. However, since the establishment of China ASEAN Free Trade Area in 2010, China's furniture exports to ASEAN are free of tariffs. As a result, the amount of furniture exports from Guangdong Province to ASEAN has also increased significantly. As shown in table 3 below, Guangdong's furniture exports to ASEAN have increased the most in the past decade. Exports to the United States, Hong Kong and Japan also increased, with only a decrease in exports to the European Union.
Table 3. Main export markets of Guangdong furniture in 2009-2019 [US $100 million].

<table>
<thead>
<tr>
<th>Year</th>
<th>The US</th>
<th>ASEAN</th>
<th>EU</th>
<th>Hong Kong</th>
<th>Japan</th>
<th>Total of five markets</th>
<th>Proportion in total amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>22.17</td>
<td>5.83</td>
<td>10.4</td>
<td>2.66</td>
<td>2.38</td>
<td>43.44</td>
<td>74.87%</td>
</tr>
<tr>
<td>2010</td>
<td>28.5</td>
<td>13.07</td>
<td>13.31</td>
<td>3.35</td>
<td>2.49</td>
<td>60.72</td>
<td>74.90%</td>
</tr>
<tr>
<td>2011</td>
<td>30.27</td>
<td>14.34</td>
<td>16.18</td>
<td>3.54</td>
<td>2.77</td>
<td>67.1</td>
<td>69.79%</td>
</tr>
<tr>
<td>2012</td>
<td>34.58</td>
<td>18.64</td>
<td>18.61</td>
<td>4.22</td>
<td>3.14</td>
<td>79.19</td>
<td>63.64%</td>
</tr>
<tr>
<td>2013</td>
<td>36.73</td>
<td>27.98</td>
<td>18.45</td>
<td>8.62</td>
<td>3.07</td>
<td>94.85</td>
<td>66.24%</td>
</tr>
<tr>
<td>2014</td>
<td>36.74</td>
<td>28.85</td>
<td>16.22</td>
<td>8.34</td>
<td>3.13</td>
<td>93.28</td>
<td>62.73%</td>
</tr>
<tr>
<td>2015</td>
<td>39.45</td>
<td>24.81</td>
<td>16.78</td>
<td>9.88</td>
<td>3.03</td>
<td>93.95</td>
<td>61.74%</td>
</tr>
<tr>
<td>2016</td>
<td>36.35</td>
<td>20.66</td>
<td>14.2</td>
<td>13.56</td>
<td>3</td>
<td>87.77</td>
<td>65.94%</td>
</tr>
<tr>
<td>2017</td>
<td>38.53</td>
<td>16.37</td>
<td>14</td>
<td>8.99</td>
<td>2.94</td>
<td>80.83</td>
<td>66.51%</td>
</tr>
<tr>
<td>2018</td>
<td>37.46</td>
<td>11.02</td>
<td>8.6</td>
<td>6.53</td>
<td>3.1</td>
<td>66.71</td>
<td>61.72%</td>
</tr>
<tr>
<td>2019</td>
<td>25.28</td>
<td>12.18</td>
<td>9.44</td>
<td>5.37</td>
<td>3.46</td>
<td>55.73</td>
<td>56.61%</td>
</tr>
</tbody>
</table>

3. The main problems of furniture export in Guangdong province
After 40 years of reform and opening up, the furniture industry of Guangdong Province has tens of thousands of furniture enterprises and more than one million employees. The scale of furniture sales ranks first in China, and a trade pattern has been formed in which exports far exceed domestic sales, accounting for about 70%. However, it cannot be ignored that in the process of its development, Guangdong furniture export also shows many problems, which reduces its anti-risk ability.

3.1. Export growth slowed down
From 2009 to 2019, the export amount of furniture in Guangdong Province shows a trend of slower export growth. In 2009, due to the financial crisis, its exports showed negative growth. The average annual growth from 2010 to 2015 is positive, especially the double-digit growth from 2010 to 2013. Since 2016, Guangdong's furniture export has been in a continuous downturn, with negative growth for four consecutive years and a significant reduction in the amount of exports. As a major furniture export province, Guangdong's furniture export accounts for a large proportion of the total export of the province. Therefore, the reduction of its furniture export will inevitably bring not only great impact on Guangdong's economic development, but also certain impact on China's furniture export.

3.2. Unreasonable export structure
It can be seen from the proportion of furniture varieties exported by Guangdong Province that in 2009, the total proportion of wood furniture and metal furniture was 77.51%; in 2019, the proportion decreased to 72.39%. Although the proportion has declined, the export of these two kinds of furniture still accounts for more than half of the total export. It can be seen that the export structure of furniture is unreasonable. And recently, the strengthening of international environmental protection awareness has restricted the export of some wooden furniture. All of these pose a great threat to the export of Guangdong furniture.

3.3. Export market is too concentrated
It can be seen from table 1.3 that in 2009, Guangdong's furniture exports were mainly concentrated in the five markets of the United States, ASEAN, EU, Hong Kong and Japan. In 2019, its exports were mainly concentrated in these five markets. Although it was improved compared with 2009, the proportion was still as high as more than half. If the export market is too concentrated, it will face the
competition from the developed countries of furniture manufacturing. They have a very high level of furniture technology. Compared with Guangdong furniture, there is a gap, so the competition in the high-end market is fierce. Facing the competition of some developing countries, they also have cheap labor force. Compared with the furniture of these countries, Guangdong Province also has the competition for the middle and low-end market. The export market with too much concentration is not only unable to highlight the characteristics of Guangdong furniture products and show the competitiveness of the products, but also not conducive to the sustainable development of the products, which makes the products more affected by the policies of some specific countries or regions and vulnerable to threats, making the risk of the products greater.

4. The main factors restricting the export of furniture in Guangdong Province

4.1. Lack of famous furniture brands
Guangdong furniture export lacks well-known furniture brands, which are not well-known in the world, have relatively small influence and low recognition. There are two main reasons for the lack of famous brands. One is that countries with famous furniture brands prevent the import of Guangdong brand furniture, so that their furniture will be less hurt. Another reason is that the brand awareness of Guangdong furniture manufacturers is not strong, and many enterprises do not understand the long-term economic effect of a good furniture brand. Many manufacturers are not independent innovation to create their own brand, but from abroad to receive in accordance with the requirements of foreign manufacturers OEM production.

4.2. Various trade barriers
The main export markets of Guangdong Province are mostly some more developed countries and regions. They have more and more strict requirements for imported products. Even if they pay more, they also hope that the products they use are green and environmental protection products. At present, the international furniture Standards Committee ISO / tc136 has formulated 29 furniture standards, covering all aspects of furniture and furniture accessories. For example, din in Germany, ASTM in the United States and JIS in Japan all set their own quality standards, ranging from dozens to more than 100. The detection standard from the monitoring method to raw materials, the health impact on the body is extremely harsh. Compared with the international advanced level, many furniture exporters in Guangdong Province still have a certain gap in their products. They have to face the harsh furniture standards of all countries in the world, as well as the strict technical, intellectual property and tariff barriers of all countries. Many exporters can't bear it, so they put forward higher requirements for furniture exporters in Guangdong Province.

4.3. High dependence on developed countries’ markets
Most of the five major export markets of Guangdong Province are relatively developed countries or regions, because Guangdong furniture manufacturers have abundant labor resources and relatively low furniture prices. Since many years ago, Guangdong furniture has been in close contact with these countries or regions, resulting in their exports to these countries or regions in particular. The furniture of Guangdong Province is mainly labor-intensive. They accept many processing and manufacturing from the developed areas which are lack of labor resources, so as to earn low value-added processing fees. Moreover, the export of Guangdong Province to these countries in the middle and low-end market is frequent because of its low price of furniture, which can obtain good benefits. Over the years, furniture manufacturers in Guangdong Province have gradually become dependent on these markets, fearing more uncertainty in the new market and not actively exploring new markets.

4.4. Imperfect policies to promote the development of furniture industry
The furniture of Guangdong Province is faced with great international competitiveness, but its development is stagnant. In the world, the technical requirements of manufacturers are higher and
higher, but China's requirements for furniture production technology level, support for related
technology research and development, and policies for furniture testing requirements are not good
enough. At present, the policy support for the cultivation of innovative talents in furniture is not
enough, and the related facilities are not complete, which need to be improved. There are also many
small innovative emerging enterprises, which are difficult to continue due to financial problems. The
financial support policies for these enterprises need to be improved. Furniture industry is a major
export industry of China. In order to develop better and faster and enhance its international
competitiveness, we should issue better and better policy support.

5. Measures to enhance the export competitiveness of furniture in Guangdong Province

5.1. Build brand and enhance core competitiveness

Nowadays, in the face of strong international competitiveness, Guangdong furniture export has
encountered some obstacles. In order to promote the sustainable development of Guangdong furniture,
on the one hand, Guangdong furniture manufacturers should establish brand awareness, strengthen the
technical level of their products, and gradually change their ideas, so that Guangdong furniture can be
transformed from labor-intensive to technology intensive. On the other hand, in order to improve the
technical level of furniture, we should pay more attention to the cultivation of professional and
technical personnel. We can also let the personnel of our manufacturers participate in international
furniture exhibitions and learn to develop their own brands.

5.2. Actively cooperate with the international cooperation and build up the awareness of green
environmental protection

In order to alleviate the problem of trade barriers, on the one hand, it is suggested that more furniture
enterprises in Guangdong Province should discuss and cooperate with well-known international
furniture enterprises to learn their advanced technology and management experience. This will not
only find its own shortcomings and improve it better, but also explore its own strengths and promote
the better development of the furniture industry of the two countries. Moreover, the trade cooperation
of countries is an inevitable requirement of the development of economic globalization. At present,
China has established trade partnership with many countries in the world, which has promoted the
development of China and the world. On the other hand, Guangdong furniture manufacturers should
also increase investment in research and development of green furniture, which can not only meet the
needs of consumers in various countries, alleviate the impact of such trade barriers by various
countries, but also better protect the environment and promote sustainable development.

5.3. Vigorously expand new markets

In order to open up new markets, it is suggested to implement different marketing strategies for
different countries, export more advanced and refined furniture products to developed countries or
regions, so as to meet the requirements of consumers in those markets; for furniture products exported
to developing countries or regions, it is suggested to give priority to high quality and low price, so as
to obtain better consumption effect; for furniture products exported to emerging markets, we can give
them appropriate export preferential policies, actively conduct market research, establish a good
information communication channel, obtain the popular varieties of the season and the demand
preferences of local consumers, so as to better expand their market share.

5.4. Create a good external environment to promote the sustainable development of furniture industry

The government can provide financial support to enterprises that need to expand their scale or new
innovative enterprises, including better implementation of tax rebate system and increased credit
support, so that they can obtain greater advantages in international competition. The government also
needs to encourage the cultivation of relevant technical and design talents in the furniture industry,
increase the investment in relevant facilities, organize more furniture exchanges with foreign markets,
and ultimately benefit the furniture industry. In the face of continuous foreign trade barriers, the government needs to increase the adjustment of the policy requirements on furniture inspection and testing, so as to make the quality of furniture in Guangdong Province more in line with the international furniture requirements.

References