



Welcome to
"Furniture industry in Canada"

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Regulations & Technical standards

- Since both Canada and Vietnam are part of the CPTPP, there are no Duty to pay on wood furniture.
- You may want to verify the HTS code of your specific product in order to determine if there are any fees...

Selling in Canada

- There are several ways for Vietnamese furniture manufacturers to sell their wood products into Canada; let's look at the 2 main possibilities
 1. Sell wood components that will be assembled and finish here in Canada...
 2. Finished goods already boxed and ready to sell to consumers...

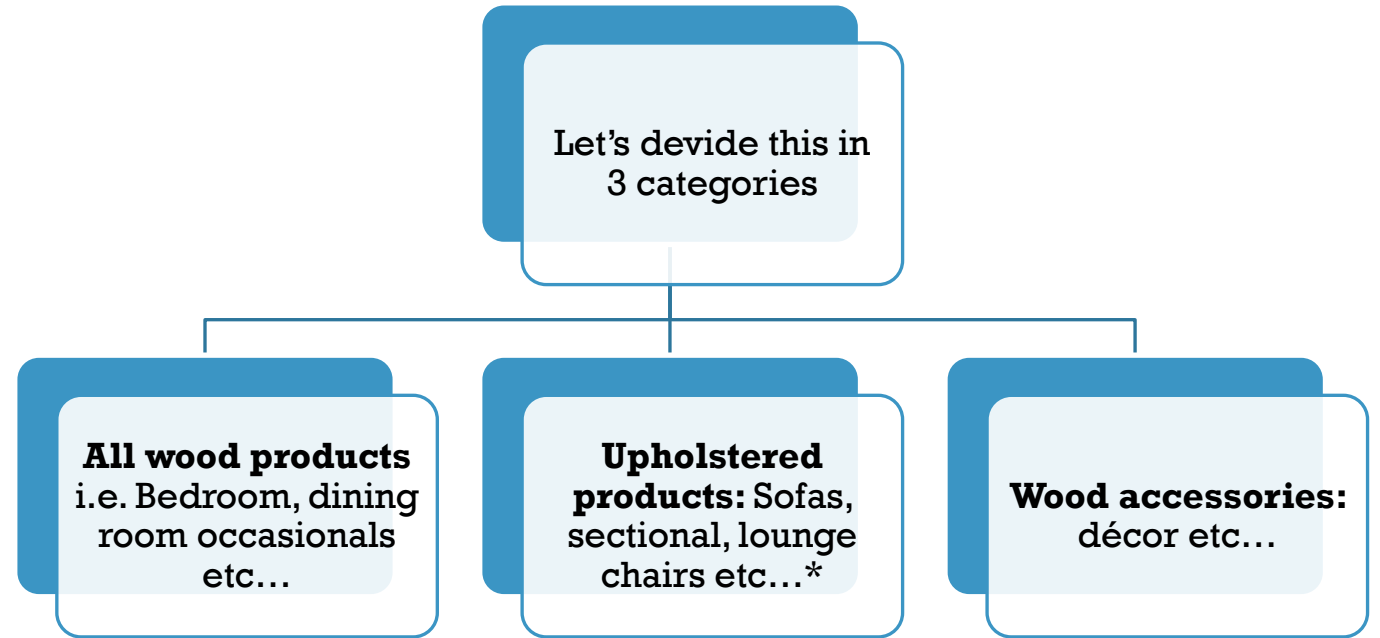
Wood components

- Considering the rising cost of labor in Canada, coupled with historically low unemployment rates, it is certainly a market worth looking into...
- Components are generally manufactured as per CAD drawings and usually shipped unfinished into Canada.
- The more labor intensive the component is, the more competitive Vietnam can be!

Wood components

- Since components are usually more compact and stacked on pallets, the \$ value of the container is less sensitive to the recent prices of shipping.
- The possible hurdle could be on the wood species required by the Canadian manufacturer... We mainly use solid woods like Birch, Maple or Oak in Canada. But depending on final usage, if product is stained or painted finish, your local species can be used.

Finished goods



* It is to be noted that last year the Canadian government decided to impose a special duty on certain upholstered goods (recliners & all motion) that can reach 270% depending on the manufacturer...

Distribution of finished goods

- There are different ways to try to sell your products on the Canadian market. You can try to contact chosen retail networks yourselves, or with the aid of an agent...or you can try to sell your products directly to consumers via internet...

Supplying the market

There are different approaches to this

Selling full containers to major players

Selling split containers to a few large dealers / buying groups

Stocking inventory in Canada & selling from stock to smaller retailers.

Selling full containers to large retail chains

■ **PROS:**

1. Big volumes on small # of SKU'S.
2. One stop drop shipping.

■ **Cons:**

1. High pressure on pricing.
2. High pressure on respect of delivery dates.

Split containers sales

- **Pros:**

1. Easier to complete containers when working with several large independents.
2. You can better control your selling price.

- **Cons:**

1. Volume & frequencies might be smaller .
2. Need more communications to coordinate.

Stocking Inventory in Canada

■ **Pros;**

1. Gives you access to a broader market.
2. Opportunities to turn goods because in stock
3. Dealers don't have to support inventory.

Cons:

1. Higher cost of doing business.
2. You have to support inventory.

How do I find these people!

- Once you have a good idea to whom you would like to deal with, the real issue becomes; how do I contact these people!
 1. TRADE SHOWS IN VIETNAM.
 2. TRADE SHOWS IN AMERICA.
 3. PERSONAL CONTACTS THROUGH AGENTS OR DELEGATIONS.
 4. CONTACTING PROSPECT DIRECTLY.

Selling in Canada

- As you can see, the possibilities are plenty...but the most important is for you to measure your strengths and weaknesses, to assess your real capacity, and may I suggest, to find yourself a reliable partner in Canada that can be trusted to give you the proper picture of the situation, the opportunities and above all be realistic and methodical in your approach to the market!
- I want to thank you as well as Mrs. Quynh Tran and her team for the great job they have done !