

## Furniture Today

Business Intelligence for the Furniture Industry

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### Global sourcing *What's the next move?*



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**H**IGH POINT — The recent imposition of tariffs on finished furniture and furniture components from China is having one of the big impacts on international sourcing since the antidumping duties placed on Chinese-made wooden bedroom furniture more than 15 years ago.

Now, wood and upholstery resources that have imported a significant part of their mix from China are starting to shift production to other nearby countries. However, a 10% tariff on finished goods and components that went into effect Sept. 24 is not the one moving the needle on sourcing. Instead, it's a proposed 25% tariff proposed to go into effect Jan. 1.

Few, if any, are waiting to see if this materializes; they strategize to avoid the consequences of taking action. Not acting could place them in jeopardy of losing key accounts to sources with production in competitive countries like Malaysia, Vietnam, India and Indonesia. Asia and Mexico and Brazil in the western hemisphere.

Malaysia largely competes on the promotional lower-middle price points of both wood and upholstery, while Vietnam, India and Indonesia can range from the middle to the upper end largely in case goods. Brazil and Mexico also can vary widely, offering a range of promotional to upper-end wood and upholstery, depending on the mix of raw materials and construction.

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