Fist half of 2010: wood industry showing upward trend, furniture industry continues low in Hungary

In the first half of 2010 - based on monthly data - compared to both previous year's similar period and to the beginning of this year wood industry has adopted a rising course, while furniture industry continues low-altitude flying.

Dear Reader!

FATÁJ www.fataj.hu is an online newsportal for Hungarian-speaking professionals dealing with wood in forestry, wood industry, furniture industry and for other users having any contact with the wood world. Up to now we have published only in Hungarian, this is our first article in English.

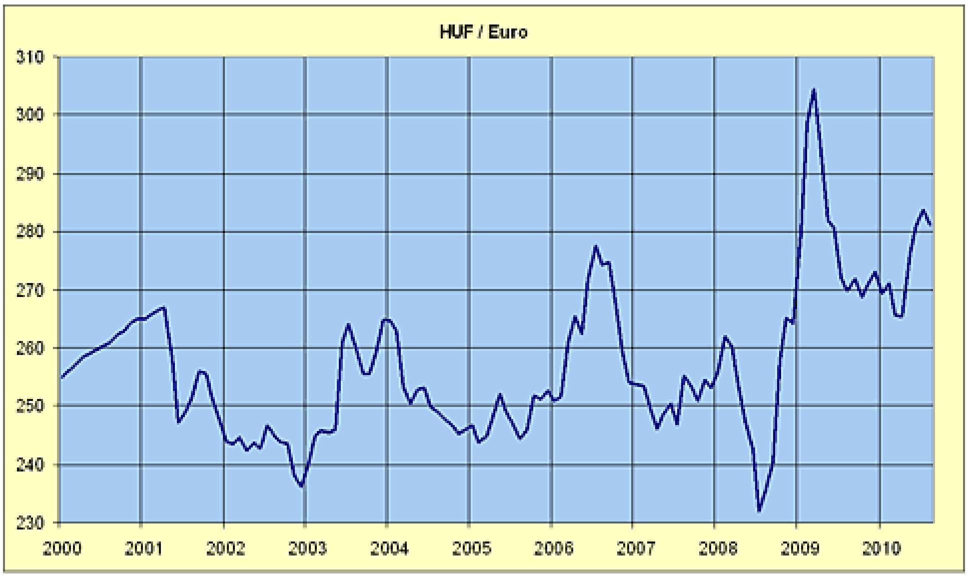
The title of this article in Hungarian original is: 2010 első félév: a faiparban a növekedés jelei, ami a bútoriparban még késik (FATÁJ 2010-09-02)

Our tables and graphs are based on data from the **Hungarian Central Statistical Office** (HCSO). If you select Dissemination database on the left-hand side of the English version HCSO homepage, you can get these data. Help: If you download file from here: 2000-2010-Jun_WoodFurniture_monthly_Hungary.ssq , than you load it into the above linked Dissemination database with the help of 2nd from left tool in the right up corner, you will get the same database what I have worked from.

Total net, export and domestic turnover data for NACE Rev.2 "16 Manufacture of Wood and Wood Products" and "31 Manufacture of Furniture" refer to corporations with more than 4 employees.

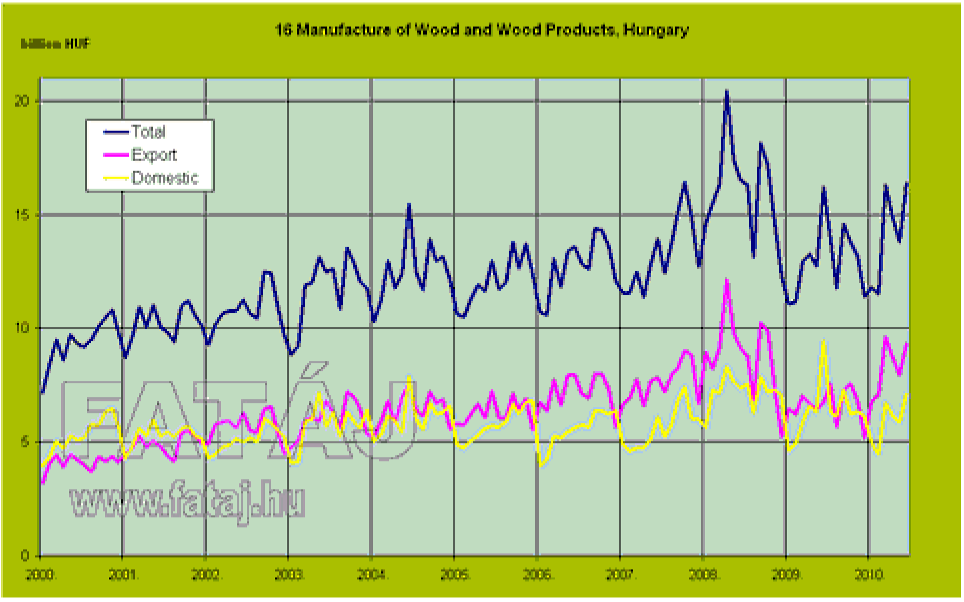
Data in graphs are in billion HUF, in tables are in thousand HUF.

On 2010-09-20 1 Euro is 281 HUF, but this rate changed during the decade examined.



Monthly average rates in this graph are based on excel sheet taken from the Hungarian National Bank's homepage.

16 Manufacture of Wood and Wood Products

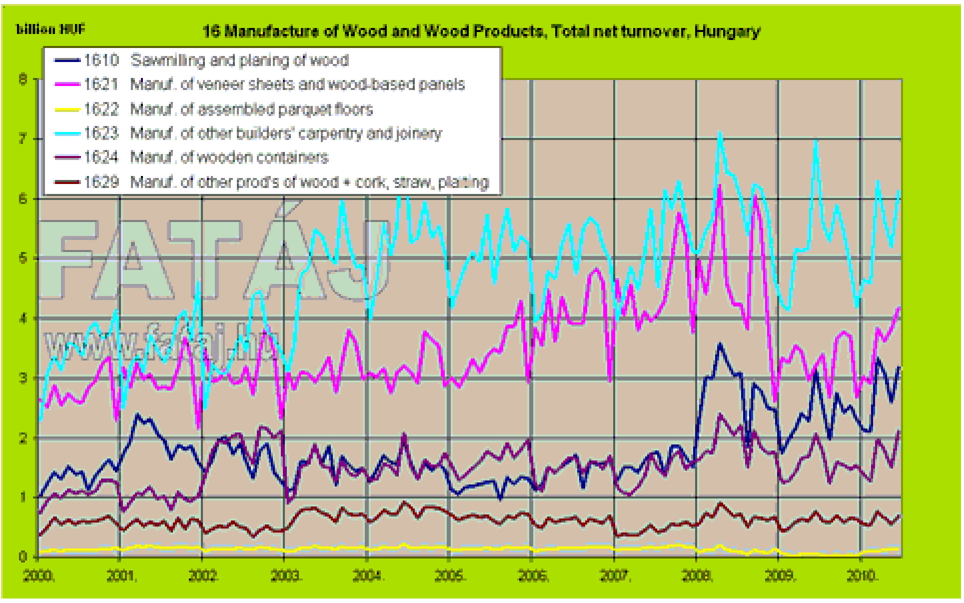


Wood&W.prod. 1000 HUF	**Jan-Jun 2009**	**Jan-Jun 2010**	**change %**
Total turnover	77.371.519	84.731.084	109,5%
Export turnover	39.601.537	49.453.480	124,9%
Domestic turnover	37.769.982	35.277.604	93,4%

Total turnover of manufacturing wood and wood products in the first half of 2010 exceeded that of the comparable period of 2009. It should be noted that this year's performance has been, with the exception of 2008, the highest over the past 10 years. After a weak January-February - as last year - came a strong March-June period.

Engine of growth was *export*, while *domestic* sales dropped by 6,6%, though the monthly tendency is ascendent.

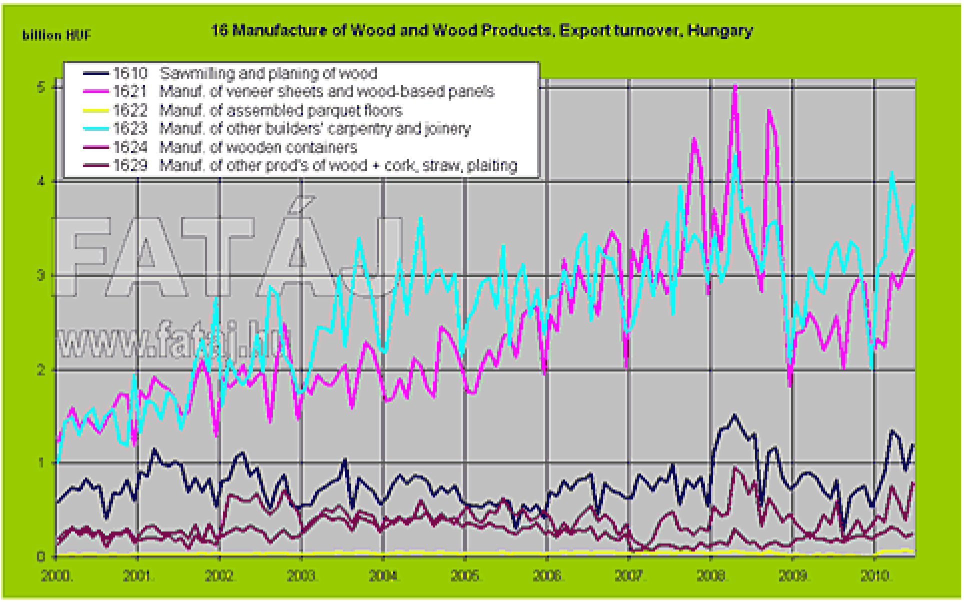
Total turnover by subsectors:



Total 1000 HUF	**Jan-Jun 2009**	**Jan-Jun 2010**	**change %**
Wood&W.prod. total	77.371.519	84.731.084	109,5%
Sawmilling and planning	13.714.737	16.431.304	119,8%
Wood product total	63.656.782	68.299.780	107,3%
Veneer and WBP	19.716.113	21.380.199	108,4%
Parquet	263.219	673.596	255,9%
Carpentry and joinery	30.802.871	32.467.150	105,4%
W. containers	9.360.071	10.031.236	107,2%
Other	3.514.508	3.747.599	106,6%

Total turnover of manufacturing wood and wood products raised by almost one tenth with sawmilling producers achieving almost the double of this ratio. All subsectors increased. Development in parquetry has been spectacular. Though it must be taken in account that in this kind of statistics companies are registered by their main-activity-code and the two greatest parquetry producing sites are parts of companies having different main-activities. (One of them is registered in forestry, the other one in chemical industry.) The aggregated total monthly sales of all domestic parquet producers can be estimated at 1,5-1,0 billion HUF.

Export turnover by subsectors:

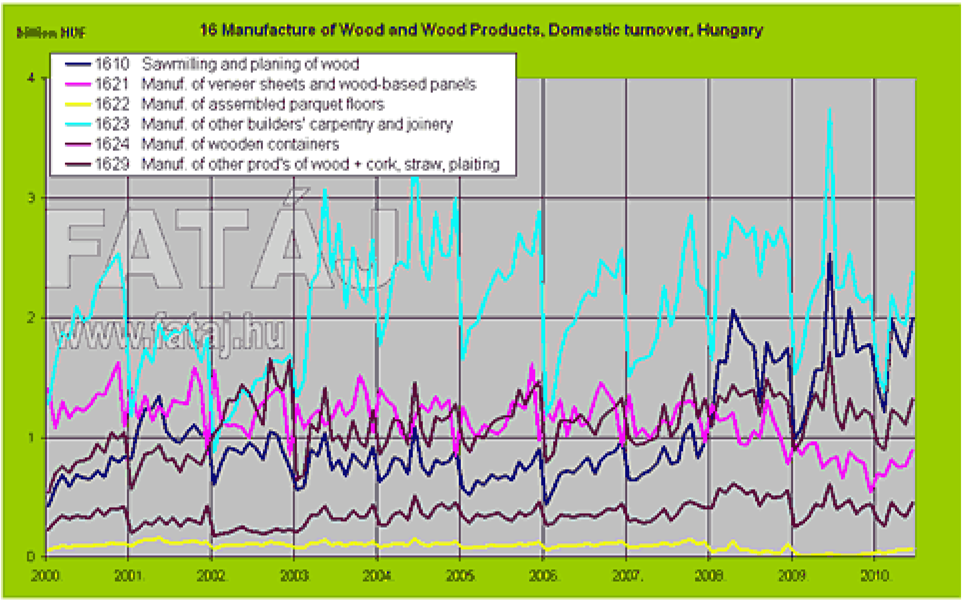


Export 1000 HUF	**Jan-Jun 2009**	**Jan-Jun 2010**	**change %**
Wood&W.prod. total	39.601.537	49.453.480	124,9%
Sawmilling and planning	4.711.182	6.335.730	134,5%
Wood product total	34.890.355	43.117.750	123,6%
Veneer and WBP	14.464.240	16.795.745	116,1%
Parquet	149.412	375.555	251,4%
Carpentry and joinery	17.156.200	21.041.207	122,6%
W. containers	1.941.009	3.342.515	172,2%
Other	1.179.494	1.562.728	132,5%

Source: http://www.fataj.hu/2010/09/023/201009023_Hungarian-Wood-and-Furniture-industry_2000-2010jun_monthly.php

The rise of **export** is almost two-and-half times greater than that of total turnover's. Parquet is salient here as well. Export of sawnwood and w.container producers seems to recover and exceeds the performance of many former years. At carpentry and joinery "spring" of export is spectacular, almost similar to the very good 2008.

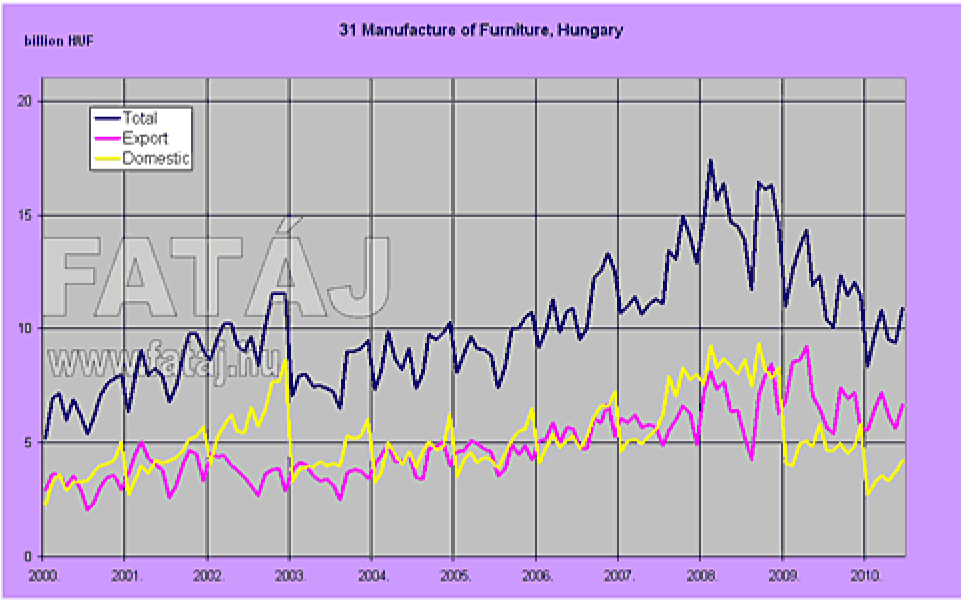
Domestic turnover by subsectors:



Domestic 1000 HUF	**Jan-Jun 2009**	**Jan-Jun 2010**	**change %**
Wood&W.prod. total	37.769.982	35.277.604	93,4%
Sawmilling and planning	9.003.555	10.095.574	112,1%
Wood product total	28.766.427	25.182.030	87,5%
Veneer and WBP	5.251.873	4.584.454	87,3%
Parquet	113.807	298.041	261,9%
Carpentry and joinery	13.646.671	11.425.943	83,7%
W. container	7.419.062	6.688.721	90,2%
Other	2.335.014	2.184.871	93,6%

Domestic turnover of wood and wood products manufacturers dropped by 6,6% but within that sawmillers and planners coud increase by 12,1%. Wood product producers went down by 12,5%. Constructing activity is very moderate now, what affects mostly carpentry and joinery, and wood based panel producers are under 90% too. Compared to the start of the year the monthly trend is rising.

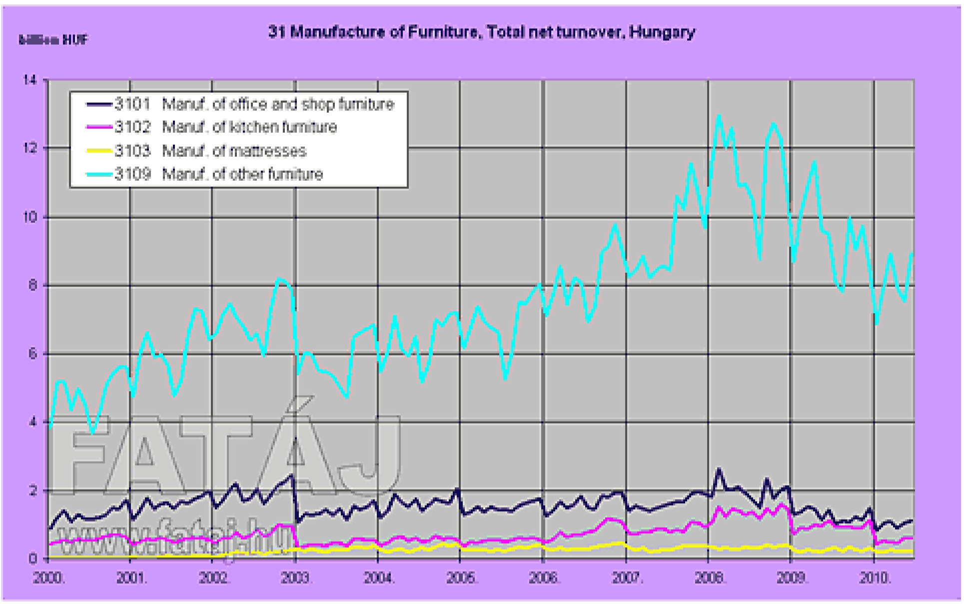
31 Manufacturers of Furniture



Furniture 1000 Ft	**Jan-Jun 2009**	**Jan-Jun 2010**	**change %**
Total turnover	75.700.776	58.659.065	77,5%
Export turnover	46.821.398	37.775.773	80,7%
Domestic turnover	28.879.378	20.883.292	72,3%

Total turnover of furniture manufacturers topped in the first half of 2008 but has been dropping constantly in the last two-and-half years. *Export* has been of a certain help as it has not decreased compared to the second half of 2009, but decline is definite compared to the first half of 2009. At the same time this years first half is better than the similar period of 2007 and earlier years. *Domestic* sales of the first half of 2010 exceed only the first two years of the last decade but if also inflation were considered this year's performance would be the worst during the whole period analysed. Domestic sales of inland furniture producers dropped drastically in early 2009 and could not recover essentially during whole of that year. 2010 has brought a further downturn.

Total turnover by subsectors:

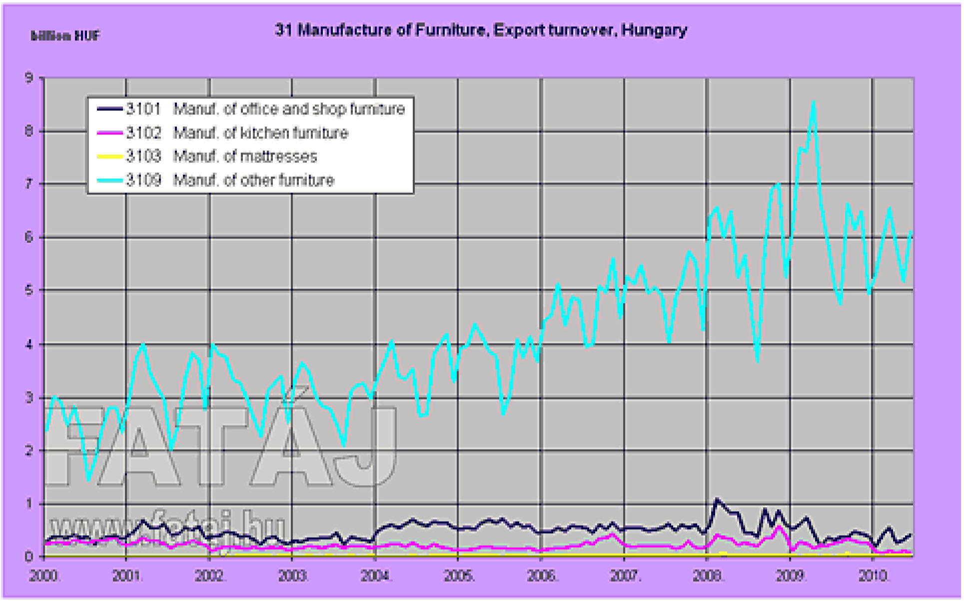


Source: http://www.fataj.hu/2010/09/023/201009023_Hungarian-Wood-and-Furniture-industry_2000-2010jun_monthly.php

Total 1000 HUF	**Jan-Jun 2009**	**Jan-Jun 2010**	**change %**
Furniture manuf. total	75.700.776	58.659.065	77,5%
Office and shop furniture	8.232.077	6.029.776	73,2%
Kitchen furniture	5.586.229	3.134.357	56,1%
Mattresses	1.510.216	1.362.409	90,2%
Other	60.372.254	48.132.523	79,7%

Total turnover changed similarly to each individual subsector. The sales of kitchen producers differs with an even less outcome.

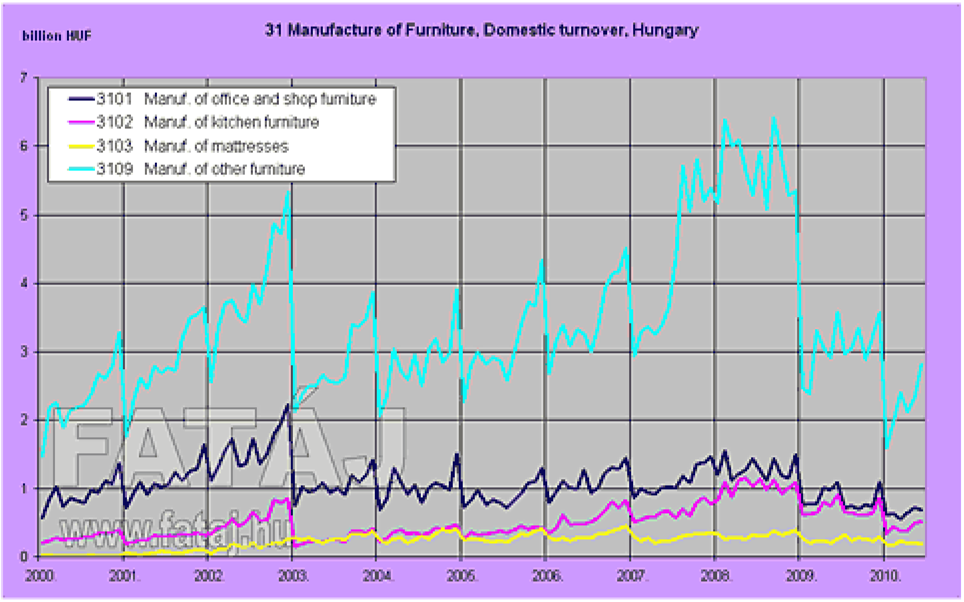
Export turnover by subsectors:



Export 1000 HUF	**Jan-Jun 2009**	**Jan-Jun 2010**	**change %**
Furniture manuf. total	46.821.398	37.775.773	80,7%
Office and shop furniture	2.844.826	2.163.422	76,0%
Kitchen furniture	1.243.621	570.644	45,9%
Matresses	100.698	160.873	159,8%
Other	42.632.253	34.880.834	81,8%

Values of *kitchen furniture* and especially *matresses* in furniture export make only 1-2% within the sales of all furniture manufacturers. The achievements of the former halfed, and those of the latter developed to one-and-half. O*ffice and shop furniture* producers export leveled only to three-quarters and as can be seen is under the levels of the first half of 2004 and subsequent years. Determining item is *other furniture* producers (living chairs, cupboards and similar) export of which - excluding the salient first half of 2009 - was somewhat similar to the terminals of former two years and shows a level expressly over the earlier periods. Hopefully in the second half of this year it succeeds in reaching a further growth.

Domestic turnover by subsectors:



Domestic 1000 HUF	**Jan-Jun 2009**	**Jan-Jun 2010**	**change %**
Furniture manuf. total	28.879.378	20.883.292	72,3%
Office and shop furniture	5.387.251	3.866.354	71,8%
Kitchen furniture	4.342.608	2.563.713	59,0%
Matresses	1.409.518	1.201.536	85,2%
Other	17.740.001	13.251.689	74,7%

At smallest actor of this market, at *matresses* the decrease was smallest. At *kitchen furniture* - similar as in export - drop was the hardest. At *office and shop furniture* tendency is similar to export but with stronger letdown. *Other furniture* producer's change ratio is similar to total domestic turnover development down but this came after shocking last year drop.

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