



REPORT ON INDIA FURNITURE MARKET



The India Growth Story

The India growth story is flourishing on the back of 4 main factors:

Economy:

India's \$3.7 trillion economy grew 7.2% in FY23 and is **projected to grow 6.8% in 2024-25** is the fastest growing major economy in the world (IMF)

Consumer market:

To become **world's 3rd largest consumer market by 2027** as household spends exceed \$3 trillion & disposable income rising 14.6% p.a.

Urbanisation:

37% of India reside in **urban areas which will reach 40% by 2036**

Retail:

The sector accounts for 10% of the **GDP and forecast to touch \$1 trillion by 2025** with online retail projected to reach \$350 billion by 2030

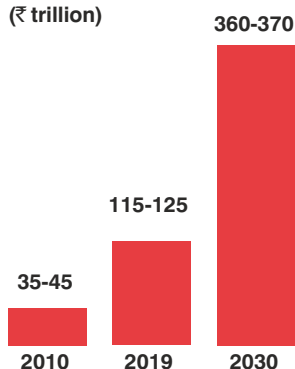
Growing Economy

India - The Fastest-growing Major Economy in the World

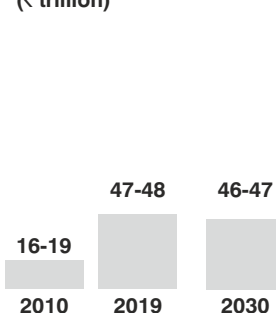


Consumption

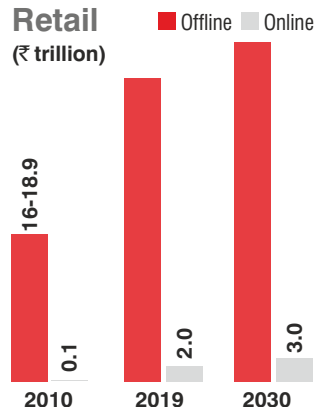
Consumption Market (₹ trillion)



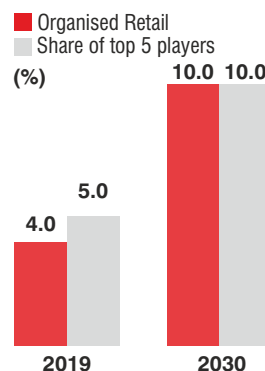
Retail Market: 2020 Disrupted by Covid-19 (₹ trillion)



Online V/S Offline Retail (₹ trillion)



Organised Retail in Focus (%)

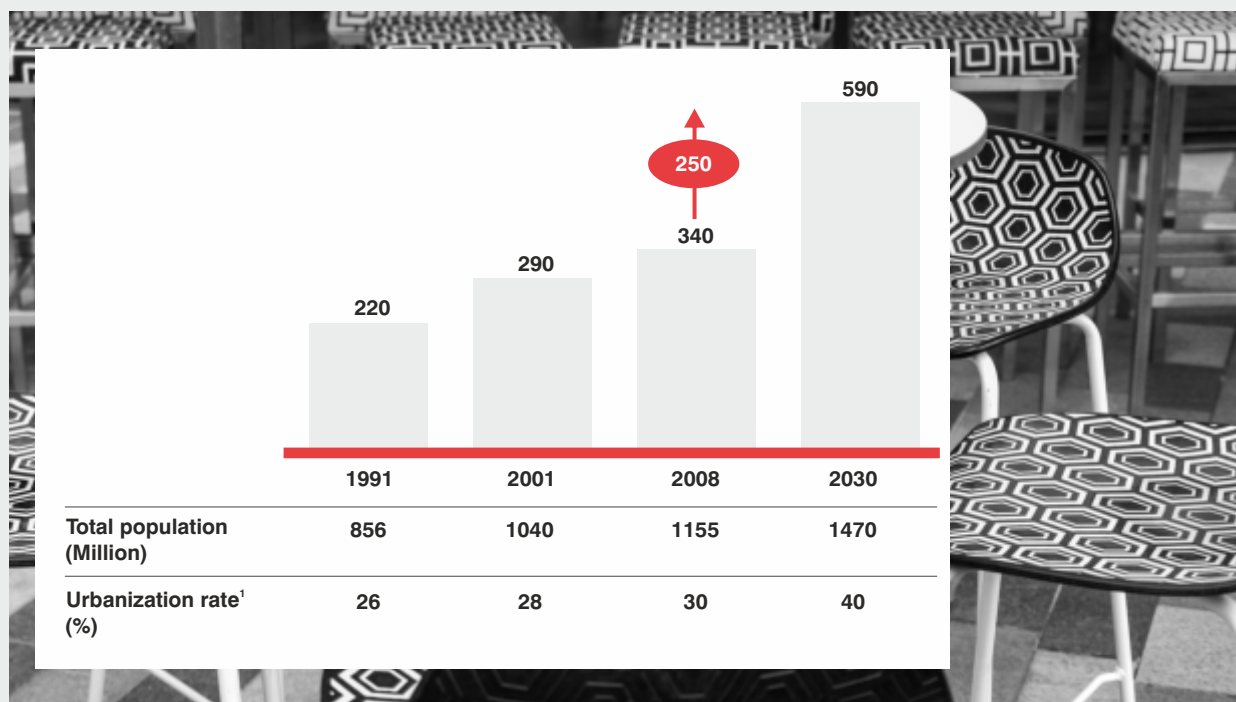


*Calendar year, forecast for consumption market size in 2030 made before Covid; retail is a subset of consumption

(Source: BCG)

Urbanisation

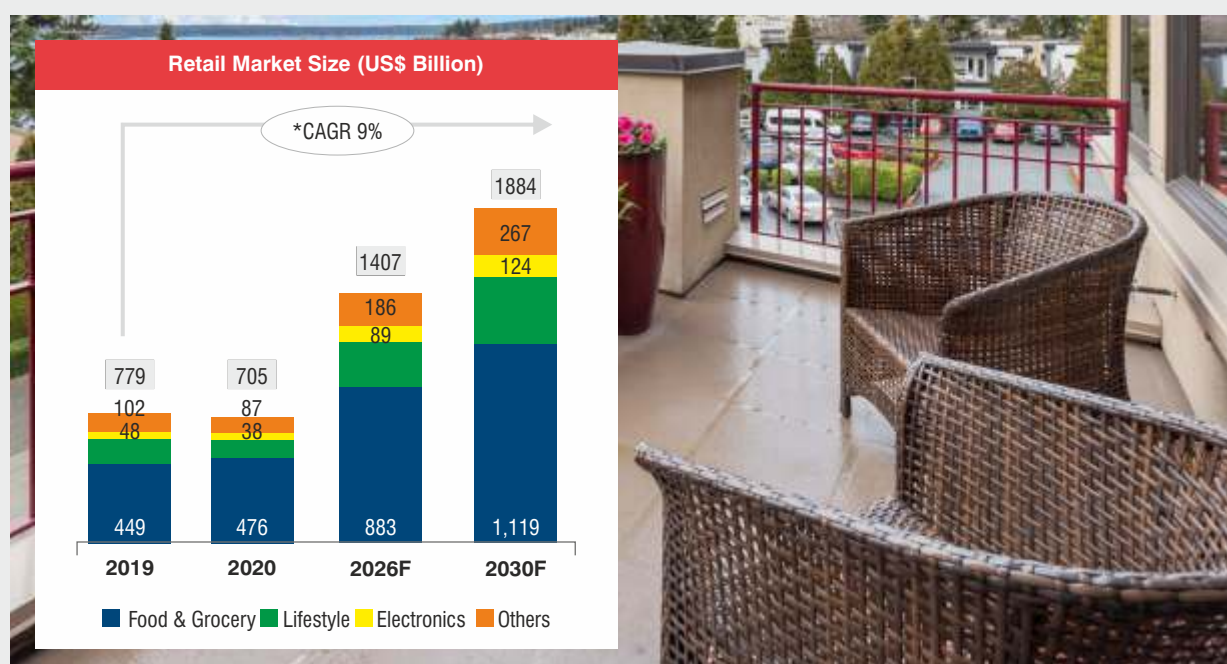
MGI projects India's urban population soaring from 340 million in 2008 to 590 million in 2030.



(Source: India Urbanization Econometric Model; McKinsey Global Institute Analysis)

Retail

Projected to grow from US\$ 779 billion in 2019 to US\$ 1.8 trillion by 2030



(Source: India Brand Equity Foundation (IBEF); indiaretailing.com, BMI Research, Consumer Leads report by FICCI & Deloitte)

India Furniture Market Size, Consumers & Consumption

Booming Demand for Furniture Imports:

The last decade has been very successful for the furniture industry in India. The boom was due to increasing urbanization, a large younger population, rising levels of disposable income and a strong tourism and hospitality industry. Per capita income is expected to rise by 2.5x from 2016-2027 while consumption will triple to \$3 trillion by 2027 as rising affluence drives changes in consumer behaviours and spending patterns. At the same time, the proportion of nuclear families who spend 30% more than joint families is expected to reach 74% by 2025. Other than a blip due to Covid, this growth is expected to continue into the future supported by a growing economy, real estate, IT & service sectors and increasing affluence in urban & rural areas. Exposure to mass media has millions of middle-class Indians aspiring for better lifestyles and furniture-makers catering to their need for stylish homes in compact apartments. All this has seen imports of furniture growing at a considerable rate driven by the increasing demand from urban households.

Furniture Imports: India imports furniture from over 44 countries around the world with total furniture imports expected to cross \$1 billion by FY 2023-24.

Industry Growth: According to the World Bank, India's organised furniture industry is expected to grow 20% p.a.

Residential Furniture Market: Home furniture which comprises 60% of the total furniture market accounts for \$20.6 billion (2018) and is expected to grow at 14.1% CAGR over 2018-2023

Online Furniture Market: The online furniture sector will witness a three-fold increase in shoppers by 2026, with an expected 1.8-fold increase in yearly expenditure per customer. The online furniture business is predicted to expand at 27% CAGR and estimated to reach \$ 1.92 billion by 2025 while India's overall online furniture and home market share is expected to reach \$ 40 billion by 2026.

India Market Size: In 2022, the furniture market touched \$23.12 billion and is expected to reach \$37.72 billion by 2026-end growing at 13.37% CAGR from 2020-2026. India is the 4th largest furniture consuming country and 14th largest furniture market in the world.

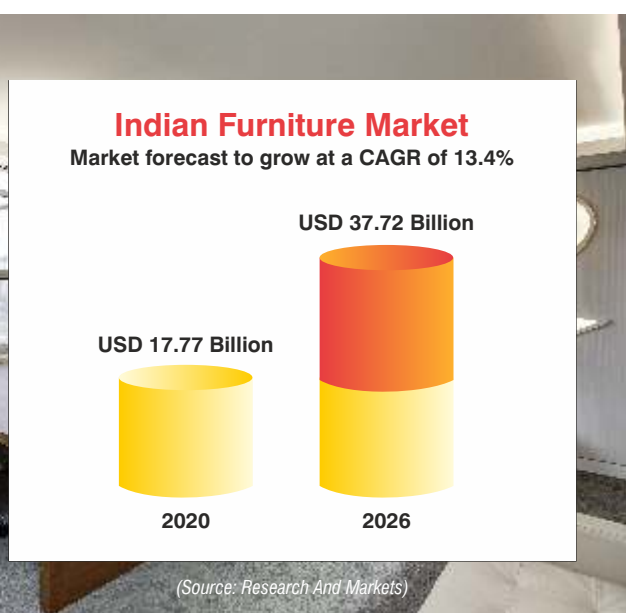
Shorter Replacement Cycles: Furniture replacement cycle expected to come down to 5-7 years from the current 8-10 years as home renovation/refurbishing cycles have also decreased.

Home Furniture Analysis: In the overall Home Décor category, furniture comprises 40-50%. Larger items like sofa, beds, etc. comprise 25% and the rest are small furniture items like bar table, coffee tables, chairs, stools, etc.

Sunrise Industry: India's \$2 billion furniture rental industry has seen a major upswing, now occupying roughly 3% of the market share and expected to drastically increase by 26% CAGR between 2020 and 2025.

Work from Home: Work from home coupled with media exposure have opened the Indian mind in furniture designs and the booming work from home furniture market is expected to touch \$3.49 billion by 2026.

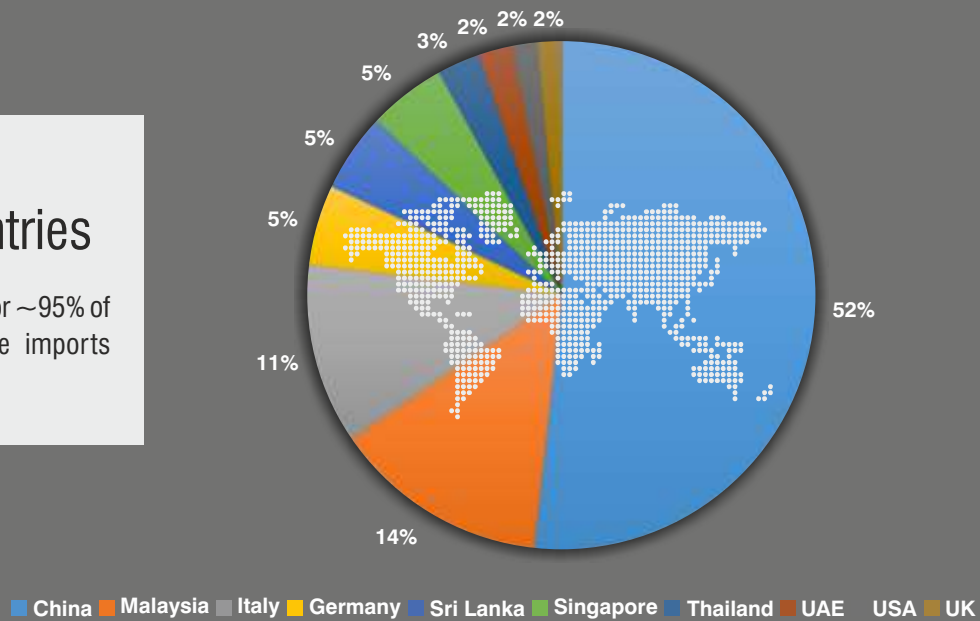
Huge Untapped Potential: Per capita furniture spending of only \$5 signifies a vast market waiting to be explored.



Key Import Countries

Countries accounting for ~95% of total wooden furniture imports into India (2022-23)

Percentage Share of Wooden Furniture Imports



Online Furniture Market in India

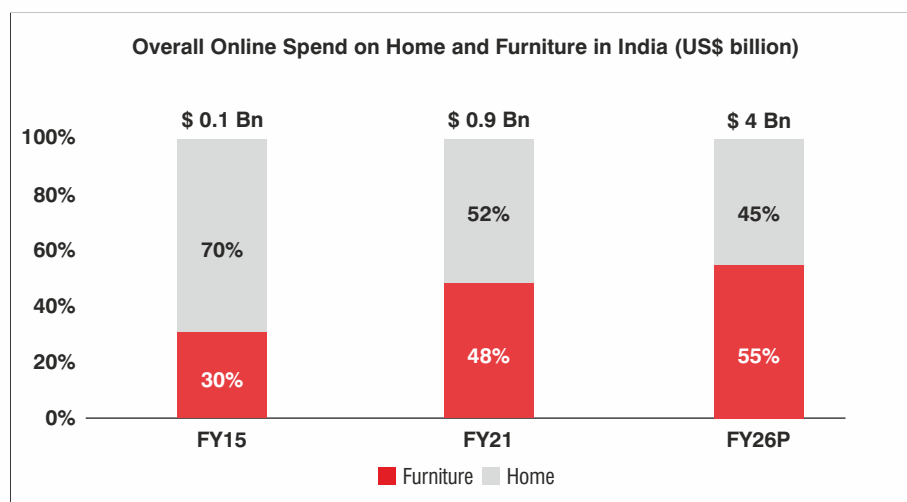
India's online furniture and home market share in India is **expected to reach US\$ 40 billion by 2026**

Online furniture sector to see three-fold increase in shoppers by 2026, with an expected 1.8-fold increase in yearly expenditure per customer.



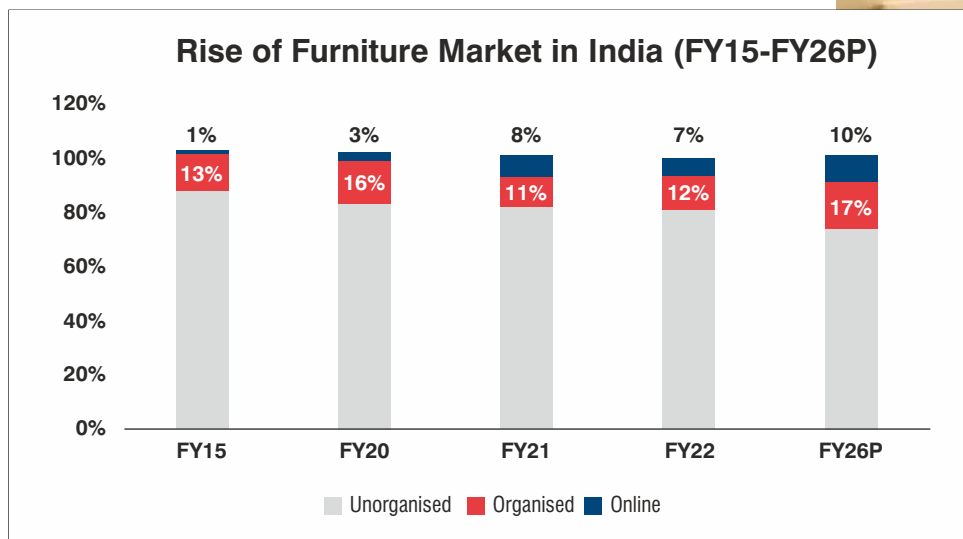
Online home category includes home décor, furnishings, mattresses and lights.

Online furniture and home market to **grow at 39% CAGR by 2026**.

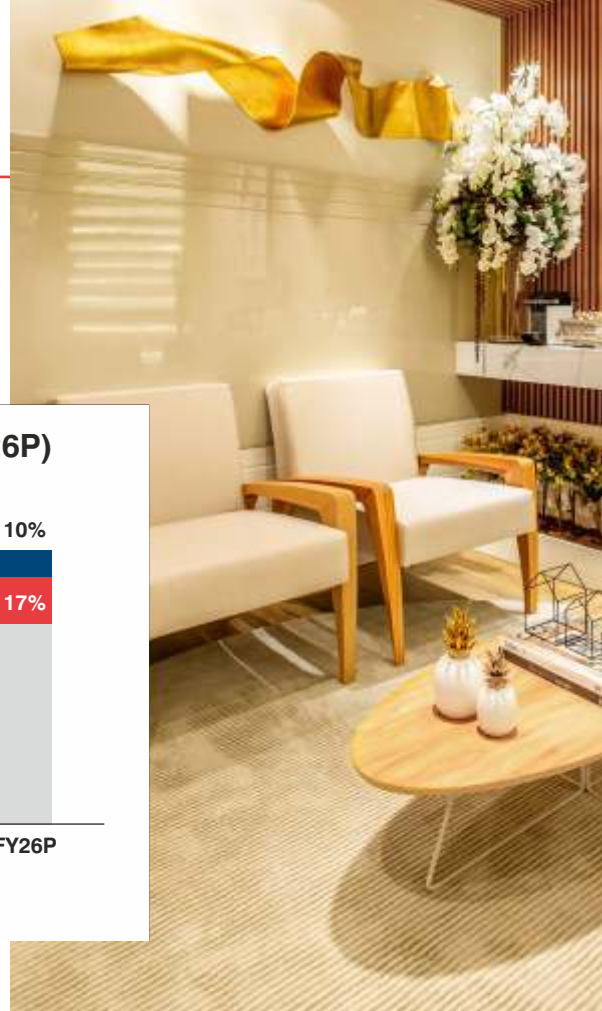


(Source: Redseer Strategy Consultants)

Furniture Market in India – Market Share of Organised & Online vs. Unorganised



(Source: RedSeer Strategy Consultants)



Furniture Import Tariffs

Region / Country	India FTA Y/N	Basic Duty (BD)	Social Duty (% of BD) (Can be set-off)	IGST
EUROPE	N	25%	10%	18%
TURKEY	N	25%	10%	18%
ASEAN	Y	0%-5%		
SOUTH ASIA				
Sri Lanka	Y	25%	10%	18%
Bangladesh	Y	100% Concession		
Nepal	Y	100% Concession		
China	N	25%	10%	18%
Hong Kong	N	25% - 28%	10%	18%
Korea	N	25%	10%	18%

Shipping

A majority of furniture movement takes place through the sea route to Jawaharlal Nehru Port Trust (JNPT), followed by the Inland Container Depots (ICD).

Major Ports for Furniture Imports	Quantum of Imports
JNPT Mumbai	39%
ICD Tughlakabad (New Delhi)	18%
ICD Whitefield, Bengaluru	11%

India Design & Décor Market

India's home décor market is estimated to be \$33.45 billion in 2023 and is expected to reach \$40.98 billion by 2028, growing at a CAGR of 4.14%.

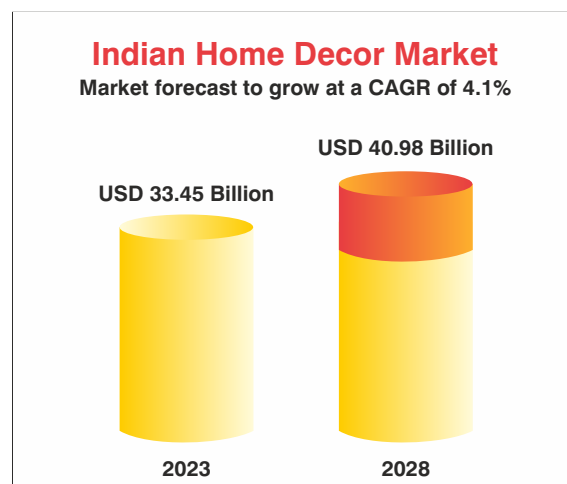
Interior design is booming due to the growing Indian real estate market, growing population, rising income levels, and urbanization.

Designing services are also in high demand due to the influence of social media, and changes in the living standards and lifestyle of the people.

People are choosing theme-based designs for their commercial and residential spaces and fusions of global influences like Mediterranean & European styles mixed with ethnic Indian designs are increasingly common nowadays.

The overall India décor market is growing at 20% but the South Indian market is growing at faster clip of 25 to 30%.

The home category's three broad segments – furnishings, furniture and décor, have been growing positively with a minor shift of market share from furniture to décor in the last few years due to more



(Source: Research And Markets)

spend on upgrading interiors & décor to revamp the look of homes and offices

India is one of the fastest growing markets for home furnishings in Asia-Pacific.

Rising demand for home decor products such as bed linen products, wall hangings, rugs & carpets, etc., along with growing demand for handcrafted products is boosting the country's home furnishing market.

Doing Business in India - Market Entry



Options for in-market representation include appointing agents and distributors; setting up branch/liaison offices; setting up joint ventures and local subsidiaries as well as exploring cross-border business via eCommerce.

Manufacturing in India either for exports/re-exports, or specifically for the domestic markets can also be undertaken with ease in Government FDI norms for investing in SEZs or entry via single brand retail.

For complete details please visit:

<https://www.investindia.gov.in/setting-up-business-in-india>

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GATEWAY TO GLOBAL TRADE

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Disclaimer: This report has been compiled by Worldex India from information available in the public domain for the benefit of the stakeholders.