

## Report on the furniture industry for 2022

An **increase of 38% to 9.7 billion tenge** in the production of furniture for offices and commercial enterprises, as well as a 3% increase to 10.7 billion tenge in the production of chairs and other seating furniture, brought the **total volume of furniture production** for the period January–December 2022 to **64.7 billion tenge**, an 8.4% increase over the same period in 2021. A 13% increase in newly constructed business buildings (offices, hotels, restaurants, and retail stores) and a 67% and 38% increase in export deliveries to the Russian Federation and Kyrgyzstan respectively were responsible for the growth.

Additionally, due to a **drop in the number of commissioned single-family homes** to 6.5 million square meters (-7.4% by 2021) and apartment buildings up to 8.8 million square meters (-8.5% by 2021), production of kitchen furniture has decreased by 23% to 3.8 billion tenge and that of other furniture has decreased by 10% to 15.1 billion tenge.

It should be mentioned that the domestic market for furniture consumption reached **515.2 million US dollars (237.4 billion tenge)** in the period from January to December 2022, with domestic production accounting for **25.2%** of that market.

The regional structure of production has not changed significantly over the time reviewed. As a result, the industry's output capacity is concentrated in Almaty City (*27% of production volume or 31% of all operating enterprises*) and Almaty Region (*8% of production volume or 4% of all operating enterprises*).

Between January and December 2022, **exports of goods** from the furniture sector totaled **10.5 million US dollars**, up 30% from the same period in 2021. Other metal furniture (\$3.5 million), plastic furniture (\$1.7 million), office-type metal furniture (\$0.8 million), rotating seating furniture with height-adjustable devices (\$0.8 million), other wooden furniture (\$0.7 million), etc. were the major export products.

The top destinations for furniture shipments included Uzbekistan (*19.7%*), Kyrgyzstan (*25.8%*), and Russia (*33.1%*).

The **volume of fixed capital investments** in the furniture business increased by 75% in 2022 compared to the same period in 2021, totaling **4.4 billion tenge**. Mega Smart B2B LLP (Shymkent) and Sem-brand LLP both announced furniture production initiatives in June 2022. (Turkestan region)

Ensuring the planned volume of housing commissioning (68 million sq. m.) until 2025, as well as the expiration of the moratorium on the purchase of office furniture for all government agencies and quasi-public sector entities in July 2023, may serve as additional **stimuli for growth** in the production of furniture products.