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STRAIGHT TO THE POINT

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In addition to these factors there are other elements, specific to the BBF sector, linked for example to the requirements of not transparent labeling, cases not often detected in the non-tariff barriers (anyhow they are rules to which, in theory, also Russian operators are subjects), but that, as suggested by the 'doing business' score, lengthen commercial time and increase administrative costs. It should be noted, for example, a new technical regulations, to be applied shortly, concerning the limit of formaldehyde used in furniture productions that is analyzed in the chapter dedicated to this market.

Italian companies also suffer for a series of operational difficulties related to sales channels. The low propensity to property investment combined with the equally low quality of the local distribution system (the score in terms of modernization is only 10/25) makes, in fact, particularly complex the entry in the market and the expansion outside Moscow and Saint Petersburg. Similar to the Russian's is the Ukraine's accessibility profile, further penalized by stickiness on the operating front, as indicated by the scores in 'doing business' and likely exacerbated by the current political situation. In many East Asian countries there is a significant obstacle for Italian SMEs on the front of access channels: in addition to the need of disentangling in a maze of distributors and wholesalers often not transparent, the market is governed by big contractors, who are the turnkey project developers for large housing estate and infrastructure projects (stations, airports). The importance of big buyers is found in particular in India and Vietnam, where Italian company's positions are still marginal compared to the potential. In the future, therefore, these countries will be strategic for Italian SMEs to strengthen their hold in the real estate sector, which, given the fragmentation of the local distribution, often take charge of selling housing solutions already furnished to the wealthy. This would allow operators, once completed the selection of the distributor, preferably in partnership financial system, to overcome certain fixed costs related to internationalization such as that of arranging their own distribution network.

For Malaysia, a country that will take growing importance in the world trade of BBF furniture, but where Italian companies have little presence, the accessibility indicator has a high score (73/100) and suggests therefore that the opportunities outlined in the forecast find fewer obstacles than in other countries of the area.

Among the markets with strong growth of BBF furniture import, Kazakhstan presents instead an especially low accessibility because of the difficulty of finding a suitable sales channel. Alliances between firms can be relevant in countries characterized by little modern distribution (including many Latin American countries, Chile excluded, and Asia, Kazakhstan in particular) or difficult operation (between the large markets the 'doing business' score of Brazil is very low).

In general, the system of combined efforts allows improving market power and visibility of Italian furniture with respect to international big retailers, often among the few options available to enter a market, and as part of expositions, which still remain one of the more immediate channels to approach a new market.

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