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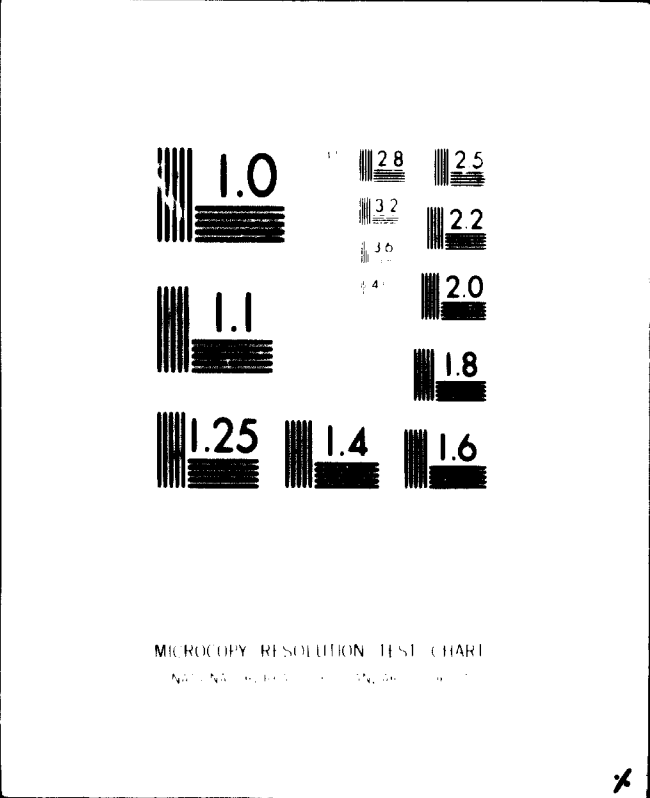
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**THE FINNISH FURNITURE AND JOINERY INDUSTRIES AND
THEIR POSITION IN THE NATIONAL ECONOMY ***

by

C. Antell **

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** Association of the Furniture and Joinery Industries, Helsinki, Finland.

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1. GENERAL REVIEW

The forest industry is a major industry in Finland. The wood industry, the pulp and paper industry and the furniture and joinery industries together account for about one fourth of the value of the national industrial production (see fig. 1).

Traditionally the furniture and joinery industries have been regarded as parts of the mechanical woodworking industry. Though this definition of branch, which is based on the raw material, is correct in general, it should however be understood that the furniture and joinery industries also manufacture products made of other raw materials than wood. Metals, fibre glass and plastics today are significant raw materials in the furniture and joinery industries.

The furniture and joinery industries account for about 2.0 per cent of the gross value of the industrial production.

The Finnish furniture industry accounts for 1.5 per cent of the gross value of the industrial production and 2.2 per cent of the total value added. It employs 2.9 per cent of the total labour force in industry. The wages and salaries constitute 52.0 per cent of the value added of the production compared with 47.3 per cent in the industry as whole. In 1974, there were 288 establishments in the furniture industry. They employed about 15,900 persons.

The furniture industry used to be a domestic market industry. The exports of furniture have, however, increased very rapidly during the last decade. Exports in 1976 were 233 million marks (US\$ 61 million), which is about 20 per cent of the production.

The Finnish joinery industry accounts for 0.5 per cent of the gross value of the industrial production and 0.6 per cent of the total value added. It employs 1.2 per cent of the total labour force. The wages and salaries constitute 87.4 per cent of the value added of the production. In 1974, there were 127 establishments in the joinery industry. They employed about 6,500 persons.

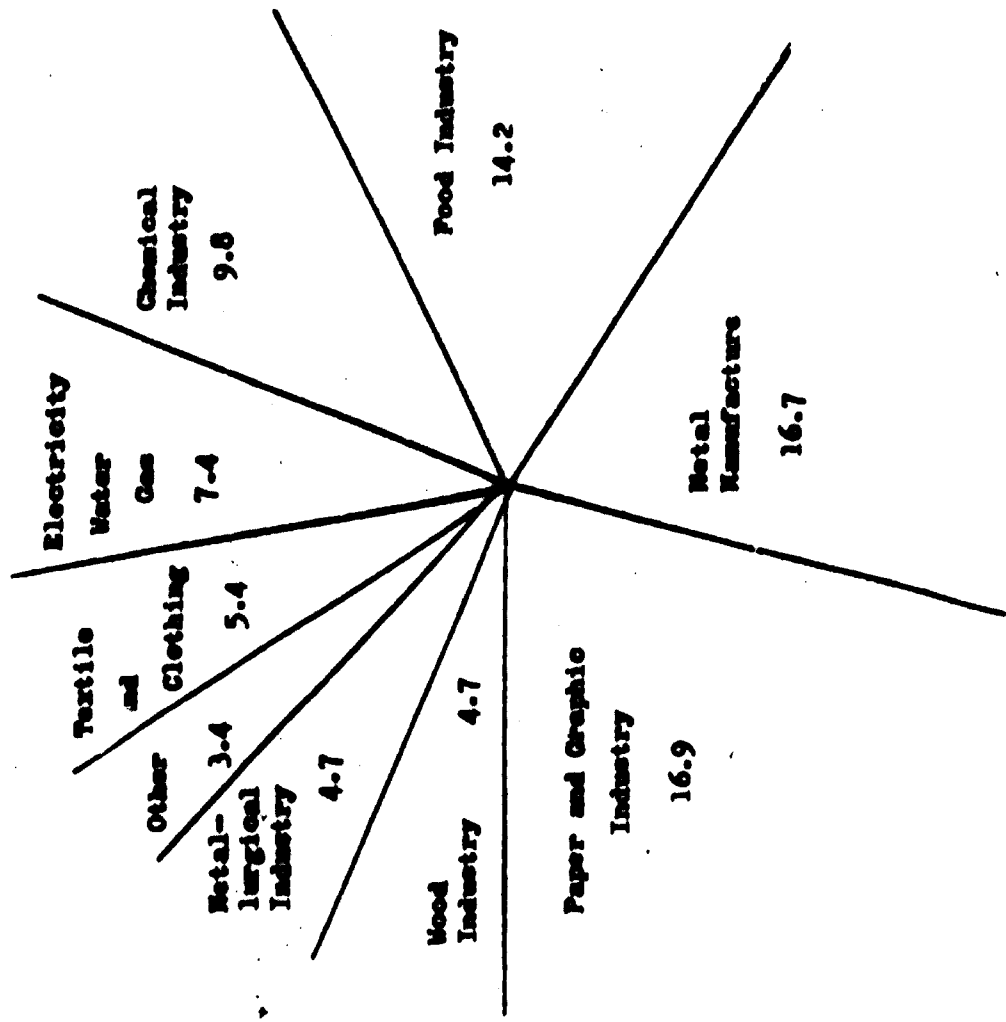
2. PRODUCTION

The mean increase in the value of the production in the furniture

Fig. 1

GROSS VALUE OF PRODUCTION IN FINLAND IN 1975

POPULATION 4.700.000



GROSS VALUE OF PRODUCTION
FM 82.600.000.000
(US\$ 22.900.000.000)

Figures in circles in billion F.M.

industry has during the last decade exceeded the mean growth in the industry (see Fig.2). The mean increase in the productivity was less than in industry in general (see Fig. 3,4 and 5).

The mean increase in the value of the production of the joinery industry has been somewhat smaller than in the furniture industry.

The Finnish furniture industry is concentrated to the middle and southern parts of the country. The biggest establishments are situated in Lahti and its vicinity. The two biggest furniture factories in Finland - both in Lahti - are also the biggest ones in Scandinavia.

The joinery industry is somewhat more evenly distributed among the industrialized parts of the country.

3. RAW MATERIALS

The main raw material for the furniture industry is still birch. The second most common material is pine. Beside solid wood, a considerable amount of veneers, plywood and boards are used as raw material.

The use of fibre glass and plastic has increased rapidly in recent years.

Steel sheets and pipes constitute the main raw material for the metal furniture industry.

The main raw material in the joinery industry is pine. Different kinds of boards and plywoods are also much in use.

4. STRUCTURE OF THE INDUSTRY

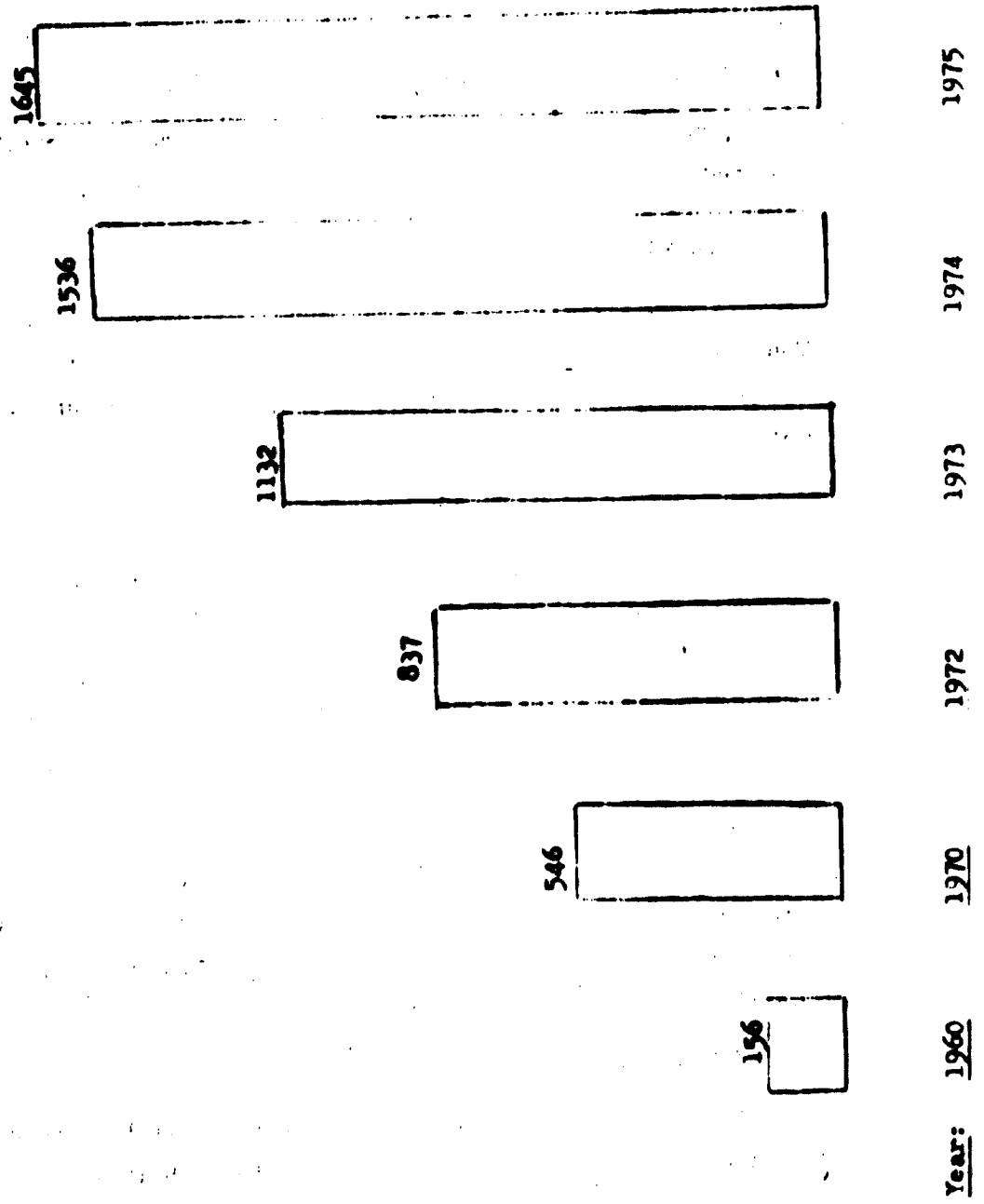
There is a rather strong concentration of production to a few companies in the furniture and joinery industry. The eighteen biggest companies account for 58 per cent of the total value added in the furniture and joinery industries.

5. MARKETING

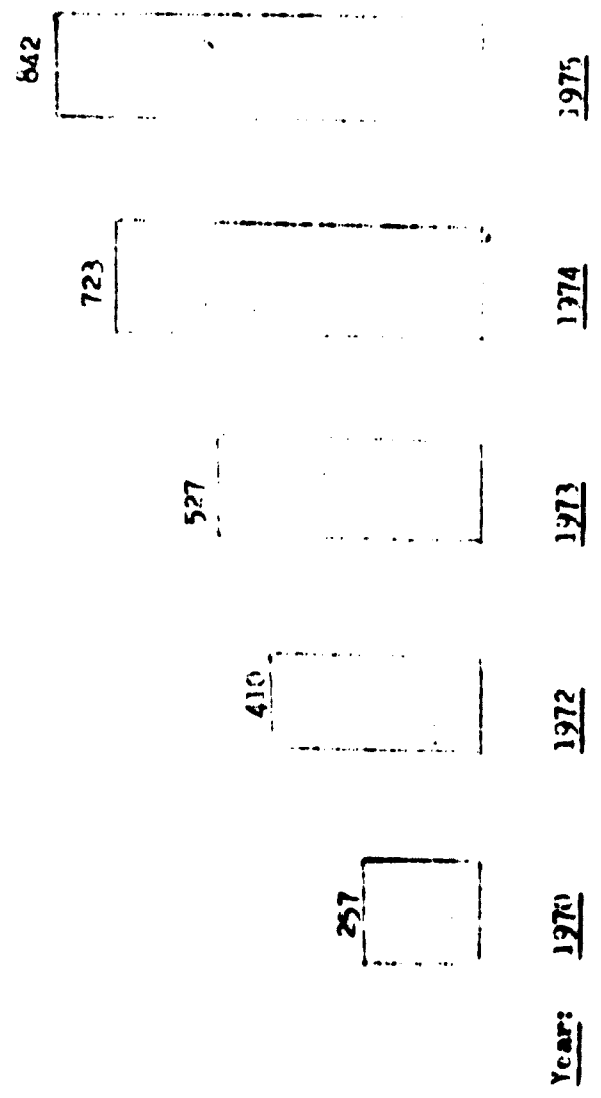
The marketing of furniture is organized rather unusually in Finland. The big manufacturers have their own retail chains. Some producers also

Fig. 2

CROSS VALUE OF PRODUCTION OF THE FURNITURE AND JOINERY INDUSTRIES (million marks)



VALUE ADDED FURNITURE INDUSTRY (million marks)



PRODUCTIVITY (VALUE ADDED/WORKING PERSON) (1000 marks) 1975

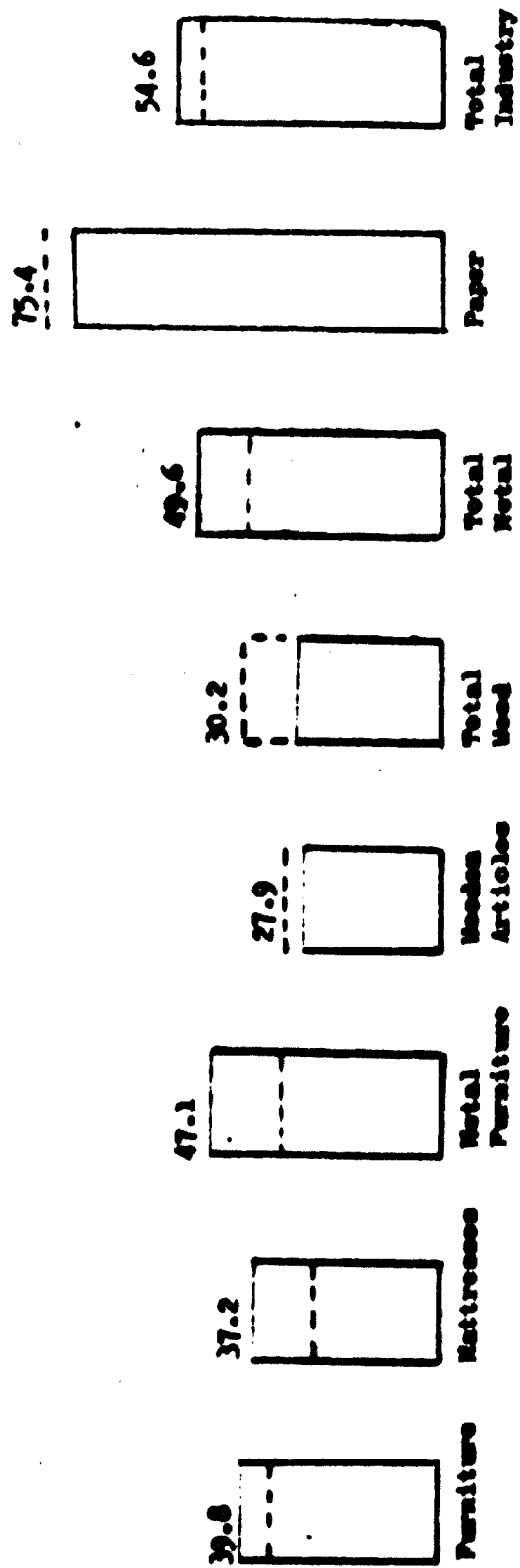
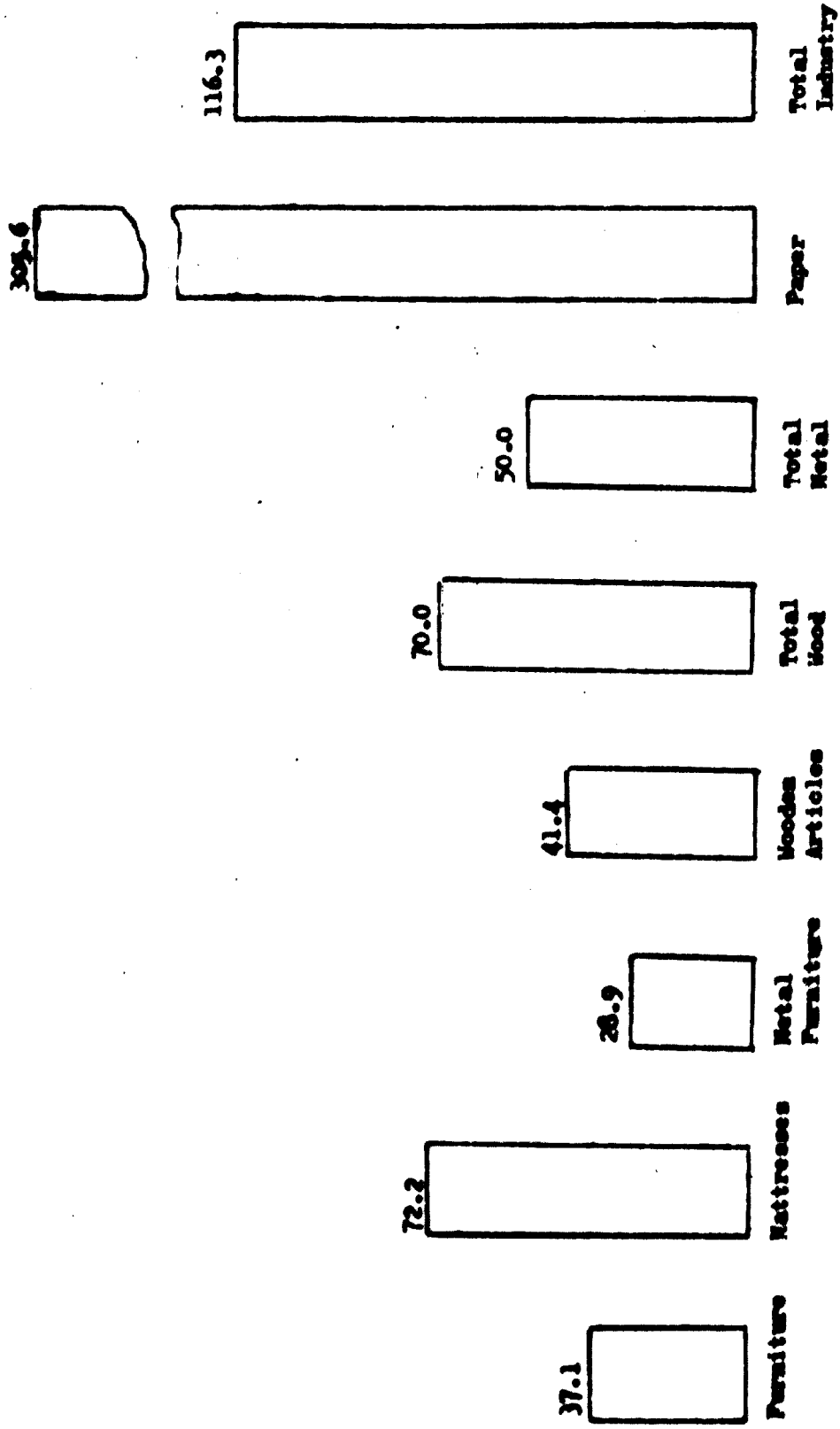


Fig. 5

FIXED CAPITAL/WORKING PERSON (1000 marks) 1974



have a few retail outlets.

About 20 years ago, several small manufacturers and furniture retailers formed a company to compete with the big manufacturers. It now has about 20 per cent of the domestic sales.

Independent retailers have a market share of about 30 per cent.

6. EXPORT AND IMPORTS

The annual increase in the exports of furniture have in recent years been very substantial. Total exports in 1976 were 233 million marks (US\$ 61 million). Major export countries were Sweden, the Soviet Union, the Federal Republic of Germany, Norway, the United Kingdom, Denmark and the United States. The exports of joinery products totalled 122 million marks (US\$ 32 million).

Imports of furniture to Finland were in 1976 82 million marks (US\$ 22 million). (See Fig. 6).

7. PRODUCTION COST

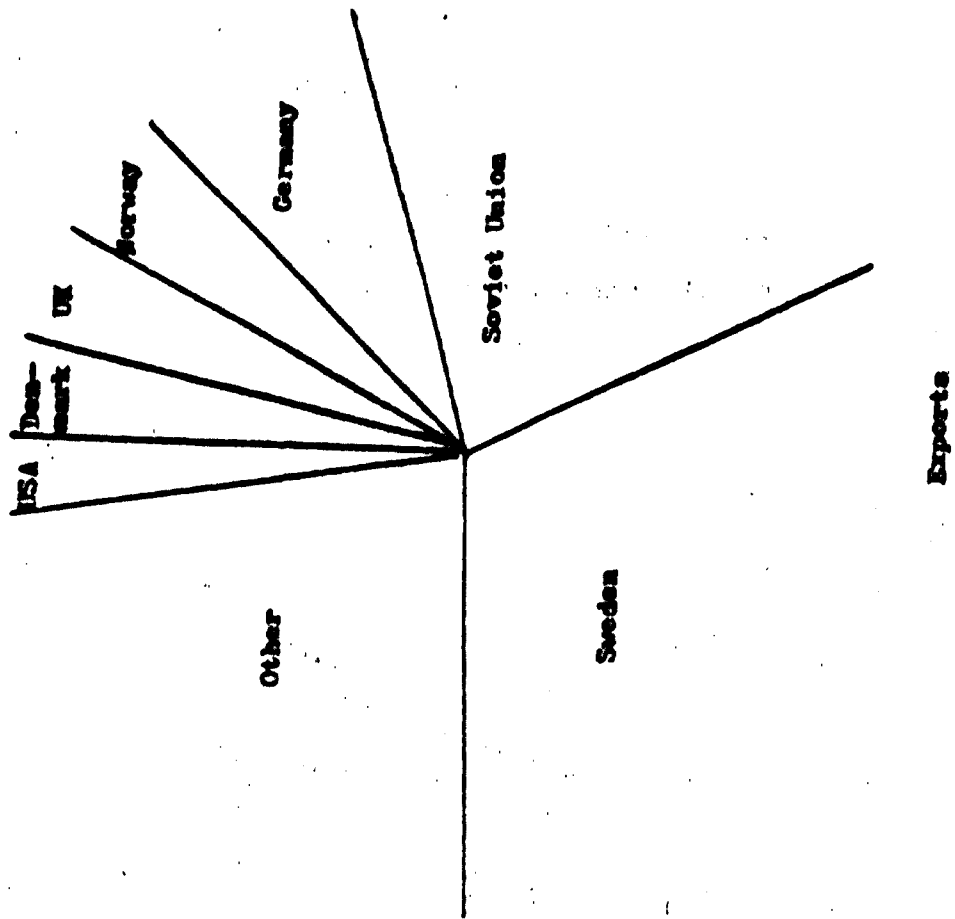
The furniture and joinery industries are more labour intensive than industry in general. The raw materials constitute a smaller cost factor than in industry in average (see Fig. 7).

8. PROFITABILITY

The returns on capital investments somewhat exceed those of the industry in general.

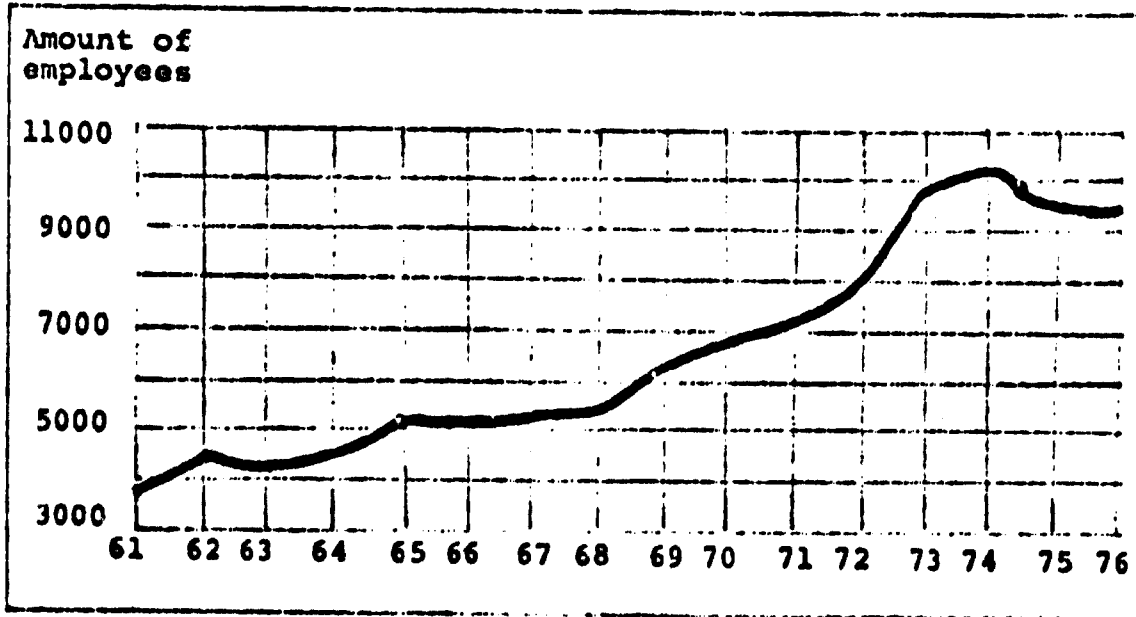
Fig. 6

EXPORTS AND IMPORTS OF FURNITURE (1976)

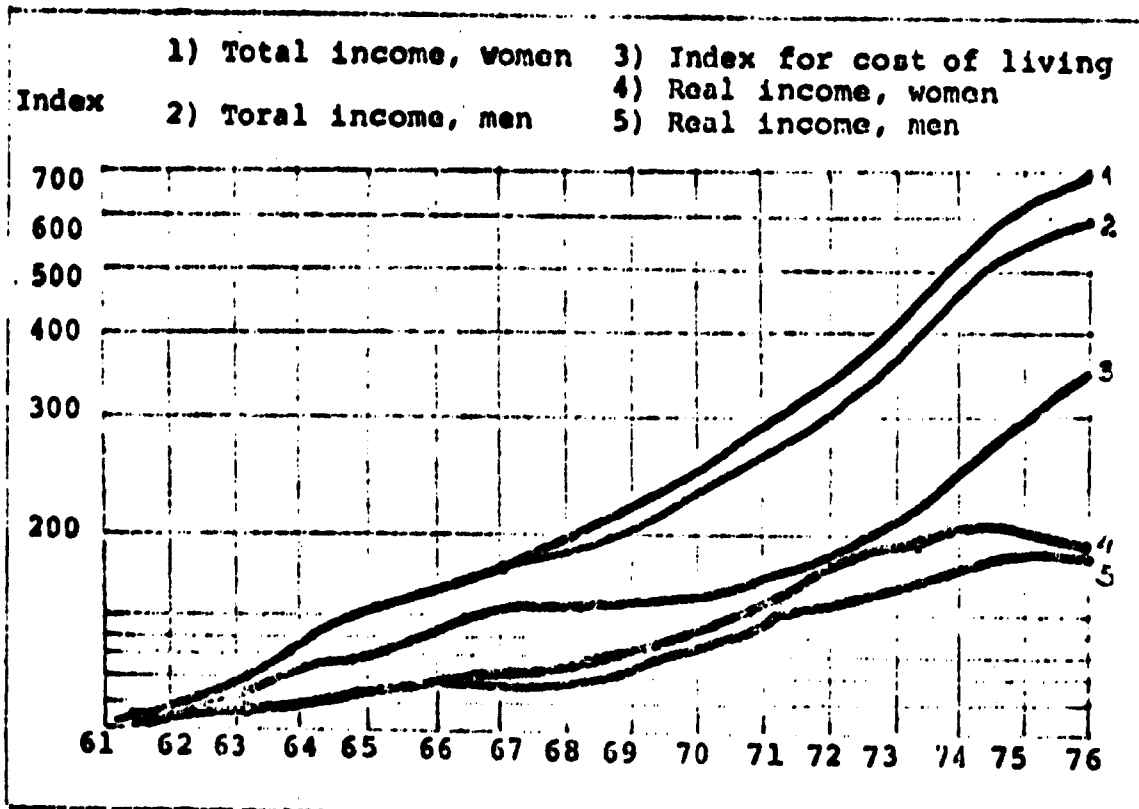


PERSONS EMPLOYED IN MEMBER COMPANIES 1961-1976

(WAGE EARNERS)



DEVELOPMENT OF TOTAL INCOME AND COSTS OF LIVING 1961-1976



REAL INCOME OF WAGE EARNERS WITHIN THE INDUSTRY

UNIDO SEMINAR ON FURNITURE AND JOINERY INDUSTRIES
Finland 1-20 August 1977

Christer Antell

THE FINNISH FURNITURE AND JOINERY INDUSTRIES
AND THEIR POSITION IN THE NATIONAL ECONOMY

STATISTICAL SUPPLEMENT

1. NUMBER OF ESTABLISHMENTS

	1960	1970	1972 ⁿ⁾	1974 ⁿ⁾
Furniture	143	176	215	219
Mattresses etc.			14	11
Metal furniture	<u>14</u>	<u>27</u>	<u>53</u>	<u>58</u>
Furniture factories	157	203	282	288
Wooden articles	244	244	163	127
Fixtures			<u>10</u>	
Joinery factories			173	
Furniture and joinery factories	401	447	455	415

2. GROSS VALUE OF PRODUCTION (million marks)

	1960	1970	1972 ⁿ⁾	1973 ⁿ⁾	1974 ⁿ⁾	1975 ^{nx)}
Furniture	79	278	457	587	782	869
Mattresses			17	34	45	49
Metal furniture	<u>13</u>	<u>47</u>	<u>116</u>	<u>167</u>	<u>246</u>	<u>323</u>
Furniture factories	92	325	590	788	1073	1241
Wooden articles	64	221	237	344	463	404
Fixtures			<u>10</u>			
Joinery factories			247	344	463	404
Furniture and joinery factories	156	546	837	1132	1536	1645
(US \$ million)	49	130	204	298	421	457

n) new series

x) preliminary figure

3. VALUE ADDED (million marks)

	1970	1972 ⁿ⁾	1973 ⁿ⁾	1974 ⁿ⁾	1975 ^{nx)}
Furnitures	131	225	296	398	461
Mattresses	..	5	5	12	18
Metal furniture	<u>24</u>	<u>59</u>	<u>79</u>	<u>115</u>	<u>181</u>
Furniture factories	155	289	380	525	660
Wooden articles	102	116	147	198	181
Fixtures		<u>5</u>	<u>-</u>	<u>-</u>	<u>1</u>
Joinery factories		121	147	198	182
Furniture and joinery factories	257	410	527	723	842
(US \$ million)	61	100	139	198	234

(n) new series
(x) preliminary figures

4. NUMBER OF PERSONS EMPLOYED 1975 (1000 persons) (preliminary figures)

	Total personnel	Salaried employees	Wage earners
Furniture	11.6	1.9	9.7
Mattresses	0.5	0.1	0.4
Metal furniture	3.8	0.8	3.0
Wooden articles	6.5	1.0	5.5
Total wood	51.6	8.0	43.6
Total metal	167.0	44.2	122.8
Paper	51.6	11.3	40.3
Total industry	549.1	132.6	416.5

5. VALUE ADDED/WORKING PERSON (1000 marks)

	1972	1973	1974	1975
Furniture	21.1	25.7	33.3	39.8
Mattresses	10.2	7.9	26.8	37.2
Metal furniture	22.9	27.7	33.1	47.1
Wooden articles	20.2	26.5	32.5	27.9
Total wood	22.3	32.0	41.0	30.2
Total metal	26.3	30.5	40.0	49.6
Paper	40.7	49.2	79.5	75.4
Total industry	31.2	36.8	50.0	54.6

6. **FIXED CAPITAL/WORKING PERSON** (1000 marks)

	1972	1974
Furniture	17.8	37.1
Mattresses etc.	29.6	72.2
Metal furniture	14.8	28.9
Wooden articles	23.0	41.4
Total wood	41.4	70.0
Total metal	33.7	50.0
Paper	222.3	305.6
Total industry	79.8	116.3

7. **SALARIES AND WAGES** (1000 marks per employee per annum, 1975) (preliminary figures)

	Total personnel	Salaried employees	Wage earners
Furniture	21.4	30.3	19.6
Mattresses etc.	18.2	26.6	16.5
Metal furniture	22.6	32.0	19.9
Wooden articles	24.5	30.4	23.4
Total wood	21.5	31.2	19.7
Total metal	27.7	35.5	24.9
Paper	30.2	39.5	27.6
Total industry	25.8	34.5	23.0

8. **COST STRUCTURE** (per cent of gross value of production, 1975) (preliminary figures)

	Wages and salaries	Raw materials	Gross coverage
Furniture	29	40	31
Mattresses	19	59	22
Metal furniture	27	38	35
Wooden articles	39	48	13
Total wood	23	60	17
Total metal	28	41	31
Paper	11	57	32
Total industry	17	48	35

9. WAGES (Annish marks per hours)

	Furniture and joinery industry		Wood industry		Paper industry	
	men	women	men	women	men	women
1961	2.39	1.68	2.45	1.71	2.71	1.85
1970	5.15	4.01	5.28	3.97	5.81	4.49
1971	5.90	4.80	6.20	4.79	7.30	5.65
1972	6.65	5.50	6.95	5.46	7.91	6.28
1973	8.17	6.62	8.28	6.59	9.47	7.61
1974	10.28	8.43	9.97	7.87	11.47	9.46
1975	11.71	9.80	11.49	9.23	13.51	11.06
1976	13.11	11.03	13.23	10.81	16.05	13.21
(US \$)	3.45	2.90	3.48	2.84	4.22	3.48

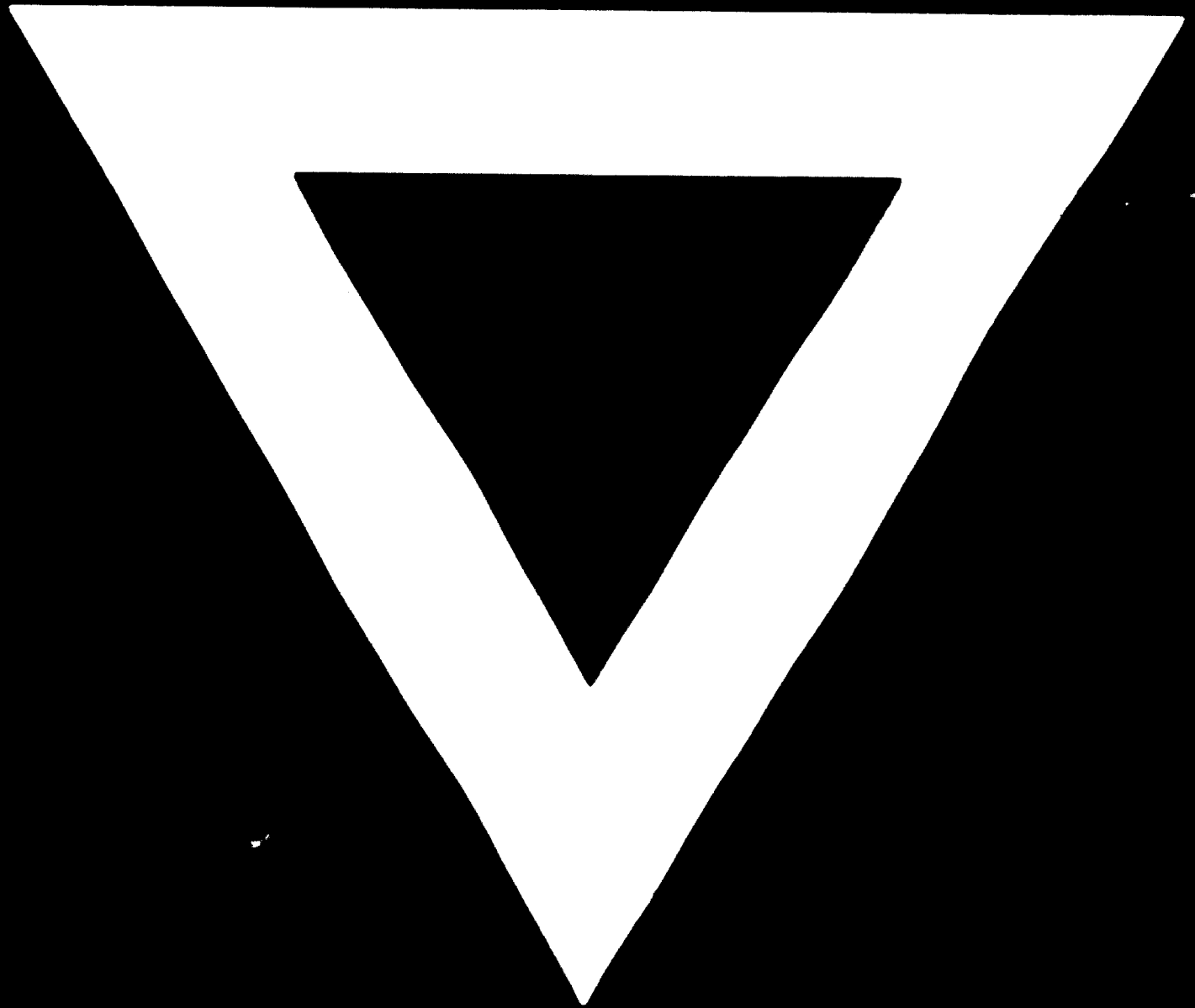
10. FURNITURE EXPORTS (million marks)

	1965	1970	1973	1974	1975	1976
Sweden	3.9	26.1	31.2	40.9	52.7	74.8
Soviet Union	8.4	19.4	30.6	52.2	45.3	49.0
Germany (FRG)	2.6	7.9	20.8	23.3	23.9	21.3
Norway	0.1	2.0	5.7	6.9	8.6	11.3
United Kingdom	0.3	2.5	7.2	8.0	12.2	10.9
Denmark	0.5	3.5	9.1	7.3	6.1	8.3
USA	1.2	6.2	8.3	9.2	7.8	7.7
Total furniture exports	18.7	77.1	140.8	182.4	201.7	232.6
(US \$ million)	5.8	18.4	37.1	50.0	56.0	61.2

11. FURNITURE IMPORTS (million marks)

	1965	1970	1973	1974	1975	1976
Sweden	6.3	18.7	31.6	46.7	50.4	40.4
Germany (FRG)	1.3	2.5	4.7	5.5	5.6	6.2
United Kingdom	0.5	1.8	2.3	3.2	5.0	4.5
Denmark	1.3	2.5	2.7	3.5	3.3	4.4
Norway	0.6	1.2	2.3	3.3	4.0	3.9
Italy	0.2	1.1	2.9	3.1	5.0	3.9
Total furniture imports	11.6	30.6	54.8	78.8	90.3	81.8
(US \$ million)	3.6	7.3	14.4	21.6	25.0	21.5

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