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THE FURNITURE AND OTHER SECONDARY WOOD PROCESSING INDUSTRIES  
IN THE SOMALI DEMOCRATIC REPUBLIC

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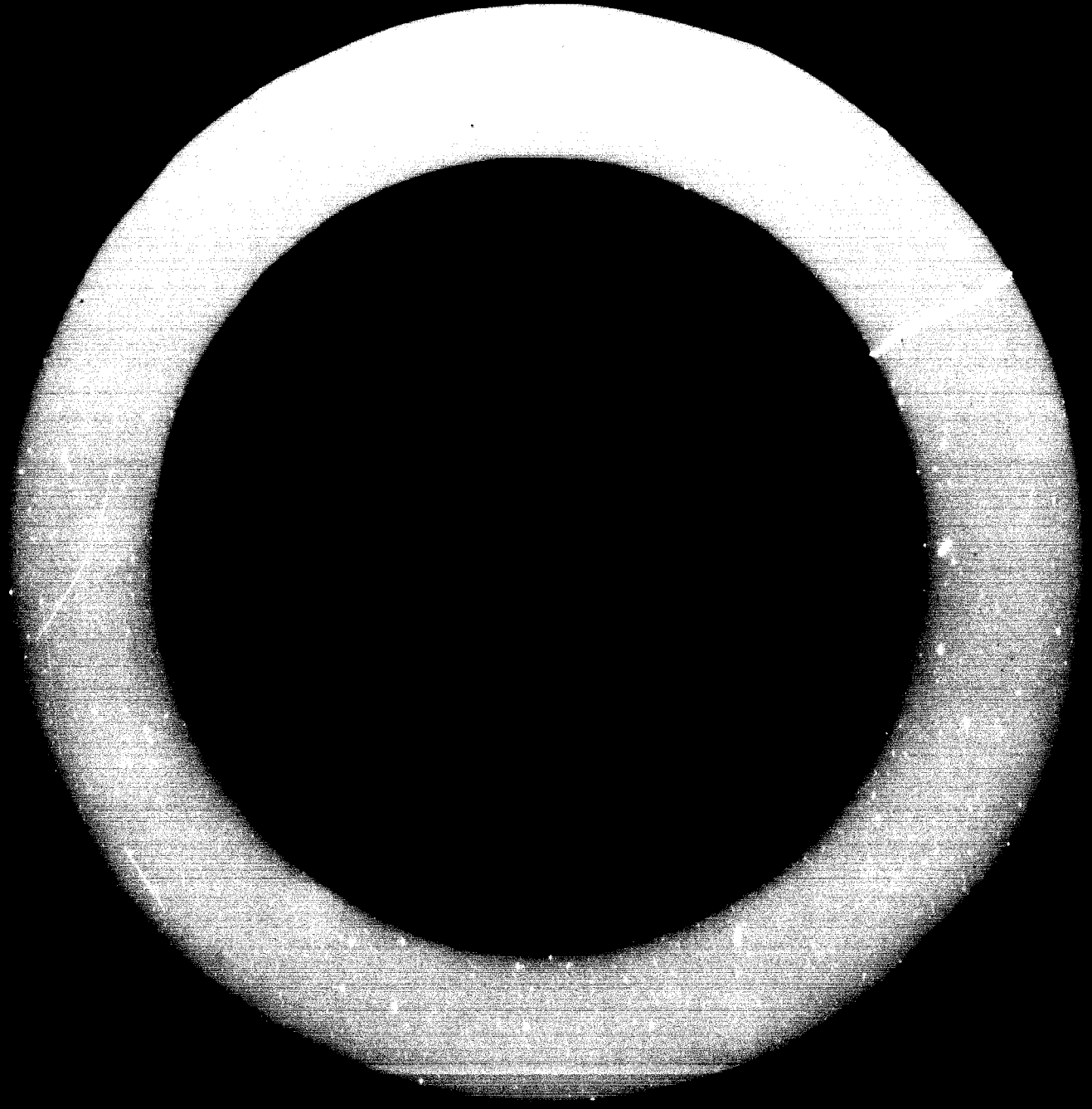
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## 1. Introduction

The Somali Democratic Republic, which comprises the former British and Italian Somalilands, became independent in 1960. The Republic covers a continuous tract of territory (638,000 sq. km) in the North East of Africa on the Indian Ocean and the Gulf of Aden, known as the "Horn of Africa".

No official census has ever taken place in Somalia, but the population is roughly estimated at 3 to 4 million with annual growth rate of two percent. The people are largely homogeneous in race, culture, religion (Islam) and language (Somali). There are three foreign languages in use, namely Arabic, English and Italian. The Somali language has no official and general accepted script.

Most of the population are nomads, moving with their herds from place to place in search of water and grazing land. About 20 - 25 percent of the population is occupied in agriculture, forestry and fishing. The rest lives in towns of more than 5,000 inhabitants. The main density areas are around the capital Mogadishu (175,000), other important urban centres are Meron (56,000), Bargaisho (45,000) and Kismayo (25,000); 12 other towns of more than 10,000 each exist.

Of the total area of 638,000 sq.km only 13.8 percent or 88,000 sq.km support some form of forest vegetation. For a non-industrial country, this proportion of forest land to total land is very low. One cannot argue that this country is blessed with plenty as far as forest resources are concerned. The point, nevertheless, that is missed or ignored by most is that our resources if exploited are capable of some production, which, however small, will meet part of our needs. Up to now, however, forest land has not been brought under proper management to make it productive at capacity.

## 2. Demand for Forest Products

Urban areas in Somalia have been growing tremendously in the last decade. This growth brings with it a growing need for forest products in the form of construction timber, furniture plywood, particle board, paper, etc. Import of only two of the many items, namely rough and simply shaped wood are given on the next page.



Year	Quantity in metric tons	Value in Somali Shillings (000)
1966	11,445	5,125
1967	7,606	6,954
1968	11,297	5,500
1969	8,900	5,560

Source: Foreign Trade Statistics.

These two items are selected because due to the manufacturing involved, these, more than the others, would be the ones that would probably be produced at the initial stages of forest industries development and also because the sawmill project detailed below is designed to make these products available to the local market. Due to the poor development of national income accounting system, however, detailed data is not available to enable one to obtain more precise information on imports of forest products.

Although, Somalia can be considered among the countries with a low population density and with a growth of two percent, yet, the growth in urban areas of the country will not only continue at the same rate as the rest of the country but will absorb more of the growth of the rural communities.

This will mean even a higher increase in imports of forest products in the future which will no doubt further strain the country's balance of payment.

Some figures available on total imports of some forest products for the year 1968 and 1969 might serve to shed light on the size of demand for these products:

Product	1968		1969	
	Quantity in Tons	Value in So. Sh.	Quantity in Tons	Value in So. Sh.
1. Wood, lumber and cork	11,299.3	5,504,397	8,907.2	5,580,319
2. Wood and cork manufactures	872.6	560,857	513.5	855,098
3. Pulp and waste paper	769.0	465,862	1,247.3	743,763
4. Paper, paper board and manufactures of same.	10,296.5	18,755,728	10,193.2	19,240,641
Total	23,237.5	25,306,884	20,861.2	26,419,821

Source: Foreign Trade Statistics.

The significance of the above figures may be appreciated more fully with the fact that in 1969 the import trade for the whole country was worth 364 million Somali Shillings.

### 3. Market

The market situation for furniture industry is expected to change drastically in the near future both in volume and in quality and diversity of the product. This is based on the fact that more and more of the rural population is shifting to urban areas as mentioned earlier.

It is also true that changing living standards in the urban areas, themselves, require more furniture per household. The public sector is also contributing to the expected increase in the market size given that the Government is now engaged in expensive policies which will put more social responsibilities into the Government.

The ingenuity of the industry itself has tremendously influenced the willingness of the public to buy more furniture by reducing the prices for a given product over the years.

### 4. Industry

The furniture industry in Somalia consists of many privately owned small operations. The majority of these are family enterprises often run by the male member of a single family. However, few are substantial businesses employing some 25 workers or more. The majority employ secondhand equipment such as circular saws, table band saws, thicknessers, spindle moulders, etc. The workers in general lack proper training in handling the equipment and material, since no vocational training institutes are available in the country which is reflected in the low productivity of the various enterprises.

The furniture industry in Somalia is perhaps unique in the fact that it does not only manufacture pieces of furniture but also it takes care of the demand for builders wood work (doors, windows and frames, etc.) in the same workshops.



## 5. Raw material

Almost all of the material used by the furniture industry in Somalia is imported mostly from Europe (Italy) and Asia (Singapore) and consists of spruce and larch lumber. Almost 30 percent of this material comes from lumber that has been previously used for packaging of goods imported from abroad in the form of crates and boxes. This is only natural since this country does not have forests producing suitable timbers in sufficient quantities. Of late, however, the industry has been producing more high priced products which leads to increase the importation of high quality timbers.

The local shortage of timber has encouraged a great deal of non-wood substitution in furniture. Most prominently among these substitutions is the use of metal for under-frames and legs for tables and chairs as well as decorative laminates for top surfaces and surfaces of tables and cupboards respectively.

This substitution phenomenon has given rise to local initiative in the establishment of a small size particle board plant in 1968 in Mogadishu (Sogit S.P.A.). The plant has started processing bagasse from the local sugar mill in C'aha about 90 km from Mogadishu - with second-hand equipment. It was presumed that the particle board manufacture from bagasse could substitute imported sawn wood, fibre boards and plywood in many fields of application and that the new production would bring about a considerable saving of foreign exchange.

Since running, the new plant has experienced serious difficulties concerning the production technology, the outlet for a new material in local markets as well as financial problems resulting from a high production cost and a low output.

The fact remains that the particle board production is viable under Somali conditions from the technical and economic point of view and that it could bring substantial savings of foreign exchange in the near future.

In this connexion, the Somali Development Bank has requested the Economic Commission for Africa to have an expert of its industry division investigate the whole situation at the plant and the market and recommend improvements which could reverse the present unfavourable situation with regard to:



- i) The production technology;
- ii) The complementary - not expensive equipment;
- iii) The reduction of customs duty on imported resins;
- iv) Marketing promotion;
- v) Improve the quality of board produced.

**Present situation:**

Raw material "Bagasse". Bagasse is purchased from C.N.A.I. (can sugar mill) and delivered in bulk as well as to a less extent in bales. No pre-depithing is carried out at the sugar mill. The inter-crop season is from about 15 April to 15 June and from 15 October to 15 December. The bagasse is transported by trucks from the sugar mill at Oiohar to the plant in Mogadishu.

Resin. Urea kaurit 390 and hardener type 500 BASF are imported from West Germany. No additives for water repellent properties are used.

**Current output:-** The plant produces about 100 cu.m. of particle board of the size 125 x 250 c.m., thickness 1, 1.5 & 2 cm with a density of 0.65 - 0.70 per month of which about 30 cu.m are processed in the plant, 80 percent in prefabricated housing components (external walls are coated with Polyester and small gravel, internal walls with urea resin and two layers of paint). 20 percent is used in furniture manufacture (table tops, chair seats, shelves, bottoms etc.). About 20 cu.m per month are sold in retail to furniture manufacturers, joiners and building contractors, etc.

**Cost of production of particle boards manufactured from bagasse in Nogadishu (as in 1969):**

**Product:-** Particle board from bagasse, density 0.65 - 0.70, thickness 10, 15, 20 mm, size 125x250 cm.

	1 pressing shift	10 pressing shifts per month	Unit price So.Sh.	Total Cost per month So.Sh.	Cost per cu.m.
	kg	kg			
Raw material bagasse ex- mill	5,000	50,000	1,5/100 kg	750	
Transport to Nogadishu			<u>1,96/100 kg</u>	<u>980</u>	
Total raw material		about	3,50/100 kg	1,730	21,6
Urea resin	520	5,200	2,5/kg	13,000	163,0
Fire wood	1000	10,000	4,5/100 kg	450	5,6
Electric power				1,000	12,5
Wages & salaries				4,878	61,0
Material for maintenance & repairs				3,000	37,5
Amortization General expenses				<u>5,000</u>	<u>62,5</u>
Total production cost				<u>29,058</u>	<u>363,7</u>

**Consumption per cu.m. of boards:**

Resin  $\frac{5200}{80} = 625.0$  kg

Raw bagasse  $\frac{50,000}{80} = 625.0$  kg

**Composition of bagasse board (15% of moisture content)**

65.0 kg resin (see above)

105.0 kg moisture (15%)

530.0 kg bone dry bagasse.

700.0 kg/m<sup>3</sup> Total



Price of raw material in Mogadishu market.

Whole sale price 500 So.Sh. per cu.m. of boards.  
Retail price 600 So.Sh. " " " "

Prices of surface finished boards.

a) Coated with polvester and small gravel (for external walls about 22 So.Sh. per Sq m of which,

Raw boards	12 So.Sh.
Polyester	6 " "
Gravel	2 " "
Labour	2 " "
	<u>22 So.Sh.</u>

b) Coated with two layers of paint (for internal walls about 16 So.Sh. per Sq m) of which,

Raw material	12 So.Sh.
Paint & Labour	4 So.Sh.
	<u>16 So.Sh.</u>

c) Government:-

The Government has taken cognizance of this situation and has decided to take steps which will insure the availability of part of the required material to the industry in the future even though this will not be possible immediately. The Government action is channelled into two efforts.

The Government is now installing a small saw mill in the conifer zone which will process cedar timber for the local market. The products of this saw mill will (hopefully) reduce the dependence of the furniture industry on foreign market for its demands for raw material. It is needless to mention that the balance of payment situation of the country will be benefited too. Considering the ability of the industry to improvise on what is available, it is expected that this local source of material will have an overall development impetus on the industry.

Saw mill project:- The establishment of the saw mill project was first initiated 10 years ago by the British Government during the British Administration in the northern part of Somalia in Dalo Forest Reserve where a local cedar is found in abundance. The British Government installed a small portable saw bench to convert this cedar into suitable timber for furniture, window, door frame and light building structures. The product of this bench has met some of the demands for materials in the furniture industry at that time.

After independence in 1960, it was decided to install a bigger machine which was partially installed but was never brought to full production.



Every Government has been sympathetic to the project, yet the fact remained the project was neither abolished nor satisfactorily implemented.

The present Government has shown a great interest into the project and has included it into the National Development Programme in the years 1971-1973. A provision of 1,200,000 So.Sh. is allocated under the budget of the plan period.

The second effort of the Government is directed towards creation of plantation of quick growing local or exotic species.

Damas plantation:- This project was also initiated during the British Administration in the Northern Region of Somalia (in Berbera) where a local species (damas) was planted in 1956 and its performance in growth, after 14 years, was remarkable.

Equally the Government is taking steps for its extension at a modest yearly rate of 259 hectares of 777 hectares for the plan period. The Government has allocated about 1,500,000 So.Sh., under the National Development Programme budget for the years 1971 - 1973 for this project.

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**12.7.74**