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FURNITURE AND JOINERY INDUSTRIES IN PAKISTAN^{1/}

Country Paper

by

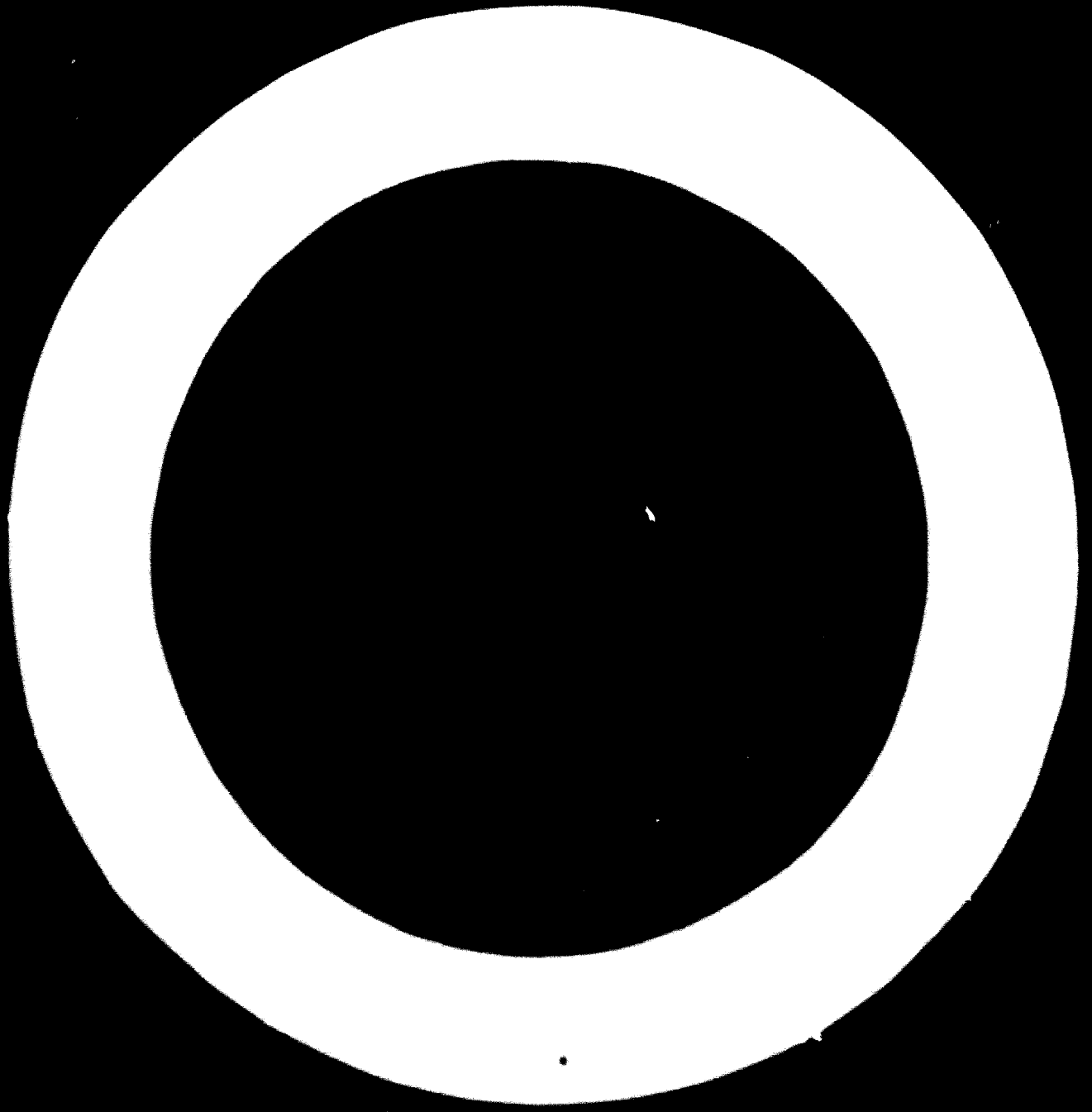
Sajid Manzoor

Manager

Pak German Wood Working Centre Peshawar
Small Industries Development Board N.W.F.P.
Pakistan

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1. INTRODUCTION

Pakistan lies between Afghanistan and Iran to the West, India to the East, Russia and China to the North and the Arabian Ocean to the South. The landscape varies from the snow-covered peaks of its upper Himalayas to the arid desert in the South. The climate is tropical. The maximum temperature is 49°C. The minimum goes below freezing point and in the mountains a large part of the forests are situated at an altitude of -10°C.

The total area under forests is 6,111 sq. miles (5,10,40 acres) which is about 2.6 per cent of the total land area. Although various forest development and afforestation projects have been implemented since 1956, Pakistan is still facing a shortage of timber. Large quantities of wood are required for present construction programmes as well as industrial projects in the country. Since the indigenous resources of timber are inadequate to satisfy the urgent needs of the country, large quantities of wood are imported from Burma, Thailand and Malaya to meet the deficit. Being a developing country with limited means of foreign currency, shortage of timber has become a great problem for the development of wood industry.

2. CURRENT STATUS OF WOOD PROCESSING INDUSTRY

2.1. Saw mills: To cater for the demand of the timber industry in Pakistan, the Government has installed four saw mills, equipped with log band saws and seasoning kilns. A big timber complex with an investment of approximately Rs. 50 million is under implementation near the forest resources in the North of the country. However, cutting of logs in saw mills is basically not done. No frame saw at all is in operation in Pakistan. The carpenter normally selects his logs according to his work, brings it to the workshop or building site, and cuts it there by log band saw, band saw or by hand; only big concerns have installed log band saws and band saws. Most of the logs are still cut by hand at the forest site, where electric power has not reached so far.

2.2. Plywood and veneer industry: Production of plywood was started in Pakistan ten years ago. At present seven plywood factories are in production with an installed capacity of 260,423 sq.ft. p.a. However, due to lack of raw material, lack of management and shortage of capital only 90,370 sq. ft. p.a. are produced. The veneer needed for the production of plywood is produced at the plywood factory. So far veneer peeler of 2500 mm maximum length only were in use, and only plywood of low quality for the local market has been produced. Recently a veneer factory,

As the result of a joint venture between Pakistan and a German company, with proper drying equipment and veneer slices of 2500 mm length, has started production. Mainly about veneer of first quality, is produced and exported to Europe. All plywood factories are also engaged in the production of flush doors according to orders. No standard doors are yet produced.

2.3. Chipboard and Allied Industry: Chipboard is a new product in Pakistan. At present four chipboard factories out of five are under operation, with a total installed capacity of 230,000 tons p.a. but sales reached only 6,300 tons; due to high rates and shortage of wood, finances, as well as, non-availability of skill, one factory has been closed down completely, and products of two factories are low quality. Only one factory has adopted new methods and produces standard quality products out of bagasse, a raw material which is cheap and available in abundance.

One hardboard factory with capacity of 3,600 tons p.a. is in production. A second with capacity of 7,200 tons p.a. producing hardboard out of bagasse, added to the chipboard factory, is still under trial operation.

2.4. Furniture Industry: So far this industry has existed more or less on a cottage scale, where the manufacturing operations are mostly carried out by hand. The size of firms engaged in this trade and the quality of products shows such a wide variation that any estimate of the consumption of wood and total turnover is nothing more than a guess. However, it is estimated that there are almost 1200 registered furniture manufacturers in Pakistan. Throughout the year, roughly 35,000 workers are engaged in this trade including cottage industry.

There is very little mechanization in this field, only a few big concerns have installed wood working machines in order to improve the quality and the speed of production, but even they are working in a semi-mechanized way. Such firms are mostly located in the big industrial centres, like Karachi, Lahore and Rawalpindi. Recently a wood working centre has been established in Peshawar with the collaboration of the Government of Pakistan and the Government of the Federal Republic of Germany, to introduce modern wood-working techniques, usage of new material (like chipboard, plywood, veneer and hardboard) and for introduction of factory organization in the private concerns, training of freshers and skilled workers.

Although furniture is an essential part of house-hold furnishings, its demand in Pakistan is limited due to low per capita income of the population. This industry adds only 2.5 per cent of total G.N.P. Even export of furniture is not very encouraging. The total export p.a. in the average within the last five years is approximately Rs. 200,000.

2.5. Joinery: Joinery as an exclusive section does not exist in Pakistan. Generally most of the joinery work is done by the contractors who employ carpenters on daily wages. The timber in blocks or sleepers is brought to the building site, cut by band saw into the required sizes and joined together at the site. Every operation is done by hand.

2.6 Sports Goods Industry: The sports goods industry is located in Sialkot, a small town 80 miles north of Lahore. Sports goods were manufactured there as early as 1860. Throughout the years, this industry has prospered and grown into an established industry. Exports of sports goods mainly to Commonwealth countries started in about 1900.

By 1947 the sports goods industry of Sialkot had already its share in the work market, but received the greatest set back soon after the partition of the sub-continent. Most of the people who financed the sports goods industry migrated to India and Sialkot was cut off from its timber suppliers in Kashmir and funds were not available any more.

Due to special development programme of the Government of Pakistan and the establishment of an institution for development of sports goods, as well as provision of foreign currency funds from international organizations, the industry has developed considerably: today the sports goods industry contributes a large share of the country's earnings (see appendix 1).

There are 700 sports goods manufacturers, 600 are engaged in export, out of which 40 handle 80 per cent of the total export. A Sports Goods Association and Co-operation have been founded and handles the exports for their members. Sixty thousand workers are engaged in the production of sports goods. In 1970 production reached upto Rs.40 million, out of which Rs. 29,8 million were exported. The exports of sports goods made out of wood were 55 per cent or Rs. 16,7 million. The main markets for sports goods are Europe, U.K., U.S.A. and Australia.

3. FUTURE PROSPECT FOR DEVELOPMENT

3.1. Criteria: The future development of the entire timber industry depends on the following factors:

- a) Availability of timber;
- b) Development of forest and implementation of infra structure in the forest areas;
- c) Availability of timber products like chipboard and hardboard veneer in standard quality and at reasonable rates;
- d) Mechanization and organization of wood processing industry;
- e) Training of management and workers;
- f) Exploration of new markets for exporting the products of timber industry.

3.2. Prospect: After devaluation of the Pakistani Rupee in May, 1972 it can be expected that the import policy of Pakistan will be liberated and timber can be imported from East and African countries at reasonable rates. Various forest development schemes are under implementation and a forest institute has been set up in Peshawar with international assistance.

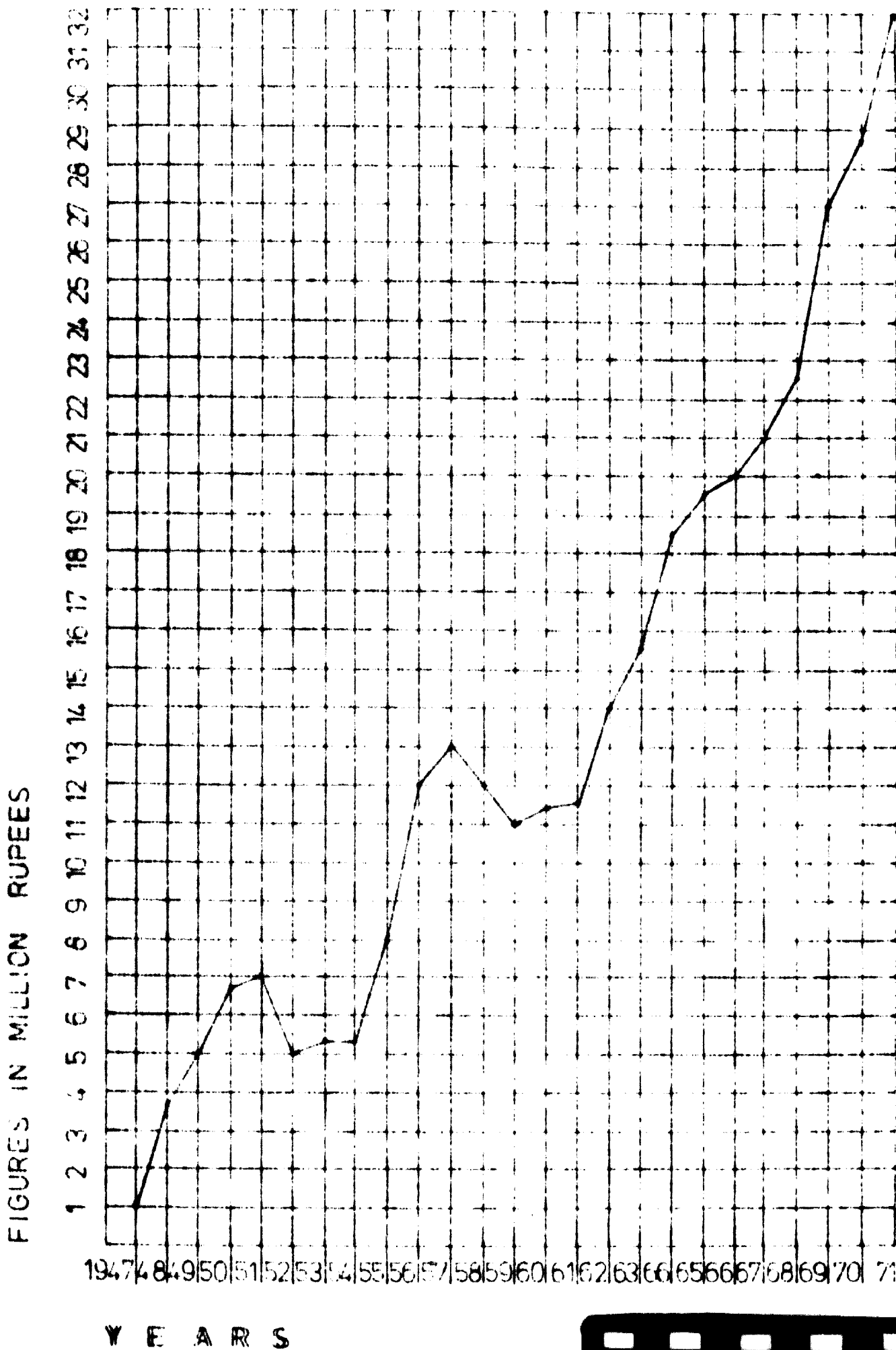
After implementation of timber complex in Dir State, timber sawn boards and timber product will be available in standard quality at reasonable rates.

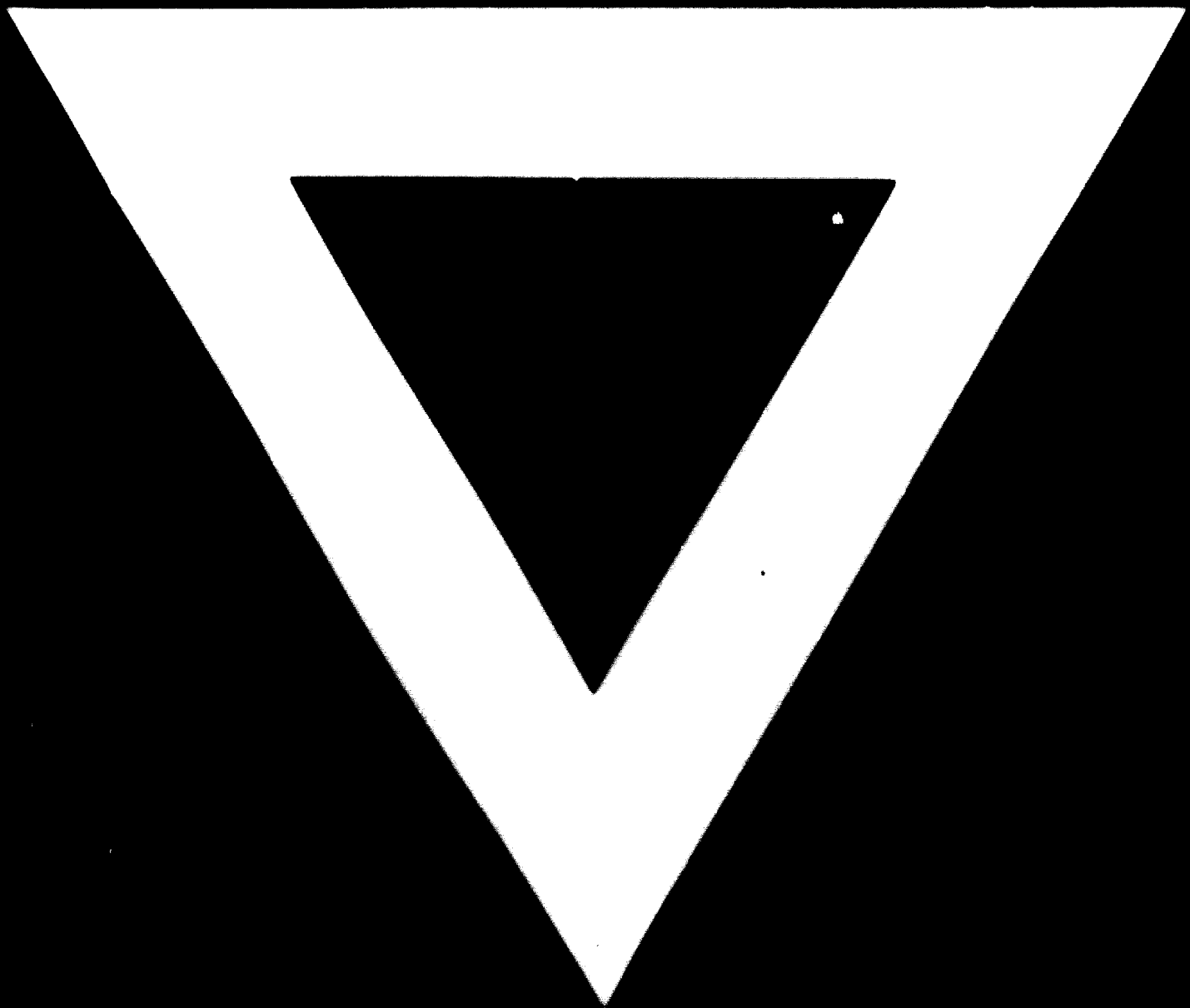
Due to the competition factor the private plywood, veneer and timber industry will improve their standards, so that standard products would be available in the market.

Small Industries Corporation has set up Pak German Wood Working Centre in Peshawar with the technical and financial assistance of the Federal Republic of Germany. Besides local staff three German advisers are teaching and training management, skilled workers and apprentices, and providing advisory services to the local industry. A similar institution has been set up for the sports goods industry. Other institutions almost of the same functions have been set up throughout the country.

3.3. Conclusions: With all the international assistance/co-operation and the keen interest of the Government of Pakistan in developing the wood processing industry, it is expected that within few years it will cater for all the demand of furniture within and abroad; provide employment and technical know-how; earn foreign exchange, raise the standard of living and ultimately help the nation to struggle against poverty, disease and illiteracy.

PAKISTAN SPORTS GOODS EXPORT FIGURES





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