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FURNITURE AND JOINERY INDUSTRIES IN LEBANON 1/

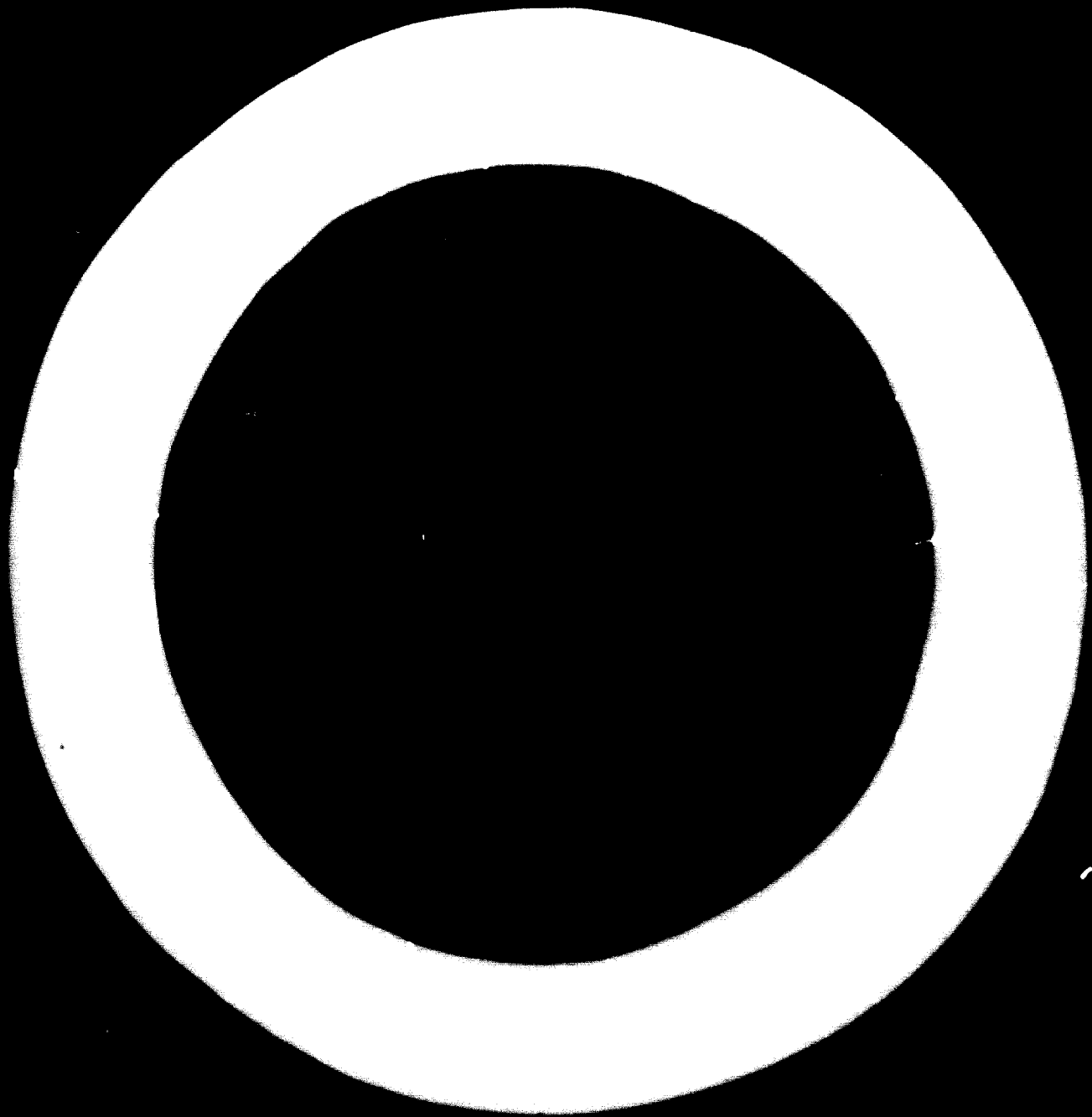
by

Emile Rizk
General Manager
Société Nicori
Hadath
Beirut, Lebanon

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INTRODUCTION:

Lebanon is the meeting point of three continents and has been known throughout history as a trading and services country. The country's propensity towards trade is the natural outcome of its geographical location and scarcity of natural mineral resources, which are required by industry. If we study the past and present history of Lebanon, we notice that Lebanon was and still is a country of services i.e. trade, tourism, brokerage, exchange and transit marketing.

In view of the above, the question arises as to Lebanon's status as an industrial country, especially with respect to such light industries as the wooden furniture and joinery industries and the production of wood-based panels.

Wooden furniture industry

It is difficult to state exactly when the wood-processing industry began. Generally speaking, it started to take shape after the Second World War whereafter it began to develop and progress to its present status. In the initial stages, the industry met the demand of the local market which absorbed the whole production; after some years, the industry began to look for outside markets i.e. exportation. It is well known that the natural export markets for Lebanese products are the Arab Countries, especially Saudi Arabia and the Arab Gulf States. From Table I below, it can be seen that exports have increased annually. Details as to the percentage Lebanese exports constitute in the whole Arab Market are currently unavailable.

Table I

<u>Year</u>	<u>L / (in millions)</u>
1966	3.5
1967	3.6
1968	5.7
1969	8.2
1970	9.5
1971	10.4

(Source: Lebanese National Accounts - Chamber of Commerce)

It can be assumed that these figures can be increased by 25% on the grounds that the bills invoiced are less than the actual value. Approximately 80% of the exports are to Saudi Arabia and Kuwait and the other Arab Gulf States.

Table II shows the recipient countries in 1959.

Table II

Saudi Arabia	42%
Kuwait	25%
Bahrein, Qatar	
Trucial States	13%
Other Countries	20%

(Source: Chamber of Commerce. Union of the Wood Furniture and Joinery Industries)

On studying the kind of furniture exported, we find that 80% of it is "period style" i.e. French style, English style, Spanish style, inter alia. Most Lebanese furniture exports are these kinds of furniture because they are labour-rather than material-intensive, and labour in Lebanon is cheaper than in competitive countries producing the same kind of furniture.

The problems facing the furniture industry are those common to any industry in a developing country, such as:

1. Scarcity of highly skilled labour;
2. Lack of vocational schools, especially schools offering training in the furniture industry;
3. High raw material costs;
4. Lack of good marketing methods.

It would be pleasant to see the wooden furniture industry prosper and achieve fame as a Lebanese speciality.

Joinery industry

This industry comprises the manufacture of wooden doors and windows as well as shutters (stores roulants). The woods mainly used in this industry are soft pine wood, plywood, blockboard and fir. Soft pine, plywood, and blockboard are mainly used

indoors and for windows while fir is used for roller shutters and the false ceilings of verandas. The progress and development of this industry depends mainly on the building sector.

On the average wooden joinery components constitute between 10 to 15% of the cost of any building. Joinery production in 1970 totalled about 200,000.- square meters (indoors, windows and cupboards amounting to L / 6,000,000.) Of these six million Lebanese pounds 10% is for windows only, whereas in previous years, windows used to comprise 40% of the joinery. This decrease is due to competition from metal windows. Aluminium and iron windows can now be said to be taking the lead, the proof being that in any newly erected building the outside windows are either aluminium or iron profiles, (aluminium being more common). This holds true for average buildings, but in first-class buildings roller shutters are used, hence a lot of fir is used. Yearly production in 1970 is 50,000.- square meters with a total value of L / 2,000,000.-

This industry can be deemed local as it meets the demand and specifications of the local market. Each country has its own specifications as to manufacture and the kinds of wood to be used. Consequently the following problems could be cited:-

1. Difficulty in exportation;
2. No dimensional standardization, e.g. in one end the same flat the doors and windows are all of different dimensions, involving high costs, making metal frames more competitive;
3. Seasonal nature of the industry which depends on the building sector.

Production of wood-based panels:

This sector involves the production of:

1. Plywood
2. Blockboard
3. Particleboard

Three firms produce wood-based panels:

1. Societe du Bois Presse S.A.L.
(Capital L / 8,000,000.-)

2. SNIBOIS S.A.L.
(Capital L / 3,000,000.-)
3. Societe Libanaise du Bois Agglomeré S.A.L.
(Capital L / 2,000,000.-)

This sector of the industry employs 800 workers. Annual production in 1970 was 30,000 cubic metres of wood-based panels valued at approximately L / 15,000,000.-

Their production is for domestic and export markets, exports comprising approximately 50% of total production. Exports are to the Arab countries which are the main export markets for the Lebanese industries.

Table III

Production of wood-based panels as compared to total production:

Plywood	40%
Blockboard	40%
Particleboard	20%

(Source: production figures of enterprises concerned)

Production standards are according to European standards for quality and dimensions.

The raw material comes from Russia and Africa.

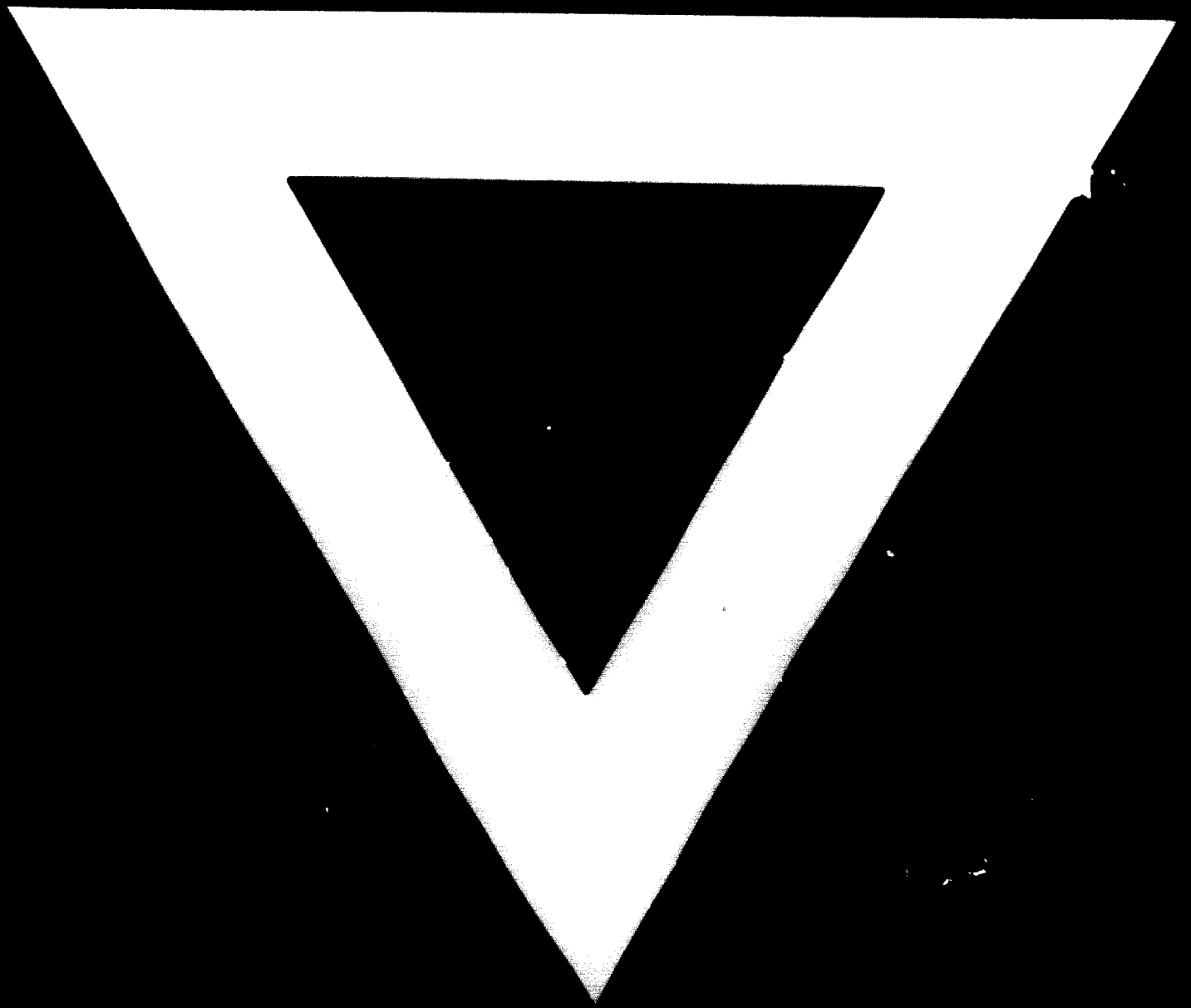
Steps to be taken to help the industries:

Steps have to be studied and taken to strengthen the industries and make them competitive as follows:

1. Erection of modern vocational schools in accordance with modern methods.
2. Establishment of an Industrial Bank, granting long-term loans to industries only.
3. Imposition of high tariffs to protect infant industries.
4. Promotion of exports.

These steps could be taken by the government in co-operation with the industrial sector of the country.





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