



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org



D03766



United Nations Industrial Development Organization

Distr.
LIMITED

ID/WG.133/23
8 August 1972

ORIGINAL: ENGLISH

Seminar on Furniture and Joinery Industries,
Lahti, Finland, 6 - 26 August 1972

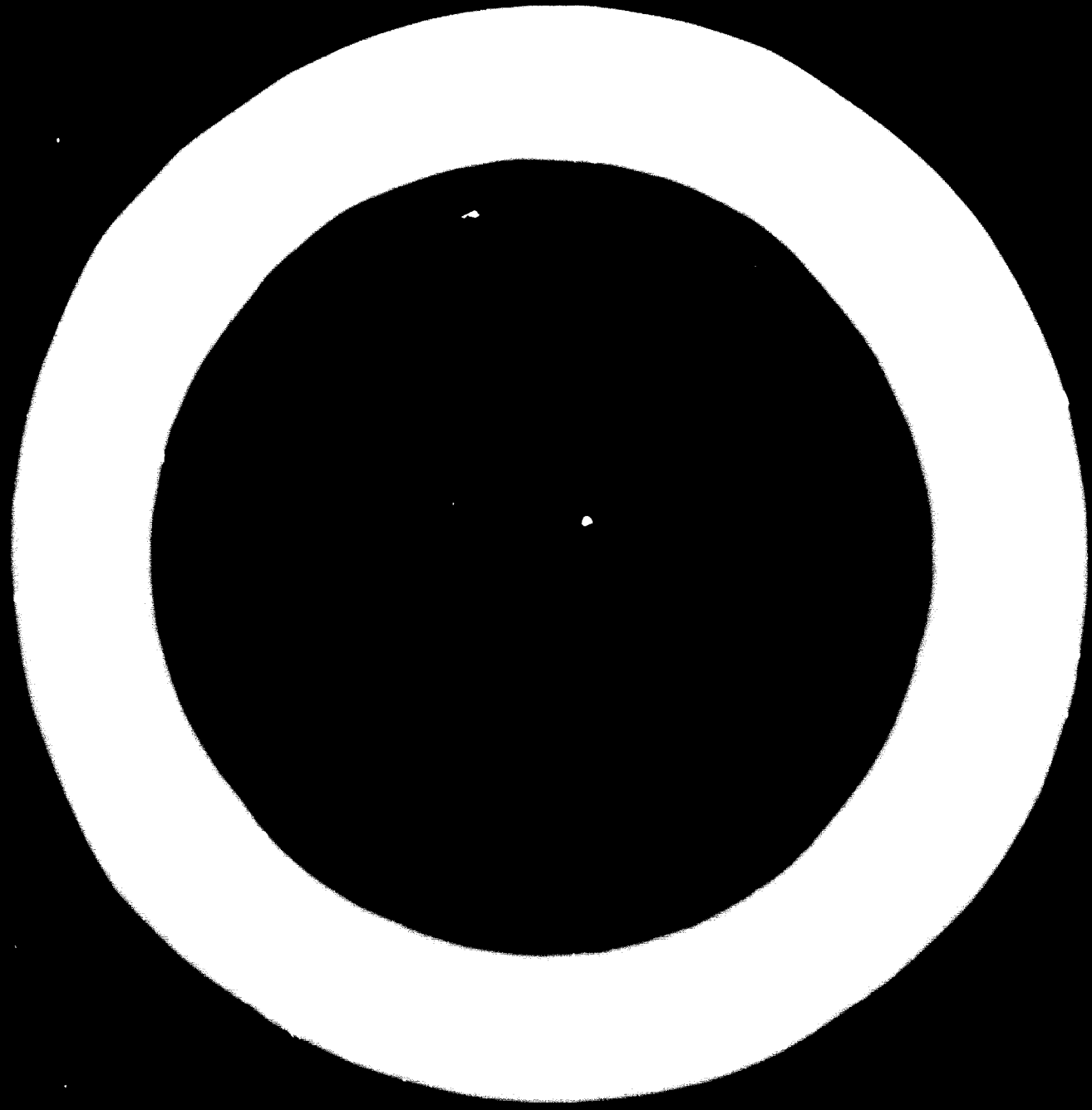
THE FURNITURE AND JOINERY INDUSTRIES
IN COLOMBIA

by

Mario Acevedo-Gomez,
General Manager, Corporacion Forestal de
Santander S.A., Bucaramanga, Colombia

1/ The views and opinions expressed in this paper are those of the author and do not necessarily reflect the views of the Secretariat of UNIDO. This document has been reproduced without formal editing.

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.



The Furniture and Joinery Industries in Colombia

Basic Information

Colombia has an area of 15 million hectares covered by natural forests (45% of its total area) the potential of which is estimated at 6,500 million cubic metres: 20% of this is considered accessible for immediate economic exploitation.

40% of the forest area is homogeneous or has high concentrations of a few species. However, the majority comprises heterogeneous woods (perminifolios and semi-perminifolios) including some 150 species. Forestry inventories have identified some 450 diverse species, of which 20% have been studied to determine their most adequate uses.

Great quantities and varieties of trees exist, the quality of many being excellent, and in some cases unique. However, lack of taxonomic knowledge as well as shortcomings in drying techniques, preservation and failure to properly utilize their physical, mechanical and chemical properties hinder maximum exploitation on an industrial scale.

Three forestry engineering faculties exist in the country, and two of them there have laboratories with excellent equipment and research staff.

Although their principal function is of a pedagogical nature, these laboratories carry out research work at the request of official and private Institutions as well as upon their own initiative. However, these tests have not been oriented towards the priority necessities of the country; they suffer from a lack of co-ordination and definite objectives, particularly with respect to the possible industrial application.

827 identified industries exist in Colombia in the industrial sector comprising CIU groups 25 and 26 (Timber except furniture and the manufacture of wooden furniture and accessories).^{1/}

If we group the identified Industrial Establishments into small; medium and large according to size, taking into consideration the personnel employed, the situation is as follows:-

Group 25 - 26

NUMBER AND SIZE OF INDUSTRIAL ACTIVITIES IN COLOMBIA^{2/}

<u>Activity</u>	<u>No. Establishments</u> <u>Total</u>	<u>Small</u> <u>1 to 9</u> <u>workers</u>	<u>Medium</u> <u>10 to 99</u>	<u>Large</u> <u>more than</u> <u>100</u>
Sawmills	220	143	71	6
Wooden boxes for packing	27	17	10	-
Panel timber, Compressed, agglomerated, etc.	14	2	6	6
Wooden products for door construction, windows, matchings, Persian blinds etc.	31	61	20	-
Office materials, shops, cabinetwork, moldings, decorating articles, carvings, toy-making, sports and tooth-picks	65	39	24	2
Coffins and urns (funeral)	24	23	1	-
Home furniture, office, schools and theatres	368	266	100	2
Radio cabinets, T.V., sewing-machine, etc.	10	2	6	2
Bamboo furniture, willow and rush	7	5	2	-
Repairs and furniture upholstery	11	9	2	-
Total Group 25	431	285	132	14
Total Group 26	396	282	110	4
Total Industrial Lumber Field	827	567	242	18

An analysis carried out at the Ministry of Economic Development on DANE data 1968 indicate the following figures for Group 26.

^{2/} As per information from the Colombian Industrial Guide 1969, the real number of industrial establishments in the lumber industrial sector is perceptibly higher than those identified in 1972. The Forestal Corporation of Santander, identified some three hundred in Bucaramanga and the adjoining area.

Manufacture of wooden furniture and their accessories

<u>Year 1968</u>	<u>Value added per person employed</u>	<u>Investments per person employed</u>
Small Industries	\$Col. 13.300	\$Col. 470
Medium Industries	18.300	1.930
Large Industries	65.000	850

The evolution of Group 26 from 1966 to 1968 shows a slight decrease in the number of establishments, but a five per cent increase in the personnel employed. Gross production went up from 178 millions to 231 (Current prices) i.e. a decrease of 4.27 per cent in terms of constant prices.

The value added rose from 100 millions (pesos) to 139 millions (current prices) assuming an increase of 11.6% at constant prices. The net investment rose from \$Col. 5.863.000 to \$Col. 7.355.000 which in terms of constant prices is equivalent to an increase of 5.5%

An accentuated unbalanced condition exists in relation to primary and secondary industry. Moreover, the establishment of the great secondary industry in the major centres of consumption (Bogotá, Cali, Barranquilla, Medellín) situated at great distances from the area of extraction of raw material (700 Km. average) and the lack of an infrastructure in the latter area makes the provision of lumber difficult and causes great difficulties in production. Further complications are the great stocks and permanent fluctuations in prices of lumber up to 100% due to the periods of rainfall that disrupt traffic in the tropical zones where the woods are situated.

The consumption of demand of wood is reduced to 10 known species on the market (Cedar, mahogany, oak etc.), ignoring 440 other species which due to lack of demand are burnt by the settlers.

Current status of the industry

Lumber - The existing imbalance between the primary and secondary sectors has made a more harmonious development in the lumber field difficult. Nevertheless, there are some furniture factories where the most modern technology is being applied, whose quality has permitted Colombia in 1971 to export more than 2.5 million dollars worth. Apart from the difficulty of wood supplies, the greatest problem found in joinery and furniture factories is drying. Only the largest factories are accustomed to drying their lumber artificially. The rest use drying by air which represents a drain on capital owing to the length of time involved. Thus the small joiner is limited to using wood that "does not twist" since most of the time these small and medium workshops work lumber in a wet state (average of 20 to 30%). Consequently, all species that present some risk for the producer due to dimensional instability are excluded from the market.

Plywood - This has become an essential element in the Furniture and Joinery Industry. Unfortunately its inavailability causes great prejudices (especially amongst small producers). At the present, there are only two large factories whose production does not even partially meet the demand.

Veneer - Only some of the largest factories use locally produced veneer. Some 50,000 sq.m. is imported monthly to be used in export products. The production of the existing factories is absorbed by only three consumers. A fourth plant is being established and it is hoped that this will satisfy part of the national demand.

Ironwork - The national production has been very deficient, foreign sales being limited by the low quality of the metal parts of the furniture. In some cases it has been necessary to import these parts to ensure international sales.

Panels for Joinery - It is expected that by the end of the year production should be 12,000 sq. m/month.

Design - This year a Colombian furniture design contest was carried out, before which the industry had been limited to the transfer of foreign models to the national market. Upon entering the international market the need for local designs was felt with the object of offering something really different and opening up new sales. A Research and Design Centre sponsored by The Exportation Promotion Fund (PROEXPO) exists in Bogotá for the development of furniture. This centre has functioned with some success after getting over some initial structural difficulties.

Market - Three or four marketing organizations specialize in the sale of office and domestic furniture and aim at areas with greater consumer capacity and higher income. The great success of these organizations has led to uniformity in almost all offices in the country. Most medium or small-scale enterprises have their own sales outlets.

Most sales are carried out on a medium or long-term basis, the former requiring considerable amounts of capital. The majority of medium or small joiners maintain a passive attitude towards any offer of services. They wait until the orders reach their own workshops; moreover, they are renowned for their unpunctuality. They demand a down-payment of 50% at the very beginning. The market of the medium and small provincial enterprises is limited to the urban areas, and in the majority of the cases to the perimeter of the suburbs where they are situated.

Institutional Range - Joinery and Furniture factories are affiliated to the following associations:

National Association of Industrialists (ANDI) = Large-scale industry

Colombian Association of Small Industrialists

(ACOPSI) = Small and medium-scale industries

Research and Design Centre for the Development of Colombian Furniture = Affiliation of ten large furniture factories

Association of Colombian Woodworkers (ADEMABOL) = Primary industry

Institute for the Development of Rotative Natural Resources (INDERENA) = State-owned Agency for Forest Resources

Institute of Industrial Promotion (IPI) = State finance for large-scale enterprises

Popular Finance Corporation = State finance for medium and small-scale enterprises

Colombian Institute of Foreign Commerce (INCOMEX) Exportation Promotion Fund (PROEXPO) = Finance and export promotion

Universities: Industrial of Santander: Wood Engineering (in a short time)
National of Medellin: Forest Engineering
District of Bogota: Forest Engineering
of Tolima in Ibaque: Forest Engineering

Research and Development Centre in the Wood-Processing Industry = Project UNDP-UNIDO under application

Within the range indicated above, a plan of development is being drawn up for the wood industry (including furniture and joinery) which it is hoped will crystallize with the creation of the research and development centre for the wood-processing industry.

Projections

With regard to the creation of the research and development centre the goals as presented to the United Nations are:-

Justification of the Project

In the development plan one of the short-term goals identified is "collaboration, promotion and execution of technological research

into the characteristics of this resource and its industrialization" (page 87 part III Industrial Policies).

The same document (page 82) indicates the necessity of a mechanism which would permit the establishment of an effective co-ordination between objectives and policies of the entities related to the mentioned resources and a complementation in their plans and programmes. The development plan is manifest in the sense that few specialized professionals exist, especially in the forest sector and that of its industrialization.

The Centre remains fully justified for the above reasons and the fact that there is a general lapse in the exploitation of these great natural resources (the gross production of rolled wood for industrial use in 1970 was 2.700.000 m³, of which the majority comprised only five species).

The Four Year Export Plan 1972/1975 which has goals in the lumber area includes between US \$ 11.730.00 and US \$ 15.200.000 for 1975.

The generation of creativity and local technology for the industrial utilization of lumber.

Direct and indirect generation of employment without large capital investment.

The establishment of a basic structure for the integral development of the area.

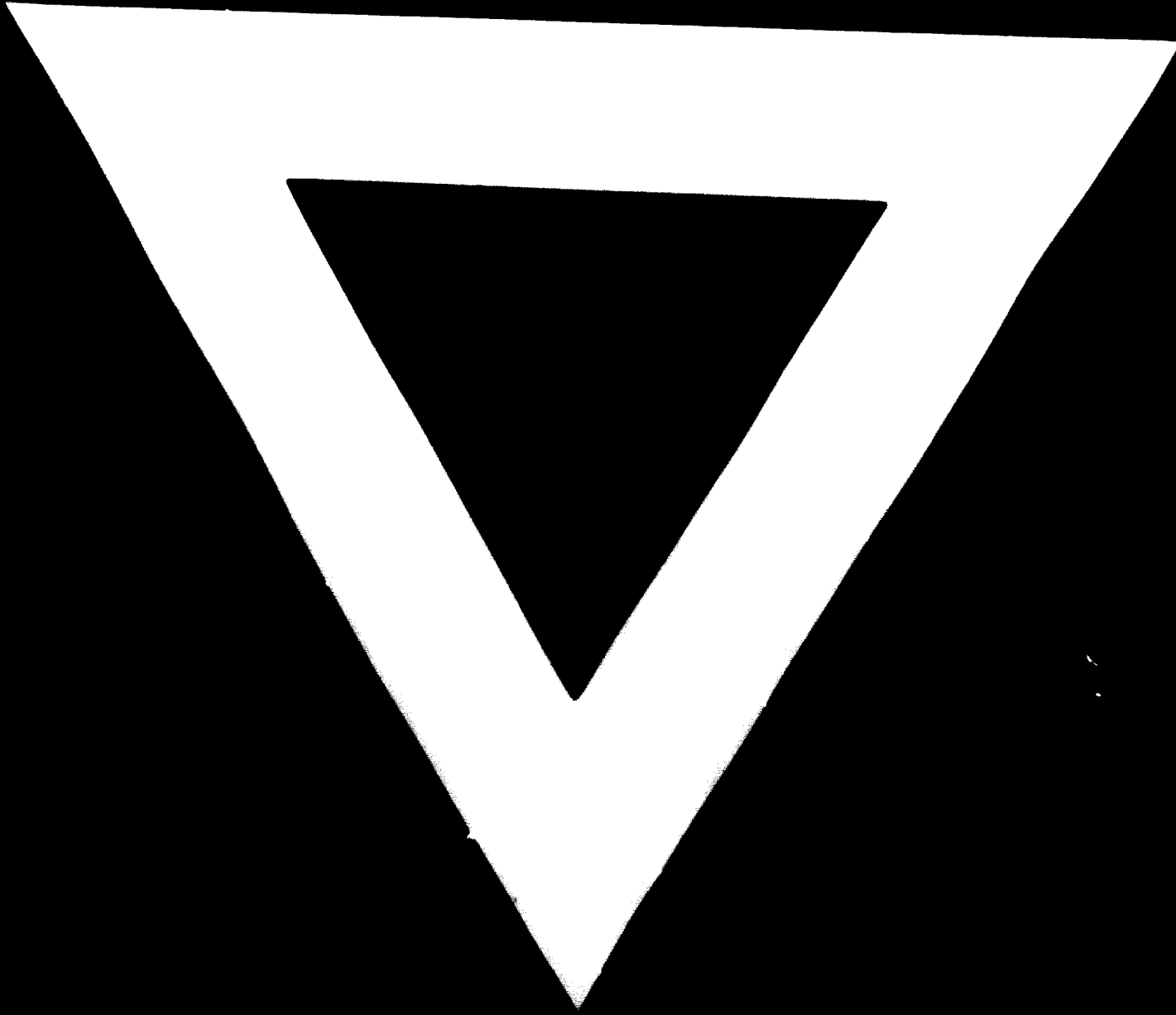
The Government desires the creation of a Wood Industry Research and Development Centre which would provide information and technical documentation, promote new industrial opportunities, study and design of products using wood as the principal material, investigate processes and markets, advise industrialists on systems and manufacturing processes as well as possibilities of finance.

The Centre would co-ordinate the investigations with the object of creating technologies with practical industrial application, protecting entrepreneurs from their competitors offering them facilities to register, patent and promote their own products.

The Centre would collaborate with the Government in the study of industrial policies, as well as the establishment of a **sectoral** programme at the national and sub-regional level with the object of recommending both to the public and private areas the basis for long-range industrial development incorporating Government development plans and the current industrial structure. The Government feels that the wood-processing industry is still in the incipient stage and that with its development many direct and indirect employment opportunities will be created and its holdings will be increased through the exportation of its products.

This the Government believes it opportune to amplify the objectives that were initially proposed in the wood-processing industry project in the Colombian Government Country Programme 1972-1976 which was approved by the Governing Council of UNDP at its 13th session.





10.7.74



