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THE FURNITURE INDUSTRY IN INDONESIA ✓

by

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1. INTRODUCTION

Among the many well known timber producing countries of the world: Latin America/Amazon, Central Africa and South East Asia, Indonesia can be counted upon as a major supplier of many wood species suitable for the furniture and joinery trade, a few of which are

- Teak (*Tectona grandis*)
- Ramin (*Gonystylus*)
- Merbau (*Intsia*)
- Meranti (*Dipterocarpaceae*) etc.

The problem of the furniture industry of the country is that only few plants are mechanically operated while mainly in handicraft work very simple hand tools are being used in the traditional manner. In this very short paper, the writer will try to describe the development and problems.

2. POTENTIAL OF THE FOREST:

One of the pre-requisites for development of the furniture industry is the availability of raw material.

The area of the Indonesian forest is estimated about 122 million hectares. Of this area 30% consist of bushes, plantations and villages. That means, the actual forest is 70% or 85 million hectares, which is more than enough to supply the wood industries in this country.

3. WOOD SPECIES AS A RAW MATERIAL IN THE FURNITURE INDUSTRY:

In the Indonesian forest, we found almost 4,000 species of wood. They spread along the archipelago; for example.

1. Meranti: grows along the coast of the islands of Indonesia
2. Sumatra: Pinus grows in Aceh and North Sumatra.
3. Kalimantan: The Ramin grows along the central and West coast of the island, besides Jeluting and Nyatoh.
4. Sulawesi: Merbau grows in the central of the island with Ebony, spreading in the middle and the bay of Tomini.
5. Irian Jaya: Matoa and Merbau grows all over the island.
6. Java: The famous Java teak is still being considered as one of the more popular woods, and the oldest materials for furniture makers in Indonesia.

Since 1973, there is a tendency for decreasing the export of some wood species such as Meranti, Ramin, and Teak, but increasing in some new species. This means there were other species of commercial timber discovered suitable for export. This situation can be seen from the following table:

"Percentage of timber for export per species 1970 - 1973"

WOOD SPECIES	1970	1971	1972	1973
1. Meranti (Dipterocarpaceae)	68,52	62,73	62,74	57,83
2. Ramin (Gonystylus)	9,30	10,40	11,94	7,40
3. Agatis	5,81	2,82	2,52	2,71
4. Teak (Tectona Grandis)	0,58	0,32	0,35	0,31
5. Pulai (Alstonia)	1,61	0,24	0,40	1,58
6. Kapur/Kerning (Dipterocarpus/ Dryobalanops)	1,15	0,36	1,08	6,03
7. Others	13,05	22,57	20,97	24,14

Source: Statistical data from Directorate General of Forestry

4. FURNITURE INDUSTRY

Production

Furniture in Indonesia at present is manufactured both in factories and small work shops. Before 1965, there was little progress achieved in the manufacture of furniture. Shortage of capital, and technical knowhow was the main reason of this situation. Since 1965, our new Government, known as The "New Order" came into being and a new sphere of business is developing. More and more buildings are being erected and people are starting to think of improving their products, including the furniture makers, to cope with booming markets for their products. Mostly, the price of good quality furniture is still not within reach of the common people, because some of the materials are still being imported, such as fabrics, hardware etc.

At present, the domestic markets are still favourable but the time will come, when competition will appear on the scene and so we have to seek for export markets.

Some handicrafts were being exported before but in very poor condition, due to lack of technical know how.

In order to produce good and durable furniture it is imperative that timber being used should be well seasoned. Almost all handicraft goods being exported before the wood was treated in this manner and that is why much of them were received in bad condition at destination, mostly in Western countries, where the humidity is very changeable.

Speaking of export markets there are 3 points which need to be stressed:

1. We must master the technical know how so that we may produce a good design and quality product.
2. Capacity of production must be large enough to meet the demand.
3. Price must be competitive.

Of these three major problems, the 1st and 2nd are of local concern and can be overcome by:

- developing a better program in our institutional and educational system;
- seminar and training, or having experts from other countries which are more advanced in technical know how; for instance seminar and training, product adaptation for export with the assistance of UNIDO and from our own Government institutions (such as Ministry of Industry);
- a better management program, especially in the production field, in order to boost production and at the same time effect greater efficiency through the industry.

The last item (point 3) is where our Government can assist:

- The price of locally produced items, such as wood, is usually expensive as compared with similar material which we could import from abroad. It sounds peculiar, but this situation is what we really meet in our country.

- This situation is due to a higher transportation and handling cost.

LABOUR

There are mainly 2 areas for obtaining skilled labour in the furniture industry:

- a. Apprentices who attach themselves to master craftsmen or furniture workshops with some who have gained their talent by inheriting same from the older generation, especially in the handicraft making.
- b. Graduates from this vocational institutes are relatively still very few, and they are not fully trained in the furniture field with most of them being in building sector.

There are only 2 vocational institutes which are fully involved in training in the furniture field in the country, one is being operated by the Government located in Jakarta and the other is from the Catholic Missionary in Semarang (Central Java). Wage rates are less than those in effect in other developing countries.

5. MARKET AND CHANNEL OF DISTRIBUTION:

The first 5 years Development Plan has been passed which has been stressed on the development of agriculture, starting from 1969 until 1974.

We are now in the second 5-year Development Plan and one of the programs is the development of infra-structure. This includes erection of buildings for offices, hotels, institutional, schools, etc. and this no doubt will mean the use of more furniture.

There are mainly three kinds of furniture:

1. Wooden Furniture

The wooden type which plays a large role in marketing of furniture.

There are 2 kinds of wooden furnitures:

- a. Standard type for offices, hotels etc.
- b. Job order type, mostly for household users.

2. Steel Furniture

This type of furniture is mostly for low class houses and offices.

But in the city of Jakarta, and other big cities, there are some companies which use good quality imported steel bases for chairs.

5. Rattan Furniture

This type of furniture has not to be more popular in recent years.

Although it is still made in the traditional way, it seems to be very well received on both the local and export markets.

Insofar as the domestic market is concerned the furniture manufacturers sell their products direct to the customer with only a few are selling through the department stores and shops under consignment basis.

To avoid unfair competition, the furniture manufacturers have recently formed an association called "The Indonesian Wood Product Manufacturers Association". For export they promote their products through some trade fairs with the assistance of the National Agency for Export Development.

6. CONCLUSION:

Since the Government of Indonesia plans to restrict the export of timber as logs, unless they are converted into sawn timber of other wood products, the furniture industry should benefit materially from this move in the foreseeable future. Furthermore, Indonesia has all pre-requisites needed to further assist it:

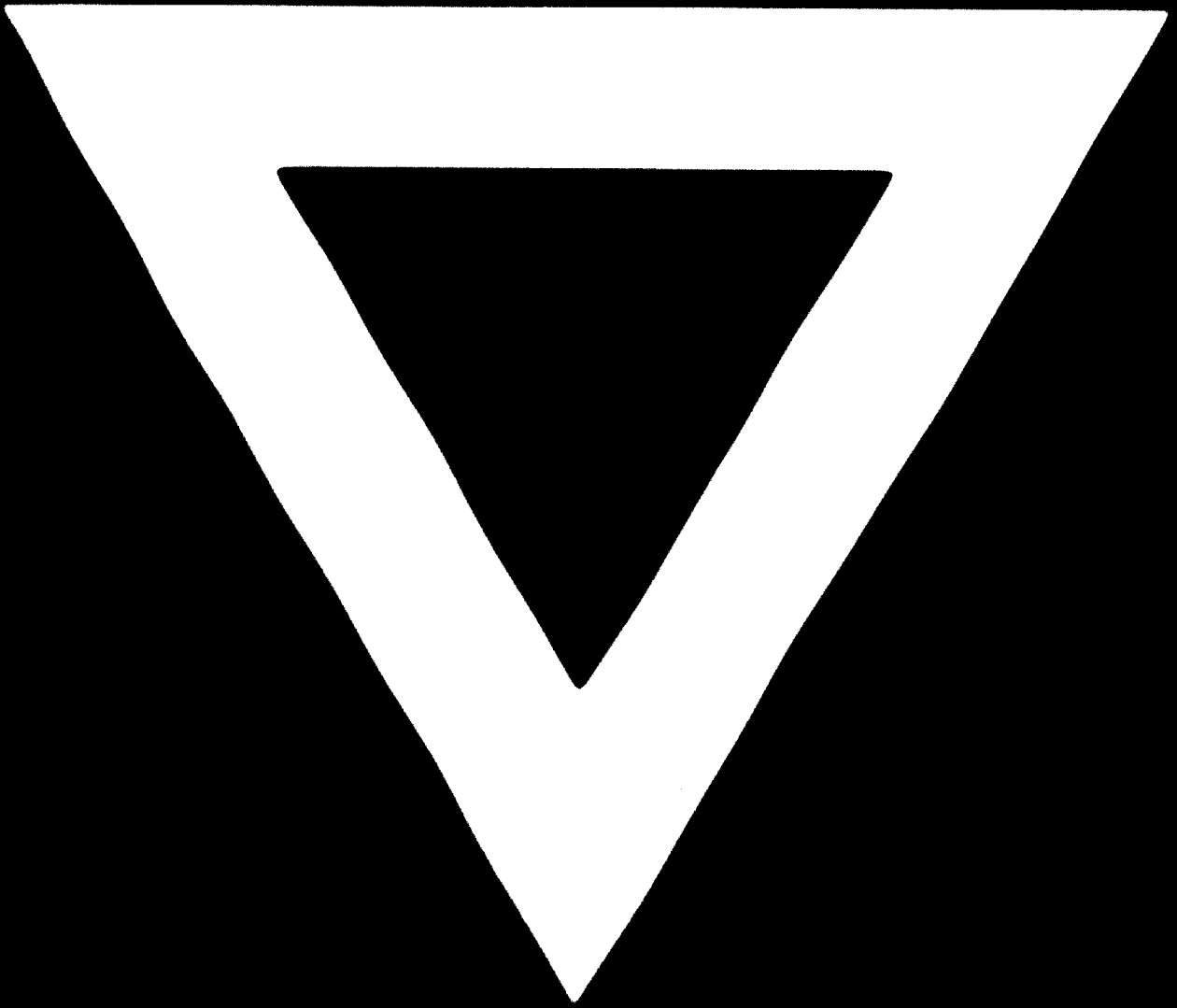
- Abundant sources of timber,
- Ample labour force,
- Technical know how which is now developing.

For the export market action must be taken by the Government:

1st to assist in lowering transportation and handling costs,

2nd to allow for relief by means of "Draw Back Duty" for reexported goods such as upholstery materials, hardware etc.





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