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08112



Distr.
LIMITED

ID/WG.256/12
24 November 1977

ENGLISH

United Nations Industrial Development Organization

Seminar on Furniture and Joinery Industries
Lahti, Finland, 1 - 20 August 1977

THE FURNITURE INDUSTRY IN INDONESIA:
SOME ASPECTS OF MANUFACTURE *

by

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id.77-8414

I. GENERAL:

In Indonesia especially in cities of Java, there are many furniture businesses which from the point of view of development appear as furniture businesses but are mainly cottage industries.

In general, the furniture businesses face three problems which can only be solved with difficulty and in our opinion these cause the slow development of the furniture businesses in Indonesia.

All the three problems relate to manufacturing aspects. They are:

1. Raw materials
2. Finance/Investment
3. Skill

Each is discussed in greater depth hereunder.

II. RAW MATERIALS' PROBLEM :

In Indonesia we have the necessary raw materials (i.e. wood), both in respect to variety and quantity.

The most commonly used species for making furniture are very limited. They are:

1. Teak
2. Mahogany
3. Ramin

It can be said that the other species are not used in making furniture, most of them are used as building materials, as well as for making components or directly as building materials (either semi-manufactured or not).

Except teak, which grows in Java, timber is obtained from Sumatra, Kalimantan, Sulawesi and some from Maluku.

The problem in using these raw materials is their high prices. In fact, their price although governed by Government regulations, is influenced by high transportation costs.

Other, harder, species could be used as raw materials but the technical information on their machining and surface finishing is lacking.

III. FINANCING PROBLEM:

Most furniture companies work on a job order basis. For them the financing problem is passed on to the buyer. For furniture businesses that work on a mass production basis (this group is not large) the financing problem is very important, because these firms have a weak financial situation and bank loans are considered too costly.

IV. SKILL:

In most furniture businesses in Indonesia there are many uneducated, inefficiently trained labourers, resulting in high prices for furniture. On the other hand those who have enough education, usually work as instructors, but most of them do not get enough practical training.

Another problem in relation to the skill of the labour forces is the design. There are offices or residences that need furniture of special design, that also happen to be technically complicated, for example a combination of traditional and modern types. (We consider these to be technically complicated because the clients expect them to be cheap, of good quality and delivered at short notice).

As businessmen we certainly will serve people thoroughly, so that we want to produce our product using mass production techniques so as to sell at low price, so as to increase turnover and profit.

We must extend the sales on the domestic market, we must first enter the low cost houses development programs, so we want to produce components for prefab houses, that can serve people's needs.

Among these are flush doors, door frames, louvre doors, etc. For that we want to get training in this Seminar for the selection of machines and their maintenance.

We have also another plan which was referred to before, that is a plan to export our products to Europe.

Unfortunately our plan cannot yet be realized. We like to obtain the technical know how to attain the European standards.

To conclude, we also need advice on selection of efficient machines, which are both flexible and economic to enable a production of:

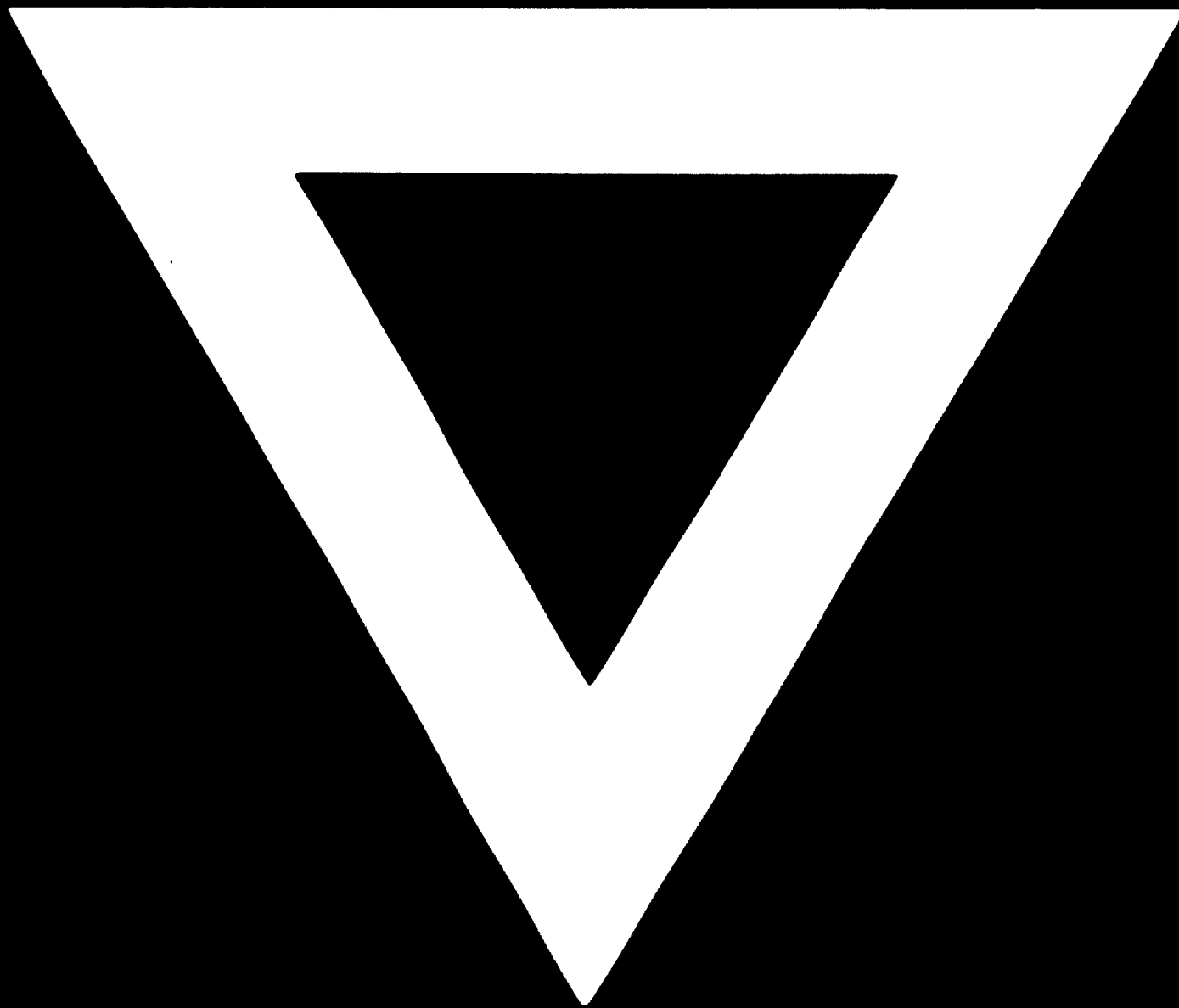
- a. special order
- b. mass production
- c. export quality

with as little investment as possible.

Because of the lack of skilled labour, problems of selection of machines and their maintenance, we think we need a training centre to train employees. We hope that during the Seminar we will get explanations useful for the training centre which we will be able to disseminate in Indonesia upon our return home from the Seminar.



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