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Seminar on Furniture and Joinery Industries

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Report on the Present State of  
Furniture and Joinery Industries in Brazil  
as well as prospects  
about their future development<sup>1/</sup>

by

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<sup>1/</sup> The views 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.

It is a very well-known fact, that Brazil was one of the countries most favoured by nature with regard to the resources of native woods, especially in the Southern region and in Amazonia, the latter being known all over the world. Maybe, because of the abundance of natural resources, there was from the start an indiscriminate exploitation followed by an extremely negative circumstance - i.e. without the replanting at the proper time of the trees felled, a replanting that, evidently, ought to have been carried out using the same native species. It is true that, when the country still had abundant resources of natural woods in the Southern region consisting essentially of Parana Pine (*Araucaria Angustifolia*), Inbuia, Peroba, Jacarandá, among many other species, an industrialization of such resources was already being developed, part of which was destined to the manufacturing of furniture.

At this stage, it must be emphasized that the industrial methodology employed could not, in any case, be considered satisfactory, for even with primary characteristics, its principal negative factor was, from the start, the inadequate and incomplete utilization of logs.

As a result, more rational and effective industrial methods were in urgent demand. To carry this out, two problems had to be overcome: a) modernization of industrial plants through the purchase of modern machines, which reduce the waste of raw materials; and b) improvement of technology.

With regard to the former - purchase of new machines - Brazil at that time, was not yet technically in a position to manufacture such machinery so, it depended essentially on imports.

As to the latter - improvement of technology - there was great interest in exchanging information, which, at the time, was not easy because of the lack of facilities.

Since 1972, the Brazilian Government has made agreements with the Furniture and Joinery Industries, aiming at furnishing them with all necessary equipment, so they could compete on the international market.

Such initiative was valid and patriotic at the same time, particularly in a developing country, which could then increase its income by exporting the finished products instead of the raw materials.

Facilities were consequently granted for the import of modern and more sophisticated machinery, that was not or could not yet be manufactured in the country, although important improvements in this respect have been achieved.

Nearly all enterprises, which devote themselves to this trade, have tried to become better equipped, renewing their industrial plants.

At about the same time, the interchange between nations had been considerably improved through lowering of tariffs, etc.

In other words, the governmental plan was carried out successfully. It must be stated that the intention was to improve the international business connections, without interfering in the interests of the third party nor taking any action that would not suit the ethical principles, which rule business between nations.

When the enterprises were already sufficiently well equipped they were able to attain the two basic goals - better utilization of raw materials and increase in furniture exports - the world was taken unawares by adverse conditions, which mainly resulted from the crisis generated by the rising of oil prices, influencing negatively the market of almost all countries.

Consequently there originated in the Furniture and Joinery Industries Sector a situation which is obviously not irreparable, but which cannot be considered to be favourable.

As a matter of fact, for the modernization of their industrial plants, the enterprises embarked upon a large number of investments, covered, maybe only partially, by financed funds. If the international market had not faced such a crisis, the investments made would of course be easily profitable, and the financing would be settled without any impediments.

At the present conjuncture, however, both investments made and financing obtained, would present greater difficulties in their realization.

A very slow procedure was immediately noticed in most of the enterprises of this sector, which will be absorbed sooner or later be it through a favourable reaction or more propitious conditions which are foreseen for the local market.

The wood industry in general, and the furniture and joinery industries in particular, have parallelly faced another problem, notably in the Southern region of Brazil.

The indiscriminate exploration with even predatory characteristics damaged in old times, the natural wood stand in south Brazil. Replanting did not occur, be it with native or other species.

It is also necessary to focus that the reforestation in the geographical region referred to above was not carried out in an effective programme at the appropriate season replace. There were sporadic proceedings in this respect which were not sufficient to trees felled by plantations of trees equivalent in quality and quantity. This resulted in creating a scarcity of natural resources in the region. The Government and the industry became aware of the seriousness of the problem. Concrete measures were put into practice: a) the obligation to replant and b) in 1966 - with the implantation of a salutary policy - incentive to afforestation and reforestation.

Great projects were undertaken. However, the native forest, embracing many kinds of wood, from Parana Pine to Brazilian Walnut and other species, though possible to be replanted, demand a long cycle for growth prior to possible industrial utilization.

As an example, it takes Araucaria Angustifolia - the traditional Parana Pine - ninety years to be considered a mature tree and at least forty yeart to permit its rational industrial utilization.

Consequently, imported species were used in afforestation and reforestation, among them the pinus eliotti and the pinus taeda as well as "quiiri" which is native to the island of Taiwan. Such species have the advantage of a faster growth, esteemed to be twice those of the other countries where they grow.

In a period not exceeding five years, the furniture industry in the south of Brazil will be eventually using these species. So, new industrial techniques will have to be adopted in the region, while the enterprises located in it, for a long time working with wood defined as "hard", such as that which is found in native forests will then have to work with wood considered "soft" - species being replanted being characterized by this property.

During this period of transition the furniture industry will experience readjustments of a mere technological order, the success of which will depend on the widely known versatility of the Brazilian worker.

As everyone knows, Brazil is a country of continental dimensions. So, whereas the natural resources are sensibly disappearing in the South, the North can count on incommensurable native resources.

On the other hand, the North is not, at least in the wood sector, at the same stage of industrial development as the South is.

So, considering other factors, among them the non-existence of an infrastructure as complete as that of the southern region, the installation of a large industrial plant for furniture in the north cannot be foreseen at this stage.

Concomitantly, the indiscriminate deforestation which occurred in the South will not occur in the North. Neither the Government would allow it, nor the enterprises themselves would do it after the experience gained in the south. Any industrial initiative in the North would immediately be followed by the related measures which have already been implemented in the south, among them, immediate reforestation.

The question why not use the rich forest resources of the North - in spite of the subsequent reforestation with exotic and native species - for the benefit of the existing well-equipped industrial plants of the South is often asked. Considering the enormous distance that separates both regions this is totally impossible. The transport taxes do not allow any attempt in this respect to succeed.

In this short and unpretentious paper, some of the problems which seemed to me more interesting have been enumerated.

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