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The Furniture Industry in Thailand^{1/}

by

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I. General Information

The Furniture Industry is one of the oldest manufacturing activities in Thailand, early production was to supply only local demand. No mechanization but hands were required in making this furniture. Since 1930 modern production of furniture has been developed due to the Western style furniture imported from European countries. However, modern production was labour intensive, nowadays, the woodworking machinery has been introduced into the furniture making i.e. lathe, planer, cutting machine and drilling machine, etc. It could be considered that quite a number of large and medium scale furniture makers are using both fully and semiautomatic machines while small scale makers are still using most of the hand tools in making furnitures.

Thailand's Furniture industry is divided into three main categories: wooden, rattan and metal. The manufacturers totalled approximately 400 factories with a production of 1,500,000 per year which have a capacity of 3 million units. Three-quarters of the total production is for local consumption and the rest for export. About one half of production is in the Bangkok area and the remainder is distributed throughout the country. The marketing opportunity of the furniture industry is still very good; as the industry has been developed, the total demand has also increased. The increasing population with rising income of individuals and changing attitude and taste of the Thai people towards the adoption of Western material is the reason for the local demand increase. The increasing local demand is the main factor that helped this growth in the industry. Export capacity can be increased if there is a favourable demand.

Wooden Furniture Industry

Wooden Furniture Industry can be separated into three groups:

1. The first group is comprised of a number of factories which can operate under a mass production system. They are very modern and efficient factories. Fully and semiautomatic machines are very essential. Systematic planning and controlling have to be well organized. However, there are very few factories that can be considered to be in this group.

2. The second group of factories represents the whole medium scale. The nature of their working is Job Order System. With a limited amount of working capital they cannot provide enough machines to operate in mass production. Semiautomatic machines are commonly used in this group.

3. The third group is the largest group. All the small scale firms are included in this group and represents 50 per cent of the total furniture factories. Their nature of working is only to finish the furniture by hand or simple machines. The quality is the lowest in Thailand and the furniture is cheaply priced. The ones who succeed in their business will jump to the second group.

The Wooden Furniture Industry is still labour intensive. Fully and semiautomatic machines are used only in the first and second groups. Woodworking machines can be locally made but are mainly imported.

Rattan Furniture Industry

Thailand is located in a tropical rainy climate, it is green with a great variety of trees such as rattan which is to be found in deep jungles all over Thailand. Most of rattan in Thailand comes from the southern part of the country and it is transported by road which is the main way of transporting rattan in tropical countries.

There are two kinds of rattan:-

1. The big size rattan which is called "Wai Prong" is for the frame of the furniture.
2. The smaller size rattan which is called "Wai Ka-long" is being used for weaving and binding parts of furniture.

There are approximately 70 rattan factories in Thailand including some cottage industries. The demand for raw materials is 3,000,000 ft. (900,000 metres) per month which requires 7,000 labourers. The yearly income of the country is about ₪300,000,000 (US\$15,000,000) which is divided into inland trade 60 per cent and exporting overseas 40 per cent. The markets are in the Middle East, the United States, Europe, and some in Australia.

Metal Furniture Industry

In Thailand the metal furniture industry has developed only in recent years. However, it has come to play an important part in the furniture industry. The metal furniture industry in Thailand can be divided into two categories:

1. Office furniture production which is industrialized and most production is carried out under foreign licence (mainly Japanese). There are approximately ten factories.
2. Consumer production, such as tables and chairs, which is a small scale industry. This kind of production is supposed to be ornamental furniture with paints, for example, garden furniture and playground furniture.

As furniture manufacturing in Thailand is a small scale industry, problems that local furniture manufacturers normally have to confront are of numerous kinds, particularly technical and management problems, i.e. marketing, financial, supply of suitable raw materials, carpenter and skilled labour, and technician problems. These problems are experienced by manufacturers as well as by government authorities, and with the co-operation between the Government of Japan through JICA and the Government of Thailand through ISI, the Department of Industrial Promotion (DIP) has established the Furniture Industry Development Center to give consultancy service, manpower training, and to extend technical aspects to local manufacturers. Besides, with the objectives of promoting and developing furniture industry in Thailand, the Government of Thailand through the DIP and the Thailand Productivity Center in co-operation with APO has made an effort to provide observational study fellowships in the field of the furniture industry for local furniture manufacturers in order that they will use the benefit of their experience to promote the furniture industry, to upgrade furniture standards and to increase productivity. Consequently, it is hoped that a brighter future for the furniture industry in Thailand can be expected within a few years.

II. Specific Problems and Needs of Participants

1. Raw materials and hardware and metal fitting supplies
2. Technical know-how - jig, sharpening
3. Surface finishing
4. Quality control
5. Furniture testing



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