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**The Current Status of the Furniture Industry in Ghana**

by

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1. Introduction:

I will try to give a clear picture of the furniture industry in Ghana in order that any would-be investor in this field would appreciate what is involved in establishing this kind of business in the country. My humble analysis of the situation, I hope, will win the sympathy of investors in this field in order that they would take the necessary steps to invest in Ghana. The wood, as raw material, is in abundance.

2. The Importance of the Secondary Wood Processing Industry:

The importance of secondary wood processing industry in the country is very vital because solid wood, plywood and particle board, as raw materials, are in abundance in the country and manpower requirements are also available and therefore the investment in the furniture industry in the country offers a good potential as far as the above inputs are concerned. The industry, when properly planned and encouraged could add tremendously to the foreign exchange earning power of the country the more so as wastage in the primary processing industry could also be reduced to the advantage of the wood processing industry in general. The primary processing of wood is also viable because the country has enough indigenous forest which is accessible to feed primary wood processing factories. Having overcome these initial necessary steps, the main problem is with machinery for the furniture industry and then the other raw material inputs which are not manufactured locally i.e. chemicals, glues and upholstery materials. The furniture manufacturers normally require import licences and the necessary letters of credit to be able to bring in these important items; but due to the fact that Ghana has limited foreign exchange resources, the industry at times, faces problems in bringing these vital inputs in. It is therefore necessary at all times to depend on outside credits to achieve that goal. Marketing of furniture all over the world in in great demand, creditors and investors are assured that other arrangements like repatriation of their investments could be guaranteed, i.e. by way of marketing (export) knockdown furniture and furniture parts which are being produced successfully in the country.

### 3. Export Marketing

It is also well known that to be able to meet the export requirements, a modern furniture factory with all the necessary modern equipment is necessary. The Government of Ghana therefore is prepared to welcome investors in this field with the usual primary industrial tax relief. Joint participation is also encouraged. In the meantime, the Ghana Timber Marketing Board which is the organization responsible for the timber industry in the country is assisting the establishment of industries to produce these imported inputs mentioned above and therefore invite investors in that field with the same guarantees. In addition to solid wood being in abundance, plywood, veneer and particle boards are also produced in the country.

Constant attention is also being paid to advanced training methods to improve traditional working methods in order to achieve high standards. It has therefore become imperative to expand and improve the existing furniture factories, and also to establish modern factories to enable the country to compete in the world furniture market in order to maximise foreign earnings from the timber and wood processing industries in general.

Due to the present status of most of the furniture factories in the country, the exports of furniture and furniture parts is limited practically exclusively to tropical countries. However, there is a small percentage of furniture exports to other foreign countries, where the exporting factories are able to meet the required standards and specifications: for example, Denmark, Britain and the United States of America. Exports to the above countries have been acceptable and satisfactory, except for some few cases of delays in delivery. This was mainly due to shipping problems facing the country. Local transportation problems is also partly to blame for the unsatisfactory delivery times.

Production of furniture in the country depends mainly on the peculiar function of the industry: i.e., various specific market demands, and the availability of the imported inputs.

The furniture industry is therefore facing this serious import restriction which is necessary for the expansion and advancement, in order to reduce production cost.

Standardisation of products is therefore necessary: i.e. by specializing in specific lines in order to improve productivity to maximise foreign earnings to be able to bring in the required imported inputs for the furniture industry. The Ghana Timber Marketing Board, a Government Corporation, which is responsible for the Timber industry in Ghana, has therefore commissioned Messrs. Zuckermann of Vienna, Austria, to establish a modern large-size turn-key, furniture factory in the country. This will be completed in due course to compete favourably in the export market.



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