



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

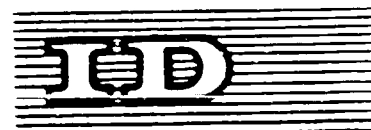
CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org



09423



United Nations Industrial Development Organization

Distr.
LIMITED

ID/WG.302/18
2 January 1980

Original: ENGLISH

Seminar on Furniture and Joinery Industries
Lahti, Finland, 6 - 25 August 1979

The Furniture Industry in Singapore^{1/}

by

Wong Liang Han
Managing Director, Hup Cheong Pte. Ltd.

Chiang Soon Siang
Manager, Koyawood Industries Co. Pte. Ltd.

Tan Kong Hoon
Production Manager, Koda Woodcraft

000182

^{1/} 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.

Present Situation:

The massive Government housing projects and the excellent port facilities have contributed much to the 300 furniture manufacturers in Singapore. More than half of these manufacturers are of the small and medium sizes and cater mainly for the local market (i.e. employing upto 20 persons). About 15% of these operations are geared for mass production and for the export markets. One of the largest manufacturers has a capacity of about 85,000 chairs and 10,000 dining tables per month.

In 1978, the total production of furniture in Singapore was estimated at more than US\$ 70 million of which about US\$ 17.4 million was exported. The bulk was exported to USA (about US\$ 16 million) and the remainder to Australia, Canada, Japan, European Countries, the Middle East and Hong Kong.

The main types of furniture produced in Singapore are dining sets, living room suites, bedroom suites, wall and kitchen cabinets, soft furnishing, office furniture, etc. The majority of these products are of Scandinavian and Contemporary American styles. There is a very small portion of the handcrafted furniture made in Singapore using rosewood. Most of the exported items are in knock-down forms, which give the advantages of cheaper freight and lower wharfage charges.

The main timber used in furniture making are Tamin, Nyatoh, Meranti, Teak and Sepetir.

Development Aspects of the Furniture Industry:

Raw Material:

Singapore is located in the centre of South East Asia which is one of the richest timber producing regions. In 1978, Singapore exported some US\$ 335 million worth of timber products to all parts of the world. There are saw mills, plain and decorative plywood, veneer, parquet and moulding plants in Singapore. The availability of basic raw material is good, however, the prices of timber rose more than 50% compared with 1977. There is no sign of levelling off in prices.

Transportation, communication and banking system:

Singapore is situated in the cross roads between the East and the West. The extremely efficient port which is now ranked the third busiest in the world together with very good communication and banking system has helped to move the Singapore products to many parts of the world at very frequent intervals. The infrastructure of Singapore is also well developed. There are three industrial estates where the majority of the wood-based industries are located, namely the Jurong, Kranji, and the Sungai Kadut Industrial Estates.

Generalized system of preferences:

As Singapore is still considered as a developing country, the generalized system of preference (G.S.P.) are offered by many advanced countries for Singapore's products. The furniture made in Singapore is classified as an item for G. S. P. treatment which enhance the competitiveness of this trade.

Labour supply:

The labour situation in the furniture industry is going from bad to worse. Apart from tight labour market, wages have increased drastically. Therefore, in order for the furniture industries to stay competitive in the export market, it must either invest in new machinery or find other means of improving their production capacities to produce high quality furniture for export.

Government encouragement:

The Government of Singapore is encouraging the development of furniture industry in Singapore, particularly in the manufacture of high quality furniture, encouraging new designs, modern production techniques and with international market outlets. The Government is prepared to consider tax incentives for the new projects or expansions of existing operations requiring substantial investments.

The vocational and Industrial Training Board sets up special courses such as furniture making and wood machining in various vocational institutes to train

the young for the furniture trade. A junior training scheme has also been set up by the Vocational and Industrial Training Board to develop the young between 12 and 16 years of age who are not academically inclined into the various industries.

The timber Industrial Board implements the promotion, improvement, regulations and control of the timber trade and also to ensure that the industries respect standards and keep the quality of their products.

Trend of furniture industry:

Most of the big manufacturers are expanding their operations and committing heavily on capital investments to increase the present production and their competitiveness on the export markets. They are also developing new markets. Many foreign firms are setting up operations in Singapore to take advantage of the investment climate, tax incentive, efficient port facilities, good banking institutions and excellent communication systems. Indications are that the furniture industries in Singapore will rise substantially in the face of the expansion schemes that are currently undertaken by the industry as a whole.

In view of the rapid rise in raw material and labour costs, it is felt that Singapore should go into the high skilled and high added value items of furniture. Scandinavian style furniture including laminated type of high quality finish and high value added would be most desirable.

As the majority of the Singapore manufacturers are of small and medium sizes, assistance would be required in the following fields:

1. Marketing of high quality furniture with small output capacity;
2. Securing of suitable machinery for small plants;
3. Processing technology on design, project planning, layout, finishing, low cost automation, maintenance tools, machinery and quality control of production;
4. Methods of co-operation among small manufacturers to have higher output for export markets;
5. Type of assistance from our own relevant authorities in the training, upgrade of skill and qualities and promoting the export markets.

