



**TOGETHER**  
*for a sustainable future*

## OCCASION

This publication has been made available to the public on the occasion of the 50<sup>th</sup> 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](mailto:publications@unido.org) for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at [www.unido.org](http://www.unido.org)

We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards even though the best possible copy was used for preparing the master tape.



07112



Distr.  
LIMITED  
TD/VIG.226/29  
1 June 1976  
ORIGINAL: ENGLISH

**United Nations Industrial Development Organization**

Technical Course on Criteria for the  
Selection of Woodworking Machines  
Milan, Italy, 17 - 26 May 1976

THE FURNITURE INDUSTRY IN INDONESIA 1/

by

Oswan Tamsil \*

\* Director/Proprietor, Ricarvi Furniture, Bandung, Indonesia

1/ The views and opinions 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.

14.76-3614

The furniture trade is a business which has attracted quite a lot of interest during the last three years in Indonesia. Since early 1973 both companies and individual entrepreneurs who have had no previous connexion at all with the furniture trade or manufacture in the past rushed into the furniture making business and/or furniture import.

Highrise buildings built during the years before and new houses built by real estate enterprises to be leased or sold have created a big demand for furniture to the extent that it has become one of the most profitable businesses of the time. All the office buildings and houses need furniture in the shortest possible time because leasers need accommodations fast. Another line of furniture besides the modern style which became popular suddenly is "carved" furniture. This antique and classical style of furniture also flourishes tremendously. In most cases the urge to own antique style furniture is to keep up standing in the so-called high society and ambition to belong to higher bracket society rather than the appreciation of art handicraft. All this has created a "boom" in the furniture trade.

#### Furniture Industry

To meet the high demand for furniture, many workshops which were able to get enough capital together by loans etc. are turning to woodworking machines for increased production in order to meet short-time delivery schedules. Many importers took advantage of this situation and imported woodworking machines of European, American and Asian manufacture from the nearest export countries, without knowledge of quality and skill and without after sales services.

Plants have been set up in a rush, equipped with woodworking machines which the furniture workshop think are needed for the job or whatever machines were offered to them by unreliable importers and non-specialized agents.

Many furniture manufacturers do not even have skilled people to handle the machines correctly besides which many of them bought dry-kilns which were too big or too small for their needs and do not know exactly how to operate these kilns properly.

The results in the cases mentioned above have been disappointments because they have purchased the wrong machines or equipment which are unsuitable or could be replaced by simpler ones. This happened during 1972 and 1973 and even in early 1974 but later this problem was overcome after factory representative of well-known and reliable makes came to Indonesia and studied the situation. In short, all the "rush" without careful planning, besides lack of skill and knowledge as well as trained labour to handle the machinery resulted in equipment turned out to be a "loss" and eventual clearance of stock items in early 1976 which was when the furniture "boom" ended.

#### Furniture Market

During the "boom" period of 1972 to 1975, demand for furniture seemed to be ever increasing and prices went up but since the latter part of 1975 the market for furniture has shown a decline and sales competition has levelled.

Some professional furniture manufacturers organized an association of furniture manufacturers to try and solve the main problem they are all facing which is: "How to deliver the market again". This association is named the "APFRI" - the Association of Indonesian Furniture Manufacturers. The main objective of this association is:

- to encourage the professional furniture manufacturers to join the organization and together solve the problem of "marketing";
- to request the Government to assist the industry by giving better facilities and incentives, loan with better terms, taxes reduced, sponsorship activities in foreign countries towards achieving greater acceptance of the finished products or components;
- to request the Government to stop the import of furniture and components of same;
- to ask Government to encourage all Government Departments to consult the association "APFRI" in cases where Government tenders for furniture are under consideration;

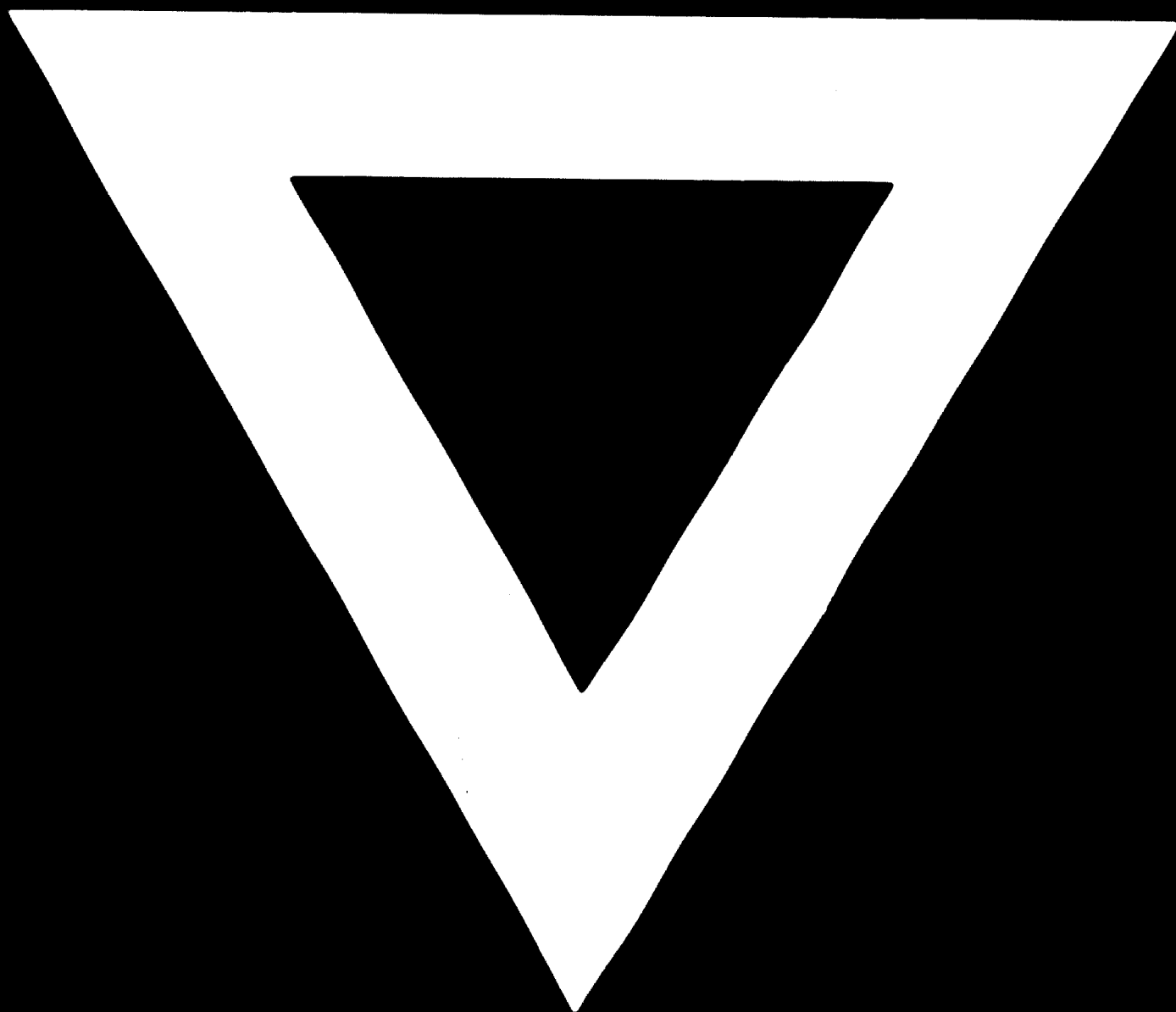
- at a later stage to propose to the Government to recognize only these manufacturers associated in the APIKI as the only legal and reliable furniture manufacturers.

To promote the first point referred to above in the association's programme, a furniture exhibition sponsored by the Government Institution B.P.E.N. and the Department of Trade was held in February 1976 - together with a Seminar on Furniture in Jakarta. This exhibition was a success because many manufacturers exhibited their products made not only of Jati hardwood but also of non-Jati hardwood such as Bamin, Mahogany and Meranti, besides multi-plywood and teak-veneered plywood as non-solid timber (locally manufactured).

The "stress" in this exhibition was to erase the traditional belief that furniture must be made of Jati teak for quality, and to promote other hardwood (non-Jati), and locally manufactured plywood to replace Jati, as these are much cheaper in price and as good and sturdy in quality so that the majority - the middle-income class could also own furniture of good design and quality. To further achieve this goal the association of furniture manufacturers (APIKI) has in its programme the aim to encourage its members to mechanize their workshops and to urge them to set up dealers and distributors to market their products. Furthermore, to realize this, members are being urged to go into specialization and own design standardization of products, as well as better control of quality. This way we hope to get a more healthier and competitive market throughout Indonesia besides having Indonesian furniture penetrate the export markets as a competitive and acceptable item.



**D-270**



**77.06.30**