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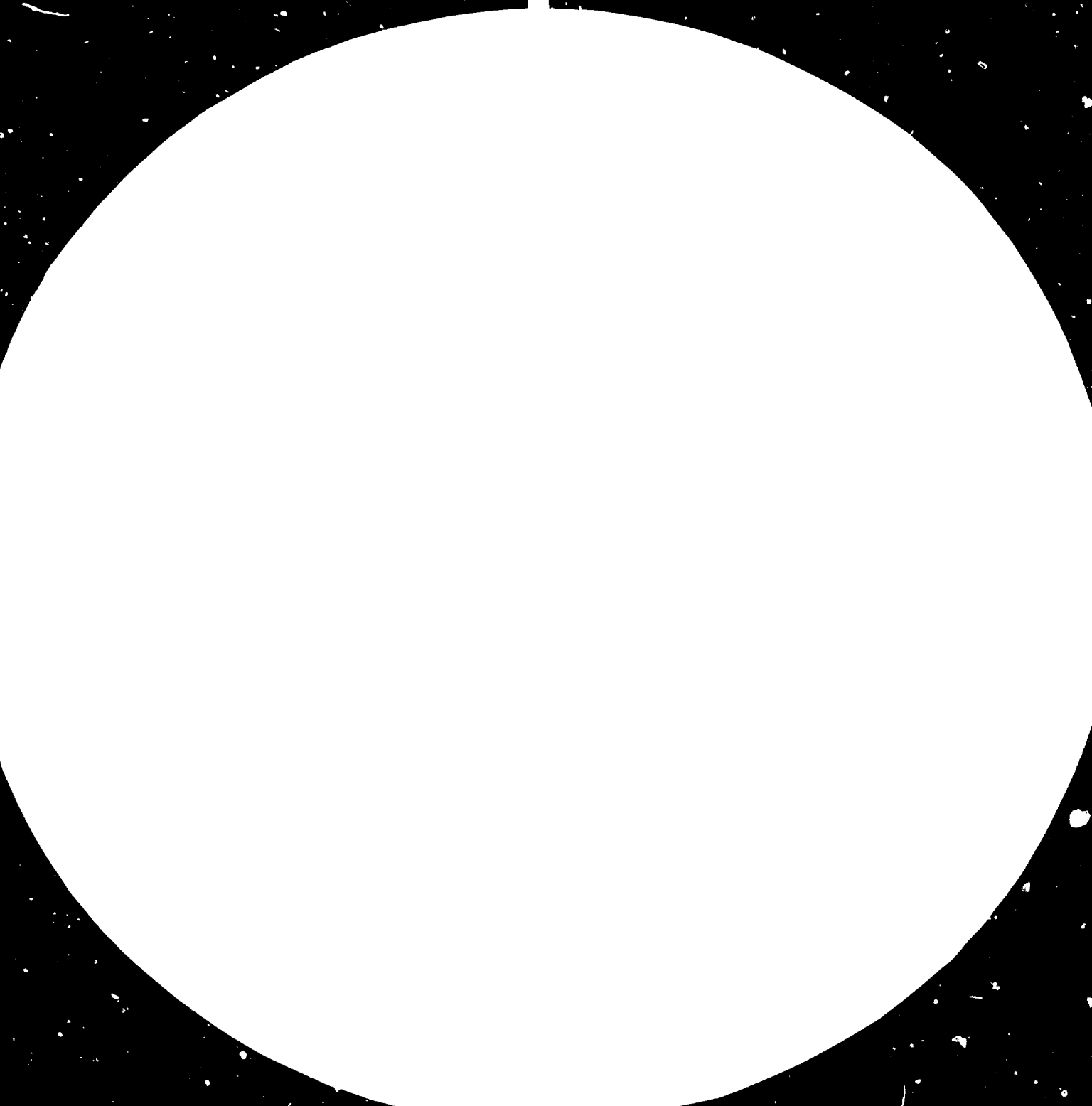
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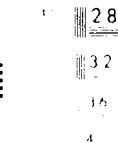
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THE FURNITURE INDUSTRY OF SINGAPORE*

by

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Singapore is a small city-island state situated at the tropical zone with mean temperature of 30°C and high humidity of above 80%. It has an area of only 584 km² and a population of 2.3 million which means that it has one of the highest population density in the world.

The present government, which has been in power since 1959, launched simultaneously an industrialization programme, a public housing programme, a family planning programme and an urban renewal programme. All these have helped Singapore develop as one of the most advanced and modern country amongst the developing nations.

Along with the national development projects, the furniture industry in Singapore has developed from a conservative cottage industry in the early days to the present enterprising industry. The industrialization programme and the incentives given by the government have also attracted foreign investors to the industry. However, the majority of the firms are still in the hands of local businessmen who are in need of assistance to improve their production and management methods.

The furniture industry in Singapore is typically labour-intensive and is dominated by small to medium sized manufacturers which account for 95 percent of the total number of firms. Most of these firms are not export-oriented but concentrate their sales on the local markets. Only a small number of the firms can be considered large manufacturers and these contribute largely to the recent significant increase in export sales of furniture in Singapore.

Because of Singapore's locality, her furniture manufacturers have an advantage of securing timber and plywood supplies from the neighbouring countries. Furthermore, the government's free import policy also makes it easier for the trade to obtain other materials such as particle board, hardware and fittings, adhesives, surface finishes, upholstery materials,

etc. through imports from the developed countries. The well developed banking and finance structure, telecommunications and other facilities have positioned Singapore in readiness to advance her furniture industry at a faster pace. However, there are some disadvantages which have hindered the growth of the industry.

1. Lack of production engineers with innovative and analytical minds to adopt research and development programmes to upgrade the industry. This resulted in hesitation on the part of businessmen in introducing sophisticated machinery to their production lines.
2. Most of the businessmen in the trade are reluctant to sacrifice some independence of operation and flexibility in management and thus lose out on the capital injection and gains in technology transfer and management methods that a joint-venture partner can bring.
3. Lack of creative designers to provide the industry with up-to-date furniture designs in order to keep up with the furniture development trends.
4. Lack of marketing expertise and intensive marketing techniques. This is mainly due to the low investment of the firms who are unable or unwilling to incur the expenses and hence led to the limitation of marketing outlet.
5. Lack of production supervisory personnel, most of the supervisors in the trade are not fully trained to be able to involve themselves in production planning analysis and control.

In summary, the problems faced by the furniture industry in Singapore lie with the middle and high level management which forms the key element in business planning. The government has realized the problems existing in the industry and several organizations have been set up to provide assistance. For example the Singapore Institute of Standards and Industrial Research was set up to evaluate the standard of products and to help solve technical problems faced by plants. The National Productivity Board, with its objective to help train all levels of management personnel and the Vocational and Industry Training Board to train skilled workers are also two of the bodies set up to provide assistance to the industry.

The following measures could be taken to ensure the continued growth of the furniture sector in Singapore:

1. The small and medium sized plants could be merged into large co-operatives so that experts or consultants could be engaged for consultation purposes and thus help raise the level of management efficiency.
2. Special organizations could be set up with government help to provide consultative services to help improve product quality, marketing and production methods and cost control including low cost automation, low interest loans, etc.
3. A seminar or special training programmes could be organized by an international organization such as UNIDO. Such seminars are said to be very helpful to the sector. However, the benefits derived are only limited to the participants themselves and their firms. Therefore, if a special team of experts could be formed to provide consultative services in the requesting country, it is perhaps more practical than for the firms to nominate representatives to attend courses overseas.

