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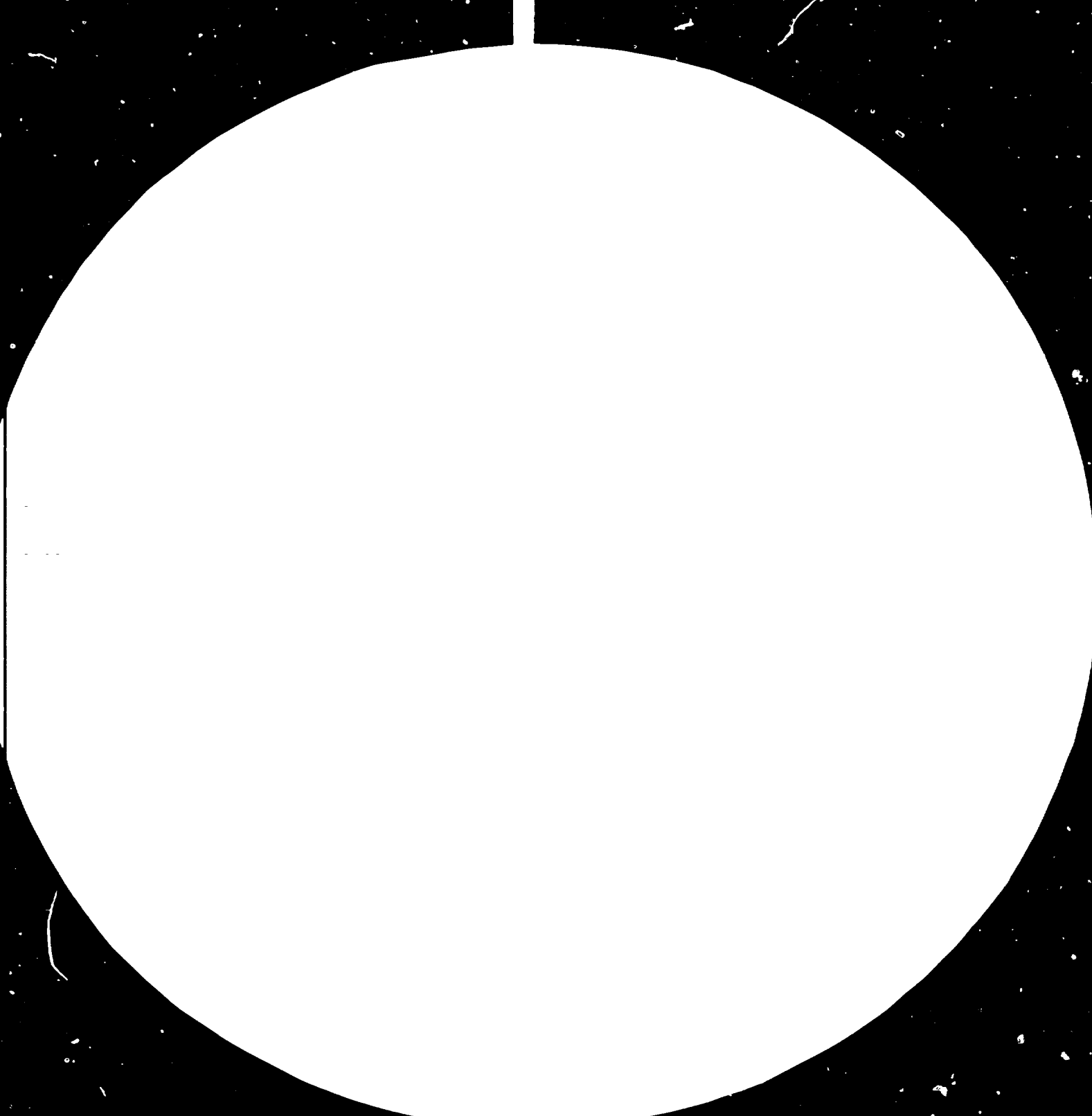
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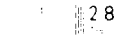
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THE FURNITURE INDUSTRY OF SINGAPORE\*

by

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and

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1. Exports of furniture:

Singapore furniture exports, like other commodities, develop with expanding industrialization. Naturally, it is influenced by the state of world economy. For instance, in 1975, when the world economy encountered a slump, our country's total exports dropped. Although our furniture exports did not decline its growth rate was reduced. On the other hand, during the recent two years, our total export growth rate has risen and this goes similarly for furniture exports.

However, these exports are still in their preliminary stages, with no well-established markets. Hence, although the total exports have increased, the growth rate fluctuates. Strictly speaking, Singapore started exporting furniture only in the past ten years. We can divide the development of our exports into three stages:

(a) Declining period (1965-1970):

In the early 1960's, Singapore furniture exports were mainly channelled to Malaysia, Borneo, Indonesia and other neighbouring countries. The exports took the form of "complete" furniture rather than that of knock-down. The production was carried out by small and medium labour intensive factories, most of which were family concerns, with simple equipment. In the mid of the sixties, notably in 1965, when Singapore broke away from Malaysia, furniture exports dropped in the face of tariff protection. Furthermore, the neighbouring countries had begun to develop their own labour-intensive furniture factories. In fact, many Singaporeans or those people from neighbouring countries who had undergone apprenticeship in Singapore went back to their countries to set up their factories. As a result, Singapore furniture exports fell sharply from Singapore \$ 6 million in 1966 to 3.8 million in 1970 as shown in Table 1.

Year	Amount Singapore \$	Increment Singapore \$	Percentage of Increment
1967	5,896,263	- 245,671	- 4.2 %
1968	4,443,661	- 1,452,602	- 24.6 %
1969	3,947,528	- 496,133	- 11.16%
1970	3,821,220	- 126,308	- 3.2 %
1971	4,341,730	520,510	13.62%
1972	5,410,580	1,068,850	24.61%
1973	9,322,955	3,912,375	72.3 %
1974	13,712,931	4,389,976	47 %
1975	14,367,452	654,521	4.77%
1976	32,813,782	18,446,330	128 %
1977	39,709,091	6,895,309	21 %
1978	59,790,607	20,081,516	50.5 %
1979	69,975,498	10,184,891	17 %

(b) Transitional period (1971-1972):

In 1971, furniture exports took a better turn, returning to a more stable footing. Within two years, it resumed the export level of the mid sixties. This was mainly due to the Government pursuance of a more aggressive industrialization policy. During this period, a few larger factories were established and they took the lead in the export drive. However, this period coincided with the severe world-wide inflation, in which prices of goods sky-rocketed. As a result the furniture export volume did not increase significantly, though its values rose. Nevertheless, it was still a favourable turning point.

(c) Developing period (1973 - until now):

Since 1973, other than the traditional market of neighbouring countries, our exports to Australia have increased apparently. Speaking in terms of overall export volume, the Australian market absorbed 7.11 percent of our exports in 1971. Within two years, it raised its absorption percentage to 20.55 percent. The 1973 total export value has increased 72.3 percent over 1972 (as shown in Table 2):

Table 2: The comparison of export area for Singapore furniture

Areas	1970		1971		1972		1973		1974		1975		1976		1977		1978		1979	
	V	Z	V	Z	V	Z	V	Z	V	Z	V	Z	V	Z	V	Z	V	Z	V	Z
Australia	204,104	5.34	308,727	7.11	560,061	10.37	1,915,478	20.55	3,505,872	25.57	4,535,356	31.57	6,980,926	31.27	7,815,842	39.68	8,542,743	34.29	6,254,405	8.94
Australia	33,137	0.87	91,849	2.12	8,267	0.15	14,217	0.13	137,221	1.00	64,827	0.45	57,223	0.18	122,481	0.31	223,586	0.54	17,218	0.02
Christmas Islands																				
Sub total	237,237	6.21	400,576	9.23	568,128	10.33	1,929,695	20.70	3,643,093	26.57	4,600,333	32.02	7,038,659	21.45	7,938,323	39.99	8,866,329	34.83	6,271,624	8.96
Europe	2,346	0.04	4,942	0.11	5,024	0.09	6,202	0.07	28,330	0.21	119,352	0.83	913,234	2.78	845,283	2.13	2,409,127	4.03	2,180,686	3.12
Denmark	61,048	1.60	71,315	1.65	97,728	1.81	98,983	1.06	98,161	0.72	63,413	0.44	125,256	0.38	321,942	0.81	1,982,539	2.32	2,721,925	3.89
United Kingdom	13,678	0.36	14,013	0.32	83,739	1.53	238,115	2.71	133,163	0.83	373,358	2.60	216,981	0.66	947,493	2.39	1,531,730	2.60	1,733,941	2.48
Fed. Rep. of Germany	106,467	2.79	184,114	4.23	174,216	3.29	161,799	1.71	171,108	1.25	264,014	1.84	376,800	1.14	672,555	1.69	988,084	1.65	998,349	1.43
Dubai	183,761	4.81	274,605	6.32	377,713	7.02	528,699	5.61	410,762	3.00	819,937	5.71	1,630,481	4.97	2,787,273	7.02	6,931,480	11.59	7,634,901	10.91
Sub total	127,908	3.35	119,997	2.76	206,017	3.82	750,253	8.05	1,993,821	14.54	2,396,601	18.07	12,764,677	38.80	14,065,237	35.42	31,429,031	31.83	33,808,033	48.31
America	11,444	0.30	24,322	0.57	20,719	0.37	29,698	0.32	178,124	1.30	469,550	3.27	2,037,995	6.27	3,100,989	7.81	5,035,733	8.42	8,112,253	11.59
U.S.A.	1,210	0.03	6,155	0.14	540	0.01	180	0.002	1,340	0.01	2,120	0.01	2,981	0.01	9,819	0.02	2,040	0.003	2,250	0.003
Other north America																				
Central + South America	140,563	3.68	150,874	3.47	227,716	4.21	780,131	8.37	2,173,485	15.85	3,068,271	21.36	16,823,653	45.18	17,176,045	43.25	43,254,069	40.26	41,922,236	60.00
Sub total	594,394	15.55	702,883	16.19	893,780	16.32	1,254,356	13.45	1,261,893	9.20	782,113	5.44	3,317,933	3.42	846,601	2.13	1,511,470	2.53	832,180	1.19
Asia	5,286	0.14	11,123	0.26	16,203	0.30	24,211	0.26	246,695	1.80	327,041	2.28	2,428,260	7.40	5,049,799	12.72	10,137,940	16.95	7,006,211	10.01
Middle Eastern countries	1,027,660	26.89	794,225	18.34	760,644	14.06	934,348	10.04	1,328,639	9.49	1,672,928	11.64	2,150,791	6.55	2,007,141	5.03	2,209,719	3.70	1,236,782	1.77
Brunei	1,503,728	39.35	1,655,348	38.12	2,022,084	37.29	2,467,582	27.18	3,292,748	24.12	2,259,645	16.21	2,654,106	8.09	2,220,124	5.23	4,233,863	7.59	3,971,478	5.68
Others																				
Sub-total	2,131,070	51.93	3,165,479	72.91	3,693,511	68.26	5,642,537	60.95	6,830,975	49.81	5,341,753	36.57	8,351,090	25.45	10,653,665	26.83	26,838,389	30.75	13,046,651	18.64
Oceania	61,837	1.62	256,962	5.92	416,802	7.70	286,370	3.07	535,735	3.91	216,148	1.50	368,307	1.12	690,953	1.74	1,021,360	1.71	638,815	0.91
Africa	2,707	0.07	1,374	0.03	6,642	0.12	24,432	0.26	4,969	0.04	17,901	0.12	265,005	0.81	358,357	0.90	282,981	0.47	326,778	0.47
North v at Africa	64,045	1.68	91,960	2.12	117,060	2.16	97,211	1.02	113,112	0.81	103,136	0.72	334,687	1.02	304,475	0.76	229,474	0.38	134,493	0.18
Central, East and South	66,752	1.75	93,334	2.15	123,710	2.29	119,263	1.28	118,881	0.87	121,037	0.84	599,692	1.83	462,832	1.11	512,455	0.86	461,271	0.66
Sub-total:	2,821,220		4,341,730		5,410,580		9,322,955		13,712,931		14,367,452		32,813,782		39,709,091		59,790,607		69,975,498	
Total																				

Note: V= value in Singapore \$  
Z= Percentage of total exports of furniture.

During this period (i.e. 1973 till now) the Singapore industrialization programme attained remarkable results. The furniture industry progressed with it.

1. 1974 and 1975, the world wide slump affected the furniture industry, though the latter still maintained a growth rate of 4.77 percent.

Nonetheless, 1975 is still a year worth noting. In this year, the market of our neighbouring countries contracted. The percentage of exports to these countries dropped drastically from 50 percent in 1974 to 11.64 percent in 1975. Fortunately, the expansion of Australian and American markets supplied the vital balancing effect, thus preventing a fall in overall exports.

In 1976, Singapore furniture exports growth rate reached its peak with an impressive record of 128 percent due to a further expansion of the American market. Since then, furniture exports continued to surge forward and exhibited a great potential step upon a prosperous and stable path.

## 2. Export area:

As mentioned above, the main market for Singapore furniture exports from the 1960's to 1974 was the neighbouring Asian countries. In 1970 they occupied 82 percent of the value.

However, from 1975 onwards, American, Australian and Middle Eastern markets came to play more important roles.

Since 1973, Australia became our major market, rising from 10.37 percent of our export volume in 1972 to 20.55 percent in 1973. After its peak in 1975, it started to decline. In 1976, its first position was taken over by the United States which accounted for 39 percent of our export value. On the other hand, the Middle Eastern countries became our second largest market, leaving Australia to the third position (as shown in Table 2).



3. Export items:

Of the exported furniture, 57.6 percent consisted of chairs (refer to table 3), among which the most prominent ones are wooden chairs followed by lounge chairs (refer to table 4). These chairs are produced mainly by bigger factories which wanted to take advantage of our country's nearness to tropical hardwood, relatively cheap labour, efficient harbour and good infrastructure.

Table 3: Chairs and other furniture exported in 1979:

Areas	Chairs	Other Furniture	Total
<b>AMERICA</b>	(27,006,998)	(14,915,238)	(41,922,236)
1. U.S.A.	21,661,063	12,146,970	33,808,033
2. North America	5,345,935	2,766,318	8,112,253
3. Central + South America	—	1,950	1,950
<b>AUSTRALIA</b>	( 3,564,321)	( 2,707,303)	( 6,271,624)
1. Australia	3,555,092	2,699,313	6,254,405
2. Christmas Islands	9,229	7,990	17,219
<b>ASIA</b>	( 4,032,480)	( 9,014,171)	(13,046,651)
1. Asean countries	122,730	709,450	832,180
2. Middle Eastern countries	2,214,634	4,791,577	7,006,211
3. Brunei	273,941	962,841	1,236,782
4. Others	1,421,175	2,550,303	3,971,478
<b>EUROPE</b>	( 5,165,579)	( 2,469,322)	( 7,634,901)
1. Denmark	2,139,278	41,408	2,180,686
2. U.K.	1,513,294	1,208,631	2,721,925
3. Fed.Rep.of Germany	1,419,303	314,638	1,733,941
4. Others	93,704	904,645	998,349
<b>OCEANIA</b>	( 337,064)	301,751	638,815
<b>AFRICA</b>	( 231,208)	( 230,063)	( 461,271)
1. North West	204,248	122,530	326,778
2. Central,East + South	26,960	107,533	134,493
<b>Total</b>	<b>40,337,650</b>	<b>29,637,848</b>	<b>70,075,498</b>

Areas	Lounge chairs	Air chairs	Folding chairs	Deck chairs	Infants high chairs	Other wooden chairs
AMERICA	36,586	9,764	19,915	0	0	26,940,733
1. U.S.A.	36,211	9,764	14,355	-	-	21,600,733
2. Canada	375	-	5,560	-	-	5,340,000
3. Central + South	-	-	-	-	-	-
AUSTRALIA	112,018	38,702	5,674	0	0	3,407,927
1. Australia	111,058	38,702	5,674	-	-	3,399,658
2. Christmas Islands	960	-	-	-	-	8,269
ASIA	813,409	276,195	19,134	7,002	852	2,915,888
1. Asean countries	15,892	13,521	2,635	52	-	90,630
2. Middle Eastern countries	635,989	112,515	-	-	-	1,466,129
3. Brunei	38,319	21,041	1,933	-	-	212,643
4. Others	123,209	129,117	14,566	6,950	852	1,146,481
EUROPE	0	2,588	60	0	0	5,162,931
1. Denmark	-	-	-	-	-	2,139,278
2. U. K.	-	-	-	-	-	1,513,294
3. Fed.Rep. of Germany	-	2,588	60	-	-	1,416,655
4. Others	-	-	-	-	-	93,704
OCEANIA	84,656	42,799	2,736	-	-	206,873
AFRICA	11,701	24,837	0	0	0	194,670
1. North West	11,301	24,537	-	-	-	168,410
2. Central, East and South	400	300	-	-	-	26,260
Total	1,058,370	394,885	47,519	7,002	852	38,829,022

Table 4, Details of chairs exported in 1979.

Next come wooden tables which are closely linked to chairs, since both are used together. Cupboard cabinets hold the third position.

The first two items are exported mainly to the United States while the third item mainly goes to the Middle Eastern countries (refer to Table 5).

Table 5: Furniture exported by items in 1979 (Singapore \$)

Areas	Bedroom sets	Dining room sets	Living room sets	Other office wood furnit.	Beds	Cupboard cabinets etc.	Fume cupboard	Wooden screens	Serving trolleys	Wooden tables	Display stands	Other furniture	Furniture nos(val)	Merchandise display stand	Parts of furniture
<b>America</b>	20,919	39,005	4,000	19,020	151,630	699,224	0	52,536	70,068	4,958,773	17,073	786,983	24,770	0	8,071,229
1. U.S.A.	14,574	38,805	4,000	19,070	146,330	547,203	-	49,196	65,418	4,168,432	17,073	610,447	43,778	-	6,441,644
2. North America	6,345	200	-	-	5,250	152,021	-	3,340	4,650	790,341	-	174,586	-	-	1,629,585
3. Central + South America	-	-	-	-	-	-	-	-	-	-	-	1,950	-	-	-
<b>Australia</b>	10,955	56,620	35,691	4,948	56,967	178,960	-	11,255	50,514	1,903,290	964	87,916	1,540	0	307,683
1. Australia	10,955	55,950	35,691	4,948	56,757	178,960	-	11,255	50,514	1,898,890	964	85,206	1,540	-	307,683
2. Christmas Island	-	670	-	-	210	-	-	-	-	4,400	-	2,710	-	-	-
<b>Asia</b>	522,488	240,961	579,686	101,976	309,969	1,897,061	9,829	65,408	36,790	2,642,843	126,356	1,714,315	235,327	6,184	524,978
1. Asean countries	61,415	18,297	22,519	3,850	18,857	99,895	280	12,759	30	88,605	6,824	113,784	137,436	2,484	122,415
2. Middle East	136,241	28,792	269,923	32,363	75,787	1,351,676	-	18,910	18,569	1,496,338	31,764	1,165,428	59,926	860	105,000
3. Brunei	109,189	55,538	97,291	17,750	76,521	168,550	9,549	5,034	2,086	144,421	4,017	167,841	4,662	1,290	99,100
4. Others	215,643	138,334	189,951	48,013	138,804	276,940	-	28,705	16,105	913,479	83,751	267,262	33,303	1,550	198,463
<b>Europe</b>	1,000	41,675	26,815	7,033	2,340	138,256	0	62,355	18,916	1,262,284	11,459	923,748	4,070	6,280	563,091
1. Denmark	-	-	-	3,528	-	1,165	-	580	-	28,752	-	7,299	-	-	84
2. United Kingdom	-	8,835	6,615	-	-	33,691	-	11,950	44,026	721,042	-	44,686	-	4,860	332,926
3. Fed. Rep. of Germany	200	16,150	8,950	200	-	25,559	-	10,655	1,345	100,824	5,735	51,841	1,000	-	92,179
4. Others	800	16,690	11,250	3,305	2,340	77,841	-	39,170	3,545	411,666	5,724	189,922	3,070	1,420	137,902
<b>Oceania</b>	-	4,170	5,741	14,200	550	20,295	-	-	16,164	160,550	4,860	25,039	150	1,930	48,102
<b>Africa</b>	1,214	1,500	66,993	0	12,221	950	2,710	3,435	3,940	101,731	0	27,708	575	-	7,087
1. North West	1,214	1,500	66,993	-	12,221	-	2,710	-	840	30,745	-	5,758	-	-	549
2. Central/East+South	-	-	-	-	-	950	-	3,435	3,100	70,985	-	21,950	575	-	6,538
<b>Total</b>	556,576	383,931	718,926	147,177	533,677	2,934,746	12,539	194,989	226,392	11,029,471	160,712	2,935,709	266,440	14,394	9,522,170

4. Prospects and conclusion:

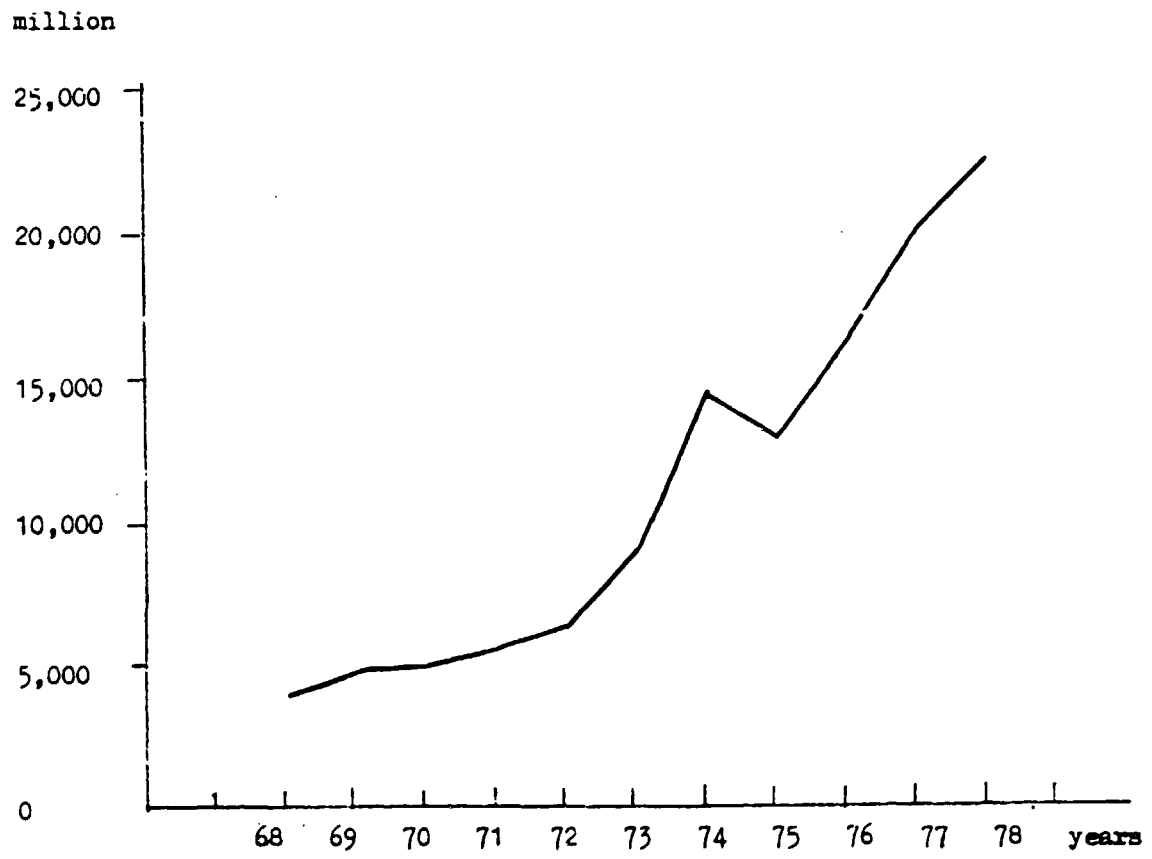
In Asia, the largest furniture exporter is Taiwan. Our exports only attain 12 percent of theirs. Our market is similar to theirs, with the United States, Australia and Middle Eastern countries as our main clients. The only difference is that our progress in Japanese market lags far behind Taiwan's. We have only achieved 0,95 percent of Taiwan's exports to Japan. This can be attributed to geographical and historical factors. In the case of the American market, we have only reached 10 percent of Taiwan's export value, while in Australia, which is nearer to us, we achieved 50 percent of that of Taiwan. For Middle Eastern countries, we only attained 35 percent of Taiwan's export value (refer to table 6). Hence, we can say that our furniture export development is still in its preliminary stage. The broader market of foreign countries are yet to be reaped by us.

Table 6. Exports by Singapore and Taiwan of furniture to selected countries in 1978: (Singapore \$)

	Taiwan	Singapore
U. S. A.	201,934,040	19,031,436
Australia	17,430,400	8,542,743
Middle East	30,273,600	10,132,940
Japan	90,547,600	863,488

In fact, our country enjoys better conditions, e.g. better harbour and central geographical location, nearness to wood supply region, clear cut political background and greater influx of investment. With suitable doses of encouragement, we have a potential. In fact, under our government's second industrial revolution and urban renewal, many small local factories found themselves compelled to merge or expand in order to survive, thus enlarging our exports, especially to the Middle Eastern market.

Singapore external trade 1968-78 (exports)



Singapore furniture exported in 1966-79

