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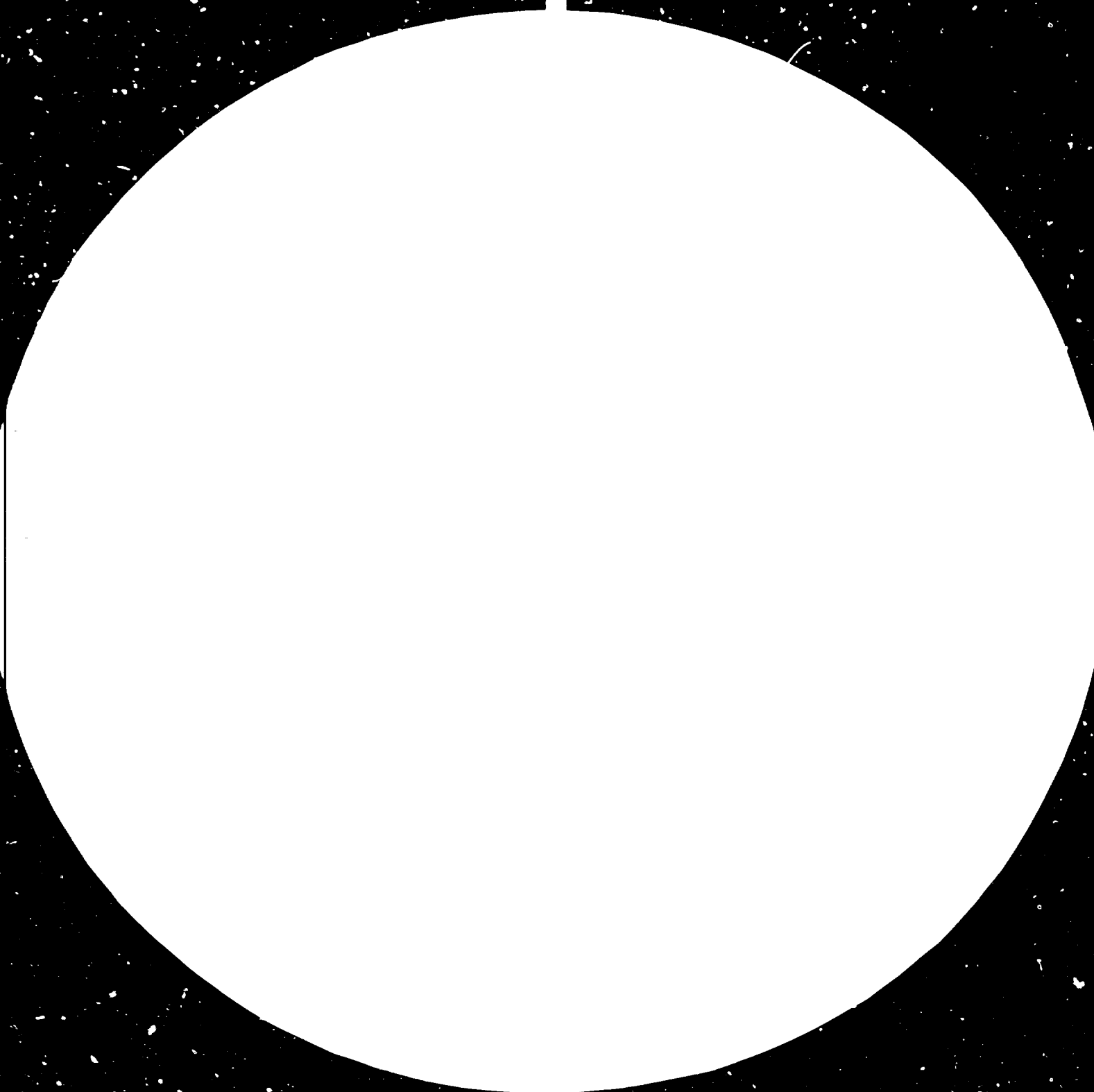
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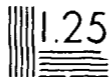
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THE FURNITURE INDUSTRY IN CHILE*

by

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Introduction

The main characteristic of the furniture industries in Chile, no matter how large they are, is that they do not specialize in production. All types of furniture are manufactured, for example, in any given factory, viz: household goods, office furniture, upholstered furniture or custom-sized furniture (which is no longer popular).

In short, we could classify the furniture in the following way: a) household goods; b) office furniture; c) kitchen and closet furniture; and d) special order pieces. Most of the furniture designs in Chile are adapted to the local need (i.e. woodworking technology or designing problems) or copied from magazines published in either Europe or the United States of America. There are also some industries which hold royalties from foreign industry.

Our market, however, developed in the following way: 95 per cent of the furniture produced is consumed locally. This situation does not allow for much export business, obviously. This is due to the economic rise in the standard of living of our people during the last few years, for which, we were not totally prepared. Little by little, though, the industry is catching-up to the foreign demand.

Marketing: The process of marketing is almost the same in this sector as in our various other industries:

- a) Factory dependent sales within the same industry;
- b) Hold their own furniture stores situated in different areas of the country;
- c) Through distributors;
- d) Furniture manufacture became an independent industry.

Education of technical personnel: There are no high level technical schools for teaching woodworking and furniture manufacture. In order to prepare specialized workers for this industry, then, other methods of instruction must be depended upon.

We do have one lower-level technical school giving courses on furniture manufacturing so that they can obtain intermediate positions within the industry however these jobs do not include the training of skilled technicians. What we do is start young, enthusiastic students working in the furniture industry and allow them to build knowledge and skill through experience directly.

Therefore there are two kinds of workers, the specialized (skilled through work-experience and on-the-job training) and the unskilled (assistants who reach a certain level, i.e. the foremans position, and go no further).

Specialized workers coming from our version of the technical and industrial training centres have knowledge in woodworking and cabinet making. Furniture industry managers spend most of their time supervising operations and teaching their workers how to operate the machines and/or how to finish a piece of furniture or design a new one. Since this job requires years of experience, however, it is unlikely that once a worker has attained the position of manager, that he will go any higher.

Concerning machine installation the technical level of our workers is quite high. For some years now the Government has been taking an active interest in this sector and so have enabled the importation of the most sophisticated woodworking machinery available at a customs tax rate of only 10 per cent. Years ago this was impossible since the customs tax was 100 to 180 per cent. This lowering of tax came about because foreign products were being bought up by our people and the authorities decided that our own woodworking industries needed to be built-up and expanded. Thus, the technical level of our electricians rose considerably when these new machines began coming into the country.

Speaking only of the problems facing the furniture industry or cabinet making, however, is not as easy since most of our furniture specialists are foreigners and most of the favourite designs are also developed by foreign companies. Cabinet making industries, although small are also plagued by the fact that the designs most coveted by our buyers are foreign and therefore difficult to produce. Language

is always a problem (especially with English) since very little of the material we receive is translated into Spanish.

The Basic Woodworking Machines Installed in the Furniture Industry

The basic machines are: a) the band saw, panel saw, jointer, thicknesser, spindle moulder, stroke belt and the sanding machine; b) the drill press, veneer press and the air compressor.

Some factories are equipped with special machinery like edge belt sanders, multi-spindle moulders, multi-spindle boring machines, etc.

Generalities must be avoided when discussing quality control exercised in these factories since the quality of the equipment and his products is based upon the owner himself. Because of the growing demand for woodworking products owners are faced with the problem of enlarging and modernizing their plants and with developing new furniture designs and techniques. We are, however, optimistic. We certainly cannot get away from the problems described earlier but we are learning to deal with them better.

Yet another problem facing the Chilean woodworking industry is that of raw wood supply. Oddly enough, most of the valuable Chilean wood is exported to various other parts of the world. What we are left with is strictly refuse and hardly of the international quality standards. The local market, therefore, must use this low-grade wood, most of it being (due also to low-grade machining operations) thrown away in the end. Boards are often offered as 1 inch in width (25.4 mm) can vary anywhere from 22 to 30 mm, for example, and there seems to be no effective way to curb this practice.

Also, there is no dry wood available in the market as saw mills do not operate kiln dryers. Boards are sold with a high moisture content (above the saturation point) and so the cabinet makers must run their own kilns or keep stacked lumber around while it air seasons (which requires at least 2 years in the yard). This, of course, means that the cabinet maker must begin with a bit of capital.

Another and final problem is the supply of machine spare parts. Since 90 per cent of our machines are foreign made, spare parts are difficult to obtain. They must be mailed by air-post and so, naturally, unless one has spare parts on hand it is conceivable that production could sometimes be held up for months while waiting for a spare machine part to be delivered.

Of course, most of the local machine import agencies try to keep spares in reserve but this is rather hard to do since the parts are many and expensive to order in bulk. Nor is the sale or service of these parts supervised by the Government, thus, the problem is a major one.



