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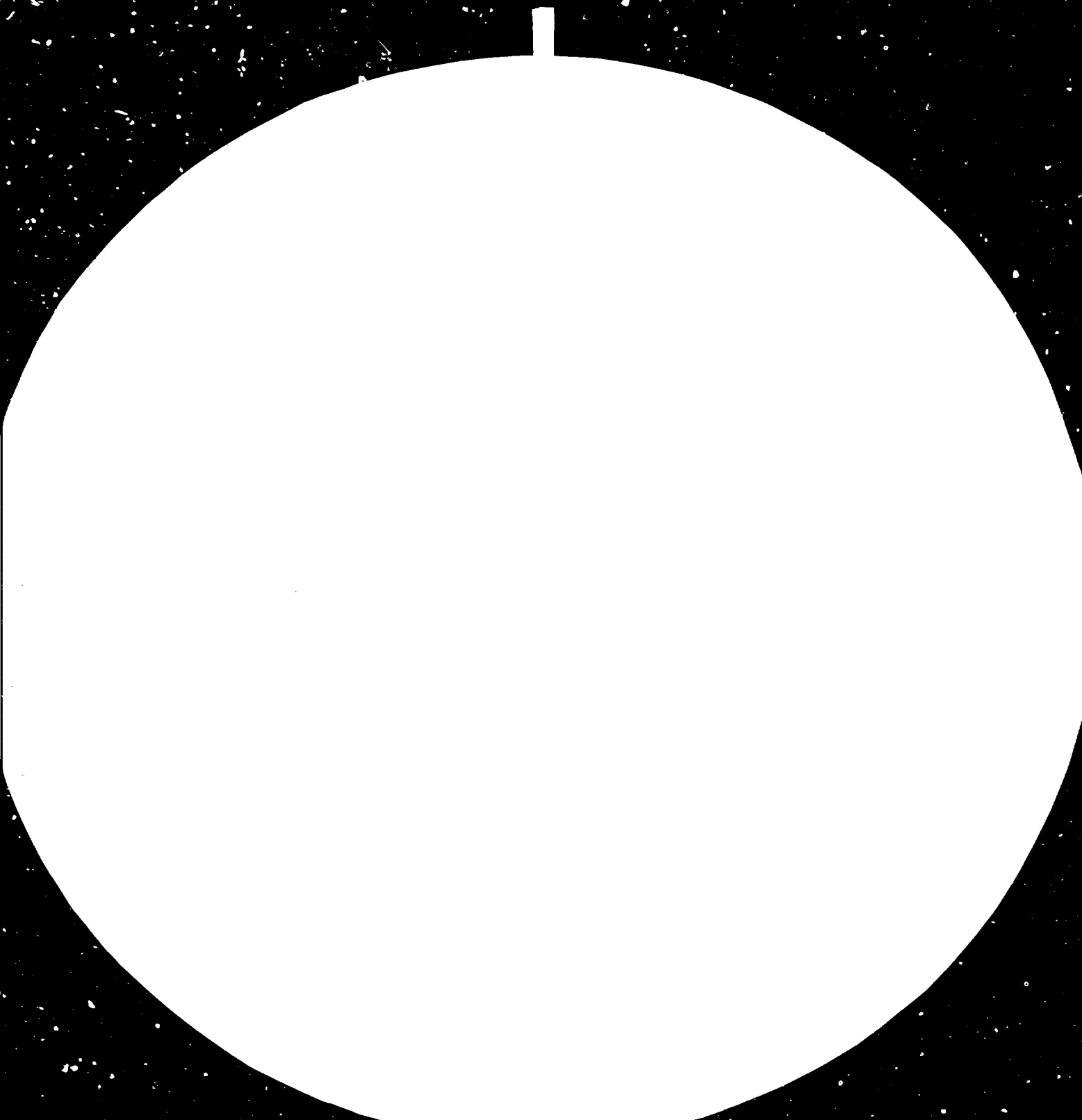
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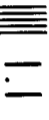
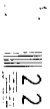
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AN OUTLINE OF THE TIMBER INDUSTRY IN SINGAPORE \*

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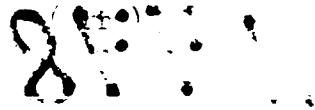


TABLE OF CONTENTS

	<u>Page</u>
1. Introduction	1
2. Current Status of the Industry	1
3. Factors Affecting the Industry	2
4. Future Prospects for Development	3

1. Introduction

Singapore has developed over many years as an important importer and exporter of timber and wood-related products. This is because it is situated in a region where the world's suppliers of hardwood are located. Furthermore, the growth in the industry can be also attributed to the government's massive public housing programme.

2. Current status of the industry.

2.1 The timber industry plays an important role in the country's economy. The total exports of timber products in 1980 amounted to 1.8 million cubic metres valued at S\$ 1.116 million. In terms of foreign exchange earnings, the timber industry ranked sixth after petroleum products, rubber, electrical machinery, ship and aircraft stores and tele-communication apparatus.

2.2 As at January 1981, there were 42 sawmills, 9 plywood, 35 wood moulding and other wood processing factories, 37 manufacturers of knock-down furniture and 17 commercial kiln dry plants.

The total work force in the industry came to about 17,000 workers or about 6 percent of the country's total work force involved with manufacturing.

2.3 Most woodworking factories are located at three sites - Kranji, Sungei Kadut and Jurong Industrial Estates.

2.4 Most of the wood products exported are sawn timber (graded, ungraded, railway sleepers, kiln-dried and treated), veneers, plywood, mouldings, furniture components, parquet flooring, wood-wool panels, knock-down furniture, laminated boards, wooden boxes and pre-fabricated houses.

2.5 The export of knock-down furniture which gives the advantages of cheaper freight and wharfage charges is on an upward trend. The major markets for this type of furniture are the United States of America, Canada, Australia, Denmark, Saudi Arabia and the Federal Republic of Germany.

3. Factors affecting the industry:

3.1 Higher operation costs: Both the increases in timber and oil prices have affected the manufacturing costs of timber products. Wages and employer's contribution to superannuation funds have also increased considerably.

3.2 Availability of raw materials: Singapore is experiencing difficulty in getting the timber it requires because of increasing demand all over the world. Its neighbouring log-producing countries have put restrictions on the export of logs so as to encourage more local processing. Beside the restricted supply there has also been a tremendous increase in the cost of timber.

3.3 Labour shortage: Singapore has full employment. As a result there are many foreign workers in our country. The wood-working industry, in particular, is facing difficulties in recruiting and retaining its workers because of this tight labour situation.

3.4 Communication and transportation: Singapore is very fortunate because of its ideal location and close proximity to major timber exporting countries. Its sea-ports, airports and communication facilities provide a sound infrastructure for trade and progress. The banking and trading facilities which were developed over many years have also helped in the continued progress of trade and industry.



3.5 Government encouragement and assistance: The Government is encouraging the development of the industry. It encourages the manufacture of more value-added products in the form of high quality furniture, modern production and marketing techniques. The Timber Industry Board helps in the promotion and regulation of the timber trade in the country. It also ensures that the industry maintains its quality and the standard of its products. The Vocational and Industrial Training Board in conjunction with the industry conducts training programmes to provide for the necessary work force. It runs courses at Technician and skill levels. There are courses in furniture design and production, wood machining, furniture-making, upholstery and carpentry.

4. Future prospects for development:

There is presently a shift in our government's economic policy from labour-intensive industries to more capital-intensive industries. Our national economic re-structuring together with some of the problems mentioned earlier may see the following trends in the industry:

- 4.1 Upgrading operations with more suitable modern machinery relevant to the size of the plants and products made.
- 4.2 Upgrading of the labour force to enable it to operate and maintain more advanced and sophisticated machinery. Specially tailored training programmes may be required to train new employees and re-train existing workers.
- 4.3 Wider use of modern materials available - viz. finishes, stains, components, knock-down fittings, adhesives, etc.
- 4.4 Reducing wastage in materials and labour through improved management. Re-cycling of wood wastes and off-cuts.

- 4.5 Improvements in factory planning and organization.
- 4.6 Switch to the manufacture of more value-added furniture and wood products.
- 4.7 Need for standards for all furniture and wood products. More emphasis would be paid to quality assurance.
- 4.8 Improvements in marketing know-how and more stress on design, value-analysis, research and development work.
- 4.9 Utilization of other lesser known timber species viz. rubber-wood.



