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FIRST LATIN AMERICAN CONGRESS OF FURNITURE PRODUCTION AND DESIGN

SI/ARG/85/801

ARGENTINA

Terminal report*

Prepared for the Government of the Argentine Republic
by the United Nations Industrial Development Organization,
acting as executing agency for the United Nations Development Programme

Based on the work of Messrs. D. Cody and
T. Laakso, Consultants in Furniture Production
and Design respectively

United Nations Industrial Development Organization
Vienna

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TABLE OF CONTENTS

	<u>page</u>
1. Introduction	1
2. The Conference	2
3. Workshops and lectures	3
4. Programme of the UNIDO consultants	3
5. Expomueble	4
6. Current Status of Argentine Furniture Industry	4
7. Design training	6
8. The Function of and Needs for an Association	6
 <u>Annexes:</u>	
1. Mr. Cody's job description	7
2. Mr. Laaksc's job description	9

1. Introduction

On 6 February 1985 the Government of Argentina requested UNIDO, through the United Nations Development Programme (UNDP), to provide three experts, specialized in furniture production, furniture design and in the establishment of regional furniture manufacturers association, to advise CAFYDMA (a trade association) and delegates participating in the First Latin American Congress on Furniture Production and Design which was held in Buenos Aires from 22 to 24 May 1985.

Messrs. D. P. Cody and T. Laakso, experts in furniture production and furniture design respectively, arrived in Buenos Aires on 20 May 1985 and carried out their duties as moderators during the Congress and their mission ended on 25 May 1985. Mr. D. Heughan, advisor on the establishment of the regional association only undertook his mission from 4 to 17 August 1985 due to delays in obtaining his visa.

Mr. Cody's main task was to advise on modern production planning, production management, production control and industrial production techniques, and to lead the discussions among participants. The expert's job description is given in Annex 1.

Mr. Laakso's main task was to provide CAFYDMA and participating delegates with the specific design advice on possible design solutions with particular reference to the limitations imposed by the materials, production skills and manufacturing equipment available and to lead discussions among participants. His job description is given in Annex 2.

This report gives an account of the activities carried out by the two experts, their observations and recommendations. (Mr. Heughan's report has been issued separately - document no. DP/ID/SER.A/640.)

2. The Conference

The First Conference on the Production and Design of Furniture in Latin America was convened in Buenos Aires on May 22-24, 1985. The initiative for this meeting had been taken by the Association of Furniture Producers in Argentina (CAFYDMA).

Invitations were sent to all Latin American countries and indications of positive interest received from twelve. Finally the representatives of seven countries met in Buenos Aires.

The Conference was organized and conducted by CAFYDMA. Its programme allowed both an exchange of ideas and information about practical implications of furniture making and the proposal to establish an Association of Latin American Furniture Producers.

Each delegation gave a short report on the situation of the furniture-industry in its country. In all these speeches the concept of forming a Latin American umbrella organization was unanimously accepted and acclaimed. In its final meeting the Conference approved a program for the creation of an Association of Latin American Furniture Producers. This agreement was signed outright by three countries, Argentina, Brazil and Uruguay, where a formal decision to join had apparently been made already prior to the conference.

The other four countries, Bolivia, Cuba, Ecuador and Paraguay, signed an appendix announcing their intent to join the Association as soon as the required local decisions have been made.

A working committee was formed to prepare the statutes of the Association and met in Sao Paolo from 9 to 11 August 1985 in Brazil.

3. Workshops and lectures

Working groups, containing delegates from the different countries, were formed to develop themes given in the programme:

- design and creativity
- computers in small and medium sized industry
- human resources
- organization of small and medium enterprises
- foreign trade

The working groups gave a resumé of their work to the Conference on its last day and their reports were added to the minutes.

Apart from the workshops lectures were also given at the meeting. Subjects chosen for lectures were:

- the situation of furniture industry in Latin America
- government export incentives in Argentina
- international marketing

4. Programme of the UNIDO consultants

A very extensive programme had been planned for the UNIDO consultants D. Cody (in the field of production and marketing) and T. Laakso (in the field of furniture design).

After arrival in Buenos Aires and a visit to the UNDP office the first evening (May 20th) was spent visiting "Expomueble", the Argentinian Furniture Fair.

The next day, May 21st, five factories and their adjoining showrooms were visited and a public appearance was made at the Furniture Fair.

May 22-24 were for participation of the conference where the UNIDO consultants gave lectures on production and marketing (D. Cody) and design of furniture as related to marketing (T. Laakso).

On Saturday, May 25th, a factory visit and a reception for the remaining delegates by the Association of Argentine Wood Producers (CEMA) rounded off the week.

5. Expomueble

The Argentine Furniture Fair coincided with the Conference. This fair had an exhibition space of 15 000 m². 113 companies participated.

The fair had been preceded by a furniture design competition divided in groups for export and domestic furniture. The results of this competition were shown, together with exhibitions of works of students following courses of design at Argentinan universities.

An overall good awareness of design and partly a very good level of craftsmanship could be seen at the Furniture Fair. Design, due to the ethnic background of the producers, is very much influenced by recent Italian trends, displaying massive dimensions and high gloss spray, combined with exotic veneers. The Italian influence covers more than half of the exhibited furniture, the rest is taken up by Spanish rustic, period and "international" design.

Workmanship generally is good, in some cases, especially in period furniture, upholstery and high gloss finishes, excellent.

6. Current Status of Argentine Furniture Industry

Restriction on imports has caused a shortage of the many accessories that are necessary for the manufacture of furniture. A process of adjustment is under way. Argentina is self sufficient in both softwoods and hardwoods as well as in leather. Upholstery materials, fabrics, foams and springs are produced locally, and, to some extent, fittings. The only locally available top quality product seems to be the high gloss polyester finish. For export, however, a much wider variety and better quality of accessories is needed.

At the time of the ban on imports and the recession, caused by the aftermaths of the Malvinas war, many factories had imported or already installed quite efficient production machinery and were at the stage of transition from a jobbing "made to order" production to a proper mass or batch production.

Many producers have reverted back to craft-like production of special and semi standard products. Machinery is standing idle, and production personnel laid off. Many producers have also succumbed to the temptation to sell directly from the factories, causing retailers in their turn to try to branch into manufacturing.

The recession is not the only cause of the industry's problems; inflation has resulted in cash becoming the only accepted means of payment, and this limits business even more.

All in all, the industry is facing a crisis and is very pessimistic about its prospects. Immediate incentive measures and external aid are needed to overcome marketing expertise.

The current status of the industry may be summarized as follows:

- The low level of production efficiency;
- The unsatisfactory standard of product design;
- The need for a rational production policy at national and individual plant level;
- The need to develop export consciousness;
- Total absence of joint effort;
- Total absence of export marketing knowledge and expertise;
- The urgent need for marketing and technical management training;
- The need to raise the standard of labour productivity;
- Severe financial constraints brought about by galloping inflation;
- Isolation from mainstream industrial development and technical information.

7. Design training

The Argentina Universities train general industrial designers. An ad hoc post-graduate course was suggested as a means to give more specialized knowledge. A simultaneous diversification of the design course curriculum in such a way that a specialization in at least furniture and textile/fashion design could be obtained during graduate studies is recommended. This could be obtained simply by directing the many study projects, contained in the graduation course, towards these areas.

8. The function of and needs for an Association

Almost all the Latin American countries have a big enough population and a good potential for furniture production to eventually have Furniture Institutes of their own. Technical research and testing can be undertaken by local technical institutes. An important function of the umbrella Association would be to disseminate information about design trends, customs duties and other regulations in specific markets. With the aid of international agencies such as UNIDO and ITC it could organize consultancy services and training for all levels of personnel.

First and foremost the Association of Latin American Furniture Industry should be a channel for negotiations with the governments. Virtually all Latin American countries ban the import of furniture. The furniture industry must import to be able to export. It cannot do without the many accessories, fabrics, glues and finishes that are required by the international market. A totally protected market tends to go into a spiral of diminishing quality that takes it further and further from exportable quality.

Latin American countries cannot export furniture, unless a regional exchange and specialization occurs and a reasonable import of accessories is allowed by more selective import restrictions.

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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO

ASSISTANCE TO THE ARGENTINE FURNITURE INDUSTRY

SI/ARG/85/053/11-53/31.7.A

JOB DESCRIPTION

Post title Consultant in furniture production

Duration 8 days

Date required 21 May 1985 (in Buenos Aires)

Duty station Buenos Aires

Purpose of project 1) To provide the services of two moderators (on modern design and production techniques for industrial furniture production) at the First Latin American Congress of Furniture production and Design - Buenos Aires, 22-24 May 1985.

 2) To draw up draft statutes and bye-laws of the proposed "Latin American Association of Furniture Makers".

Duties The consultant will be attached to the Camara de Fabricantes de Muebles, Tapiceria y Afines in Buenos Aires.

 He will, in collaboration with another internationally recruited consultant (in furniture design), act as a moderator in the First Latin American Congress of Furniture Production and Design, to be held in Buenos Aires from 22 to 24 May 1985.

 He will be expected to:

1. Give general guidance on modern production planning, production management, production control and industrial production techniques.
2. Provide specific advice on possible technical solutions to problems raised in the discussions.
3. Lead the discussions between participants.
4. Prepare a technical report grouping the advice given.

..../..

Applications and communications regarding this Job Description should be sent to:
Project Personnel Recruitment Section, Industrial Operations Division
UNIDO, VIENNA INTERNATIONAL CENTRE, P.O. Box 300, Vienna, Austria

Qualifications Engineer or furniture production technician with long experience at policy making level in the operation of modern furniture plants.

Language Spanish preferred, English acceptable.

Background information

Latin America has large tropical forest reserves of about 454 million ha accounting for two thirds of the world's reserve of tropical forests. These forests contain valuable species of wood suitable for joinery and furniture production. Among many species, the more desirable woods for this purpose are: Mahogany (*Swietenia* Spp.), Rosewood (*Dalbergia* Spp.), Satinwood (*Brosimum* Spp.), Purpleheart (*Peltogyne* Spp.), Heavy and Light Virola (*Virola* Spp.), Lingue (*Persea* Spp.), Red Louro (*Ocotea* Spp.), Hura (*Hura* Spp.), Kurokai (*Protium* Spp.), Cedre (*Cedrela* Spp.).

This vast source of tropical hardwoods has served for the development of the logging, sawmilling, furniture and joinery sectors. The majority of secondary wood processing industries in Latin America are small to medium-size family firms functioning with empiric knowledge and inefficiency. Exceptions to this are the few large industries in Brazil and Chile.

Woodworking equipment, with certain exceptions, is locally produced and lacks precision.

Products are poorly designed, with high material and manpower content, high cost and with little ability to compete on the export markets, unless designs are given by the buyers. Usually designs are simply copied from catalogues.

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4. Prepare a technical report grouping the advice given.

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Applications and communications regarding this Job Description should be sent to:

Project Personnel Recruitment Section, Industrial Operations Division
UNIDO, VIENNA INTERNATIONAL CENTRE, P.O. Box 300, Vienna, Austria

Qualifications Furniture designer with considerable experience in the design of a wide range of furniture for industrial production.

Language Spanish preferred, English acceptable.

Background information

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