

Positive outlook for furniture industry

The South African Furniture Initiative (SAFI) has welcomed the overwhelming support of the Furniture Industry Master Plan (FIMP) Version 1.0, which was tabled and discussed during an online meeting between furniture industry stakeholders and Minister Ebrahim Patel, Minister of Trade, Industry and Competition (dtic) today.

Bernadette Isaacs, managing director of SAFI, says the setting of 30 June 2021 as a deadline for the adoption of the FIMP, is a huge step forward to ensure the industry is set up for growth and to reach its full potential in terms of skills development, job creation, investment in local manufacturing and procurement, as well as nurturing design skills.

“Today, once again, proved the pivotal role SAFI is playing in the furniture industry by promoting development and growth to the benefit of all stakeholders,” says Isaacs. “A great deal of time and effort has been put into the FIMP over the past 15 months to ensure the full support from the industry, government and labour. Today we saw it blossom into a workable and supported plan by all parties involved.”

During the online meeting, Minister Patel said the various master plans that are currently being introduced to the South African manufacturing sectors are a direct result of the 2019 State Of The Nation (SONA) address by President Cyril Ramaphosa to enhance South Africa’s development prospects, with a strong emphasis on partnerships within the sector.

“The Plan is based on an extensive process of discussion and consultation within the industry,” he acknowledged. “It shows that, while the industry experienced significant disruption and decline over the last decade, there have been a number of shifts that have created the conditions for recovery.” Minister Patel also emphasised the importance of substituting current imported products with locally manufactured goods, using local raw materials.

According to Lael Bethlehem, an external facilitator of the FIMP for the office of the dtic, it is significant to understand that most furniture manufacturers are dynamic, medium-sized companies with great growth potential. “This is at the heart of the FIMP and growth can be fostered by an innovative partnership between manufacturers, retailers, government and labour to foster capital investment, improve skills and nurture South African design skills,” says Bethlehem.

Bethlehem also commended SAFI for being a driving force behind the FIMP and a huge step forward for the industry, continuously stepping up to ensure all aspects of the sector are improved.

“The key to successfully implement the FIMP will be partnerships,” Bethlehem said. “To expand and nurture existing medium-sized companies to help them grow and supply retailers more successfully, will require an innovative partnership between Government, retailers and manufacturers.”

Bethlehem continued by pointing out the importance of the initial proposed pillars on which the FIMP depends, namely the support of local manufactured products, supplier development, trade interventions, institutional improvements and addressing the raw materials shortage.

Isaacs indicated that SAFI has been involved with numerous interventions, including facilitating industry engagement on board and steel supply and demand. “We are constantly in discussions to determine the needs of the sector and the possibility of additional supply,” says Isaacs. “An action plan on measures to address raw material shortages should be concluded by July 2021,” says Isaacs.

The South African Furniture Initiative also committed to reorganising its structure to accommodate the segments of the industry accurately and to enhance the participation of SMMEs. “We will accelerate our discussions with stakeholders aimed at creating better participation from, and better value for the furniture industry with a report to be completed by 31 July 2021 for the minister,” says Isaacs.

With the FIMP sign-off planned for the end of June 2021, an Executive Oversight Committee (EOC) will be established between the minister of the dtic, SAFI, the CEOs of companies across the value chain, as well as senior leadership of trade unions in the sector. This will be important in relation to the various implementation plans that need to be concluded within the six-month period following the adoption of the FIMP.

The minister concluded the meeting by saying the action plans, deadlines and overwhelming support of all in attendance are an exciting step toward fulfilling the potential of the industry where China is currently exporting furniture to the value of R55 billion a year to Africa. “Providing the necessary partnerships, substituting imported products with locally manufactured products can be achieved,” says Minister Patel.

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