

Despite drawbacks, the furniture industry is setting itself up for growth

The impact of the COVID-19 pandemic on the furniture manufacturing sector has placed into sharp relief the importance of a coherent Furniture Industry Master Plan that will guide local industry development, training, procurement and export support.

This was at the heart of discussions held by representatives of the furniture manufacturing sector, organised labour, corporates and the government at the 2nd Annual Furniture Sector Forum 2020, held digitally at the end of October.

The discussions focused on the heavy job losses and business closures in the furniture sector and how the proposed Furniture Industry Master Plan (FIMP), which is nearing ratification at the end of this year, can impact the current situation.

According to Bernadette Isaacs, Managing Director of the South African Furniture Initiative (SAFI), the past 12 months laid the foundation that will enable the local furniture manufacturing industry to sustain and grow into one of the biggest manufacturing industries in the country.

“We believe that collaboration between government, business and labour is key to the successful implementation of the FIMP,” she said. “In order to be globally competitive, our local value chain must be supported, while at the same time supporting the industry to be globally competitive.”

The CEO of Proudly South African, Eustace Mashimbye, agreed and told delegates the furniture industry can only benefit when everyone explores local procurement in both the public and private sectors. “An increase in local production and influencing consumers to buy local will stimulate growth and job creation in the sector, something we have seen in other industries as well,” he said.

When looking at the industry as a whole, Isaacs explained that according to 2019 figures, the industry contributes roughly 1% to South Africa’s manufacturing GDP, and the objectives of the FIMP are to build a growing, profitable, inclusive and sustainable furniture industry to increase that contribution, despite the effects of COVID-19.

According to Ncumisa Mcata-Mhlauli, Chief Director of Agro-Processing and Resource Based Industries at the Department of Trade, Industry and Competition (DTIC), just over 68 000 people were employed in the sector in 2019, with another 28 000 employed via the informal sector.

“The past year saw a significant decline in the employment figures owing to COVID-19, as well as shining the spotlight on the trade deficit of just over R4 billion,” Mcata-Mhlauli explained and said that imports were R7.5 billion against R3.5 billion in exports.

She again emphasised the objectives of the FIMP in building a fast growing, profitable, inclusive and sustainable furniture industry.

“By increasing local production by 50% by the end of 2021, improving on domestic and export sales by 100% by the end of 2024, while at the same time increasing employment by 25% and doubling in black and/or women participation by the end of 2022, I believe we can make a substantial contribution to increase market access, improve competitiveness and obtain the required transformation goals,” Mcata-Mhlauli said.

“I believe the FIMP will be critical in driving the stabilisation and in rebuilding the sector, and I am looking forward to seeing how the development of the required skills is going to improve competitiveness,” she said.

Mcata-Mhlauli’s remarks coincided with the announcement of a new Furniture Design Qualification by Gugu Motlanthe, former first lady of South Africa and executive trustee of the Kgalema Motlanthe Foundation.

“This will empower students and improve overall efficiency to achieve sustainable growth in the sector,” she said. “I hope the private sector will collaborate with government and that students and universities are ready to expedite the important process of design thinking and expanding the local value chain.”

It is expected that the FIMP Executive Oversight Committee (EOC), whose role is to monitor the progress and implementation of the FIMP, will be established by the minister of Trade, Industry and Competition by the end of 2020.

Ends

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