



South African Furniture Initiative

SAFI NEWS

DESIGN AND TECHNOLOGY

INDUSTRY NEWS

COMPETITIVENESS IMPROVEMENT



Dear Members,

We are nearing the end of a very tough year, one which no-one could have predicted and one which certainly put the furniture manufacturing industry under severe strain.

At the South African Furniture Initiative, we have been working non-stop to help the industry return to some semblance of normality. We did this by maintaining our momentum on policy issues, including our work on completing the Furniture Industry Master Plan (FIMP). We also worked hard with industry partners to create fertile ground for the future of the industry. Some of these initiatives were discussed in the 2nd Annual Furniture Sector Forum, which we held digitally on 21 October. This included our work on improving the Furniture Directory, which is becoming a vibrant platform to connect buyers and manufacturers.

At the forum, we also welcomed the introduction of a new Furniture Design Qualification, which will not only help aspiring young manufacturers and designers to enter the industry, but also place this important manufacturing sector under the spotlight to more students and aspiring engineers.

During the Forum we also announced the near completion of the FIMP. The Master Plan is now in a final form and awaits final ratification from the Department of Trade, Industry and Competition. As SAFI, we would like to thank every member that provided their input into the plan, it is truly a product of the entire industry. I want to stress that while the FIMP is now nearing ratification, we need the support, investment and financial commitment of all stakeholders in the furniture value chain, to make sure that the plan moves from a mere policy document on paper to a vibrant driving force for industry development, like PG Bison demonstrated with its R2 billion capital investments commitment at the 2020 South Africa Investment Conference on 17 November 2020.

Lastly, SAFI held a successful Annual General Meeting on 1 December, where the board of directors reported that, while the current economic climate has placed a severe strain on SAFI finances, it will continue to serve its members in 2021. We also thank every board member and participating regional bargaining council for their continued support.

I look forward to sharing the final Furniture Industry Master Plan with you in the near future and welcome, as always, feedback and input that could help us serve the industry better.

Have a great Festive Season, keep safe and take care.

Managing Director

Bernadette Isaacs

Message

FROM THE **MANAGING DIRECTOR**



NEW BOARD OF DIRECTORS FOR 2021 ELECTED

During our recent online AGM the following SAFI-members were re-elected to the board of directors as representatives from industry organisations. These directors will play a pivotal part in ensuring the realisation of the vision and mission of SAFI and will implement important strategies, including the Furniture Industry Master Plan (FIMP).

The Members of the 2021 Board of Directors are: Bernadette Isaacs (Managing Director of SAFI), Johannes Claassen (CFMA), Lance Dirksen (FBUMA), Max Frehse (FBUMA), Fortune Tshigo (Board of SAFI), Jason Coffin-Grey (KZNFMA), Penwell Lunga (RAW Material) and Saleem Lethoba (CEPPWAWU). New members elected to the Board are Educated Nkosi (CEPPWAWU) and Russel Burland (GREA).

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 (FIMP) 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.

“We believe that collaboration between government, business and labour is key to the successful implementation of the FIMP,” said Bernadette Isaacs during the Forum. “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-Mhlau, 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.

To read the entire article, click here: http://furniture.org.za/articles/004_15112020_Despite%20drawbacks,%20the%20furniture%20industry%20is%20setting%20itself%20up%20for%20growth_Final.pdf

“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.”

SECOND ANNUAL FURNITURE SECTOR FORUM HOSTED IN CYBERSPACE





PROSPECT OF NEW DESIGN **QUALIFICATION EXCITES THE FURNITURE INDUSTRY**

One of the highlights from the past year was the announcement of a new Furniture Design Qualification registered with the South African Quality Assurance Framework (SAQA). The announcement was made by Gugu Motlanthe, former first lady of South Africa and executive trustee of the Kgalema Motlanthe Foundation, during the 2nd Annual Furniture Sector Forum that took place online during October.

According to Motlanthe, no one has a monopoly on education, and this qualification will bring young people into the industry in pursuit of a new career path.

“This will empower students and improve overall efficiency to achieve sustainable growth,” 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.”

The qualification was registered with SAQA in May this year. Members of the panel discussion were in agreement that, although they are more than prepared to see the qualification being presented at various South African tertiary education institutions, it still needs a lot of clarification in terms of the syllabus.

To read the full article, click here: http://furniture.org.za/articles/001_26102020_Furniture%20design%20qualification_Final.pdf

The Furniture Industry Master Plan (FIMP) is nearing completion, despite being disrupted by the COVID-19 pandemic.

The development of the FIMP followed a very aggressive timeline. In August 2019, the Government Project Steering Committee was established, and it held its first meeting. Shortly thereafter, the team conducted wide stakeholder consultation and a situational analysis, to create a baseline for the establishment of the FIMP.

This was followed, in 2019, by direct engagement between the Minister and Director General (DG) of the Department of Trade, Industry and Competition (DTIC) with the furniture manufacturing sector.

In January 2020, this wide consultation process was presented in a final report, which included situational analysis. The consultation process was followed by additional workshops in all manufacturing regions.

From February this year to July, the team analysed and consolidated all the information from the preceding year's research and consultation in the draft Master Plan, with an underlying implementation plan and a monitoring and evaluation plan included.

The draft plan then formed the basis of a final round of engagement between the Minister, DG and the industry. The input from this bilateral process is currently being used to help refine and finalise the FIMP.

The final FIMP, which will be recognised by the South African government and specifically the DTIC, will be signed off and ratified in March 2021.

After it has been officially recognised as the industry master plan by the DTIC, SAFI will participate in the setup of the Executive Oversight Committee, which will ultimately be responsible for the successful implementation of the plan.

"We trust that the comprehensive consultation process and direct involvement of the DTIC will ensure that the FIMP is not only a comprehensive and complete plan to support the industry, but that every member of SAFI and the industry in general will support its successful implementation," says Bernadette Isaacs, Managing Director of SAFI.



FURNITURE INDUSTRY MASTER PLAN READY FOR RATIFICATION IN MARCH 2021

Saying 2020 has been an extraordinary challenging and difficult year can already be categorized as a cliché and in most cases, an understatement of note. But good things always seem to come from bad things and many of our members at SAFI have shown their resolve by pivoting to something new and different during the lockdown caused by the pandemic.

CO Designs from Cape Town, for example, shifted priorities and accelerated new products to accommodate a self-penned 4-point blueprint to react to and survive the retracting economy.

According to Raymond Ellerbeck, Director and Founder, the more than 24 years of experience in furniture design, production, logistics and product management provided them with creative solutions in product and workstation design.

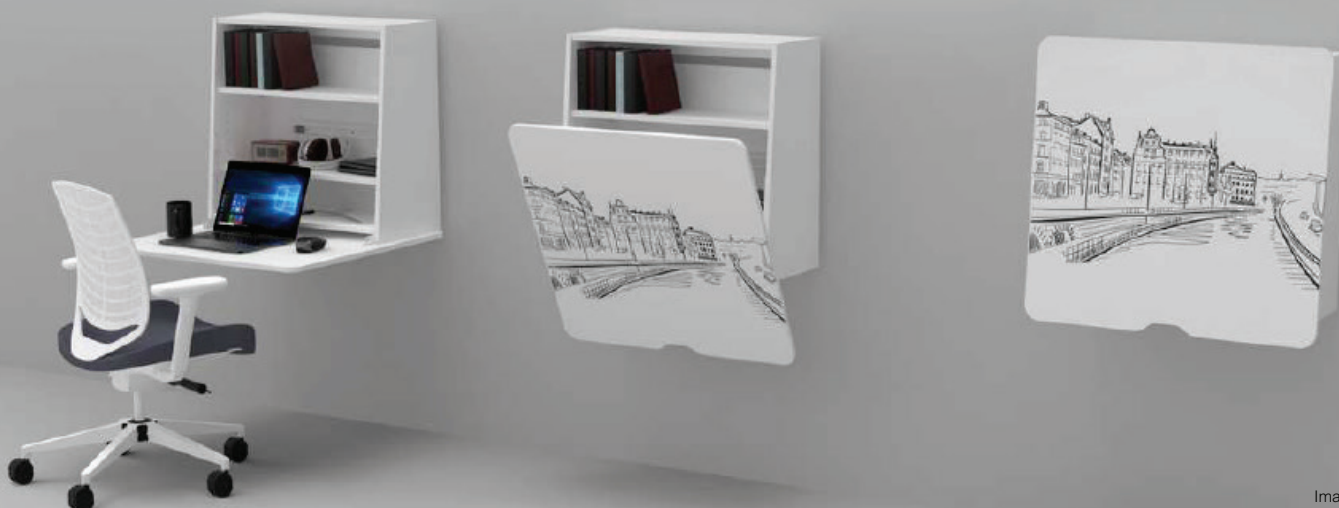
“Our experience and added focus on acoustic furniture in the workplace, especially in complying with green building regulations, proved hugely influential and beneficial during these challenging times,” he said.

By being complacent and managing the business with a “we have always done things this way, why change?” mindset, once again proved to be a challenge in itself. According to Debbie Radford, CO Designs Director, the initial lockdown back in March presented them with the rare opportunity to re-examine and assess the status quo of the business using a 4-point plan.

To read the full article click here:

<http://furniture.org.za/articles/006%2015-098-2020%20SAFI%20-%20Tackling%20lockdown%20challenges%20head-on.pdf>

SWIFT ACTION PROVED VALUABLE IN TACKLING CHALLENGES HEAD-ON



PG BISON'S R2 BILLION LOCAL INVESTMENT IS WELCOMED BY INDUSTRY

PG Bison, a Proudly South African company with more than 120 years' experience in creating wood-based panel products, recently announced a rollout of capital investments to the value of R2 billion at the 2020 South Africa Investment Conference. The capital projects include a major capacity expansion to PG Bison's existing facilities in eMkhondo (Piet Retief), Mpumalanga, as well as an additional new medium density fibreboard (MDF) plant at the same location.

According to Bernadette Isaacs, Managing Director of SAFI, this announcement is a perfect example of how industry can support the Furniture Industry Master Plan (FIMP) with a pronounced focus on expanding the local furniture industry, thereby boosting the value chain, which could lead to job creation. "By aligning with the vision of the FIMP, PG Bison illuminates its importance, thereby setting a precedent for the future implementation and monitoring of the FIMP," she said.

"PG Bison is committed to the future of South Africa and we believe that these investments will support President Cyril Ramaphosa's vision of growing domestic manufacturing as part of the economic recovery plan, and also to increase our ability to service market demand for our products and help to establish stronger local supply solutions," says PG Bison CEO Gerhard Victor.

PG Bison is part of KAP Industrial Holdings, a diversified industrial group consisting of industrial, chemical and logistics businesses that employ more than 19 000 people. One of the group's strategic objectives is to be an industry leader in its chosen markets, and Victor believes that its continued investment into PG Bison is evidence of this strategy.

"In the wake of COVID-19, we've seen increased appetite for import replacement, and an uptick in people investing into their homes as remote work becomes the norm," says Victor. "We have been investing in upgrading our eMkhondo operations since 2017, through a multi-stage capital investment programme to help us increase our production capacity and to ensure that we can sustainably supply the long-term local market demand."

The company is a large employer in the region and has created hundreds of sustainable jobs in its rural operations across the country. "We support South African growth and believe our capital projects are in line with the vision for the South African Furniture Master Plan and Forestry Master Plan," says Victor. "We see these capital equipment investment projects as a means of investing in the future of PG Bison as well as the future of the country and the industries we serve."



SEASONAL GREETINGS!

2020: a year that will be remembered for many reasons, but we at SAFI are extremely proud of our members demonstrating resilience and spearheading ways to adapt to ensure survival.

We wish to thank our board members, executive, operational team and all our members for their continued diligence, drive and commitment during 2020. To our various partners from government, labour, bargaining councils and the private sector for sharing our vision, we thank you for your support during these tough times.

Enjoy the festive season and stay safe!

NB: Please note that we will be closed from 25 December 2020 - 11 January 2021



South African
Furniture Initiative



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