



South African Furniture Initiative

May 2023

MARKET ACCESS

TRADE INTERVENTIONS

SKILLS DEVELOPMENT

CONTACT DETAILS



Source: Werwel Holdings



Source: I&S Projects



Source: Werwel Holdings



Source: Lovett I co

MESSAGE FROM THE MANAGING DIRECTOR

Running a furniture manufacturing business, or in fact any business in South Africa, during the current economic state of the country is hard. We are reminded daily by the media, corporate companies and individuals that we are in an economic decline owing to corruption, load-shedding and the constant blame game, while expectations that government is going to turn the doom-and-gloom around, are waning.

The furniture industry is also shrinking with key factories in the supply chain closing down permanently, causing an air of hopelessness and despair to many stakeholders in the sector.

These factors are influencing the economy, while affecting the motivation of management and staff, as well as being detrimental to the mental health of employees.

However, as you will read in this latest SAFI Newsletter we, as a collective in the furniture manufacturing industry, have already committed to the motto of Cohesion. We take note of the Government's endeavours to attract investments to the country. We take note of industry partners like PG Bison who has already invested R2-billion in production expansions locally, thereby taking a huge risk on possible growth in the sector. We take note that we operate in a sector where 90% of its stakeholders are SMMEs, trying their best just to survive and be able to support one, two or three employees.

I want to invite you to join the SAFI Team and stop sitting on the fence. During recent years SAFI, together with the industry, has taken huge strides to commit to growth. There are opportunities like the Furniture Challenge Fund, rebates we negotiated, the FIMP and above all, REAL opportunities for localisation. This means buying AND manufacturing locally.

We need you to be part of the solution. Let's do this together. Contact me or visit us at our exhibition at Decorex Cape Town in June. Let us engage with one another and work as a cohesive industry. I look forward to meeting with you.

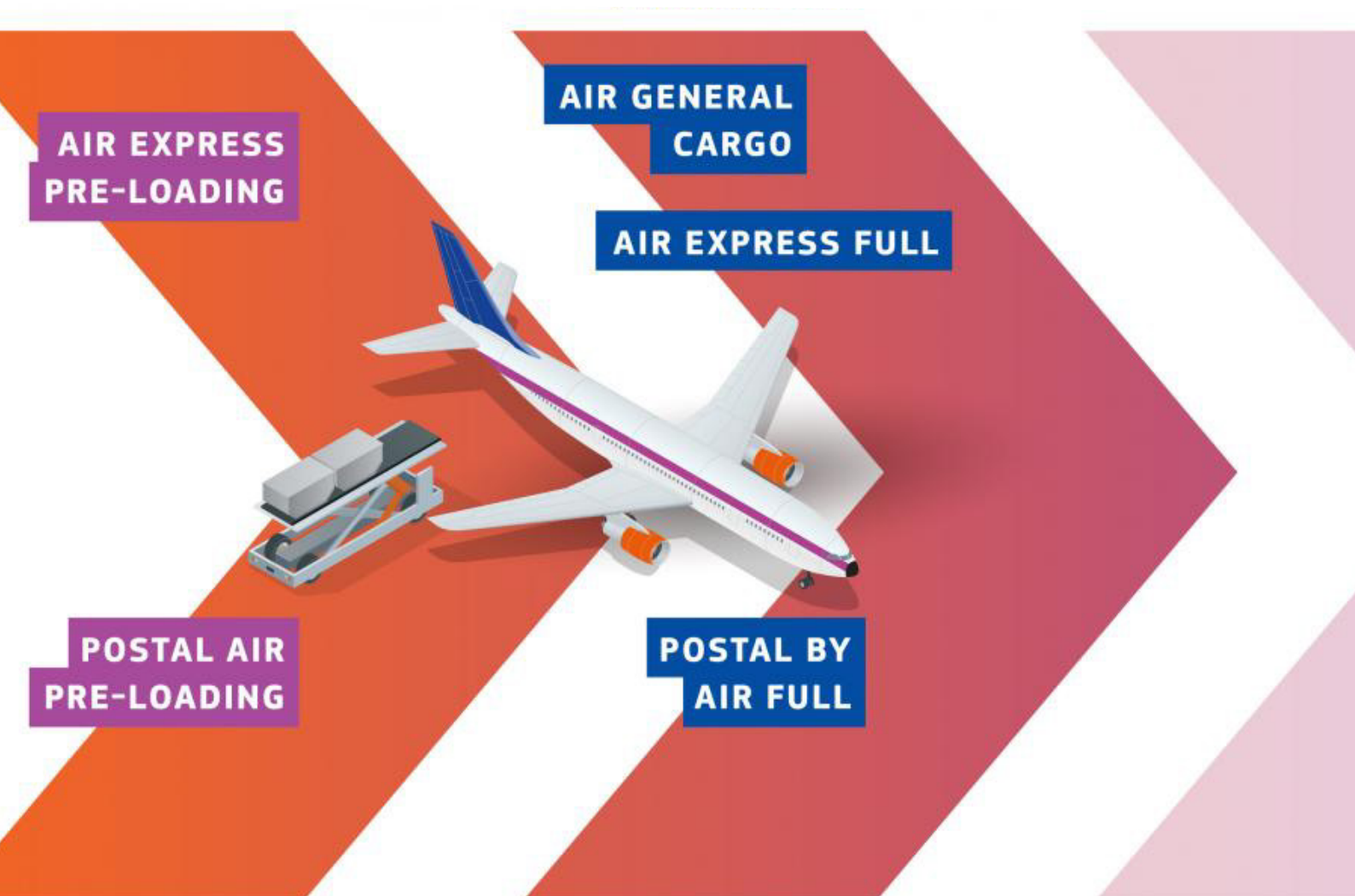
Bernadette Isaacs
MD SAFI

Bernadette Isaacs



NEW EU REQUIREMENT TOOK EFFECT EARLIER THIS YEAR

1 MARCH 2023



On 1 March 2023, the European Union launched the second release of its Import Control System 2 (ICS2), the new advance cargo information and risk management platform, to further improve protection against security and safety threats from goods entering the EU.

From 1 March 2023, all air carriers, freight forwarders, express couriers and postal operators involved in the transporting of goods by air to or through the EU (all EU Member States, as well as Norway, Switzerland and Northern Ireland) must provide a complete set of Entry Summary Declaration data on the goods prior to their arrival at the EU external border. They must do this through the ICS2 system, which is gradually

replacing the EU's existing Import Control System (ICS) between 2021 and 2024. With the launch of ICS2 Release 2, air carriers currently filing advance cargo information into the Import Control System (ICS) will fully phase out from that system as soon as they start filing this data into ICS2.

If traders and transport companies don't adhere to the new pre-arrival changes, goods will be blocked at EU customs until the necessary information is provided. Administrative sanctions for non-compliance can also be imposed. Please take note of the detailed changes that can be found here:

https://taxation-customs.ec.europa.eu/customs-4/customs-security_en

SAFI OPENS MORE DOORS FOR BUSINESSES TO ACCESS THE MARKETPLACE

makro 

SAFI has once again gone the extra mile for its members by facilitating market access opportunities for, among others, furniture manufacturing businesses on the Makro Marketplace platform.

According to Bernadette Isaacs, Managing Director of SAFI, this is a great opportunity for manufacturers to list and sell new products and is the outcome of fruitful engagements with Massmart by the SAFI Team. "This is also a great way to benefit from sales from both B2C and B2B customers."

Makro Marketplace is a platform where VAT-registered third-party sellers are able to list and sell products on www.makro.co.za that are not already available in a Makro store. The seller determines the selling price and Makro facilitates the transaction between the seller and the Makro customer. Makro simply retains a sales commission based on the product category and selling price of the products.

Some of the benefits include selling your products and associate your brand with one of SA's biggest and most trusted retailers and building your brand by leveraging Makro's investment in digital marketing, campaigns and promotions.

More benefits include the setting and managing of own pricing and reaching almost 24 million customers who visit the site over 77 million times a year.

For more information and to sign up go to <https://www.makromarketplace.co.za/views/Landing/index.aspx>

SAFI PLEDGES TO FULLY SUPPORT THE PSA BUY LOCAL CAMPAIGN

The Chairperson of SAFI, Penwell Lunga, once again pledged the organisation's full support of and commitment to the Proudly South African Buy Local campaign. During the 11th PSA Buy Local Expo & Summit, that took place at the Sandton Convention on 27 and 28 March 2023, more than fifteen organisations fully committed themselves to localisation and demonstrated their support during brief presentations.

"Together with various stakeholders, we worked exceptionally hard to establish and drive initiatives like the Furniture Industry Master Plan (FIMP), ensuring locally manufactured products are available and visible at home and at the office," Lunga told the audience.

Penwell Lunga



FIMP WILL GO A LONG WAY IN STRENGTHENING LOCALISATION

Dr Nimrod Zalk, Acting Deputy Director General of Industrial Competitiveness and Growth at the Department of Trade, Industry and Competition (the dtic), believes the Furniture Industry Master Plan (FIMP) will go a long way in strengthening localisation and enhancing the competitiveness of the industry.

“The furniture sector is among those that are prioritised by business, labour and government as being able to contribute significantly to employment growth, in particular. Collectively we have been working on a furniture industry master plan that will strengthen and deepen localisation of furniture production in the short term and lead to greater international competitiveness in the medium term,” Zalk said during a recent dtic prize-giving event.

He explained that the objectives of the Master Plan included increasing the demand for locally produced furniture in the South African market, and also in the broader Southern African and African markets, particularly in the context of the African Continental Free Trade Area.

“The master plan also aims to improve the competitiveness of the South African manufacturing industry and to promote transformation through broad-based participation of workers, as well as black-owned and women-owned manufacturers in the value chains,” he emphasised.

Zalk added that the South African furniture industry comprised of a few large firms and over 1 100 small formal firms. In addition, there are many more informal firms that engage in furniture production and related activities such as cabinet making.

“The sector faces a number of challenges such as the proliferation of imports. There is a significant amount of evidence that suggests that the imports are entering the country through under-invoicing and mis-declaration of customs tariffs,” Zalk said.

He stressed that interventions like the National Furniture Design Competition were particularly important in enhancing the industry’s medium-term international competitiveness.

“Building the South African furniture design capabilities is therefore an important part of the resuscitation of the industry. In recognition of the importance of furniture design skills, the dtic has partnered with the South African Furniture Initiative and other sponsors to organise this competition,” he said.

The main objectives of the competition are to raise and nurture furniture design capabilities in the country; raise the image of the furniture manufacturing industry in South Africa; grow the industry’s competitiveness; and to reposition the industry for the production of high-value added products.

“We need to recognise that this competition is the right step in that direction but much more needs to be done,” Zalk concluded.



Dr Nimrod Zalk

A final-year Industrial Design student from the University of Johannesburg, Ms Tshepiso Motau, was declared the winner of the Furniture Design Competition at the award ceremony recently hosted by the Department of Trade, Industry and Competition (the dtic) at the Proudly SA Buy Local Summit in Johannesburg.

Motau, who hails from Centurion, designed an eye-catching and colourful room divider with the Ndebele patterns inspired by the internationally acclaimed artist, Dr Esther Mahlangu. The University of Johannesburg conferred an honorary doctorate on Dr Mahlangu in April 2018. The room divider, which can be folded, comes with shelves that can be assembled and dissembled, depending on the space available.

She was one of the five finalists who produced innovative pieces of furniture in line with the theme of this year's competition, Local is Lekker.

The annual furniture design competition is organised by the dtic in partnership with key industry stakeholders such as the South African Furniture Initiative (SAFI), amongst others. The main objectives of the design competition are to raise and nurture design capabilities in the country; raise the image of the Furniture Manufacturing Industry in South Africa; and to grow the industry's competitiveness by encouraging new product design and differentiation.

Speaking after the announcement, an elated Motau (21) said the win came as a surprise to her as she had resigned herself to filling a lower spot in the top three after seeing what other students had produced.

"In fact, to me being in the top five was a mammoth victory worth celebrating. I really derived pride, joy and contentment from just being one of the finalists. Being crowned the winner of a national furniture design competition of this magnitude in my first attempt was really a cherry on top of the cake. I am extremely excited and lost for words," she said.

She said her education would still be her first priority. She would like to complete her Honours Degree in Industrial Design before thinking of a full-time career as a furniture designer and manufacturer.

However, as the winner, Motau has an enviable opportunity to further hone her furniture design skills. She won a six-month internship in a Furntech Furniture Business Technology Incubator Programme and with Homewood Furniture, as well as other prizes. She was also rewarded with a laptop from the Lewis Group.



Tshepiso Motau

ROOM DIVIDER WINS FURNITURE DESIGN COMPETITION

DIARRISE

18-20 May 2023: Hotel & Hospitality Show

This premier hospitality event is a must-attend for hoteliers, restaurateurs and anyone involved in the hospitality industry. The event will bring together industry-specific vendors and experts, providing ample networking opportunities. Register here to visit the show: <https://bit.ly/3KZILDx>

22-25 June 2023: Decorex Cape Town

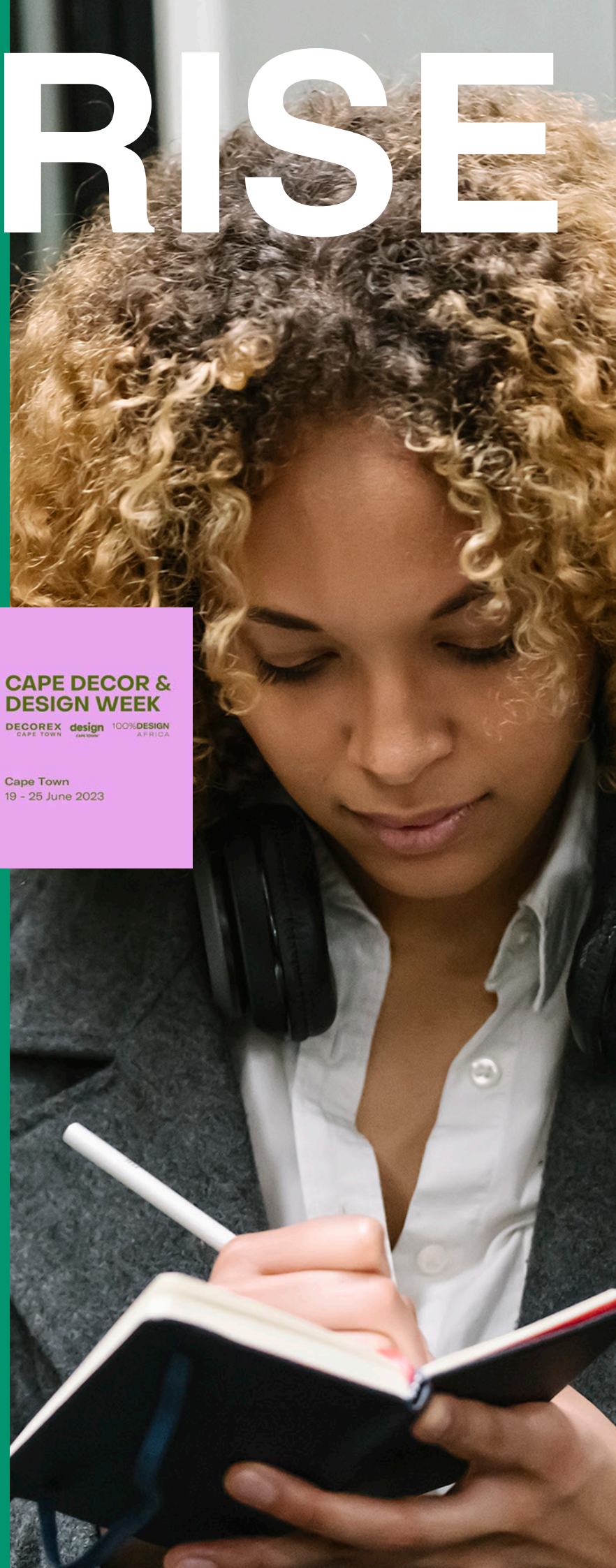
Online ticket sales for Decorex Cape Town, taking place at the CTICC, have officially opened. This is your chance to connect with industry experts, discover the latest products and trends, and expand your creative horizons. Take your design game to the next level and get your ticket today: <https://itickets.co.za/events/473037>

3-6 August 2023: Decorex Johannesburg

Decorex Joburg will take place at the Sandton Convention Centre.

24-26 October 2023: Manufacturing Indaba

The aim of the annual Manufacturing Indaba and its provincial roadshows is to bring together business owners, industry leaders, government officials, capital providers and professional experts to explore opportunities and grow their manufacturing operations. It will take place at the Sandton Convention Centre.



CAPE DECOR & DESIGN WEEK

DECOREX CAPE TOWN design 100% DESIGN
CAPE TOWN AFRICA

Cape Town
19 - 25 June 2023

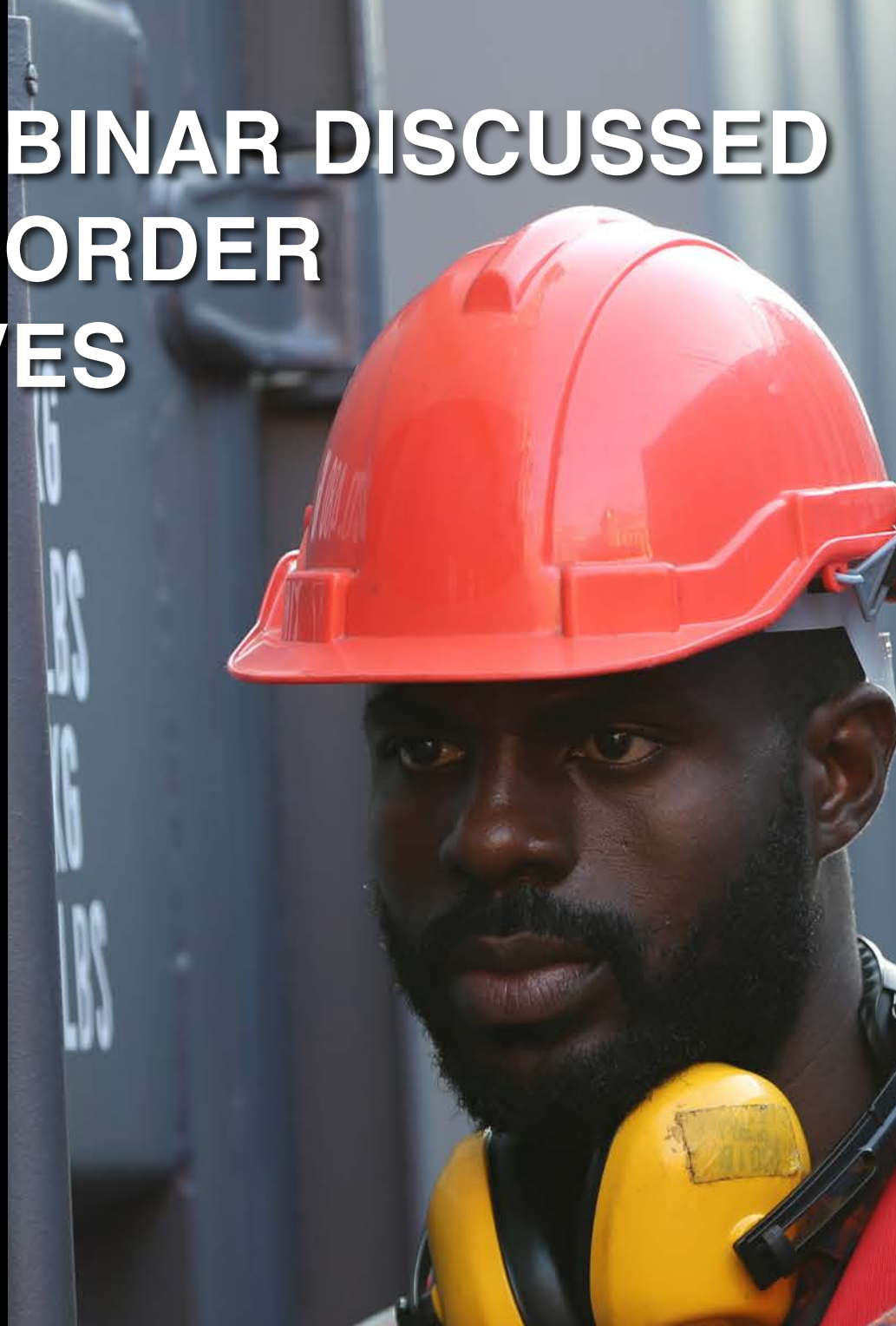
SARS WEBINAR DISCUSSED CROSS-BORDER INCENTIVES

In Case You Missed It - The South African Revenue Service (SARS) hosted a webinar in March to engage Small, Micro, and Medium Enterprises (SMMEs) on various domestic and cross-border incentives available to help them grow their businesses. The webinar touched on revenue-compliance obligations and helped Traders understand their responsibilities.

Recent surveys conducted by SARS on SMME Traders revealed that 82.2% were unaware of available Customs & Excise incentives and did not take advantage of them, while 78.6% lacked confidence in their understanding of policies, systems and legislation that can influence their general compliance behaviour.

The recorded webinar is available here: <https://www.youtube.com/live/1d0cAe9FVag?feature=share>

SAFI members are encouraged to subscribe to the SARS TV channel on YouTube where a variety of videos and tutorials are available to assist in the understanding and compliance of Tax topics.



Did you know that SARS has a dedicated “Small Business Information” webpage for Small, Medium and Micro businesses?

This page has all relevant information to help SMMEs manage their companies.

Visit the SMME Webpage to check it out!

#YourTaxMatters

25 YEARS
ANNIVERSARY
1997 - 2022
At Your Service

SARS
At Your Service

TOWNSHIP ECONOMIC DEVELOPMENT PROJECT BENEFITS LIGHT MANUFACTURING IN DELFT

The Cities Support Programme of National Treasury is working with the City of Cape Town to implement a Township Economic Development (TED) project in Delft. The TED project has 8 component projects. One of the 8 projects is to support micro-enterprise furniture manufacturers.

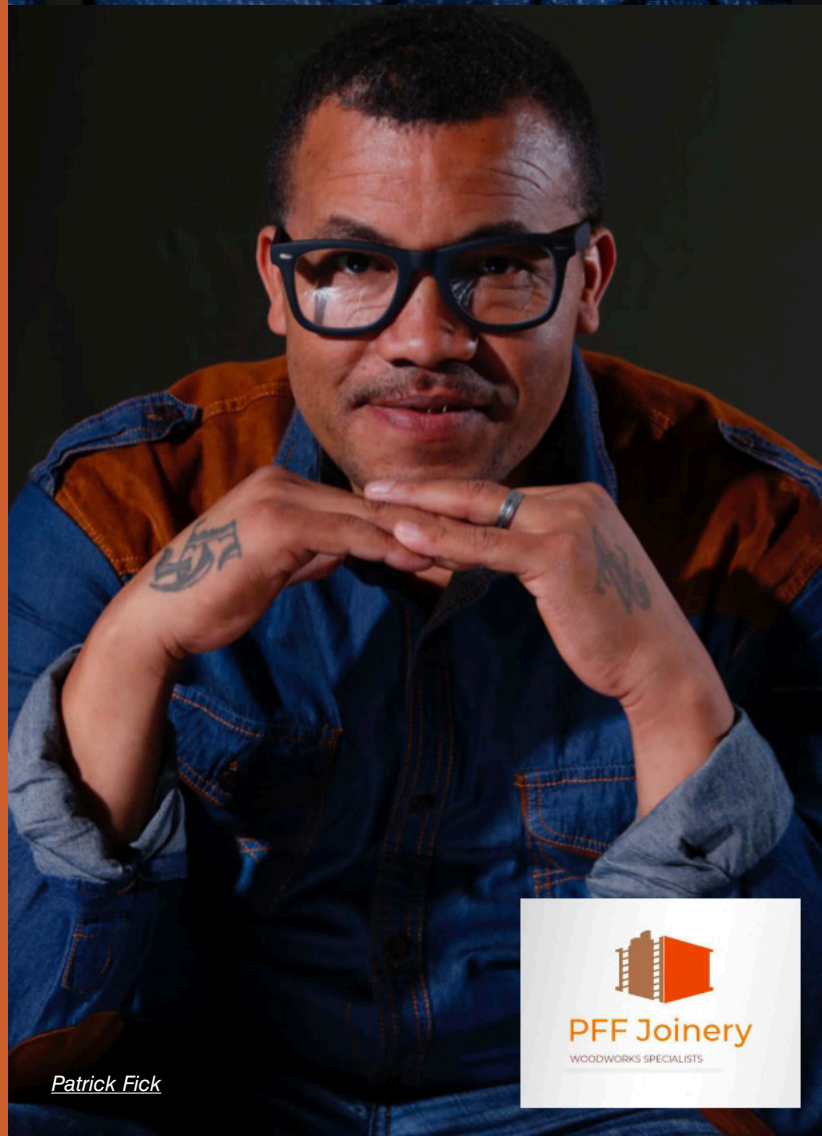
To advance this project, the City of Cape Town has implemented the furniture light manufacturing support programme in partnership with the South African Furniture Initiative (SAFI). The first phase (2022) provided technical training to 16 beneficiaries, via a partnership with the Northlink College in Belhar, as well as business support through various stakeholders, namely SEDA, the dtic and the Furniture Industry Bargaining Council for the Western Cape, amongst others. The framework for the furniture light manufacturing support programme was based on a feasibility study conducted by the Sustainable Livelihoods Foundation.

The first five beneficiaries to have completed the technical training component at Northlink College through passing their trade tests are Mervin Mitchell (MBZ Crafts), Patrick Fick (PFF Joinery), Dillin Crowster (Tellios Construction), Igsaan Fabrick and Rashaad Abrahams (RA Cretions Trading). The remaining beneficiaries eagerly await their trade test dates.

The second phase (2023) will focus on business mentoring, advisory support and market access.



Mervin Mitchell



Patrick Fick





South African
Furniture Initiative



www.furnitureza.org.za

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