



# South African Furniture Initiative

[SAFI NEWS](#) | [INDUSTRY NEWS](#) | [EVENTS](#) | [CONTACT DETAILS](#)



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South African  
Furniture Initiative

# MESSAGE FROM THE MANAGING DIRECTOR



The South African Furniture Initiative had a rollercoaster ride in 2023 with many high points and unfortunately also a few low points, but despite this we continued with our purpose to build a globally competitive and transformed furniture industry that shapes lives in every home, school and workplace in Africa and beyond.

SAFI plans to refocus itself to serve the broader industry and commit to the six pillars as described in the Furniture Industry Master Plan (FIMP), namely localisation, competitiveness, exports, raw materials, skills development and transformation; we believe we can make an essential contribution by turning around the downward slide of unemployment in the sector.

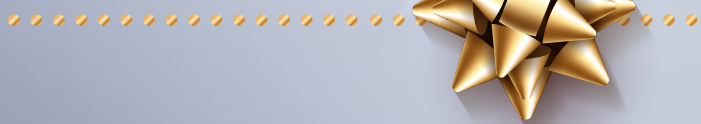
By using the history of the past year, which includes the loss of three members of our Board of Directors, as well as the departure of our Managing Director, Bernadette Isaacs and Nazley Hendricks, we believe we can take SAFI forward by redirecting our efforts. In 2024, SAFI will drive export opportunities with the exports task team and explore financial assistance, while emphasising localisation among stakeholders in the value chain to the benefit of our members.

We are excited to announce the much-needed update of the SAFI website to accommodate functionalities like tender and jobs portals, and expansion of the current furniture directory to include raw materials and service providers.

Finally, I wish to thank our board members, the executive, operational team and all our members for their continued perseverance, hard work and commitment during 2023. To our various partners from Government, Labour, Bargaining Councils, the private sector and the media, I thank you for your continued support. A special word of thanks to our funders, as without you we would not exist!

May each of you have a great Festive Season, keep safe and take care.

Yours Faithfully,  
Greg Boule (acting MD).



# CHAIRMAN'S REPORT 2023

The unstable economic conditions in South Africa in 2023 — among others, high interest rates and unemployment, crippling power cuts, blockages at the ports and general pessimism — were reflected in the furniture manufacturing and design sector, which is contracting as we saw supply-chain factories closing their doors. Newly released data shows that the South African economy is unlikely to grow by more than 0.3% in 2023, with volatile commodity prices and a challenging external environment contributing to the country's weak growth. These factors have put a strain on the sustainability of SAFI's funders.

But in the last year we as a group in the furniture manufacturing sector, also made a commitment to the Cohesion motto. We applaud the government's efforts to attract foreign capital, the local product expansion investments made by industry partners like PG Bison, and — above all — the numerous SMMEs that are doing their utmost to persevere despite a small workforce.



Over the past year, Task Teams have been used to address industry-wide issues using a cross-chamber matrix methodology. Under the Furniture Industry Master Plan (FIMP), all Chambers have welcomed and taken part in the Task Teams on Localisation, Competitiveness, Raw Materials, Skills Development, Export Promotion and Transformation. The members were instrumental in the development of the SARS customs training modules and applications to SARS for modifications to tariff subheadings. They search for creative methods to collaborate in order to satisfy the demands of the industry.

Over the course of the year, SAFI and its employees once again participated in the City of Cape Town Light Manufacturing Support Programme once more. They also co-hosted an exhibition area at Decorex for seven manufacturing companies based in Cape Town, which was a great success. Additionally, we collaborated with the Localisation Support Fund (LSF) to introduce the furniture industry to a webinar series on Lean Manufacturing.

In order to ensure SAFI's sustainability and viability, the Board most recently reviewed the organisation's operating model. As a result, a decision was made to strategically redeploy our human resources, with Managing Director, Bernadette Isaacs, leaving SAFI at the end of September 2023 and Vice Chairman Greg Boule taking on an acting role. We would like to express our gratitude to Bernadette for her support of the SAFI team and the industry. She was instrumental in the founding of the Western Cape Furniture Initiative (WCFI) in 2009, and the South African Furniture Initiative (SAFI) in 2016.

We would like to pay tribute to our fellow board members Victor Abrahams, Dave Commons and Max Frehse, who all passed away this year. We mourn their loss and send our deepest sympathies to their respective families.

To our executive and operational team, thank you for your unwavering dedication, perseverance and commitment to putting SAFI first. Barack Obama once said: "We remember, we rebuild and we come back stronger."

I thank you,

A handwritten signature in black ink, appearing to read 'Penwell Lunga'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Penwell Lunga



# NEW BOARD OF DIRECTORS ELECTED AT SAFI AGM

With three of our board members who passed away and the departure of SAFI's leadership, it was a difficult year. On 1 December 2023 the South African Furniture Initiative (SAFI) held its Annual General Meeting (AGM) to approve and present the audited financial statements, elect the Board of Directors (BoD) and appoint an external auditor.

As a voice for the industry's stakeholders, the Board of Directors (BoD) can help steer SAFI's future in a direction that will support a turnaround plan that will lead to more jobs being created in the sector.

The members of the 2023/2024 Board of Directors are Greg Boule (acting Managing Director of SAGI and representing ABA), Walter Dyers (NUFAWSA), Jonathan van Rooyen (NUFAWSA), Educated Nkosi (CEPPWAWU), Morne Smith (GREa), Johan Claassen (CFMA), Peter Grey (CFMA), Shumaiz Hashim-Acharath-Parakkat Mahal (KZNFMA), Mohammed Hansa (FBUMA), Nicolaas Badenhorst (FBUMA), Penwell Lunga (Raw Materials and chairperson), Stephan Nieuwoudt (Retail), Stephanie Forbes (Kitchen Chamber), Michael Borchers (Bed and Mattress Chamber) and Justin Berry (Raw Material Chamber).





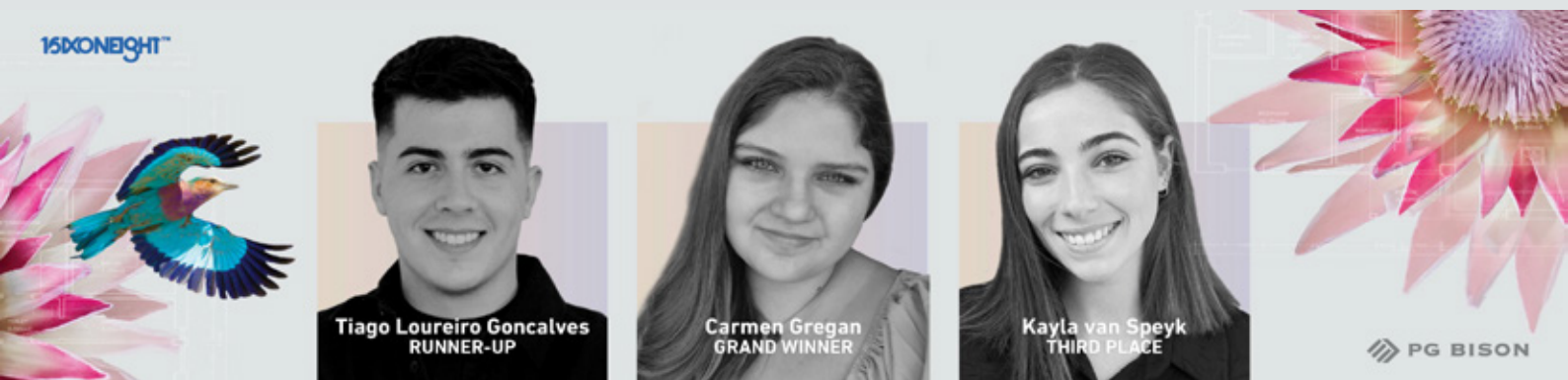
# THE YEAR IN A NUTSHELL

For everyone working in the furniture manufacturing and design sector, it was a difficult year filled with the same old challenges. Despite the departure of SAFI leadership, a low supply of electricity and a contracting and unstable economy, SAFI and its members managed to accomplish several significant milestones. Herewith the past year in a nutshell:

- SAFI once again worked as endorsement partner with the FP&M SETA in its capacity building programme and the marketing of the Mandatory and Discretionary Grants application workshops.
- Wesgro conducted an Outward Trade and Investment mission to Kenya and Rwanda to explore business opportunities in the manufacturing, agribusiness and services sectors.
- SAFI played a role in the IDC's Furniture Industry Challenge Fund to assist qualifying manufacturing SMMEs in the furniture industry to improve their competitiveness and increase the localisation of production activities within the value chain, and to create and retain jobs and promote economic inclusion.
- Partner organisation, the Kitchen Specialist Association, released its digital consumer guide for 2023.
- The eThekweni Furniture Cluster business accelerator programme was supported in finding SMEs from the furniture sector to pitch to large retailers looking to find suppliers capable of designing and manufacturing products with a focus on sustainable and cost-effective packaging, raw materials and innovative logistics.
- As an endorsement partner, SAFI hosted various SARS webinars on various domestic and cross border incentives.
- SAFI was the Endorsement partner of the KZN Kwande fest.
- SAFI was the endorsement partner of the annual PSA Buy Local Summit & Expo, looking at lessons in local procurement and business solutions.
- Widespread communication activities in terms of the EU-safety and security requirements which came into effect on 1 March 2023.
- As part of the PSA Buy Local campaign, SAFI Chairperson Penwell Lunga pledged the organisation's full support and commitment in saying that SAFI 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 in the office.
- As the leading manufacturing event in sub-Saharan Africa, the annual Manufacturing Indaba was once again endorsed by SAFI.
- SAFI partnered with the Department of Trade, Industry and Competition (dtic) and other stakeholders to organise the annual Furniture Design Competition where Tshipiso Motau, final-year Industrial Design student at UJ, won with her eye-catching and colourful room divider with Ndebele patterns.
- SAFI hosted a few webinars as part of its continued effort to support its members in growing their furniture businesses by providing information to improve business performance.
- SAFI hosted a South African Bureau of Standards (SABS) webinar to provide a deeper understanding of the SABS Local Content Grading Scheme and share the latest Local Content practices, together with the step-by-step verification process to support the implementation of localisation.
- As part of its effort to provide opportunities to learn, grow and sustain the businesses of our members, SAFI hosted a webinar where Business Partners Limited and the National Empowerment Fund (NEF) presented various options to assist business in ways to obtain finance to promote competitiveness and create employment.
- SAFI co-hosted a webinar with Youth Employment Services (YES) to understand how business can tackle youth employment and boost B-BBEE scores.
- Seven furniture manufacturing businesses formed part of the SAFI stand at the annual Decorex Cape Town which took place in June. The SAFI-stand was partly sponsored by SEDA and is a key outcome of the City of Cape Town-funded Furniture Light Manufacturing Support Programme that SAFI project manages.
- Aspiring women industrialists looking to take their business to the next level were provided with opportunities by the Graça Machel Trust, in partnership with the Industrial Development Corporation (IDC), to prepare women for better funding opportunities.
- Decorex Joburg took place in July, creating an opportunity where products could be showcased, brands be promoted and the latest trends and ideas could be explored.
- Endorsement partnerships with key stakeholders gave SAFI members and supporters access to pre-eminent furniture manufacturing and interior design events, thereby providing benefits to strengthen important relationships.
- The prestigious 1.618 Education Initiative, presented by PG Bison, announced its winner and runners-up (see story elsewhere).
- SAFI played a pivotal part in the implementation of the Pilot Furniture Light Manufacturing Support Programme, funded by the City of Cape Town. The programme is suited to township needs with the future view to onboard them into the formal economy and sector.
- The SAFI AGM took place on 1 December and a new Board of Directors was elected.

# 15XONEIGHT

## WINNERS OF ANNUAL PG BISON 1.618 EDUCATIONAL INITIATIVE ANNOUNCED.



The winner and runners-up of the PG Bison annual 1.618 Education Initiative competition were recently announced. Congratulations to interior design student, Carmen Gregan, of design Time School of Interior Design (Cape Town) who was named the winner during a special awards ceremony in Johannesburg. Carmen's winning design is a home that draws inspiration from the passage of time. She and her lecturer each take home R50 000 in prize money.

Runner-up Tiago Loureiro Goncalves from the University of Johannesburg (UJ) took home R25 000. The rusted oasis is a carefully crafted and planned villa with eye-catching and memorable spaces, architecture and interior design. It's any influencer or film crew's dream.

Third placed Kayla van Speyk from IIE Vega (Cape Town) won R10 000 for her Tankwa Falls design which creates a building where "instagrammable" moments can be experienced through unique building and interior design.

According to Carmen, her design juxtaposes humanity's environmental impact with nature's flourishing when left undisturbed. "The concept embodies gradual human-induced degradation versus the untamed allure of nature," she said in her entry. The interiors of The Chrono seamlessly integrate stones and timbers, harmonising with the desert.

This was the 31st edition of the PG Bison 1.618 Education Initiative where students are given a real-world brief at the start of each year. This year's brief asked design students across the country to design a client's dream desert oasis in the Tankwa Karoo consisting of a luxury residence with entertainment areas and landscaped surrounds. The design must celebrate the basic needs of eating, sleeping, bathing and socialising by using the four elements of fire, water, earth and air.

The artwork of the finalists can be viewed here: <https://1sixoneeight.co.za/finalists-2023/>





# FURNITURE ENTREPRENEURS

## CELEBRATE GRADUATION FROM CITY-FUNDED PROGRAMME

The City's Mayoral Committee Member for Economic Growth, Alderman James Vos, joined a group of entrepreneurs at Northlink College in Belhar for their graduation from the City-funded Furniture Light Manufacturing Support Programme.

Facilitated by the South African Furniture Initiative (SAFI), the Furniture Light Manufacturing Enterprise Development Programme is designed to specifically cater to the needs of micro-enterprises in the industry.

"By tapping into the existing wealth of talent in this industry, we can help to drive up productivity and ultimately unlock growth and job opportunities," he said during the ceremony. "The Furniture Light Manufacturing Enterprise Development Programme involves detailed technical training, business training and mentorship support. Fourteen entrepreneurs put their hands up and participated in the programme, and it has been inspiring to witness their personal and professional development during this time," Alderman Vos said.

Earlier this year, several of the programme's participants put their new skills to the test when they exhibited at Decorex Cape Town, the city's premier design exhibition.

"These entrepreneurs got to engage with buyers and other designers on one of the biggest design stages in Cape Town and it was an invaluable learning and commercial experience for them," said Alderman Vos.

According to SAFI, the sector has been shrinking for over 20 years. The number of people employed in the furniture manufacturing industry has declined from 59,000 in 2002 to the current 26,000. The contribution of the industry to the GDP has similarly declined from 1,2% to the current 0,6%.

"This is why I also spoke to the graduating group about City-supported platforms such as the Cape Trade Portal, a digital marketplace for local producers that connects them directly with buyers and additionally serves as a dedicated centre of skills resources. The portal, which started off with 115 registered exporters showcasing 600 products in 2022, grew to 924 exporters showcasing over 4 000 Cape products in just one year. We will continue pushing ahead with projects and programmes that help to grow businesses, jobs and our economy," Alderman Vos said.





# DIARISE

## **6-9 JUNE 2024: DECOREX CAPE TOWN**

Africa's leading decor and design platform showcases more than 230 of the most dynamic and creative companies on the continent. The event offers a unique opportunity for industry professionals and design enthusiasts to explore the latest trends and innovations in the world of interior design and decoration. To find out more and apply to exhibit, go to <https://www.decorex.co.za>

## **1-4 AUGUST 2024: DECOREX JOHANNESBURG**

Decorex Joburg has been at the forefront of decor, design and lifestyle trends for almost three decades, hosting over 100 events and helping to launch thousands of businesses, thereby putting an indelible stamp on the industry. This exhibition showcases over 397+ of the continent's most pioneering decor and design firms. To find out more and apply to exhibit go to <https://www.decorex.co.za>

## **11-13 JUNE 2024: HOTEL & HOSPITALITY EXPO AFRICA**

Bookings for a stand at the 2024 Hotel & Hospitality Expo Africa are now open. The Show has undergone a major transformation to now be Africa's dedicated exhibition for the Hotel & Hospitality sector. The Expo plans to reflect better on the latest trends in the industry with a modernised approach to enhance the overall experience for exhibitors and attendees. Book your stand now by going here: <https://www.thehotelshowafrica.com>

## **22-23 OCTOBER 2024: 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. The dates for next year will be from 22-23 October 2024 at the Sandton Convention Centre. Find out more about next year here: <https://manufacturingindaba.co.za>





South African  
Furniture Initiative



[www.furnitureza.org.za](http://www.furnitureza.org.za)

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