

<b>Headline</b>	Singapore's furniture manufacturers gain ground in international market		
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<b>Description</b>	Deputy director of business services and lifestyle at IE Singapore, Tan Soon Kim, said: "Over the years, as the cost started to rise, some companies began to venture out.		

## Singapore's furniture manufacturers gain ground in international market

By Rachel Kelly, Channel NewsAsia | Posted: 02 July 2009 20:38 hrs

SINGAPORE: Singapore's furniture manufacturers are looking to establish a strong foothold overseas.

The industry aims to increase its share in the world furniture market, which is worth over US\$300 billion, to two per cent by 2015.

While many Singapore firms have set their sights on established markets such as the US and Europe, trade promotion agency, IE Singapore, says there is room for growth in markets such as Russia and Brazil.

The Singapore furniture industry has developed a strong reputation over its 40-year history. The sector has seen an average growth rate of 10 per cent per year for the past five years.

Market watchers say interest from customers in Europe and the US has picked up in recent years, thanks to aggressive promotion by Singapore furniture firms and IE Singapore.

As more and more Singapore furniture companies spread their wings overseas, they are also setting themselves apart from the other international players.

Deputy director of business services and lifestyle at IE Singapore, Tan Soon Kim, said: "Over the years, as the cost started to rise, some companies began to venture out. And over the past 10 to 20 years, they had progressed from being an original equipment manufacturer (OEM) to an original design manufacturer (ODM).

"So increasing numbers of our manufacturers are focusing more on design, and in recent years, they have also been adopting trends such as being environmentally-conscious.

"Beyond our origins of selling to a few regional countries, they have now expanded to Europe and US. Now we sell to over 60 countries - to exotic locations like Cyprus, Iceland, even to Lebanon.

"And our industry has commercial presence in about 15 to 16 countries and factories in China, Indonesia, Vietnam, and in Malaysia. They (Singapore firms) also have marketing offices worldwide."

And while it is undeniable that the current economic crisis has had an impact on the furniture industry, not only in Singapore but globally, some Singapore-based furniture companies are expecting to see an increase in demand from Europe by 30 to 40 per cent this year.

However, competition in the region is fierce and Singapore companies say it is their design capabilities that keep them ahead of the game.

Creative director of Exit Design, PCEE, said: "Everyone knows Singapore is a stopping point. It is not known for manufacturing because of the high cost of production.

"In terms of production, Singapore has been able to be more competitive by shifting production elsewhere and that is one way to lower the costs... I would say right now, most (Singapore) companies are focused on design."

Exports by Singapore-owned furniture factories went up from S\$2.9 billion in 2006 to S\$3.2 billion in 2007.

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