

SPECIAL REPORT

SINGAPORE: A TENACIOUS PERFORMER

By Jasmine Lee



The resilience of the Singapore furniture industry defies the downturn to maintain buoyancy and growth.

AGAINST THE BACKDROP of an economic slump, the Singapore furniture industry continued to maintain a sustainable strategic stronghold in the global market. Agencies such as SPRING Singapore, International Enterprise (IE) Singapore, JTC Corporation and the Singapore Furniture Industries Council (SFIC) introduced initiatives to help companies make better use of resources during the lull period to strengthen capabilities and infrastructures.

One such immediate assistance is SFIC's Member Assistance Scheme (MAS), rolled out once again in late December 2008. First launched in 2003, this scheme is part of the SFIC's proactive approach to assist members weather the current downturn and uncertain economic outlook.

Up to S\$1 million (US\$720,000) was handed out to eligible members to help lower business costs, strengthen business capabilities and explore new business opportunities to ensure sustainability and facilitate their market diversification efforts. The funding was valid from January 1 to December 31, 2009.

With such robust measures and initiatives in place, the Singapore furniture industry continued to perform despite the economic adversities and pulled in a total of S\$4.2 billion worth of furniture trade, with export value amounting to S\$3.2 billion in 2009.

STRONG 2008 FISCAL PERFORMANCE

According to the statistics published by SPRING Singapore and SFIC, the Singapore furniture industry continued to produce commendable fiscal results, notwithstanding the cooling global economy. Exports to France particularly, saw a massive leap of 64 percent to S\$13.9 million, joining Indonesia, Malaysia and India as Singapore's top export markets in 2008.

Export growth to the Oceania region – made up of Australia, New Zealand and Papua New Guinea – was the strongest overall, up 30 percent in 2008 from S\$11.3 million compared. Exports to Africa recorded a gross of S\$4.5 million in 2008, up 29 percent and the European market contributed S\$32.1 million, up 23 percent.

The exports to the Middle East and Asia both saw a moderate growth of average nine percent from 2007, to S\$25.4 million and S\$208.1 million respectively. Exports to the US dipped nine percent, to S\$21.2 million.

IMPORTS

China, Malaysia and Italy made up the island's top three import sources last year, with Japanese imports increasing more than two-folds, up 107 percent to S\$42.8 million.

The year 2008 saw import value from Africa double to S\$1.6 million, imports from the US were up 15 percent, from S\$58.7 million and the Asian markets contributed S\$761.9 million, up 13 percent.

Oceania's import figures however shrank significantly – down 51 percent in 2008 from S\$16.4 million in 2007. Imports from the Middle East also declined 27 percent to S\$600,000. European imports recorded S\$203.9 million, down four percent.

TOP 10 FURNITURE IMPORT MARKETS FOR SINGAPORE (Value in S\$ million)

Rank	Country	2007	2008	Variance
1	China	254.9	303.4	19%
2	Malaysia	261	281.6	8%
3	Italy	78.5	76.2	-3%
4	United States	54.1	64.5	19%
5	Indonesia	41.7	49.6	19%
6	Japan	20.7	42.8	107%
7	Germany	43.4	20	-19%
8	United Kingdom	21.7	20	-8%
9	Taiwan	22	18	-18%
10	Vietnam	16.7	15.8	-5%

Source: SPRING Singapore-SFIC furniture survey

TOP 10 FURNITURE EXPORT MARKETS FOR SINGAPORE (Value in S\$ million)

Rank	Country	2007	2008	Variance
1	Indonesia	55.3	57.7	4%
2	Malaysia	32.7	39.4	20%
3	India	27.9	33.7	21%
4	United States	20.7	20	21%
5	France	8.5	13.9	21%
6	Australia	9.3	11.9	28%
7	United Arab Emirates	12.6	11.2	-11%
8	Hong Kong	7.4	10.1	36%
9	Thailand	6.2	8.8	42%
10	Japan	17.8	8.7	-51%

Source: SPRING Singapore-SFIC furniture survey

WIDENING INTERNATIONAL OUTREACH

The trade figures obtained are a testament of the industry's success in remaining market competitiveness by adhering to its maxim, 'Conceptualised and Designed in Singapore, Made in Asia, Sold to the World'. This positioning ensures the continued global growth of Singapore's furniture industry.

SFIC led its members to acclaimed international trade fairs such as Index Dubai 2008 and 2009, Orgatec 2008, IMM Cologne 2008 and the 48th Salone Internazionale del Mobile in Milan that was held in conjunction with the 48th Salone Internazionale del Mobile in Milan. SFIC also organised business missions to the Czech Republic, Hungary, Poland and Russia.



Their recent participation in Index Dubai 2009 saw the Singapore contingent collectively securing S\$600,000 million in on-spot orders, with a total of S\$2.1 million in sales currently under negotiations at the UAE's premier furniture and interiors event. The Singapore contingent was led by SFIC and supported by IES Singapore, and is made up of Singapore Mozaic ambassadors and other local furniture players.

Business leads garnered over the four-day fair, which took place from November 14-17, 2009, is expected to generate additional sales of S\$28.95 million over the next year, exceeding 2008 figures which totalled S\$24.11 million, including on-spot orders and expected sales over the 12 months following the trade fair.

Design study missions organised by SFIC

went to countries that are well known for their strong focus on design, where participants visited furniture retail outlets, design studios and design-centric furniture trade shows. These include creative collaborations with renowned Italian furniture company, Magis in 2008 and the year before. Singapore furniture companies also met top Italian furniture designers and companies such as Moroso and Oriade during a mission that was held in conjunction with the 48th Salone Internazionale del Mobile in Milan.

The year 2008 saw more SFIC's members venturing abroad and expanding their production capabilities in places with lower manufacturing cost. The Singapore Furniture Industrial Park in Kunshan is one such destination. Local companies that have set up manufacturing facilities there include Cheng Meng Furniture Co Pte Ltd, Chuan Soon Hui Industrial Group Ltd, Eurosa Furniture Co Pte Ltd, Koda Ltd, Sunrise Door Internationals Holdings Ltd, Supreme Furnishings Centre Pte Ltd, HTL International Holdings Ltd, Haller Far East Pte Ltd, V-Mark Woodcraft Pte Ltd, Cathay Decoration & Construction Pte Ltd and Callini Design Centre Pte Ltd.

The biennial Singapore Furniture Directory, which is now in its 11th edition, continues to help connect companies to the global marketplace. It carries comprehensive information on the Singapore furniture industry capabilities and serves as a useful reference source for business communication and collaboration among Singapore furniture companies and business partners worldwide.