

# Furniture Industry Trade Performance 2009

Although 2009 was a tough year for many businesses, our mighty “little red dot” has proven its strong capabilities and resilience in its furniture industry.

Comprising 1,768 companies with a total workforce of 16,477, the strength of Singapore’s furniture industry lies in the ability and agility of industry players to anticipate and adapt to rapidly changing trends and market conditions. Shifting their production centres to neighbouring countries like China, Indonesia, Malaysia, Thailand and Vietnam has helped lower operational costs. Yet, these enterprises continue to maintain their base in Singapore – cleverly leveraging the country’s reputation for quality and sound business practices to enhance their competitiveness and extend their furniture brands globally.

Other than providing flexible, prompt delivery and service at competitive prices, Singapore furniture companies have further differentiated themselves through knowledge-driven

activities such as supply chain management, sourcing, creative design, and Research & Development. Singapore’s geographic advantages and influx of Eastern and Western influences have enabled these companies to continuously innovate on design creativity, quality and reliability of their products, enabling them to carve a niche for themselves in the highly competitive global furniture market.

Indeed, this emphasis on quality and customer service has enhanced the reputation of Singapore furniture companies, who are fast gaining international recognition as trustworthy, customer-oriented and quality-conscious business partners. This has, in turn, contributed to the success of these companies beyond the traditional European, American or Japanese markets. Currently,



many local companies have a commercial presence in non-traditional markets and regions such as Africa, Eastern Europe, South America and even the Middle East.

The Singapore furniture industry demonstrated tenacity and foresight by pursuing overseas demand and taking the opportunity to expand operations to other markets. The latest statistics figures showed that the total furniture trade in 2009 is worth S\$4.7 billion<sup>2</sup>. This represents an increase of 47% from 2007 and although it is a 4% decline as compared to S\$4.9 billion in 2008, it is a creditable

performance, considering the tough economic conditions.

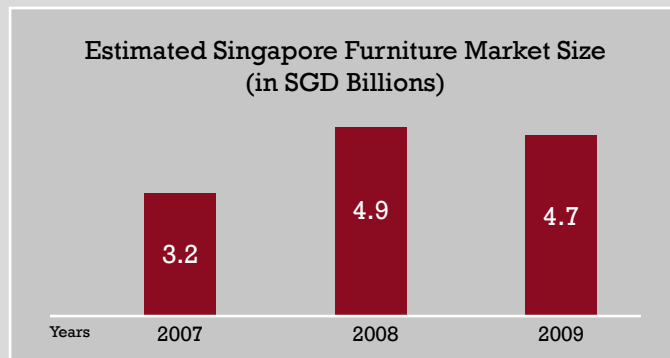
The key markets for sales differ by size of the companies. Europe, followed by USA, are the key markets for companies with an annual revenue of S\$20+ million, while Singapore is still the key market for the smaller companies.

Going forward, the top sales market for larger companies with annual revenue of S\$20+ million is projected to be in China, South Asia, Europe and United States of America while the smaller ones with less than S\$5 million annual revenue are

looking for growth in Europe, Malaysia and China.

Supported by the SFIC and government agencies such as International Enterprise (IE) Singapore, SPRING Singapore and DesignSingapore Council, Singapore furniture companies ventured into Germany, Italy and Dubai to exhibit at various global trade fairs. Missions were also organised to seek new opportunities in growth markets such as Brazil, Russia and Eastern Europe. These strategic decisions to expand the market base are likely to pay off with the latest projections pointing to strong growth in 2010.

One area with tremendous potential for growth is in high value services such as design. As a global melting pot, Singapore is uniquely placed to meld East and West as well as traditional and contemporary influences into design. While design currently contributes less than 4% of the total market size, several initiatives have been put in place to help nurture design talents and



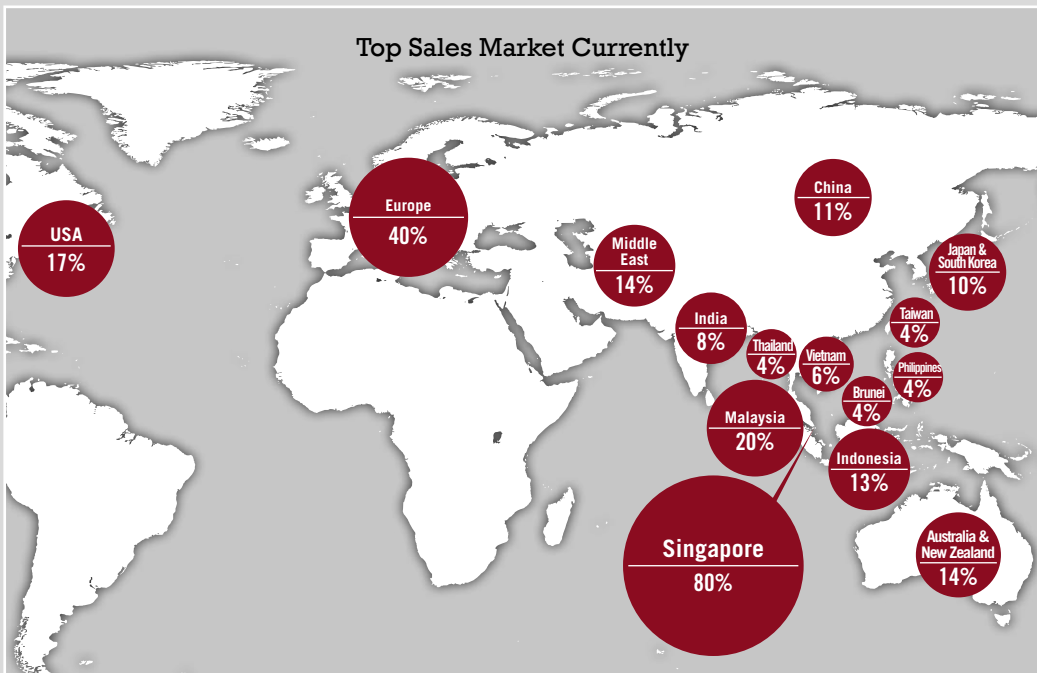
Source: SFIC, IE Singapore, SPRING Singapore 2009 Furniture Industry Survey

grow Singapore's share of the design market. These include Furniture Design Award and PLATFORM, SFIC's programme for the development of budding design talents and entrepreneurs as well as Singapore Mozaic. The Singapore Mozaic brand, launched in March 2008 to give local furniture companies

a distinct collective identity, also demonstrated a positive effect. A majority of the industry is already aware of the initiative and feedbacks that Singapore Mozaic has helped add value to their brands. The initiative has also garnered international attention through its participation at major global furniture shows.

*Footnote*

- 1 Source: Department of Statistics 2008, Economic Development Board & SPRING Singapore
- 2 SFIC, IE Singapore, SPRING Singapore 2009 Furniture Industry Survey



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