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**Product: FURNITURE**

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## **Industry Economic Scenario**

### **Product description**

Pakistan's furniture has been fairly devoted to solid wood composition, and is therefore heavily dependent on native sheesham wood (rosewood). Despite being a valuable species, sheesham resource has not been sustained in the country. Industry claims widespread exports of unprocessed logs and sawn timber to the Gulf countries, and clandestine trade by opportunistic players in official positions. Inadequate measures have been taken by forest authorities to curb illegal logging and trade, and replenish the timber with proper silvi culture and forest management. Scarcity of sheesham and other local hardwoods is the most serious threat to the Pakistan's traditional wooden furniture industry.

The wooden furniture manufacturing industry Gujrat is famous for quality furniture manufacturing of solid wood. The basic raw material used for this type of furniture is Sheesham wood. Besides this, Medium Density Fiber (MDF) is also used in furniture manufacturing.

**Wood sources** include forest department, irrigation department (for trees along canals), high ways department (for trees along roads & High ways) etc. All these departments cut the trees and then auction wood in the form of logs on regular basis. There are certain other sources of the wood one of which is coming from the Azad Kashmir and Northern Areas. With the passage of time the supply of wood is decreasing because of shortage of the forests as well as certain diseases of the tree. According to the Forest Department, the forests cover only 4% area of Pakistan, which is quite low, compared to the desired level of 20-25%. Sheesham wood is mostly used in furniture manufacturing, however other kinds like Keekar (Acacia), Walnut, Diar, Pine etc. are also used but in lesser quantities or on special orders.

Other raw material items like foam, cloth, nails, glue etc. are easily available in the market.

**Given below are the ‘Furniture Categories’ along with their HS Codes:**

Table 2.1 HS and SITC product codes for wooden furniture

Product group	Group breakdown	SITC 3	HS
Wooden furniture	Seats of cane, osier, bamboo	821.13	9401.50
	“Other” seats with wooden frames	821.16	9401.61/69
	Office furniture, wood	821.51	9403.30
	Kitchen furniture, wood	821.53	9403.40
	Bedroom furniture, wood	821.55	9403.50
	Other furniture, wood	821.59	9403.60
	Furniture other than metal, wood or plastic (cane, osier, bamboo, etc.)	821.79	9403.80
	Mattress supports for bed frames	821.21	9404.10
	Furniture parts, of all materials	821.80	9403.90

Similar categorization is being used in Pakistan. Wood is undoubtedly the main material in Pakistan’s exports. But the country also produces some metal (wrought iron rod, steel), upholstered furniture for offices and special medical furniture. Foams are also used for cushioning in upholstered chairs and seating. As mainly solid wood of hardwood species like Sheesham (or Indian rosewood), walnut, oak and similar is used, the furniture is normally quite heavy in weight.

Also common to most developing countries is the existence of sub-segments in their domestic furniture market, such as (a) household furniture for domestic and export markets, (b) “institutional” furniture segment for schools, hospitals and other public premises, and (c) contract furniture to private sector clients in shops, banks and hotels, etc.

Raw material shortage is a very critical factor that cannot be compensated for by any other means along the processing and marketing chain. A broad-based political will is necessary to sustain the wooden furniture industry’s prospects in Pakistan - from the forest to the markets.

There are around 350 units overall and over 8,000 persons are directly or indirectly involved in this sector in Gujrat. At the moment, a few of the local furniture manufacturers are exporting furniture items the individual clients in UK, US, Saudi Arabia and Middle East.

### **Kinds / Types of Woods:**

Sheesham wood which is basic raw material is short in supply to fulfill the local market requirement. This shortage has caused a price hike. There is no schedule rate of wood in the market.

Following different types are available;

- Sheesham
- Deyodar
- Popular
- Peral
- Chilgoza

The woods that are fashioned into furniture fall into following three categories:

- Hardwoods
- Softwoods
- Composites

### **Entrepreneurs/ Furniture Associations of Pakistan**

Following are the active furniture associations;

- All Pakistan Furniture Exporters Association (registered DGTO)
- All Pakistan Furniture Makers Association
- Furniture Manufacturers Association
- Cottage Furniture Association.

### **Quality of Pakistani Furniture**

The quality of Pakistani furniture is matchless. Real wood furniture is the most popular furniture in existence. It's been around for hundreds of years and probably existed when the cave people

got tired of squatting on the dirt floor of their caves and looked around for a better way. Furniture industry is developing gradually at its own and the idea of setting up showrooms on G.T Road, and Gujrat By pass is increasing. The estimated overall furniture sale from Gujrat is about Rs.500 million per annum. Furniture cluster of Gujrat is famous for the production of quality wooden furniture. Gujrat was known for its furniture manufacturing even before the independence because of the availability of cheap skilled labor. Presently most of the manufacturers are depending on traditional method (labor intensive technology) that results in the low productivity.

### **Existence of international brands**

Existence of International Brands has made the competition very challenging. Pakistan will not be competitive in mass furniture segments against furniture giants like China. Authenticity and mastering of raw materials should be made the cornerstones for the competitiveness of “niche” or “ethnic” furniture at the high-end of the market. High perceived value for price, timely deliveries and proper after-sales service are needed for keeping Pakistani furniture a winner. Quality assurance must be improved and Pakistani furniture brands strengthened.

The industry is showing an increasing awareness of its limits and works out a broader vision to reinvent its strength in global furnishing trade. While the potential gains tend to be most attractive to the leaders of the industry, a sustained growth requires balanced development efforts across the supply chain.

### **Compatibility to international quality standards/certifications**

Pakistan is far away from certification in view of its current un-preparedness to tackle rampant forest sector problems. If the very basic principle of sustaining the forest stock is not followed, then no international certifier can consider Pakistan as a potential country in which to operate. The development of a national certification system will take minimum two years. The costing estimates for either of the two options are very random unless the area (size of forests), volume of wood harvested, cost of forest operations and wood, and the quality of present legislation, forestry practices and human skills are known.

The Pakistani industry indicated that only the holders of ISO 9001 standard are able to export furniture. ISO 9001 is a broad quality management standard, which is not product-specific. The SESSI Standard from France is said to be followed by some furniture manufacturers. SESSI is not issuing standards, so this is possibly a misinterpretation of the French buyers' specifications. French industries are quite strict in their requirements as far as standards are concerned. Moreover, they often require the respect of "French Standards" (NF Ameublement), although European standards (EN) at the moment have substituted almost all the national standards.

At the international level, the International Organisation for Standardisation (ISO) is responsible for the harmonisation of standards, including those on furniture. ISO is a worldwide federation of national standard bodies from more than 140 countries. Its mission is to promote the development of standardisation and related activities in order to facilitate international trade and cooperation. ISO's work culminates in international agreements published as international standards. In the furniture sector, ISO has published 24 standards.

Many standards concern the safety of furniture and its raw materials (e.g. breaking level of pieces of wood: NF-EN 1727). These can apply to tabletops, doors and beds (including children beds). There are also quality standards, which establish performance criteria for the long-term use of furniture. In this case the standards are provided after testing based on long repeated cycles of use. Furniture industry is developing gradually at its own and the idea of setting up showrooms on G.T Road, and Gujrat By-pass is increasing. The estimated overall furniture sale from Gujrat is about Rs. 250 million per annum. This figure is gradually increasing with the increasing demand and quality consciousness of the consumers. The furniture industry itself should support efforts to establish adequate national standardisation institutions and certification bodies.

### **Finished product responsiveness to modern trends /taste/preferences**

According to the websites of importers, Pakistan considerably produces these occasional items. Consumers in the main markets are increasingly liberal in mixing different styles and ethnic designs in their homes, and decorative Pakistani furniture often attracts buyers when they are shopping for small accent furniture for tuning a part of their interior decor. Reproduction of

antique furniture is an important niche for Pakistan, as it normally fetches good prices and is favoured by consumers with above-average purchasing power.

As an evidence of this favourable trend, a quotation follows from *Home Accents Today*, e-daily (14. 07. 2006):

“Traditional tastes take an unexpected journey to exotic parts combining classic styling with well-travelled details. While, the look stays grounded with classic accent furniture and an antique-inspired rug, splashes of spice colours and medallion patterns pull from Islamic design. Look for warm metals like brass and bronze to add a glowing spirit while cool green and blue balance things out with a timeless touch.”

The four main styles are;

- Antique,
- Mughal,
- Modern (Italian),
- Oriental.

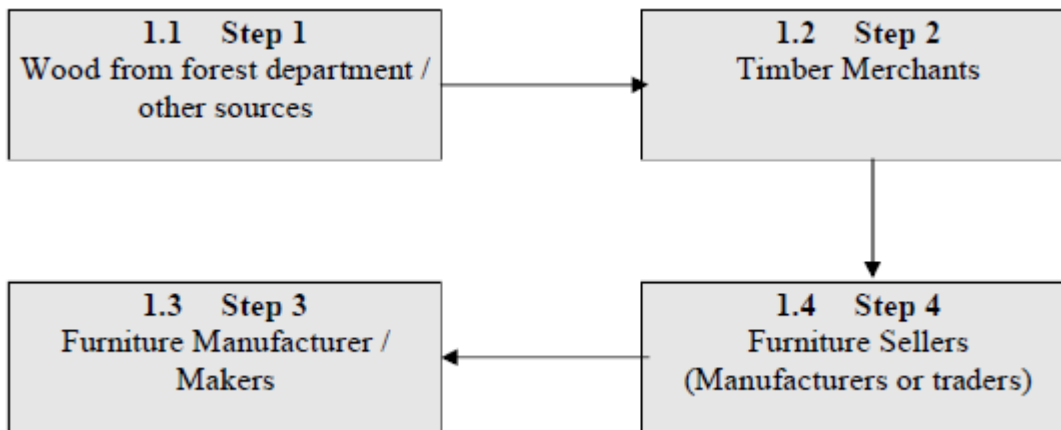
Most items fall in the living room, dining room and bedroom categories. “Other” or “accent furniture” falls outside the basic living, dining room and kitchen furniture ranges. It finds its role in the smaller, casual and miscellaneous items, sometimes referred as “occasional furniture” due to its complementary role in home furnishing. Typical items are side or corner tables, magazine tables, standing small shelves (etageres), chests, nesting and pedestal tables, small chairs and home bars, etc. This category is almost without exception the biggest furniture category in the trade statistics of any country.

**Table 3: Product Mix**

Major Product Lines	Articles	% age
Household Furniture	Bed sets, Sofa sets, Tables, Chairs, Cupboards etc.	80%
Office Furniture	Office tables, Chairs, Computer tables, Cabinets etc.	15%
Industrial Furniture	School furniture, Laboratory furniture, Factory furniture etc.	5%

## **Value Chain**

Wooden Furniture value chain includes all the value addition steps involved in the manufacturing and distribution of furniture from raw material to the end user. These steps are following:



## **Industry Concentration Area**

Furniture hubs are in Gujrat, Chiniot, Multan, Peshawar, Rawalpindi and Karachi. According to the order of exporters' size, Karachi comes first followed by Lahore and Peshawar, while Chiniot and Gujrat have good concentration of manufacturers and traders. Large-sized companies are mostly located in Lahore and Gujrat, while small- to medium-sized companies are situated in Peshawar, Chiniot and Gujrat.

## **Acceptance of Pakistani Furniture in global market**

Pakistani Furniture is unique and acceptable in the global market. Though Pakistan's ranking in the global market is not encouraging. Pakistan has a variety of woods and skilled labour as well. The need is to technological upgrade the sector, to organize the skilled force, lessen the waste of wood, going into the international standardization and tapping new markets as this sector has in it great export potential.

## **Global trade in Furniture**

Unit US Dollar thousand

- **Global Imports**

Importers	Imported value in 2012	Imported value in 2013	Imported value in 2014	Imported value in 2015	Imported value in 2016
World	196,390,639	207,600,808	222,879,250	21,7183,220	221,518,201

- **Global Exports**

Exporters	Exported value in 2012	Exported value in 2013	Exported value in 2014	Exported value in 2015	Exported value in 2016
World	210,776,011	228,810,740	243,769,670	238,664,459	233,448,631

## **Top 05 importing countries**

Unit : US Dollar thousand

United States of America	63,144,330
Germany	20,359,419
United Kingdom	11,104,776
France	10,162,512
Canada	8,782,195



### **Top 05 exporting countries**

Unit : US Dollar  
thousand

<b>China</b>	<b>87,509,356</b>
<b>Germany</b>	<b>16,870,113</b>
<b>Italy</b>	<b>13,008,183</b>
<b>Poland</b>	<b>11,776,259</b>
<b>United States of America</b>	<b>10,990,397</b>

### **Pakistan's ranking: 64**

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### **Exports from Pakistan: 5 years figures**

Unit: US Dollar thousand

<b>Importers</b>	<b>Exported value in 2012</b>	<b>Exported value in 2013</b>	<b>Exported value in 2014</b>	<b>Exported value in 2015</b>	<b>Exported value in 2016</b>
World	93,492	101,573	97,319	94,314	76,529

### **Top five Export destinations of Pakistan**

Unit : US Dollar thousand

<b>United States of America</b>	<b>27,006</b>
<b>United Kingdom</b>	<b>15,009</b>
<b>South Africa</b>	<b>5,721</b>
<b>Australia</b>	<b>5,046</b>
<b>United Arab Emirates</b>	<b>2,864</b>

## **List of top ten (10) manufacturing companies/ exporters of Pakistan with contact details**

### **LIST OF PAKISTAN FURNITURES EXPORTER**

S.No	Company Name	Contact Person	Address	Contact No.	Email Address
1	M/s. National Furnishers (Pvt) Ltd	Mr. Saif Durrani	944-J-2, Shahra-e-Naziriya Pakistan, near Expo centre, Johar Town, Lahore	042-35761580-1 0300-5557846	<a href="mailto:saif.durrani@yahoo.com">saif.durrani@yahoo.com</a>
2	M/s. Heaven Furniture (Pvt) Ltd	Mr. Sajjad, Mr. Khalid Farooq	Hussain Chowk, Lahore Pakistan	042-35758399 , 0306-6249937	<a href="mailto:sajjadali29@hotmail.com">sajjadali29@hotmail.com</a>
3	M/s. Al-Mohkam Furnishers (Pvt) Ltd	Mr. Maqbool	43-N, Gulberg-II, Lahore, Punjab, Pakistan	42-5750259 / 5750258 0321-8476285	<a href="mailto:mohkamfurnishers@gmail.com">mohkamfurnishers@gmail.com</a>
4	M/s. Chenone (Pvt) Ltd	Mr. Umar Farooq	Nishatabad Faisalabad	041 8754472-78, 0323-7778090	<a href="mailto:chenone@chenabgroup.com">chenone@chenabgroup.com</a>
5	M/s. Gourmet Furnisher		Hali Road, Gulberg	42 35776440 – 321 4444467	
6	M/s. Enviro Furniture	Mr. Usman Khan	Mega Tower, Ground Floor, 63-B, Main Boulevard, Gulberg -II Lahore. Tower	42 35777526 0320-0840435	<a href="mailto:Usman.khan@eviro.com.pk">Usman.khan@eviro.com.pk</a>
7	M/s. Habitt Furniture	Mr. Aoan	Tipu Sultan Road, Karachi	0321-2226822	<a href="mailto:aoanmuhammad@hotmail.com.pk">aoanmuhammad@hotmail.com.pk</a>
8	M/s. Master Furniture (Pvt) Ltd	Mr. Asim Chaudhry		042-35752620-2 0345-4483949	
9	M/s. N.M. Furniture	Mr. Amjad Farooq	GT Road Gujrat	053-3524397 0300-8474108	<a href="mailto:info@nmfurnisher.com">info@nmfurnisher.com</a>
10	M/s. Trendline Furniture	Mr. Ansar Mehmood	GT Road Gujrat	053-3517120 0300-8617193	<a href="mailto:info@trendline.com.pk">info@trendline.com.pk</a>
11	M/s. Woodco Furniture	Mr. Furrukh Saeed	GT Road Gujrat	055-3890631 0300--8640210	<a href="mailto:info@woodco.com.pk">info@woodco.com.pk</a>
12	M/s. Shelwood	Mr. Ali Sheikh	Inside Shelton Hotel Gujranwala	055-3259501 0300-8643199	<a href="mailto:ali@shelwood.com">ali@shelwood.com</a>
13	M/s. Best Buy Furniture	Mr. M. Asim	GT Road Gujrat	053-3510312 0345-6878881	<a href="mailto:bestbuyfurnishers@yahoo.com">bestbuyfurnishers@yahoo.com</a>
14	M/s. General Furniture	Mr. M.Nazir	GT Road Gujrat	053-3517897 0300-6230142	<a href="mailto:info@generalfurnishers.com">info@generalfurnishers.com</a>

**TDAP participation in international exhibitions for the Furniture Product (Source: *TDAP Exhibition Calendar, 2017-2018*)**

<b>S#</b>	<b>Name of Exhibition</b>	<b>Date</b>	<b>Product</b>
1	11 Cosmoprof Wanchai, Hong Kong	November, 2017	Beauty Salon and Cosmetics Products/ Equipment/ Furniture
2	Autumn Fair NEC, Birmingham, UK (In addition to Spring Fair)	September, 2017	Furniture
3	The 39th China International Furniture Fair, CIFF, Shanghai, China	September, 2018	Furniture
4	CISMEF, Guangzhou, China	October, 2017	Furniture

*Sources: Trade Map, TRTA Sectoral Study, SMEDA Report.*

