

Safi target: By 2025, 50% of furniture sold in retail should be made in SA

Stakeholders in South Africa's furniture sector believe the local sector has the potential to grow into a globally competitive and transformed industry, and said they're on a mission to place locally manufactured and designed furniture into the homes, schools and workplaces of all South Africans, Africans and beyond.



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This was the topic of discussion at the 3rd Annual Safi Furniture Sector Forum, which recently took place online.

Increasing market share of locally-manufactured furniture

According to Penwell Lunga, chairperson of the South African Furniture Initiative (Safi), prioritising its strategy into providing market access, including access to raw materials, playing a central role in trade interventions and remedies, building an industry data platform for market intelligence and improving the technical skills of the workforce will play a pivotal role in reaching the end goal.

"We are working to increase the market share of locally-manufactured furniture within furniture retail by 50% by 2025 as well as achieving a 50% target for SACU and SADC import replacement," Lunga told the delegates. "Most importantly, we want to roll out a non-tariff barrier strategy to prevent illegal imports and implement an appropriate certification process in respect of all furniture imports by 2023."



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Charles Witbooi, manager of the Key Industry Management (Kim) unit at Sars, concurred with this sentiment and emphasised the importance of building partnerships through engagement with key industries on operational or strategic issues aimed at improving compliance to monitor improvement of declaration of compliance and to contribute to capacity building by enlisting industry expertise to partner with Sars.

"I believe it is in the best interest of Sars for our industries to thrive, and the level of participation for the furniture industry is to be commended," Witbooi said. "At Sars, we try to create an environment for the furniture industry to be competitive and we provide key activities, including monitoring, partnerships, capacity building and compliance to detect taxpayers not complying, thereby developing a high-performance workforce for working with and through stakeholders."

Amidst perceived circumstances of low custom value imports and the threats of dumping, Witbooi pointed out the opportunities that are available to explore the growth of the industry. These include surety and bonds, the role of small and medium businesses (SMMEs), the suspension of and refunds in duties and rebates, as well as the suspensions of duties and VAT on warehousing.

Enhancing skills training and development

PK Naicker, the general manager: planning, research and reporting at the FP&M Seta, supported Witbooi's view when he pointed out the importance of enhancing skills training and development towards the expansion of the economic potential and growth of the industry.

"With a skills strategy in place, we can expand industry competitiveness and exports, promote environmental sustainability, as well as world-class manufacturing," Naicker said. "Amidst the Fourth Industrial Revolution (4IR), identifying future and emerging skills, as well as identifying occupations in high demand, we can provide quality coaching and mentoring to support on-the-job training and fit-for-purpose to industry needs."



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According to Naicker, the current times also provided many challenges that are being addressed by creating a multi-skilled workforce in both technical and managerial skills, developing flexible training methods and e-learning platforms, as well as the expansion of work-based training.

He also alluded to possible interventions like developing and implementing an SMME entry and sustainability support programme and determining the needs and requirements of township entrepreneurs and removing the barriers they experience.

Nurturing SMMEs

According to Ncumisa Mcata-Mhlauli, chief director: agroprocessing at the Department of Trade, Industry and Competition (DTIC), all interventions, strategies and future goals have been influenced by the Furniture Industry Masterplan (FIMP), which was adopted earlier this year.

"The sector has a vision of becoming a fast-growing, profitable, inclusive and sustainable South African furniture industry and this plan is all about partnerships as a social contract between government, labour and the private sector," she said.



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Mcata-Mhlauli said out that the FIMP provides opportunities, including competing with imports while a strong demand locally could supply the potential for export. "The key is to expand and nurture existing SMMEs and assist them to grow and supply retailers," she said.

Lunga concluded his presentation by saying that the furniture industry had to recognise and take comfort in the words of former US president, Barrack Obama, when he said: "We remember, we rebuild, we come back stronger."

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