



South African
Furniture Initiative

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South African Furniture Initiative Digital Newsletter May 2021

MESSAGE FROM THE MANAGING DIRECTOR

With the country and business experiencing one challenge after another during the first half of 2021, SAFI is relentless in its pursuit to sustain and support the furniture industry and manufacturing sector. Since the South African Furniture Initiative (SAFI) was created in August 2016 as a joint initiative between all stakeholders in the furniture manufacturing industry, including labour, business and government, we are proud of our many achievements during the past five years.

The ability to establish, maintain and expand quality networks has made SAFI the go-to organisation when it comes to achieving the goals of the industry, which was recently likened to “having a seat at the table” in the decision-making process. Recognition like this could only be achieved by the hard work done by our Board of Directors and staff across the years.

While we are waiting for the final completion and signing off of the Furniture Industry Master Plan (FIMP), we were able to initiate and drive a number of projects that include the support of the Upholstery Qualification and taking part in many industry-related showcases and events.

Apart from the article on upholstery, this issue of the SAFI Newsletter also takes a look at the recent approval of the warp knit rebate application, as well as the support the government is giving the industry to grow and sustain itself. During the past couple of months we saw the successful completion of the month-long Cape Town Design Trail presented by Decorex Cape Town with curated “design trails”, unique promotions and launches at dedicated participating sites.

Design Joburg Collective (DJC) presented a suburb-sized showcase that was deemed such a runaway success that it was decided to repeat the concept in October this year, dubbed the DJC Summer Edition. With more hybrid trade shows and online webinars taking place in the second half of the year, we have much to look forward to.

Finally, the Board and Executive at SAFI would like to thank all members for their unyielding support. We are currently in the process of aligning our strategy with the FIMP by accommodating the chambers and pillars that are highlighted in the document. To be able to follow and take part in all our activities, you can follow us on our social media platforms, which are regularly updated.

Please stay safe, take care and most of all, keep on buying and supporting local.

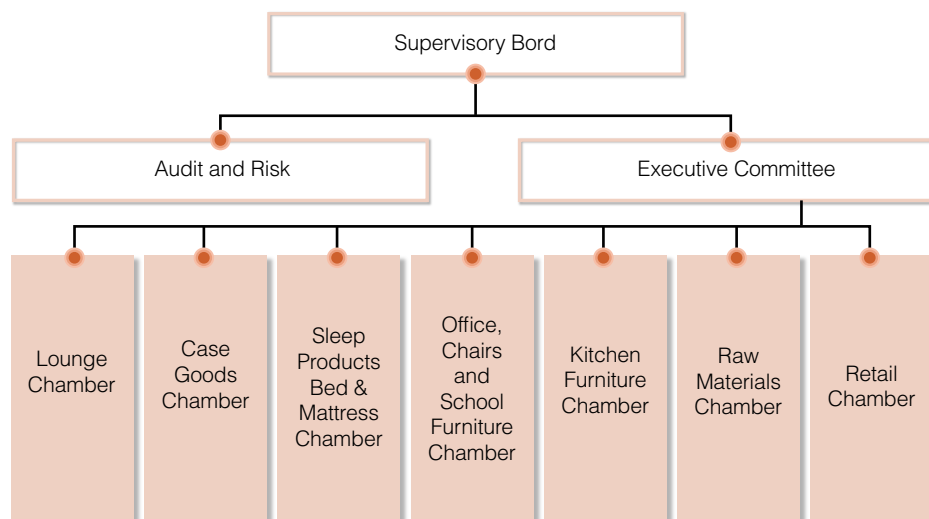
Best wishes,

Bernadette Isaacs
Managing Director

Bernadette Isaacs



Call for nominations to serve on SAFI sub-sector chambers



To provide and facilitate proficient delivery of industry objectives, execute industry projects and to be aligned to "Pillar 6: Strengthening the institutions that support the industry" of the Furniture Industry Master Plan (FIMP), the SAFI Board has approved its restructure.

According to SAFI Managing Director Bernadette Isaacs, SAFI partnered with the Department of Trade, Industry and Competition to develop the FIMP with a vision to create a fast growing, profitable, inclusive and sustainable South African furniture industry. The FIMP version 1.0 was subsequently adopted at an Industry engagement with Minister Ebrahim Patel on 29 March 2021.

"To fulfil our mandate, we need to attract committed and knowledgeable representatives from industry to invest time and resources to drive the execution of key projects within specified segments/sub-sectors," Isaacs said. *"Although the current SAFI board performs a sterling governance and industry leadership role, it is not ideally suited to oversee and drive project execution."*

The fact that the industry is still seen as one industry with one value chain is an aggravating factor, according to Isaacs. *"We tend to believe that grand solutions will result in grand results that will satisfy everyone,"* she explained. *"Although we have tried to co-opt board members from different market segments/sub-sectors, our structures do not currently facilitate a decentralised market segment/sub-sector approach which will be required to address the Industry and FIMP objectives."*

Isaacs explained that SAFI has embarked on a process to segment its governance structures substantively to reflect the diverse nature of the industry segments/sub-sectors and their different value chains.

"Currently the Conveners of each chamber have been appointed and we are seeking industry members to serve on the chambers as members who would fulfil the role of advisors on industry projects/initiatives aligned to their specific segment/sub-sector needs. Our aim is to have fair representation of all segments/sub-sectors across geographical locations in South Africa as well as large, small, medium and micro-enterprises," she said.

Interested individuals who wish to serve as members on the chambers to fulfil the role of advisors on industry projects/initiatives aligned to their specific segment/sub-sector needs and meet the requirements are requested to send their details to SAFI by 2 July 2021 after which initial virtual meetings will take place from 12 to 23 July 2021. The SAFI Board of Directors will approve and appoint the final chamber members.

MEETING DATES:

1. Lounge Chamber - 12 July 2021
2. Raw Material Chamber - 13 July 2021
3. Retail Chamber - 15 July 2021
4. Case Goods Chamber - 19 July 2021
5. Kitchen Chamber - 20 July 2021
6. Bed & Mattress Chamber - 22 July 2021
7. Office, Chairs and School Chamber - 23 July 2021

COMPANY REQUIREMENTS:

- Established company that employs 5 or more full time staff with at least three years' operating experience in the industry.
- Companies to be Bargaining Council compliant (and in good standing), where applicable.

INDIVIDUAL REQUIREMENTS:

- At least 5 years' business and/or technical knowledge in relevant segment/sub-sector.
- Willingness and availability to attend subcommittee meetings.
- Willingness and availability to do the work allocated within the subcommittee meetings.

AN INITIAL MEETING WILL BE SET UP TO CLARIFY AND ADVISE:

- Background and purpose of Chambers.
- Chamber Mandate
- Terms of Reference for members
- Appointment of the Head of Chamber
- Identification of focus areas for projects/initiatives and financing them in the short (up to 12 months), medium (1-3 years) and long (3+years) term.

INTERESTED INDIVIDUALS MUST PLEASE SEND AN EMAIL TO safi.ct@furnitureza.org.za WITH THE FOLLOWING DETAILS BY 02 JULY 2021:

- Individual's name
- Company they are representing (where applicable, only companies that are in good standing with their regional Bargaining Council will be considered)
- Position within Company
- Size of company (to ensure SMME representation)
- Contact details (email, contact number/s and address)
- Company website
- Chamber they are interested in serving on
- 1 page CV

APPROVAL OF DUTY REBATE ON WARP KNIT FABRIC EXCITES

SAFI is excited to advise that the Industry application for a duty rebate on Warp knit fabric has been approved and signed-off by Minister Ebrahim Patel of the Department of Trade, Industry and Competition (DTIC).

To stimulate industrial development and growth, the South African government incentivises businesses to manufacture goods locally. One of the measures used to assist manufacturers, is by making allowance for reduced or no duties in imported goods needed for manufacture, especially if those goods are not available at a reasonable price in South Africa.

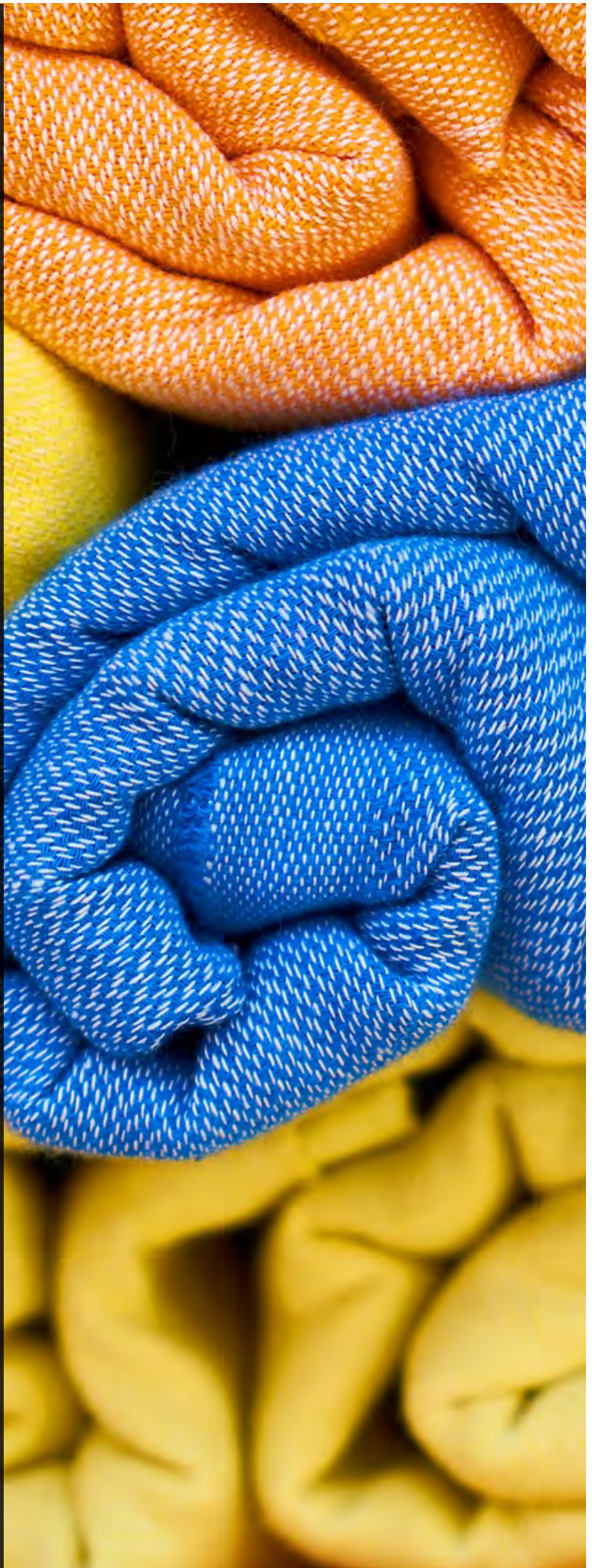
The SAFI team played an essential role in the application of this duty rebate, which intends to stimulate the local manufacturing industry by removing tax on specific imported raw materials used in manufacturing and to stimulate exports by allowing SA manufacturers to obtain raw materials at world prices.

According to Bernadette Isaacs, Managing Director of SAFI, this is done by reducing, removing or refunding duties on certain goods. "Manufacturers who wish to benefit from this duty rebate must comply with various guidelines and conditions when applying," Isaacs said.

These guidelines and conditions must be read and need to be understood before completing the application form. Applicants must be registered with the South African Revenue Service (SARS) as users of specified rebate provisions, which are used for the manufacture of upholstered furniture, before applying for a rebate permit and manufacturers must familiarise themselves of the requirements of SARS. The applicants must submit a SARS letter of approval for registration as a rebate user in terms of Schedule 3 to import and use the materials under the provisions of this rebate item.

For a detailed report, please visit
http://www.itac.org.za/upload/document_files/20210601030420_ITAC-Report-No.647.pdf

and for the guideline document visit
https://www.gov.za/sites/default/files/gcis_document/202106/44701gen355.pdf



WHAT THE GOVERNMENT IS DOING TO GROW THE MANUFACTURING INDUSTRY

Over recent months the Department of Trade, Industry and Competition (DTIC) announced several initiatives to grow and support the furniture sector and the local manufacturing sector. Action plans to grow industrial output and to support greater economic inclusion in the next 12 months were announced by Minister Ebrahim Patel of the Department of Trade, Industry and Competition during his department's Budget Vote.

A timeframe to draft law to provide for worker participation in company boards and to strengthen export platforms through the new Africa-wide trade agreement were some of the plans that were highlighted. Government is also looking to curb imports and better support the local manufacturing sector by increasing the number of products designated as "100% local content" for public procurement, which in turn will boost the furniture sector.

"The local industrial effort must be rooted in building both dynamic firms and an inclusive economy where competitiveness and industrial agility are critical to longer-run localisation efforts," Patel said during his speech. "Sector master plans developed and implemented in partnership with business and unions contain the details of how to do this."

Patel said the sector needs practical steps to be promoted, where sustainable, a greater level of beneficiation of the natural resources in South Africa. By increasing the local production capacity of COVID-19 products, ranging from face-masks, hand sanitisers, ventilators and medical furniture, a shift to more local manufacturing and local procurement was confirmed.

Apart from looking at master plans to support growth in the future, government will also address local product development, crack down on illegal imports, under-invoicing, and implement localisation modalities through the joint effort with the private sector.

"Tariff adjustments and rebates are an important policy instrument available to the state to lower or increase import duties, but in future will need to be accompanied more clearly by binding commitments by applicants to improve their competitiveness, create jobs and price

restraint," Patel said.

In support of the action plans announced by Minister Patel, Small Business Development Minister Khumbudzo Ntshavheni says the department is in talks with the DTIC to designate more products under the 100% local content category to support SMMEs in the local manufacturing sector.

The Minister confirmed this when Ministers in the economics sector replied to oral questions in the National Council of Provinces (NCOP) recently. "South Africa runs an open economy, which means it competes internationally and products are allowed to be in the country," Ntshavheni remarked.

"For instance, we are working with the DTIC to designate more products for 100% or 80% local content to minimise the entrance of other products in the country. In addition, we are working with the SA Revenue Service and customs to make sure that those products that are designated for 100% local content are not allowed on our shores to protect local companies," she told the NCOP

[Read more here:](#)



Design Joburg Collective a huge success, with more to follow

The recent Design Joburg Collective (DJC) suburb-sized showcase was deemed a runaway success by creating a new way of satisfying the appetites of décor and design devotees.

Taking place between 3 and 5 June in Johannesburg's Kramerville Design District, visitors were able to take part in a series of showroom events, exhibitions and special installations that took place across the area. The exhibition is close in style and pace to DJC's sister show in the UK, Clerkenville Design Week, which was instrumental in establishing this new way of showcasing design and décor to the industry.

With Sanlam Private Wealth staying on as the headline sponsorship partner, the follow-up Design Joburg Collective: Summer Edition (#DJCSUMMER) was announced to take to the streets and showrooms of the Kramerville Design District from 28-31 October 2021.

Visitors to the October summer showcase can expect a similar but super-sized and enhanced experience with more pop-ups, more installations and more collaborations, but this time over an extended four-day period. To keep up to date, go to <https://www.designjoburgcollective.com>



DESIGN JOBURG COLLECTIVE

The South African Furniture Initiative (SAFI), in partnership with the Fibre Processing and Manufacturing SETA (FP&M SETA), completed the pilot phase of the updated Occupational Certificate for a Furniture Upholsterer in Johannesburg.

According to Bernadette Isaacs, Managing Director of SAFI, the pilot proved to be a success with the learners taking part in practical training and examinations to allow the National Artisan Moderation Body (NAMB) to quality assure the updated trade test documents including mark sheets, ARLP (Artisan Recognition of Prior Learning) toolkit and accreditation check list. *“Upholstery is identified as a scarce skill by the furniture sub-sector, where the skill is to upholster items by fitting suspension and padding, thereby covering a frame to give it shape, comfort and functionality for a range of domestic, commercial and decorative uses,”* explains Isaacs.

“For SAFI it is vital to be involved in all furniture sub-sectors to partner, develop and support the furniture manufacturing industry,” says Isaacs. *“As the project management team for the update of the Upholstery Qualification, we are playing an important role in developing a scarce skill, ensuring its sustainable contribution to providing locally manufactured goods, in line with domestic and government’s plans and needs.”*

According to Naiem Bassadien, a Senior Technical Facilitator at the national vocational skills provider Furntech, being a key contributor to the qualification assists in ensuring it speaks to the present and future needs of the industry. *“Since the average age of an upholsterer is 55, investing in this artisan qualification is paramount to the skills development area of the country,”* he said. *“It is a skill that favours both men and women equally, is a highly employable skill and will always be in demand, even within the 4th Industrial Revolution.”*

Aubrey Bowers, owner of the Bowers Upholstery School of Excellence, agrees with these sentiments when he emphasises the importance of uplifting upholsterers to improve their skills, livelihood and earning potential. *“During the pilot phase we were able to identify the products that could be used in the recognition of prior learning, as well as complete the necessary questionnaires and marksheets,”* he said. *“Although learners who formed part of the pilot phase made every effort to achieve quality and timeous completion of their projects, the skills in upholstery processes are lacking, which emphasised the urgent need for upskilling.”*

The pilot phase was also deemed a success by Bassadien as it allowed the testing and development of the material, identifying shortcomings and needs, as well as assisting in identifying the timeframes and the application of the course material.

According to both Bassadien and Bowers, the improvement in the quality standards is imperative, while better processes and more time to be exposed to the practical part of the qualification are needed, especially since most learners have not done any upholstery before.

On completion of the course, the learner is able to upholster and manufacture certain elements in the furniture value chain. Apart from entering into a career in upholstery, the industry-based training enables learners to start their own businesses as entrepreneurs as well. By learning about fabric, materials used, techniques and how to upholster, for example, a Wingback chair, the learners get an opportunity to practically showcase what they have learned. These skills include applying health and safety to a work area, complying with good housekeeping practices, reading and interpreting basic engineering drawings, covering a prepared frame using basic upholstery hand tools, preparing and performing the pre-covering upholstery process, as well as preparing the final covering for prepared upholstery frames.

The Furniture Manufacturing sub-sector is made up of employers in the upholstery, bedding and curtaining industries, in addition to the timber industry, with companies that manufacture wood furniture dominating the sector. The Qualification is registered with the South African Quality Assurance Framework (SAQA) as an NQF Level 04 and the development of the qualification was funded by the Fibre Processing and Manufacturing SETA (FP&M SETA).

UPHOLSTERY QUALIFICATION IS VITAL IN THE EMPLOYABILITY OF ARTISANS



Events 2 Diarise

Africa Trade week has moved to new dates in August

As a strategic partner, SAFI is excited to announce that this year's Hotel & Hospitality Show and Africa Trade Week will be taking place at the Ticketpro Dome in Johannesburg from 23-25 August 2021. As a collection of three trade shows covering the food, trade and hospitality sectors, organisers are getting ready for the first-time hybrid format the event will accommodate owing to the COVID-19 pandemic regulations. Participants will be provided with an extension of a live event, with many more opportunities to connect with the audience, both in person and online.

To read more, go to:

<https://www.thehotelshowafrica.com/africa-trade-week/>

SAPICS to host virtual supply chain conference

SAPICS will be hosting the 43rd virtual supply chain conference between 24 to 26 August 2021. At this year's SAPICS you can grow your network, find solutions to problems, learn about new products and services on offer, and advance your career and your organisation. To register, go to:

<https://conference.sapics.org/>

SAFI celebrates 5 years of supporting the furniture industry

SAFI is turning five years old during August and plans to celebrate this landmark event with Top 5 lists on a variety of topics. Here is our five events to diarise and watch in the second half of 2021:

Five events to diarise and watch in the second half of 2021:

1. Decorex Johannesburg takes place at the Gallagher Convention Centre from 6-9 August 2021.
2. Africa Trade and the Hotel & Hospitality Show takes place from 23-25 August 2021.
3. The SAPICS 43rd virtual conference takes place from 24-26 August 2021.
4. Decorex Durban takes place from 23-26 September 2021 at the Durban Exhibition Centre.
5. Design Joburg Collective Summer edition takes place from 28-31 October 2021



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