



# South African Furniture Initiative

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Digital Newsletter September 2021



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*Bernadette Isaacs*



## MESSAGE FROM THE MANAGING DIRECTOR

Since the June SAFI Newsletter, the furniture manufacturing sector, together with the country, was once again challenged by factors beyond its control. The COVID-19 pandemic is still with us, impacting everything we do every day. The enforced lockdowns had an immense effect on imports and exports and the availability of raw materials, while new product lines to accommodate work-from-home had to be developed and designed.

To exacerbate the situation, the country had to contend with the civil unrest and accompanying looting during July, with devastating effects to the furniture manufacturing and retail industries.

As a country, we all looked on as furniture businesses, property and more were ruined. It was indeed a sad couple of days, especially in the KwaZulu-Natal and Gauteng regions. With most people in the sector working for SMMEs being affected, it was inspiring to take note of the resilience of the people and how businesses committed themselves to grow the local drive by diversifying supply chains and investing into the country.

It was not only doom-and-gloom, as SAFI celebrates its 5th anniversary. Read more about our past successes and challenges, but also what we have planned for the future.

Finally, remember to save the date for the 3rd edition of the annual Furniture Sector Forum which will take place on 3 November 2021 when we will discuss the future of the furniture industry, ways to grow it and what to do about unemployment and the availability of raw materials, among many other topics.

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

Best wishes,

Bernadette Isaacs  
Managing Director



# SAFI CELEBRATES PAST WHILE PREPARING FOR THE FUTURE



Following half a decade of serving the furniture sector in South Africa, the South African Furniture Initiative (SAFI) is celebrating its 5th anniversary by taking note of past successes and using that knowledge to springboard the organisation into the future.

According to Bernadette Isaacs, Managing Director of SAFI, the organisation was established as a joint initiative of industry, labour and government with the aim of promoting development and growth of the local furniture industry for the benefit of all stakeholders. "Since then, we took centre stage in our role of connector for an industry made up of many small and medium-sized enterprises without access to policymakers, local and international markets and manufacturers," she said.

The objectives of SAFI comprise the provision of market intelligence, facilitating training, mentoring and support to member organisations, promoting local furniture manufacturing and design, as well as facilitating access to local and international markets. Furthermore, according to Isaacs, SAFI aims to determine and facilitate initiatives and programmes to enhance the performance of the furniture industry, to sustain existing employment and create new employment opportunities by strategically facilitating relationships throughout the value chain.

Looking back over the past five years, the road to become a credible and pivotal role player for the industry came with various challenges, which included dwindling confidence in the South African economy from international investors, widespread unrest, unreliable electricity supply, labour issues and a shortage of raw materials. The sector employed 34 719\* people in 2018 with another 7 728\* employed in the informal sector before COVID-19, but with the subsequent economic downturn, widespread job losses and loss of income were reported.

Despite these challenging factors, major triumphs for SAFI included the adoption of the national Furniture Industry Master Plan (FIMP) on 29 March 2021, the establishment of the SARS Furniture Forum in June 2019 to address the Industry's challenges and to provide support to inform trade and industrial policy directed at decreasing illegal imports of furniture into South Africa. SAFI also initiated the annual Furniture Sector Forum, launched in 2019 in partnership with Proudly South

African, an annual knowledge-sharing online platform where core issues in the Furniture Industry are discussed. The 3rd instalment of this Forum will take place on 3 November 2021 when the future of the furniture industry and the restructuring of SAFI are some of the topics that will be explored.

"Reorganising SAFI into 7 chambers is an exciting development brought about by the recent adoption of the FIMP," Isaacs said. "By accommodating the segments of the industry as outlined in the Plan, we are able to enhance the participation of SMMEs and focus on strategic relationships with stakeholders in the value chain."

The past 18 months saw the sector laying the foundation to enable the local furniture manufacturing industry to grow into one of the biggest manufacturing industries in the country.

"I believe in the industry's potential to become a key contributor to the country's GDP, but collaboration between government, business and labour is key to the successful implementation of the FIMP, thereby assisting the industry to become more globally competitive while supporting the local value chain," Isaacs said. "The holistic approach of the furniture industry towards sustainability, the environment and innovation is a revelation that will be supported and expanded by the FIMP."

To highlight this, Isaacs mentioned five focus areas that could improve the industry's contribution, namely enhancing design opportunities and the development of critical skills, trade interventions to address illegal imports, access to cost-efficient raw materials, export opportunities and transformation across the value chain.

"A lot has changed in the industry since the beginning of 2020 where sectors like office furniture had to pivot to furniture tailored for the home," says Isaacs. "The resilience of the furniture manufacturing industry and furniture design, coupled with skills training and learning opportunities, will go a long way to help South Africa become an international furniture force to be reckoned with," she concluded.

\* Source: Quantec (2020), updated.

**I believe in the industry's potential to become a key contributor to the country's GDP...**

# LOCAL GOVERNMENT TAKES NOTE OF FURNITURE INDUSTRY'S SURVIVAL INSTINCTS



As part of the South African Furniture Initiative's (SAFI) vision to connect business, government and consumers, SAFI through Wesgro, engaged with the Mayoral Committee for Economic Opportunities and Asset Management at the City of Cape Town, Alderman James Vos. He recently visited various furniture manufacturing facilities in Cape Town to assess the current state of the sector.

According to Bernadette Isaacs, Managing Director of SAFI, a lot has changed within the industry since the start of the COVID-19 pandemic in 2020. "At SAFI, we've seen how sectors like office furniture had to pivot to furniture tailored for the home and therefore it is fitting that CO Designs was one of the destinations to be explored by Alderman Vos and his team," she said.

"Today was an eye opener for me, as I was surprised to learn how much thought, training and skill goes into the design and manufacturing of something as ordinary as an office chair, something I sit on every day without even thinking about it," Alderman Vos told the delegation at the City Office warehouse in Stikland, Cape Town. "A lot has changed since the enforced restrictions in the country and it obviously had a dire effect on the office furniture manufacturing sector."

He also referred to the adopted Furniture Industry Master Plan. "The holistic approach of the furniture industry towards sustainability, the environment and innovation is a revelation that will be supported and expanded by the FIMP," he confirmed government's intent to the delegation.

Isaacs agrees in saying that the key to successfully implementing the FIMP will be partnerships. "To expand and nurture existing medium-sized companies to help them grow and supply retailers more successfully, will require an innovative partnership between government, retailers and manufacturers," she said.

The delegations took to the factory floor of Cape Town-based CO Designs, a market leader in office and work-from-home furniture to observe the cradle-to-grave concept from where the raw sheets of board come into the factory to the final product of a chair, table, desk or sit-down couch.

According to Graham Radford, Director at CO Designs, the pandemic forced them to take steps to secure the longevity of the business and to provide security and economic support for the staff. "One positive outcome of the pandemic was that we, as management, were afforded the time to take a strategic look at the business, refocus our efforts, while at the same time reprioritising products and product-lines," Radford said. "This actually gave us the opportunity to reshuffle priorities and fast-track some of our very innovative products which had been put on the back-burner for too long."

One of these latest innovations was demonstrated to the delegation. According to Radford the portable sit-to-stand workstation called "EasyActiv" addresses the affordable ergonomic requirements of a broad range of work styles including both remote and office work.

"It is a multi-functional product that encourages movement, prevents fatigue and provides comfort whilst working from wherever you are," Radford told the delegation. "Most importantly the products are all designed inhouse, manufactured locally and, where possible, raw materials are sourced locally as well."

The Quickpod, a demountable freestanding room-in-room modular system as an alternative to drywall, was unveiled as well. A reusable structure with services and lighting integrated into the structure, while air circulation is provided with concealed fans that draw air in from the greater air-conditioned open plan office space, proved a hit with the visitors.

"We believe it is an excellent solution for offices, meeting, collaborative and training rooms within large open plan areas," Radford explained. "Quickpod is designed to be dismantled, moved in close proximity, and reassembled in a day to ensure minimal disruption and downtime and can be branded and even be off-the-grid."

Alderman Vos responded positively by emphasising his amazement at the quality and innovations demonstrated by local production facilities and how businesses had to re-engineer their strategies to survive in the current pandemic with the accompanying economic downturn and high levels of unemployment.

"With the local lack of financial resources and raw materials proving a challenge, how businesses adapt is proving crucial in their long-term survival," said Isaacs. "Today's site-visits once again highlighted the importance for government and investors to take cognisance of the situation at grassroots level to truly impact on the future of the furniture sector and the manufacturing industry," she said.



manufacturing  
indaba 

## MANUFACTURING INDABA – A MUST ATTEND EVENT IN NOVEMBER

Get ready for the Manufacturing Indaba's Virtual Conference and Exhibition, which will take place from 22 to 26 November 2021 and which will include panel discussions, keynote speakers and the opportunity to learn how manufacturing can promote development and boost the African economy.

As a leading manufacturing event in sub-Saharan Africa, it has shown impressive growth year-on-year and has proved its value in generating business connections and helping manufacturers to innovate and grow their potential by taking advantage of the latest innovative technologies and approaches to improve its manufacturing activities and operations.

By participating in the manufacturing conference and exhibition, delegates will be able to learn from industry leaders, manufacturing sector experts and international speakers, while at the same time meeting potential buyers through the business matchmaking programme and buyers' lounge.

Leadership discourses will be hosted by André de Ruyter, Group Chief Executive of Eskom, Ashish J Thakkar, CEO of Mara Phones and Clem Sunter, an expert on South Africa and the global economy, with the aim of providing guidance in charting a post-COVID-19 pandemic recovery course for the manufacturing sector.

By bringing together business owners, industry leaders, government officials, capital providers and professional experts to explore opportunities and grow their manufacturing operations, the 2021 version of the Manufacturing Indaba is an event not to be missed. To register go to

<https://manufacturingindaba.co.za/register-conference-jhb/>

## BRAVO BRANDS TAKING SAFETY FIRST APPROACH

Bravo Brands, the country's largest bedding and lounge manufacturer, recently demonstrated its commitment to safety and recovery during the civil unrest that gripped KZN and Gauteng.

Following the closure of its three KZN factories in early July due to worker safety concerns, and extreme looting, vandalism and property destruction, Bravo quickly and efficiently implemented its safety-first rebuild and recovery program.

According to Dave Govender, CEO of Bravo Brands, product supply of its Grafton Everest and Gommagomma brands to many of its unrest-impacted retail partners was restored from mid-August onwards as they shipped orders from KZN throughout the country.

"Bravo completed this feat whilst preserving all their employees' income and jobs," Govender said. "Importantly, the entire rebuild program was achieved with full adherence to COVID-19 and OHSE protocols and through the support and efforts of its local supply chain partners."





## PG BISON INVESTS IN EMKHONDO

After announcing a R2 billion capital investment to be rolled out over three years at its eMkhondo facilities in 2020, PG Bison's expansions will make an important contribution by providing raw materials to the furniture industry. The upgrades include a major capacity expansion as well as an additional new medium density fibreboard (MDF) plant at the same location, thereby solidifying its position as an industry leader in its chosen markets.

According to Francois Pienaar, PG Bison Lead Project Manager, the first project costing R500 million involved the replacement of the old forming press, as well as the cooling, stacking and sanding lines. "Additionally, we installed and commissioned a second melamine faced board (MFB) line, with a capacity of 18,000 square metres a day," he said. "We were also able to ensure we optimise the use of raw materials through improving the press process."

The completion of the second MFB line has significantly increased PG Bison's capacity to service market demand with its MelaWood, SupaGloss and Formica LifeSeal Worktop products.

Furthermore, in late 2019, the company commissioned a refurbished Siempelkamp short-cycle press. "The refurbishment was managed completely in-house by the PG Bison project team," Pienaar said. "This included all the electrical cabinets, the design of the SCADA control system, the pneumatics, the hydraulics – basically a complete rebuild. We also performed the installation and fitted the line with three Kuka robots for out-feed and inspection. To our knowledge, it's the only roboticised MFB line in the world."

Pienaar says the project team is now busy with the complete replacement of its preparation line for the eMkhondo plant. This includes state-of-the-art Austrian Büttner energy plant and driers, screening equipment, a new flaker, and new conveyor systems. The project is due for completion in early 2022 and will result in a 25% capacity increase at the plant. The value of the project is R560 million.

The Büttner equipment is being installed by a team from SGS Industrial Services, an Austrian-headquartered global industrial service provider, and the remainder of the project will again be handled by PG Bison's in-house project team. "We've manufactured over 500 tonnes of platework for this project between our own workshops in Boksburg and eMkhondo," he said.

PG Bison has strategically developed its own project management capabilities to allow for major upgrades to be undertaken internally. "We have a dedicated, experienced workshop manager, and our workshops can manage everything from detailing design procurement to the quality of throughputs from the workshops, supported by the detailing draughtsman," Pienaar said. "We've also invested in our own state-of-the-art workshop equipment and software packages, with competent operators. The project team comprises 42 people and is made up of people with a wide range of skills, from mechanical, electrical and control system engineers to various skilled artisans."

He continued to say: "There is a massive skills shortage and generation gap in South Africa, where many artisans are approaching retirement age with not enough younger people available to take over," Pienaar said. "The industry has now started to train artisans again, but at PG Bison, we've been working to bridge that gap by investing in our own teams, both at plants and within project teams. It takes time to build skills and resources, but we've always understood that for the sake of our own long-term sustainability, we must train up young people."

Pienaar says PG Bison has now received approval from its shareholder, KAP Industrial Holdings Limited, for the next stage in the eMkhondo development, which entails building an additional medium density fibre (MDF) plant. Pending utilities supply and various regulatory approvals, the project will commence in 2022 and is expected to be completed by mid-2024.

"Investing into eMkhondo will give the site itself long-term sustainability, will optimise PG Bison's operations in terms of using the latest technology and will keep adding value into the community and to South Africa's manufacturing industry," Pienaar said.

According to Justin Berry, Sales & Marketing Executive at PG Bison, the capital investment project and the localisation opportunities it will create, have been positively received by government at all levels. "A total of R1.85 billion will be invested in this new plant. Currently, we produce 400 cubic metres a day at our MDF plant in Boksburg. When the additional eMkhondo plant comes online, our capacity will be increased by 200%, with an additional 800 cubic metres of MDF a day," Berry said and added: "This will give PG Bison a total installed capacity on MDF of 1 200 cubic metres a day between our two MDF plants. We believe the impact of these investments will be significant, contributing to the creation of direct and indirect jobs, as well as skills and enterprise development and further local partnerships."



# Starting your own Small? Business ?



## HOW TO CUT RED TAPE FOR YOUR BUSINESS

A guide to cut red tape for your business is now available from the Red Tape Reduction unit from the Western Cape Government, which is serious about expanding the number of small businesses.

One of the main issues, namely the process for starting a small business, is explained as a quick read guideline to test your idea, prepare the necessary documents and provide a database of resource contacts. Starting your own business can be very difficult, challenging and frustrating, with many risks involved. However, it can also result in enormous rewards. In order to become a successful entrepreneur, you need to possess zeal, tenacity, optimism, innovation and have an appetite for risk.

The first question you have to ask yourself is why you are starting your business and the answer to that question should be your motivation. We will outline some of the characteristics of an entrepreneur, the factors that determine a successful entrepreneur, challenges and risks of starting a business, the key guidelines for starting a business, and the business structures that an entrepreneur can choose to establish.

Download the guideline here:

<https://www.westerncape.gov.za/red-tape-reduction/our-guides-and-resources/starting-your-own-small-business>



**RedTape**  
Reduction

## EVENTS TO DIARISE

### **Design Joburg Collective Summer edition:**

28-31 October. To find out more, please go to the website here: <https://www.designjoburgcollective.com>

### **SAFI Furniture Sector Forum:**

3 November. More information and links to register for the Forum will be available on our social media platforms during the month of October.

### **Manufacturing Indaba Virtual Conference and Exhibition:**

22-26 November. For more information go to <https://manufacturingindaba.co.za>. SAFI-members qualify for a discount when registering. To find out if you are eligible and to get the discount code, send an email to [safi.ct@furnitureza.org.za](mailto:safi.ct@furnitureza.org.za)



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