

SFIC Spearheads First Overseas Deal-seeking Initiative for the Singapore Furniture Industry



Singapore, 25 February 2015 - The Singapore Furniture Industries Council (SFIC) today officiates its first association-led overseas deal-seeking initiative for the Singapore Furniture Industry. Tapping into the Local Enterprise and Association Development (LEAD) programme run by International Enterprise (IE) Singapore and SPRING Singapore, SFIC will, for the first time, engage in-market consultants to help local small and medium enterprises (SMEs) seek deals in overseas markets. Nine furniture companies pledged their commitment to the programme and officiated the cooperation in a Memorandum of Understanding (MoU) Signing Ceremony held this morning at the Singapore EXPO, in the presence of Minister of State, Ministry of Trade and Industry, Mr Teo Ser Luck.

The LEAD programme aims to enhance industry and enterprise competitiveness through partnerships with Trade Associations and Chambers (TACs), such as SFIC. Under the programme, TACs can engage in-market consultants to help companies seek deals overseas. Through this, SFIC will help the nine local SMEs seek deals in markets such as Australia, Europe and the Philippines. IE Singapore will fund up to 70% of the professional fees required to engage overseas consultants, for a three-year duration.

Mr Lee Yee Fung, Group Director for Lifestyle Business, IE Singapore, said, "Increasingly, SMEs are recognising the need to grow or scale up their business by going overseas. Many have the desire but need some assistance in terms of navigating the markets and identifying the right projects or partners. With our LEAD programme, SFIC can now engage in-market consultants with strong networks to help its member companies increase their success rate in securing projects and deals in new markets. SFIC has also gone a step further by grouping furniture companies together and committing to a three-year initiative for this."

As the custodian of the programme for the furniture industry, SFIC oversees all aspects of the initiative, including the selection of companies, planning and management of grant disbursement, as well as the screening and matching of overseas agents. Through this programme, local furniture and furnishings companies will be able to reach out to their target audiences within those appointed markets by tapping on the overseas in-market consultants' networks and relationships, so as to uncover more opportunities for business expansion, including sales/export contracts, supplier/distributor appointments, and franchising/licensing opportunities.

The participating companies are placed into three groups - *Home Living, Building & Materials, and Office Furniture* - each with three SMEs that complement one another in terms of product offerings. The companies are:

Home Living Group (Target market: Europe)

- Ivena International Pte Ltd
- Star Furniture Pte Ltd
- Univonna Pte Ltd

Building & Materials Group (Target market: The Philippines)

- Ewins Pte Ltd
- Getz Bros & Co (S) Pte Ltd
- Sitra Holdings (International) Limited

Office Furniture Group (Target market: Australia)

- FAM Solutions Pte Ltd
- Technigroup Far East Pte Ltd
- TraDesk Pte Ltd

On the motivation behind this initiative, Mr Ernie Koh, President of SFIC, said, "In order for the Singapore furniture industry to deepen its footprint on the global map, local enterprises must adjust their mindset and reinvent their business models, by taking the *3i* Approach - Improve, Innovate, and Integrate. This is what we hope to achieve through the LEAD programme, by facilitating strategic partnerships between industry players. Such business transitions are never easy and we are very encouraged by our local players' willingness to step out of their comfort zone and to embark on this exciting initiative with us."

To ensure sustainability of the 3-year programme, SFIC has also established a framework to review programme progress and to measure customer satisfaction on the services rendered by the overseas in-market consultants, on a quarterly basis.

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About Singapore Furniture Industries Council (SFIC)

Singapore Furniture Industries Council was established in 1981 as the official representative body of Singapore's furniture industry. It currently represents 95% of established furniture manufacturers in Singapore, of whom 65% have subsidiary manufacturing plants in the region including China, Indonesia, Malaysia, Myanmar, Thailand and Vietnam. Its primary role is to promote the interests of its members and the Singapore furniture industry. Many of its initiatives aim to facilitate members' exposure to the world market, develop local talent and encourage entrepreneurship.

Through SFIC Institute, its training and education arm, the SFIC offers development courses to ensure its graduates remain competitive and relevant to the latest industry developments. It also manages the International Furniture Centre and organises SingaPlural, the annual design week, held in conjunction with International Furniture Fair Singapore/ASEAN Furniture Show, The Décor Show and Hospitality 360°.

To ensure the industry's growth and viability, SFIC continues to forge close partnerships with the government and trade-related agencies to harness technology, knowledge and information for effective strategic planning.

Visit www.singaporefurniture.com for more information.

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APPENDIX:

SPEECH BY MR TEO SER LUCK,
MINISTER OF STATE FOR TRADE & INDUSTRY
AT THE SINGAPORE FURNITURE INDUSTRIES COUNCIL (SFIC) LUNAR
NEW YEAR CELEBRATION
ON 25 FEB 2015, 11.45 AM

Mr. Ernie Koh, President of Singapore Furniture Industries Council Distinguished guests
Ladies and gentlemen

Good afternoon.

1. A very Happy Lunar New Year to everyone. I am delighted to be here today to celebrate this festive occasion with the Singapore Furniture Industries Council (SFIC).

Recent Performance of the Furniture Industry

2. Singapore's economy has grown at a modest pace over the past few years, with our GDP growing at 2.9% in 2014. The global economy has also been sluggish, with the recent recovery in the US being offset by slower growth in China and other economies. Against this backdrop, our furniture industry is doing reasonably well. In 2014, our furniture industry's revenue rose by 2.8% from 2013 to reach an estimated \$6.24 billion^[1].

SFIC's Role in Growing the Furniture Industry

3. Singapore's furniture industry has had to overcome our domestic land and manpower constraints, and find creative ways to grow sustainably. It has also had to adapt to global trends such as customers seeking greater customisation.
4. The SFIC has played an important role in helping our furniture industry respond to these challenges and take advantage of new opportunities. For instance, the SFIC Institute, in partnership with NTUC's Employment and Employability Institute and the Workforce Development Agency, launched the Creative Craftsman Apprenticeship Programme in Feb 2014. Under this programme, potential craftsmen are matched with participating employers and can look forward to improving their carpentry skills, including on-the-job training and mentorship sessions with their new employers. 18 apprentices have graduated in Nov 2014, and another 17 are currently participating in this programme.
5. The SFIC has taken steps to help members to benchmark their productivity against their peers. The Singapore Furniture Outlook 2014 provides the average revenue and value add per worker for furniture manufacturers, furniture contract manufacturers and furniture retailers^[2]. This is the first time these sub-sectors are tracked separately and also provides a vantage point for members to compare themselves against international counterparts.

Government Support for Industry Development

6. The Government has provided strong support to our furniture companies to upgrade their capabilities and internationalise. For example, Cathay Interiors, a company specialising in fitting out building interiors, invested in wood-working machinery to automate its production process in 2013. Supported by SPRING Singapore's Capabilities Development Grant, this initiative has enabled the

company to reduce the man-hours spent on panel cutting by up to 90% and enhance its ability to respond to short-term demand spikes.

7. Internationalisation is an important part of growing our furniture industry, and many of our furniture companies have done well in this. Notable examples include Scanteak, which now operates retail stores in Japan, Taiwan and the USA, and Commune, which has opened stores in Malaysia, Indonesia, Taiwan and China.
8. In 2014, IE supported 5 trade shows and business missions led by SFIC under the International Marketing Activities Programme or iMAP which defrays some of these costs while facilitating establishment of trade contacts in key markets such as Germany, China and the USA.
9. Today, I am delighted to announce that the SFIC can now tap on the Local Enterprise Association Development or LEAD scheme, to engage inmarket consultants^[3] to help their members target overseas markets. These consultants possess strong networks in target markets, which are particularly helpful when representing our companies to source for as well as bid for contracts. I understand that three groups of SFIC members have stepped forward to embark on the programme - the Building Materials Group, the Home Living Group and the Office Sector Group.
10. For example, participants from the Building Materials Group are banding together to offer a complementary product offering which includes wall boards, timber flooring and ceiling finishes. An appointed consultant will start hunting for deals by arranging business matching meetings with prospective clients in the Philippines^[4]. I hope that this scheme facilitates business development and helps participants gain a stronger foothold in high-growth markets.

Conclusion

11. Let me close by wishing each of you continued success in the Lunar New Year. The Government will continue to work with partners such as the SFIC to support the growth of our furniture industry. I would like to urge individual businesses to seize the opportunities and make use of the support which Government is providing for growth and internationalisation. I am confident that with everyone playing their part, Singapore's furniture industry will continue to grow from strength to strength.
12. Thank you.

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^[1] Information provided by the SFIC, Feb 2015.

^[2] The VA/worker for Manufacturers, Contract Manufacturers and Retailers stand at S\$35K, S\$36K and S\$74K respectively. Singapore Furniture Outlook 2014, SFIC, Sep 2014.

^[3] Up to 70% of consultancy costs (specific to helping companies to seek deals) are supported.

^[4] The Philippine construction industry is expected to grow strongly, bolstered by an overall economic growth of 6.1% in 2014. Source: Philippine Statistics Authority, 29 Jan 2015.