

I T T O

INTERNATIONAL TROPICAL TIMBER ORGANIZATION

DRAFT PROJECT DOCUMENT

Title	TRAINING PROGRAMME ON FURNITURE PRODUCTION
Serial Number	PD 123/91 Rev. 2 (I)
Original	ENGLISH

Prepared by	MALAYSIAN TIMBER INDUSTRY BOARD
Submitted by	GOVERNMENT OF MALAYSIA
Duration	NINE MONTHS
Field of Activity	FOREST INDUSTRY
Co-operating Governments	
Implementing Agency	MALAYSIAN TIMBER INDUSTRY BOARD (MTIB)
Estimated Starting Date	1 NOVEMBER 1991
Estimated Project Cost	US\$ 155,300 ^{153,500}
Financing Sources and Amount	
-ITTO Contribution	US\$ 145,300 ^{143,500}
-MTIB	US\$ 10,000
TOTAL	US\$ 155,300 ^{153,500}
Signed	

On behalf of ITTO

Date

On behalf of Government of
Malaysia

Date

PART I LEGAL CONTEXT

The project meets the objectives of Article 1 (e) and (g) of the ITTA and related to the functions of the permanent committees as per paragraph 3 of Article 25 and is consistent with the criteria listed in paragraph 7 of Article 23.

PART II THE PROJECT

1. OBJECTIVES

1.1 Developmental objective

The long term objective of the project is to foster the development of further processing in the wood-based sector, particularly in furniture manufacture and export of producer countries in the Asia-Pacific region.

1.2 Immediate objective

To promote transfer of technology of modern methods and techniques production planning and control to furniture manufacturers of producer countries in the Asia-Pacific region.

2. BACKGROUND AND JUSTIFICATION

In 1988, an International Seminar On Furniture Development and Promotion was organized in Kuala Lumpur, Malaysia, by the Malaysian Timber Industry Board (MTIB), and sponsored by ITTO. The objectives of the Seminar are: (i) to assess the developmental needs of the furniture industry in the ASEAN region, India and Papua New Guinea; (ii) to enable participants to gain a better understanding and knowledge on production and marketing of furniture for export; (iii) to establish opportunities for business contacts for ASEAN, India and Papua New Guinea manufacturers.

The Seminar was well-attended by 80 participants, representing furniture manufacturers and those involved in promoting and developing the furniture industry in their respective countries.

Among the recommendations made as a result of the Seminar, it was felt that regular opportunities for training, such as in the form of workshops, should be organized particularly for middle-level managers and supervisors, in order to enable them to constantly update themselves on developments in technology and techniques. It was recommended that the focus should be on techno-managerial aspects such as production planning and control, order processing, quality and process control, jig making, surface finishing, etc.

This project is therefore proposed as one of the follow-up measures to the Seminar.

With access to natural resources and an increasingly productive workforce, the Asia-Pacific region has been identified as the region with the best

potential for rapid growth in 1990s. More emphasis has been placed on downstream activities of the wood-based industry in the region especially in countries like Indonesia, Malaysia, the Philippines, Thailand and Papua New Guinea. However, despite having the advantage of natural resources, the furniture industry in these countries still lags behind that of Japan, South Korea, Taiwan and Singapore. The development of downstream wood processing industries manufacturing value-added products, such as furniture, has been given high priority by the countries concerned in order to reduce their dependence on the export of round logs and primary products.

The transfer of appropriate technology to managers and supervisors, through practical training programmes in specialized institutions and factories overseas, as proposed for this project, is crucial to the successful development of the furniture industry in the producer countries of the Asia-Pacific region.

3. APPROACH

The approach taken in this project is aimed at providing practical 'hands on' training on furniture production planning and control to selected participants in order to refine and enhance their expertise on this aspect of furniture production. It is therefore proposed that the programme will cover more than just the basic aspects of furniture production planning and control, and will be highly practical-oriented.

The selected participants, after undergoing this programme, will be expected to share the expertise gained through appropriate transfer of technology activities in their respective countries.

It is proposed that participation from the ITTO producer countries should be as follows:

<u>Producer Country</u>	<u>No. of Participants</u>
Indonesia	3
Malaysia	3
India	2
Philippines	2
Papua New Guinea	2
Thailand	2
TOTAL	<u>14</u>

The participants should preferably be working in furniture mills or attached to relevant institutions which are responsible for training and transfer of technology activities related to furniture production and quality control.

The 14 selected participants will undergo advanced level training in furniture production and planning and control at a suitable training organization. The main areas of study should be a plant layout, production scheduling and control, and materials handling. The training

programme will consist of one month of formal lectures with visits to suitable furniture mills. A suitable organization to conduct the above training programme would be the Skive Technical College, in Denmark.

4. OUTPUTS

The main output from this project would be a skilled managers and supervisors, representing the initial phase in the efforts among the producer countries to build up a core of managers and supervisors, who are skilled in various aspects of furniture design, production, finishing and quality control, and who are able to transfer such expertise to their colleagues in the industry.

5. ACTIVITIES

The summary of activities is as follows:

- (i) Formal lectures on plant layout, production scheduling and control, and materials handling
- (ii) Visits to furniture mills
- (iii) Classroom discussions and case studies.

6. INPUTS

From Government of producer country

- selection of participants
- local travel costs for participants
- organization of follow-up courses for participants to further disseminate the information collected.

7. SCHEDULE OF WORK

Preparation of programme	-	July 1991
Selection of participants by respective producer countries	-	August-October 1991
Training Period in Skive	-	January 1992
Submission of evaluation of training programme by national agency to ITTO	-	February 1992

8. BUDGET

The total budget for the project is estimated to be US\$155,300 if the programme is conducted by Skive Technical College, Denmark. Appropriate adjustments will have to be made to the estimates if the programme is conducted by another training organization. The details of the budget are as follows:

I. ITTO CONTRIBUTION

	<u>US\$</u>
(a) Return airfare to Skive, Denmark (14 persons x US\$2,000)	28,000
(b) Local travelling (14 persons x US\$250)	3,500
(c) Board and Lodging (14 persons x US\$120 x 30 days)	50,400
(d) Course fees	54,600
(e) Miscellaneous	2,000
(f) ITTO evaluation and monitoring costs	5,000

II. MTIB CONTRIBUTION

Administrative support 10,000

GRAND TOTAL ~~143,500~~
153,500
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