global sources
Indonesia Sourcing Reports

BUY NOW

Indoor Furniture

Essential sourcing intelligence

May 2013

US$150

Indonesia supplier profiles

Detailed profiles of 33 suppliers with verified manufacturing and export credentials

Product gallery

Specifications and full-color images of 180 top-selling export products ranging from beds to console tables

Industry trends

Coverage of current issues, plus insights into supply centers, products and pricing

Sample page only

promoting sustainable global trade

hinrich foundation

Global Sources is offering this series of *Developing Country Sourcing Reports* as part of its corporate social responsibility undertakings in partnership with the Hinrich Foundation, a philanthropic development organization whose mission is promoting sustainable global trade.

The aim is to give international buyers new sourcing opportunities from experienced exporters, generating orders and creating lasting jobs in developing economies.

Supplier capability in Indonesia

INDOOR FURNITURE

Stringent policies concerning the use of locally sourced wood are prompting the indoor furniture sector in Indonesia to adopt only legally obtained raw materials.

The government has started requiring manufacturers to obtain certification verifying that the lumber they utilize is procured from accredited vendors. Different types of assistance are provided by the administration to ensure compliance. Besides promoting sustainability and environmental protection, these efforts are in line with the growing global demand for pieces constructed using eco-friendly components and processes.

Exports of furniture rose last year and are predicted to keep growing over the next 12 months. Demand from alternative markets is supporting the industry's development while revenue from traditional destinations continues to remain unstable.

Key findings

1. Suppliers overwhelmingly expect foreign turnover to increase this year as a result of burgeoning demand for midrange and upscale models from Asia-Pacific region and the Middle East. Sales to North America and the EU are predicted to be limited as these markets have yet to fully recover from the economic crisis.

2. There are no clear indications on price movements over the next six months. Manufacturers featured in this report are equally divided on increasing or keeping quotes the same. None plan to lower export prices.

3. The furniture industry benefits from the widespread availability of skilled manpower in Indonesia's various sourcing centers. Enterprises typically subcontract processes such as weaving, carving and embroidery to highly skilled craftsmen. Another edge possessed by the sector is lower labor expenditure compared with other supply zones in East and Southeast Asia.

4. The rising domestic consumption of raw materials such as rattan and hardwood is the main challenge confronting companies. In addition to high demand for these inputs, supply is becoming restricted as the government enforces policies aimed at controlling illegal logging.

5. Basic designs with minimal detail will dominate product lines. Makers diversify their range, however, by featuring various decorative elements, including woven, carved and gilded motifs.

Sample Page Only

Objective, methodology & scope

This Indonesia Sourcing Report is part of a series designed to provide buyers with information on new products from export manufacturers in supply markets that specialize in handmade merchandise.

The Developing Country Sourcing Report series is part of Global Sources' corporate social responsibility initiatives. It is offered in conjunction with the Hinrich Foundation, whose mission is promoting sustainable global trade. One of its objectives is to help create jobs in developing Asia through export promotion.

To produce this report, large, midsize and emerging manufacturers, all with substantial export experience, were surveyed. The selection of suppliers is designed to reflect the composition of the industry in Indonesia in terms of geographic location, materials used and range of products offered.

For in-depth profiles, our researchers visited the facilities of each company and interviewed senior executives who discussed their recent performance and provided forecasts for the next 12 months. All other makers in this report were either visited or contacted by phone.

In each case, companies were required to answer specific questions designed to verify their manufacturing and export credentials, including a breakdown of exports by product type and market. Suppliers also participated in a survey designed to provide insight into the industry.

This report covers different classifications of indoor furniture available in Indonesia, including living room, bedroom, dining, and bar and bistro pieces. Each product category has its own price guide that describes features of low-end, midrange and high-end models.

In this report

- 18 in-depth company profiles
- 15 short company profiles
- 180 top-selling export products
- Supplier demographics
- Supplier survey
- Industry statistics and charts

The Industry Overview section discusses key issues affecting export manufacturers. It provides insight on the composition of the industry and elaborates on the important supply centers within Indonesia.

The Products & Prices section details the features and price ranges of furniture. It also examines the design and manufacturing processes, main materials used, and sourcing centers where components are procured.

CONTENTS

EXECUTIVE SUMMARY 3
Key findings
Objective, methodology & scope

INDUSTRY OVERVIEW 11
Exports

Products & prices 13
Production & export statistics
Typical parts & components
Price guides

Supplier survey 19
Export prices
Export sales
Export markets
Major challenges
R&D focus

SUPPLIER PROFILES 21
Supplier matrix: Comparison of supplier location, sales revenue & export capability
Profiles of 33 verified suppliers

PRODUCT GALLERY 75
Living room furniture
Bedroom furniture
Dining & kitchen furniture
Bar & bistro furniture

CONTACT DETAILS 107

Sample page only

Copyright 2013 Trade Media Limited. *All rights reserved. Reproduction in whole or in part in any form or medium without express written permission of Trade Media Holdings Limited and Trade Media Limited is prohibited.*

Published by Publishers Representatives Limited (on behalf of Trade Media Limited)
4th Floor, Century Yard, Cricket Square, Elgin Avenue, P.O. Box 32322 SMB, George Town, Grand Cayman, Cayman Islands
c/o 22/F Vita Tower, 29 Wong Chuk Hang Road, Aberdeen, Hong Kong

ISBN 978-988-15981-1-0

Disclaimer: Any recommendation contained in this report may not be suitable for all investors or businesses. Moreover, although the information contained in this report is obtained from sources believed to be reasonably reliable, the accuracy or completeness of such information cannot be guaranteed. The author and the publisher of this report (and the publisher's affiliates, agents, sales representatives and service contractors) do not make any representation or warranty whatsoever (whether express or implied) in relation to any of the contents of this report (including any information, opinion, recommendation or conclusion contained in this report) (collectively, "Contents"), whether as to the accuracy, completeness, quality, fitness, suitability or reliability of such Contents (or any portion thereof) or otherwise, and shall not be liable under any circumstances whatsoever for any error, omission, defect or deficiency in, or for any use of or reliance on, such Contents (or any portion thereof).

All product images are provided by the companies interviewed and are for reference purposes only. Those product images featuring products with trademarks, brand names or logos are not intended for sale. Products that are not the specific topics of editorial articles are shown for illustrative and/or demonstrative purposes only. We, our affiliates, and our affiliates' respective directors, officers, employees, representatives, agents or contractors, do not accept and will not have any responsibility or liability for product images (or any part thereof) which infringe on any intellectual property or other rights of a third party.

Industry Overview

The indoor furniture industry in Indonesia is pushing for sustainable growth based on environment-friendly practices with the enactment of stricter wood sourcing policies.

Rising demand for models made of legally harvested logs has prompted the government to implement the Timber Legality Verification System. This certification scheme, which took effect in March, requires manufacturers to secure documents proving that the lumber used in production is obtained from legitimate sources. These include state-owned plantations and private firms that have been licensed by forest officials.

The national administration has earmarked about $500,000 from the state budget to be distributed among SMEs to help complete their accreditation. The authorities also allow them to form into clusters of 15 and apply for a single permit to ease the process and save on documentation costs. To ensure compliance, administrators will penalize the group even if only one of its members fails to meet the terms of the system.

The enforcement of the scheme comes as demand for items made of eco-friendly materials continues to swell in major markets, particularly the EU. The association has already banned imports of furniture assembled from illegally felled timber. The bloc has also set fines against noncompliant traders.

Makers are optimistic that the regulation, which is also aimed at combating deforestation, will help sustain the industry's progress. Outbound shipments in 2012 went up about 8 percent to almost $2 billion from the previous year. This was after the line contracted nearly 9 percent to $1.8 billion in 2011.

In the first two months of 2013, foreign sales reached about $304 million, marking a 20 percent jump from the same period last year. The upsurge is attributed to the growing demand in nontraditional destinations such as Eastern Europe, Africa and the Middle East. Suppliers maintain a bullish outlook for the next 12 months as exports are forecast to reach $2 billion on the back of stable sales and steady recovery of key markets. The rising cost of labor in other sourcing centers is also expected to help makers attract more orders abroad.

The US remains the industry's top overseas destination, accounting for more than $500 million of shipments last year. The amount represented a 13 percent increase from 2011. Japan is the second largest, taking up $235 million. Rounding out the top five are Germany, the Netherlands and the UK, which absorbed $135 million, $126 million and $109 million, respectively.

Competitive advantages

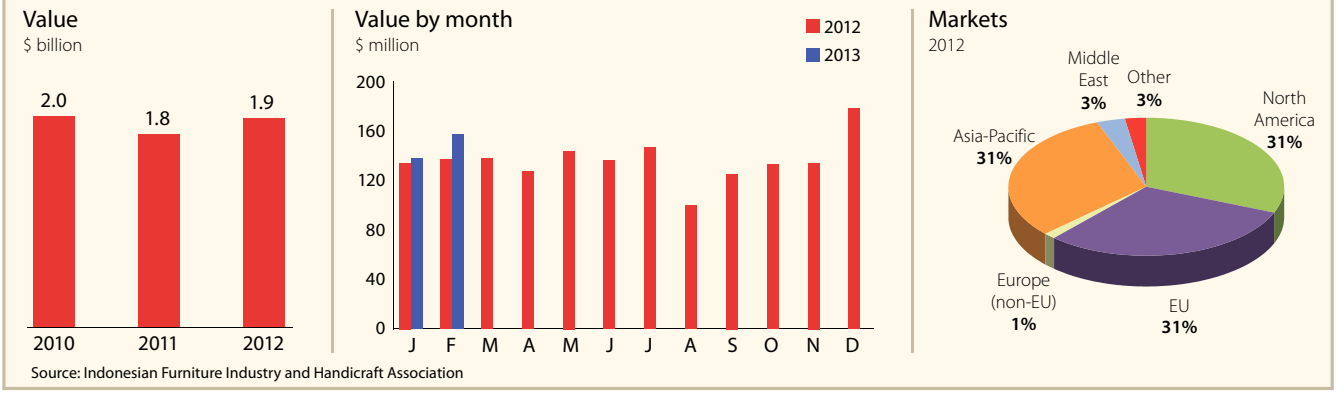
One of the indoor furniture sector's strengths lies in the presence of a large pool of artisans throughout the country. These craftsmen are proficient in various manufacturing steps, including weaving, carving and embroidery. As such, suppliers can easily subcontract some of the production processes that require their expertise. Companies also hire skilled workers to highlight traditional themes in their releases, thereby strengthening competitiveness against their rivals.

Lower labor cost is another edge enjoyed by the sector. Because of the rising wages in China, more foreign investors are turning to more economical supply hubs such as Indonesia. Although the minimum monthly salary in the country has increased 18 percent to $112, the rate is still cheaper compared with other sourcing centers in the region.

Workers in China receive between $187 and $240, depending on the location. In Vietnam, the monthly earnings range from $80 to $96, making it an attractive destination for foreign investors. However, the Vietnam government plans to raise the minimum wage by up to 35 percent this year due to soaring living costs. With these developments, Indonesia continues to emerge as a

Sample page only

Exports



Source: Indonesian Furniture Industry and Handicraft Association

SUPPLIER MATRIX

Company	Year established	Ownership	Head office location	Factory location(s)	Full-time employees	Part-time employees	ISO certified
In-depth profiles							
[redacted]	2002	Locally owned	Denpasar (Bali)	Denpasar (Bali)	6	4	✗
[redacted]	1998	Locally owned	Denpasar (Bali)	Denpasar (Bali)	10	5	✗
[redacted]	1998	Locally owned	Denpasar (Bali)	Denpasar (Bali)	12	8	✗
[redacted]	2001	Locally owned	Denpasar (Bali)	Denpasar (Bali)	6	3	✗
[redacted]	1990	Locally owned	Badung (Bali)	Tabanan (Bali)	30	20	✗
[redacted]	1995	Locally owned	Bekasi (West Java)	Jepara (Central Java)	65	30	✗
[redacted]	1997	Locally owned	Boyolali (Central Java)	Boyolali, Sukoharjo (Central Java)	210	30	✗
[redacted]	2005	Locally owned	Badung (Bali)	Badung (Bali)	16	6	✗
[redacted]	2008	Locally owned	Gianyar (Bali)	Rembang (Central Java)	18	20	✗
[redacted]	2005	Locally owned	Gianyar (Bali)	Gianyar (Bali)	5	10	✗
[redacted]	1997	Locally owned	Denpasar (Bali)	Banyuwangi (East Java)	20	10	✗
[redacted]	1994	Locally owned	Surabaya (East Java)	Surabaya (East Java)	50	30	✗
[redacted]	1998	Locally owned	Gianyar (Bali)	Situbondo, Probolingo (East Java)	20	50	✓
[redacted]	2006	Locally owned	Gianyar (Bali)	Gianyar (Bali)	11	5	✗
[redacted]	2000	Locally owned	Badung (Bali)	Badung (Bali)	10	20	✗
[redacted]	2000	Locally owned	Denpasar (Bali)	Denpasar (Bali)	12	6	✗
[redacted]	1996	Locally owned	Badung (Bali)	Badung (Bali)	20	10	✗
[redacted]	1989	Locally owned	Badung (Bali)	Badung (Bali)	12	4	✗

Sample page only

Amin Gallery

INQUIRE NOW

Amin was established and started exporting in 2002. It mostly manufactures rattan living and dining room furniture.

Australia and Malaysia are the key markets, each accounting for 25 percent of shipments. The rest goes to Japan, France, Germany and Italy.

Products in the line include rocking and armchairs, and coffee and dining tables. Living room models are the best-sellers.

The supplier targets all price segments. Quotes depend on the materials used, size and design complexity. Rattan armchairs start at $40. Bedroom sets are offered for $900 to $1,600.

Rattan, seagrass, water hyacinth and banana leaf are the materials used for weaving. Mahogany and iron are utilized for frames. All are sourced from Bali province and East Java's Surabaya city.

The owner is the principal designer and creates three new models every month. Samples are completed within two weeks.

Amin runs a 400sqm factory in the Denpasar city of Bali. The workshop is equipped with locally sourced blowtorches, cutters, compressors, sprayers, borers and sanding machines. All production stages, except for cushion-making, are done in-house.

The plant can roll out 350 pieces every month. The average monthly output is 100 pieces.

The enterprise has six permanent workers. An additional four employees are hired during the peak season of October to December.

Cartons are normally used as packaging. The minimum order requirement is a set or four pieces. Delivery time is two weeks.

Company facts

Year established	2002
Head office location	Denpasar (Bali)
Ownership	Locally owned
Factory location(s)	Denpasar (Bali)
Full-time employees	6
Part-time employees	4
Total annual sales (all products)	$100,000

Sales & output: Indoor furniture

Annual sales	$100,000
Share of total sales	100%
Annual export sales	$100,000
Total monthly capacity	350 pieces
Average monthly output	100 pieces
Capacity utilized	29%
Average monthly exports	100 pieces
Export ratio	100%

Capability

Materials used

Rattan (natural/synthetic)	✓
Bamboo	✗
Metal	✓
Mahogany	✓
Teak	✗
Other wood types	✗

Exports by product

Living room furniture	50%
Bedroom furniture	5%
Dining & kitchen furniture	40%
Bar & bistro furniture	5%

Exports by market

North America	–
EU	40%
Europe (non-EU)	–
Asia-Pacific	60%
Middle East	–
Other	–

Contact details

Business contact
AMIN Mohammad Habib

Phone
(62-361) 847-6020

Fax
(62-361) 847-6020

E-mail
aminnature@yahoo.com

URL
www.globalsources.com/amingallery.co

Address
555 Jalan Teuku Umar Barat, Denpasar, Bali, Indonesia

Sample page only

Popular export models

Model: Amin01
MOQ: 1 set
Packaging: Corrugated box
Delivery: 14 days
Price: $400
Description: Living room furniture set; four pieces; rattan body and mahogany frame; two 80x65x70cm armchairs, 120x65x70cm sofa and 100x70x45cm coffee table; in various colors

Model: Amin03
MOQ: 4 pieces
Packaging: Corrugated box
Delivery: 14 days
Price: $42
Description: Armchair; rattan; 80x65x70cm; in various colors

Model: Amin02
MOQ: 1 set
Packaging: Corrugated box
Delivery: 14 days
Price: $500
Description: Dining furniture set; five pieces; rattan; four 45x50x70cm chairs and 120x90x75cm table; in various colors

Model: Amin06
MOQ: 1 set
Packaging: Corrugated box
Delivery: 14 days
Price: $425
Description: Living room furniture set; four pieces; rattan; two 80x65x70cm armchairs, 120x65x70cm sofa and 100x70x45cm coffee table; in various colors

Model: Amin07
MOQ: 4 pieces
Packaging: Corrugated box
Delivery: 14 days
Price: $56
Description: Rocking chair; rattan; 90x45x140cm; in various colors

Model: Amin08
MOQ: 1 set
Packaging: Corrugated box
Delivery: 14 days
Price: $600
Description: Living room furniture set; five pieces; rattan body and mahogany frame; three 80x65x70cm armchairs, 120x65x70cm sofa and 50x45cm coffee table; in various colors

Sample page only

Yes! I'd like to order the following China Sourcing Reports. BUY NOW

A Please send me

Report Title:	US$
1)	
2)	
3)	
4)	
5)	

Total amount US$ ____

B Please send my reports by

❑ E-mail (PDF format) ❑ Air courier (printed copy)

C My contact details

❑ Mr ❑ Mrs ❑ Ms

Family Name Given Name

Job Title

Company Name

Address

City State/Province

Country Postal/Zip Code

E-mail

Tel Fax

Moblie/Cell Phone

D My payment method

❑ US$ check/bank draft payable to GLOBAL SOURCES, drawn on a US bank located in the USA

❑ Please debit my credit card

❑ AMERICAN EXPRESS ❑ MasterCard

❑ VISA ❑ Diners Club International

Amount (US$)

Card No.

Expiry Date

Signature Date

E Return this form by

Fax North and South America (1-480) 951-4197
Worldwide (65) 6547-2888

Mail Global Sources, c/o Media Data Systems Pte Ltd
Raffles City PO Box 0199, Singapore 911707

Thank you for your order.

For faster service, order online at
www.ChinaSourcingReports.com/pdfcs

For other inquiries
E-mail: service@globalsources.com
Telephone Hotline: (65) 6547-2800

global sources
www.globalsources.com

Form: MOM662 Project: 102CEC