

Wooden Furniture & Lighting

Essential sourcing intelligence

March 2012

US\$100

Philippines supplier profiles

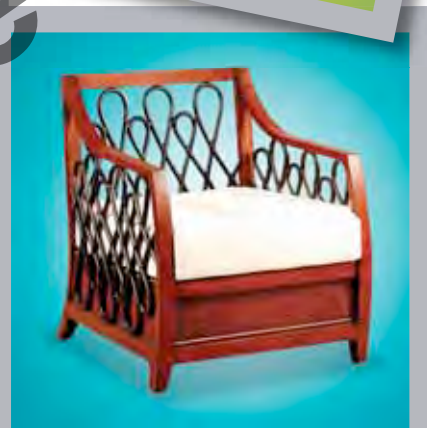
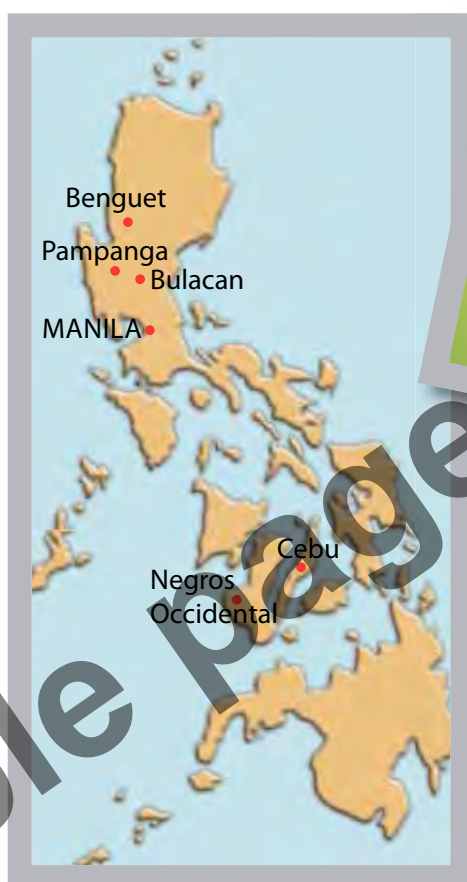
Detailed profiles of 21 suppliers with verified manufacturing and export credentials

Product gallery

Specifications and full-color images of 169 top-selling export products ranging from chairs to table lamps

Industry trends

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



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Global Sources is offering this series of *Developing Country Sourcing Reports* as part of its corporate social responsibility undertakings in partnership with The Kearny Alliance, a nongovernmental development organization whose mission is Aid through 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 the Philippines

WOODEN FURNITURE & LIGHTING

Environment-friendliness is the buzzword prevailing over the wooden furniture and lighting industry in the Philippines. Suppliers are implementing steps to ensure that products and manufacturing processes meet growing buyer demand for goods that do not adversely affect nature.

Wooden furniture enterprises highlight the fabrication of pieces made of legally harvested wood. Lighting companies place emphasis on certified and energy-saving electrical components. In addition, makers participate in programs aimed at encouraging the creation and consumption of products that are harmless to the ecosystem.

Models also adopt natural materials in addition to wood. These include rattan, bamboo, and various types of fibers such as Manila hemp, buri and banana bark. Marine-based inputs are commonly utilized in lighting.

Key findings

1. The majority of suppliers plan to keep prices level over the next six months to attract new clients and maintain viability. A significant number of companies are preparing to raise quotes, however, but this will be done cautiously at rates not exceeding 10 percent.
2. Enterprises target different price segments of the market depending on the product type. Furniture manufacturers emphasize the midrange and high end to avoid directly competing with less expensive pieces from China and Vietnam. Lighting makers are able to cater to the low end because models are made primarily of inexpensive and readily available indigenous materials.
3. A key challenge facing the sector is the diminished domestic supply of

wood due to a government directive prohibiting logging from natural forests. The artificial shortage has pushed up expenditure for lumber by as much as 30 percent over the past 12 months.

4. Upcoming designs of furniture will mainly have basic styles. A few decorative elements will be adopted, however, and these include bright colors for upholstered items and rustic effects for plain wood pieces. Lighting will feature motifs painted or engraved by hand.
5. Sourcing hubs in the Philippines are typically located in rural areas where production facilities have quick access to raw materials and skilled labor. These include the provinces of Pampanga, Cebu and Bulacan. Makers can also be found within Metro Manila.

Objective, methodology & scope

The Developing Country Sourcing Report series is part of Global Sources' corporate social responsibility initiatives. It is offered in conjunction with The Kearny Alliance, whose mission is Aid through Trade. The objective is to help create jobs in developing Asia through export promotion.

This Philippines 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.

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 the Philippines 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 the main types of wooden furniture and lighting available in the Philippines, including living room, bedroom, dining and outdoor furniture, and lighting. Each product category has its own price guide that describes features of models for the low end, midrange and high end.

In this report

- 18 in-depth company profiles
- 3 short company profiles
- 169 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 the Philippines.

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

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A.G. Crafts Export

INQUIRE NOW

A.G. has been exporting nonelectrical lighting made of capiz shell and glass since 1991. Total revenue in 2010 reached \$80,000.

The entire output in the line is sent abroad. The US and the UK each account for 50 percent of shipments.

Hanging lamps are the best-selling items. Home decor such as vases and wind chimes are also manufactured.

Products mainly fall under the midrange and high-end segments. Lamps that adopt capiz shell start at \$8 and reach \$30. Models crafted from blown glass are offered for at least \$22.

Capiz shell is sourced from the Divisoria market in Manila. The material is originally harvested from Samar and Bataan provinces, and the Bicol region. Glass and metal are procured from Mandaluyong city and Pampanga province, respectively.

A designer releases an average of 20 models a year. Samples are usually finished within 21 days, depending on design complexity.

Three-quarters of the entire production processes are subcontracted. Packing, finishing and QC are performed in a 450sqm factory in Bulacan province's Meycauayan city.

There are three permanent and 12 part-time employees. During the peak season, the company takes in 120 additional workers.

Two inspectors make up the QC team. All finished products are checked before packing and shipping.

The total monthly capacity is 5,000 pieces. On average, 2,000 pieces are created every 30 days.

Bubble wrap, polybags and cartons are used as packaging. The minimum order requirement is \$6,000, which can be in assortment of items. Delivery is completed within 45 days.

A.G. is a member of the Philippine Exporters Confederation and Home Accents Group of the Philippines. The enterprise aims to boost its market presence in North America over the next 12 months.

Capability

Materials used

Mahogany	No
Oak	No
Coconut	No
Other wood types	No

Exports by product

Living room furniture	—
Bedroom furniture	—
Dining & kitchen furniture	—
Garden & outdoor furniture	—
Lighting	100%

Exports by market

North America	50%
EU	50%
Europe (non-EU)	—
Asia-Pacific	—
Middle East	—
Other	—

Contact details

Business contact

ARCIGA Roberto

Phone

(63-2) 962-6227

Fax

(63-2) 962-6227

E-mail

agcrafts@yahoo.com

URL

www.globalsources.com/agcrafts.co

Address

L4 B15 Richmond Village, Bahay Pari,
Meycauayan, Bulacan, Philippines

Company facts

Year established	1991
Head office location	Meycauayan (Bulacan)
Ownership	Locally owned
Factory location(s)	Meycauayan (Bulacan)
Full-time employees	3
Part-time employees	12
Total annual sales (all products)	\$80,000

Sales & output: Wooden furniture & lighting

Annual sales	\$75,000
Share of total sales	94%
Annual export sales	\$75,000
Total monthly capacity	5,000 pieces
Average monthly output	2,000 pieces
Capacity utilized	40%
Average monthly exports	2,000 pieces
Export ratio	100%

PRODUCT GALLERY

Living room furniture



Cancio Contract
 (profile page 30)
Model: Mara Side Table
MOQ: TEU
Packaging: Corrugated box
Delivery: 30 days
Price: \$32
Description: Side table; mahogany; 22x24x24in



Cancio Contract
 (profile page 30)
Model: Tamia Lounge Chair
MOQ: TEU
Packaging: Corrugated box
Delivery: 30 days
Price: \$616
Description: Lounge chair; mahogany base, Manila hemp armrests, foam cushion and muslin cover; 35x34x30in



Cancio Contract
 (profile page 30)
Model: Tamia 2-Seater Sofa
MOQ: TEU
Packaging: Corrugated box
Delivery: 30 days
Price: \$860
Description: Sofa; mahogany base, Manila hemp arm- and backrests, foam cushion, and muslin cover; 62x35x31in



Cancio Contract
 (profile page 30)
Model: Mara Foot Stool
MOQ: TEU
Packaging: Corrugated box
Delivery: 30 days
Price: \$217
Description: Ottoman; mahogany and Manila hemp base, foam cushion and muslin cover; 26x18x24in



Cebu Natura
 (profile page 34)
Model: Marose Cocktail Table
MOQ: 12 pieces
Packaging: Kraft paper, master carton
Delivery: 90 days
Price: \$357.10
Description: Cocktail table; mahogany base, Manila hemp body, glass top and veneer surface; 110x110x20.5cm



Cebu Natura
 (profile page 34)
Model: Eleganza Side Chair
MOQ: 24 pieces
Packaging: Kraft paper, master carton
Delivery: 90 days
Price: \$119.94
Description: Living room chair; mahogany frame, rattan backrest, foam cushion and muslin cover; 57.5x46.2x84cm

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