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# An Overview of the South African Furniture Industry

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# INTRODUCTION

- The South African furniture industry is one of the most vibrant and diverse sectors of the country's manufacturing landscape
- It is a labour-intensive industry
- The industry is also an important contributor to the national economy and employment
- It covers the following value chain i.e. upstream inputs (raw materials and components), intermediate manufacturing and core production stage

# AIM OF THE STUDY

- To provide an overview of the South African furniture industry
- To assess the performance of the furniture industry in relation to economic growth and employment creation
- To analyse the industry value chain
- To assess and explore opportunities for emerging enterprise participation

# METHODOLOGY

## Desktop Research

- A qualitative, exploratory design based on secondary data
- Data sources include:
  - government policies, strategies, plans and publications
  - furniture publications and reports
  - academic studies
  - national statistical publications and releases

## Limitations

- Data access and availability
- Financial resources

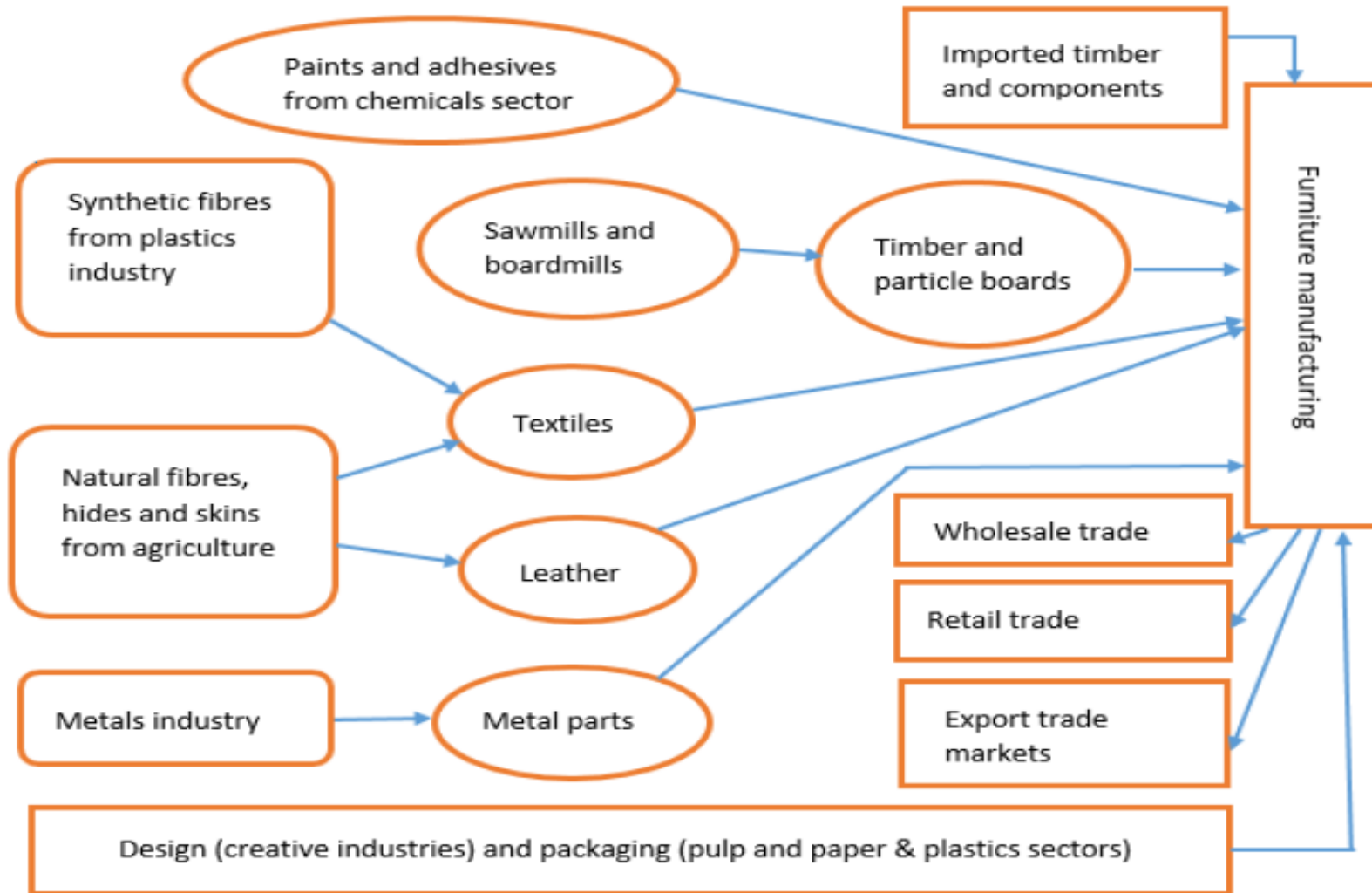
# HISTORICAL BACKGROUND

- The roots of furniture manufacturing in South Africa are traced back to the colonial era
- Skilled craftsmen created beautiful handcrafted wooden pieces using locally sourced materials like indigenous hardwoods
- During the early industrial period, furniture was largely imported for formal institutions and affluent households
- As time went on industrialization and urban growth led to more organized production, with furniture factories popping up in major cities
- By the 1970s furniture manufacturing reached its significance in the broader manufacturing economy

# GOVERNMENT INTERVENTION

- Government intervention driven by the need to:-
  - correct market failures
  - support industrial development
  - promote inclusive economic growth
- Furniture Industry Master Plan (FIMP)
- Preferential Procurement Policy Framework Act (PPPFA)
- Furniture Industry Challenge Fund (FICF)
- Furniture Fund
- Furniture Industry Challenge Fund

# FURNITURE INDUSTRY VALUE CHAIN



# FURNITURE INDUSTRY PERFORMANCE

## GDP

- The South African furniture industry contributed just below 1% of national manufacturing GDP in 2025
- In 2020 the economy shrunk by 7%
- In 2020 manufacturing sector contribution to GDP less than 1%
- The furniture industry experienced a significant disruption
- It went through a difficult yet transformative phase from 2021 to 2025
- The furniture industry has a limited impact on the national economy



# FURNITURE INDUSTRY PERFORMANCE

## Employment

- The furniture industry accounts for approximately 1.6% of total manufacturing employment
- Labour-intensive industry with a potential particularly for emerging enterprises
- Between 2020-2025 the industry faced a turbulent period
- In spite of all this the industry was able to keep of thousands of jobs afloat and offered plenty of entry-level positions within the wider manufacturing scene.
- Formal sector employment in furniture industry decreased to just over 29 000 employees in 2021
- Recovered to over 30 800 employees in 2024

# FURNITURE INDUSTRY PERFORMANCE

## Trade

- Furniture manufacturing is recognized as a highly labour-intensive industry with strong SMME growth and export potential
- However in the period 2020 - 2025 the furniture industry faced significant pressure from surging imports
- South Africa a net importer of furniture products in volume and value across categories
- Yearly import values hover around the R 3.22 billion
- South Africa primarily relies on finished products and components
- Major trading partners – China the leading exporter to South Africa, Italy, Germany, and other European nations

# FURNITURE INDUSTRY PERFORMANCE

## Market size

- Market size of the South African furniture industry was valued at \$2.47 billion (R42.2 billion) in 2024
- Growth driven by the accelerating demand for sustainable home furnishing products
- Rising trend for customized furniture products in the country
- Rising disposable income
- Urbanisation
- Surge in e-commerce
- Custom-made furniture

# Challenges

- Global economic pressures
- Import competition
- Structural industry weaknesses
  - Skills shortage
  - Declining capital investment
  - Cost of raw materials and their availability
  - Lack of investment in research and development
- Access to finance and limited capital for modernisation
- Market Access and Consumer Preferences
- Utility Constraints and Infrastructure
- Policy and Institutional Challenges



# SWOT ANALYSIS

## Strength

- Abundant raw materials
- Government support
- Large retail chains with diversified brand portfolios
- Stronger distribution networks and fast delivery as a result of strong supply chain transformation

## Weaknesses

- Low profit margins for low-cost products
- industry is largely dependent on economic conditions
- Bargaining power of large retailers

# SWOT ANALYSIS

## Opportunities

- Expansion into African countries in the SADEC region
- Development of platforms for online browsing and ordering
- Opportunities for online shopping due to smartphones and internet growth

## Threats

- Increasing cost of electricity, raw materials, transportation and labour
- Declining furniture's share of consumer spending
- Economic instability

# Conclusion

- The South African furniture industry a key player in the manufacturing sector
- It has a significant impact on employment and has a contribution to the economy
- The industry covers a wide range of products i.e. household, office, hospitality, and institutional furniture
- The industry faced a decline during the covid pandemic
- Recovered slowly overtime
- The industry is supported by government through various programmes
- Import led industry
- Labour intensive industry
- The industry value chain faces significant challenges
- It is faced with challenges

# Recommendations

- Retailers to conduct market research and analyse customer behaviour, interests and demographics
- Domestic demand to be strengthened through strategic public procurement
- Finance (loans and grants) to be extended to emerging enterprises in the furniture industry
- Emerging enterprises in the furniture industry to consider forming cooperatives
- Strengthen emerging enterprise participation across furniture value chains
- An Investment in skills, design and technology adoption is necessary
- The use of digitalisation and e-commerce to be encouraged for the expansion of market access
- Encourage and support export market readiness and regional Integration



# THANK YOU

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