

SECTOR OVERVIEW- WOOD SECTOR

01. Introduction.

A new approach to foster the interests of the wood-based industry through increased productivity, expert oriented advice based on sustainable forest management practices, is the need of the hour.

Forming, member driven trade associations, designed to give strength and unity to wood working fraternity in supporting the growth of the Sri Lankan wood-based industry is an essential component of the development strategy of the wood-based industry sector.

Besides fostering, maintaining and developing communication and corporation among the stakeholders of the industry together with government agencies and private organizations, these trade associations also creates platforms to link the industry to individual expertise in the related field, offering the opportunity to learn from the experts and peers.

In line with the global community concern in sustainability of forest resources, the Ministry of Industries through its advisory committees and related trade organizations, supports product and process innovation in order to maximize the usability of raw material and minimize the impact on environment.

Ministry of Industries will provide a common platform for the manufactures to get together to discuss common problems and to seek mutually beneficial solutions.

02. Vision.

To take wood based industry to a very high level on par with the international standards whilst recognizing that achieving a sustainable future is one of the biggest challenges facing wood working sector.

03. Mission.

Our mission is to provide wood based industry with world class features facilitating the manufacture of high quality innovative wood products, to ensure a perfect and an effective output in terms of quality, service and value.

04. Core Business

Making of furniture, carpentry and joinery, interior fit-outs, industrial wooden/ wood based components, toys, early childhood development equipment, ornamental items, decorative items, work connected with civil structural work such as decks, staircases, ceiling frame works, roof works, ceilings, doors and windows, wall claddings out of solid wood/wood based boards or combination of solid wood and wood based boards, wooden furniture and items made of solid wood, metal, plastics, rattan, reed and bamboo.

05. Sub Sectors

The main sub sectors within wood-based industry sector could be identified as,

1. Timber processing sector.
 - saw milling/ log conversion/ chemical treatment & kiln drying
2. Wood based board-manufacturing sector.
 - MDF, Melamine faced MDF, melamine faced chipboard, finger jointed board and plywood manufacturers.
3. Job specific engineered wooden plank manufacturing sector
 - The manufacturers involved in supplying, timber flooring such as boarded flooring & parquet flooring, ceiling planks, wall claddings and processed planks etc.
4. Solid wood furniture & other items manufacturing sector.
 - Making industrial wooden components like brush handles, broom handles etc.
 - Making and installing construction industry related items such as roofs, doors & windows, staircases, ceilings, wooden decks etc.
 - Making office, recreational, restaurant, school, showroom, kitchen, hotel, bedroom, health care, outdoor, living room, study room furniture and fit-outs.
 - Making sports equipment such as softball cricket bats, carom boards and checker boards.
 - Making wooden toys.
 - Making children's furniture & Montessori furniture.
 - Making early childhood development items such as jigsaw puzzles, wooden blocks, counting frames (ගණක රාමු) etc.
 - Making ornamental & decorative items.
 - Ex -: wooden elephant figures etc.
5. Wood based board furniture & other items manufacturing sector.
 - This sector manufactures almost all the items mentioned under item 4.
6. Total Interior fit outs and interior solution providers.
 - This sector covers almost all the items in section 4 & 5. In addition, partitions, ceilings, bulk head ceilings, Mechanical, Electrical and Plumbing work (MEP), blinds & curtaining, painting, lighting, providing AC etc. are also to be carried out.
7. Reed and Cane items manufactured using bamboo.
 - Different types of ornamental items
 - Cane & reed furniture
 - Giftware and life style products
 - Eco friendly shopping bags, beach bags made of natural fibre such as reed (Gallehe Pan- ගල්ලෑනෑ පත්)
 - Items made of cane and handloom fabrics.
 - * Table mats, bottle covers, bread baskets, fruit baskets etc.
8. Bamboo furniture and other items manufactured using Bamboo

06. Product Types

- Furniture – office, residential, children, commercial, showroom, hospital, hotel etc.
- Industrial wooden components such as brush handles, breadboards.
- Early childhood development equipment
- Wooden toys
- Wood based boards, MDF, Melamine faced MDF boards, MDF, ply wood, melamine faced chip boards, finger jointed boards and Engineered wood items
- Sports ware (soft ball cricket bats, checker boards, chess boards and carrom boards)
- Total interior solution provider
- Partitioning
- Wall cladding
- Ceilings
- Staircases
- Doors and windows
- Roof construction
- Deck constructions
- Ornamental items
- Flooring (boarded flooring, parquet flooring)

07. Government Institutions directly or indirectly contributing/ involved in development of wood-based industry.

7.1- Training Providers

- Department of Technical and Vocational Education (DTET).
 - Technical Colleges
- Vocational Training Authority (VTA)
 - Training centres coming under VTA.
- National Apprenticeship and Industrial Training Authority (NAITA).
 - Training centres coming under NAITA
- National Youth Services Council (NYSC)
 - Training centres coming under NYSC.
- Training centres coming under Provincial councils.
- Training arm of World University Services Canada (WUSC).
 - Training centres coming under WUSC.

7.1 - Facilitators and regulatory bodies

- Forest Department coming under Ministry of Wildlife and Forest Resources Conservation
- State Timber Corporation
- Timber Innovation Centre
- Forestry unit of Sri Jayewardenepura University
- Export Development Board
- Industrial Development Board

08. Annual export value and turnover of wood based products

- US dollars 60 million (about 60% of the total will be obtained through export of MDF) (more details can be obtained from EDB)

09. Annual Turnover

- Annual turnover is around 10 billion. (assumed)

10. Total workforce involved in the Industry

- 500,000 to 600,000 people (about 1.5 to 2 million dependents)- assumed

11. Registered wood working outlets

- 7800 (source- Forest department)

12. Number of selling outlets

- 3500 nos. (source- Forest department)

13. Strengths and Weaknesses

| STRENGTHS | WEAKNESSES |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Successful replantation programs undertaken by Forest Department. | <ul style="list-style-type: none"> • Laws governing transportation of wooden planks hinders the smooth functioning of the industry. |
| <ul style="list-style-type: none"> • Some interior and wood working companies are recognized internationally | <ul style="list-style-type: none"> • Socially non-recognition of woodworking trades. |
| <ul style="list-style-type: none"> • There are many training institutes conducting basic programs in woodwork. | <ul style="list-style-type: none"> • Less knowledge on wood processing machine operations. |
| <ul style="list-style-type: none"> • Some of the training institutions have sufficient number of machinery and equipment to carry out advanced wood working training programs. | <ul style="list-style-type: none"> • Non-usage of processed wood for wood structures and furniture. |
| | <ul style="list-style-type: none"> • Non-availability of FSC certification for most of the plantations including rubber & pinus plantations, hindering export market development. |
| | <ul style="list-style-type: none"> • Non-availability of National regulatory body for Timber Treatment. |
| | <ul style="list-style-type: none"> • Foreign exchange earnings from the sector are relatively low. |
| | <ul style="list-style-type: none"> • A government institution engaged in business presently carries out timber classification. However, this classification is not based on scientific data. Classification should be carried-out by an independent regulatory body, not involved in Timber business and having international recognition. |

14. GOAL

To make the Sri Lankan Wood Working and Interior-Fit out industry, internationally recognized, foreign exchange earning modernized entity.

15. Key Performance Indicators

- Statistics obtained from Export Development Board (EDB), in relation to exports of all kinds of wood products.
- Annual Turnover details in Wood Sector obtained from Department of Statistics and Central Bank reports.
- Total amount received in LKR and USD for Furniture and Interior Fit out industry from BOI and other foreign Investor projects (more related to Interior Fit out Industry)

16. Sector Objectives / Activities

16.1- Differentiate following subsector Out-put and Inputs separately,

- (A) Sector 1- Timber processing sector.
- (B) Sector 2- Wood based board-manufacturing sector
- (C) Sector 3- Job specific engineered wooden plank manufacturing sector
- (D) Sector 4- Solid wood furniture & other items manufacturing sector
- (E) Sector 5- Wood based board furniture & wood based boards based other items manufacturing sector
- (F) Sector 6- Wood based furniture manufacturing and total Interior fit-out service sector
- (G) Sector 7 - Reed, Cane & bamboo items manufacturing sector
- (H) Sector 8- Energy generating items such as pellets

- KPI 1 - Export Earnings received from Wood based product exports obtained from EDB.
- KPI 2 - The total earnings in USD and LKR from BOI Projects and Foreign Investment Projects (Wood and Interior fit-out sector)
- KPI 3 - Total turnover of different sub sectors obtained from Central Bank and Statistics Department reports.

16.2- Prepare short term and long term theoretical and practical programs in written and digital format in collaboration with Ministry of Vocational Education and Experts in the wood working trade, covering all interior fit-out industry.

16.3- Conduct wood and interior fit-out “Trainer Training” programs for instructors of Vocational Training schools and supervisors in the wood working industry.

- 16.4-** Obtain the services of voluntary experts from “Senior Experts Service” of Germany and “PUM Netherlands Senior Experts” from Netherlands in order to get their expert advice relating to wood working industry and attaching them to Vocational Training schools and factories.
- 16.5-** Obtain data and prepare a register providing all instructors involved in all types of wood working organizations in Sri Lanka, mentioning their area of expertise, capacity etc.
- 16.6-** Preparation of a “web site” providing all the details of companies involved in wood based and interior fit-out industry sector together with their area of business and capacity and location.
- 16.7-** Revise present Timber classification in order to facilitate easy selection of wood species for different wood products and assign this task to an establishment like “Wood Innovation Centre” of University of Sri Jayewardenepura who are not involved in wood industry productions thus avoiding conflict of Interest.
- 16.8-** Facilitating the import of high quality wood based boards having Urea Formaldehyde levels of E0, E1, E2, High Moisture Resistant Wood based boards (HMR Boards) and High Quality fittings, accessories and fixtures required to make high quality furniture and interior fit-outs. The reducing of taxes and removal of import restrictions are vital for development of wood based and interior fit-out industry . If we are unable to use above mentioned high quality raw material and accessories, we are not in a position to export these items as well as cater to FDI projects and BOI projects, causing restrictions of foreign exchange income to Sri Lanka.
- 16.9-** Liberalize seasoned and treated timber planks transportation in order to facilitate easy access to processed wood planks for self-employed carpenters, micro and small-scale industrialists in order to make them competitive in the market and to improve the quality of their products in collaboration with Forest Department coming under Ministry of Wildlife and Forest Resources Conservation.
- 16.10-** Provide low-interest loans to wood processing industries i.e. Saw millers, Timber drying and treatment industries in order to make processed wood freely available in the market.
- 16.11-** Prepare and conduct vocational guidance programs for schoolchildren in order to promote the value of wood-based industry among them with the opportunity of receiving a high standard of training.