

# Sector Overview – Wood and Wood Based Industry Sector

## 1. Introduction

### 1.1 Core Business /Principle activities

- 1) Making of furniture, carpentry and joinery, interior fit-outs, industrial wooden/ wood based components, toys, early childhood development equipment, ornamental items, decorative items.
- 2) 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.
- 3) Wooden furniture and items made of solid wood, metal, plastics, rattan, reed and bamboo.

### 1.2 Sector 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.

### 1.3 Sector 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.

### 1.4 Subsectors

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 andplywood 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, outdoor, living room, study room furniture and fit-outs.
  - Making sports equipment such as softball cricket bats, carom boards and checkerboards.
  - Making wooden toys.

- Making children's furniture & Montessori furniture.
  - Making early childhood development items such as jigsaw puzzles, wooden blocks, counting frames (mKl rduq) 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)
  - 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

### **1.5 Institutions operating under the subsectors**

- Moratuwa Wood Working Association
- Wood and Wood based Industries Association
- Merbok M D F Lanka pvt Ltd
- Damro
- Korean SPA Packaging (Pvt) Ltd
- Leema Creations (Pvt) Ltd
- International Construction Consortium (Pvt) Ltd

### **1.6. Number of employees (local/ foreign/Gender wise)**

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

Registered wood working outlets - 7800 (source- Forest department)

Number of selling outlets - 3500 nos. (source- Forest department)

### **1.7. Total Revenue – LKR 10 Bn**

### **1.8. Contribution to GDP by the Sector – 0.05%**

### **1.9. Production and Consumption**

#### **2.1. Product types**

- 1) Furniture – office, residential, children, commercial, showroom, hospital, hotel etc.
- 2) Industrial wooden components such as brush handles, breadboards.
- 3) Early childhood development equipment

- 4) Wooden toys
- 5) Wood based boards, MDF, melamine boards, MDF, ply wood, melamine faced chipboards, finger jointed boards
- 6) Sports ware (soft ball cricket bats, checker boards and chess boards and carromboards)
- 7) Total interior solution provider
- 8) Partitioning
- 9) Wall cladding
- 10) Ceilings
- 11) Staircases
- 12) Doors and windows
- 13) Roof construction
- 14) Deck constructions
- 15) Ornamental items
- 16) Flooring (boarded flooring, parquet flooring)
- 17) Wall cladding

### 3. Turnover

#### 3.1. Export earnings – USD 50.19 million

Export Performance

Year	Export earnings (USD Mn)
2015	55.28
2016	60.12
2017	61.15
2018	61.02
2019	56.11
2020	40.67
2021	50.19
2022	52.56

(about 60% of the total will be obtained through export of MDF)

Wooden products contribution to total merchandise exports

Year	%
2015	0.55
2016	0.59
2017	0.54
2018	0.52
2019	0.48
2020	0.41
2021	0.41
2022	0.41

### 3.3 Export destinations

Country	Export earnings (USD Mn)
India	28.86
USA	6.76
Maldives	2.77
Netherlands	2.3
UK	2.19
China	1.65
Oman	1.11
Australia	0.78
UAE	0.71
Pakistan	0.65

## 4. Government Policy on Sector

### 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.

### Facilitators and regulatory bodies

- Forest department
- State Timber Corporation
- Timber Innovation Centre
- Forestry unit of Sri Jayawardenapura University
- Export Development Board
- Industrial Development Board

## 5. SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>▪ Successful replantation programs undertaken by Forest Department.</li> <li>▪ There are many training institutes conducting basic programs in woodwork.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Laws governing transportation of wooden planks hinders the smooth instructions of the industry.</li> <li>▪ Absence of accredited certification body</li> <li>▪ Non-usage of processed wood for wood structures and furniture.</li> <li>▪ Laws governing transportation of wooden planks hinders the smooth instructions of the industry.</li> <li>▪ Non-availability of FSC certification for most of the plantations including rubber &amp; pinus plantations, hindering export marketdevelopment.</li> <li>▪ Non-availability of National regulatorybody for Timber Treatment.</li> <li>▪ Foreign exchange earnings from the sectorare relatively low.</li> <li>▪ A government institution engaged in business presently carries out timber classification. However, this classification isnot based on scientific data. Classification should be carried-out by an independent regulatory body, not involved in Timber business and having international recognition.</li> </ul>

