

Dire Need of Trained Work Force in Furniture Market in India

Shekhar Singh¹, Rikhil Nagpal²

¹ Assistant Professor, Department of Interior Design, Amity University Haryana

² Assistant Professor, Department of Interior Design, Amity University Haryana

ABSTRACT

India, a country with youngest population in world, is on verge of transition. This Phase, if worked in favor of Indian economy, will boost it to become global leader and if it stepped in wrong court may result in chaos. Initiatives like "Make in India", Skill Development are not only relevant but are dire need of hour. Growth of furniture market is astounding but share of income from it is seeping to MNCs and foreign countries, because of a major sector is unorganized and untrained. Relevant training facilities and will to be in the market as a leader in furniture design are short in the country due to societal perception. Entrepreneurial motivation and training in this sector severely lacks wit, so as training facilities in colleges as well as skill training sector. Sharp rise in imports in this sector is an indication of its fruitful future but the relevant question is, whether Indian economy will have major slice of pie in this growing market or not. Hand holding support from government institutions are required along with hand in hand participation from domestic private players so as to make them competent enough to stand against western whales.

Keywords: Furniture, Indian economy, motivation, transition, furniture market

Introduction

Indian wood work has been appreciated worldwide, due to its wonderful and artistic work. It has been appreciated and accepted by people worldwide for its trendiness, rich look, compactness, design and its supreme quality does not left much to talk about. All this result in a product of elegant look with traditional as well as modern aspect attached to it. Traditional in making lot of developments in the Indian furniture market is to make luxury lifestyle statement. As a result to this Indian furniture market is 14th largest furniture market in world, driven largely by the substantial middle class population.

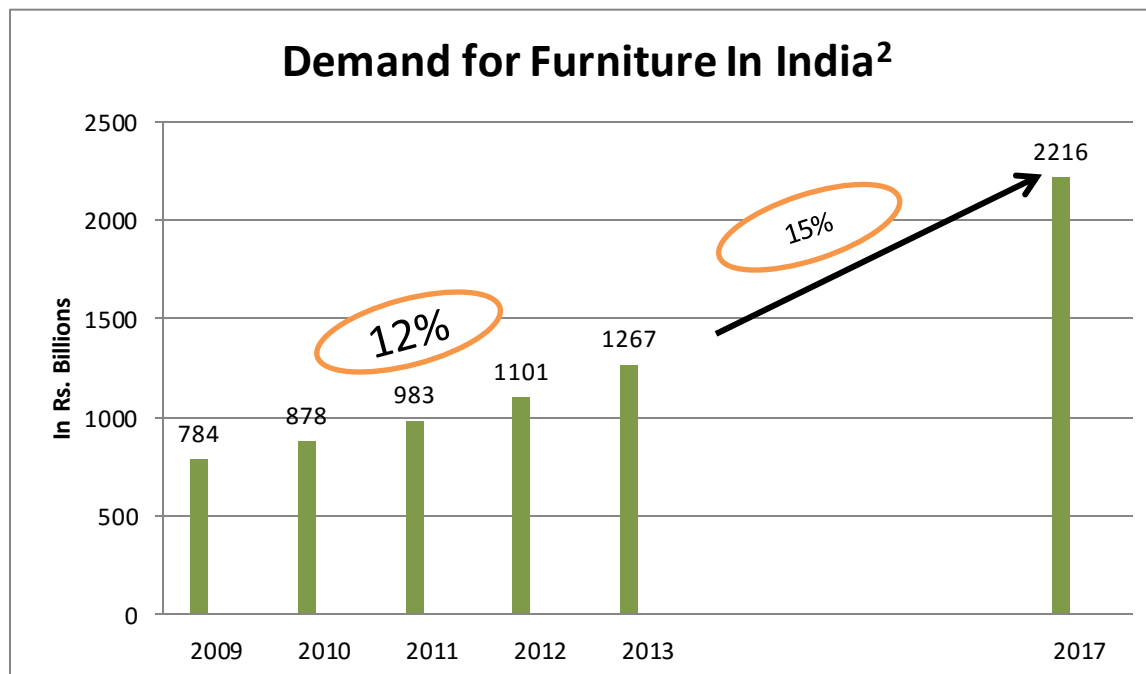
Currently Estimated at INR 887.50 million in 2014, contributed just 0.5% to Indian's GDP.¹

As fastest growing economy of the world, India has already made its presence felt in international market, as a result to this we have been able to feature among the top 3 attractive destination for inbound. As Indian furniture market has been expected to grow at the rate of 15%/year, this sector seems to be promising from investment prospective. This implies that Indian furniture market is projected to cross USD32 billion by 2019.⁴ Reasons behind this rapid growth pace is due to rising disposable income, expanding middle class and growing number of urban households. In addition, the anticipated rise in tourism and hospitality sectors is also expected to spur the furniture demand in the country by 2019.

Wooden furniture is expected to continue its dominance in the Indian furniture market. Home furniture market is going to witness fastest growth over the next five years, followed by office and institutional segments.

In current market scenario leading companies in the Indian furniture market (organized sector) are Godrej Interio, Nilkamal, Featherlite, Wipro furniture, Zuari Furniture, IKEA and Durian. However, In coming times Indian furniture market will witness a war of market share holding between these companies and several new entrants are expected to foray into this market due to low entry barriers and change in FDI regulation to investor-friendly environment.

With all such positive and promising business friendly environment, participants of India Wood can look forward to capitalize on unlimited opportunities, the show has to offer. Along with 'Make in India' initiative by the Indian Government aims to bring about high quality standards and hopes to attract a sizable international capita and technological investment in India.



- Demand for furniture in India surged at 12% annual rate over 2007-2012, and in 2013 it increased at a rate of 15%.
- The market is moving more towards organized segment. This is marked by increasing customer preference for readymade, branded furniture.
- Perception is tilting towards high-end, low maintenance, quickly installable products, with customization options.
- Simple, contemporary designs are preferred over heavy, complex traditional furniture.

With this opportunity present in market, there lies a problem in this path, Following are the major road blocks:-

1. **Labour** - getting better opportunity in terms of wages and facilities in other sectors.
2. **Absolute and Per capita consumption**- In India absolute consumption is very high. However, Per capita consumption is low as compare to other countries
3. **Raw material** -Raw material is available only in limited states. It results to higher raw material cost increasing their manufacturing cost.
4. **Technology**-As unorganized segment is having a major share in Furniture and Furnishings sector, therefore their products are not competitive enough in the domestic as well as Global market.

NSSO employment data gives the total employment figures for the sector. Thus, the numbers are inclusive of the unorganized sector employment figures as well. According to its 68th Round, 50% of the total employment in furniture manufacturing is concentrated in the five states of West Bengal, Uttar Pradesh, Maharashtra, Bihar and Gujarat. West Bengal, UP and Maharashtra alone account for nearly 38% of the work force.

About 97% of the workforce involved in furniture sector is school drop outs. Of this, 88% have an education qualification of secondary education or less.

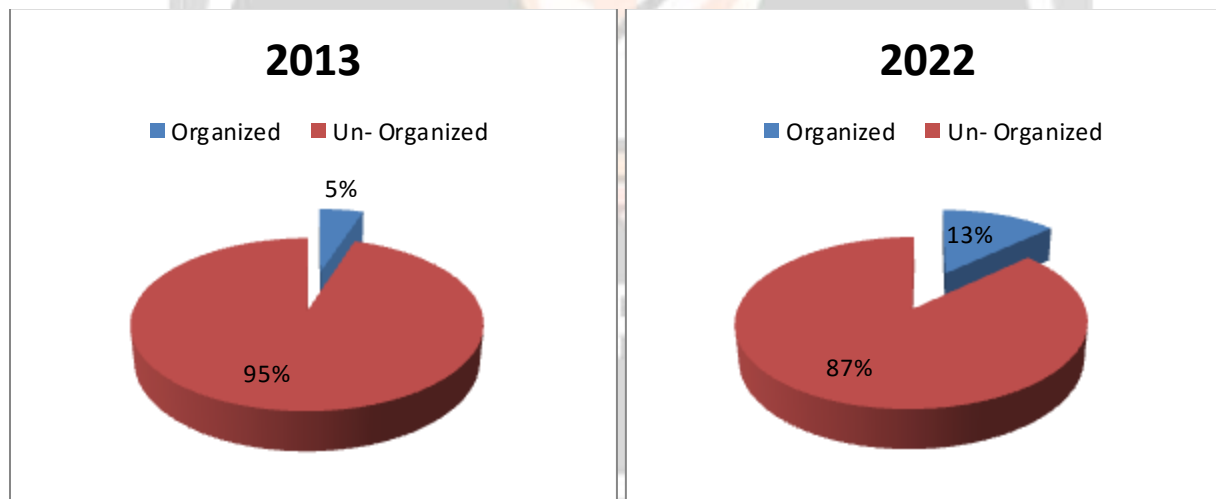
Segment	Employment in Millions (2013)	Employment in Millions (2017)	Employment in Millions (2022)	Employment Growth in Millions (2013-17)	Employment Growth in Millions (2017-22)
Furniture Manufacturing	2.16	3.39	5.95	1.24	2.56
Furniture Retail	0.29	0.40	0.61	0.12	0.20
Furnishing	1.67	2.60	4.73	0.93	2.13
Total	4.11	6.39	11.29	2.28	4.90

The sector currently employs over 4.11 million employees and is slated to employ more than 11.29 million employees by 2022.³

This implies additional creation of ~7.2 million jobs in the 9 year period.

The period 2017-22 will see a higher growth in employment vis-a-vis 2013-17 due to expected changes in consumer preferences and penetration of organized furnishing services in tier-I and tier-II towns.

An analysis of the breakup of workforce across organized and unorganized segments indicates that the share of organized employment would increase from 5% in 2013 to 13% by 2022



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But here arise an important point, with perfect picture set for the business.

Are we really ready to capitalize on this opportunity????

As India is the second most populous country in the world. The population of India is over 1.28 billion which is more than a sixth of the world’s population. Around 66 percent of Indian population will be in working age group by 2022. Real question of hour is that- Are industry ready? Do they have required set of skill? Can we take up the challenge and pressure of this changing face of industry?

Do we have sufficient infrastructure to train people in this field. As unskilled work force will lead to loss and ultimately effect the growth of this sector as manufacturer due to its poor quality, productivity due their and subsequently GDP (Although it contribute very less) but will be a great loss to furniture market and Indian economy also.

As it has been observed Furniture imports in India have been growing at nearly 64 per cent CAGR, over the 5-year period from 2009 to 2014 which is higher than furniture market growth in same period.

Training Capacities of Industrial Training Institutes (ITIs)⁸

ITI Trades	No. of I.T.I'S		Capacity	
	Govt.	Pvt.	Govt.	Pvt.
Carpenter	397	91	7088	1904
Cane , willow, bamboo work	1	1	32	16
Fitter	1731	8650	55040	23792
Interior decorating and Designing	32	36	704	896
Machinist	441	84	17984	2160
Mechanic machine tool maintenance	70	6	1680	144
Operator advanced machine tool	4	1	0	0
Upholsterer	1	0	16	0
Upholster	3	2	48	32

Other Leading Institutes⁸

Name	Location	Course
National Institute of Design (NID)	Ahmedabad	1. 4 year B.Des courses in Furniture, Textile, Ceramic & Glass Design 2. 2.5 year M.Des courses in Furniture, Textile, Ceramic & Glass and Lifestyle Accessory Design
Sai School of Interior Design	New Delhi	1. Certificate in Furniture Samadhan 2. Certificate in Vastu Shastra 3. 1 year Professional course in Interior Design 4. 2 year Advanced Professional course in Interior Design
IILM School of Design	Gurugram	4 year Undergraduate program in Interior and Furniture Design
College of Architecture	Nashik	4 year B.Des program in Interior Design, Set Design and Furniture Design
Srishti School of Art Design and Technology	Bengaluru	1. 3Year professional diploma program in furniture and spatial design 2. 2year post graduate advanced professional diploma program in furniture and spatial design
Indian Institute of Crafts and Design	Jaipur	2year Post Graduate diploma in Craft Design with hard material specialization

Apart from these institutes Govt. of India has also taken steps in same direction by starting various training program in this field.

The current QPs of FFSC⁶ are

- Assistant Carpenter- Wooden Furniture⁷
- Carpenter- Wooden Furniture⁷
- Assistant Fitter- Modular Furniture⁷
- Fitter- Modular Furniture⁷

- Lock Technician⁷

Interior Designing, Upholstery, Wood Carving, Plastic Furniture, Metal Furniture, Bamboo Furniture are few of sub sectors for which FFSC is preparing QPs and NOS.

FFSC is also working with University Grants Commission (UGC) and NSDC for starting of carpentry related courses in the Community Colleges and Bachelor of Vocational Courses. This will enable the candidates to acquire desired competency levels, transit to the job market at an opportune time, return for acquiring additional skills to further upgrade their competence. The Community Colleges of UGC offer low cost and high quality education locally that includes both skills development as well as traditional coursework thereby providing opportunities to the learners to move directly to the employment sector or move into higher education.

Summary

With strengthening of Indian economy, furniture market of India is going to expand with all the available opportunities for business. Recent trends show that it will be moving towards organized sector with lot more to offer. But there is a large gap of trained work force in this area due to various reasons. As a result of this it remains a big question whether we will be able to capitalize on this potential or not?

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