Furniture Industry

The Development of Furniture Industry in Indonesia- Furniture Industry In General

Indonesia has a good reputation in the furniture and handicraft sector both domestically and abroad, due to its strong tradition history in both sculptures and artistic works.

In 2016, the total export value of furniture and home lighting in Indonesia reached US $ 1.68 billion, its decreased compared to US $ 1.82 billion in 2015, with major markets of Western Europe, the United States, Japan, China, Malaysia and Australia (Source: Ministry of Commerce). Wood furniture accounts for 58% of total Indonesian furniture exports (Source: ASMINDO). Currently Indonesia’s furniture industry accounts for only 2% of worldwide furniture sales of USD 122 billion with China and Vietnam dominating the industry with more than 50% of the world’s total market share.

The world demand for furniture is expected to increase by 4.2% annually and continue the expansion pattern with the Asian market as the main growth engine. Indonesia’s furniture industry faces solid growth prospects, not only from traditional export markets but also from the ASEAN region as well as the domestic market. Indonesia’s furniture industry has grown steadily along with middle-class growth and consumer purchasing power, as well as home ownership among people of productive age and working people. The Government of Indonesia supports the growth of the furniture industry through training workshops and financial sponsors to attend international exhibitions in order to increase global market penetration and increase export value to USD 5 billion by 2019. With the advantages of the young generation population also available labor as well as the quality of raw materials and environmental sustainability in furniture production, it is expected that the export of this industry will grow by 20% annually.

The Development of Furniture Industry in Indonesia- Performance of Furniture Industry

The highest realization of furniture industry investment occurred in 2016 which is IDR 685.46 billion. While the biggest number of labor for furniture industry is in 2013 with 24,934 people.

Note:

Exchange rate used 2011: USD1 = Rp9.500

Exchange rate used 2012-2013: USD1 = Rp12.200

Exchange rate used 2014: USD1 = Rp12.500

Exchange rate used 2015-2016: USD1 = Rp13.200

Exchange rate used 2017: USD1 = Rp13.300

Realization of Furniture Industry Investment
(Rp Billion)
Labor of Furniture Industry

Furniture Export, Home Lighting
(USD Billion Exports)