Value Chain Analysis of Wooden Furniture: A Case Study of District Chiniot, Punjab, Pakistan

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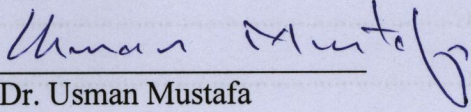
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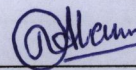# Pakistan Institute of Development Economic, Islamabad, Pakistan

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CERTIFICATE

This is to certify that this thesis entitled: *"Value Chain Analysis of Wooden Furniture: A Case Study of District Chiniot,* Punjab, Pakistan*"* submitted by Ahmad Nawaz is accepted in its present form by the Department of Development Studies, Pakistan Institute of Development Economics (PIDE), Islamabad as satisfying the requirements for partial fulfillment of the degree in Master of Philosophy in Development Studies.
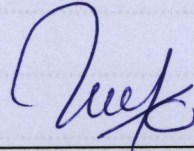
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Acronyms

APFEA	All Pakistan Furniture Exporter Association
EC	European Commission
GOP	Government of Punjab
IMF	International Monitory Fund
PIDE	Pakistan Institute of Development Economics
PSIC	Punjab Small Industries Corporation
SMEDA	Small and Medium Enterprises Development Authority
SMEs	Small and Medium Enterprises
TMA	Tehsil Municipal Administration
TQM	Total Quality Management
TRTAP	Trade-Related Technical Assistance Program
UNIDO	United National Industrial Development Organization
WTO	World Trade Orgnisation

Glossary:

Aara

Sawmill, where wood is cut

Aarti

Middleman

Banso

Color coating machine on furniture items

Cora furniture

Unfinished furniture, before polish

Furnituri

A person who manufacture furniture

Latandi

Foot side of bed set

Mandi

Market

Munawat

Carving, bras work

Phatta

A kind of vehicle which is like cart but carried by tractor

Pilar Pawa

Small piece of wood which is used for furniture manufacturing

Poshish

Upholstering, cover-up any thing

Rangai

Polish

Sirandi

Head side of a bed set

Sofa Set

It is a big chair type

Thaikedar

Contractor

Acknowledgements

Dedication

This thesis is dedicated to my family, friends and academics.

Abstract

The purpose of this research is to investigate the value chain and marketing channel of wood furniture in district Chiniot, Punjab, Pakistan. The study adopted qualitative methods to achieve its objectives. Thematic analysis was used, in which 20 key informant interviews and five focus group discussions were conducted. The key informants were selected randomly at five stages of furniture manufacturing and marketing process. These stages were wood cutter, furniture manufacturer, middleman, seller and buyers. The data was collected through unstructured personal interviews at each stage and at their premises. The furniture industry of Chiniot has the greater economic potential. The results of the study concluded, about government led market reforms and the technical skill of local manufacturers. These both are the most relevant factors, in a reciprocal relationship. The former includes labor union, market union, large and easy funding, continue power supply, appropriate check &balance and as well as advertisement. Utilizing new affordable appropriate technology, skill and involving the local communities will further strengthen this industry. Presently, they are restricted to limited furniture designs and styles. New paces of technical training and innovation will further boost the local industry.

Keywords: *Value chain analysis, value addition, furniture marketing channels*

CHAPTER I

INTRODUCTION

1.1 Importance of Wood and Industry:

Wood is a natural product, has number of multiple utilization.. Wood has its own importance from the very beginning of the world. Wood furniture was once warm but vertical construction replaced heavy wooden furniture with light weight materials like hard plastic and fiber glass. However, wood furniture is still in high-demand and is a class symbol. Despite the availability of different alternative materials such as aluminum, plastic, steel and iron, to replace the wood at many functional places but did not decrease the demand for wood. Wood and forestry department has provided employment opportunities to many people in different countries. Timber plays very important role in economic growth and development of the country. Many countries have focused on this sector for the betterment of their economies, labor force and production. Share of timer in the export of many countries like China, Canada, Germany, U.S.A, Malaysia and India is very high (Zobel, 1984). There are different uses of woods like wood furniture, flooring, roofs, construction, shipbuilding, sports instruments, music instruments, fuel and lots of other things, which are used in routine life. Wood sector also provides lots of entertaining material for humans (Hyde and Seve, 1993).

Wood is very useful and durable material which can survive for hundred years. Most of the people prefer wood material to others like fiber and plastic. It has lower damage risks than that of other materials. Major use of wood in the world is for wood furniture. Wood furniture is used in almost every country. Change in the trends of globalization has directly affected furniture industry. Globalization has speeded up the business of furniture by connecting seller and buyer from different part of the world. Globalization has affected furniture market both positively and negatively whereas its positive impact is more valuable. It has improved the global market of furniture (Kaplinsky *et al.,* 2003).

Value chain in wood furniture is increasing competitiveness among producers and also provides direct access to global market. Local producers are directly linked with global buyers and manufacture their furniture according to demand. Value chain is a tool, which is used by most of

organizations to upgrade their products. Value chain removes many faults of old mechanism in business sector (Kaplinsky *et al.,* 2001).

According to Reji (2013) value chain enhances relationship among different Small and Medium Enterprises (SMEs). Value chain is a perspective in which many institutions/organizations works like a chain. Value chains are basically providing opportunities for local and small manufacturers to increase integration with global market. According to (Avdasheva *et al.,*2005) value chain analysis is increasing competitiveness among Russian wood furniture. Russian furniture industry is developed by using value chain strategies. Domestic manufacturer has awareness of emerging global trends and every person tried to produce more quality for competition. This process has removed trade barriers between different countries. Manufacturers have easy access to global market. There is proper linkage between producers of goods in every stage of value addition[1].

Many countries have successful experiences of value chain in their business markets. It makes every sector more competitive and profitable. Value chain analysis in furniture sector increases competitiveness, reliability, flexibility, quickness and convenience. Many developing countries have upgraded their furniture industry by launching value chain in their market. In value chain concept whole market works like a body and the proper working of all the parts in a body is necessary for living. Value chain analysis plays very essential role in the development of furniture industry (Fearne*et al.,* 2008).In Asia, wood furniture is profitable business and a lot of people adopted this sector for earning their livelihood. Pakistani furniture sector is famous all over the world and people prefer to buy Pakistani furniture. Despite the terrible condition of country like terrorism, corruption and political instability, Pakistani furniture industry has developed up during the last few years. Furniture export of Pakistan increased in the year 2009. It was about $25 million annually and rise up to $30 million in 2010. Furniture exports of Pakistan were $51 million in 2011, $66 million in 2013 and $77 million in 2014. Every year furniture industry of Pakistan developed and its export rate increased (Lewis and Soligo, 2015).

According to Chaudhry and Haseeb (2014) Pakistan actual furniture production is more than these figures because furniture consumption within the country is not in these figures. The head

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[1] Value addition is a process in which some value is added to the product at each manufacturing stage in order to get final product.

of All Pakistan Furniture Exporter Association (APFEA) said that the real production of furniture in Pakistan is very massive. Major producers of wood furniture in Pakistan are Chiniot, Gujarat, Karachi, Peshawar, Rawalpindi, Multan and Lahore. These cities produce furniture and export to other cities within country and also to other countries. Pakistan mostly exports furniture to UK, USA, UAE, Saudi Arabia, Oman and Sri Lanka. These countries generally purchase bedroom furniture for their daily usage.

There are enormous studies which express different aspects of furniture industry. Many authors have examined the role of furniture in development, problems of furniture industry, and opportunities for labor in furniture sector, role in global market and different trends in furniture market. Different studies have thrown light on furniture industry of Pakistan. Pakistan is very rich in skilled workers of wood furniture. Furniture industry of Chiniot is famous all over the world due to the handy crafts of furniture. This study specifically investigates the value chain of Chiniot furniture industry.

1.2 Statement of the Problem

Lack of management is a basic obstacle in development of Pakistan. Pakistan is rich in manpower and other resources. There is no proper mechanism of furniture adjustment (Kemal and Naseem, 1994). Pakistan is very rich in skilled workers of wood furniture. Furniture industry of Chiniot is famous all over the world due to word idiographic design of furniture. There is huge potential in furniture industry for the development of country but government does not pay attention to furniture sector (Enzner, 2013).Issues like impact of value chain analysis of wood furniture in Chiniot needs to be considered for research to deliberately explore the sector to future customers. What are the profit margins in manufacturing of furniture and the role of value addition? Where value addition can be make for the betterment of current situation. This research has also tried to explain how these issues can be removed. The study introduced a concept of value chain analysis in wood furniture which will be helpful for the up gradation of wood furniture of Chiniot.

1.3 Key Terms Used in the Study

Following are the key terms used in the study.

1.3.1 Value Chain

A value chain is a process of activities that any of business organization performs to provide a valuable product for customer. Value chain is set of different activities which have been taken to complete manufacturing of any product (Porter and Advantage, 1985).

1.3.2 Value Addition

Value addition is a process in which some value is added to the product at each manufacturing stage in order to get final product (Ferling, 1993).

1.3.3 Employees Performance

Employee's performance is the standard of employee behavior at workplace and employees engaging with organization. Employee's performance means the worker output at workplace (Sabir *et al.,* 2012).

1.3.4 Marketing Channel

Marketing channels are the activities that involve in transformation of product from manufacturer to consumer or end user (Pelton *et al.,* 1997).

1.3.5 Wood Furniture

Wood furniture is a material noun for the objects which are moveable in order to support various activities of human being as sleeping (Beds), seating (sofas, table, chair, stool) and decorating (windows, dressing tables, swings, room decorating materials) etc(Lihra et al., 2008).

1.3.6 Employment Absorption Capacity

Employment absorption capacity is the capacity of any industry to provide jobs for worker in order to complete their products (Dakin and Armstrong, 1989).

1.3.7 Wood Worker

Wood worker are those people who cuts the trees and working on saw mills for further processing of wood.

1.4 Study Area

The locale of this research is district Chiniot (Punjab, Pakistan).Chiniot got the status of district in 2009 by Government of Pakistan. It is situated at the bank of river Chenab. Total population

of Chiniot is approximately 1170,000 in which 856000 persons are rural and 314000 people are urban (Nawaz *et al.,* 2016). It has three Tehsil i.e. Bhowana, Lalian and Chiniot. Chiniot is situated in the middle of the Punjab. It is well connected with Lahore (160km), Faisalabad (30km), Sargodha (58km) and Jhang (86km). Major crops of Chiniot are lentils, maize, rice, potato, wheat and sugarcane. Map of District Chiniot is shown in (Image I) taken by TMA website. It is an industrial area of Pakistan; it has approximately 92 small and medium industries of different kinds. About 60% of the population of Chiniot is directly or indirectly linked with furniture sector. Sheikh cast plays very important role in the development of Chiniot. They always tried to develop the economic condition of Chiniot through different community development projects (SMEDA, 2013). Population of Chiniot is shown under in the table no 01.[2] In rural areas of Chiniot Syed cast is very famous and have significant role in local politics of Chiniot. Currently MNA of Chiniot is *Qaiser Ahmad Sheikh*, MPA *Molana Ilyas Chinioti* and MPA *Molana Rehmat Ullah* all belongs to PML(N). *Syed*, *Sheikh*, *Harral*, *waraiech*, *Teili,Kharal*, *Khokhar, Janjoa, Dogar, Salary, Jappa* and *Sipra* are major cast of District Chiniot. Weather condition of Chiniot is very pleasant for all kind of crops. Furniture of Chiniot has a lot of potential in furniture market due to local the skilled worker and artisans. Chinioti architects and wood carving worker are famous all over the world. Chinioti furniture is playing very crucial role in income generation and economy of Pakistan (Enzner, 2013).

Table 1: Population of District Chiniot

Total Population	1170000
Rural	856000
Urban	314000
Female	712000

Source: http://uelect.org.pk/

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[2]District gazette, (2013).Election Commission of Pakistan

Image I: Sketch of District Chiniot taken from TMA Chiniot Website
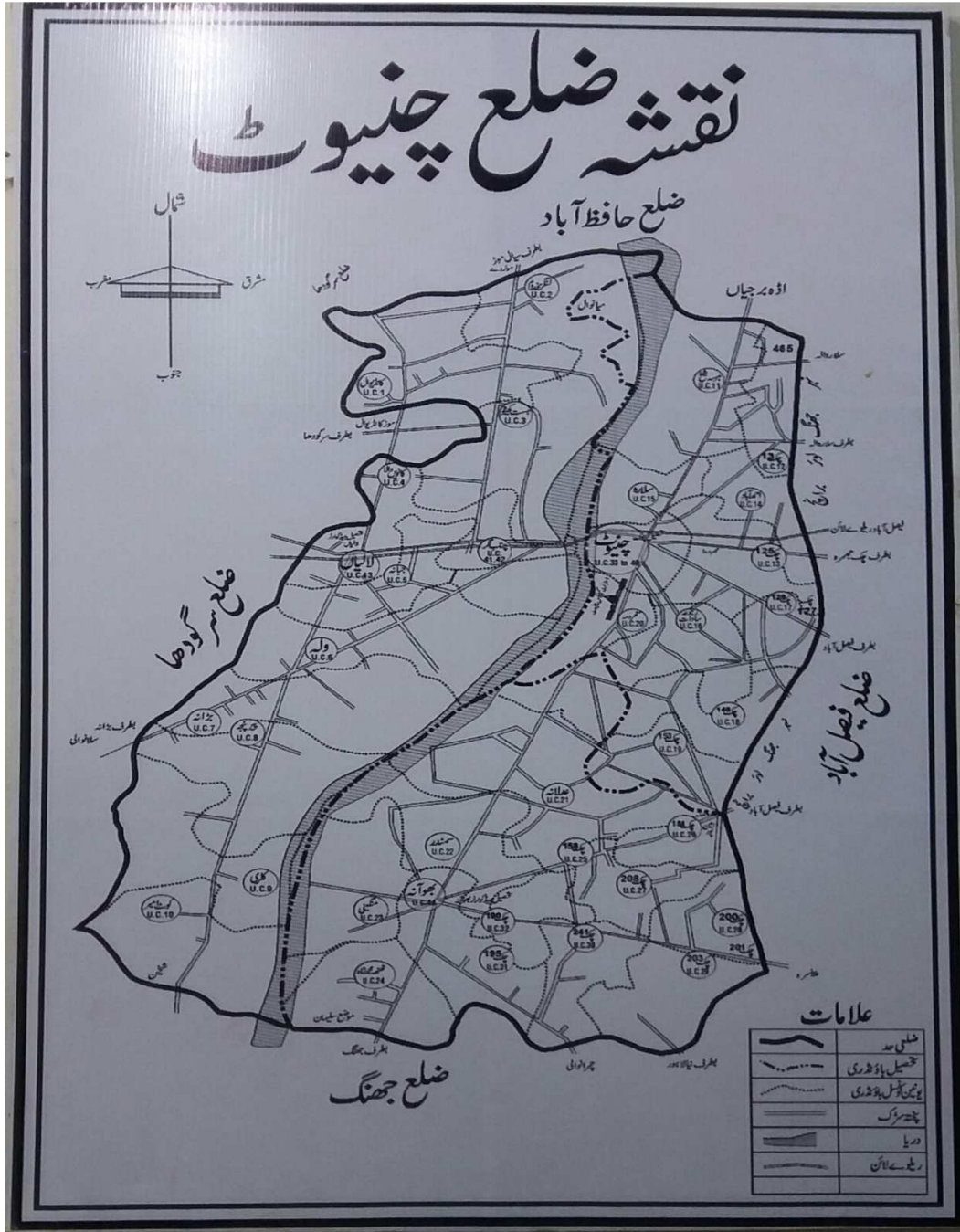
1.5 Research Questions

Following are the research questions:

     i.   What are the marketing channels, profit gaps and areas where value addition can be made?

    ii.   What are the major problems being faced by wood furniture industry in its major marketing channels?

1.6 Objectives of the Study:

The overall objective of the research is basically works for the betterment of furniture industry in Pakistan in general and particularly for Chiniot. Specifically, the study has the following objectives:

     i.   To discover wood furniture market value chains & marketing channel, their profit gaps and impacts on wood furniture industry of Pakistan in general and particularly in Chiniot.

    ii.   To find out constraints and problems which are faced by wood furniture industry of Chiniot.

1.7 Significance of the Study

Furniture is the specialization of Chiniot. It is a source of income for local people. Income can be enhanced by management interventions. There are a number of stakeholders who are playing important role in the furniture industry. The main earning from this industry of local people are wood workers, while the middleman from outside earns more than these due to the lack of information and value addition in the product. There is a dire need to look in the matter and find out the gaps in wood furniture manufacturing industry especially value addition and marketing channels & profit gaps. There is a little research on the furniture industry in general and particular of Chiniot. Pakistan is an agricultural country and valuable wood is available. Through the proper use of this valuable wood a lot of capital can be accumulated. This study would produce some new knowledge and also highlight the problems of furniture industry. Significance of this study is that it would recommend some arrangements through which furniture industry of Pakistan can be improved. This study would also highlight the importance of value chain

analysis in furniture industry and explore how some value can be added to wood in order to get final product of furniture. This study has also highlight some policy recommendations for up gradation of furniture industry in Pakistan.

1.8 Thesis Outline

Chapter one gives an overview of the study. Chapter two presents details regarding different aspects of furniture industry of the global world. This chapter describes value chain analysis and experiences of different countries. Chapter three includes research methods and methodology for data collection. Sampling technique, tools and process of data collection and analysis are also described in this chapter. Chapter four explains results and discussions regarding furniture industry of Chiniot. In this chapter different marketing channels and their process of working are explained. This chapter also describes different information about wood cutter, furniture manufacturer, middleman, seller and buyer. Finally, Chapter five is about conclusion of the study, policy recommendation, findings, limitations of the study and area for future investigations.

CHAPTER II

REVIEW OF LITERATURE

2.1 Introduction

This research deals with two things, the first is value chains and the second is value addition in furniture industry. The aim of the research is to study the concept of value chain analysis in wood furniture, and explore how value chain analysis is helpful in the improvement of wood furniture. It will also investigate what are major marketing channels, profit gaps and areas in furniture manufacturing. Also find out major problems in furniture manufacturing process. In order to address these numbers of articles and papers published in different magazines, journals and newspapers are reviewed.

2.1.1 Importance of Wood

Wood has great importance all over the world. Wood sector plays important role in the development of the country. Russia is rich in wood resources. It earns a large amount of money from this sector. Forests are necessary for the survival of mankind. Russia has sufficient amount of forest for the cleanliness of the environment. These forest and wood play important role in the Russian economy. Russia is one of the major wood furniture producer countries of the world. Russian forest sector is one of the huge forestry departments in the world (Lauri *et al.,* 2013). Wood sector is expanded as a major production sector with emergence of new global trends. Many countries use wood as exporting product. The material of wood products has long lasting qualities (Goh *et al.,* 2013). As the process of globalisation increase in last decades then it leads to economic growth and trade. The trade and export of wood expanded with emergence of new global trends. Now wood is used as a commodity. People make business of wood so it is used as commodity. It is used as property and people use wood as business and for profit. Commodities have a global market and linked with global word as body function. It is characteristic of commodity that prices of any commodity change according to global market prices. The main characteristic of commodities is that these are desired by advance societies and vary in prices. Advance technology and global trends have enhanced production of woods material (Lim *et al.,* 1999).

According to Mather (1995) wood pattern has been totally changed in the late twentieth century. Wood sector should be modified with demand of global world. There are many new production strategies and export trends for wood sector in global market. Power of first world is decreasing because developing countries have increased their local production in wood sector in global market. Wood production in developing countries has improved their economy. Developing countries earn a lot from their local products like wood furniture. Due to globalization industrialization has increased in the world. In current scenario demand of wood and forestry has increased in the south so global exporters have involved and exported their products to the south world. Brazil and Indonesia are new exporters of wood and offering their products in global market. Developing countries export their wood products like pulp, plywood, timber and wood furniture to other countries. Wood sector has become a major element of trade between different countries. Many developing countries have capacity to manufacture and export wood furniture into global market.

2.1.2 Impact of Value Chain on Wood Furniture

According to Kaplinsky *et al.*(2003) explained the impact of value chain analysis of wood furniture on the developing countries like South Africa. Wood furniture has provided chance to the people of developing countries to participate in global market. There are many people who are directly or indirectly linked with furniture sector in the developing world. Buyer in global market tried to improve the condition of their producers and manufacturers of wood furniture for better quality of production. This relation is directly linked with the value chain of furniture industry of world. Value chain is increasing the production of furniture in global market with help of global buyer. Global purchasers introduce new designs to the manufacturer as demanded in global market. Global exporter of wood furniture are playing very important role for the promotion of wood furniture in developing countries.

According to Navas-Aleman (2011) developing countries have focused on increasing the export of their local furniture production. Value chains are playing very important role in local production of furniture in Brazil. These value chains have provided many job opportunities to the workers and increased local production. Global value chains are helpful for betterment of new furniture market in Brazil. Now there are many linkages between global buyer and furniture manufacturer. Global buyers are trying their best to convince the manufacturer to give products

according to global demands. Furniture industry of Brazil has developed by using different value chains. Furniture industry has great contribution in economic development of Brazil. Global value chains are fully supporting the developing countries who participated in global competition. Brazil has increased its furniture exporting capacity with help of value chain process in global market.

Different Small Medium Enterprises (SMEs) have successful experiments of value chain analyses. Value chain is playing very important role in the development of wood furniture in many lower income countries. Many other developing countries including South Africa have developed their furniture industry through value chain. A final product of furniture passes through various manufacturing stages and many people work on each stage. Value chain has increased the quality of the product. Some value is added at each manufacturing stage. Through value chain many local manufacturers have access in global market. In the same way this process remained successful in South Africa for the betterment of furniture Industry (Kaplinsky *et al.,* 2003).

Value chain has been adopted in many SMEs for improvement of their products. In recent years many Small and Medium Enterprises (SMEs) are working in all over the world and provides a lot of jobs to workers. SMEs have great contribution in poverty reduction and economic growth in many developing countries like China, India, Korea, Indonesia and Brazil etc. There is a huge population in developing countries but their contribution in economic growth is very low. Industrialization played an important role in improving the condition of workers. Machines have improved the quality and quantity of products. In furniture sector these SMEs play important role for the development and economic growth (Chen and Ravallion, 2004). Machines have improved the economic condition of workers because now they can produce more and better (Handfield, 1997). These advance machines have changed the living condition of poor workers and their families. Increase in industrialization may increase income difference in urban and rural areas. These small and medium enterprises SMEs reduce these differences by promoting the furniture worker and other small scale enterprises (Lanjouw and Lanjouw, 2001).

Value chain has developed with the emergence of globalization. Understanding of the world and global trends are very important especially for developing countries to address their problems. Wood furniture of the world is facing some serious problems which decrease the productivity of

furniture. As globalization increases with new trends it affect furniture industry of the world. Unregistered design, competitiveness, high market demand, lack of knowledge, lack of advance technology and lack of wood supply are some major problems in furniture industry (Schuler and Buehlmann, 2003).

According to Edwards (2001) with the emergence of globalization and innovation pattern aluminum furniture is replacing wood furniture. People have accepted aluminum as an alternative of wood furniture. Aluminum has some extra qualities than wood such as easy to repair, elasticity, low cast and sustainable availability of material. Some people prefer aluminum over wood furniture. Aluminum furniture is a step for the development of furniture market. With the introduction of aluminum material in the market many new manufacturers have entered in market and started manufacturing the furniture. First of all aluminum appeared in Austria as a furniture then it spreads all over the world. Dealers of aluminum have been increasing their production due to high level demand. Despite popularity and modernity of aluminum furniture wood furniture has its own quality, value and demand.

World has become a global village and all countries are participating in global market. In the beginning furniture producing countries were under pressure because they felt that they would not be able to compete in global market. With emergence of globalization trade boundaries have removed. Now every country has an easy access to global market. South Africa is emerging as a new furniture exporter in global market. Value chain analysis is an important tool for global buyer and producer of furniture in South Africa for development of wood furniture. Value chain is giving access to different global retailer of furniture in South Africa. These global buyers play important role in the export and development of South African furniture. Global value chain provides employment opportunities in South African furniture industry. Through global value chain competition in South African furniture industry has increased. Value chains leads to sustainable development (Kaplinsky *et al.,* 2002).

The wood furniture of Iran could lead it for sustainable development (Azizi *et al.,* 2016). Wood furniture has affected human life positively. It is not only serving human beings economically but it plays important role for the betterment of environment. In the beginning furniture industry of Iran faced a lot of problems. Problems like strict state policies, lack of raw woods, lack of funding, untrained worker and lack of access to global market were faced by Iranian furniture

industry in the beginning. But recent global value chain analysis has affected Iranian furniture industry positively. Different materials used in furniture manufacturing are helpful in emission reduction. There are many factors which are responsible for economic expansion and continuous development of furniture industry of Iran. Now furniture industry of Iran is making progress and also contributing to the socio-economic condition of country. Development of furniture industry of Iran has also developed the other sector linked with it as transport. There are employment opportunities for workers in furniture industry of Iran. Furniture industry of Iran has great contribution in the economic growth of country. Now government is facilitating furniture industry to increase its production.

Wood furniture has contribution in the income generation process of many countries like China, Indonesia, Canada, Germany and USA. These countries earn a lot of income from furniture by exporting it to other counties. They have done some proper planning for the better use of their SMEs. These countries use different techniques for the better production of furniture (Schuler *et al.,* 2001).

According to Han *et al.* (2009) China has made great progress in furniture industry. No doubt China has now become major exporter of wood furniture all over the world. China has promoted its furniture market from low to high production level. China has become major exporter of furniture product in global market. Government of China has given many facilities to furniture producers for the up gradation of furniture industry. Furniture industry of China has become advanced but Germany and Italy furniture markets are more developed than that of China. Furniture industry of China is now facing some problems such as lack of advance technology, shortage of raw wood and some trade restrictions from United States. There is a need for China to take some positive steps for the development of furniture industry.

2.1.3 Value Addition

Value Addition can be done through different steps such as women participation in furniture industry (Nansereko, 2010). There are many strategies through which furniture industry in global market can be promoted. In this study Nansereko evaluated women role in furniture industry and in value chain perspective. Furniture is a valuable business in Indonesia and it is providing a lot of job to local people. There are many families that are totally depending on furniture work. Manufacturer of Jepara are very famous all over the world due to their skills in furniture

manufacturing. Economic conditions of local producer of furniture have been improved with the economic development of their country. The role of women in furniture sector of is important because women help their men in all kind of furniture making activities. For development of furniture industry women participation is necessary. It can only be possible by their awareness and rights. There are some steps which can be taken for further value addition in furniture industry of Jepara and central Java, such as there should be better linkage between different exporter and manufacturer, a process of wood waste management, better transportation system for furniture and better policies for development of local producers.

Fashion industry has great impact on furniture industry. It is a value addition in already existing furniture manufacturing design. Furniture design and manufacturing pattern have changed with emergence of new fashion in market (Leslie and Reimer, 2003). The demand of people has changed now they require modern design in their furniture items. The manufacturing methods have changed. Furniture producers and exporters mould their furniture products according to demand of buyer. There is a close relationship between wood furniture and new fashion design. Once a new design emerges in market then it spreads all over the world through advance technologies like internet.

Daian and Daian (2009) examine that wood waste management is a value addition tool for betterment of wood furniture in Australia. There is evidence that wood furniture industry has lack of sustainable production due to wastage of raw woods. In the past there was lack of proper methods of wood recycling. It is argued that that people were not aware of importance of recycling of wood waste. There is a fact that wood waste management system play important role for sustainability of wood furniture. Refurnished wood used again for furniture item like bed supporting sheets, fuel, animal bedcovers and timber. These methods annually save 2-8% of surplus for furniture sector.

According to Ratnasingam *et al.* (2012) temporary workers have more chance to affect the quality of furniture negatively. Temporary workers are facing more injuries at workplace rather than permanent worker in South East Asian countries because of their less expertise. Contract worker pay all attention to their work for promotion and tried to provide both quantity and quality. Permanent workers are expert in producing high quality furniture. It is stated that in Malaysia, Indonesia, Thailand and Vietnam permanent worker are more useful for the

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development of furniture. Many furniture manufacturing industries engaged permanent worker as value added tool in their production. There was lack of proper human resource policies in the furniture producing market for workers. These issues become a major cause of damages at workplace. Global value chains are promoting the wood industry throughout the world. Malaysia, Indonesia, Vietnam and Thailand are now major participant of global furniture market. These countries now follow global value added program for the development of their furniture Industry. Wood industry now prefers permanent workers for their work because they have low chance of damage. South East Asian countries have made some health policies for the wellbeing of labor.

Miovcic (2015) stated that CREDO Board (Competitive Regional Economic Development Organization) was recognized a program for development and competitiveness of wood furniture in Bosnia and Herzegovina. A program was launched for the development of Small and Medium Enterprises in furniture industry. The basic objective of this project was to improve the condition of SMEs and their role in economic development of country. This started competitiveness among different furniture manufacturers. This program provided many jobs to workers. Local NGOs Sida and Eda participated in this program for economic growth of country. Major focus of this project was on wood handling, furniture production, footwear sector and refreshments sector. This program creates a competition between markets to increase production. There were four kinds of market competition Micro, Macro, Meta and Meso level competition. CREDO board basic focus was on micro and meso level to improve quality standard of furniture industries. This project remains successful but there is a need of proper and regular program for up gradation of these SMEs. Government should start long term project that would provide many sustainable jobs to worker. Competitiveness between different manufacturers of wood furniture leads to the improvement of furniture industry.

According to Getaneh (2014) competitiveness plays a key role in the development of wood furniture in Ethiopia. They have changed their pattern of furniture manufacturing with emergence of globalization. Every country has tried to increase its furniture production in global market and use different techniques to improve its quality of products. This competition leads to the growth in production and decreases in furniture prices. Ethiopia has been making furniture from long period of time but in the beginning they used traditional ways. Ethiopian furniture

manufacturer felt that they are behind from their opponent in global market so they adopted new trends and join global furniture market. New trends and policies are very helpful in the improvement of furniture market in Ethiopia. Furniture manufactured by different other materials such as aluminum in Ethiopia in efficient in quality but wood furniture has no replacement in quality and demand. Wood furniture has been introduced with new design in furniture market of country. Now innovation in furniture manufacturing has increased the demand of furniture products. Finally due to innovation in furniture sector of Ethiopian furniture production has increased.

According to Ng and Thiruchelvam (2012) there is a huge potential in Malaysian wood furniture to participate in global market. Malaysian wood exports has significant role in country export rate. There are many stakeholders that play role in the development of wood furniture industry. The stakeholders like business men invest in this sector and they are directly involved in furniture market. Other sectors like foam, fiber and glass also play a key role in the development of wood furniture in Malaysia. All sectors in the country are working like a chain for the up gradation of their economy. This value addition has an important role in overall development of their furniture sector. There is close relationship among all the participants of furniture industry in Malaysia which played a role for the betterment of the country.

There are many opportunities for Small and Medium Enterprises (SMEs) in Malaysian wood furniture for the improvement inthe condition of their own and also of their country. Government has provided subsidy to furniture manufacturer, for the betterment of their products. For this purpose government is providing loan scheme to the furniture manufacturer and exporter. Furniture producers and exporters avail these opportunities and they have improved the quality of their furniture. Many value addition strategies have taken place in Malaysia for improvement of furniture market. In result Malaysian furniture has an importance in global market and many developing countries are following their value addition strategies.

According to European Commission (EC) Trade-Related Technical Assistance Program (TRTA) for Pakistan (2007) Pakistan has great potential in wood furniture sector. Pakistan has great contribution in the global market as a furniture producer. Pakistan is exporting its furniture products to different countries like UAE, Saudi Arabia, Canada, Italy, Japan, Germany and USA. Annual export of Pakistan in wood products is about US$12 million in 2006and it is increasing

with passage of time. Pakistan is very rich in natural resources like wood but not utilizing these resources carefully. Demand of Pakistani wood furniture is increasing in the global market rapidly. Global competition in furniture market is increasing with globalization. Pakistani wood furniture is facing pressure of this competitiveness in global market due to lack of sustainable policies by state. Pakistani furniture industry is facing serious problems due to the lack of management in this sector such as lack of sustainable raw wood, proper market, unskilled worker, government trade policies, lack of funding, lack of technology and advance knowledge in furniture manufacturing sector.WTO agreement has great impact on global buyers and sellers of wood furniture. Pakistan furniture manufacturers export their furniture products in global market without any threat and fear of loss. WTO provides opportunity for Pakistani furniture manufacturer to sale their furniture products to different countries.

SMEDA (n.d) presented a report on furniture history of Rawalpindi. Rawalpindi is the major city of Pakistan and famous all over the world. Furniture productions of Rawalpindi circulated all over the world. People come from different cities of Pakistan to start their business in Rawalpindi. Rawalpindi furniture industry has direct access in Global market and linked with value chain analysis of furniture. There is a huge potential of skilled labor because people from the whole country come here for the sake of jobs. There are six major market places of wood furniture that manufactures furniture and further showrooms for selling of products in Rawalpindi. All kinds of furniture products are manufactured here such as sofa, bed set, windows, chair and jewelry stand etc. Different furniture manufacturing cities i.e. Chiniot, Gujarat, Faisalabad and Multan send their uncompleted furniture to Rawalpindi market for sale. Rawalpindi furniture market is a part of global value chain. There are many strategies adopted by wood market to increase their production and value addition. Furniture industry of Rawalpindi is facing some problems i.e. lack of sustainability of raw wood, environmental issues, lack of proper policies for promotion of furniture, wood waste management system and many others. Government should provide subsidies to furniture market because it is a major sector which has contribution in economic growth of Pakistan.

According to Saleem *et al*. (2004) *Shisham* wood is a major item for furniture manufacturing in Pakistan. Pakistan has great latent power in *Shisham* wood but it could not be utilized properly. Pakistan is rich in *Shisham* wood production but lack of proper management is a great obstacle in

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its use for furniture. Monopoly of some exporter is another problem in furniture industry of Pakistan because some exporters have political background and they pressurise over other manufacturers. Aggressive marketing planning is needed for the development of wood sector in country. *Shisham* wood is very elastic type of wood furniture which has long lasting qualities. This is fact that Pakistan can become major exporter of wood furniture if government gives some subsidies in this sector. Government should adopt environment and manufacturer friendly policies for the betterment of wood furniture. Furniture manufacturing sector is a major industry of Pakistan which can make a huge quantity of overseas investment in Pakistan. Gujarat is a major *Shisham* producer furniture city of Pakistan where 70%-80% furniture comes from *Shisham*. Requirement of *Shisham* furniture is increasing rapidly because of its long lasting quality.

There are different stages in furniture manufacturing and different kinds of work have been done at every stage. Furniture industry is divided into different stages from tree to end user. It passes through different process and people. First of all it was a tree then cut into pieces and became timber, then khrad, fitting, munawat, carving, filling with different material to refine the beauty of product, polishing, finishing and send for sale in showrooms. Furniture manufacturing process is completed through the participation of different people. In all the stages, many people participate in this process and play their role for the completion of final product. Workers at every stage play their role in the project according to their skills. If there is division of labor according to their skills and abilities then better quality of furniture can be made. Labor feels happy and work comfortably in their specific domain so value chain analysis plays key role in development of furniture sector (Andersen, 2004).

According to a report Published in The Express Tribune, March 20th, 2013 Pakistan furniture industry has great potential. Despite this there are lots of issues in Pakistan such as terrorism, corruption and law and order condition. Demand of furniture is increasing with passage of time. In Pakistan consumption rate of furniture has increase up to 26% per average (Bloomberg's report, 2013). Furniture export of Pakistan has increase up to $10 million in 2011. Chinioti furniture has meet 80 % demand of country wood furniture. Pakistan needs to improve its wood furniture to meet the requirements of country and foreign exchange income.

According to Mubin *et al.* (2015) Government of the Punjab started a program for up gradation the furniture industry of Chiniot, "Customized Lending Program for Furniture Cluster at Chiniot" by doing this Government tried to boost up small and medium enterprises in furniture industry of Chiniot by giving them loan of PKR.40 million with some conditions. This loan was given to 400 SMEs, PKR.100, 000 to every beneficiary. It was compulsory for every loan holder to returns this money in 22 installment of period of two month/installment. Aim of this program was to give subsidy to low income producer for the betterment of their business. This money was not enough to set up a new business or invests some products in their business so the big industries were not interested in this project. SMEs owner get this loan and purchases some new machines and tools. Some loan owners waste this money by purchasing material which was not beneficial for their business. Loan owner does not utilize this money as Punjab Small Industries Corporation (PSIC) aims to use it. So aim of government is to achieve employment opportunities for local people and promote wood sector in Pakistan failed. There were some reasons which became cause of failure of the project. Government terms and conditions were not suitable for loan receiver, low amount of money and mostly beneficiaries did not use this money for growth of furniture business. This program can improve furniture industry if PSIC manage this program with easy terms and to understand the real needs of furniture manufacturers.

Wood has great importance all over the world. Wood sector has become global business. Furniture has spread all over the world and become a major business in the developing countries. Value chain analysis plays a vital role in the promotion of wood furniture. Value chain increases competitiveness and linkages among global furniture markets. Value chain analysis in furniture market leads some countries towards sustainable development. Globalization also plays very important role in promotion of furniture. It removes trade barriers between different countries. Some countries like China and Russia have made some special arrangements to upgrade their furniture market. In this way furniture played vital role in shaping their economy. Value addition is another major tool for quality enhancement of any product. Value addition increases demand of product among customers. There are different ways of value addition in furniture manufacturing process which increases quality of furniture such as women role, new designs, impacts of fashion and innovations. Furniture is used in almost every country. It provides lot of services for humans. Like sitting, sleeping, office use, workshops, hospital, schools. Everywhere furniture has its own importance. This is fact that Chiniot furniture is famous all over the world

and have significant role in development of Chiniot. Economic condition of the Chiniot can be upgraded by promoting furniture industry.

Furniture sector provides a lot of job opportunities to workers. Different marketing channels are involved in furniture manufacturing and marketing process. A final product of furniture goes through different steps. At each stage some value is added in the final product. SMEs have played a vital role in the development of furniture in developing countries. It is witnessed that SMEs have major contributions in the economy of developing countries. Pakistani furniture has a lot of potential but there is lack of management. Furniture industry of Pakistan is facing some serious problems such as sustainable raw wood supply, government political volatility, and unavailability of funds, lack of government interest, lower access of local producer in global market and lack of awareness about recycling process. However, above mentioned whole process is further explained below in conceptual framework.

2.2 Conceptual Framework

In this conceptual framework, a relationship between different stages of furniture manufacturing has been explored, marketing channels and stakeholder. It shows value chain process and steps of value addition in furniture manufacturing.

2.2.1 Value Additions and Value Chains

According to SMEDA (n.d) report Pakistan is very rich in experts of wood furniture. Pakistan has made progress in wood sector in spite of terrorism and law and order situation of the country. Value chain is a process in which low level worker gets access in higher market. Through this value chain process they can improve their position. Value chain is a process in which a final product passes through different stages and there are linkages between each stage (Kaplinsky and Morris, 2001). This study investigates the marketing channels involved in furniture manufacturing. The study shows that how value chain process can be helpful for upgrading of furniture market in Pakistan.

Figure 01 shows value addition in term of prices that how price of a product increases, with value addition. First of all if price of wood is 10,000 at sawmills then some work is done at this wood and its price increases up to 20,000 approximately. When this wood turns into furniture item then middleman who relocates product from one place to the other earns money and its

price increase round about 35,000. Before reaching the product to customer some more value is added at showrooms from managers and sellers in order to get final product and its price increases up to 45,000approximately. By adding value quality of product also changed and a piece of furniture become more valuable. Seller works on it to improve the worth of furniture. In this way value addition increased the price of any product before reaching to the end user (Figure 1).

Figure 1: Value Additions in Furniture Marketing Channels

In figure 2 shows value chain linkage between different stages of furniture manufacturing is shown. This clearly shows steps involved in the process and network of value chains from raw materials to the final product. If some values are added effectively at each stage then it would upgrade wood furniture of Pakistan. This diagram shows the marketing channels involved in furniture manufacturing (Figure 2).

Figure 2: Value Chains in Wood Manufacturing Process
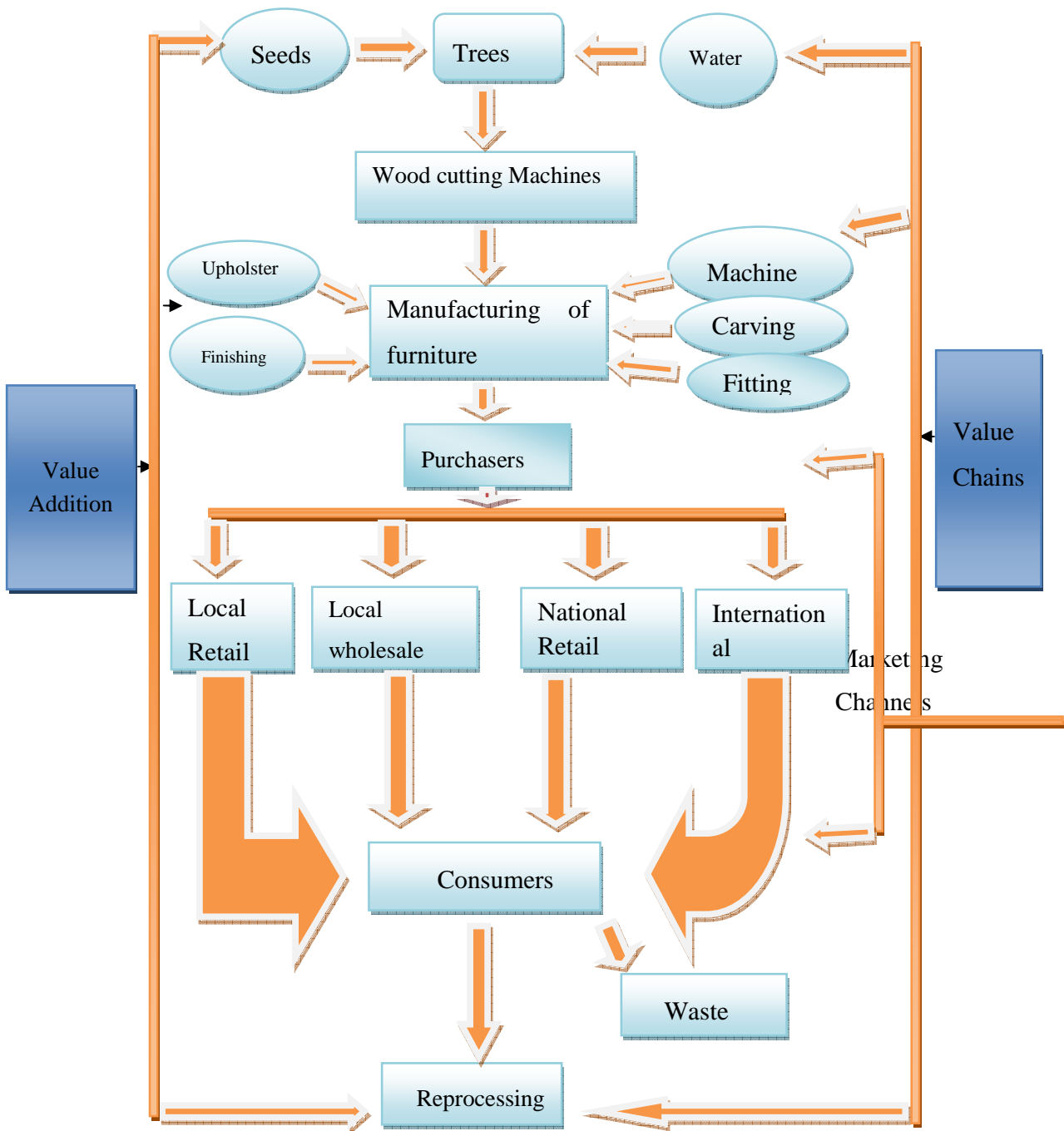
2.2.2 Furniture Manufacturing Process (Wood Manufacturing Unit)

According to Farid (2007) following are major steps that involved in completion of a wood furniture product. A complete furniture product passes through these stages. Some value is added in furniture product at every stage. First of all wood workers goes to field for buying trees then cut the trees and send it to sawmills. Wood is left for some time to be dried. After some time wood is able to be use for furniture manufacturing process. Then furniture manufacturer select quality of wood according to their required product. Sawmill worker cut wood into pieces according to requirements of manufacturer. Then manufacturer molds wood according to product design. After that it passes through different manufacturing stages such as hand carving, fitting, polishing, filling of product etc. After all these steps final product is ready to send to the market for sale (Figure 3).

Figure 3: Furniture Manufacturing Process
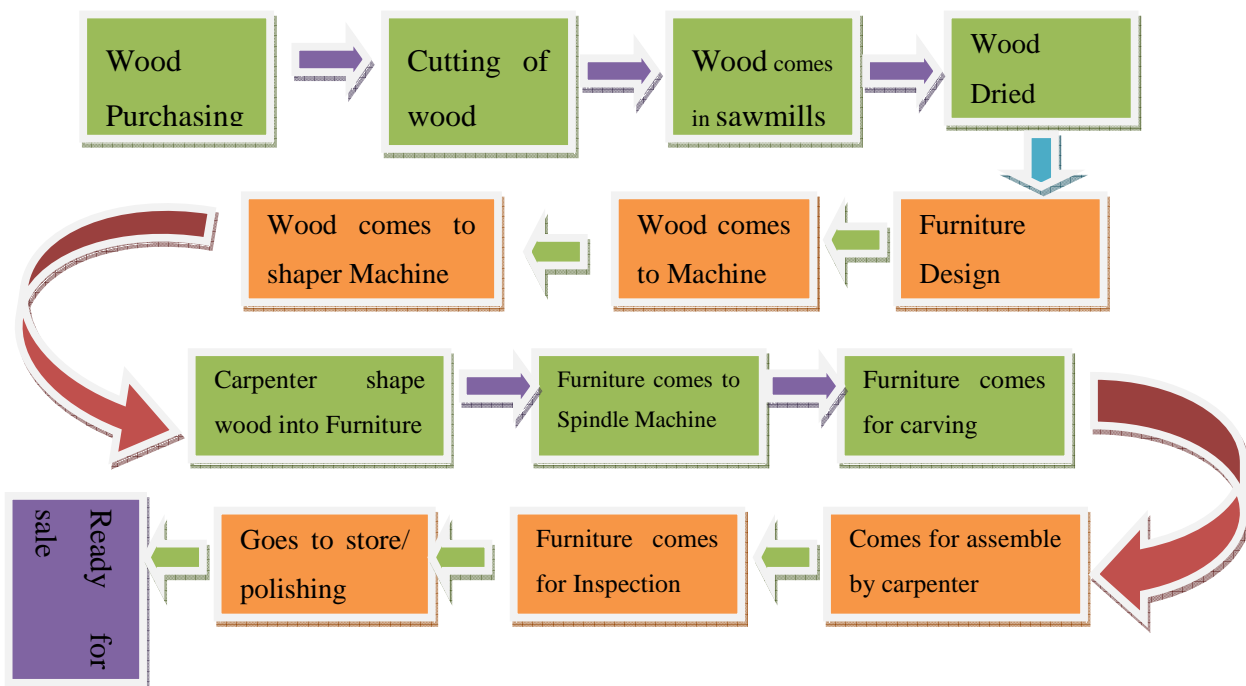
CHAPTER III

METHODOLOGY

This section contains methods, research design, and target population, tools of data collection, sampling and sampling frame.

3.1 Methodology/Research Design

This study is qualitative in nature. It has explained different aspects i.e. value addition and value chains in furniture industry. Qualitative study is used for in-depth analyses about furniture sector of Chiniot. It is basically primary research and data were collected from field. Explanatory research design is used for this study because focus of this study is to identify and explain different value chain in wood furniture industry. Explanatory research design deals with why type of questions that why it is going on (Babbie, 2013).

3.2 Methods/Tools for Data Collection

There are numbers of methods to collect data in qualitative research. These include interviews – unstructured, semi-structures interviews, key informant interviews, participant observation and focus group discussion. However, the study used key informant interviews and focus group discussion as methods to collect data for this study.

3.2.1 Key Informant Interviews

Key informant interviews are qualitative in-depth interviews with people who know what is going on in the community. The purpose of key informant interviews is to collect information from a wide range of people including community leaders, professionals, or residents who have first-hand knowledge about the community. These community experts, with their particular knowledge and understanding, can provide insight on the nature of problems and give recommendations for solutions (Bryman, 2010). According to Bryman, (2010) key informant interviews are of two kinds – telephone interviews and face-to-face interviews. In this study used face-to-face (key informant) interviews. Four key informants interviews were used from every group of sampling framework (see table 2).

Table 2: Number of Respondents in Each UDC for Key Informants Interviews

-	Wood workers (sawmills)	Furniture manufacturers	Middleman	Seller	Buyer	Total
Key informant interviews	4	4	4	4	4	20

3.2.2 Focus Group Discussion

A focus group discussion (FGD) is a good way to collect information from the people of similar backgrounds or experiences to discuss a specific topic of interest. The group of participants is guided by a moderator (or group facilitator) who introduces topics for discussion and helps the group to participate in a lively and natural discussion among them (Bryman, 2010). The strength of FGD relies on allowing the participants to agree or disagree with each other so that it provides an insight into how a group thinks about an issue, about the range of opinion and ideas, and the inconsistencies and variation that exists in a particular community in terms of beliefs and their experiences and practices. FGDs can be used to explore the meanings of survey findings that cannot be explained statistically, the range of opinions/views on a topic of interest and to collect a wide variety of local terminology. In bridging research and policy, FGD can be useful in providing an insight into different opinions among different parties involved in the change process, thus enabling the process to be managed more smoothly. It is also a good method to employ prior to designing questionnaires. In the wake of this explanation given topic is discussed with different people who are attached, in different ways, with furniture market of Chiniot. There were taken five FDGs separately. In first focus group discussion with wood worker there were six persons in second with manufacturer there were seven persons. Third Focus group discussion with middleman there were five persons in fourth FDG with seller there were six persons. In last focus group discussion with buyer there were six persons for giving information. There were total 30 persons in five focus group discussions. Average number for each focus group discussion was six persons (Table 3).

Table 3: Number of Respondents in Each UDC for Focus Group Discussions

-	Wood workers (sawmills)	Furniture manufacturers	Middleman	Seller	Buyer	Total
Focus Group Discussions	1(6 person)	1(7 person)	1(5 person)	1(6 person)	1(6 person)	5(30 person)

3.2.3 Target Population/ Universe

The universe of this research is the people of Chiniot who are directly or indirectly linked with wooden furniture manufacturing. Population is divided into different groups/stakeholders for collection of data such as wood cutting workers, furniture manufacturer, middleman, seller /exporter and buyer. By doing this study gets more authentic and reliable information according to their role and knowledge. There are many furniture manufacturing and selling areas such as Chinioti road, Medan market, Tarkhana Muhala, Tehsil chock, Shahrah-e-Quaid, Chock Qasaban, Jhumra road, Janazagah and Bhowana road. Target population of this study is from Chinioti road, Shahrah- Quaid and Bhowana road Chiniot because these are major furniture producing areas in Chiniot.

3.2.4 Sampling Frame

Population in this study is divided into different categories according to their skills and nature of work. Following are the major groups/stakeholders identified during pilot research work:

a) Wood workers (sawmills)
b) Furniture manufacturers
c) Middleman
d) Exporters/sellers
e) Buyers

Wood workers are those persons who cut the trees and supply it to wood cutting machinery (*sawmills)*. Furniture manufacturers are those people who make furniture from timber.

Middleman (*Brokers)* are the people that only transport goods from one place to other and make dealing between two stages of value chain. They purchase in low prices and sell with higher prices in big markets in almost all stages of furniture. Exporters are those persons that export furniture from out of country and seller sell furniture within country. Seller are those persons who sale furniture on showrooms. Buyers are those people that purchase furniture from showrooms of Chiniot for their usage.

3.2.5 Sample Size

Sample is defined as small set of population that researcher select from a larger population. Small size of population is more preferred in qualitative research because researches centered on interviews in a qualitative framework usually seek out to make a way into social life beyond manifestation and visible meanings. The qualitative interview deeply engaged researcher in fieldwork, keen interest is necessary to build up positive relation and interaction with participants. So this research study is based on a small sample size. 20 key informant interviews and five FDGs were conducted for this research. There were total 30 persons in five focus group discussions. Average number for each FGD was six persons. Unstructured, key informant's interviews were conducted along with FGD of five persons chosen from target population.

3.2.6 Sampling

This is purely qualitative study. In this study, first of all population is divided in to five major groups of identified stakeholders. After that convenient sampling was used for collecting information from key informants and for FDGs. For this researcher collect information from the people who are easily available and suited for study with the help of facilitator. According to Bryman (2010), the researchers in convenient sampling select participants according to their own criteria. There are three tehsil of district Chiniot which are Bhowana, Lalian and Chiniot. Urban area of tehsil Chiniot is selected for the study. Chinioti road is selected for furniture manufacturer, Bhowana road is selected for wood cutting worker/sawmills, Funpara plaza for seller/exporter of furniture and one middleman from each stage. Sample selection process is explained in the figure which is given below (Figure 4).

Figure 4: Sample Selection Process
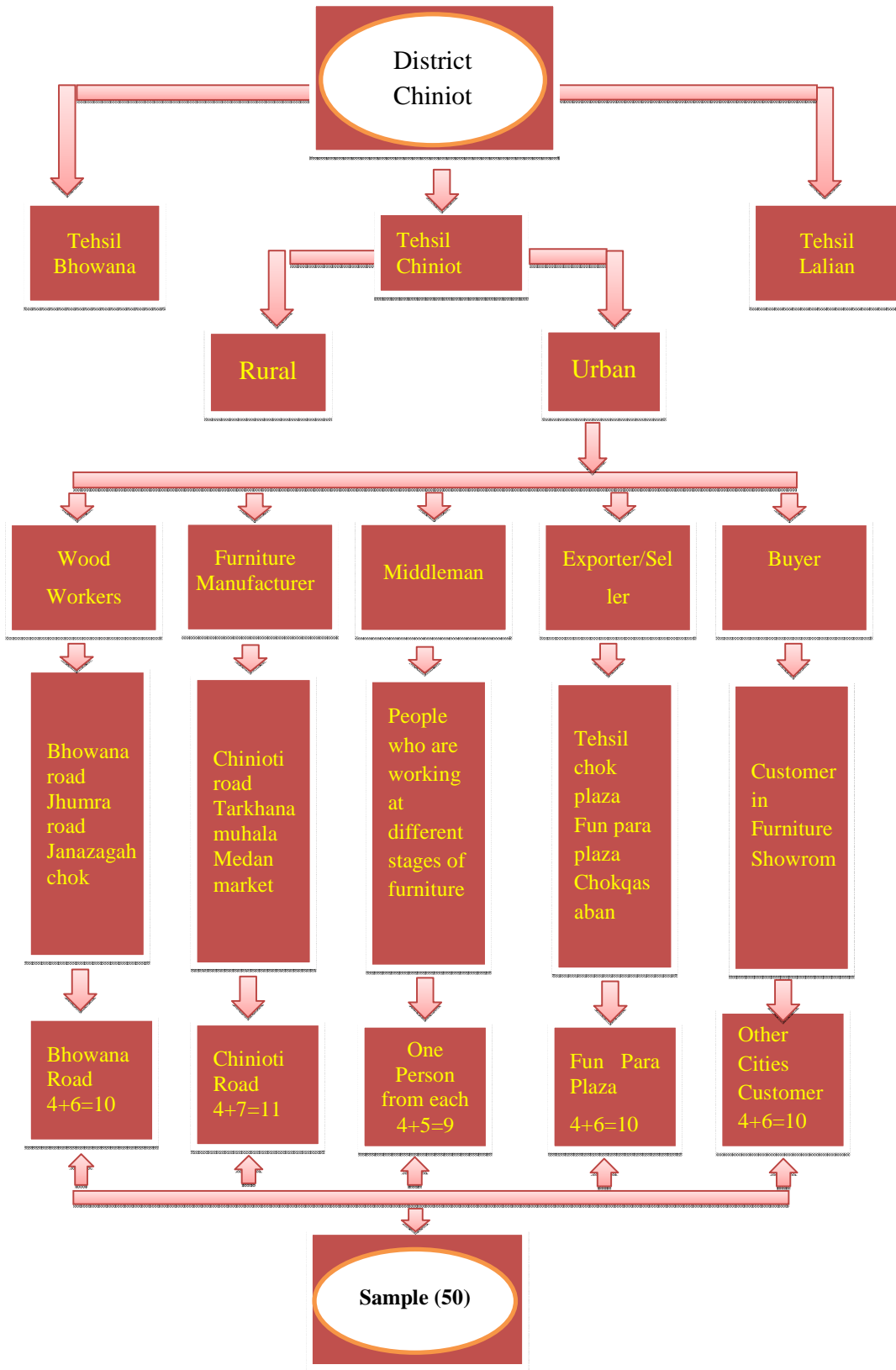
3.3 Data Analysis

According to Ryan (2006), qualitative analysis covers exploring the meanings of people's word, actions and trying to explicit the knowledge hidden in them. Sometimes, this knowledge is overt and sometimes the researchers have to reveal to the readers. He further explains that analysis is a process of coming up with findings from the data. The whole process of qualitative analysis needs data to be organized, scrutinized, selected, described, interpreted, theorized, discussed and reported.

3.3.1 Thematic Analysis

Thematic analysis approach is chosen for analysis of data. Thematic analysis is widely used in qualitative research (Boyatzis, 1998; Braun and Clarke, 2006). Thematic analysis helps to identify, describe, analyses and report themes and patterns in rich details within a data set. There are two fundamental ways to analyze data thematically: the inductive way and the theoretical deductive way. In the former way, the researcher gives codes to the data without trying to fit it into a pre-established coding frame or the researcher's analytic preconceptions. In this way, thematic analysis gives a rich description of the data suited to the broad research questions, making the specific research questions able to evolve through the process of coding. In the latter way, the analysis is more analyst-driven explicitly. This type of thematic analysis provides a less rich description of the data overall and instead of focusing on a more detailed and rich analysis of some aspects of the data, coding for a specific research question. In general, thematic analysis provides an interpretation and description of themes, often relevant to the previous studies which are reported in the review of literature (Braun and Clarke, 2006).

This is purely qualitative study so that's why only inductive approach was used for this study to generate codes. This approach allowed identifying themes from existing body of knowledge and interviews with population suited to the overall questions of this research study. Some important stages of thematic analysis are explained below.

3.3.2 Transcription

Transcription is broadly defined as the conversion of spoken and behavioral language into textual representation (Mayring, 2014). There are a number of ways to transcribe data differentiated along the axis of stylistic notes or transcription conventions as followed in

different tools of qualitative data analyses. In this study data is transcribed by following transcription conventions as defined in clean read or smooth verbatim transcript (Mayring, 2014). This transcription is done word for word but false starts (confused set of words), utterances (hmm or ahs), decorating words (right, you know or yeah), voice pitch and frequency, emphasis or stress and bodily expressions or emotional overtones are left out. The attempt in this study was to produce a coherent text representative of the views of respondents in simple and original wording free from situational complexities (non-vocal discourse and other dialectic formulations).

3.3.3 Familiarisation

Qualitative data consist of various forms such as interviews, verbatim transcripts, discussions, tape recordings, observational notes, documents and so on. Having data in these forms researcher read transcripts and field notes and listened to cell phone recordings with intense attention as suggested by Pope, Ziebland and Mays (2000). All transcripts (of interviews and focus group discussions) have read at least twice, in the wake of recordings, to be familiar with them. The researcher have repeated reading data in an active way as Braun and Clarke (2006) suggested that in order to search for meanings and patterns in the data, the data should be read again and again cautiously.

3.3.4 Indexing and Coding

The next step to follow in thematic analysis was to give initial codes to the data. The process of tagging data with initial codes is called indexing. This process is applied to all the textual data like transcripts of interviews by annotating them with numerical or color codes (Pope, Ziebland and Mays, 2000). Codes are labels which give conceptual meanings to the data (Boyatzis, 1998). This step starts after researchers have become familiar with the data and understood what is interesting from the data. In thematic analysis, the process of coding data is the first analytic step because data is being organised into meaningful conceptual groups. Coding depends on whether the themes are generated from the data or theory. Moreover, it also depends on whether aim is to code the content of the entire data or just particular parts of the data (Braun and Clarke, 2006). In case of this study, the process of coding has been done manually.

For this research study, line-by-line coding was adopted. Line-by-line coding provides at least one code to each phrase, line, or sentence in the data. This gave careful detail and attention to

each line, thus taking every detail within the transcripts. The researcher took some notes in the text and identified the segments of data with different colors of highlighter as Braun and Clarke (2006) suggested.

3.3.5 Memo Writing

An additional phase was writing memos, as the researchers are recommended often to write down their thoughts as they are coding and characterising themes. Memo writing can be understood as pre-writing, or free writing. It consists of taking groups of codes apart by dividing them into their components and encourages the researchers to start probing into unstated, implicit, and condensed meaning (Strauss, 1987). The researcher has started to write memos from the very beginning of the process of conducting and re-reading the transcripts of interviews to the final step of identifying and describing the themes.

3.3.6 Identifying and Characterising Themes

According to Braun and Clarke (2006) a theme in qualitative research is an idea that captures an important aspect of the data suited to the research questions. A theme often represents a patterned response or meaning within the data. A theme can ascend within a data set despite how often it is discussed. In this regard, they ask researchers not to relate the importance of a theme to quantifiable measures, but to how it suits to the research questions.

In this study, the process of identification and characterisation of themes started early and continued until the final step. During first reading of transcripts, the potential themes were noted and evolved throughout the entire coding process for producing the final reports. The researcher has applied codes to the transcripts of interviews and often tagged data with more than one code. For each code a separate thematic chart was made. Each chart comprised main code and sub-codes. These codes were arranged in separate columns. Corresponding to these columns the transcribed data from each interview was presented. In the next step, data reduction technique was used to condense volumes of data from each column to keywords. These keywords were devised to give a comprehensive understanding of data which eventually helped in generating thematic categories.

In this way, possible thematic categories were identified, and codes were organised to illustrate the themes in the best style. After identifying, coding and classifying themes, they were

described in a memo which expressed the connections between each theme on a thematic structure. The themes written in this research study have been selected from this thematic structure and are described in more detail in the findings and discussions section.

3.4 Data Verification

Data verification in qualitative research is a non-linear process. There are various techniques to verify qualitative data the most important being triangulation in which data on same social phenomena, experiences, or events is extracted by using different techniques. In this research data was cross-checked by triangulation as it is collected data through interviews and FDGs. The data collected in these settings helped me in bridging the missing links which were the result of use of conversational styles of data elicitation. A little example is that data is collected in natural settings all what the participants told during interviews. Some statements were cross checked through both key informant interviews and FDG.

CHAPTER IV

Results and Discussion

This chapter contains results and discussions driven by findings during fieldwork. Following pages describe the value chain analysis of wood furniture. It also throws some light on the manufacturing process and describes the marketing channels, profit gaps and areas where value addition gaps were also identified. It investigates the major problems being faced by wood furniture industry in its key marketing channels. The whole process is divided into five stages.

4.1.1 Marketing Channels Involve in Furniture Manufacturing

In the Figure 5 the whole process of furniture manufacturing is described. The process starts from simple wood. There are different types of wood used for manufacturing furniture. Wood of any kind of tree is cut in the initial phase. The "S*hisham*[3]" (Dalbergia Sissoo) wood is mostly used in Chiniot market. There is no fixed price of the wood at the first phase. At that time, the manufacturers purchase wood according to the quality and kinds. For analyzing quality of the tree they have their own scale of attributes such as the width, length, and age of the tree. In this case, they prefer "S*hisham"* wood. However, old wood – black wood, is also precious. In the first step, there are two steps of cutting, first is manual cutting and second is machine cutting. In manual cutting, the tree is put out by roots in this axe is used for cutting of tree and in the machine cutting; the tree is cut without roots, in this way tree is cut from level of the earth with a saw fixed with machine.

After the process of cutting, raw wood is brought to *Araa* (Sawmill). Before, cutting by saw, the wood is undergone in t two processes for drying. The wood is put in open place for drying under sun heat, while in the second wood in dried in the seasoning plant. Generally, thirty percent wood is dried by wood seasoning plant and seventy percent is dried by sun heat. After drying, the wood is cut by saw mill. There are two further steps of cutting in saw mill. In the first step, the wood is cut in big pieces called *timber*. Ninety percent of timber is used for furniture manufacturing. The rest (10%) cutting at sawmill is called "P*ilarpawa"* and used for small manufacturing like chair, sofa and small domestic items.

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[3] Shisham (A kind of tree mostly use for furniture manufacturing known as Dalbergia Sissoo in botanical language)

The manufacturers come to sawmill to purchase shaped wood according to their requirement – *timber* or big pieces. They require different shapes of wood from sawmill suited to their products.

Afterwards, the wood undergoes different steps of manufacturing. In the first step, the manufacturers give different designs to the wood. After designing, the next step is of brass work – manual designs on wood for beauty, which is a source of popularity for Chiniot furniture market throughout the world. In the process of manual design, a chemical named "Andrin" is filled in wood for beauty as well to every part of wood, respectively. After, preparing and designing, the next step is of fitting, the wood is arranged and all parts of it are fixed with each other.

The next step is polishing the wood. There are different types of polish available according to price and the demand of buyers. After the process of polishing, the next step is upholstery. In this step, the product is given different beautiful covers and pieces of cloth for final manufacturing. Afterwards, the product is ready to be sold in the show rooms. At every step, the value of furniture is added and the price is increased (Figure 5).
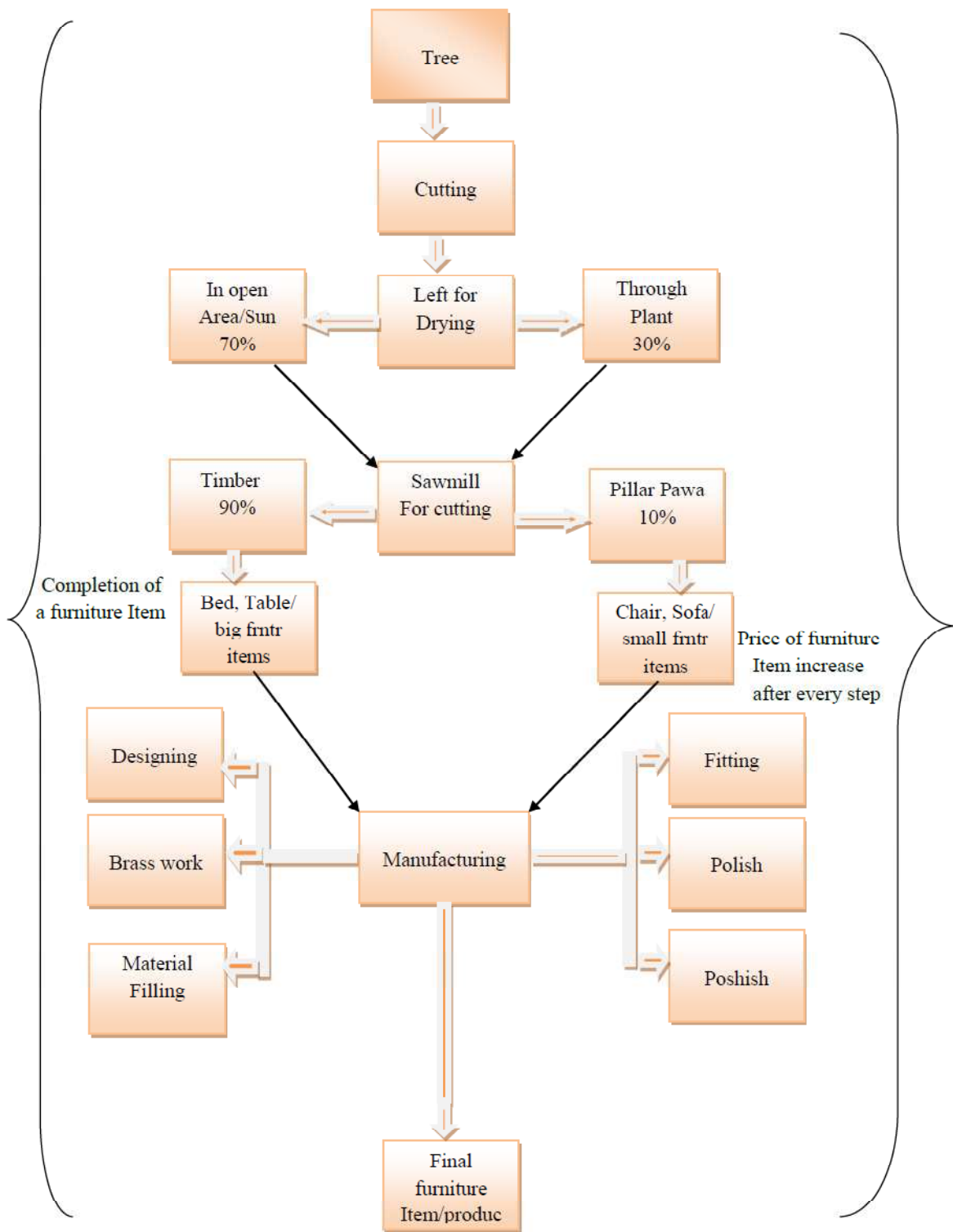
Figure 5: Value Addition in Furniture Manufacturing Item (Statistical Source: Field Work)

4.1.2 Furniture Marketing Channel in Chiniot

There are different market channels – 20percent people from local area, 35 percent middlemen or common agents for business, 40percent the traders of showrooms and five percent foreigner buyers, involved in this process of sale (Figure 6).

In case of local buyers, they purchase directly from the market because they are aware of local market. The middle men or common agents purchase for business to gain their profit or commission from furniture. They sell 70percent furniture to the whole sale buyers or trader and 30 percent to the local or regional customers. The whole sale buyers purchase at net price and sale at installments because they have capital and invest in the given market. In this regard, the profit of manufacturers goes in the hands of common agents (Figure 6).

The whole sale agents export the products twenty five percent to the foreign customers and 75 percent in the local or domestic market of different cities. The traders of show rooms export only 10 to the foreigners and 40percent to the local customers and 50percent to the domestic market of different cities (Figure 6).

When it comes to export of furniture, the traders of other big cities export forty percent and sale in local market 60percent. They export more than other exporters and earn as well more than other market segments. The level of export here is bigger than other channels of the furniture market. In this case, the local market, Chiniot, does not gain as profit as they deserve because they lack coordination with foreign market and the owners of showrooms have coordination (Figure 6).

Figure is at next page cont……….
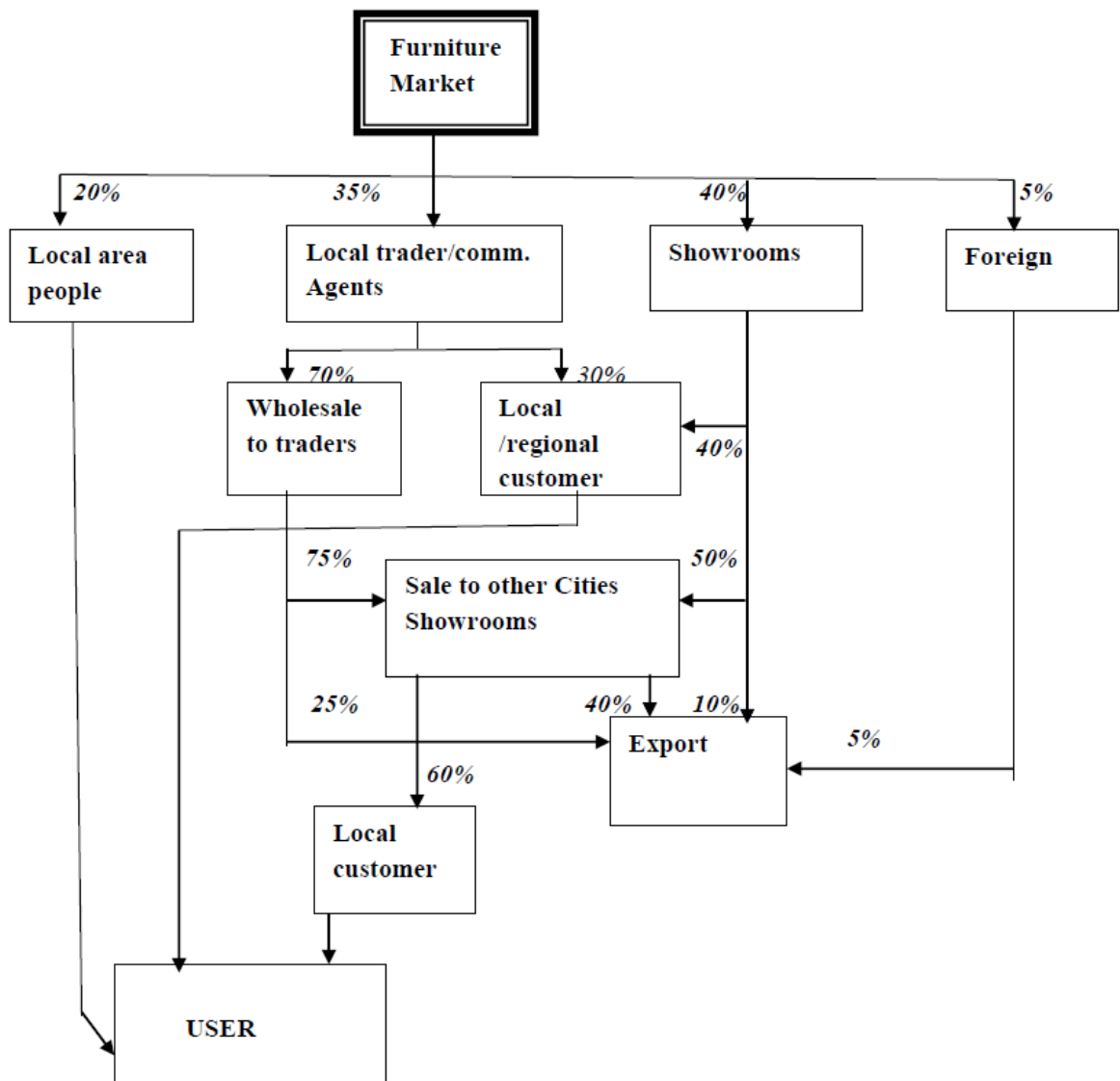
Figure 6: Marketing Channels of Chinioti Furniture (Statistical Source: Field Work)

4.2 The Process of Wood Cutting

It is first stage of using wood for furniture purpose. In this stage wood cutter cut trees from different areas and works on it at sawmills. A process of wood cutting continues throughout the year but there is high demand in winter season. Demand of wood increases in winter season because it is a season for marriages. Wood comes to sawmills from different channels such as from *Thaikedar* (Contractors), directly from local areas and from different *Mandies* (Wood market). Some sawmill owners directly buy trees from local people. People of local areas contact with these sawmill owners for selling their trees. After buying trees from local people sawmill owners give contract to other parties which work for cutting of wood. Sawmill owners deal with these parties and fix rate according to distance of place from where the wood is bought. There is high rate for big trees and low for small trees. There is no fixed rate for labor because it varies with place and conditions. Approximately sawmill owner gives 40 rupees per 40 kilograms fewer than 30 kilometer distance, 16-17 per 40 kilogram rupees for loading of wood and 10 rupees to the labor that unloads wood from vehicle and carts (Table 4). Mostly *tractor trolley*, *phatas*, *trucks*, half body truck are used for transportation purpose. Contractors get woods from different local parties and from auction of wood and sell it to sawmill.

Table 4: Expenditures on wood from Cutting Place to Sawmill

Sr. No	Loading of wood/40 KG	Transportation Charges/ 40 KG	Unloading Charges/ 40 KG
1	16-17 Rupees	40-45 Rupees(Under 30 Kilometer Distance)	10-12 Rupees
2	16-17 Rupees	45-60 Rupees (31-60 Kilometer Distance)	10-12 Rupees
3	16-17 Rupees	More than 60 Rupees (For More than 60 Kilometer Distance)	10-12 Rupees

Contractors buy woods at low price and sell it at high profit. They buy wood from different cities and sell it in Chiniot. Wood comes to Chiniot from different cities like Bhakkar, Layyah,

Khushab, Faisalabad, Rahim Yar Khan, Bahawalpur, Bahawalnagar and Haroon Abad but most of wood comes from Multan. There is a big timber market in Multan because most of the canals are linked here. 80 percent Government and 20percent local wood is used in Chiniot furniture market (Table 5). Government sells wood which is cut from different roads due to damage, canal/bank plantations and other government properties. Sometime Government bans on its wood selling so contractors and sawmill owners wait for removal of the ban for purchasing wood.

Table 5: Usage of Wood and Supplier of Wood to Chiniot

Sr. No	Wood Through Government Channels	Wood Through Local Channels	Supplier of Wood to Chiniot
1	80 percent	20 percent	Multan, Bhakkar, Layyah, Khushab, Faisalabad, Rahim Yar Khan, Bahawalpur, Bahawalnagar and Haroon Abad

Shisham wood is mostly used for furniture manufacturing in Chiniot. *Shisham* wood is durable and long lasting. Chiniot furniture is also famous all over the world due to its manufacturing with *shisham* wood. Sometime used *Kikar*, *Sharon* and *Biar* wood in furniture manufacturing in Chiniot. After reaching the age of 60 year *shisham* wood becomes best for the manufacturing of furniture item. If it is cut before 60 years then it gets damaged. Black and brown color wood is best for furniture manufacturing and other usage. Cutting of wood has increased in winter season due to high demand of wood for manufacturing. There are two ways of wood cutting, first is cutting by machine from level of the earth and the second is cutting from roots of tree with help of labor. Ten percent trees are cut with machine and their roots also left in the earth. Ninety percent of trees are cut from roots because in this way there is low risk of damage of wood. Roots of tree and sticks are sold to local people after cutting in to timber. People use it as fuel for household usage. Small wood like sticks is sold 250 rupees per 40 kilogram and big pieces sell 300 rupees per 40 kilogram.

There is a government wood plant in Chiniot where wood is brought for drying and further necessary action. When wood comes to sawmill then sawmill owner left it for drying in open space or send to plant if needed. If wood is left for one year after cutting in open space then it would be useable. Furniture manufacturer comes to sawmills and buys wood according to the requirement of their manufacturing product. Wood is cut into pieces according to need of manufacturer. Timber is available in low price approximately 1800 to 4000 rupees per 40 kilogram and *pilarpawa* is available in 1000 to 1800 rupees per 40 kilogram. There is a high demand for small wood according to need of furniture manufacturing items. Big piece of wood has high rate 22 to 36 inches ranged from 1000 to 1500. *Lapait* (It is called under covered wood). Rate for more than 36 inches is 2000 to 4000 per 40 kilogram shown in (Table 6). A manufacturer would not buy timber when he is making a chair. When a manufacturer wants to buy wood for a big order of furniture then he would buy timber because it is available in big size and at low price. All kind of labor is available here easily. There is 400 to 800 labor cost per day according to the experience at sawmills.

Table 6: Approximately Prices of Wood by Sawmill owner

Sr. No	Pilarpawa Prices/ 40 KG		Timber Prices/ 40 KG	
1	1000 to 1800 rupees per 40 kilogram		1800 to 4000 rupees per 40 kilogram	
	10-15 Inches	16-21 Inches	22-36 Inches Timber	Above 37 Inches Timber
2	1000-1400	1500-1800	1800-2500 rupees	2500-4000 rupees

4.2.1 Problems of Wood Cutting Process

Followings are the major problems of wood cutters in district Chiniot.

1. Shortage of wood offer to sawmill owners.
2. Misperception about wood by purchaser.
3. Exploitation by middleman.
4. Lack of proper wood market in Chiniot *(Mandi)*.

5. Damaging of wood for sawmill owners when they sell it.

6. Recovery of payment from furniture manufacturer is a major issue.

7. Police intervention during transportation of wood from one place to another place.

4.2.2 Suggestions by Sawmill Owners

Followings are some suggestions from sawmill owner.

1. Government should get responsibility of fair provision of wood to sawmill.

2. The role of middleman should be minimized.

3. Government should provide loan for furniture development in Chiniot.

4. There should be provision of a proper wood market in Chiniot.

5. Government should make more wood seasoning plants in Chiniot to overcome the problems.

6. Government should play role in buying and selling of wood because problems arises during process of wood selling in market

4.3 Manufacturing Process

The person who manufactures furniture items is called furniture manufacturer. The process in which a worker manufactures furniture items is called manufacturing process. There are different stages of furniture manufacturing. First of all manufacturer goes to sawmill to buy wood. There are different types and qualities of wood. Wood quality is selected according to manufacturing item. Such as *pilarpawa* is bought for chairs because it require less amount of wood. While a big piece of wood is bought for manufacturing of bed and other large items. The price of wood is different according to the quality. Many types of wood is used for furniture manufacturing in Chiniot but use of *shisham* wood is most common. The wood is carried through carts. Wood transportation price is reasonable it ranged from 150 rupees to 300 rupees per round.

When wood comes to workshop then it is further cut down in small pieces according to need. After cutting the wood through *"Banso" machine* chemical called *"Andrin"* is coated on it which increases its durability. The wood is cut through these machines, Banso, plainer, gauge and design cutter (given in image II and III). After some time the wood gets dried then design is selected and made. According to the selection of design the tools are selected to make the design on wood then *bras* work is done. After that a material is filled in the furniture item and finally all

parts are fitted to get a complete piece of furniture. Every furniture item is manufactured in Chiniot but bed set is more popular. There are seven parts of a complete bed set:

i. Latandi
ii. Sirandi
iii. Middle part
iv. Stole
v. Frame
vi. Dressing
vii. Table

Haveli bed is most popular among the bed sets of Chiniot. Due to low price, and use of small piece of wood haveli bed of Chiniot is popular. The price of bed set ranged from 30 thousands to 800 thousands rupees. The profit margin of furniture manufacturer increases with the increase in price of an item. Mostly, unregistered furniture designs are used for the manufacturing of furniture items. When customers take pictures of registered design then they give it to other manufacturers who edit it and made it unregistered. The manufacturer mostly works on order of customer or showrooms owner because of lack of funding.

If local customers come to buy the furniture then a complete item which is polished is given to them. Whereas *"Cora"* (unfinished*)* furniture is given to showroom owner who further polishes it and sells it to customer. Middleman earns more than that of manufacturer of furniture. Such as a showroom owner buys a bed set from manufacturer in 57 thousand (its cost is 50 thousand and seven thousand is profit of manufacturer) and sells approximately in 80 thousand on showroom after some value additions. If a manufacturer has money to manufacture furniture items advance without any order from showroom owner or local persons then they can earn more. When an item is made on order then manufacturer earns less because they are bound of customer or showroom owners. The furniture of Chiniot is famous for various reasons. Most important reason is carving. Availability of wide range of specialized and skilled worker is another reason. The technical skills of furniture making are inherited from previous ancestors.

Creation of new design with creative mind is the specialization of Chinioti manufacturers. Middleman from the other cities buys Cora (unfinished) furniture in fewer prices from Chiniot. After that they did some work on this semi-finished furniture and earned a lot of money. The

furniture of Chiniot is sent to all the cities of Pakistan. Especially it is sent to Gujrat, Gujranwala, Multan, Peshawar, Karachi, Lahore, Islamabad and Rawalpindi. Gujrati showroom owners export furniture to global market. The basic furniture item is from Chiniot but someone else is exporting and earning a lot of money. There is not proper accommodation in Chiniot for foreigner. There is not proper market and government intervention in furniture industry of Chiniot. Due to which foreigners face problems and cannot directly access to Chinioti furniture. 60 percent of the overall Chiniot business is linked with furniture industry.

Page continues……..

Image II: Images Taken at Sawmill During Field Visit
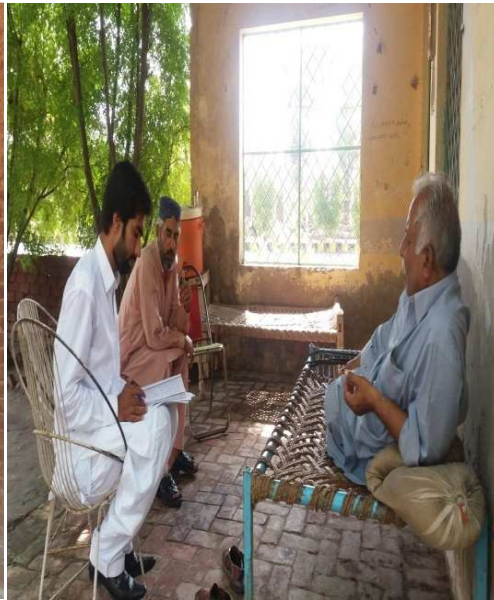
Image III: Manufacturer of Chiniot Working at Bed Set Picture Taken During Field Visit

The demand of Chinioti furniture goes throughout the year but it increases in winter season. The reason is that winter is the season of weddings and other ceremonies. Most of the people even the poor who cannot afford extra furniture buy bed set for marriages. The newly hired child worker costs 150 to 200 rupees per day. With the passage of time worker becomes experienced and their pay increase from 400 rupees to 500 rupees. Due to the entrance of unskilled and less skilled labor in market the quality of furniture is affected negatively. Some manufacturers use low quality wood to earn more which is not a good sign for the future of furniture market. There is a lack of wood seasoning plant in Chiniot due to which furniture industry is suffering. Due to this decrease in quality the skilled labor is quitting furniture sector because of less income. Government should take some active steps to enhance the capabilities of furniture manufacturer and market. Umer Hayyat Mahal is a famous historical building totally manufacture by wood at Chiniot (Image IV).

Image IV: A Famous Visiting Place of District Chiniot for Visitor Umer Hayyat Mahil (Totally Made by Wood Taken Picture during Field Visit)

4.3.1 Problems of Furniture Manufacturer

1. Power supply affects the performance of furniture manufacturers badly.
2. Wastage of time and labor due to load shedding.
3. Shortage of funds for wood purchasing and also for manufacturing.
4. There is no proper market for purchasing wood and selling of furniture.
5. Customers from other cities directly come to showrooms rather than coming towards manufacturer.
6. The sawmill owners demand extra price of wood.
7. Governments charge various types of taxes.
8. Both wood and time are wasted due to unskilled labor.
9. Lack of wood seasoning plant in Chiniot.

4.3.2 Suggestions by Furniture Manufacturer

1. There should be wood market for furniture manufacturers of Chiniot.
2. Government should provide loan with easy terms and conditions to furniture manufactures.
3. Government should diminish the role of middleman during wood selling process because they earn more than that of manufacturer.
4. There should be proper union for furniture marketing that deal with all kind of furniture selling and manufacturer problems.
5. There should be an institution (TEVTA) to teach about furniture manufacturing skills for development of furniture business in Chiniot.
6. There should be some active steps for sustainable and smooth production of *shisham* wood.

4.4 Role of Middleman

Middleman or Commission Agents plays key role in furniture industry. Middleman is the person who buys furniture from one person or workshop and sells it to customers. Middleman is directly connected with furniture manufacturer. They buy furniture from manufacturer and sale it to different customers such as local customers, local showrooms and other cities showroom. Some middlemen are directly interconnected with global buyers. They get order from buyer and give it

to furniture manufacturer and earn their commission by catering the needs of foreign buyers. Middlemen buy every kind of furniture from manufacturer according to the demand of customers and showroom owners. Middlemen basically invest their money and time in furniture business and earn a lot. They have strong relationship with global furniture market, local seller and local customers also. Middleman is basically local person who knows the furniture manufacturers and the buyers. They make contract with them and earn their commission from both sides. Middleman sells all kinds of furniture item such as bed set, sofa, window, chair, office furniture, jewelry boxes and dressings set etc. Most popular item is bed set which is mostly sell on weddings.

Chinioti furniture is famous all over the world. Most of the quantity of Chinioti furniture goes to other cities rather than local customer. About twenty percent of total Chiniot furniture used in local area and remaining 80 % goes to other cities like Gujrat, Peshawar, Multan, Gujranwala, Lahore, Rawalpindi and Islamabad. Furniture manufacturer from other cities buy *Cora* furniture from Chiniot. After making some edition in it they sell with their own stamp.

According to middlemen there are a lot of qualities in Chinioti furniture but most famous among them is carving. People like the bras work of artisans of Chiniot. Furniture manufacturer of Chiniot have creative mind. They make some additions in old design and create beautiful design. The idiographic and idiothetic qualities of Chinioti furniture are not seen in other cities furniture. Middleman buys furniture from local manufacturer and sale it to different local and other cities customers. Middleman buys furniture from local manufacturing market in very low price. They earn a lot from transportation of products from one place to another place. They sell furniture item with high profit margin. Such as buy a bed set in 40 thousands rupees, they sell it in more than 70 thousands rupees. They purchase from manufacturer on net payment in low price but sell on installments with double price to other cities showrooms. Middlemen don't have much expense on it. They just have travelling cost and earn a lot. Such as if they send one bed set from Chiniot to Islamabad, they bear only 4000 rupees transport cost over it. But earn 20000 to 30000 rupees per bed set. If sold to local customer than they earn 5000 to 10000 rupees per bed set. Middleman earns more than that of the manufacturer because they have investment and directly linked with other cities buyer.

4.4.1 Problems

Following are some major problems highlighted by Middleman in furniture marketing channels.

1. Lack of investment by businessmen is a problem in furniture business.
2. Delay in Net payment by client adds to some delay in furniture business.
3. Unskilled labor is a problem.
4. Lack of sustainable production of *shisham* wood.
5. Load shedding disturbs the worker performance and delay in production of furniture items.
6. There is always risk of damage during transportation of furniture items.
7. Sometimes the sale is in loss if there is any problem in the furniture item at the time of sale then it resulted in sale in low price.

4.4.2 Suggestions by Middleman

1. Sale furniture to reliable customer who return money within given time.
2. Government should play role for selling of furniture and facilitate manufacturer in removing their issues.
3. Government should provide loan to low income businessman in furniture market.
4. There should be a proper market place for selling of furniture by government.
5. Government should provide us a special card for transportation of furniture and wood because police and other security institution becomes hurdle during transportation of furniture products.

4.5 Selling Process

Sellers are those persons who sell furniture at showrooms. They purchase *Cora*(unfinished*)* furniture from manufacturer. Then further do some work on it and sell to customer on double price. There are different types of people who buy furniture from Chiniot. Local people have direct access to the manufacturer so they give orders to them and deal with them. There are three types of customer for purchasing furniture from Chiniot market. First is the customer from other cities of Pakistan come here for purchasing furniture. They come here and go to different showrooms before purchasing their required items. After checking different kind of furniture

items and their prices they select one item according to their demand and affordability. After bargaining they buy required furniture. Second types of buyers are furniture manufacturer from other cities. They purchase unfinished furniture from Chiniot market and then work on it in their own showrooms. After some value addition they sell it according to their demand. After value addition and polish they sale it on high prices.

Third types of customer on showrooms are foreign people. These people come in Chiniot market to select design and purchase it directly from showrooms. Somehow they purchase with the help of any local Person who have knowledge of furniture. Buyers from Lahore, Peshawar, Karachi, Hyderabad, Multan, Gujranwala, Gujrat, Rawalpindi and Islamabad come here for purchasing *Cora* (unfinished)and finished furniture for their showrooms. About 75 percent of Chinioti furniture goes to different cities in Pakistan, 20 percent to local people and other 05 percent directly abroad. It is because there is no proper market and check and balance from government side so that the foreign sale is very low.

In winter season, it is observed that demand of furniture increases because of wedding ceremonies.*[4]All kinds of wood is used in furniture but Chiniot is popular in *shisham* wood furniture. All kind of furniture available here but most popular item is bed set. Bet set is the most demanding item because almost every person purchase bed set on their weddings ceremony. Different kinds of bed set are available such as *haveli bed* (Image V), *stylish* bed,*motia* bed, *pinjra* bed, *dilywala* bed*, pillar* bed, *dholki* bed and *dish* bed. Most popular among them is *haveli* bed due to simple and low price. Bed set is available in ranged from 30000 to 7,00,000 rupees in Chiniot. Seller earns more than manufacturer.

According to seller there used mostly unregistered design in Chinioti showrooms. A large majority of about 90 percent used unregistered design and 10 percent used registered designs.*[5]Registered designs are those which are approved by market committee and only market committee have copy rights to transfer it to manufacturer. But when manufacturer take picture of registered design and make the same item. It is against the ethics of furniture manufacturing and value addition. Chinioti furniture is famous due to various reasons. Most famous reason is idiographic carving of Chiniot. People like their skills and innovative design.

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[4] Furniture is given as dowry. It is a tradition in Pakistan.
[5]A registered design become unregistered when somebody comes to showroom and take pictures of it and give to some other who make it after editing.

Chiniot furniture is also famous for handmade products. Sellers do not have direct access in global market because they don't have proper market place and government intervention for furniture business in Chiniot. Chiniot exports only twenty percent of its total production to Saudi Arabia, UAE, Canada, South Africa, France and Jordan.

Image V: Haveli Bed Special Furniture Item of Chiniot

Price Distribution of Different Furniture Items in Chiniot

There made different furniture item in furniture manufacturing industry of Chiniot. There is list of profit margins in some items made by *shisham* wood. This is usual profit margin of manufacturer shown (Table 7). Minimum and maximum prices of different items shown in the list.

Table 7: Price Distribution of Different Furniture Items in Chiniot

Sr No.	Name of Furniture Item	Min Sale Price	Max Price	Profit Margin (usual)
01	Bed Set	50,000	8,00,000	8,000
02	Sofa Set	15,000	2,00,000	3,000
03	Chair Set (06 Piece)	5,000	1,00,000	1,000
04	Windows	30,000	2,00,000	5,000
05	Oscillator (Jhula)	30,000	3,00,000	5,000

4.5.1 Problems

Followings are some major problems in furniture market.

1. High price of wood is a problem in furniture market.
2. Skilled workers are leaving furniture business due to low income and profit returns.
3. Government is not paying attention properly to the furniture market in District Chiniot.

4. Usage of *pillar pawa* (small pieces) 0f wood in bed set and in major items is a problem in quality of furniture.

5. Demand of wood furniture is decreasing due to inflation.

6. Lack of proper market place in Chiniot is a major problem for promotion of Chinioti furniture.

7. Lack of *shisham* wood production is a major problem for development of wood furniture.

8. Recovery of payment from other cities showroom is a problem in furniture market.

9. Lack of investment is a major problem in furniture business.

10. Governments charge various types of taxes.

11. Load shedding is also a problem due to which furniture items are not provided within given time.

4.5.2 Suggestions by Seller

1. Provision of loan from government to low income furniture businessman with easy terms and conditions.

2. There should be proper market for selling of furniture where local and international buyers have easy access.

3. Government should play its role for promotion of Chinioti furniture in global market.

4. There should be control over high profit earning by Middleman.

5. There should be a proper wood market (Mandi) in Chiniot.

6. Decrease in rate taxation from government.

7. Government should pay attention towards sustainable production of *shisham* wood.

4.6 Customer Satisfactions

Customers are those people who come here for buying furniture.. Furniture of Chiniot is famous all over the world. People come here from all over the world for buying furniture. Most of the customers demand for *shisham* wood furniture because it is very good and long lasting. All kind of furniture is available here so people come here and buy their required furniture. Most selling product of Chiniot furniture market is bed Set and Sofa. People from all over Pakistan come here for purchasing dowry furniture.

Following are the major characteristics for which Chinioti furniture is popular throughout the world:

i. Carving,

ii. Bras work,

iii. Low price,

iv. Better designing,

v. Availability of original products,

vi. Lot of variety available here,

vii. Decent work,

viii. Good fitting,

ix. Upholstery.

Most of the people buy furniture in winter season and when they make new buildings. People who come here for buying have knowledge of furniture product otherwise come with some furniture manufacturer, who helps them to buy furniture. Sometimes, people buy finished furniture from showrooms and sometime unfinished which is called *Cora*(unfinished)furniture. When people buy unfinished furniture, they polish it on their own behalf. People feel satisfaction when they buy unfinished furniture. A bed set is available in 30000 to 800,000 rupees in Chiniot but same item they got in other cities in higher prices like 30000 rupees bed set in more than 50000 rupees. All kind of furniture in other cities transported from Chiniot but they sell it on higher prices so some people prefer to buy furniture from Chiniot. Furniture is used in almost every country. It provides lot of services for humans. Like sitting, sleeping, office use, workshops, hospital, schools. Everywhere, furniture has its own importance. This is fact that Chiniot furniture is famous all over the world and have significant role in development of Chiniot. Economic condition of the Chiniot can be upgraded by promoting furniture industry.

4.6.1 Problems of Customer

Followings are some major problems which furniture buyers are facing.

1. People face problems in bargaining of different furniture Items.
2. Lack of proper furniture market is another major issue for customer.
3. Transport issues for transportation of furniture items from one place to another place.
4. Lack of awareness about furniture is a major problem in purchasing.

4.6.2 Suggestions by Customer

1. Complete awareness of furniture product is necessary for the customer which is providing by advertisement.
2. There should be a proper mechanism to control cheating in furniture selling process.
3. There should be control over usage of non-durable wood.
4. There should be proper mechanism for provision of order to customer on time.
5. Manufacturer should maintain quality of product.
6. There should be any institute which supervises furniture selling process.
7. TMA should get responsibility to overcome the issues of buyers.

CHAPTER V

Conclusion and Policy Recommendations

This chapter includes conclusion of the study, policy recommendations on the basis of findings and roadmap for future studies.

5.1 Conclusion

Chiniot is famous for furniture industry across the world. In the wake of findings of the study, there are some issues the furniture industry of Chiniot is facing. Having addressed these issues, this local oriented industry can be improved enough for the livelihood of local people as most of Chiniot population is engaged in this industry. The findings of the study conclude major two value additions. Firstly, this is about government led market reforms and secondly the technical skill of local manufacturers. These both factors are in symbiotic relationship. For example, the former case includes labor union, market union, easy funding, and continuous power supply and appropriate check and balance and appropriate advertisements. Moreover, this can also be done by the involvement of local community. For example, in the latter case, local manufacturers lack new skills and use of technology. They are restricted to be within particular furniture designs and styles. New spaces of technical training and innovation can also improve and promote this local oriented industry.

All these value additions deal directly with local entrepreneurship which is a basic agenda of development especially in developing countries. Pakistan is also a developing country lagging behind in the arena of poverty alleviation and promotion of entrepreneurship like many other developing countries. In this regard, Chiniot District has a local market to examine local community led entrepreneurship. This would enhance and improve livelihood of local community in a direct manner. Apart from the agenda of livelihood and entrepreneurship, the furniture industry has stretched to a cultural heritage. Furniture of Chiniot seems to become cultural symbol these days. But the pity is that, on the other hand, this local oriented industry seems also to be marginalized and grasped in the hands of few monopolists of the district. A cultural symbol carries important dignity like position of any community. In this case, this industry needs to be seen through socio-cultural lens as well.

5.2 Policy Recommendations

On the basis of key informant interviews and FGDs results, it is concluded that the main hurdle in the way of development of Chinioti furniture is the lack of government interest, lack of management and exploitation of Middleman. So this condition needs a deep interest from the policy maker so that they should formulate policies that promote furniture industry of Chiniot. Following are the policy recommendations for the study on the basis of findings:

5.2.1 Access of Manufacturers to Wood Market

The manufacturers and wood cutters face number of problems while getting access to market. They have to undergo a hierarchical process, of monopolists, to buy raw materials. Having renowned furniture market, the manufacturers and wood cutters should be provided direct access to market to buy raw material for furniture manufacturing. This can be done by establishing wood market with in Chiniot District.

5.2.2 Access of Customers to Furniture Market

Likewise, the customers face many problems while getting direct access to local market of Chiniot. Lack of proper market cause these problems. The manufacturers from outside the Chiniot buy incomplete, locally manufactured, furniture and then sell at high price. In this case, some showrooms should be provided to the local manufacturers to promote locally made furniture of Chiniot.

5.2.3 Government Funding

Government funding is a key recommendation to improve local market of furniture. The manufacturers and wood cutters should be provided with enough funding in form of loans to accomplish the process of manufacturing. There should be a proper system through which loan is provided to deserving manufacturer and seller of furniture.

5.2.4 Power Supply

Power is a big issue which is deteriorating local market of furniture in Chiniot. Power supply should be provided especially to the market premises to maintain the supply chain of manufacturing of furniture.

5.2.5 Wood Seasoning Plant

Wood seasoning plant refers to a mechanism where wood is prepared to be manufactured. There is only one seasoning plant in Chiniot to do this job. The local manufacturers have to face the monopoly of this single plant. In this regard, there should be more plants to fulfill this task.

5.2.6 Transportation

The issue of transportation is faced by all segments of furniture market such as manufacturers, wood cutters, middlemen and customers. There is a dire need to address the issue of transportation to give easy way to transport raw material and furniture.

5.2.7 Sustainable Supply of *Shisham* Wood

Sustainability of wood and environment is also a core matter to be noted. Bulk of *shisham* wood is cut for the manufacturing of furniture and, in this result, there are environmental degradation risks. Furthermore, the Chiniot furniture industry mostly, manufacture based on *shisham* wood. This focus should be diverted from *shisham* to other kinds of wood.

5.2.8 Vocational Training Institute

Vocational trainings of local producer and marketers should be arranged to promote local furniture of Chiniot. The dexterity of local manufacturers lack new and innovative designs of furniture. This can be improved by arranging training institutes in Chiniot.

5.3 Limitations of the Study

There are few key limitations. First the sample drawn for this study represents the furniture industry of district Chiniot. The finding of this study may be generalized from other furniture manufacturing areas of Pakistan, because every area of furniture manufacturing has its own features. This is a student research which is focused on specified objectives to achieve within limited time and resources. There were time limitations and somehow data availability such as manufacturers are busy and don't give time to researcher for interview and management limitations. That's why research has collected data from target group using purposive sampling. Sample has been selected from urban area only because there is no furniture market in rural area.

5.4 Area for Future Investigation

The area of the study can be enlarged to draw a better picture of furniture industry of Chiniot. In this respect government and different SMEs (small and medium enterprises) should be focus. This study discusses value chain in furniture industry of Chiniot. Apart from value additions, this study ushers the future researchers to a comparative study of furniture industry. A study with comparative analysis of local and outsider market to evaluate the changing demand of furniture. This kind of study can add new blueprints in furniture manufacturing. For future research current study suggest, investigating the impact of value chain of furniture industry on the socio-economic indicator of worker, working in furniture industry in Chiniot.

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Appendix: 1

Wood Worker (Wood Cutter)

Name: _____

Occupation: _____

Age: _____

Date: _____

Time: _____

- ➢ Define woodcutter/ role/ objectives/ job descriptions…..
- ➢ Selection of wood
- ➢ Type of trees/age/quality
- ➢ Preferences of wood (type of woods)
- ➢ Kind of wood (dry/wet/black) etc
- ➢ Which Weather/season is best?
- ➢ Terms and condition of buying?
- ➢ Area for wood buying (place/area etc) and why?
- ➢ Way of wood cutting (hand/AAri/machine)?
- ➢ ***Price/time/labor at each and every stage?***
- ➢ Transformation structure of woods? (mean/cost/time)
- ➢ Wood treatment before cuttings?
- ➢ Cost/ time/ labor / type of AAra? for wood cutting.
- ➢ Waste/recovery of wood?
- ➢ Type of cuttings/ treatment/ chemical?
- ➢ Problems in supply and demand of wood?
- ➢ Cost/ margins at each stage?
- ➢ Value addition?
- ➢ Suggestion from wood cutter.

Appendix: 2

Furniture Manufacturers

Name: _____

Occupation: _____

Age: _____

Date: _____

Time: _____

- ➤ Job description of manufacturer/ role/ objectives
- ➤ Type of wood purchased/ shape?
- ➤ Place of wood purchased/ Areas?
- ➤ Price/ margin/ intermediate role/ labor/ time/ cost
- ➤ Market channels involve??
- ➤ Factory/labor/machines/cost?
- ➤ Design/selection/source/order/registered or unregistered design?
- ➤ Semi/finished furniture/Local/regional/export and where?
- ➤ Type of product/quality/margin?
- ➤ Preference of wood selection?
- ➤ Which type of wood is best (Dry/wet)?
- ➤ Specialty of Chinioti furniture?
- ➤ Demand season?
- ➤ Labor structure?
- ➤ Profit margin?
- ➤ Risk of loss in demand and supply?
- ➤ Major problems in manufacturing?
- ➤ Suggestion/ value addition?

Appendix: 3

Middleman

Name: _____

Occupation: _____

Age: _____

Date: _____

Time: _____

In each stage/ category/ role?

- ➢ Process of buying and selling?
- ➢ Preference of furniture?
- ➢ Preference of wood furniture?
- ➢ Market for Chinioti furniture?
- ➢ Local /abroad?
- ➢ Labor structure/cost?
- ➢ Specialty of Chinioti furniture?
- ➢ Where you buy most furniture? Small/medium manufacturer?
- ➢ Profit margin in bargaining of furniture?
- ➢ Risk of loss?
- ➢ Problems during supply and demand of product?
- ➢ Suggestion for improvement and value addition?

Appendix: 4

Seller

Name: _____

Occupation: _____

Age: _____

Date: _____

Time: _____

- ➢ Whole process of buying and selling?
    - • Type of wood
    - • products
    - • Design
- ➢ Season of demand?
- ➢ Season of Supply?
- ➢ Demand of Chinioti furniture?
    - • Local/outside?
- ➢ Market of unfinished furniture?
- ➢ Access to market?
- ➢ International buyer?
- ➢ High Profit margin local/international?
- ➢ Specialty of Chinioti furniture?
- ➢ Profit margin?
- ➢ Risk of loss?
- ➢ Problems?
- ➢ Suggestion for upgrading/value addition?

Appendix: 5

Customers

Name: _____

Occupation: _____

Age: _____

Date: _____

Time: _____

Total Quality Management (TQM)

- ➤ Priorities of furniture by wood?
- ➤ Which product is most demanded?
- ➤ Which design?
- ➤ Handmade or machines?
- ➤ Season of furniture buying?
- ➤ Access to market of Chiniot?
- ➤ Why people like Chinioti furniture?
- ➤ Specialty of Chinioti furniture?
- ➤ Price level of Chiniot Furniture?
- ➤ Why you are here for buying?
- ➤ Problems regarding furniture of Chiniot?

Suggestions for betterment/value Addition?

Activities Perform at each Manufacturing Stage

- ➤ Job description
- ➤ Activities identification
- ➤ Price/ labor structure
- ➤ Intermediate Role
- ➤ Issues & problems
- ➤ Value Addition
- ➤ Suggestions