

FURNITURE INDUSTRY



Ceará Global
by **nupex**

June Edition - 2024



CÂMARA DE
COMÉRCIO E
INDÚSTRIA
**BRASIL
PORTUGAL
CEARÁ**



Federação das Indústrias do Estado do Ceará
PELO FUTURO DA INDÚSTRIA



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EDITORIAL

In the June 2024 issue of the Digital Magazine Ceará Global, we dedicated a special space to highlighting the extraordinary trajectory of the Marco furniture hub in Ceará, which has established itself as one of the largest furniture production centers in Brazil. Combining tradition, innovation and a strong entrepreneurial streak, Marco has become a true example of talent and resilience on the national and international markets. To illustrate this success story, we interviewed Junior Osterno, a leading figure in the sector who embodies the indomitable spirit and vision of the Ceará furniture industry.

Marco, located on the northern coast of Ceará, has a long tradition in the furniture sector. Small artisan workshops have given way to modern industries that today supply not only the local market, but also large urban centers in Brazil and important international markets. The city has been able to capitalize on its artisanal talent, turning it into a competitive advantage. This development is driven by visionary entrepreneurs like Junior Osterno, who have been instrumental in modernizing and expanding the furniture hub.

Marco's furniture industry has stood out in the national market for its ability to cater to a wide range of consumers. From affordable furniture to exclusive, high-end pieces, Marco's companies have shown remarkable flexibility in customization and customer service. Participation in national fairs has been crucial to strengthening local brands, allowing them to establish strategic partnerships and expand their presence throughout Brazil.

Local companies constantly invest in technology and professional training, ensuring that their products stand out for their excellence. This commitment to quality and innovation has allowed the furniture produced in Marco to gain consumer preference, contributing to the consolidation of Ceará as an important furniture hub in the country.



EDITORIAL

The internationalization of Marco's furniture industry is a promising reality. With a solid base in the domestic market, the companies have expanded their operations to meet global demand. Marco's products are already exported to several countries, where they are valued for their quality, innovative design and sustainability. Participation in international fairs, although timid given the size of the sector, has been essential in increasing the visibility of Ceará furniture on the global stage.

Sustainability is an important differentiator for success in foreign markets. Many companies in Marco's furniture hub adopt sustainable production practices, such as the use of certified wood and processes that minimize environmental impact. This commitment not only makes the products more attractive to demanding markets, but also reinforces Ceará's image as a state that values sustainability and social responsibility.

Despite its successes, Marco's furniture industry faces significant challenges. The need for constant innovation, adapting to changing consumer preferences and the fierce competitiveness of the global market are some of the obstacles that need to be constantly overcome. However, the resilience and adaptability of Marco's companies is remarkable. The search for new technologies, the continuous qualification of professionals and the exploration of new markets are strategies that have been adopted to ensure the sustainable growth of the sector.

The future of Marco's furniture industry is promising. With strong support from favorable public policies, investments in innovation and a strategic vision aimed at expansion and diversification, the furniture industry is well positioned to continue its growth and solidification on the national and international stage.



EDITORIAL

We invite our readers to explore this fascinating journey through the pages of the magazine, which includes an exclusive interview with Junior Osterno. His story is a celebration of Ceará's entrepreneurial spirit and proof that, with dedication and vision, it is possible to overcome any challenge. This editorial is a tribute to all those who, like Junior Osterno, dedicate their lives to making Ceará's furniture industry a benchmark for quality, sustainability and innovation in Brazil and around the world.

Ceará Global Team

June/2024



The Ceará Global by Nupex Team



THE FURNITURE INDUSTRY BACKGROUND IN CEARÁ



MÔNICA LUZ

Business advisor | COO at W4F

The History of the Furniture Industry in Ceará and the Development of the Marco Pole.

The furniture industry in Ceará has a rich and diverse history dating back to colonial times. Initially, furniture production in the state was a craft activity, focused mainly on meeting local needs. However, over the decades, this industry has evolved significantly, becoming an important economic sector that has boosted several regions, especially the Marco furniture hub.

The Evolution of the Furniture Industry in Ceará.

Since colonial times, Ceará has stood out for its craftsmen's ability to work with wood. Techniques and knowledge were passed down from generation to generation, resulting in unique, high-quality pieces. In the second half of the 20th century, with economic development and urbanization, the demand for furniture grew substantially. This encouraged craftsmen to expand their workshops and adopt more modern production methods.

In the 1970s and 1980s, the state began to invest in infrastructure and training to support the growth of the furniture sector. Educational institutions and training programs were established to train the skilled workforce needed to sustain an expanding industry. These investments were fundamental to the modernization of the sector, allowing for the introduction of new technologies and production techniques.





The Emergence and Consolidation of the Marco Furniture Hub

The municipality of Marco, located on the north coast of Ceará, is today one of the largest furniture centers in Brazil, but its development began modestly. In the 1960s and 1970s, Marco was a community with a strong craft tradition. Small family workshops produced furniture using local woods, and these products began to gain recognition for their quality and durability.

In the 1980s, Marco began to stand out as a furniture production center. Growing demand from the domestic market and the opening up of new markets encouraged local entrepreneurs to invest in technology and expand their operations. The transformation of small workshops into medium-sized and large industries was a crucial step in this process. With the support of public policies and private initiatives, the city modernized its production practices and expanded its productive capacity.

Expansion and internationalization.

From the 1990s onwards, Marco's furniture industry began to internationalize.

Sustainability and Innovation

In recent years, sustainability has become a priority for Marco's furniture companies. The adoption of sustainable production practices, such as the use of certified wood and the implementation of processes that minimize environmental impact, reflects a commitment to the future of the planet. In addition, continuous innovation in design and technology has been a competitive differentiator for the Marco furniture industry.

The history of Marco's furniture industry is testimony to how traditional craftsmanship can be combined with industrial modernization to create a thriving and competitive industry. From its humble roots as a community of artisans, Marco has evolved to become a center of excellence in furniture production, recognized both in Brazil and abroad.



FURNITURE INDUSTRY POSTS

The V Salão de Móveis de Marco took place on June 5-7, 2024, organized by SindMóveis-Ce and Fama. The event has grown from 1000m² with 8 exhibitors in 2018 to 3000m² with 36 exhibitors in 2024, attracting retail customers from multiple states and significantly boosting the local economy.

Check out the full versions on our [LinkedIn page!](#)



The Marco Center in Ceará is renowned for its furniture sector, the city's main economic driver, with 64 companies producing residential and commercial furniture. Larger companies, like Osterno Móveis, benefit from training and export their products to countries including Puerto Rico, Mexico, and the USA.

The furniture sector is a crucial part of Ceará's economy, producing high-quality products for both domestic and export markets. Forecasts for 2024 predict a 2% increase in retail and a 1.8% increase in production, with turnover expected to grow by 6.1% in retail and 5.7% in manufacturing. Additionally, IPECE projects that Ceará's GDP will grow above the national average, driven in part by the furniture industry.



FURNITURE INDUSTRY POSTS

Movenord - Móveis do Nordeste LTDA, located in Pacatuba, Ceará, excels in manufacturing corporate and residential furniture and is a major exporter in Brazil's Northeast. The company's success in exports is attributed to high-quality products, competitive prices, a strong reputation, and commitment to innovation. Movenord exports to numerous countries, including the USA and European and South American nations.

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The furniture industry in Ceará excels nationally through technological innovations like automation, robotics, 3D printing, and CAD, enhancing production and design quality. Sustainability is prioritized with eco-friendly materials and green technologies. Additionally, VR and AR are revolutionizing customer experience, making Ceará a leader in the furniture market

Jacauna Móveis, a prominent furniture company from Ceará, has a strong presence both nationally and internationally. In 2023, it exported 40% of its production, approximately 500,000 units, to markets in North America, Europe, and Latin America. The company has increased its imports of raw materials by 10% annually over the last five years, maintaining global competitiveness through high-quality inputs.



FURNITURE INDUSTRY POSTS

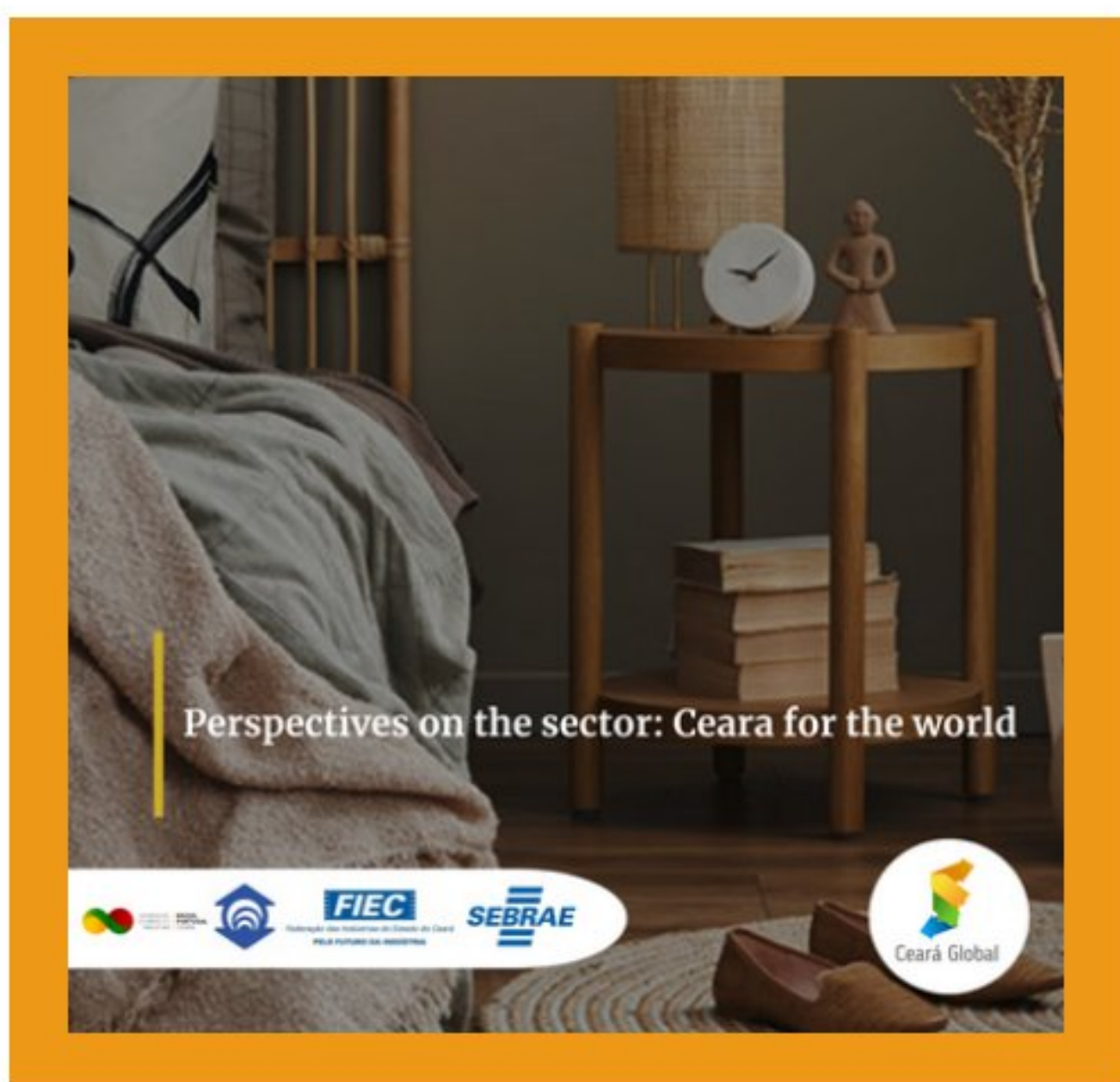
In September 2023, the Ceará Events Center in Fortaleza hosted Expomóvel Ceará. The fair aimed to promote the state's furniture industry by fostering business, networking, and knowledge exchange among manufacturers. It showcased new products, trends, and innovations, while facilitating partnerships and market expansion. The event boosted the industry's competitiveness and innovation, contributing to regional economic development.

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In the furniture sector the consumer concern for society and the environment is reshaping market expectations. It has led to increased ESG practices, as seen in Ceará companies like Ruah Indústria and Jacaúna Móveis. Jacaúna Group is pursuing ESG certification from Sistema FIEC, aiming to meet 72 indicators and receive international certification from Bureau Veritas within six months.

The outlook for the second half of 2024 is positive, driven by domestic demand and exports, with the furniture sector expecting a dynamic year full of opportunities. Economic instability and supply chain challenges remain concerns, but resilience, investment in technology, and innovative solutions highlight the potential of Brazil's furniture market. Ceará, in particular, is poised to be a key player.





JUNIOR OSTERNO

Director of Osterno Móveis | President of Sindmoveis do Ceará

Could you tell us a little about your childhood in Marco, Ceará, and how your academic training influenced your career in the furniture industry?

Well, I studied at a public school in Marco until I was 16, then I went to Fortaleza to study at Farias Brito and there I took the entrance exam and everything, I did mechanical engineering. My basic education is mechanical engineering. Then I did an MBA in business and started an MBA in foreign markets, but I stopped. I didn't finish. After graduating I started working, I worked in industries. Then I got into politics, I was mayor of Marco from 1993 to 1996.

When was Osterno Móveis founded and how has family tradition influenced the creation and growth of the company?

In 1996 we opened our real estate business here in Marco, which was an agricultural municipality, notably agricultural, we worked with chestnuts, carnival cherries, corn, beans, these things that you know from the countryside. We were very influenced by the Jacauna people, especially the main owner, Rogério Aguiar. He was also a politician, a mayor, a state deputy. They discovered that all the properties being sold in Ceará came from the South and Southeast. It was a store and then they set up the industry. This industry was set up in Fortaleza. And since he's also from Marco and we're related, he encouraged everyone to set up the real estate industry. He showed us all the ways at first. Local traders bought from him, so he was able to expand the factory and set up his own store. And those industries that were set up here, which initially depended on him, left for the market, detaching themselves from him, everything has a good side and a bad side. And that's how it came about. Today we have almost 70 real estate industries here. Large industries with 800, 900 employees. So that's basically it. Osterno Móveis' first industry was in Marco.



What motivated Osterno Móveis to adopt sustainable practices and what were the main technological innovations implemented at Osterno Móveis under your leadership?

Pressure makes the diamond. Do you know this saying? Then it's necessity. We have to be on the lookout for innovations all the time. We go to a lot of fairs, both in Brazil and abroad. Visiting fairs and factories in Italy, the United States and Germany. We see how they work there, with the technology, with the equipment. They already have a lot of this equipment here in Brazil and here in Marco too. And they also work a lot on design. Seeing that the difference today is design together with technology and innovation. Here in Marco, practically everyone has their own design. Either outsourced or hired directly. That makes a difference. Because there was a time when you bought furniture based on the quality of the wood. Furniture made from sucupira, cedar, cherry, brazilwood, imbuia.

Over time, these woods became more difficult and were banned. Many are banned from being harvested. Cedar is banned and others are banned. Then came design, which changed everything. Today, furniture is no longer sold by the type of wood. It's sold by design. So the concept has totally changed. The interest used to be in wood, but today what sells is design. So those were the innovations that were made. There's no way around it. The Milan fair, which we go to practically every year, sets the trends for the market and the world. We're there learning, looking, observing. And there too, what counts is design. Today there's no more A, B, C or D wooden furniture.

Can you tell us about Osterno Móveis' expansion into other markets in Brazil and internationally? What were the most effective strategies for conquering these new markets?

Our export process was basically for hotels, bedroom items. Beds, nightstands, moldings, knobs and keys. Many are our designs and many are the customer's designs. The client sends them to us and we make the model, model it, photograph it, and the client accepts it or not. Each hotel has its own product, its own adapted furniture kit. That's what we do here. Production is on demand, but we design the product and so on.



Since when have you been President of SindMoveis and what have been the main initiatives and achievements during your term?

We made an agreement with Embrapa to explore the possibility of planting wood, forestry. It was a very interesting agreement and we created the project which, coincidentally, the guy who did the project is from Ceará, who used to work for Embrapa and is one of the world's leading experts on wood. He's now retired and we chose eight different species of wood to plant here that were adapted to the region near the sea, this 40-kilometer stretch from the sea, towards the sertão, and we did this test and eight species of wood were chosen and because of this there is already an industry here that is planting more than two thousand hectares of eucalyptus here in Marcos, there are already more than two thousand hectares planted to meet market demand. It serves the energy market, it serves the construction market, it serves the furniture industry market, because each stage of the product's age range is used for something and there are also some leftovers that aren't used in the furniture industry that are used in construction and other things.

So it's these developments that we've made here that I believe have given our business sustainability. The trend is that other companies will also plant because it's a very safe and profitable activity. And I mention this because I said that it's the design that's in charge, not the type of wood. So if I can talk about a piece of furniture made from eucalyptus, talaria or barren wood, what will set the price, what will delight the customer's eyes today is exactly the design.

Besides the success of Osterno Móveis, what are your main contributions to the development of the furniture sector in Ceará as a whole?

I believe that events, always promoting these trade events like Top Móvel, which was our idea, motivate people to go to fairs, to study technology, to embrace new technologies. This study of forestry is a fantastic business, super innovative. Replanting wood here in Ceará was my idea. The Top Móvel and Salão de Móveis events were also my idea. And that's pretty much it. And a few small things, right? We were the first company to bring in numerical control equipment.

So, electronic equipment, right? Machining center, electronic edge bander, sectioning machine. We were the first company. Ours was the first company to install a kiln in Ceará. A kiln for drying wood. Because they used to make furniture out of green wood. And that furniture has no quality, it only has quality if it has dry wood.



What legacy would you like to leave for the furniture industry in Ceará and what are your plans and expectations for the future of Osterno Móveis and the state's furniture sector?

Well, I don't have a mission to leave a legacy. The work we do. It's like I said, we can't do it just for ourselves. As we work together, everyone has to take part. One of the great secrets of our market is that we work together. There are local squabbles, but that's normal. For the future, the idea is for the second generation to be prepared and for us to continue. Continue with this here, innovating, in short. Doing whatever is necessary. The market is good, the market exists.

How can we make Ceará more global?

Ceará is already smart, right? I think Ceará is already smart. We have... The majority, 30% to 40%, of ITA students are from Ceará. This canal is going to have an ITA, it's going to open soon. There's this green energy business, you know, which looks like it's going to work. But there's only... There's only one way for life, in fact, there are three ways for us to get on in life. That's what I think. One is to be the heir to a great fortune. You already know that, you're born knowing that it's going to happen. It will or it won't, right. The second is to win the Mega Sena. And it's 1 in 70 million, 78 million. It's possible to win. And the third, which is the most viable, the cheapest, is to study. Study. There's no way. If the population isn't educated, if they don't study, they won't get anywhere in the world. It's the cheapest. It's accessible to practically everyone. So, if I had to make a speech, in fact, if I had to choose between these three, which population?

In my family I tried to do that. Do it because they studied. Why is that? When the person is prepared, when the person has a good education and everything, in fact, never leaves him, he doesn't lose. They may break down, but they're still there, right? Not a business. You can still lose a business. It can be a big business or a small one. There's no way around it. Big companies go bust, small ones go bust. But there's no knowledge, no training. You don't lose. Only if the guy is really lazy. So that's the way out for me. That's why I'm a fan of the idea of education. We're working here in Marcos to bring an IFCE here. A Federal Institute, right. To bring it here, to be able to really strengthen the furniture chain.





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