

## Malaysia targets RM12b in furniture exports before 2020



Friday, March 9th, 2018 at , Economy | News

Based on the recent year's performance, the target can be met soon as 2020 is just around the corner

by D KANY AKUMARI / pic by MUHD AMIN NAHARUL

Malaysia expects to reach RM12 billion in exports for the furniture industry earlier than the year 2020 targeted in the National Timber Industry Policy.

Minister of Plantation Industries and Commodities Datuk Seri Mah Siew Keong is confident that the target will be met soon, based on the recent year's performance.

"In 2017 alone, the value of Malaysia's exports of furniture products was RM10.14 billion. This was a 6.4% increase from 2016.

"However, 2020 itself is not too far away. Only two years. I am confident we can achieve the target really soon," Mah said when met after the launch of the Malaysia International Furniture Fair (MIFF) 2018 yesterday.

He said wooden furniture was the major product that contributed to the national furniture export earnings.

"In 2017, the exports of wooden furniture was RM8.1 billion, or 80%, of the total furniture export earnings.

"With this performance I am certain that the timber industry, especially the furniture industry will continue to contribute to the economy," Mah added.

The government, he said, has provided RM100 million in loans to automate production of local furnitures for export.

"Besides that, the Malaysian Timber Council (MTC) through its Financial Incentive for Purchase of Machinery (FIPM) programme is offering assistance to small and medium enterprises (SMEs).

"The assistance via the programme is to encourage SMEs in the furniture industry to adopt the latest technology in automation and mechanisation," he said.

In overall, Mah said the government has allocated RM1 billion worth of loans for SMEs to automate their production.

According to the minister, from the 1,637 local enterprises that have benefitted from incentives offered in Malaysia External Trade Development Corp's e-Trade programme, 182 companies were from the furniture industry.

"It is a great opportunity for the 11.1% to tap into the global markets especially via the government's strategic collaboration with Alibaba, Amazon, eBay and the likes," he said.

Commenting on the effect of stronger ringgit to the furniture industry, Mah expects a slight decline as exporters are purchasing with foreign currency.

"So, I think there might be a small decline but I don't expect a big drop," he said.

Mah also added that the lifting of the ban on rubberwood has increased the export of furniture.

"There is now adequate supply of rubberwood and has thus improved the sales of rubberwood furniture," he said.

In July 2017, Malaysia imposed a total ban on the exports of rubberwood. In the last 20 years, the government has periodically imposed and lifted bans on rubberwood exports to balance the competing needs of local sawmillers and furniture makers.