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Mahathir-furniture

CHANGE METHODS, MAHATHIR TELLS LOCAL FURNITURE-MAKERS

KUALA LUMPUR, Nov 20 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today said it is time that Malaysian furniture-makers change their approach from being mere original equipment manufacturers.

They should now adopt the method of aggressively manufacturing original designs so as to create a sustained Malaysian furniture industry thriving on originality, he said.

Moreover, he said, such approach would ensure the development of an industry that would bring about wide-ranging spin-offs for Malaysians themselves.

"It is time the the local furniture industry adopts and applies value strategy and shifts from volume strategy through original designs and own brands," he said opening the Malaysian Furniture Design Centre here.

The centre, located at level three of Menara PGRM in Jalan Pudu Ulu here, was set up jointly by the Malaysian Timber Council (MTC) and the Malaysian Furniture Industry Council (MFIC).

Primary Industries Minister Datuk Seri Dr Lim Keng Yaik was also present.

Dr Mahathir urged local manufacturers to focus on producing consistently high quality, functional and attractive furniture.

He said the original-equipment-manufacturer approach continued to depress prices allowing for low-cost manufacturers to emerge in the region, producing cheap and competitive products.

The prime minister said under the original-equipment-manufacturer approach foreign buyers not only dictate the designs but the furniture prices as well.

Dr Mahathir said he learnt that during the economic downturn, foreign buyers had even asked for discounts using the depressed ringgit as an excuse.

In order to secure their market, local manufacturers and exporters had no other choice but to accede to this demand which could only guarantee short-term gains, he said.

Dr Mahathir said should the ringgit regain its strength, there would be no guarantee that local exporters would still be paid the old price.

In such a case, the profit margin would be reduced but production cost would escalate, subsequently exposing the local furniture industry to all sorts of problems.

Dr Mahathir reminded furniture manufacturers to concentrate on foreign buyers opting for quality and value-added products than those constantly insisting on getting the cheapest.

As of last year, there were 3,009 furniture and woodwork factories nation-wide but only between 500 and 600 of them were exporting, he said.

Given this backdrop, he encouraged small and medium-scale furniture industries to also seize a portion of the world-wide US\$55-billion furniture export business.

Dr Mahathir said the furniture SMIs could start off by supplying specific components to other exporters.

He said Malaysia's earnings from furniture rose more than 10-fold from RM 269.5 million in 1990 to more than RM 2.6 billion last year.

The industry continued to grow robustly during the first half of the year bringing in export earnings totalling RM1.97 billion, he said.

Over the past five years the local furniture industry has increasingly

gained recognition as manufacturer and exporter of world-class and quality products.

The prime minister however cautioned the industry against allowing their present performance to lull them into complacency because competition was becoming stiffer in the wake of trade globalisation and liberalisation at the Asean and international levels.

Nonetheless he expressed confidence that by striving to create original designs and high quality products through cost-effective technology, Malaysia-made furniture could attain world standard.

The prime minister also commended the Primary Industries Ministry for its initiative to set up the centre and help guide the local industry towards greater excellence and world-class stature.

He said the centre has provided local manufacturers with a venue to display the latest made in Malaysia furniture all year long.

Dr Mahathir expressed hope that in two or three years time products on display at the centre could meet the requirements of each sector in the furniture trade.

The prime minister also raised the touchy issue of intellectual property rights relating to furniture designs.

He said the issue could be an obstacle in that smart manufacturers possessive of their designs would shy away from displaying their products lest they would be copied.

"This is a universal problem for which there is no easy and clear solution," he said.

The prime minister was also informed that the centre would submit a proposal for the government to accord protection of intellectual property rights for furniture designs.

An efficient design registration process would convince foreign furniture importers and traders to place contracts with local manufacturers without fear of their designs being imitated, Dr Mahathir added.

-- BERNAMA

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