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Government may impose small levy on furniture exports

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THE Government may impose a furniture export levy of not more than 1 per cent to finance and maintain a permanent exhibition centre for Malaysian furniture, Primary Industries Minister Datuk Seri Dr Lim Keng Yaik said yesterday.

"I am thinking (about the levy). I have not decided yet ... it will be a small amount.

"The levy will go back to the industry. It is one way to get the industry to look after itself. I will give them a year to think about it," he told reporters after briefing participants of Malaysian International Furniture Fair '99 (MIFF '99) in Kuala Lumpur yesterday.

It is understood that a levy on furniture exports had been proposed before but the idea was shelved as it would lead to an increase in the price of locally-made furniture.

Dr Lim said a permanent exhibition centre for Malaysian furniture designs is vital, as the existing Malaysian Furniture Design Centre, which was launched by Prime Minister Datuk Seri Dr Mahathir Mohamad last November, has limited space.

"This way, we can have a permanent place to display, promote and train young designers, where they can compete internationally every year," he said, adding that the ministry will look for a suitable place to set up the centre.

It is understood that the furniture industry, namely the Malaysian Furniture Industry Council (MFIC), has asked for RM5 million of launching grant to set up the exhibition centre.

"I will try to find the RM5 million to set up the exhibition centre ... but they have to be self-sustaining later on."

Dr Lim said the country's target is to export RM7 billion worth of furniture by the year 2005.

To achieve the target, he said, the country must go for mass production at upmarkets such as Japan and Europe. This will involve improving and building up the country's own designs to suit the tastes and lifestyles of international buyers, he added.

Dr Lim said the ministry will also change the whole concept of marketing Malaysian furniture in the international market to counter perception that Malaysian furniture is "cheap and bad."

"There should be no such perception. The new management of the Malaysian Timber Industry Board will ensure that Malaysian furniture displayed at international fairs will be of good quality."

He said Malaysia's exports of wooden and rattan furniture have been on the increase - from RM45.6 million in 1996 to RM2.61 billion in 1997. Exports last year reached RM4.36 billion with wooden furniture estimated at RM3.71 billion and rattan furniture RM65 million.

Besides existing export markets such as the US, European Union and Australia which have shown strong growth, Dr Lim said, exporters should also look at the West Asian market due to its population growth, rising economy and prospering construction industry.

On another development, Dr Lim said there is no shortage of rubberwood in the country as it has not been exported since January this year.

The country has the capacity to produce about 400,000 cu m of rubberwood annually. Previously, about 60,000 cu m were for export.

On allegations that Malaysian rubberwood is smuggled to China via

Sarawak, he said the Government is closely monitoring the supply of the commodity which is shipped to Sarawak for the use of its furniture industry.

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