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Lim unhappy with simultaneous furniture fairs

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PRIMARY Industries Minister Datuk Seri Dr Lim Keng Yaik is appalled with the simultaneous staging of two furniture fairs in the Federal capital for the past five years and will raise the matter at today's Cabinet meeting.

He said both events, the Malaysian International Furniture Fair (MIFF) 2003 and the Malaysian Furniture Export Exhibition (Mafex) 2003, have created confusion of sorts to potential foreign buyers who can be misled into believing that Malaysia does not have a mature furniture market.

He also warned that this could pave way to price undercutting, which will eventually kill the whole industry.

"Some exhibitors too are confused and exhibit at two places, which is quite nonsensical ... Likewise, they have (also) created confusion among Cabinet members.

"When MIFF started in 1995, nobody ever thought that it would be successful until a splinter group saw such a good business opportunity and formed Mafex."

Dr Lim was speaking to reporters after opening the 9th MIFF 2003 in Kuala Lumpur yesterday. Also present were MIFF Sdn Bhd managing director Tan Chin Huat and the Malaysian Furniture Industry Council president Datuk Samsudin Abu Hassan.

Both MIFF and Mafex are currently being staged about 12km apart, the former at the Putra World Trade Centre and the latter at the Malaysia International Exhibition and Convention Centre in Seri Kembangan.

Mafex 2003, which is jointly organised by Mines Exhibition Management and the Muar Furniture Association, was opened by Deputy Minister in the Prime Minister's Department Tengku Datuk Seri Azlan Sultan Abu Bakar on Monday. The event ends on March 7.

An annual event, Mafex was first staged in 1999 to coincide with MIFF and the trend has been such ever since.

Dr Lim said he was worried about the trend which has severely undermined

the mandate accorded to him by Prime Minister Datuk Seri Dr Mahathir Mohamad to bring Malaysia's furniture industry to greater heights by emphasising on quality, design and export.

He also described any merging possibility between MIFF and Mafex as "ridiculous" since both parties have too many business interests at stake.

"I appeal to the furniture people that there is a place for the big boys

who can spend big money in designing and automation and there is also a place for those who are happy to deal with the lower-end market.

"No doubt, the latter will find it extremely difficult to topple China and Vietnam who enjoy lower production cost," he said.

MIFF, first staged in 1995, has the reputation of being the largest furniture exhibition in Asia.

It is supported by the Malaysian Furniture Industry Council and endorsed by the Primary Industries Ministry, Malaysian Timber Industry Board, Malaysian Timber Council, Forest Research Institute Malaysia, Malaysia External Trade Development Board and the Malaysia Tourism Promotion Board.

MIFF has also received recognition of the Paris-based Union des Foires Internationales, the world's leading organisation for trade fairs.

Dr Lim also reminded the organisers of MIFF and Mafex from issuing misleading industry figures on total sales generated from their exhibitions.

He said the figures should be audited by a reputable audit firm before being made public, otherwise, they may only trigger confusion in the furniture market.

"I have come across instances when added together, sales figures from the organisers tend to suggest that they make up 80-90 per cent of Malaysia's total export sales.

"If this is true, then it will save us the time and money of going overseas to market our furniture."

According to industry sources, Malaysia's total export of furniture grossed RM5.3 billion last year after reaching an unprecedented high of RM5.6 billion in 2000.

However, over dependency on markets in one or two countries, namely the US and competition from low-cost producers such as China and Vietnam, resulted in the country's furniture export dropping to RM4.8 billion in 2001 - the first decline in 13 years.

In his speech, Dr Lim reminded local furniture makers to uplift themselves from merely being original equipment manufacturers, who rely heavily on designs supplied by buyers and imported technology.

He said although this has been successful so far, the local furniture industry needs to progress towards becoming original design manufacturers and original brand manufacturers.

Dr Lim has set a RM7 billion annual export target for Malaysia's furniture industry to achieve by 2005.