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( PRIME MINISTER )

EVENT: THE OFFICIAL OPENING OF THE MALAYSIAN INTERNATIONAL  
FURNITURE FAIR 1995

VENUE: PUTRA WORLD TRADE CENTRE, KUALA LUMPUR

DATE: 08 MAR 1995

TIME:

At the outset I wish to thank the organisers, the Ministry of Primary Industries, the Malaysian Furniture Industry Council and the Malaysian Timber Industry Board, for inviting me today to officially open this Malaysian International Furniture Fair 1995.

2. To our foreign guests I bid you "Selamat Datang" and hope that you will also take the opportunity to enjoy the many touristic sites which Malaysia offers.

3. It is significant that furniture is the focus of one of the first ever international trade fairs in Malaysia. In 1994, the forest sector was the most important foreign exchange earner amongst our commodities. Estimated export of forestry products fetched some RM12.9 billion or about US\$5 billion, accounting for about 8.7 per cent of total foreign exchange earnings of the country, exceeding even earnings of the petroleum and gas sector. Furniture exports in particular, have achieved remarkable increases and have joined the ranks of the billion ringgit earners two years ago.

4. The Government has many a time drawn attention to the opportunities for commodities to develop downstream processing industries in order to achieve higher added value and export earnings together with other benefits to the economy. In the case of timber, such value-added processing has the benefit of slowing down the rate of harvesting of the forests. Furniture production is one such avenue to achieve these aspirations. This furniture fair will be especially useful in promoting the wood-processing capability of Malaysians.

5. Since independence, we have gone through a few decades of exporting primary processed timber and it may not be to our best interest in the context of current sentiments and concern about the environment and sustainable development to be literally only the 'hewers of wood'. The active campaigning against the use of tropical timbers has led to discriminatory and unfair unilateral legislative actions and boycotts against the use of tropical timber. Even though various actions have been taken to counter these negative attitudes, the industry together with the authorities, have to ensure that our forests are truly sustainable. It is in

our interest to ensure a sustainable supply source for what has become a major sector in our economy. New strategies for the development of value-added processing industries which can maintain or even increase the contribution of the forest sector to the national economy must be pursued.

6. Since the Rio Earth Summit, Malaysia has taken the lead to promote discussions on forest issues based on a proper perspective. "Tropical forest" bashing is seen as the panacea for the ills of environmental degradation worldwide. This selectivity is unjustified. Actions on all types of forest should be considered if indeed deforestation is a cause of major global environmental problems. In any case, Malaysia values her forests beyond the benefits of commercial logging and is fully aware of the significant ecological and environmental protective role of our forests. Little has been highlighted on the fact that forests and tree crops cover some 23.6 million hectares or 72 per cent of Malaysia's total land area. Of our permanent forest estates of some 14 million hectares, production forests of approximately 10.67 million hectares are managed to ensure that timber production is done on a sustainable basis. The many facets of tropical forest management is least understood by critics who may not have even set foot in our country and yet never fail to amplify shortcomings which appear to be not in keeping with environmental concerns. Malaysia has pledged that at least half of the country would remain forever green. Yet it has called for the greening of only 30 per cent of the other countries, a percentage which the developed countries with their excessive farming can well afford.

7. Malaysian manufacturers and traders must capitalise on the opportunities provided through the organisation of this fair here in Kuala Lumpur to meet the buyers and obtain as much market feedback with regard to the appropriate products, standards and design requirements. On the other hand, buyers can conveniently view the numerous designs and product quality of Malaysian manufacturers in order to choose the products that are saleable and meet with consumers' taste in their respective countries. Unlike selling your products domestically, the international market calls for creativity, appropriate designs, high quality and competitive products bearing in mind that serving the customer is of utmost importance.

8. To further enhance Malaysia's competitive edge in furniture exports and to add more value to our products, due emphasis must be given to design. Our cosmopolitan heritage should enable us to be more innovative in the global market-place where numerous cultural and economic variables determine market demand. Success in the international furniture market demands that we fully harness the technological skills, modern management and the essential arts in furniture design.

9. In the evolution and growth of our furniture industry

we have to offer original and attractive designs to the international market. The ability to create new designs is an essential prerequisite in our progress towards becoming an industrialised nation. Whilst modern design methods are highly essential, the creative skills of our home-grown designers must also be encouraged and nurtured to take advantage of our multi-ethnic heritage. In this context, we should strive towards a unique "Malaysia furniture design" with which buyers can identify us with. Manufacturers, therefore, must consider this role seriously.

10. I am happy to note that the relevant agencies under the Ministry of Primary Industries have been working with professional bodies and the furniture associations to organise annual national furniture design competitions since 1988. To encourage and promote designing capability from amongst local circles, such competitions are necessary for greater awareness among our manufacturers on the importance of design. At the same time, they will highlight the creativity of Malaysian designers and forge closer links between designers and manufacturers. This continuous and sustained focus on creative furniture design will result in improvements not only by the individuals concerned but by the whole community through generation to come. The art will become a part of the culture of Malaysians.

11. Given the growing demand for skilled labour in our economy, optimal utilisation of our human resources to fulfil the more demanding requirements of an industrialised nation must now be given priority by each of our manufacturing sectors. In this regard, I understand that the skilled manpower requirements of the wood-based sector, particularly the downstream processing sectors such as furniture, joinery and mouldings, are being given due attention.

12. I understand that the MTIB has established the wood industry skills development centre at the furniture park in Olak Lempit, Banting. The centre, which will be operational in April 1995, will train operators and technicians for the value-added downstream wood processing sectors. Similarly, the Malaysian Timber Council, together with PERDA has set up a furniture technology centre in Seberang Prai to meet the needs of manufacturers.

13. The government has provided many incentives to encourage companies to train and develop their human resources. Hopefully our timber entrepreneurs will take advantage of these incentives and provide support to the programmes conducted by these two training centres.

14. I have followed with keen interest the development of the furniture industry as woodworking was a personal hobby of mine when I had more free time. As a part-time amateur wood-worker, I have come to appreciate the many fine qualities of our numerous timber species. Given this basic gift of nature, I am convinced that our country has the

prerequisites to make the furniture sector an export-oriented industry on a much larger scale and of world-class standing. However, achieving this aspiration calls for bold investment not only in manufacturing capacity, but also in terms of upstream linkages of raw material supply. Investments in rubber plantations which produce both latex and material for furniture making, should be pursued in earnest. Entrepreneurs in this field can certainly reap the fruits of their ventures in the years to come. Malaysia which has a lead in research and development in the planting of rubber would benefit from such efforts and thus be able to stay ahead of competition from newcomers.

15. One area which I would like to stress is the quality of the finish. Malaysian manufacturers must put in more effort in order to achieve the kind of velvety finish typical of Scandinavian furniture and the use of layers of lacquer so as to get the high gloss effect. Far too often Malaysian furniture makers are too stingy in their use of lacquer.

16. Your presence here representing the industry and trade from countries around the globe and the keen support shown justifies the hosting of this international furniture fair here in Kuala Lumpur.

17. On that note, I have great pleasure to declare the 1995 Malaysian International Furniture Fair open.