

RM1 Billion Worth of Loan to Malaysian Furniture Makers to Automate Production

Malaysian Minister of Plantation Industries and Commodities Datuk Seri Mah Siew Keong has announced RM1 (USD0.25) billion worth of loan for small and medium enterprises (SMEs) in the furniture industry to automate their production.

"In addition, a sum of RM100 (USD25.8) million is provided as a loan with 70 per cent guaranteed by the Government to automate production of local furniture for exports," he said when opening the Malaysian International Furniture Fair (MIFF) 2018 at Malaysia International Trade & Exhibition Centre (MITEC) in Kuala Lumpur.

MITEC is the new modern co-avenue of the four-day event, the other being the long time venue Putra World Trade Centre (PWTC). The 24th edition of the event saw a 13 per cent increase in participation to 622 exhibitors from China, Taiwan, Indonesia, Hong Kong, South Korea, India, Japan, Vietnam, Thailand, Turkey, Singapore and the United States.

Mah also said the Malaysian Timber Council (MTC) through its Financial Incentive for Purchase of Machinery (FIPM) Programme is offering assistance for the purchase of machines to encourage SMEs in the furniture industry to adopt the latest technology in automation and mechanisation.

"Automation and mechanisation provides a competitive advantage for the furniture industry by improving the production efficiency as well as reducing reliance on labour," he said.

Mah said the furniture industry has been an integral part and key driver of the

Malaysian economy and will continue to play this pivotal role in the years to come.

In 2017, the value of Malaysia's export of furniture products was RM10.14 (USD2.62) billion, an increase of 6.4 per cent compared to 2016.

"Among the major furniture products that contributed to our export earnings is wooden furniture. In 2017, the exports of wooden furniture was RM8.1 (USD2.1) billion or 80 per cent of the total furniture export earnings," he said.

The Malaysian furniture industry exported its products to more than 160 countries and Malaysia is among the 10 largest furniture producers in the world.

Speaking to reporters later, he said the government would continue the rubberwood export ban to ensure adequate supply for the furniture industry.

"We have put a ban on that (in July



Minister fielding questions from reporters after the opening ceremony

2017) and it will continue to ensure no shortage in the rubberwood supply," he said.

Mah said the move would help boost the furniture exports this year due to adequate supply of the raw material.



MIFF Opening Ceremony