

SOUTH EAST ASIA

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MIFF: 25 YEARS OF SUPPORT TO THE MALAYSIAN FURNITURE INDUSTRY

The 25th edition of MIFF (Malaysian International Furniture Fair) was held from 8th to 11th March 2019 in Kuala Lumpur. Organized by UBM Malaysia, the exhibition runs across two venues - Malaysia International Trade and

ing countries for furniture worldwide (Source: CSIL World Furniture Outlook). In 2018 Malaysia exported over US\$ 2 billion, representing about 60% of furniture production.

PRESENT CHALLENGES

The Malaysian furniture industry is facing some challenges linked to increasing costs of labour and raw materials diversification.

The local government is implementing policies, aimed to disadvantage foreign workers, mainly from Nepal and Bangladesh. On the diversification side, 85% of Malaysian furniture production is made by rubber wood, whilst timber wood is mainly imported in large volumes. This means that only a few large Malaysian companies are able to diversify part of

the supply by manufacturing timber wood furniture, and thus higher value products.

MUAR: THE 'FURNITURE CITY OF MALAYSIA'

Muar was officially accorded 'Furniture City of Malaysia' in April 2018. A 400-hectare Muar Furniture Park was launched to be ready in two years to accommodate more factories and to expand the industry. Since 2013, Muar Furniture Association (MFA) collaborates with MIFF by increasing the presence of Muar's furniture manufacturers year after year. Over 200 Muar manufacturers, making up one half of the Malaysian exhibitors, exhibited across a dedicated Muar Hall in MITEC organised by MFA while oth-

ers showcased in curated zones such as the lifestyle setting designRena, MIFF Office, and Sofa Hall. Today, MFA's members represent about 70% of total Malaysian furniture exports, selling 6,000-7,000 containers per month to over 160 countries worldwide, including top destinations the United States, Singapore, Japan, Australia, and the United Kingdom.

Besides being a cluster for Malaysian furniture production, this area is becoming attractive for foreign investors, in particular from China.

MALAYSIA AND US-CHINA TRADE POLICY

MIFF has become a large furniture export platform over the past 25 years for Malaysia furniture industry. In recent years, Malaysia increased its export flows benefiting also from US-China trade, as stressed by the increasing number of US buyers attending the fairs and looking for alternative countries to China to source furniture products.

Mrs. **Karen Goi**, MIFF General Manager, said: "The number of buyers from the United States, Canada, the United Kingdom, and even Mexico actually increased by 50 percent compared with last year".

This fact is also highlighted by some important investments of Chinese companies in Malaysia.

For example, KUKA, a leading upholstered furniture manufacturer, opened in November 2018 a mattress and foam manufacturing plant in Malaysia.



Opening Ceremony: Speech by Datuk Dr. Tan Chin Huat, MIFF Founder and Chairman

Exhibition Centre (MITEC) and Putra World Trade Centre (PWTC). Looking back to the first edition of MIFF in 1995, the exhibition space increased from 12,000 sqm to 100,000 sqm, passing from 150 to more than 600 exhibitors, and sales transactions reported by exhibitors grew from US\$ 220 million to US\$ 980 million in 2018.

Primary Industries Minister **Teresa Kok** opened the four-day exhibition, showing confidence in the Malaysian furniture industry in her speech: "In terms of market opportunity, the furniture industry is always dynamic in spite of fierce competition and challenging global economics; and Malaysian furniture makers have done very well".

Malaysia is among the top 15 export-

The plant will produce mattresses under the brand DeLandis, recently acquired by KUKA.

Some important Chinese companies are entering the market.

DeRucci, leading Chinese mattress and bed manufacturer, attended MIFF and presented its expansion plan to Malaysia.

According to Mr. **Goh Boon Sin**, Business Development Director, DeRucci inaugurated the first store in Malaysia (Kuala Lumpur) in April 2019. In the next three years, De Rucci will open 6 further stores in Malaysia.

Milly, one of the leading Chinese mattress manufacturer, established a partnership with Comfy Nest, a Malaysian supplier of pillows and bedding products, for the distribution of Milly's products in Malaysia.

OFFICE FURNITURE

WELL REPRESENTED AT MIFF

MIFF Office included office furniture manufacturers, like: **Sundesk Venture**, **Euro Chairs**, **Wintech** from Malaysia and **Henglin Chair**, just to mention a few. Some office furniture exhibitors showcased last product introductions, including in particular acoustic solutions, like flexible partitions, desk dividing screens, and acoustic booths. Euro Chairs, one of the leading Malaysian office furniture manufacturers, introduced open acoustic booths in their product portfolio.

The company operates 3 manufacturing plants and has more than 400 employees. Wintech presented at MIFF metal acoustic booths, which



Milly's booth at MIFF

were introduced in their product portfolio for the US market.

APEX'S SHOWROOM IN KUALA LUMPUR

Established in 1997, today Apex is



Apex Showroom in Kuala Lumpur

one of the leading Malaysian office furniture manufacturers. CSIL visited the four-storey showroom covering more than 25,000 sqm.

Apex recorded a turnover of US\$ 25 million in 2018 and employs about 500 workers.

The company operates two manufacturing plants, one for steel production and one for office furniture, including workstations, office chairs, storage and panel systems.

Next year, MIFF will be held from March 6 to 9, 2020 at the same two venues.