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Malaysia's timber exports to rise 5% this year: MTIB chief

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JITRA: Malaysia's timber exports are expected to increase 5% this year from RM23.22 billion in 2017, Malaysian Timber Industry Board (MTIB) director-general Datuk Dr Jalaluddin Harun said

He attributed this to high demand for the country's timber products from developed countries such as Japan, the United States, European Union members and Australia, as well as India due to their high quality which meets market specifications.

"We are currently exporting our products to more than 160 countries, but after this we will focus on countries that we have free-trade agreements with, like New Zealand, Turkey and Pakistan," he said after opening MRSZ Two Enterprise Sdn Bhd's showroom here today.

Jalaluddin said, however, in striving to achieve the export target of RM28 billion by 2020, Malaysia will face shortages of raw materials and skilled workers, thus making it difficult to meet export demand.

"Eighty per cent of our furniture is made up of rubber woods besides other tropical timbers. As demand from developed countries is high, sometimes we have to ban the exports (of rubber furniture) due to shortages of rubber materials," he said.

On the involvement of bumiputra companies in the national timber industry, he said it is still very low and lagging as it made up only 0.7% or RM161 million of total exports last year.

In fact, currently only 341 bumiputra companies are active in the industry, of which 46% are micro-status companies with total revenue of RM500,000 and below each year and only one medium-sized company with income ranging from RM15 million and RM50 million a year, he added.

"This is a sorry state of affairs as most of them are bogged down by low technology, manual work, lack of promotion and imprudent financial management," he said, adding that the situation will not change if entrepreneurs are still not progressive in expanding their business.

MRSZ Two Enterprise, a bumiputra timber-based company which received an MTIB raw material grant of RM20,000 in 2010, earned RM1.09 million in revenue last year. – *Bernama*

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