



Timber prices likely to be volatile this year

By ZUNAIRA SAIIEED
zunaira@thestar.com.my

KUALA LUMPUR: Timber prices are expected to be volatile this year due to uncertain external demand in the the Asia-Pacific region, according to Universiti Putra Malaysia Professor Dr Jegatheswaran Ratnasingam.

"We are looking at a minimum of RM1,400 per cu m for rubber wood prices for this year," he said.

However, Prof Dr Jegatheswaran (*pic*) noted that timber product prices for the first half of this year would sustain, but prices are expected to increase in the second half of the year as the United States, being Malaysia's largest importer would show signs of economic recovery.

He said that Malaysian furniture exports volume would not show a significant increase from last year but the value of the country's exports would increase due to the weakening ringgit.

"Depreciation of the ringgit is benefiting the manufacturers of furniture products as they are getting better returns," he said at the Malaysian International Furniture Fair seminar.

According to Malaysian Furniture Promotion Council statistics, Japan is the second largest importer of Malaysian furniture products.

Jegatheswaran said that the subdued demand in Japan would not impact Malaysia's exports due to Japan's on-going construction work as it imports heavy hardwoods and logs from East Malaysia.

He noted that the timber industry did not have a significant amount of growth in the last five years because of the dependency on exports to traditional markets.

"We are stuck due to lack of human capital and the real challenge is that we don't have an eye for details in the design of our products compared with the Japanese and the Italians, it's not in our blood. We still see furniture as a 'functional item' instead of an artistic piece," he said.

EC & Co Italy founder Enrico G. Cleva told the reporters after the seminar that despite the fact that Malaysia has a good tradition for furniture manufacturing, it is important that Malaysians gain exposure to overseas market such as Japan and Italy.