



BIFA WOOD VIETNAM 2018: A TREMENDOUS SUCCESS

By **Micahel Buckley**, Turnstone Singapore

This woodworking show, 'BIFA Wood Vietnam 2018', is organised jointly between the Binh Duong Furniture Association (BIFA) and Panels & Furniture group of wood magazines based in Singapore. It was held in October in the heart of Vietnam's national furniture industry, half of which is reported to be produced in this single province of Binh Duong – just outside Ho Chi Minh City. The four day show was busy and dominated by Taiwanese and Chinese woodworking machinery manufacturers. It was a considerable improvement on the launch show in 2017 with the equivalent space of 700 (3Mx3M) booths.

The most significant wood material supply was represented by U.S. hardwood (AHEC) and softwood (SEC), with some from Canada, Europe, Russia, Australia and New Zealand, as well as local stockists. Vietnam depends on imported wood for middle and high end furniture. There were adequate visitors seeking wood material and several AHEC members congregating at the AHEC booth which was located in a prime position at the entrance to the halls, with three staff from Hong Kong led by John Chan, AHEC's regional director. North American exporters exhibiting independently included Penn-Sylvan International, PA, Midwest Hardwood Corp, MN, Global Lumber Inc. OH, Ohio International Lumber LLC, OH and Falcon Lumber Limited, Ontario, Canada. Exhibitors enjoyed a night of Vietnamese hospitality and entertainment at the end of the opening day.

Speaking at the Opening Ceremony, co-organiser Mr William Pang referred to the increase in woodworking enterprises from 2,500 in 2008 to 3,900 domestic and 600 foreign-funded operations today, placing more emphasis on advanced equipment. Several local officials referred to the government's export growth target over the next 7 years to more than double to over \$20 billion from its current \$8 to \$9 billion.

AHEC sponsored a seminar at the show entitled "American Hardwoods – Truly Sustainable, Legal and Available" by Michael Buckley MPhil FIWSc, with an emphasis on the net growth of the U.S. hardwood resource and the importance of red oak as a material for Vietnam's solid wood industries. Vietnam is a major exporter of low grade, fast-grown plantation wood for biofuel and pulp only. Other wood seminars were presented by French and Japanese speakers. During the show the 54-page 2018 American Hardwood Supplement in Vietnamese language — published in collaboration with 'Go Viet' timber trade magazine — was widely



distributed. This is now the third year that AHEC has sponsored a Vietnamese supplement with funding from USDA. Copies in English and Chinese, published by Pablo, were also available.

NHLA Inspector Roman Matyushchenko gave a presentation and demonstration of NHLA grading with boards kindly loaned by local importer/distributor Go My Co Ltd, part of AHEC member Gutchess International Inc. He stated the presentation is on offer to all companies working with American hardwoods in Vietnam.

The bottom line on this show is that the many Taiwanese woodworking machinery manufacturers, by investing so much in the cost of bringing full scale machinery to BIFA Wood, must consider Vietnam still as a growth market. Taiwanese companies represent the majority of overseas furniture manufacturers operating in Vietnam so the link is obvious. Organisers say the show will run bi-annually from now on, returning to Binh Duong in 2020. ☺

All images are credited to Michael Buckley.



F Mougín, J.Lalanne, France; William Pang, Co-organiser of BIFA Wood Vietnam & Managing Director of Panels & Furniture Group of wood magazines; & Godfrey Foo, Tritherm Pte Ltd, Singapore



Peggy Yu, AHEC; Michael Buckley, Singapore; & John Chan, AHEC

BIFA's new chairman Dien Quang Hiep (left)
and vice chairman Luu Phuoc Loc (John)



**BIFA WOOD
VIETNAM 2018**



Bringing BIFA to Greater Heights

The Binh Duong Furniture Association (BIFA) recently saw a reshuffling of leadership in August 2018, with previous vice chairman Dien Quang Hiep replacing Huynh Quang Thanh as the new chairman, when Thanh's second term came to an end.

By Szeto Hiu Yan



PFA spoke to the newly appointed chairman as well as the vice chairman in second term, Luu Phuoc Loc (John), to hear about their plans for Binh Duong's furniture industry.

BIFA renews its leadership every three years, and each position within the management committee can be held by the same person for a maximum of two terms.

Currently, Vietnam is the fifth largest furniture exporting country in the world, second in Asia and first in Southeast Asia, with Binh Duong as Vietnam's top three provinces in terms of foreign direct investment (FDI) value.

Its wood products industry is the province's highest income earners — generating about US\$4 billion, accounting for half of Vietnam's total wood export turnover.

NEW MISSION AHEAD

The Vietnam government recently set a new export target for its wood production industry — to reach an export turnover of US\$20 billion by 2025, and Binh Duong is expected to contribute 50 per cent. Exports are currently valued at US\$8 to 9 billion.

Hiep, also director of Mifaco, felt honoured for the opportunity, but recognised the weight of his responsibility in bringing BIFA to greater heights.

One of Hiep's ultimate goals for the association will be to turn it into one of the strongest associations in the country, and to gain greater recognition in the international market. This can only be achieved with one steady step at a time, in order to build a strong foundation together.

"We have to do our best to support our members," said Hiep, "We have to help members in developing the industry and upgrading factory equipment. We have the duty to look for reliable machinery companies for our members. We are also introducing them to the international market and helping them to find the market to sell their products."

Hiep also plans to help members improve the management of their factories, by sourcing for companies that can provide the most suitable software, and optimising the production processes in their factories to achieve higher productivity.

TRADE WAR: BOTH A BOON AND BANE

Speaking of the tariff war's impact on Binh Duong's furniture production industry, Hiep felt that it presents as many opportunities as challenges at the same time.

"Therefore, we have already submitted several proposals to the government. In one of our proposals, we suggested that first, we have to intensify our members' productions. To be able to do so, we have to organise more woodworking related trade shows so they will be exposed to the most advanced technologies."

"We also proposed organising more trips for members to go overseas to learn from other experienced companies, in order to gain knowledge of trends from the global furniture market."

Another proposal was for the government to provide financial loans for the renewal of their factories and updating the technologies in the factories. They also proposed to connect members to the forest plantations in the country so they have more access to raw materials and sources.

PROPOSAL FOR A NEW INDUSTRIAL PARK

Lastly, they hoped that with the help of the government, an industrial park for the furniture industry can be set up so members are within a convenient distance to extend support to each other.

Building on the foundation that outgoing chairman, Thanh, has already established, Hiep felt very comfortable to continue with his job and mission.

John, also director of M.T.R. Co., Ltd, is all ready to assist Hiep in shouldering the challenging task handed to them by the government. "Now that we have received the new mission to contribute 50 per cent of US\$20 billion in export turnover by 2025, it is truly a heavy duty which we will have to work very hard to achieve. Our chairman is an optimistic and hardworking man, so we believe BIFA will reach our goals."

Both Hiep and John hope that with their determination and hard work, they can lead BIFA to become a leading association, not only locally but also globally.

"The world is now heading towards industrial 4.0, and is changing rapidly. Binh duong simply cannot afford to be left behind, we have to be fast in catching up with this constantly evolving industry," said the two leaders, speaking with much conviction. ☺