Furniture exporters plagued by tightened rules

Many furniture exporters in Ho Chi Minh City and the neighboring province of Binh Duong have failed to pass customs declaration on their exports due to a new regulation aimed at clarifying the origins of the wood from which the products are made.

Circular No 1 of the Ministry of Agriculture and Rural Development stipulates that wooden products must be approved by local park rangers prior to their shipment.

The new requirement was issued and took effect unexpectedly at the weekend, leaving exporters unable to seek approval on time, they complained.

Consequently, their shipments have been stuck at the customs agencies, building up fears that their reputation will be damaged as the exports will arrive late to their overseas customers, they said.

Huge damage

A representative of Phu Thien Phat Co told Tuoi Tre on July 16 that he is still unable to complete customs declaration for two 40-foot containers set for export to the UK, though the products arrived at Cat Lai port three days ago.

The products are all furniture made from oak wood imported from the US, according to Tran Van Man, who is in charge of completing export procedures for the company.

Man said his customers have begun to complain of the late delivery.

"We too are extremely concerned as the contract is worth as much as US$46,000," said Man.

Phan Thi Thuy Hang, director of Khanh A Co, also said her shipments have been detained at Saigon Port for four days due to the lack of park ranger's approval on the wood's origin.

Hang said her facility does not make the products, but buys them from another manufacturer and only decorates them to export to another partner.

"We have all necessary papers to prove the wood's origin, but without the very approval from park rangers, it is impossible for the goods to be shipped," lamented Hang.

The company is now charged VND400,000 per each container on a daily basis, and Hang said the larger risk is that the company's prestige may be destroyed for late delivery.

Business cornered
Hong Van Sang, import-export executive of Lam Thanh Co Ltd, said it is illogical that businesses have to seek certificates for their wood’s origin, as they already have to complete that procedure when importing raw wood materials.

Nine furniture exporters who have 13 containers being held in Cat Lai Port on Saturday filed a complaint to the Saigon Port Customs Agency over the obstructed export procedure.

In response, the customs agency said it has forwarded the petition to the city’s customs agency, which will work with the park ranger agency to handle the case.

Meanwhile, the Cat Lai Customs agency said it has strictly adhered to circular No 1 in refusing to approve the exporters’ customs clearance.

However, since exporters have complained, the institution said it will find ways to reduce damage for the businesses.