

High Value Enterprise: The Malaysian supplier which shows a good quality and delivers very bad quality.

Malaysia is a country full of trees, and this situation makes it an interesting market as supplier for wood furniture. With this thinking, Muebles Durex started a campaign for researching and development of reliable suppliers.

After a long travel in those lands, one of these chosen suppliers was High Value Enterprise SDN. BHD. Located in province of Johor, Malaysia; High Value offered Muebles Durex the main attributes that can be requested by a client:

- 1) A competitive price
- 2) A quality level acceptable to consumers.

The products that were interesting for us were dinettes sets.

After meeting these requirements on the sample that Muebles Durex saw at their showroom and after receiving some samples of the furniture that showed what quality would be shipped to Muebles Durex, the deal was closed because the quality was goon on the samples. After the opening of a letter credit all the conditions for it were covered. The container with these dinettes was sent on August, 3, 2010.

Once the furniture arrived to Muebles Durex warehouse, the distribution of the products was made according with the sales. The main buyers for these items were big furniture dealers, and furniture store chains. A few days after selling some furniture the customers began to complain because they found plenty defectives as well in the chairs as in the tables. Cracked pieces, bad finish, dented marks, tool marks, varnish applied incorrectly, poorly patching, and different color among the pieces were some of the problems. Muebles Durex' Quality dept. took matters into, and after a detailed inspection, they found near to 70% of pieces with at least one kind of defective.





Looking for a friendly solution, Muebles Durex contacted High Value. In first place, asking for an explanation about the causes of this issue, and then asked to negotiate a restitution of the damage. Since October 2010 when High Value received the first notification about this problem until these days, Muebles Durex hasn't had any kind of proposition or at least the intention for refunding something. High Value simply says is impossible having that percentage of damaged pieces, and they cannot accept the claim. (This information was given by the High Value's Export Manager.)

After plenty attempts to establish a dialogue looking for an agreement without success, Muebles Durex contacted with office of MATRADE in Mexico City. This Malaysian dept. provides advice and guidance for all enterprises who wants to develop a commercial relationship with the Malaysian factories. MATRADE officers visited Muebles Durex, and they could see with their eyes the magnitude of the problems reported.

Although the MATRADE's intervention caused some feedback, High Value showed no signs of trying to amend its fault by failing to provide a personal contact with the officers of MATRADE.

At this moment and against any logic, High Value doesn't even recognize the responsibility as manufacturer of these goods, even showing them the pictures showing their products.

"After considering all these events in Muebles Durex we think there is an obligation for doing public this information, because Muebles Durex wants nobody else has to deal with a difficult situation like this" commented Importations Manager of Muebles Durex.

He understands the consequences of these declarations, so he adds this comment: "The last intention of Muebles Durex is causing damage for all Malaysian suppliers, and it's important to reiterate this information in only relative to High Value SDN. BHD. The primary objective with this manifest is preventing everybody in the American and Mexican furniture market about the consequences for having deals with this factory".

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