



MASKAYU



**TERENGGANU INTERNATIONAL TIMBER
SHOWCASE 2015**

**APEC MMRF3 FOCUS ON SFM AND
INCREASING FOREST COVER**



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Cover : Closing ceremony of TINTS 2015 in Kuala Terengganu. More stories related to TINTS on pages 3,7,17,19,20



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TERENGGANU INTERNATIONAL TIMBER SHOWCASE 2015



YB Senator Dato' Haji Abdul Rahman bin Bakar, Chairman of Golden Pharos Berhad (second from right) being briefed by MTIB officer on the furniture design displayed at MTIB booth. On his right is Dr. Jalaluddin Harun, MTIB Director - General.



Exchanging MoU documents during TINTS 2015.

Terengganu is one of the main contributors towards Malaysia's export of timber and timber products. With a total number of 53 registered timber related companies in the state, the industry in Terengganu has the potential to grow because of the cultural value in its design and availability of raw materials.

To increase the use of timber in the domestic market as well as to expand Terengganu timber exporters' capabilities, MTIB, in collaboration with Terengganu Timber Industry Training Centre (TTITC), Universiti Sultan Zainal Abidin (UniSZA), Yayasan Pembangunan Usahawan Terengganu (YPU) and Jabatan Pembangunan Kemahiran (JPK) Eastern Region, once again took the initiative to organise Terengganu International Timber Showcase 2015 (TINTS) which was held on 22-25 October at Terengganu Trade Centre (TTC). This programme was supported and sponsored by Golden Pharos Sdn. Bhd., a leading company in Terengganu's timber industry.

The main objective of TINTS 2015 was to inform stakeholders of the role of the timber industry in generating the economy especially in Terengganu. It was also held as a one-stop centre carnival for timber products which consisted of timber product exhibitions, carving demonstrations, sales, seminars and educational talks. At the same time, MTIB also wanted to disseminate career potential in the timber industry to the younger generation, hoping to create more expert individuals to lead the industry in the future.

The closing ceremony of TINTS was officiated by YAB Dato' Ahmad Razif Abd. Rahman, Menteri Besar of Terengganu on 25 October. In his closing speech, Dato' Ahmad Razif said, the development of the wood-based industry in Terengganu would be refocused to production of new value-added timber products. This transformation is in line with Terengganu's new Transformation Programme (TTP) to be led by several Government Linked Companies such as Golden Pharos Berhad. Dato' Ahmad Razif added that the Terengganu government hoped that the federal

government through MTIB, would assist Terengganu to develop new policies and action plans for the local wood-based industry in line with NATIP. He also hoped that TINTS could become an annual event to attract more buyers to visit Terengganu to get high quality wood products.

Dr. Jalaluddin Harun, Director-General of MTIB in his speech said, Terengganu have a lot of wood resources, and 11% of the more than 4 million m³ of timber production in Peninsular Malaysia was contribution by Terengganu. In addition Terengganu's handicraft and wood heritage have proven that the state has a wood treasury of high value, which needs to be maximised for the development of the wood-based industry in the future. He added that, MTIB will work with the state government on training programmes for the wood-based entrepreneurs on aspects of design, marketing and carving to ensure the industry continue to progress. Dr. Jalaluddin also said, the government targets this year's timber exports to equal or exceed last year's exports of RM20 billion. The 2014 exports accounted for close to 3% the country's total merchandise exports. He said the upbeat timber forecast was in line with the country's furniture industry which was on the uptrend, adding foreign exchange rates play a part in making our timber products cheaper.



MTIB booth.



TIMBER WORLD IN BRIEF

BRAZIL

Wood Exports Up 22% in First Nine Months

According to data from the Brazilian Association for Mechanically Processed Timber (Abimci), Brazil's exports of processed wood increased 22% in the first nine months of 2015, in comparison with the same period 2014. Imports were boosted by the crisis in the domestic market and the high exchange rate with the US dollar. Despite the increase in exports, Abimci does not forecast an increase in turnover for the sector, given that the exports are compensating for a drop in domestic sales, where demand fell 20% in the first nine months of 2015. The sector was also affected by an increase in costs, and a drop in the price of wood products driven by increased offers from China. The sector is expected to see reduced competition and a drop in investments.

Folha de Sao Paulo, 21 October

CANADA

World's Tallest Timber Tower to be Built in British Columbia

Fifty years ago, many apartment buildings were built in the international style, tall flat slabs of buildings with efficient layouts. Now Acton Ostry Architects are using this iconic 20th century style to build the world's tallest timber tower using a truly 21st century material, Cross Laminated Timber (CLT). CLT is a dream material; it's made from a renewable resource, it sequesters carbon, it is strong enough to replace wood and concrete in higher buildings, and right now, it helps use up some of the billions of board-feet of mountain pine-beetle infested wood that will rot if we don't cut it and use it fast.

The building is a new student residence for the University of British Columbia that the University president says is a living laboratory for the UBC community. It will advance the university's reputation as a hub of sustainable and innovative design, and provide the students with much-needed on-campus housing. At 53 metres (174 feet) it will just squeak in as the world tallest skyscraper.

Treehungger.com 29 October

CHINA

New Complex for Sales of Imported Home Furnishings

China's first mall dedicated to imported building materials and home furnishing, the CIMEN & BOSION International Free Trade Plaza, will open in the Fujian Xiamen Free Trade Zone. The mall will offer a very wide range of international home interior products.

It is expected that the 76,000 sqm shopping complex will be completed by 2016 at a cost of RMB110 million. Many

international brands of home furnishing suppliers have signalled an interest in renting space in the complex. This investment is a major undertaking for the Fujian Free Trade Zone which expects consumers to benefit from the reduced cost of imported items.

Fordaq, 30 October

Promoting Green Building Materials

The Ministry of Industry and Housing have developed an action plan to promote the production and use of green building materials. The aim is to increase the proportion and quality of green building materials and will focus on energy consumption in manufacturing and the emission of toxic airborne substances. According to the plan, more wooden buildings will be developed in the near future. The use of wooden structures will be promoted in public buildings such as schools, kindergartens, nursing homes and in landscaping. In addition, wooden rural housing construction will be promoted in existing and new community developments. Biomass building materials will play a prominent role in the implementation of the action plan and new technologies utilising biomass materials will be introduced.

ITTO, 16-30 October

EUROPEAN UNION

Glulam Imports Continue to Rise in 2015

The EU imported 65,300 m³ of glulam products in the first half of 2015, 6% more than in the same period in 2014. Imports from Russia increased 10% to 14,600 m³ during the period. There was also a 20% increase in imports from Indonesia to 12,900 m³. Imports from Malaysia and China were stable in the first six months of 2015, at 11,000 m³ and 7,000 m³ respectively. Imports of glulam account for around 5% of total EU consumption of this commodity. Much of the imported glulam consists of laminated veneer lumber for window manufacturing. Glulam imports from Russia and China are primarily Pine and Larch. Imports from Malaysia and Indonesia consist of Meranti.

ITTO, 1 - 15 October

GERMANY

Growth for Prefabricated Home Market

According to the German association for prefabricated construction (BDF), German prefabricated house manufacturers recorded over 9,800 construction permits for prefabricated one and two-family homes in the first half of 2015. This corresponds to a 7.5% growth in comparison to 2014. The market share of prefabricated homes increased by 16.5%. BDF said that prefabricated home manufacturers are optimistic for the future, with 61% of companies saying the

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market situation. BDF also stated that turnover among its 45 member companies is to increase by 4.2% in 2015. Turnover among member companies amounted to EUR1.87 billion (USD2.06 billion) in 2014.

Holzbau Austria, 28 October

HUNGARY **EC Urges Country to Comply with EU Rules**

Hungary has been urged by the European Commission (EC) to comply with EU regulations in three cases. The country should adopt the EU's Energy Efficiency Directive and to harmonise its national rules with the EC's decision on the definition of the European Electronic Toll Service (EETS) as well as its technical elements. In addition, Hungary has been asked to implement regulations prohibiting the placing of illegal timber on EU market. Hungary has been given two months to take the necessary steps otherwise the country may be referred to the European Court of Justice and it may also face financial penalties.

portfolio.hu, 22 October

INDONESIA **Timber Furniture Exports to Hit USD3 Billion**

The Chairman of the Indonesian Furniture and Crafts Producers, Lisman Sumardjan said that the country's timber furniture exports have reached USD2.70 billion following the implementation of the legal timber certification. Exports in 2015 is projected to reach USD3 billion, compared to USD1.8 billion in 2014. The export markets for the country's timber furniture are South Korea, Australia, Japan and the US.

Jakarta Globe, 27 October

ITALY **Tropical Wood Imports Grow 10% in First Half**

According to data by Fedecomlegno, imports of tropical wood rose 10% by volume in Italy in the first half of 2015 to almost 49,300 m³. In 2014, imports of tropical wood reached about 100,000 m³ generating a EUR50 million (USD56.74 million) turnover, while they equalled 450,000 m³ in 2007 generating a turnover of about EUR180 million.

Il sole 24 ore, 15 October

JAPAN **Bedroom Furniture Imports**

Despite the rather gloomy housing and consumer spending data of September 2015 imports of bedroom furniture were up 9% year on year. This was despite the 6% downward correction in September imports compared to those a month earlier. As has been the case for most of the year China and Viet Nam account for the bulk of Japan's bedroom furniture imports (83% in September). Shippers in Malaysia saw September exports to Japan rise and other South East Asian suppliers could only manage to maintain exports to Japan at around the same levels as in August.

ITTO, 16-30 October

UNITED KINGDOM **Fencing Demand Solid**

In the UK, fencing demand in 2015 has been solid but not as strong as in 2014 when there was a post-storm demand surge. The housing market is going upwards and DIY and retail networks are promoting fencing heavily. Selling prices of fencing are stable but there are cost issues in the supply chain as the prices of sawntimber fell in May-July but the cost of round timber has not gone down as much. The general prospects of the fencing industry are positive.

TTJ Timber Trades Journal, 23 October

UNITED STATES **Housing Starts at 1.206 Million Units in September**

The US housing starts rose more than expected in September on soaring demand for rental apartments, a sign that the housing market continues to steadily improve even as economic growth has slowed. Ground breaking increased 6.5 %t to a seasonally adjusted annual pace of 1.21 million units, according to the US Department of Commerce.

It was the sixth straight month that starts remained above 1 million units, pointing to a sustainable housing recovery. Starts increased to a 1.13 million-unit rate in August. Economists polled by Reuters had forecast ground breaking on new homes rising to a 1.15 million unit pace last month. The increase was all in the multifamily sector, rising 18.3% to 466,000. Single-family starts were effectively unchanged at 740,000.

Reuters, 20 October

Malaysian Wood
Standing on Excellence

Pelbagai Guna, Aneka Gaya
Multiple Uses, Variable Styles

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SEPTEMBER 2015

SHIPPING NEWS



Malaysia: Tariff Increased Proposed by Bintulu Port Holdings

Malaysia-based Bintulu Port Holdings (BPHB) has proposed to increase the tariffs for general cargo and container handling at Bintulu Port. Proposals for the tariff increase have been sent to the Bintulu Port Authority (BPA) in early 2015 but the BPA have not sent the proposals to the Federal Government so far. BPHB wants to increase the tariffs as tariff for general cargo has not been increased since 1983 and tariff for container cargo has not been changed since 1999.

Source: The Star Malaysia, 21 September

Malaysia: Phase One of Revised Container Tariff Deferred Again

According to Westports Holdings, phase one of the revised container tariff at Port Klang, Malaysia has been deferred for an additional month and will now take place on 1 November 2015 as opposed to 1 October 2015. At first, phase one of the revision was set to take place before 1 September 2015 and the second phase from 1 September 2018. The container tariff revision was authorised by the Transport Ministry on 6 August 2015. The revision will be carried out in two phases with an average hike of 15% in each.

Source: The Sun, 23 September

Australia: AUD17 million Being Invested by DP World in Port of Melbourne

DP World is investing AUD17 million (EUR10.64 million/ USD12.06 million) in Australia's Port of Melbourne to upgrade its capacity. The decision for the terminal's expansion comes after the recent resolution of new lease deals, said DP World Australia. The development contract has been awarded to Fulton Hogan and in March 2016 the project is expected for completion. Container capacity will be increased by 100,000 twenty-foot equivalent units (TEUs) to 1.4 million TEUs from 1.3 million TEU per year at the terminal. The project will see the relocation and upgrade of electrical works, new services, storm water drainage and the construction of a new asphalt pavement besides the creation of 450 container storage locations for straddle operations. The project will enhance access dramatically for trucks into the main terminal.

Source: Australasian Transport News, 15 September

Canada: CAD70 million Stewart Port World Now Open in British Columbia

On 16 September 2015, the Stewart Port World in the Canadian District of Stewart in British Columbia was officially launched. The CAD70 million (EUR46.56 million/ USD 52.78 million) port terminal is developed to manage break-bulk cargoes that cannot fit into containers. The opening was attended by Lt-Gov Judith Guichon, MPs Bob Zimmer and Nathan Cullen and around 300 contractors of Pickell.

Source: Vancouver Sun, 17 September

Shipments of Timber and Timber Products Through Ports in Peninsular Malaysia, September 2015

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change Sept 2015 / Aug 2015
	m ³	% Change Sept 2015 / Aug 2015	m ³	% Change Sept 2015 / Aug 2015	m ³	% Change Sept 2015 / Aug 2015	m ³	% Change Sept 2015 / Aug 2015	m ³	% Change Sept 2015 / Aug 2015		
Sawntimber	65,577	20	5,713	43	1,301	-16	241	28	7,374	23	80,206	21
MDF	25,634	-2	194	-14	10,680	20	8,851	50	17,034	-25	62,393	-2
Mouldings	12,391	0	447	30	2,052	29	809	73	1,656	14	17,355	7
Plywood	7,358	-4	18	100	52	8	104	21	9,890	-1	17,422	-2
Veneer	576	6	31	520	15	-91	0	0	265	-39	887	-23
Particleboard	35,056	-6	137	-63	115	2	62	-2	0	0	35,370	-7
TOTAL	146,592	6	6,540	32	14,215	15	10,067	50	36,219	-10	213,633	5

Source : MTIB

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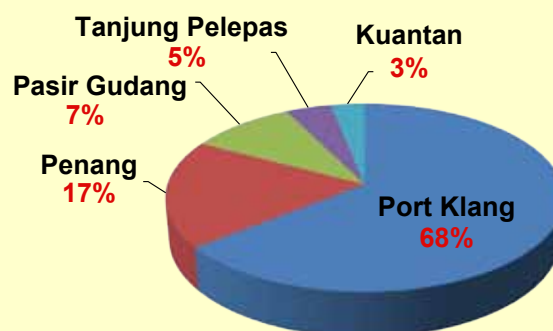
SEPTEMBER 2015

Germany: Government to Invest More in Ports and Infrastructure

The German Government is introducing a package of long-term measures to ensure the long term financing of ports and relevant infrastructure up to 2019. The government is planning adjustments to the waterways around the Lower and Outer Elbe River to maintain the link to the major logistics centre of Hamburg. The planned expansion of the eastern stretch of the canal between the North and Baltic seas will be started in 2015. The government plans to focus on expanding connections to inland areas. It plans to expand freight transportation to interior countries by 25% by 2030 through additional sea freight. The German Government, in conjunction with other countries aims to identify a network of inland ports, freight distributors and railway yards which are well suited to take over more port operations. The German Government has called for the better coordination of ports and infrastructure to prevent excess capacities.

Source: Die Deutsche Verkehrszeitung, 28 September

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, September 2015



Total = 213,633 m³

Cont. from page 3

With the participation of 70 exhibitors consisting of local and international companies as well as government agencies showcased products ranging from timber garden furniture, carving products, construction products, bamboo to Agarwood products.

Among the main activities carried out in TINTS 2015 were:

- Sale of forest plantation products
- Sale of furniture (carving, bamboo and others.)
- Sale of Agarwood products
- Sale of timber souvenirs
- Timber and educational seminar
- Furniture Design Competition

In addition, five MoUs between the relevant government and GLC agencies with business from China and Korea, were signed in conjunction with the event to enhance cooperation and networking in the industry. The event received over 50,000 visitors which, included parties from India and the Middle East.

TINTS 2015 also created new records in the Malaysia Book of Records by conducting 'The Longest Non-Stop Chengal Wood Carving' and 'The Longest Non-Stop Agarwood Carving' activities on 22 October.



Carved furniture displayed at the exhibition.



SEPTEMBER 2015

Total export of Malaysian timber and timber products in September has shown an increase of 12.5% valued at RM2.03 billion over the previous month. Similarly, export for the period of January to September increased 4.4% valued at RM16.15 billion over the corresponding period.

Sawntimber

Export of sawntimber in September 2015 increased 18% in volume and 16% in value to 186,676 m³ with a value of RM320.4 million compared to the previous month. Similarly, cumulative export for the third quarter of 2015 improved 5% in volume and 17% in value to 1.5 million m³ totalled RM2.3 billion over the previous corresponding period.

Export of sawntimber to the EU for the month decreased 18% to 11,024 m³ from 13,486 m³ recorded in the previous month due to declining purchases by the Netherlands and UK. Export to the Netherlands and UK decreased 26% to 5,605 m³ and 8% to 1,907 m³ respectively. Similarly, export of sawntimber to France decreased 34% to 655 m³ from 994 m³ in the previous month. On the other hand, export to Belgium and Italy increased 19% and 25% to 969 m³ and 499 m³ respectively.

Total exports to West Asia improved 38% to 27,020 m³ from 19,524 m³ in the previous month as a result of increasing purchases made by the UAE, Saudi Arabia and Yemen. Export of sawntimber to the UAE improved 93% to 11,546 m³ followed by Saudi Arabia by 31% to 2,977 m³. In the meanwhile, export to Yemen improved significantly to 2,909 m³ from only 58 m³ in the previous month. However, export to Oman and Bahrain declined 17% to 3,719 m³ and 31% to 1,500 m³ respectively.

Buying from ASEAN improved 31% to 80,718 m³ from 61,586 m³ in the previous month. Export to Thailand and Philippines increased 23% to 40,192 m³ and 64% to 28,898 m³ respectively. However, export to Singapore declined slightly to 10,514 m³ from 10,597 m³ in the previous month.

Shipments to East Asia decreased 4% to 33,827 m³ from 35,218 m³ in the previous month. Export to China registered an increase of 9% to 17,861 m³ from 16,334 m³ in the previous month. Similarly, export to South Korea increased 7% to 4,061 m³ from 3,787 m³ in the previous month. On the other hand, export to Japan and Taiwan declined by 14% to 4,770 m³ and 21% to 7,090 m³ respectively.

Elsewhere, export to the US decreased 44% to 791 m³ and similarly intake by South Africa improved by 8% to 7,527 m³. However, demand from Australia decreased 9% to 1,308 m³ from 1,437 m³ recorded in the previous month.

The average FOB price of sawntimber decreased 13% to RM1,518 per m³ from RM1,746 per m³ in the previous month. Price of Dark Red Meranti (DRM) increased 2% to RM2,886 per m³ from RM2,840 per m³ in the previous month. Price of DRM to the Netherlands increased 5% to RM3,551 per m³ from RM3,373 per m³ in the previous month. Keruing was traded at RM1,598 per m³, a decrease of 6% from the previous month.

Plywood

Total export of plywood in September increased 24% in volume and 34% in value to 225,022 m³ valued at RM452.81 million as compared to the previous month. However, cumulative exports for the period January-September 2015 decreased by 17% in volume and 10% in value to 1,889,025 m³ and RM3.43 billion respectively as compared to the previous corresponding period in 2014.

Total exports to EU decreased by 23% to 9,759 m³. Likewise, shipments to Belgium, Denmark, Germany and UK decreased by 90%, 87%, 81% and 17% to 43 m³, 46 m³, 24 m³ and 8,092 m³ respectively whilst France and Ireland did not make any purchases. On the other hand, Netherlands increased its intake by 13% to 1,390 m³ whilst Italy resumed its intake.

Exports to ASEAN region increased as Brunei, Singapore and Thailand imports of plywood increased by 11%, 67% and 160% to 653 m³, 4,104 m³ and 6,755 m³ respectively. However, Philippines reduced its intake by 15% whilst Indonesia did not make any purchases. In East Asia, exports to China, Hong Kong and Japan increased by 60%, 84% and 50% to 3,175 m³, 5,026 m³ and 130,475 m³ respectively. However, South Korea and Taiwan reduced their intake by 46% and 15% to 14,994 m³ and 14,622 m³ respectively.

Exports to West Asia increased by 106% as compared to the previous month. Similarly, shipments to Bahrain, UAE and Yemen increased by 730%, 52% and 41% to 1,303 m³, 2,758 m³ and 498 m³ respectively. Nonetheless, Saudi Arabia, Kuwait and Qatar reduced their intake by 84%, 44% and 13% to 180 m³, 301 m³ and 789 m³ respectively.

Elsewhere, exports of plywood to South Africa and Canada increased by 9% and 4,488% to 255 m³ and 1,973 m³ respectively. Australia slightly maintained its intake at 3,328 m³ whilst Mauritius resumed its intake. However, the US, Mexico and New Zealand reduced their intake by 61%, 20% and 33% to 1,739 m³, 4,089 m³ and 43 m³ respectively.

The FOB price of plywood increased by 8% to RM2,012 per m³ from RM1,868 per m³ in the previous month.

Veneer

Exports of veneer for September 2015 showed a decrease of 1% in volume but increased 3% in value to 18,399 m³ at RM30.19 million as compared to the previous month. Exports to China, Singapore and Italy increased by 210%, 21% and 207% to 598 m³, 86 m³ and 169 m³ respectively whilst Philippines maintained its intake at 198 m³. Meanwhile, Viet Nam, Taiwan, South Korea, India and Australia reduced their intake by 40%, 8%, 7%, 9% and 68% to 107 m³, 6,115 m³, 9,226 m³, 399 m³ and 108 m³ respectively whilst Canada and Chile did not make any purchases.

The FOB price of veneer increased to RM1,641 per m³ from RM1,580 per m³, an increase of 4% from the previous month.

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Medium Density Fibreboard (MDF)

Malaysia's exports of MDF for September 2015 showed a decrease of 2% in volume and increased 5% in value from the previous month. Export totalled 72,514 m³ and valued at RM90.52 million.

Exports to East Asia registered an increase of 31% to 13,811 m³ from 10,551 m³ in the previous month. Exports to South Korea increased 100% to 9 m³ followed by Japan an increase of 39% to 13,050 m³. However, export to Taiwan and China (including Hong Kong) decreased by 34% to 690 m³ and 41% to 62 m³.

Meanwhile exports to West Asia recorded a negative growth with a decrease of 21% in volume to 24,677 m³ from 31,208 m³ in the previous month. Export to Oman recorded an increase of 83% to 1,992 m³ followed by Bahrain at 47% to 874 m³ and Syria at 12% to 1,241 m³. On the other hand, Kuwait, the UAE, Qatar, Jordan, Saudi Arabia and Iran dropped by 11% to 4,116 m³, 22% to 8,738 m³, 25% to 1,519 m³, 33% to 231 m³, 41% to 3,734 m³ and 41% to 2,232 m³ respectively from the previous month. Furthermore, export to South Asia recorded negative growth by

23% in volume to 10,083 m³ from 13,103 m³. All export destinations to South Asia show negative growth. Bangladesh decreased by 13% to 591 m³, Pakistan down by 17% to 6,459 m³, Sri Lanka down by 20% to 1,754 m³ and India decreased by 48% to 1,279 m³.

Exports to South Africa and the US show a positive growth by 224% to 408 m³ and 10% to 1,354 m³ respectively. However, demand from Australia, the UK and Mauritius decreased by 8% to 2,395 m³, 34% to 151 m³ and 50% to 279 m³ respectively.

In ASEAN, total export to the ASEAN region for this month showed an increase of 14% to 14,839 m³ from 12,981 m³ in the previous month. Export to Viet Nam and the Philippines increased by 23% to 10,665 m³ and 19% to 1,713 m³ respectively. Elsewhere, import from Indonesia and Singapore showed negative growth by 1% to 2,131 m³ and 69% to 172 m³ respectively.

Mouldings

Exports of mouldings for the month decreased by 1.3% in volume and 2.8% in value to 21,501 m³ and RM72.65 million respectively. On the other hand, cumulative exports for the period of January-September 2015 increased by 7% in volume and 18% in value to 203,689 m³ and RM626.0 million respectively as compared to the previous corresponding period in 2014.

Exports to the EU for the month recorded at 7,789 m³, increase of 17% compared to the previous month. Shipment to Belgium, Germany, the Netherlands and Italy increase by 71%, 12%, 15% and 100% to 762 m³, 1,680 m³, 3,547 m³ and 51 m³ respectively. However, shipments to the UK decreased by 3% to 747 m³ compared to the previous month.

Exports to ASEAN region increased as Viet Nam intake of mouldings increased tremendously by 144% to 217 m³. However, Singapore reduced its intake by 9% to 1,323 m³ and Indonesia did not make any purchases.

Meanwhile, exports to Taiwan increased tremendously by 706% to 129 m³ compared to the previous month. Meanwhile Hong Kong and China increased by 3% and 61% to 283 m³ and 767 m³ respectively. However, Japan and South Korea decreased by 23% and 39% to 1,977 m³ and 1,405 m³ respectively. Similarly, exports to USA decreased by 8% to 2,669 m³ compared to the previous month.

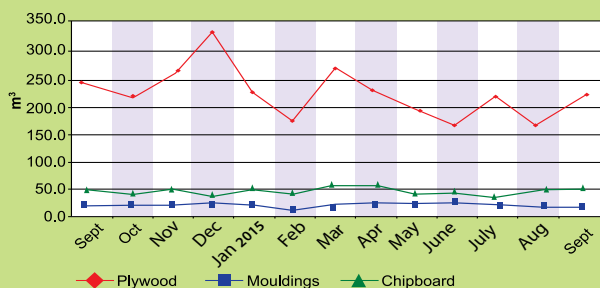
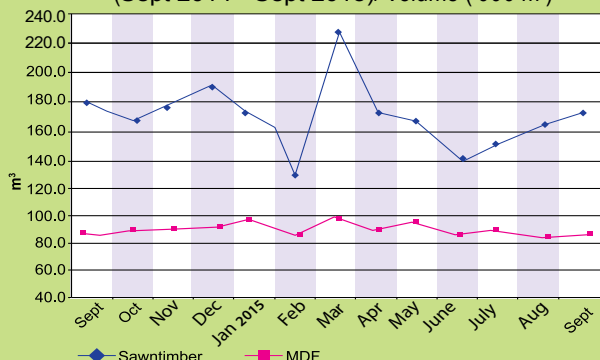
Elsewhere, export to Australia and Canada increased by 1% and 159% to 3,452 m³ and 192 m³ respectively.

FOB unit value increased 6% from RM3,241 per m³ in the previous month to RM3,431 per m³ in September 2015.

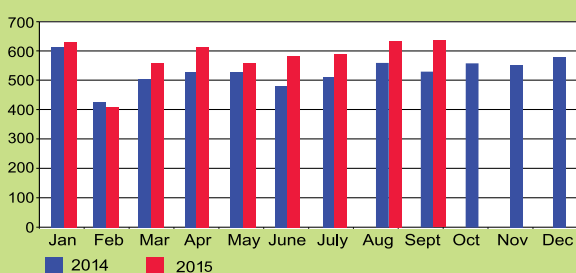
Builders Joinery and Carpentry (BJC)

Total BJC cumulative exports from January to September 2015 increased 4% to RM790.60 million as compared to RM760.50 million in the corresponding

Malaysia : Export of Major Timber Products
(Sept 2014 - Sept 2015)/ Volume ('000 m³)



Malaysia: Export of Wooden Furniture
(January 2014 - Sept 2015) / Value (RM Million)



Source : Department of Statistics, Malaysia

SEPTEMBER 2015



Logs

The supplies of logs were reported to be sufficiently available and accessible. The average domestic prices of logs for most of the species remained at last month's level.

Log prices for the species of Chengal, Balau and Merbau stood firm at RM4,000 per tonne, RM3,000 per tonne and RM2,650 per tonne respectively. Similarly, prices of Kapur and Keruing continued to be traded at RM1,700 per tonne and RM1,400 per tonne respectively. Kempas prices, however, rose by 3.0% to RM1,380 per tonne compared to last month. The prices of Dark Red Meranti, Yellow Meranti and Mersawa logs remained at RM1,900 per tonne, RM1,150 per tonne and RM1,600 per tonne respectively whilst Red Meranti prices chalking up by 2.3% to RM1,800 per tonne over the previous month. Meanwhile, prices of Mixed Heavy Hardwood fell by 9.6% to RM790 per tonne whilst Mixed Light Hardwood remained at RM1,200 per tonne.

Sawntimber

The average sawntimber prices continued to firm whilst some species experiencing an upward price. However, demand from oversea markets remained especially from China and India.

The sawntimber prices of Chengal, Balau and Merbau continued to be traded at RM6,638 per m³, RM3,178 per m³ and RM3,778 per m³ respectively. Most of the prices of Medium Hardwood sawntimber species for the month remained at last month's level except for Tualang which charted an increase of 3.1% to RM2,331 per m³ over last month period. The sawntimber prices of Red Meranti, Mersawa and Nyatoh also grew by 2.0%, 9.4% and 28.7% to RM1,836 per m³, RM1,700 per m³ and RM1,000 per m³ respectively. The average sawntimber prices of Mixed Heavy Hardwood recorded at RM812 per m³ whilst Mixed Light Hardwood grew significantly by 41.6% to RM1,300 per m³ over the previous month.

Plywood

The supply of plywood for the usage of the domestic market continued to suffice the need of local demand. Plywood traders reported that there were no significant changes in the export price except for concrete panels. Plywood prices of 4mm, 6mm, 9mm and 12mm of thicknesses were continuously traded at RM14.60, RM22.00, RM34.50 and RM41.50 per piece respectively.

Medium Density Fibreboard (MDF)

Supply of MDF was reported to suffice the need of the local market demand. Although there were positive demand from key end-use such as construction and furniture industries, the prices of MDF still hovering at last month's level. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses recorded prices at RM12.10, RM15.80, RM21.70 and RM28.10 per piece respectively.

Intra-Malaysia Trade *- September 2015

In September 2015, the shipments of sawntimber from Sabah to Peninsular Malaysia grew by 33% to 705 m³ valued at RM1.4 million. However, shipment of plywood fell by 9% to 7,764 m³ worth at RM14.3 million.

On the other hand, export of sawntimber from Sarawak to Peninsular Malaysia increased significantly by triple digits or by 169% as compared to the previous month to 1,708 m³, valued at RM1.5 million. However, export of plywood reduced by 10% to 9,369 m³ in volume worth at RM13.1 million as compared to the previous month. Conversely, export of veneer grew by 166% to 11,421 m³ with the value of RM16.4 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in September 2015.

INTRA-MALAYSIA TRADE – SEPTEMBER 2015

From	Products	AUGUST 2015		SEPTEMBER 2015		% Change in Volume SEP 2015 / AUG 2015	% Change in Value SEP 2015 / AUG 2015
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	1	1	0	0	-100	-100
	Sawntimber	531	1,077	705	1,354	33	26
	Plywood	8,536	15,548	7,764	14,323	-9	-8
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	636	621	1,708	1,518	169	144
	Plywood	10,456	14,152	9,369	13,129	-10	-7
	Veneer	4,288	6,362	11,421	16,358	166	157

Source : Department of Statistics, Malaysia

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SEPTEMBER 2015 (VALUE IN RM)

SPECIES	LOGS/tonne	SAWNTIMBER/m³		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	4,000	6,638	4,500	8,828
Balau	3,000	3,178	3,000	3,531
Red Balau	2,500	2,966	3,000	3,178
Merbau	2,650	3,778	3,143	2,772
Mixed Heavy Hardwood	790	812	850	900
MEDIUM HARDWOOD				
Keruing	1,400	1,766	1,800	2,203
Kempas	1,380	1,871	1,766	2,010
Kapur	1,700	2,248	2,100	2,331
Mengkulang	1,100	1,412	1,350	1,575
Tualang	1,310	2,331	1,554	2,401
LIGHT HARDWOOD				
Dark Red Meranti	1,900	2,190	2,000	2,200
Red Meranti	1,800	1,836	1,900	1,907
Yellow Meranti	1,150	1,400	1,165	1,400
White Meranti	1,040	2,119	1,521	1,695
Mersawa	1,600	1,700	1,800	1,850
Nyato	900	1,000	1,100	1,201
Sepetir	850	1,107	918	1,118
Jelutong	1,030	1,412	1,335	1,554
Mixed Light Hardwood	1,200	1,300	1,450	1,500
MALAYSIAN RUBBERWOOD	LOGS/tonne	SAWNTIMBER/m³		
Hevea brasiliensis	140	1" X 1"	2" X 2"	3" X 3"
		706	1,045	1,081
PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm
	14.60	22.00	34.50	41.50
MDF 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm
	12.10	15.80	21.70	28.10

Note: Log prices ex-batau. Sawntimber, plywood, MDF and Malaysian Rubberwood (*Hevea brasiliensis*) prices ex-mill
 * Prices are only indicative

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TIMBER ROUND-UP

period last year. Export to the EU increased 6% to RM221.57 million. Export to the UK and Sweden increased by 18% and 100% to RM124.93 million and RM13.89 million. Export to Denmark, Germany, Italy, and Turkey decreased by 12%, 20%, 46% and 22% to RM12.51 million, RM6.73 million, RM2.15 million and RM2.43 million respectively. Similarly, export to Belgium, Netherlands and Norway decreased by 13%, 84% and 36% to RM36.76 million, RM196 thousand and RM211 thousand respectively.

In Asia, exports to Japan, the UAE, South Korea, Bahrain, Saudi Arabia and Qatar decreased 10%, 63%, 30%, 56%, 39% and 24% valued at RM52.55 million, RM3.53 million, RM1.98 million, RM1.39 million, RM5.34 million and RM3.94 million respectively. However, exports to India, Taiwan, Singapore, Pakistan, Viet Nam and Thailand grew 1%, 3%, 5%, 17%, 39% and 8% to RM49.20 million, RM13.94 million, RM95.18 million, RM28.60 million, RM24.22 million and RM26.08 million respectively.

Exports to Australia, South Africa and Maldives increased by 13%, 67% and 146% to RM112.91 million, RM14.62 million and RM11.9 million respectively. Likewise, the US increased its intake by 5% to RM69.81 million from RM66.24 million in the previous corresponding period.

Furniture

Malaysia's exports of wooden and rattan furniture between January to September 2015 increased by 11% to RM5.22 billion as compared to RM4.71 billion recorded in the previous corresponding period of last year.

Purchase of wooden furniture from Malaysia for the January to September 2015 duration increased 11%

from RM4.68 billion to RM5.20 billion compared to the same period in 2014. Demand for wooden furniture for September 2015 was positive across most major markets. Demand from US remained firm as export rose 22% from RM1.45 billion to RM1.78 billion. Imports by Australia improved by 20% from RM313.15 million to RM375.70 million in the first nine months of 2015.

Similarly, Singapore increased its wooden furniture consumption by 9% from RM263.10 million to RM285.87 million. The UK follows suit with an increase import by 14% from RM231.65 million to RM263.05 million. Canada increased its intake of wooden furniture by 8% to reach RM219.34 million. Export to Japan also recorded an increase of 10% to RM431.89 million from RM393.74 million.

In West Asia, the UAE continued to reduce its imports by 1% to RM164.53 million from RM166.23 million in 2014. However, exports to Saudi Arabia improved by 39% to RM153.97 million. In East Asia market, exports to South Korea climbed by 6% to RM90.22 million for the first nine months of 2015 from RM85.13 million. Similarly, exports to Taiwan recorded an increase of 28% to RM32.65 million from RM25.47 million.

Meanwhile, exports of rattan furniture for the period declined by 21% to RM23.72 million. Demand by Singapore fell by 27% to RM5.24 million. Shipments to Thailand, China and India decreased by 23%, 78% and 53% to RM1.01 million, RM0.46 million and RM2.85 million respectively. Similarly, export to US decreased by 12% to RM1.48 million. However, exports to UK, France, and Viet Nam improved by 30%, 89%, and 153% to RM2.50 million, RM0.34 million, RM0.38 million respectively. Similarly, import by Belgium also increased by 34% to RM0.26 million.

NEW CHAIRMAN OF MTIB



YB Anyi Ngau, MTIB Chairman.

YB Anyi Ngau has been appointed as the new Chairman of MTIB. He succeeds YB Datuk Seri Panglima Madius Tangau effective from 1 October 2015.

Born in 1958 in Long Jeeh, Baram, Sarawak, YB Anyi Ngau completed his tertiary education with a Bachelor of Arts (Honours) at Universiti Sains Malaysia in 1982.

Prior to his appointment as MTIB Chairman, he was District Officer for Limbang from July 2008 until April 2013. He was then appointed Member of Parliament for Baram in 2013.

In acknowledging his significant efforts towards improving the socio-economy of the community, YB Anyi Ngau was bestowed the *Pingat Perkhidmatan Bakti* in 2004 and *Pingat Perkhidmatan Setia* (2009) by His Excellency TYT Yang Dipertua Negeri Sarawak.

YB Anyi Ngau is married to Madam Christina Ayan and is blessed with four children.

MASKAYU congratulates YB Anyi Ngau on his appointment as Chairman and thanks YB Datuk Seri Panglima Madius Tangau for his leadership and guidance during his tenure as Chairman.

COMING EVENTS - APRIL 2016

DATE	EVENT	VENUE	ORGANISER
6-10	ANKARA FURNITURE FAIR 2016 international Exhibition for Modern Decoration, Home and Office Design and Furniture	Congresium Ankara Exhibition Centre, Turkey	GL Events Fuarcilik Tel :+90 (216) 594 5826 Fax :+90 (216) 594 5799 E-mail :info@gl-fuarcilik.com
12-17	SALONE INTERNATIONAL MOBILE 2016 International Furniture Exhibition, Decoration and Office Design	Fiera Milano, Italy	Federlegno Arredo Eventi Spa Tel :+39 02 725941 Fax :+39 02 890115 E-mail :info@salonemilano.it
19-23	WORLD OF FURNITURE 2016 The World's Leading Furniture Fair	Inter Expo Centre, Fofia, Bulgaria	Inter Expo Centre Ltd Tel :+359 (2) 9655 220 Fax :+359 (2) 9655 230 E-mail :iec@iec.bg
20-23	MOBITEX 2016 International Fair of Furniture and Interior Accessories	Brno Exhibition Centre, Czech Republic	Brno Trade Fair and Exhibition Tel :+420 541 1511 111 Fax :+420 541 153 570 E-mail :info@bw.cz
28-23	AZERBAIJAN DECOREXPO 2016 Furniture, Home and Houseware Exhibition	Baku Expo Centre, Azerbaijan	Elan Expo Tel :+90 212 273 1888 Fax :+90 212 273 1819 E-mail :info@elanexpo.net

APEC MMRF3 FOCUS ON SFM AND INCREASING FOREST COVER



Malaysian delegates headed by YB Datuk Ir. Hamim Samuri, Deputy Minister of Natural Resource and Environment.



Memento presentation by Dr. Jalaluddin Harun, MTIB Director-General (second from right) to the the Malaysian High Commissioner to PNG, HE Jilid Kuminding.

The Third APEC (Asia Pacific Economic Co-operation) Meeting of Ministers Responsible for Forest (MMRF3) was held on 26 – 29 October in Port Moresby, Papua New Guinea (PNG). APEC events act as a forum where successful policy outcomes can be developed.

The Honourable Peter O'Neill, Prime Minister of PNG, who is also the Minister responsible for APEC, in his opening remarks, congratulated the Forest Minister for successfully hosting the first APEC meeting to be held in PNG. In releasing the 'Eda/Joint Statement' in Port Moresby, the Third APEC Meeting of Ministers Responsible for Forestry agreed on a range of measures that will strengthen the forestry sector in PNG and around the Asia-Pacific.

Hon. Peter O'Neill emphasised that APEC Ministers are committed to working to increase forest cover in the region by at least 20 million hectares of all types of forest by 2020. Reaching that target would require an ongoing cooperation between APEC member economies, as well as capacity building and efforts to prevent the sale of illegally harvested timber. He also stated that PNG and other APEC economies would work with the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet) to strengthen regional trade in sustainable forestry products.

In addition, Hon. Peter O'Neill hoped that this first APEC Meeting held in PNG was an example of what the nation can expect from subsequent APEC meetings leading to 2018. APEC is an important forum for PNG to advance trade, business and investment across a range of sectors that are important to PNG's economy for many years to come.

Mr. Douglas Tomuriesa, the Forest Minister of PNG, in his closing remarks and press conference announcing the MMRF3 Eda/Joint Statement, said that the objectives that the APEC leaders have aspired to achieve in the Eda Statement to enhance the importance of forests include:

- Continuing to encourage the implementation of tangible actions to contribute to increasing forest cover in the region by 20 million hectares of all forest types by 2020;

- Addressing common gaps and challenges faced in meeting the forestry goals as announced in the Sydney Leaders' Declaration, Global Objectives and Sustainable Development Goals;
- Encouraging APEC economies to share information and best practices through APFNet, and other bilateral and multilateral collaborations to support sustainable forest management, including the promotion of forest co-operation and policy dialogues within or among APEC economies;
- Enhancing co-operation among APEC economies through the APEC Experts Group on Illegal Logging and Associated Trade (EGILAT) to combat illegal logging and associated trade, promote trade in legally harvested forest products, and build capacity, building through EGILAT's development of the Common Understanding of the Scope of Illegal Logging and Associated Trade and the Timber Legality Guidance Template;
- Continuing working through EGILAT to share information and best practices on enforcement efforts and policies that are successful in combating illegal logging and associated trade, and promoting trade in legally harvested forest products amongst others;
- Noting the discussions at the Third APEC Meeting of Ministers Responsible for Forests, on topics related to Building Sustainable and Resilient Communities through focusing on the following key agendas: Supporting Sustainable Forest Management; Forest Conservation and Forest Rehabilitation to Mitigate and to Adapt the Impact of Climate Change; Challenges in Maintaining and Strengthening Efforts to Combat Illegal Logging and Associated Trade, and Private Public Dialogue on Mechanisms, Policies and Best Practices to Attract and Maintain Suitable Investment in the Development of Forests and Forest Resources;

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- Recognising the work of inter-governmental and international organisations and processes in addressing sustainable forest management, combating illegal logging and associated trade, improving forest governance and forest law enforcement, and enhancing trade in legally harvested wood products;

Mr. Tomuriesa also said the APEC member economies have acknowledged the theme of the meeting: “Building Inclusive Economies, Building a Better World” and have highlighted the importance of sustainable forest management in achieving long term sustainable socio-economic development in the region. He also emphasised on the need to combat illegal trading and any such associated trade in the region.

The meeting was attended by more than 60 participants and packed with in-depth presentations by distinguished speakers from APEC member countries who shared their views and knowledge on the importance of sustainable forest management and practising timber legality in their countries.

Nine papers were presented during the two-day event. They covered a wide range of issues on forest governance, sustainable forest management and timber legality. The presentations were made by speakers from Australia, Malaysia and PNG. Mr. Ian Ruscoe, Assistant Secretary – Forestry Branch, Australian Government, spoke on the importance of policy initiatives and mechanisms to enhance sustainable forest management and forest rehabilitation for all forest types.

Mr. Tunou Sabuin, Director Forest Policy and Development, PNG Forest Authority, presented a paper entitled Best Practices in Land Tenure Systems, applied by PNG Forest Authority in Plantation Development. He stated that in PNG currently there is a need to drive adaptability and flexibility of land administration which encourages develop countries such as PNG to aim for good governance, democracy and knowledge management in many cases, such as building effective and land markets.

Dr. Ruth Turia, Director Forest Policy and Planning, PNG Forest Authority, PNG, delivered a paper entitled “Policy Initiatives on Forestry and Other Land Use Sectors (AFOLU) in mitigating impact of climate change on REDD+”. She highlighted that APEC economies that are interested or involved in REDD+ mitigation needs to be supported to advance towards larger-scale, more precise ‘green house gases’ (CHG) based approaches that are compatible with broader accounting of Forestry and Other Land Use Sectors (AFOLU). Furthermore, development and implementation of any related strategies will depend on the national circumstances of each APEC economy.

Dr. Jalaluddin Harun, Director-General of MTIB, talked about Malaysia’s Capacity Building Initiatives on Timber Legality, Governance and Trade. He highlighted that forestry and timber industry in Malaysia is governed by comprehensive laws, regulations and institutional arrangements. He mentioned that capacity building initiatives for timber legality and trade governance is an incremental continuous improvement. He further deliberated on Malaysia’s initiatives in sustainability and legality for its timber and timber products which includes the Malaysian Timber Certification Scheme (MTCS), Malaysian Timber Legality Assurance System (MYTLAS) practices under the FLEGT VPA with the EU and the Malaysian Country Specific Guidelines under the Australia’s Illegal Logging Prohibition Act 2012. He also shared information on Malaysia’s current effort in combatting illegal logging nationwide.

The Malaysian delegation was led by YB Datuk Ir. Haji Hamim Bin Samuri, Deputy Minister of Natural Resources Environment (NRE), of Malaysia. The delegates from Malaysia comprised representatives from NRE, MTIB, Forest Department of Peninsular Malaysia and Sarawak Timber Industry Development Corporation. MTIB was represented by Dr. Jalaluddin Harun, Director-General and Cik Hj. Robiyah Husin, Senior Deputy Director of Trade Development.



Malaysian delegates accompanied by HE Jilid Kuminding visiting Rimbunan Hijau (PNG) Group timber processing plant in Port Moresby.

ENHANCING TIMBER INDUSTRY KNOWLEDGE ON INSURANCE APPLICATION AND INCENTIVES OFFERINGS



Dr. Jalaluddin Harun, MTIB Director-General officiating the programme at KLSFEA Main Office in Sungai Buloh, Selangor.

The Malaysian timber industry has been labeled as a sunset and high risk industry. This off-putting perception has negative impacts on the industry and this makes it difficult for the thriving industry to survive, simply because it has trouble getting insurance coverage and loan approvals. MTIB has taken the initiative to tackle this issue by developing a new online system that will help members of the industry, especially in Peninsular Malaysia to understand the latest criteria introduced by insurance coverage providers such as Etiqa Insurans. This system is seen as a vital tool, enabling all Malaysian timber companies to understand, comprehend and eventually fulfill the criteria being set into place by insurance companies to finally acquire insurance coverage from them.

To promote the MyRisk system, MTIB, with the collaboration from MIDA, Etiqa, MIDF and EXIM Bank has embarked on a series of roadshow entitled Insurance Application Facilities and Incentives for the Wood-based Industry. The programme also aimed at increasing the level of understanding and awareness on insurance application procedures as well as exposing the participants to the latest incentives offered to the industry by related agencies.

As of October 2015, this programme had been organised at three locations; Butterworth, Penang on 30 September, Johor Bahru on 7 October and the Kuala Lumpur & Selangor Furniture Entrepreneur Association (KLSFEA) main office in Sungai Buloh, Selangor on 14 October. Three more roadshows are to be held in November in Batu Pahat, Johor; Kuantan, Pahang; and Kota Bharu, Kelantan.

Dr. Jalaluddin Harun, MTIB Director-General officiated the briefing held in the KLSFEA main office. In his speech, he highlighted that MTIB had formed a special committee, *Jawatankuasa Kerja Kemudahan Pembiayaan Kewangan dan Insurans Industri Perakayuan Malaysia (JKIM)* which would serve as a platform for the timber industry to voice out any financial or related problems that they may

have. He also hoped that the new MyRisk system would be fully utilised by the industry and in turn allow them to obtain insurance coverage through the implementation of the star rating information available for viewing in the system.

During the roadshow, MTIB gave a brief introduction of the MyRisk system and a brief tutorial on how to use it. In the system, the company must register as users, fill in the necessary information and then start answering questions. As they answer, they will be awarded stars; 1 being the lowest and 4 being the highest. If they obtain less than three stars, the MyRisk system will suggest improvement steps that they can take in order to get a higher star rating.

Meanwhile Etiqa, in their speech, stated their willingness to cooperate with MTIB and the MyRisk system. Aside from helping the development of the system, Etiqa will also strive to provide insurance to any timber company that has achieved the minimum star rating. In addition, Etiqa will also provide consultation sessions related to risk management and discounts for any equipment that can reduce fire risks such as a fire safety system.

MIDF explained on the various financial assistance being offered to the timber industry such as the Soft Loan Scheme for Small and Medium Enterprises (SLSME) that is designed to encourage the development and growth of small to medium scale industry in Malaysia. MIDF also offers the Soft Loan Scheme for Automation and Modernisation (SLSAM) which assists timber companies in procuring wood processing machineries that will speed up production in addition to reducing dependency on the workforce.

EXIM Bank also offered assistance in terms of banking, Trade Credit Insurance and Advisory services via a variety of products and services that, when put together, become an integrated cross-border solution for their customers and their affiliates. This in turn will help those companies achieve their respective export targets.

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MIDA also explained on the various incentives being provided to the timber industry such as the award of pioneer status (PS) which comes with an income tax exemption of 100% statutory income for five years or the Investment Tax Allowance (ITA) of 60% of additional qualifying capital expenditure incurred within a period of five years. The allowance can be offset against 100% of statutory income for each assessment year.

At the end of the programme, a special clinic session was held, allowing each participant to directly address any question or inquiry that they may have to related agencies.

Overall, the roadshow was well received by the timber industry and was deemed as very informative as they were able to brush up on their knowledge in regards to the latest incentives of financial assistance being offered by the participating agencies. The roadshow was attended by 95 participants from 74 timber based companies. This roadshow was organised by the Strategic Planning and Corporate Affairs Division of MTIB. 



Participants in Butterworth, Penang.



Participants at the Galeri Glulam Johor Bahru, Johor.

WORKSHOP ON GAHARU CARVING



Gaharu carving during the workshop.

Agarwood or locally known as gaharu is an important non-timber forest product. It has been used for 100 years for medicine and as a base material to produce perfumes. Today the trade scenario is rapidly growing and gaharu is involved in almost 18 countries with trade worth millions of US dollars annually. Indeed, due to the growth in population and affluence in gaharu-consuming markets, the demand for gaharu has risen significantly over the past 30 years. However, the increase in demand has led to the over-exploitation of our natural resources of gaharu. In fact, the uncontrolled gaharu trade may cause some gaharu-producing species to become extinct. The Convention on International Trade of Endangered Species of Wild Flora and Fauna (CITES) has therefore listed gaharu-producing species; *Aquilaria* under Appendix II of CITES due to the threat posed by trade to the survivability of the species.

In an effort to further develop Karas and the gaharu industry in Malaysia, MTIB recently held a Workshop on Gaharu Carving at the MTIB Pavilion, Terengganu Trade Centre from 22 to 23 October. The workshop was held in conjunction with the Terengganu International Timber Showcase (TINTS 2015). The objective of the workshop was to disseminate knowledge and information as well as to create awareness among the industry players on the importance of Karas as an economic-generating natural resource for the country. Besides that, the workshop also



Winners of the gaharu carving competition.

aimed to be a platform to provide an understanding of carving methods and techniques in order to obtain a high yield of quality gaharu. It was also a platform for the government and private agencies to exchange information and experiences in the Karas and gaharu industry in Malaysia.

Tuan Hj. Kamaruzaman Othman, MTIB Director of Forest Plantation officiated the workshop. In his opening speech, he highlighted on the trade of gaharu which is governed under CITES regulation and the role of MTIB as a Management Authority to monitor and facilitate the trade of gaharu product. He said that the trade of gaharu is subject to quota and currently only 200,000 kg is allowed for export annually. He also stated that the value of gaharu products exported in 2014 was RM17.1 million. From that figure, RM15.9 million was from woodchips and woodblocks while the remaining RM1.18 million was from Gaharu Essential Oil. As such, he stressed that it is very important for the industry to get a continuous supply of gaharu from the plantation sources in the near future.

Thirty participants comprising individuals and representatives from both the government and private sectors attended the two-day workshop. The workshop was also acknowledged by the Malaysia Book of Records (MBR) for the Longest Non-Stop Agarwood (Gaharu) Carving. The carving activities started at 12.00 pm and ended at 12.00 am, amounting to a total of 12 hours.

Three papers were presented during the workshop and for the practical session, participants were guided by the master-carver, Tuan Haji Ismail Kassan from Redclaw Aqua and Herbs Sdn. Bhd.



The workshop was acknowledged by the Malaysia Book of Records for the Longest Non-Stop Gaharu Carving amounting to 12 hours.

EDS FOR DRYING OPT – A BUSINESS OPPORTUNITY



Mr. Mitsuru Tomoda, Lixil Corporation (centre) and Mr. Sachio Ishii from EDS Laboratory Co. Ltd. delivering future business plan and EDS technology during the seminar.



Dr. Yeoh Beng Hoong from MTIB delivering his talk.

A seminar entitled “Ecology Diversity Synergy (EDS) for Drying Oil Palm Trunk – A Business Opportunity” was conducted by MTIB in collaboration with Malaysia Investment Development Authority (MIDA), Lixil Corporation and EDS Laboratory Co. Ltd. The seminar was held on 20 October at MTIB, Kuala Lumpur. Three speakers were invited to deliver the papers as follows:

- “An Introduction of EDS Based on R&D Trial on Oil Palm Trunk (OPT)” by Dr. Yeoh Beng Hoong, MTIB Researcher.
- “Introduction of EDS Technology” by Mr. Sachio Ishii, The inventor, EDS Laboratory Co. Ltd.
- “The Business Plan and Opportunity from EDS Plant in Near Future” by Mr. Mitsuru Tomoda, Lixil Corporation.

Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General in her welcoming remarks noted that the Malaysian timber industry is an important income generator for the Malaysia's economy. In 2014, the export revenue of timber and timber products was valued an excess of RM20 billion. The supply of raw material is central in order to further develop this thriving industry towards continuous growth. With natural forests being kept safe via sustainable forest management practices and with heightened awareness in conservation and green practices, the timber industry is looking at alternative raw material such as OPT. However, the OPT is still under utilised.

In her speech, she also highlighted the development of the palm timber industry. The seminar was timely and was an important forum for oil palm plantations, the timber industry, furniture manufacturers, entrepreneurs as well as government agencies to hear from Lixil Corporation regarding their experiences in oil palm treatment technology and R&D as well as the potential of its commercialisation.

Dr. Yeoh Beng Hoong from MTIB shared his experience based on R&D trials using EDS techniques on OPT. A total of 100 trunks which had gone through the unconventional process of kiln-drying such as log measurement, EDS treatment, log sawing, kiln- drying and fine cutting were tested. During the presentation, he showed the physical and mechanical properties results of treated OPT trunks and its recovery rate.

Mr. Mitsuru Tomoda deliberated on the company's involvement in furniture manufacturing and as an international trader. He also spoke about Lixil's success story. He then shared the business plan on the implementation of EDS technology in the near future. He also welcomed all potential business partners from the local timber industry to support and commercialise the EDS technology in Malaysia.

Mr. Sachio Ishii, the inventor, claimed that the EDS technique is able to improve timber, including logs that have just been felled and processed wood. The technique reduces the occurrence of problems such as warping, splitting and bending. It improves the wood's strength and durability, and makes it easy to process the wood. Heating the wood at high temperature also prevents rotting by killing decay fungus and other unwanted pests. The EDS technique can also be used to treat OPT, bamboo, Rubberwood and Acacia in the local timber industry.

The seminar was attended by more than 70 participants from different parts of Malaysia and various sectors which comprised timber associations, industrial players, furniture manufacturers and government agencies.

SEMINAR ON MALAYSIAN STANDARD (MS) ON TIMBER



Puan Nor Faizah Mohd Ariff from Standards Malaysia officiating the seminar.



Encik Pnosamy a/l Essakimuthu presenting his paper.

MTIB, as a Standard Development Agency (SDA), is responsible for promoting Malaysian Standard (MS) related to timber. In line with that, MTIB held a seminar entitled Malaysian Standard MS 1714:2003 Specification for Visual Strength Grading of Tropical Hardwood Timber during the Terengganu International Timber Showcase (TINTS). At the event, MTIB focused on MS under the timber scope which covered the standard of round, sawn and processed timber and timber materials in and for use in all applications, including terminology, specifications and test methods.

The seminar was officiated by Puan Nor Faizah Mohd Ariff from Standards Malaysia. The seminar aimed to provide awareness to the manufacturers on the related MS, to provide guidelines to determine moisture content of solid timber, to explain details on the method of strength grading of tropical hardwood timber visually for structural use, to inform the requirements for treatment of timber with specific wood preservatives as well as to promote and encourage active participation from private and relevant stakeholders.

Three papers were delivered by speakers: MS 1714:2003, Specification for Visual Strength Grading of Tropical Hardwood Timber by Encik Pnosamy a/l Essakimuthu; MS 360:2006, Specification for Treatment with Copper/Chrome/Arsenic (CCA) Wood Preservatives by Dr. Clarence Tan from Malaysian Wood Preserving Association; and MS 837:2006, Solid Timber for Determination of Moisture Content by Dr. Gan Kee Seng from Forest Research Institute Malaysia.

The seminar was attended by 30 participants representing government agencies, related stakeholders and higher institutes of learning.



Participants at the seminar.

UPDATE ON CURRENT PROGRAMMES FOR SME ENTREPRENEURS



Tuan Hj Hanafee Yusoff, President of PEKA briefed on their CTCS programme.



Puan Siti Hawa Arshed of MTIB delivering her paper.

In conjunction with the Terengganu International Timber Showcase (TINTS 2015), a briefing cum clinic for SME entrepreneurs was held on 24 October at the Terengganu Trade Centre. One of the objectives of the briefing was to update them on the current programmes that are being carried out by MTIB and the Association of Malaysian Bumiputera Timber and Furniture Entrepreneurs (PEKA), and to get feedback from them. A total of 60 participants attended the briefing.

Puan Hj. Zaibi Yakin, MTIB Director of Bumiputera Economic Empowerment presented an overview of the performance of SMEs under the various programmes carried out by MTIB. A briefing by the following MTIB officers were presented on the following topics:

- Raw Material Procurement Programme by Puan Siti Hawa Arshed ;
- Setting-up of Production Facilities in Terms of Machinery Layout by Encik Mohd Asmawi Mohd Afandi ; and
- Enhancing Competitiveness for SMEs by Puan Julia Pon

Tuan Hj Hanafee Yusoff, President of PEKA, gave a briefing on their Certified Timber Credible Suppliers (CTCS) programme.



Attendees at the briefing.

RETREAT ON THE REALISATION OF THE NATIONAL BAMBOO INDUSTRY



Participants attending the retreat.

A half-day 'Retreat on the Realisation of the National Bamboo Industry' was held on 22 October at the Terengganu Trade Centre Auditorium in conjunction with TINTS 2015. The objective of this retreat was to enhance the development of the bamboo industry in line with the National Timber Industry Policy (NATIP) which has identified bamboo as having tremendous potential as a source of alternative raw material to supplement the need and supply of the domestic timber industry as they have proven to be suitable for the production of value-added products such as furniture and flooring. This was the second time, MTIB organised a similar retreat in order to disseminate new information on bamboo and harmonising activities as listed under the Bamboo Roadmap.

Participants were briefed on the 10-Year Action Plan for the Development of the Bamboo Industry in Malaysia which has identified five strategies to be carried out in determining its significant impact on domestic and export earnings.

The five strategies are as follows: Establishment of Bamboo Plantations and Preservation of Existing Natural Resource Management, Human Capital Development, Research and Development, Development of Downstream Activities, and Marketing and Promotion.

Participants were also given a clearer picture of the Financial Facility offered for the Establishment of Bamboo Plantations. The criteria for the soft-loan programme under the existing Forest Plantation Development Programme are as follows: establishment of funds of RM10,000 per hectare with a minimum landsize of 20 hectares, loan period of 15 years with a grace period of six years (with early compounded interest rate), payback period of nine years beginning in year seven (with daily compounded interest rate).

The retreat received encouraging response from the 25 participants from various government agencies, public and private higher learning institutions, R&D institutes and the private sector.



Q&A session.

BUILDTECH ASIA 2015:TOWARDS SMART BUILDING AND CONSTRUCTION



MTIB representatives with Woodsfield team and other industry delegates in front of Keruing glulam structure.

The use of timber in structures represents one of the most promising approaches to meeting the urgent need for sustainability, environment friendliness as well as reduction of carbon dioxide emission in building technology. The production of glued laminated timber (glulam) and cross laminated timber (CLT) have ensured that the above criteria is met. Glulam is a stress-rated engineered wood beam or post composed of glued laminations. From simple members to complex curves and massive spans, glulam can accommodate many challenges. Another highly pre-fabricated mass timber component is CLT which is a cross layer wooden panel made of timber. It has been hailed as the sustainable building system of the future, and is highly dependent on computerised design and manufacturing processes.

Recognising the importance of promoting Malaysian Hardwood glulam to the international market, Malaysia, through Woodsfield Industries Sdn. Bhd. and supported by MTIB, participated in the fifth edition of BuildTech Asia 2015 (BuildTech Asia) from 13-15 October in Singapore. BuildTech Asia is the region's leading trade show for the building and construction industries. It addresses the challenges of building and construction across different vertical industries such as power generation, pharmaceutical, petrochemical and manufacturing. Dedicated to make a difference to the future of the industry, this three-day trade event provides a platform for business professionals to showcase, share, learn and succeed in the regional built sector. Organised by Sphere Exhibits and hosted by the Building and Construction Authority of Singapore, BuildTech Asia 2015 aims to help companies in their development and growth process as they cope with the demands of an evolving industry facing a tightening of foreign workers supply and a constant elevation of acceptable standards.

During the event, Woodsfield Glulam Industries Sdn. Bhd. (Woodsfield) was identified and recognised by the Building Construction Authority of Singapore (BCA) as one of the manufacturers of Glulam Timber Advanced Technology from Malaysian Hardwood, a potential material to be used



MTIB representatives posing with Ir. Faizal Safa, Executive Director of the Institution of Engineers Indonesia (centre) and Exhibition Manager from Italy (second from right).

in construction projects should the company obtain a CE Marking. The CE Marking for Construction products is an important passport for any company to explore European market and The CE Mark is also being used for sustainable structures construction in Singapore. The pioneer glulam manufacturer in Malaysia Woodsfield has also created a lot of interests on new advanced timber products amongst the architects and engineers which have enabled structural engineers to achieve the performance and efficiency in building through the application of Industrialised Building System (IBS) as well as green and sustainable materials.

Beside showcasing glulam, Woodsfield with his partner XLAM Dolomiti S.R a Legno Dolomiti Group was also showcasing CLT construction system which is used to achieve walls, floors and partitions or the load bearing structure of a building. In Italy and Europe, the species of wood used for CLT is Spruce with excellent mechanical properties intended for structural use.



Demonstration on installation of mock up cross laminated timber using high technology machines during exhibition.

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During the exhibition, beside Woodsfields, another company which has taken part as a forefront in exhibiting the application of glulam as well as CLT was Venturer Pte Ltd, a producer of Lamintsia versatile Engineered Glulamated Hardwood and CLT products. These products are suitable for a variety of applications from exposed structural members to interior architectural applications. The mock up was used to construct a sports complex in Singapore. Besides timber, several companies also exhibited construction equipment such as BONCO Enterprise Pte Ltd which specialises in heavy duty equipments for construction like the Bucket, Breaker, Pallet Fork, Scraper, Mini Excavator, Terex Site Dumper and the Terex Compaction Roller.

In conjunction with the exhibition, Puan Hj. Mahsuri Mat Dris from MTIB was invited by the organiser to present a paper entitled Use of Timber for High Rise Building, focusing on glulam timber. In her paper, she highlighted the versatility of Malaysian timbers as well as their properties which are suitable for several application including for load bearing members in the construction industry. The attributes of Malaysian Hardwood for glulam building was proven through the construction of the first glulam building in Johor Bahru as well as a few projects at domestic as well as international markets such as Crops-for-Future-Research-Centre (CFFRC) and Four Seeds Glulam for Malaysian Pavilion at Expo Milano 2015, Italy 2015.

Prof Dr. Zakiah Ahmad from Faculty of Civil Engineering, UiTM Shah Alam, also presented a paper on the development of glulam which focusing on the frame structure of timber, with uprights and crosspieces. Another supporting structure of glulam is composed of beams and pillars, placed at determined distances. This allows a freer configuration of the facades and walls of partition.

The exhibition attracted more than 5,000 professionals directly involved in the construction industry, in particular engineers, architects, builders and contractors. The exhibition is expected to be used as a medium of knowledge and technology transfer especially in glulam using Malaysian Tropical species and knowledge sharing about future collaboration in terms of education, innovation and construction of advanced timber products like CLT.

MTIB was represented by Puan Hj. Mahsuri Mat Dris and Encik Abdul Rafa Tan from Industry Development whilst Woodsfield was represented by a team comprising technical support members from Johor Bahru, Singapore office and KL office as well as their partner Ing. Albino Angeli from XLAM Dolomiti S.R, Italy. 

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22nd MEETING OF CITES PLANTS COMMITTEE



Meeting in progress.



Malaysian delegates posing with a representative from Asian region (second from right).

The 22nd Meeting of the Convention of International Trade in Endangered Species of Flora and Fauna (CITES) Plants Committee, was held in Tbilisi, Georgia from 19 to 23 October, in preparation for the 17th meeting of the Conference of Parties (CoP 17) in Johannesburg, September 2016.

The meeting was attended by 150 delegates from 40 countries. Most were observer parties, inter-governmental and non-governmental organisation, and private businesses. The meeting had over 60 agendas, 20 which were about CITES tree-listed species which generated significant political and public attention.

The 22nd Meeting of the CITES Plants Committee was officiated by the First Deputy Minister, Mr. Teimuraz Murgalia from the Ministry of Environment and Natural Resources Protection, Georgia. In his welcoming remarks, he noted the importance of CITES conferences and meetings in the international calendar. He highlighted the convention's work as a practical and efficient platform which has direct connection to biodiversity as well as to the wellbeing of the country's economy and population. Mr. Murgalia also noted the scientifically proven data has assisted in decision during the conventions.

The meeting was also attended by Mr. John E. Scanlon, CITES Secretary. In his welcoming remarks, he thanked the government and people of Georgia for their warm hospitality and impeccable arrangement for the meetings. He highlighted that the science-based recommendations on conserving and sustainability using wildlife, would be forwarded to be considered at CoP 17 in Johannesburg. The Secretary-General also highlighted the connection of CITES works; even though plants do not always attract the same level of public attention as animals, their survival in the wild still generates passion and commitment in the CITES Secretariat. If the plants lose, it will affect the habitat and along with it, the animals.

During the meeting the top agenda was on the conservation status and exploitation level of several high value timber and heartwood species such as African Teak,

Rosewood and Ebony as well as other economically valuable non-timber forest products such as African Cherry, Agarwood and Sandalwood. The agenda also included timber identification guidelines and a review of the conservation status and trade of aloe and cactus species. In addition, the committee also considered options for reporting on trade in artificially propagated plants, discussed guidance on making non-detrimental findings for tree species and perennial plants and talked about cooperation with other biodiversity related multilateral environment agreements. The committee also discussed issues regarding a wide range of plants that are traded in the international market as timber products, musical instruments, medicine, gum, cosmetics, ornaments, incense and perfumes.

The Malaysian delegation also attended the 11th Advisory Committee Meeting ITTO – CITES Collaborative Programme, "Ensuring International Trade in CITES-listed Timber Species is Consistent with their Sustainable Management and Conservation" on 21 October at Tbilisi, Georgia. The meeting was chaired by Mr. Steve Johnson, ITTO – CITES Coordinator and was attended by several ITTO members who also attended the CITES Plant Committee Meeting. The agenda of the meeting was to review on-going activities, regional and international workshops and the criteria for selection of activities for funding.

The Malaysian delegation comprised representatives from MTIB, Forestry Department of Peninsular Malaysia and Forest Research Institute Malaysia. MTIB was represented by Encik Zahari Hamid from Licensing and Enforcement.

ENGAGING THE INDUSTRY – SEMINAR ON TRAINING NEEDS FOR TIMBER INDUSTRY



Encik Mohd Hilmi Shamsuri, Assistant Director of WISDEC Sabah briefed participants on industrial training needs.

Human capital development is an important element in ensuring the competitiveness, marketability and development of the Malaysian timber industry. At present, the timber industry is still dependent on foreign labour due to lack of local manpower, especially skilled workers. NATIP clearly states the importance of human capital development as a contributing factor to the objectives targeted by 2020.

Pursuant to the requirements of the industry in ensuring appropriate training for their employees, the industry in Sabah and Sarawak has requested that they be involved in the planning of training activities organised by MTIB through WISDEC and in the use of the Human Resource Development Fund (PSMB) levy fund for the development of human capital. Thus, a joint session with the cooperation of PSMB has been organised for this purpose. Invitations were issued to representatives of the timber industry, and associations and agencies involved in the development of human resources in Sabah and Sarawak.

The objectives of the session were:

- To inform the industry and other related parties which include timber associations and learning centres about of the activities and the role played by MTIB through WISDEC and PSMB in human capital development
- To inform the timber industry in Sabah and Sarawak on industrial and youth training programmes offered by WISDEC Sabah for the incoming year
- To obtain input and feedback on the proposed appropriate courses to be held in 2016 as per the needs of the wood industry
- To strengthen the relationship between the industry and MTIB towards achieving the targets set by NATIP and to work with PSMB towards improving workers' skills

- To strengthen WISDEC Sabah as a leading training center in the wood-based industry

Three papers were presented by representatives of WISDEC Sabah and PSMB. The first paper was presented by Cik Farah Bidin, PSMB Executive. Entitled PSMB Levy Fund and Incentives, it gave a clear explanation on the use of the PSMB levy fund for the development of human capital.

The second paper was presented by Encik Mohd Hilmi Shamsuri, Assistant Director of WISDEC Sabah. Entitled Training Needs for Timber Industry, it describes WISDEC's role as a training center and the training courses offered to meet industry requirements, especially in Sabah and Sarawak.

The third paper, presented by Encik Md Jaidi Jaafar, Training Officer of WISDEC Sabah, entitled MTIB as Industry Lead Body. It explains the roles played by MTIB in performing its functions according to the needs of the Department of Skill Development.

The seminar was jointly organised by MTIB and PSMB. It was held on 26 October in Kota Kinabalu, Sabah.



Seminar in session.

FAMILIARISATION VISIT WITH TAIWAN MACHINERY COMPANIES



The group at Leadermac Mahinery Co. Ltd.



At the CYWWM Machinery Co.Ltd, Taichung.

Germany and Italy have long been well known for producing world class woodworking machineries such as the CNC 4 Axis and 5 Axis, the panel saw optimiser, the edge bander and the variable angle multi borer CNC. Currently Taiwan is also making a name as producer of machineries. Taiwan brands of panel saws, rip saws, 6 side-moulders and variable angle multi borers boasts of high quality but is marketed at a lower price than European brands.

This year, six Bumiputera entrepreneurs received Taiwan woodworking machineries under MTIB's Capacity and Enhancement Programme. The aim of the programme is to help entrepreneurs improve the utilisation of their machines at a competitive production level and to enhance their knowledge on the latest woodworking machinery and technology applied by SMEs in Taiwan. To facilitate the programme, MTIB held a familiarisation visit to Taiwan woodworking companies from 26 to 30 October. Eight participants comprising entrepreneurs and MTIB officers attended the programme.

Most of the heavy industrial equipment factories including those producing woodworking machines are based in Taichung, Taiwan which is in the central region. These companies are mainly family-owned and they design and produce machines based on industry needs. Leadermac Machinery Co. Ltd. was established in 1972. It produces heavy duty unjointed and jointed moulders, multi rip saws and automatic cutter grinders on its 35,000 sqm area. The different series of machineries produced at Leadermac are Smartmac, Compact, Platinum, Speedmac, Super Thundermac and Grindermac. The company to date has sold more than 8,000 units of its machinery worldwide; its main markets are Malaysia, Viet Nam, Indonesia, Singapore, China and North America. Leadermac maintains a capable and competent after-sales team that manage to reduce customer downtime operations. Its excellent reputation has resulted in increased repeated orders from customers.

At Diebold Wood Craft Co. Ltd. the group learned about production of components for door and door frames, kitchen cabinets, bookshelves, entertainment consoles and wardrobes. The company produces good quality components by using Taiwan's own CNC which caters to local markets.

CYWWM machinery Co. Ltd, established 36 years ago, is a family-owned furniture machine manufacturer, producing the high-tech angular saw, heavy duty panel saw, high speed computer beam saw, heavy duty panel saw and the boring machine. CYWWM can produce four heavy duty machineries in two months. The company exports machineries to 38 countries worldwide. The latest modern woodworking machine being fabricated by the company are known as "Ruban Computerised Automatic Panel Saw" which will enter the world market in 2016.

Among the observations made by the group were:

- The clean and efficient working culture
- The utilisation of advanced production technology which cuts production time and increase efficiency
- The ever-ready attitude to explore the market to produce better machines
- The modern and high-tech woodworking machineries which cost less than the European brand

The entrepreneur group comprised Encik Zulkifli Salleh from Beautrend Development Sdn. Bhd.; Encik Azham Md. Zain, Perabut Teras Jaya; Encik Shahrizal Khazali, Perabut Khazali, and Encik Ng Chong Yan and Encik Hua Hoo Kuan, Sri Petaling Corporation. MTIB was represented by Encik Jumat Ahmad, Puan Zanariah Othman and Encik Asfairul Abdul Majid.

FROM PALM WASTE TO WEALTH – GLOBAL GREEN SYNERGY SDN. BHD.



Dato' Joseph Lim, Managing Director of Global Green Synergy Sdn. Bhd.

Introduction

Global Green Synergy Sdn Bhd (GGS) is one of Malaysia's leading solution providers for the treatment and processing of oil palm biomass to produce value-added biomass products.

From its humble beginnings in 2008 as a trading firm in oil palm long fibre, GGS has expanded and grown steadily over the years. Apart from widening its trading network, it has ventured into the development of oil palm biomass treatment and processing technologies.

On the back of a booming biomass industry strongly supported by the government, GGS has invested a lot of resources in R&D projects with select industry players, technology experts, global research institutes and universities to develop cost-effective and energy-efficient solutions for the industry.

The Biomass Products of GGS

Armed with the objective of creating a sustainable oil palm industry, GGS has put in a great deal of effort and investment into producing premium quality biomass products that meet the stringent standard requirements and market demand.

As one of the pioneers of the palm biomass industry in Malaysia and ASEAN, GGS has a history of commitment towards quality, affordability and excellence in delivering products and services to their customers.

Since inception, GGS has received positive reception from and recognition by the global markets. Their biomass products have successfully penetrated into the Asian markets which include China, Korea, Japan, and Taiwan.

Their products include wood pellets, palm pellets, bio-charcoal, palm kernel shell, palm long fibre and compost.

GGs Transfer of Technology of Palm Biomass

With more than 400 palm oil mills in Malaysia and being the world's second largest producer of Crude Palm Oil (CPO), Malaysia has the potential to become a hub for the biomass industry. Their applications due to huge economic benefits generated and proactive government policies to turn bio waste into wealth.

Each of GGS's Transfer of Technology (TOT) option offer has its own set of opportunities and growth potential, contributing towards business return on investment and growth of the industry, and heading towards a more sustainable development and better environment. As an added benefit to investors, GGS offers a BUY BACK* option to new establishments (customers) so that the new investors do not have to go through the hassle of creating new marketing strategies to penetrate new markets.

As one of the pioneers in biomass industry, GGS offers integrated biomass solutions from consultation, design, machine fabrication, and logistics to training, installation and local technical support.

GGS has also taken a great leap forward in biomass pellet technology through collaboration with Malaysian Palm Oil Board (MPOB). GGS has developed a process system and technology for the formulation and production of palm-based biomass pellet and the current collaboration of improvement of production plant to produce improved-quality low-ash EFB Pellet.

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GGs factory.



Wood pellets, palm pellets, bio-charcoal and palm long fibre.

GGs Position in Global Market and Biomass Development

GGs has not only collaborated with leading government agencies (such as MPOB) in R&D and the development of biomass-related products, it has also become a key business partner of several leading multinational corporations. GGs, Nippon Steel Engineering Co. Ltd., Sumitomo Corporation and Ngan & Ngan Holdings Sdn. Bhd. teamed up to set up a pilot plant in Perak in 2010 to utilise EFB as a raw material to produce biomass coke for steel manufacturing industry. The pilot plant, Nippon Steel & Sumikin Biomass Coke (M) Sdn. Bhd., is the fruit of success of this international corporate collaboration and it has been up and running since 2013.

GGs has established a corporate collaboration with Tokyo-listed IHI Corporation to jointly explore the Japanese market for quality pellet. Also, GGs signed an MoU with Chinalight (Guangzhou) Import & Export Corp in September 2014 during the China International Fair for Investment and Trade (CIFIT) for product offtake. In addition, GGs signed an MoU with Elion Group of China in 2014 end, with an investment capital of RMB1 billion, to jointly develop methods and products for the reforestation of the deserts in China.

Indeed, the green awards they have won stand testimony to the recognition given to GGs by the biomass industry. Dato' Joseph Lim, Managing Director of GGs has also become a regular invited speaker at international forums to share his experience in successfully developing biomass-linked products that include raw materials for biofuel.

GGs Contribution to Biomass Industry and National Policies

Locally, GGs's views were sought before the formulation of the government's green policies. In 2013, GGs contributed in the planning of the National Biomass Strategy 2020 on oil palm biomass for Agensi Inovasi Malaysia. In 2015, GGs submitted views to the government's MATRADE Export Strategy Lab, proposing a technology transfer and buyback option in business deals. Also, GGs was invited to the 2016 Budget: Focus Group Meeting on Promoting Green Economy to discuss environment conversation and green development in Malaysia. Meanwhile, GGs has always been actively contributing in local associations, i.e.: Managing Director of GGs co-founded the Malaysia Biomass Industries Confederation (MBIC). He is MBIC's current Vice President. Also, he has been Vice President of the National Pellet Association of Malaysia (PAM) since 2013. For further information about GGs Sdn. Bhd. the company address is as follows:

Unit G12B (Ground Floor), Wisma Zelan,
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MTC TECHNICAL AND RESOURCE MISSION TO VIET NAM



Briefing session at Troung Phat Rubber Joint Stock Company.



A token of appreciation from MTC to a representative of Chong Ty Tnnh Phat Trian.

A few years subsequent to joining the World Trade Organisation (WTO), Viet Nam's timber processing and furniture exporting industries have developed admirably, recording an average growth of 16% during 2007-2012. Viet Nam has a strong timber industry with about 3,400 timber processing companies in operation. Being a major export sector, this sector employs about 300,000 people. The development of the timber and furniture industries have contributed to the improvement of standard of living in many rural areas in Viet Nam as well as bringing about opportunities for other supporting industries. Viet Nam's exports of timber and furniture amounted to USD2.7 billion in 2014.

Viet Nam ranks as the world's sixth largest exporter and the second biggest woodwork exporter in ASEAN. The country manufactures and exports wooden products especially furniture to more than 120 foreign countries, such as the United States (US), China, European Union (EU), Japan and South Korea. Viet Nam was more focused on the US, EU and Japan markets as these countries imported billions of dollars of wood products particularly furniture. However, due to the current global market challenges, Viet Nam wood product exporters are urged to consider entering new markets such as Russia, India and Central Asian countries. There are around 2,000 furniture factories in Viet Nam, out of which 300 are export-oriented companies, mainly concentrated in the Ho Chi Minh City and surrounding provinces such as Dong Nai, Binh Duong, and Long An.

Seeing Viet Nam as a potential major source of supply for Malaysia's wood and furniture processing industry, Malaysian Timber Council (MTC) led a Technical and Resource Mission to Ho Chi Minh City, Viet Nam on 12-16 October. The main objectives of the mission were to source for timber raw materials in the form of sawntimber and veneers from Viet Nam to Malaysia as well as to extend business network with the Viet Nam timber industry through business matchings.

The five-day programme included activities such as visits to various mills and wood working industry as well as furniture companies to gauge potential businesses particularly with regard to importing materials such as

Rubberwood and furniture components as well as exporting businesses from Malaysia to Viet Nam. Some of the major companies visited were employing more than 1,000 local people with an export volume of 100 containers (40') per month. Among the companies and factories visited included Thinh Long Wood Processing Co. Ltd., M.T Wood Co. Ltd., Chong Ty Tnnh Phat Trian, Troung Phat Rubber Joint Stock Company, Kim Than A. Co. Ltd., Ming Duong Kon Tum Co. Ltd. and MOC Chat Co. Ltd. which were mainly located at the Binh Duong province. The group was told that Viet Nam is also active in producing Rubberwood products such as sawntimber, laminated board as well as furniture and furniture components.

The 22 participants also visited the 11th Viet Nam International Woodworking Industry Fair (VietnamWood 2015) on 15 October at the Saigon Exhibition and Convention Centre (SECC) in Ho Chi Minh City, Viet Nam. At the event, the participants explored the possibility of sourcing for timber raw material supply and learnt of new machineries for timber processing activities as displayed from mainly foreign exhibitors such as Taiwan, China and EU. They also engaged in business networking with the Viet Nam woodworking industry.

The group was also informed that many Viet Nam wood-based company is now focusing on producing a good quality products and have developed a good production management system, while improving their business value-chain, raw material supply, marketing strategies, promotion and distribution activities, and creating a conducive working environment.

Malaysian wood-based companies are, as such, encourage to continue to improve and adopt best practices in their line production management system such as 5S, Lean Management, Research and Development, Total Quality Management, Occupational Safety and Health. Malaysian timber companies are also urged to improve their marketing and promotion strategies in order to enhance market competitiveness over other producing countries like Viet Nam. To stay competitive in the global market, Malaysia must continue to be able to produce products of excellent quality and design (ODM), branding (ODM) and ensure competitive pricing for buyers.



CAMBODIA'S BOOMING CONSTRUCTION SECTOR

Overview

Cambodia is a Southeast Asian nation whose landscape spans low-lying plains, the Mekong Delta, mountains and the Gulf of Thailand coastline. Its busy capital, Phnom Penh, is home to the art deco Central Market, glittering Royal Palace and the National Museum's historical and archaeological exhibits. In the country's northwest lie ruins of Angkor Wat, a massive stone temple complex built during the Khmer Empire. The landmass and the territorial waters of Cambodia contain rather moderate but varied resources. Apart from water, abiotic resources, such as minerals are generally rare. Still, advanced geo-scientific technologies have produced remarkable results and re-assessments in recent years, such as the localisation of offshore oil and gas depots in the Gulf of Thailand. Cambodia, on the other hand possesses a relatively wide range of biotic resources, in particular timber, forest products, rare plants and a fauna of great diversity.

Economy

Cambodia has experienced strong economic growth over the last decade. Cambodian GDP grew at an average annual rate of over 8% between 2000 and 2010 and over 7% since 2011. The tourism, garment, construction and real estate, and agriculture sectors accounted for the bulk of growth. Around 600,000 people, the majority of whom are women, are employed in the garment and footwear sectors. An additional 500,000 Cambodians are employed in the tourism sector, and a further 50,000 people in construction.

Cambodia, nevertheless, remains one of the poorest countries in Asia and long-term economic development remains a daunting challenge due to limited educational opportunities, high income inequality, and poor job prospects. Cambodia has a population of 12.6 million people. More than 50% of the population is less than 25 years old. The population lacks education and productive skills, particularly in the impoverished countryside, which also lacks basic infrastructure. The Cambodian Government has been working with bilateral and multilateral donors, including the Asian Development Bank, the World Bank and IMF, to address the country's many pressing needs; more than 30% of the government budget comes from donor assistance.

Forest Resources

Cambodia has a land area of 18.1 million hectares. The country is dominated by a large alluvial central plain, through which courses the Mekong River and in the centre of which lies Tonle Sap Lake. Mountains and plateaux surround the central plain except in the southeast. Only a few points exceed 1,000 metres in elevation; these are located primarily in the extreme northeast of the country, the highest peak being Phnom Kchual (1,843 metres). The climate is typically tropical and subject to monsoons. Cambodia has a relatively



large forest resource estimated forest cover at 9.33 million hectares; the estimate of the Forestry Administration (FA) of the Ministry of Agriculture, Forestry and Fisheries (MAFF) is 11.1 million hectares.

The forests of Cambodia include evergreen, semi-evergreen, deciduous, swamp, mangrove and bamboo forest in various conditions from closed to disturbed and mosaic formations. There are also re-growth and plantation forests as well as open forest types including evergreen shrub land and dry deciduous shrub land. About 10% of Cambodia's flora is endemic. Cover is largely dominated by moist lowland evergreen forest, semi-evergreen forest and deciduous forest. A unique seasonally inundated forest is found along the flood plains surrounding the Tonle Sap Lake. Extensive and fairly intact mangroves are found along the southern marine coast. Forests, which cover approximately 70% of the country, constitute a second pillar of the economy in addition to the primary one, agriculture.

A survey in the 1960s disclosed that Cambodia had more than 130,000 sqm of forests that contained many species of tropical growth and trees but not Teak or other valuable sources of hardwood. Some destruction of the forest environment undoubtedly occurred in the war that followed in the 1970s, but its extent has not been determined. Most of the heavy fighting took place in areas uncovered by dense tropical jungle.

As of late 1987, forest resources had not yet been fully exploited because of poor security in the countryside and a lack of electrical and mechanical equipment, such as power tools and lumber trucks. Nevertheless, the Cambodian government reportedly has discussed with Viet Nam the possibility of coordinated reforestation programmes.

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Despite an insignificant timber sector, Cambodia is building up its forest resources through various measures with the support from various international agencies. The country has received support from numerous international organisations such as ASEAN Development Bank, Food and Agriculture Organisation, International Tropical Timber Organisation, World Bank and Japan International Cooperation Agency. Sustainable forest management is the main agenda in revitalising the forest sector. With the increasing rural population, there is an increasing demand for forest products. Urbanisation, which is expanding rapidly, also leads to an increasing demand for charcoal and other wood products such as furniture and construction materials.

Timber Industry in Cambodia

Deforestation is expanding rapidly in Cambodia. Nevertheless, the country has a large forest resource with the potential to sustain a robust timber industry and contribute enormously to national development. But the recent history of Cambodian forestry has been turbulent, and the timber sector is in disarray. The concession system has been suspended, yet unauthorised timber production apparently continues. The implementation of recent reforms, and increased law enforcement, are urgently required.

Timber Production in Cambodia

According to the latest FAO forest statistics on Cambodia, the country produced around 419,000 m³ of wood in 2014. Details of production are as follows:

Cambodia: Production of Timber Products, 2010 - 2014

(Volume: m³)

Product	2010	2011	2012	2013	2014
Industrial Roundwood	288,000	284,000	284,000	284,000	284,000
Sawnwood	102,000	102,000	102,000	102,000	102,000
Veneer	21,000	21,000	21,000	21,000	21,000
Plywood	12,000	12,000	12,000	12,000	12,000
TOTAL	423,000	419,000	419,000	419,000	419,000

Sources: USDA, WTO, World Bank, IMF, IEA, UNSD

Malaysia's Export of Timber and Timber Products to Cambodia

Cambodia has always been a significant timber trade partner with Malaysia. Cambodia ranked 85th with 0.026% of Malaysia's total market share. In 2014, export of Malaysian timber and timber products to the Cambodia registered an increase of 199% to RM5.49 million from RM1.84 million in 2013. Wooden furniture was the main product exported with a total value of RM4.5 million, followed by BJC at RM330 thousand and plywood at RM242 thousand.

Cambodia's Export of Timber and Timber Products

Cambodia's export of timber and timber products in 2013 increased 223% to USD69.7 thousand over the previous corresponding period. China is the major export market for timber and timber products in Cambodia followed by the US and Viet Nam. Cambodia exports mainly sawntimber and plywood. Export of sawntimber and plywood totalled USD63.3 thousand and USD4.1 respectively. Cambodia exports sawntimber mainly to China amounting USD58.9 thousand while plywood is exported mainly to the US amounting USD3.6 thousand compared to the previous years.

Cambodia's Import of Timber and Timber Products

According to the latest UN Comtrade statistics, Cambodia's import of timber and timber products increased 97.4% to USD25.6 million over the previous corresponding period. Cambodia imported mainly veneer and plywood. Imports of veneer and plywood totalled USD4.1 million and plywood totalled USD1.8 million, an increase of 264% and 92% respectively. Viet Nam is the major import source for Cambodia's import of timber and timber products. Meanwhile, Malaysia is ranked sixth after China, Hong Kong, Korea and Thailand as import sources of timber and timber products for Cambodia. In Cambodia, timber is mainly used for construction of houses and bridges, and manufacture of furniture, wagons and sleepers.

Malaysia's Import of Timber and Timber Products from Cambodia

In 2014, import of Malaysian timber and timber products from Cambodia were minimal and show a decrease of 11% to RM39,000 from RM43,000 in 2013. Cambodia ranked 84th with 0.0013% of Malaysia's total market share. Wooden furniture was the main product imported with a total value of RM32.7 thousand while BJC was at RM6.5 thousand.

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Cambodia: Export of Timber and Timber Products, 2009-2013

(Value : USD'000)

Product	2009	2010	2011	2012	2013
Sawntimber	1,947	2,327	2,192	3,023	63,300
Plywood	4	2	92	1,085	4,151
Fuel Wood	76	2,253	1,891	633	776
Wooden Frames	0	0	0	27	679
Mouldings	1	0	0	0	298
Veneer	675	523	110	288	238
Densified Wood	63	213	367	0	155
Railway Sleepers	0	0	0	0	32
Wood Charcoal	0	3	5	0	11
Wood Marquetry	54	114	48	16	7
Articles of Wood,	0	0	0	4	7
Logs	1,944	32,469	47,503	16,292	6
Packaging Materials	0	0	0	0	2
Other Furniture	38	158	155	211	58
TOTAL	4,806	38,062	52,369	21,579	69,720

Source: UN- Comtrade

Cambodia: Import of Timber and Timber Products, 2009-2013

(Value : USD'000)

Product	2009	2010	2011	2012	2013
Veneer	833	1,044	923	1,117	4,065
Plywood	784	1,546	1,556	941	1,811
BJC	2,027	1,247	307	665	389
Sawntimber	146	279	64	272	149
Particleboard	120	595	235	184	145
Packaging Materials	117	194	160	175	120
Articles of Wood,	17	30	235	178	76
Fibreboard	63	67	53	30	54
Wooden Frames	0	0	0	32	46
Railway Sleepers	0	0	0	0	32
Tableware and Kitchenware	55	35	9	5	25
Mouldings	33	23	1	37	17
Wood Marquetry	18	36	7	4	8
Logs	126	3	0	9	6
Densified Wood	32	9	6	1	4
Casks and Barrels	0	3	0	2	2
Tools, Bodies and Handles	5	0	0	0	2
Other Furniture and Parts	6,140	7,627	7,477	9,326	18,669
TOTAL	10,518	12,738	11,033	12,978	25,620

Source: UN- Comtrade

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Malaysia: Export of Timber and Timber Products to Cambodia, 2010-2014

(FOB Value : RM)

Product	2010	2011	2012	2013	2014
Sawntimber	-	6,166	-	-	-
Plywood	-	6,739	12,793	29,607	242,310
Mouldings	34,323	46,712	89,353	-	79,263
Particleboard	-	-	118,978	-	89,401
Wooden Frame	-	-	59,761	-	-
BJC	53,528	971,246	45,852	246,643	330,203
Wooden Furniture	2,175,865	1,925,834	1,685,393	1,517,743	4,548,177
Rattan Furniture	65,934	603,372	860,613	43,824	40,515
Other Products	578,900	7,335	84,398	-	156,239
TOTAL	2,908,550	3,567,404	2,957,141	1,837,817	5,486,108

Source: MTIB and DOSM

Malaysia: Import of Timber and Timber Products from Cambodia, 2010-2014

(Value : RM)

Product	2010	2011	2012	2013	2014
Sawntimber	-	-	260,281	-	-
Mouldings	-	-	148,512	-	-
BJC	5,102,273	-	4,223	-	6,500
Wooden Furniture	22,400	118,460	19,816	-	32,657
Rattan Furniture	12,600	-	-	-	-
Other Products	-	-	-	43,795	-
TOTAL	5,137,273	118,460	432,832	43,795	39,157

Source: MTIB and DOSM



Cambodia's wooden furniture.



The Sra Pou Vocational School in Cambodia .

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Import Tariffs

The Cambodia's import duty on timber and timber products ranges from 0 – 5%. Details are as follows:

Product	Duty (%)
Fuel Wood	0
Wood Charcoal	0
Logs	0-5
Hoop Wood	0-5
Wood Wool and Wood Flour	0
Sleepers	0
Sawntimber	0
Veneer	0
Mouldings	0
Chipboard/Particleboard	0-5
Fibreboard	0
Plywood	0-5
Densified Wood	0
Wooden Frame	0-5
Packing Cases	0-5
Casks, Barrels, Vats and Tubs	0
Tool Bodies and Handle	0
Builders Joinery and Carpentry	0-5
Tableware and Kitchenware	0-5
Wood Marquetry	0
Other Articles of Wood	0-5
Wooden Furniture	0-5

Prospects

The building and construction industry in Cambodia looks set to continue to grow at a rapid pace in 2015 after a 36% growth last year. Major building projects include residential, industrial and also shopping complexes. In addition, the Government is investing in improving infrastructure especially its road network. This growth is spurred on by a buoyant Cambodian economy that is expanding at over 7% per annum, one of the fastest in Asia. Key growth drivers include tourism, manufacturing, increased consumption and urbanisation.

After the garment sector and before the tourism sector, the construction and real estate industries have become the second largest contributor to the national GDP growth of Cambodia in 2014, accounting for 8% of the Cambodian GDP. This is in line with the improvement of living standards in Cambodia and a strong demand for housing. The main investments in the construction sector have been undertaken in large construction projects such as condominiums and residential projects, as well as hotels, factories, warehouses, rice mills and offices.

Moreover, the import of construction equipment increased from 2014 to 2015. Investments and property acquisitions come mainly from Taiwan, Japan, China and ASEAN member states. For 2015, the Ministry of Land Management, Urban Planning and Construction gave permits to 1,478 construction projects worth more than USD2 billion. The main drivers of this boom are optimism and confidence in the Cambodian economy, which is, according to the World Bank, expected to grow 7.3% in 2015 and 7.5% in 2016. Moreover, strong foreign direct investment positively influences the growth of the construction sector, along with growing credit for construction projects that puts pressure on banks and lowers interest rates.

These increasing trends offer great opportunities for Malaysian exporters to penetrate into Cambodia's building materials market. Therefore, Malaysian exporters should take full advantage to further promote Malaysian timber and timber products especially value-added products such as furniture, MDF and BJC, in addition to only promoting building materials namely plywood and sawntimber. Malaysian timber exporters need to take this chance and make their presence felt and enhance networking with Cambodia's timber and furniture importers while at the same time undertake market research on current Cambodia importers' market preferences and taste.

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PELAJAU – SUITABLE FOR INTERIOR FINISHING



Wood colour and texture.

Introduction

Pelajau is the Standard Malaysian Name, which is of Sabah origin, for the timber of *Pentaspadon* spp. (Anacardiaceae). The ASEAN Standard Name, which is of Indonesian origin, is *Pelaju*. Vernacular names applied include *Emplangau* (Sarawak), *Kedondong Kijau* (Peninsular Malaysia), *Lakacho* (Sarawak), *Pelong* (Peninsular Malaysia) with various epithets, *Umit* (Sarawak) and *Uping* (Sarawak). Major species include *P. motleyi* and *P. velutinus*. Also known as *Pelaju* (Indonesia); and *Oei-nam* and *Toei-na* (Thailand).

Characteristics

The sapwood is white with a green tinge or light yellow with a pink tinge and is not clearly defined from the heartwood, which is light yellow-green, sometimes with a pink tinge and darkens to grey-green on exposure. Texture is rather fine and even, with shallowly interlocked grain.

Density

The timber is fairly hard and fairly heavy with a density of 480-835 kg/m³ air dry. The timber is classified under Light Hardwood (LHW).

Durability

The timber is moderately durable under exposed conditions. Timber is very difficult to treat.

Strength Properties

The timber of *P. velutinus* was tested and found to be weak (Strength group D (Burgess, 1958)), but heavier species should be much stronger. In MS 544: Part 2:2001, the timber falls into Strength Group 7 (SG7).

Based on tests carried out on *P. velutinus* :

Property (MPa)	Green	Air Dry
Modulus of Rupture	53	-
Modulus of Elasticity	8,600	-
Maximum Crushing Strength	31.8	-

Machining Properties

Easy to resaw and cross-cut. Planing is easy and planned surface is smooth. Poor nailing property.

Air Drying

The timber seasons fairly slow, with very minor defects. Slight cupping, bowing and staining have been noted during drying. 13mm boards take approximately three months to air dry, while 38mm boards take approximately 4.5 months. Shrinkage is rather high, with radial shrinkage averaging 2% and tangential shrinkage averaging 3.4%.

Uses

The timber is suitable for interior finishing, paneling and partitioning, joinery, cabinet making, mouldings, flooring and other planking works, plywood (general utility purposes), furniture (general utility purposes) and staircase (apron lining, baluster, balustrade, carriage, riser, stringer, tread, bullnose, round end and winder).

References:

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- MS 544: Part 2: 2001: *Code of Practice for Structural Use of Timber*. Permissible Stress Design of Solid Timber.
- Wong, T. M. 1982. *A Dictionary of Malaysian Timbers*. Revised by Lim, S. C. & Chung, R. C. K. *Malayan Forest Record No. 30*. FRIM, Kuala Lumpur. 201 pp.

MTIB Moments



A Survey on the Impact of GST on the Malaysian Wood-based Industry, organised by MTIB. Seen here are two MTIB officers interviewing a representative from a company in Sandakan, Sabah on 8 October 2015.



Dr. Jalaluddin Harun, MTIB Director-General (front row, centre) posing with MPIC, MTIB, and National Kenaf and Tobacco Board officials during Maal Hijrah assembly held on 14 October 2015 in Putrajaya.



Workshop on MSIC / MCPA and MTIB Data Development held on 15-17 October 2015 in Sungkai, Perak.



MTIB's Seminar on Timber Utilisation in Construction held on 22 October 2015 in Kuala Terengganu in conjunction with TINTS 2015.



YB Datuk Seri Panglima Madius Tangau, MTIB Chairman from 2010-2015 (sixth from left) posing with Minister of MPIC (fourth from right), MTIB Director-General (third from right) and MTIB officials during his Farewell Dinner held on 26 October 2015 in Kuala Lumpur.



A Workshop on Classified Documents Security Enhancement held on 28-30 October 2015 in Melaka.