ISSN 0126-771X VOL 10 : OCTOBER 2013

MTIB

MASKAYU

MICCOS 2013 – "SUSTAINABLE COMMODITY FOR A BETTER TOMORROW"

IMPAC – FOURTH CONVOCATION CEREMONY

ISSN 0126-771X
9 770126 771009

Publisher
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Cover: *The Timber Showcase at MICCOS 2013 featured the uses and correct applications of timber and timber products. See pages 3 and 13 for details.*

MS ISO 9001 : 2008 REG. NO. AR3307

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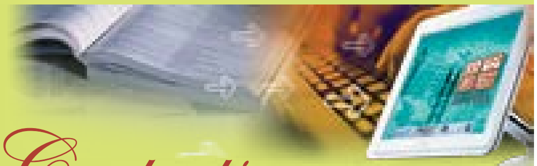

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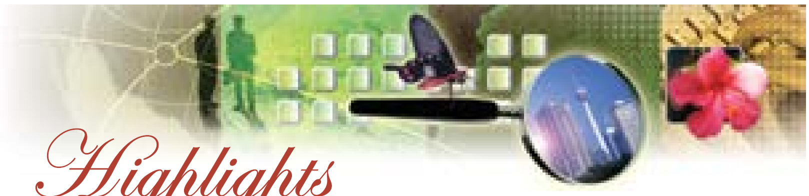

Highlights

Regular Features

MICCOS 2013 – "SUSTAINABLE COMMODITY FOR A BETTER TOMORROW"

YB Datuk Amar Douglas Uggah Embas, Minister of Plantation Industries and Commodities (seated) and Datin Paduka Nurmala Abdul Rahim, Secretary-General of MPIC (second from right) being briefed by Dr. Jalaluddin Harun, MTIB Director-General (right) on the dining sets made from oil palm trunk (OPT).

The Malaysia International Commodity Conference and Showcase (MICCOS 2013), organised by the Ministry of Plantation Industries and Commodities Malaysia (MPIC) was held for the fifth time at the Malaysia Agro Exposition Park (MAEPS), Serdang on 24 – 27 October. MICCOS is a premier biennial event that brings together major industry players and entrepreneurs including the manufacturers, exporters, SMEs as well as the agencies responsible for the development and promotion of the commodity sectors in the country namely the palm oil, rubber, timber, cocoa, pepper as well as kenaf and tobacco industries. A number of international companies and agencies were also joined the exhibition mainly from the United States of America, Ghana, Ecuador and China also joined the exhibition.

MICCOS 2013 with the theme "Sustainable Commodity for a Better Tomorrow" offered the participants the chances to exhibit the latest innovations and technological developments to both upstream and downstream activities of the commodity sector. MICCOS 2013 was officiated by YB Datuk Amar Douglas Uggah Embas, Minister of Plantation Industries and Commodities.

In his opening speech, Datuk Amar Douglas stated that in 2012, commodity sector generated export earnings of 18.5% or RM127.5 billion of the country's total export valued at RM702.2 billion. He added that as at June 2013, the export revenue for commodities amounted to 16.4% or RM55.4 billion from the total national export revenue of RM337.8 billion. He further added that, the government will ensure the priority and importance of the entrepreneurs and for this purpose the government will provide RM918.5 million of funds to finance the 22 types of aid and incentives in 2013 in the effort to increase the standard of living of small entrepreneurs.

To further enhance and promote the opportunities and prospects available in the timber sector, MTIB together with Malaysian Timber Council, Malaysian Timber Certification Council, Malaysian Furniture Promotion Council, Malaysian Timber Association and 16 timber-based companies participated in MICCOS 2013 with their participation at timber sector's pavilion. The pavilion covered an area of 837 square metres comprising seven important sections namely Sustainable Forest, Sustainable Raw Materials, Sustainable Use of Timber, Technology and Innovations for Sustainable Future, Information Area, Discussion Area and Sales Area.

The pavilion served to educate the public on the important roles played by the timber industry and to encourage them on

Timber products displayed at MICCOS 2013.

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TIMBER WORLD IN BRIEF

ASIA
Asian Timber Market Steady

In Asia, the prices and volumes of timber have not changed much in recent months and the market is expected to be steady for the rest of 2013. The decline of the European market has continued. The demand in the Middle East has been moderate to good.

Plywood prices have risen in all markets. China is the largest supplier, but for the Middle East there is growing demand for the high quality plywood from Malaysia and Indonesia.

Meranti has regained ground in Europe, especially in Germany where it is used in timber window manufacturing. There have been new sales initiatives and realistic prices for Meranti and the supply of Sapele has been tight.

In Japan, some improvements have been seen in house construction but very slow growth is expected in the economy in 2014.

TTJ Timber Trades Journal, 19 October

CHILE
Growth in Forestry Exports Reaches 3.3%

Exports of Chilean forestry products to the US have grown to their highest levels since 2007, capturing 13.3% of exports in this category during January-August 2013. Overall Chilean forestry exports grew year-on-year by 3.3% in the first eight months of 2013, standing at USD3.77 billion (EUR2.79 billion), according to the Forestry Institute (Infor). The main export market in January-August 2013 was China, at 21.7%, however, the US market is exhibiting more growth than China in this regard.

The upturn in exports to the US is mostly linked to higher sales of wood products for the residential housing construction sector. At the same time, sales of wood products from other countries, such as Brazil, to the US have dropped. China, the US and Japan currently account for 43.8% of Chilean forestry exports, whilst demand from China is expected to remain healthy in 2013 and 2014. The main forestry export product from Chile in the first eight months of 2013 was eucalyptus pulp, involving sales of USD824.8million, followed by Pine pulp and sawed wood planks.

El Mercurio (Chile), 10 October

CHINA
Plywood and Particleboard Output Increased during First Eight Months

During the first eight months of 2013, China produced 99.26 million m^3 of plywood, representing a year-on-year growth of 7.2%. In August 2013, plywood production grew by 0.61% year-on-year to 13.05 million m^3. In the same period, China produced 8.6 million m^3 of particleboard, up 1.83% year-on-year. In August 2013, particleboard output rose 5.64% to 1.15 million m^3.

China Timber, 15 October

EUROPE
New Report Indicates Long Term Decline in European Construction

A newly released report suggests only poor prospects for long-term growth of construction activity in Western Europe. The Global Construction 2025 report by research firms Global Construction Perspectives and Oxford Economics predicts that the region's construction market will be 5% smaller in 2025 than in 2007. This is due to a combination of declining real wages and unemployment having a negative impact on house building, as well as high levels of public debt meaning there will be little funding available for infrastructure The report forecasts that output growth will struggle to reach 2% in any year between now and 2025. However, the news is better for the UK. This is due to a pressing need for new homes and renewed infrastructure and also the apparent willingness of Chinese and Middle Eastern sovereign wealth funds to invest in UK infrastructure and real estate.

The report forecasts that UK construction output will grow at 2.1% a year on average up to 2025. The report concludes that by the end of the forecast period the size of the UK market will rival that of Germany's, with an output of USD315 billion and USD342 billion respectively. There are also better prospects in Eastern Europe. The population of Eastern Europe is expected to decline by 0.2% a year over the forecast period. However the report says that strong economic growth should lead to increased construction demand. It expects construction output in Eastern Europe to grow on average by 4.6% a year over the next 12 years, marginally higher than the global average. However, there are marked differences between Eastern European countries. The best performers, Turkey and Russia, are predicted to see average annual growth exceeding 5%. Russia is expected to move from being the ninth largest construction market in the world in 2012 to the sixth by 2025. Growth in Turkey is forecast to be, if anything, higher than in Russia, with rapid urbanisation and the need to replace and upgrade the country's housing stock driving growth.

ITTO Report, 1-15 October

FINLAND
Wood Purchases Picked Up in September 2013

According to the Finnish Forest Industries Federation, the forest industry in Finland purchased 3.1 million m^3 of wood from private forests in September 2013, up by almost a fifth from September 2012. In January-September 2013, wood purchases totalled 22.7 million m^3, up by approximately 10% year-on-year. Pulpwood accounted for 11.7 million m^3 and logs for 10.3 million m^3 of the total.

In September 2013, stumpage prices remained nearly unchanged from the previous month. The price of Pine and Spruce logs was EUR55–56 per m^3 and the price of Birch logs EUR40 per m^3, on average. The average price of pulpwood was EUR16–18 per m^3.

Press Release,4 October, Finnish Forest Industries Federation

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GERMANY
Foreign Trade in Kitchen Furniture Slows Down

In the first half of 2013, Germany's kitchen furniture exports decreased by 2.4% year-on-year to EUR751 million (USD1.03 billion), according to preliminary figures by the Federal Statistics Office, Destatis. Exports to the largest market, France, declined 1.2%. Imports shrank 7.1% to EUR47.1 million, with those from Italy falling 22.1%.

Euwid Holz, 11 October

GLOBAL
Sawlog Price Index Rises

In the third quarter of 2013 the Global Sawlog Price Index (GSPI) was about 30% lower than the average price of grade B Spruce in Germany. Also, prices in Austria and Switzerland are well above the global average.

The Index, which monitors roundwood prices in 20 regions of the world, has nearly doubled since 2009. Currently it stands at USD86.60 (EUR62.85), up 5.1% on a year ago. This is the highest rating since 2011. The increase is explained with higher demand for wood in Asia.

forstpraxis.de, 21 October

INDONESIA
Timber Products to be Certified for Exports

The government of Indonesia will develop a licensing system based on the Timber Legality Certification Scheme (SVLK) for timber products to be exported to the EU under the Forest Law Enforcement, Governance and Trade, Voluntary Partnership Agreement (FLEGT-VPA) signed by both parties. Under the agreement, which will be further ratified for enforcement, Indonesia hopes to curb illegal timber production by passing only certified timber products for export. Indonesia exports around 10% of its timber products to Europe and will become the first Asian country that is a FLEGT-VPA partner of the EU under the deal.

Jakarta Post, 1 October

JAPAN
August Housing Starts

Housing starts in August were 84,343 units, 8.8% more than the same month a year ago and this is 12 straight months increase over a year earlier. Considering localised torrential downpours in the Western part of Japan, this is much higher starts than expected. Seasonally adjusted annual starts are 960,000 units. They have been over 900,000 units for seven straight months since last February. Enthusiasm for house purchase continues with high probability because of coming consumption tax increase. August starts were up in all types of housing, owners' unit, rental units, units built for sale both on detached units and condominiums. Owners' units were 31,379, 11.2% more than August last year and they have been increasing for twelve consecutive months. There is steady demand in all the areas.

Rental units were 29,548, 7% more than August last year and this is a six-consecutive month increase. Condominium starts were temporarily smaller than other types because of completion of large units. Detached units built for sale were 11,983, 11.3% more, twelve straight months increase. Wood based units were 47,901, 11.4% more out of which traditional post and beam type units were 36,260, and 13.2% more. Starts in three quake damaged prefectures continued to be high. Iwate was 54.4% more than August last year. Fukushima was 56.8% more while Miyagi was 5.7% less because of high starts in August last year.

ITTO Report, 1-15 October

PARAGUAY
Wood Exports Fall to Lowest Levels in 10 Years

According to Paraguay's Central Bank, wood exports generated revenues of USD53.70 million (EUR39.71 million) during January-August 2013, which is the lowest level in the last 10 years and USD9 million less than the same period in 2012. One expert, Ronald Dietze, stated that unless incentives are implemented by the government, then this sector will not recover, then he cited the success of the forestry sector, including the industrialisation of wood raw material, in Chile and Uruguay.

Ultima Hora (Paraguay), 1 October

UNITED KINGDOM
Decking Market Hoped to Improve

In the UK, the decking market has plateaued in 2008 because of the recession and sales have been steady at some GBP130 million a year. The market in 2013 is described as flat. Softwood is still dominating the decking market. In some other countries, composite materials are much more popular. Modified timber has a small, but growing market share in the UK. Interest in composite and anti-slip decking is increasing.

The decking suppliers are quite optimistic about the market in 2014. The market is supported by the outdoor living trends; the garden has a more important role in modern living.

TTJ Timber Trades Journal, 19 October

UNITED STATES
NAHB Estimates September Housing Starts will Approach 900,000 Units

National Association of House Builder (NAHB) estimates housing starts will approach 900,000 units in September. With the partial shutdown of the federal government preventing the US Census Bureau from releasing a housing starts estimate for September, NAHB estimates that the seasonally adjusted annual rate of construction for single-family homes was between 620,000 and 630,000 units in September.

NAHB estimates that the pace of construction of multifamily units was an additional 255,000 to 270,000, bringing the anticipated pace of total housing starts in September to between 875,000 and 900,000 units.

The NAHB estimate of 875,000 to 900,000 total housing starts is based on continuing improvement in single-family starts and on-going volatility in multifamily construction. Single-

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SEPTEMBER 2013

World Top Container Ports

Malaysia's strategically located Port of Tanjung Pelepas (PTP) has kept its place amongst the world's leading 20 container ports. In 2012, it handled 7.7 million TEUs, almost 3% more than in 2011. This was attributed mainly to organic growth from within its existing customer base. PTP aimed to handle around 8.2 million TEUs in 2013, which would represent an increase of around 6% over 2012.

PTP is pressing ahead with a major investment programme that involves building two new berths and three container yards and the purchase of eight new super post-Panamax quay cranes and 26 all-electric RTGs. Construction work on the new berths, 720 metre long in total, has started and is due for completion in May 2014. The expansion would raise PTP's annual handling capacity by 25% to 10.5 million TEUs and would increase the number of berths to 14, with a total quay length of 5 kilometer. The expansion would complete Phase 2 of PTP's master plan.

PTP's new berths and equipment would be able to handle Maersk Line's 18,000 TEUs capacity Triple E-class vessels. PTP is one of seven ports (the others were Felixstowe, Bremerhaven, Rotterdam, Yantian, Shanghai and Ningbo) selected by Maersk Line for its "Daily Maersk" services between Asia and Europe.

PTP is a joint venture between MMC Corporation (70%), a logistic, utilities and infrastructure group, and APM Terminal (30%). It has been grown at an average of 13% per annum since it began commercial operations in 2000. The port is located within just 45 minutes sailing time form the main east-westbound trade lanes and sheltered with minimal tidal variations. It offers a terminal depth of 14 to 19 metres and a 720 metre turning basin.

Source : Container Management Magazine, 5 September

Rotterdam Wins Top Spot for Best Port Infrastructure in World Economic Forum Rankings

The Dutch port infrastructure has been named the best in the world, according to the rankings of the World Economic Forum (WEF), which rates national economies for competitiveness.

Overall, the Netherlands fell from fifth to eighth place. Switzerland, Singapore and Finland was placed first, second and third on the WEF listings owing to their levels of innovation. Germany ranked fourth and the US came in fifth. Known for its annual meetings at Davos, Switzerland, the Swiss-based World Economic Forum is an independent international group that aims to improve the state of the world by engaging business, political, academic and other leaders of society to shape global, regional and industry agendas.

Hong Kong came in 12^{th} in competitiveness behind Switzerland, Germany, France, Sweden, the US, the UK, Spain, Canada, Iceland, but ahead of Australia, the Netherlands,

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, September 2013

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports m^3	% Change Sept 2013/ Aug 2013
	m^3	% Change Sept 2013/ Aug 2013	m^3	% Change Sept 2013/ Aug 2013	m^3	% Change Sept 2013/ Aug 2013	m^3	% Change Sept 2013/ Aug 2013	m^3	% Change Sept 2013/ Aug 2013		
Sawntimber	41,883	18	3,881	-48	900	-41	0	-100	5,658	-8	52,322	3
MDF	18,939	-5	386	199	11,536	87	13,181	66	13,120	97	57,162	40
Mouldings	9,112	7	407	4	2,046	22	685	11	1,856	-8	14,106	7
Dressed Timber	1,764	94	94	22	1,098	-28	115	-15	236	-78	3,307	-11
Plywood	5,205	-10	-	-	24	0	-	-	8,833	-20	14,062	-16
Veneer	95	23	-	-	-	-	-	-	82	-51	177	-28
Particleboard	35,596	23	439	-50	104	-55	2,225	839	-	-	38,364	26
TOTAL	**112,594**	**13**	**5,207**	**-42**	**15,708**	**41**	**16,206**	**78**	**29,785**	**10**	**179,500**	**15**

Note : Indicates % change over the previous month
Source : MTIB

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Luxembourg, Denmark, Finland, Portugal, New Zealand and Norway to round out the top 20.

According to Mr. Hans Smits, Chief Operating Officer of Rotterdam's Port Authority, the fact that the Netherlands has the best port infrastructure in the world was due to a large extent to their continued investment during the past years, for instance with Maasvlakte 2. The investments were based on a widely supported vision of the development that they desired for the port which is Port Vision 2030.

In terms of the quality of its roads, the Netherlands was in tenth place in WEF ranking, while its railway infrastructure was in the eleventh spot. In air transport infrastructure, it comes in fourth.

Source : Asianshippers.com,10 September

Major Carriers Announce Rate Increase for September and October

Despite falling spot rates from the Shanghai Shipping Exchange, carriers have announced a raft of rate increase to take effect this month and next.

On the Asia-Europe run, CMA CGM would exact an increase on cargo from north Europe to the Far East of USD200 per TEU and USD400 per FEU on 1 October. Likewise for MSC, but this increase also applies to cargo from Med ports.

East to west, Maersk would levy a USD100 per TEUs increase from the Indian subcontinent from 21 September and a USD200 per TEU hike from 1 October.

For intra-Asia, CMA CGM has a USD200 per TEU increase announced on 15 September from all Asian ports, excluding Japan, to Sri Lanka, Pakistan and West India. Cosco has announced a USD320 per TEU, USD450 per 40-foot high-cube and USD506 per 45-footers rate hike from the Far East and Indian subcontinent to Canada from 15 October.

On the Asia-Australia run, Maersk has announced rate hikes of USD500 per TEU from 20 September to Australia from South Korea, China, Hong Kong and Taiwan to Australia. From Singapore, Malaysia, Indonesia, Philippines, Thailand, Myanmar, Viet Nam, Pakistan, Sri Lanka, Bangladesh to Australia there would be a Maersk rate increase of USD250 per TEU from 1 October. From Asia to South America, Maersk Line would impose a USD750 per TEU rate hike on shipments from Far East Asia to the east coast of South America.

Source : Asianshippers.com, 16 September

Global Freight Rates Rally Poses 'Positive Impact'

The recent surge in the global shipping freight rates which was the shipping bulk dry index might signal rosy times for some sectors of the Malaysian shipping industry.

A 9% rise last week of the Baltic Dry Index (BDI), which had risen 45% in September was led by the freight rates for larger vessels rated under the Baltic Capesize Index (BCI) and Baltic Panamax Index (BPI). According to a shipping analyst from a local market research firm, related industries like ship building would be affected due to the positive impact on the local shipping industry. He had foreseen the recovery coming along in the shipping industry.

On the other hand, according to Mr. Jayendu Krishna, senior manager at Drewery Maritime Services (Asia) Pte Ltd., the current rally has been mainly in the Capesize vessel segment and therefore, Malaysian shipping companies are not likely to feel a substantial impact. He also added that the Baltic Handy-maxed Index (BHI) and Baltic Supramax Index (BSI) had been fairly constant while the indexes for larger vessels, BCI and BPI, had moved consistently. The Malaysian case is very similar to India where most shipping companies own smaller vessels, too, and are not enthused by the recent rise in the BDI.

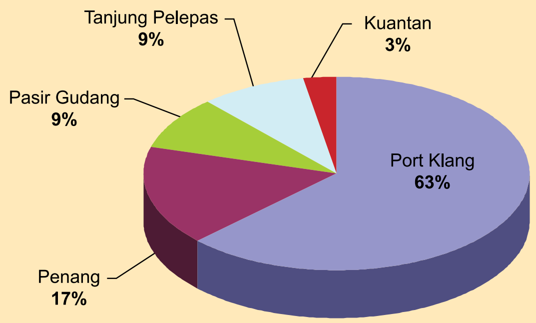
The rise in freight rates for larger vessels was led by the recent spurt in China's demand for iron ore and coal from Brazil and Australia, which pushed up global shipping freight rates to their highest level in more than 18 months.

Nevertheless, not all was glum. The Malaysian shipping companies dealing in dry bulk like Malaysian Bulk Carriers Bhd. might be impacted only if there was a dearth of Capesize ships and the demand for smaller ones comes in. As an indicator for raw materials' demand around the world, the index was sometimes taken as a predictor of global economic growth. The measure's recent rally came as commodities such as iron ore and copper started to come off their recent lows.

Some industry experts feel that the BDI rally should not be taken as a sign of a broad-based recovery in the global shipping market as the shipping industry was burdened with overcapacity.

Source: The Malaysian Reserve, 20 September

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, September 2013



Total = 179,500 m^3

SEPTEMBER 2013

Total export of timber and timber products from Peninsular Malaysia in September 2013 increased 29% in volume and 25% in value to 248,262 m³ valued at RM307.0 million over the previous month. Cumulative export for the period of January to September increased 3% and 2% in volume and value to 2.1 million m³ with a value of RM2.39 billion respectively over the corresponding period.

Sawntimber

Export of sawntimber in September increased 20% in volume and 21% in value to 92,786 m³ with a value of RM142.0 million. Cumulative exports for the first nine months of the year showed an increase of 0.2% in volume and 18% in value to 734,807 m³ worth RM1.07 billion over the previous corresponding period.

Exports to the EU for the month recorded a decrease of 6% to 11,389 m³. Export of sawntimber to the Netherlands increased 15% to 4,427 m³ however export to other major markets recorded a decrease. Export to Germany, France and Belgium decreased 13%, 38% and 9% to 1,632 m³, 1,010 m³ and 1,143 m³ respectively as a result of declining construction activities in the Euro area.

Total exports to West Asia decreased 11% to 12,832 m³. Export of sawntimber to the UAE decreased 2% to 5,132 m³ from 5,255 m³ recorded in the previous month. Likewise, export to Kuwait and Oman declined 20% and 48% to 965 m³ and 966 m³ as a result of slower demand due to the holiday seasons. However, export to Saudi Arabia increased 5% to 1,534 m³ from 1,463 m³ in the previous month.

Buying from ASEAN increased 50% to 44,567 m³ over the previous corresponding period. Export of sawntimber to Thailand and Singapore improved 37% and 11% to 25,107 m³ and 11,217 m³ respectively. Similarly, shipments to East Asia increased 12% to 12,590 m³. China and Japan improved purchases by 8% and 14% to 8,821 m³ and 2,011 m³ respectively.

Elsewhere, exports to the US increased 35% to 1,269 m³ while intake by Australia also increased 22% to 1,245 m³. However, demand from South Africa decreased 20% to 3,950 m³ from 4,928 m³ in the previous month.

The average FOB price of sawntimber increased 1% to RM1,530 per m³ from RM1,511 per m³ in the previous month. Dark Red Meranti (DRM) was traded at RM2,525 per m³, decreased 10% from the previous month. However, prices of DRM to the Netherlands increased 13% to RM2,808 per m³ from RM 2,495 per m³ in the previous month. Keruing was traded at RM 1,477 per m³.

Plywood

Plywood exports in September 2013 were at 17,346 m³ and valued at RM28.97 million. Cumulative exports for the period January to September showed an increase of 1.6% in volume but decrease 1.3% in value to 145,488 m³ valued at RM233.9 million respectively from the previous corresponding period.

Total exports to EU decreased by 22.4% to 10,483 m³. Similarly shipments to Denmark, Germany, Ireland and UK decreased 8.2%, 11.6%, 79.9% and 20.3% to 512 m³, 38 m³, 43 m³ and 8,506 m³ respectively due to the slow growth in construction activities. Similarly, Belgium, France and Italy did not make any purchase in September 2013. However, Netherlands increased its intake by 27.7% to 1,320 m³ in September 2013.

Exports to ASEAN region increased as Singapore and Thailand intake of plywood increased by 24.7% and 13% to 2,442 m³ and 920 m³ respectively. However, Indonesia and Brunei did not make any purchases in September 2013. In East Asia, exports to China and Hong Kong increased by 56% and 196.6% to 39 m³ and 261 m³ respectively whereas Japan and Taiwan reduced their intake by 98.4% and 60.4% to 8 m³ and 76 m³ respectively. However, South Korea resumed its intake in September 2013.

Total exports to West Asia increased by 240.8% to 1,094 m³ from 321 m³ in the previous month. Similarly export to Kuwait increased by 108.3% to 579 m³ whilst Saudi Arabia and UAE resumed their intake in September 2013. On the other hand, Bahrain, Qatar and Yemen did not make any purchase in September 2013.

Elsewhere, exports of plywood to South Africa and New Zealand increased by 74.7% and 80.6% to 414 m³ and 56 m³, whereas, Algeria, Tanzania, US, Puerto Rico, Netherlands Antilles and Norway did not make any purchases in September 2013. Exports to Australia decreased by 12.1% to 1,137 m³ in September 2013.

The FOB price of plywood increased to RM1,670 per m³ from RM1,607 per m³ in the previous month, an increase of 3.9% from the previous month.

Veneer

Total exports of veneer for September 2013 showed a decreased of 43.6% in volume and 26.8% in value to 180 m³ at RM0.45 million compared to the previous month respectively. Likewise, the cumulative exports from January to September decreased by 30.7% in volume and 17.5% in value to 2,915 m³ valued at RM6.6 million respectively from the corresponding period last year.

Exports to Australia decreased by 95.2% to 2 m³ whereas Canada resumed its intake in September 2013. However, China, Taiwan, United Kingdom, Sri Lanka and Indonesia did not purchase any veneer in September 2013.

The FOB price of veneer increased to RM2,513 per m³ from RM1,937 per m³ in the previous month, an increase of 29.7% from the previous month.

Medium Density Fibreboard (MDF)

Peninsular Malaysia's exports of MDF for September 2013 showed an increase of 71% in volume and 82% in value from the previous month. Export totalled 81,217 m³ at RM68.9 million.

Exports to East Asia recorded a negative growth with a decrease of 66% in volume to 1,109 m³ from 3,237 m³ in the previous month. Only export to Japan recorded a positive growth of 48% to 935 m³. Elsewhere, exports to China (including Hong Kong), and Taiwan declined by 3% to 31 m³ and 22% to 143 m³ respectively.

Meanwhile, exports to West Asia in August 2013 recorded a positive growth with an increase of 108% in volume to 47,288 m³ from 22,789 m³ in the previous month. Export to Jordan recorded a positive growth of 437% to 462 m³ followed by Kuwait at 178% to 6,525 m³, Oman increased by 58% to 3,380 m³, Saudi Arabia increased by 36% to 6,171 m³ and Bahrain slightly increased by 13% to 642 m³. Meanwhile export to UAE declined 17% to 10,383 m³ from the previous month.

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Exports to South Africa, UK, US and Australia showed a marginal increased by 245% to 1,129 m³, 17% to 301 m³, 17% to 1,329 m³, 8% to 1,745 m³.

In ASEAN, total export to ASEAN region for this month increased by 47% to 18,088 m³ from 12,344 m³ in the previous month. Exports to Singapore, Viet Nam and Philippines registered positive growth by 2,063% to 346 m³, 90% to 12,558 m³ and 43% to 1,066 m³ respectively. However, export to Indonesia decreased by 17% to 4,118 m³.

Mouldings

Exports of mouldings for the month increased by 8.6% in volume and 9.7% in value to 15,542 m³ and RM45.2 million respectively. However, the cumulative exports from January to September decreased by 14.4% in volume and 13.1% in value over the previous corresponding period to 127,106 m³ with a value of RM366 million.

Exports to the EU for the month recorded at 6,866 m³, an increase of 1% compared to the previous month, similarly, shipments to Netherlands and UK increased by 67.6% and 1.7% to 3,414 m³ and 540 m³, respectively. Whereas export to Belgium and Germany reduced by 9% and 43.4% to 556 m³ and 1,029 m³ respectively whilst Italy did not make any purchase in September 2013.

Exports to the ASEAN region increased as Viet Nam and Singapore intake of mouldings increased by 563.6% and 37.5% to 73 m³ and 1,134 m³ respectively whilst Indonesia did not make any import in September 2013.

On the other hand, exports to Japan and South Korea increased by 29.1% and 4.3% to 1,839 m³ and 723 m³ respectively. Meanwhile, exports to Taiwan, Hong Kong and China decreased by 85.4%, 54.5% and 1.9% to 37 m³, 35 m³ and 457 m³ respectively in September 2013.

Elsewhere, export to Australia and US increased by 28.7% and 7.6% to 2,313 m³ and 1,355 m³ respectively. On the other hand, Canada resumed its intake in September 2013.

FOB unit value increased 1% from RM2,878 per m³ in the previous month to RM2,907 per m³ in September 2013.

Builders Joinery and Carpentry (BJC)

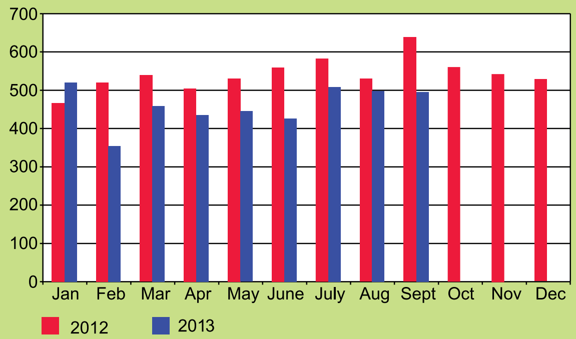
Total BJC cumulative exports from January to September 2013 declined slightly at 5.8% to RM693.3 million as compared to RM736 million in 2012. Similarly, demand from France, Belgium, Italy, Denmark, the Netherlands, Norway, Sweden and Turkey decreased by 7.1%, 12.2%, 70.0%, 12.2%, 75.2%, 20.0%, 5.8% and 83.7% to RM27.6 million, RM33.2 million, RM3.9 million, RM17.9 million, RM0.70 million, RM4.28 million, RM10.2 million and RM1.23 million respectively. The decreases were due to the Euro zone's prolonged economic crisis even though there were signs of recovery.

However, exports to the UK increased by 19.5% to RM88.08 million respectively over the previous corresponding period. In Asia, exports to Iran, Singapore, Viet Nam and Taiwan grew 95.8%, 1.1%, 45.4%, and 0.7% valued at RM1.81 million, RM82.90 million, RM18.78 million and RM10.67 million respectively. However, exports to Japan, India, Pakistan, South Korea and Thailand decreased by 14.7%, 8.1%, 25.4%, 47.7% and 1.4% to RM68.20 million, RM42.23 million, RM15.09 million, RM2.64 million and RM22.87 million respectively.

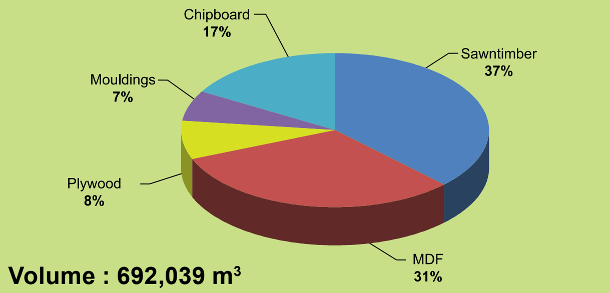
Exports to Australia increased 1.0% to RM86.74 million, however the US fell 23.8% to RM40.52 million respectively. Similarly, purchases by Maldives and South Africa decreased by 30.2% and 12.7% to RM6.44 million and RM10.94 million respectively. Intake by South Africa decreased due to the slow growth in construction and housing starts resulting in slow demand of BJC importation. On the other hand, export to the UAE decreased by 44.7% to RM10.25 million as compared to the previous corresponding period.

Export of Selected Products from Peninsular Malaysia
(September 2012 - September 2013) / Volume ('000 m³)

Malaysia: Export of Wooden Furniture
(January 2012 - September 2013) / Value (RM Million)



Export of Major Timber Products From Peninsular Malaysia
(July - September 2013)



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SEPTEMBER 2013

Logs

Logging activities for the month showed insignificant growth compared to the previous month. In addition, the government had announced reducing fuel subsidy starting 2 September 2013, giving rise to expectations of increased industry transportation costs and consequently timber prices. As for the overseas market, average prices in different markets vary and reflect preferences for species and grades.

Logs prices for the species of Chengal, Balau, and Red Balau stood firm at RM6,800 per tonne, RM2,363 per tonne and RM2,450 per tonne respectively over the previous month. The prices of Merbau logs continuously decreased by 9% to RM2,000 per tonne. Similarly, prices for Keruing, Kempas and Kapur fell by 18%, 9% and 7% respectively to be quoted at RM1,012 per tonne, RM1,273 per tonne and RM1,233 per tonne. However, prices for Mengkulang grew 3% to RM1,123 per tonne. Prices of Dark Red Meranti and Red Meranti were traded at RM1,357 per tonne and RM1,293per tonne respectively, a decrease of 1% and 6%. In contrast, prices of Nyatoh recorded a sharp growth at 33% over the previous month to RM1,200 per tonne. On the other hand, prices of Mixed Heavy Hardwood were traded at RM970 per tonne, whilst the prices of Mixed Light Hardwood stood at last month's level.

Sawntimber

The market continued to be slow due to the sluggish economic situation in the Euro zone particularly in the EU. Common issues in the local market such as foreign workers and new minimum wage policy also contributed to the weak export performance.

The prices of Chengal and Red Balau sawntimber continued to be traded at RM6,709 per m^3 and RM2,966 per m^3 respectively. Meanwhile, prices for Balau increased by 11% to RM3,672 per m^3. Prices of Kempas and Kapur stood firm at last month's level to be quoted at RM2,578 per m^3 RM1,895 per m^3 respectively. However, price of Keruing dropped by 19% to RM1,631 per m^3 whilst price of Dark Red Meranti declined by 3% as compared to the previous month to RM2,006 per m^3. Similarly, price of Red Meranti and Mersawa, fell by 5% and 3% respectively to RM1,748 per m^3 and RM2,966 per m^3. Sawntimber prices of Mixed Heavy Hardwood stood firm at RM989 per m^3 nevertheless, prices for Mixed Light Hardwood dropped by 4% to RM756 per m^3 as compared to the previous month.

Plywood

Log production especially in Sarawak remained slow and dull. However demand by local plywood mills continued to be active. Prices remained stable and hovered around last month's level. Plywood of 4mm, 6mm, 9mm and 12mm of thicknesses continued to be traded at RM14.50, RM22.00, RM33.50 and RM43.00 per piece respectively.

Medium Density Fibreboard (MDF)

Supply of MDF was reported to be moderate in the coming months with positive demand from overseas market. As for the local market, the supply was still sufficient to cater to its needs. Prices remained at last month's level due to slow demand from the domestic market. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM13.50, RM20.50, RM27.80 and RM37.20 per piece respectively.

Intra-Malaysia Trade * – September 2013

The shipments of sawntimber from Sabah to Peninsular Malaysia charted an increase of 34% to 800m^3, valued at RM1.0 million. Similarly, shipments of plywood grew by 27% in volume from 6,643 m^3 to 8,433 m^3 valued at RM13.6 million. Meanwhile, no export of logs and veneer were recorded for the month.

Export of veneer from Sarawak to Peninsular Malaysia grew tremendously by 113% from 2,671 m^3 to 5,687 m^3, worth at RM5.8 million. Shipments of sawntimber also increased by 87% in volume and 75% in value, to 1,985 m^3, valued at RM1.6 million. On the other hand, export of plywood charted an upward trend of 30% to 11,527 m^3 valued at RM14.2 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak were recorded in September 2013.

** Source: Department of Statistics, Malaysia*

INTRA-MALAYSIA TRADE – SEPTEMBER 2013

From	Products	AUGUST 2013		SEPTEMBER 2013		% Change in Volume Sept 2013/Aug 2013	% Change in Value Sept 2013/Aug 2013
		Volume (m^3)	Value (RM '000)	Volume (m^3)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	595	966	800	1,020	34	6
	Plywood	6,643	10,542	8,433	13,568	27	29
	Veneer	31	44	0	0	-100	-100
SARAWAK	Logs	0	0	127	52	0	0
	Sawntimber	1,060	894	1,985	1,567	87	75
	Plywood	8,872	11,950	11,527	14,243	30	19
	Veneer	2,671	2,674	5,687	5,842	113	118

Source : Department of Statistics, Malaysia

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SEPTEMBER 2013

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA SEPTEMBER 2013 (VALUE IN RM)

SPECIES	LOGS/tonne	SAWNTIMBER/m³		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	6,800	6,709	2,472	8,828
Balau	2,363	3,672	2,062	2,966
Red Balau	2,450	2,966	1,984	3,192
Merbau	2,000	3,602	2,860	2,966
Mixed Heavy Hardwood	970	989	1,095	1,130
MEDIUM HARDWOOD				
Keruing	1,012	1,631	1,271	1,836
Kempas	1,273	2,578	2,083	2,076
Kapur	1,233	1,895	893	1,695
Mengkulang	1,123	1,448	1,073	1,554
Tualang	1,295	2,030	2,225	2,225
LIGHT HARDWOOD				
Dark Red Meranti	1,357	2,006	1,292	2,055
Red Meranti	1,293	1,748	1,197	2,232
Yellow Meranti	998	1,410	932	1,748
White Meranti	993	1,306	812	1,695
Mersawa	1,242	2,966	1,801	2,648
Nyatoh	1,200	1,010	734	1,201
Sepetir	850	1,130	918	1,095
Jelutong	1,033	1,907	1,201	1,589
Mixed Light Hardwood	660	756	708	770

MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	LOGS/tonne	SAWNTIMBER/m³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	160	850	1,045	1,165	1,215

PLYWOOD 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	14.50	22.00	33.50	43.00
MDF 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	13.50	20.50	27.80	37.20

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

Furniture

Exports of wooden and rattan furniture for the period under review in 2013 decreased 27.5% compared to the corresponding period of 2012. Total shipments recorded RM4.18 billion against RM4.90 billion in 2012.

Purchase of wooden furniture from Malaysia for the January to September 2013 duration decreased 15.0% from RM4.16 billion to RM4.89 billion compared to the same period in 2012.

Furniture import from Malaysia recorded a decrease from major countries. This is mainly due to major advanced economies are constrained by their slow pace of recovery and many emerging markets have also experienced some growth slowdown.

Imports of wooden furniture by the US, which is Malaysia's top import partner, decreased 11.9% from RM1.47 billion to RM1.29 billion million. Japan reduced its consumption by 25.4% from RM515.1 million to RM384.2 million.

The UK import saw a decrease of 33.1% from RM281.2 million to RM188.1 million as it still reeling in the effects of the economic recession. Intake by Australia reduced by 2.4% from RM 313.0 million in 2012 to RM305.5 million in the first nine months of 2013.

Singapore's purchase of wooden furniture dropped 13.5% to RM218.4 million. Canada's reduces its intake of wooden furniture by 26.7% to reach RM159.1 million. UAE slightly decreased its intake of wooden furniture by 1.8% to RM147.3 million. India's intake also decreased by 30.1% to RM80.9 million. Saudi Arabia slightly decreased its wooden furniture intake by 0.2% to reach RM92.1 million.

Germany reduced its wooden furniture consumption by 30.3% with a purchase of RM48.1 million in for the first nine months of 2013 from RM69.1 million in 2012. Russia's also reduced its consumption by 36.2% from RM 98.2 million to RM62.7 million. The Philippines decreased its intake of wooden furniture by 15.7% to RM51.5 million.

Rattan furniture shipments increased by 27.5% to RM19.6 million for the January to September of 2013 period compared to RM15.4 million in 2012.

Singapore is the top importer of rattan furniture with a huge increase of 47.6% to RM4.7 million compared to RM3.2 million during the same period in 2012. The US is the second highest buyer with an increase intake of 122.3% to RM4.6 million compared to RM2.0 million in the same period. China came in third with a slight decreased of consumption of 2.8% to RM1.2 million.

IMPAC – FOURTH CONVOCATION CEREMONY

The VIPs posing with MTIB trainees after the convocation ceremony.

Ministry of Plantation of Industries and Commodities (MPIC) recently organised an Institute of Malaysian Plantation and Commodities (IMPAC) Convocation for the fourth time. It was held in conjunction with The Malaysia International Commodity Conference and Showcase (MICCOS) 2013 in MAEPS, Serdang, Selangor on 26 October. IMPAC was established under the MPIC in 2010 with the aim to incorporate and coordinate all courses and training undertaken by all agencies under the Ministry.

IMPAC produces skilled and semi-skilled workers in order to generate the human capital for the commodity industries which requires a high capacity of manpower covering various routine jobs from plantation, processing, training to R&D. IMPAC comprises six training campuses under specific agencies as in table below:

IMPACT CAMPUSES		
NO.	TRAINING ARMS	AGENCIES
1	Pusat Latihan Sawit Malaysia (PLASMA)	Malaysian Palm Oil Board (MPOB)
2	Wood Industry Skills Development Centre (WISDEC)	Malaysian Timber Industry Board (MTIB)
3	Malaysian Cocoa Board (MCB), Nilai, Negeri Sembilan	Malaysian Cocoa Board (MCB)
4	Institut Latihan Kenaf dan Tembakau, Pasir Puteh, Kelantan	National Kenaf and Tobacco Board (LKTN)
5	Academy Hevea	Malaysian Rubber Board (LGM)
6	Malaysian Pepper Board	Malaysian Pepper Board (MPB)


The graduates holding their scrolls.

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In 2012, exports of commodity products were valued at RM127.5 billion; it constituted about 18% of Malaysia's total merchandise export. To enhance production and export value, it is critical that the commodity industries develop human capital and produce skilled workers. Therefore transformations introduced by government policies to reduce reliability on foreign workers are highly emphasised. IMPAC offers various skills to meet industry demands and to reach a higher level of competency and knowledge.

At the convocation, a total of 355 IMPAC participants received their certificates from Datin Paduka Nurmala Abdul Rahim, Secretary-General of MPIC through various trainings conducted by MTIB, MPOB, MCB, LKTN, LGM and MPB.

Of the 355 participants, 31 of them were under MTIB. They were part of the youth training programme held at WISDEC Selangor in Banting under the programme included Furniture Design and Making (FDM), Professional Management Development (PMD), and National Dual Training System Division (SLDN).

During the convocation, the participants commented that there should be more similar courses and trainings that would meet industry standards.

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Samples of glulam (foreground) and a glulam bridge.

the uses and right applications of timber and timber products. Besides information dissemination activities and exhibiting various timber and timber products, the pavilion also organised activities to attract visitors such as musical performances, traditional dances, a bamboo fashion show and quizzes which showcased the booth exhibition theme "People, Profit and Planet".

The four-day event successfully attracted more than 58,000 local and international visitors.

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family starts dipped in July but rebounded in August, and we expect continued strength in September. The Fed meeting in mid-September provided additional relief to builders and buyers that interest rates would remain near historic lows for the immediate future, encouraging consumers back into the housing market.

Meanwhile, multifamily starts have been unusually volatile since the beginning of the year, swinging between 250,000 and 400,000 units from month-to-month. We expect some bounce back from the August pace of 263,000 as multifamily starts continue to trend around 300,000 units.

NABH Press Release, October

UNITED STATES
Wooden Furniture Imports from Europe Grew

US imports of wooden furniture grew to USD1.3 billion in July. Imports of wooden furniture (excluding furniture parts) were up 8% from the previous month. Year-to-date imports are 4% higher than in July 2012. China's market share in total US furniture imports has been around 50% in recent months. China's furniture shipments to the US were USD559.9 million in July (+2% year-to-date). Imports from Viet Nam grew in July (USD193.8 million, -8% year-to-date). Canada shipped USD103.7 million (+3% year-to-date). US imports from Europe increased in July, with Italy and Poland as the largest suppliers.

ITTO Reports, 1-15 October

BRIEFING ON SAFEGUARDS AND ANTI-DUMPING MEASURES AS TRADE DEFENSE/REMEDY FOR THE MALAYSIAN TIMBER INDUSTRY

A briefing session on safeguards and anti-dumping measures as a trade defense and remedy for the Malaysian timber and furniture industry was held on 10 October at MTIB, Kuala Lumpur. The objective of the briefing was to facilitate the domestic industry's understanding of safeguards and the anti-dumping measures legislation.

While the focus was on the Malaysian timber and furniture industry, the briefing also aimed to safeguard and defend the interest of the domestic industry from unfair trade practice through safeguard and anti-dumping measures in accordance to related World Trade Organisation Agreements and national legislations.

Dr. Jalaluddin Harun, MTIB Director-General in his welcoming remarks, read by Puan Hjh. Norchahaya Hashim, MTIB Deputy Director-General noted that the understanding of safeguard and anti-dumping measures and all its relevant procedures, is crucial in globalised timber trade. As such, he added that the objective of the briefing was to improve and enhance the Malaysian timber industry's understanding on the measures that could be considered if the domestic timber industry happened to be jeopardised by unfair trade practices globally.

In addition, he also informed the participants that Malaysia's plywood industry is currently facing hard times due to subdued demand from their overseas markets due to the ongoing global economic crisis. On top of that, the Malaysian domestic plywood industry is also experiencing a burdening surge of plywood imports that has been happening since 2010. The industry is now said to have incurred an injury on their local market competition due to the influx of lower priced and quality plywood from Viet Nam.

During the briefing, various issues related to anti-dumping were highlighted by the three invited speakers from the Trade Practices Section, Ministry of International Trade and Industry (MITI). Encik Mohd Ramesh Krishna, MITI Senior Principal Assistant Director, spoke on Introduction to Trade Remedies; Encik Rizal Shahurein Kamaruddin, Principal Assistant Director, MITI spoke on WTO Agreement on Safeguard and Anti-Dumping; and Encik Suresh Kaliyana Sundram, Principal Assistant Director, MITI spoke on Condition for Application for Safeguard and Anti-Dumping Measures. The three speakers advised any company that receives a petition and notice of initiation from a foreign government authority to contact The Trade Practices Section of MITI for the next course of action. MITI will provide advisory service to the alleged company and will follow through the case until the investigation is concluded with a definitive finding for Malaysia. Companies are usually advised to cooperate in the investigation to ensure a fair and objective evaluation by the investigating country.

The briefing then continued with a Q&A session with the panelists - Encik Mohamed Shahabar Abdul Kareem, Senior Director Multilateral Trade Policy and Negotiations, MITI and Encik Mohd Radhi Abdul Razak, Director of Trade Practices Section, MITI. The session was moderated by Miss Veeky Leonara @ Andria, Senior Assistant Director, MITI. Numerous enquiries were recorded during the session.

The briefing session drew a participation of more than 70 people from various sectors of the timber industry as well as representatives from related ministries and government agencies.

Panelists during the Q&A session.

Participants at the briefing.

COUNTRY SPECIFIC GUIDELINE: ASSURING LEGALITY OF MALAYSIAN TIMBER

The Australian Illegal Logging Prohibition Act (ILPA) 2012 was passed by the Australian Parliament on 19 November 2012 and upon receiving its Royal Assent on the 28 November 2012, the act is now in force. However, the regulations as detailed in the Illegal Logging Prohibition Amendment Regulation (ILPAR) 2013 which was registered on the Federal Register of Legislative Instruments on 31st May 2013 will only come into effect on the 30 November 2014.

The regulation prescribes the due diligence steps that Australian importers and domestic processors should take before importing or processing timber products. The regulation also specifies the products for which the due diligence requirements apply, which include furniture, pulp and paper. According to ILPAR 2013, the options that importers and domestic processors can consider to assist in meeting the due diligence requirements imposed is by having own due diligence system, utilising a timber legality framework or following Country Specific Guidelines (CSG).

Australia is Malaysia's sixth largest export market for timber and timber products valued at RM1.15 billion in 2012. This included products such as wooden furniture (37%), followed by paper and paper products (25%), builders, joinery and carpentry (BJC) (10%), mouldings (9%) and plywood (8%).

In order to fulfill the requirements of ILPAR 2013 and to assure the legality of Malaysian timber and timber products for the Australian market, a two-day workshop to fine-tune the first draft of Malaysia's Country Specific Guideline (MCSG) was held in Melaka on 28–29 October. The objective of the workshop, which was organised by Ministry of Plantation Industries and Commodities (MPIC) and MTIB, was to discuss on the MCSG – Peninsular Malaysia draft which had been earlier prepared based on feedback received during the first stakeholders' consultation session that was held in 6 August 2013. The workshop also discussed and consolidated the MCSG draft that will be presented to the Australian government during the Eighth Malaysia – Australia Agricultural Cooperation Working Group Meeting (MAACWG) in Canberra, Australia on 11–12 November 2013. The workshop also acted as a platform for government ministries and agencies to consult with industry players on the drafting of the MCSG document.

MCSG was prepared based on the Australian template that was presented by the Australian government on the 8 July 2013. The document was prepared by the Malaysian Working Group for ILPA 2012 which comprised members from related ministries, councils and timber trade association. MTIB, Forestry Department of Sabah and Sarawak Timber Industry Development Corporation, which are the licensing authorities for Peninsular Malaysia, Sabah and Sarawak respectively, were tasked by MPIC to prepare their own region's CSG prior to this workshop.

Session One of the workshop, moderated by Encik S. Rajan, MTIB Director of Licensing and Enforcement, was to finalise MCSG – Peninsular Malaysia. Two presentations were given by Cik Hjh. Robiyah Hj. Husin and Encik Shamsul Azman Abdul Aziz from Trade Development, MTIB explaining how the MCSG – Peninsular Malaysia was prepared and the framework of MCSG. Session Two, moderated by Puan Che Zuriati Omar, Deputy Undersecretary for the Timber, Tobacco and Kenaf Industries Division, MPIC was to consolidate MCSG between the three regions of Malaysia. Some of the key issues extensively debated during the workshop were the types of documentations and procedures needed to prove the legalities of Malaysian timber and timber products, harvesting regulation requirements.

Attendees at the workshop.

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TRAINING ON ADVANCED GREEN COMPOSITE

Fibre tensile testing preparation.

Fibre treatment and washing process.

Weaving process of natural fibre.

It is well known that agricultural wastes are abundant in nature and they can be utilised as a source of raw material, especially in the wood composite industry. Natural fibres have recently attracted the attention of industry players and technologists as they are low cost with low density per unit volume, have high specific properties, and are renewable

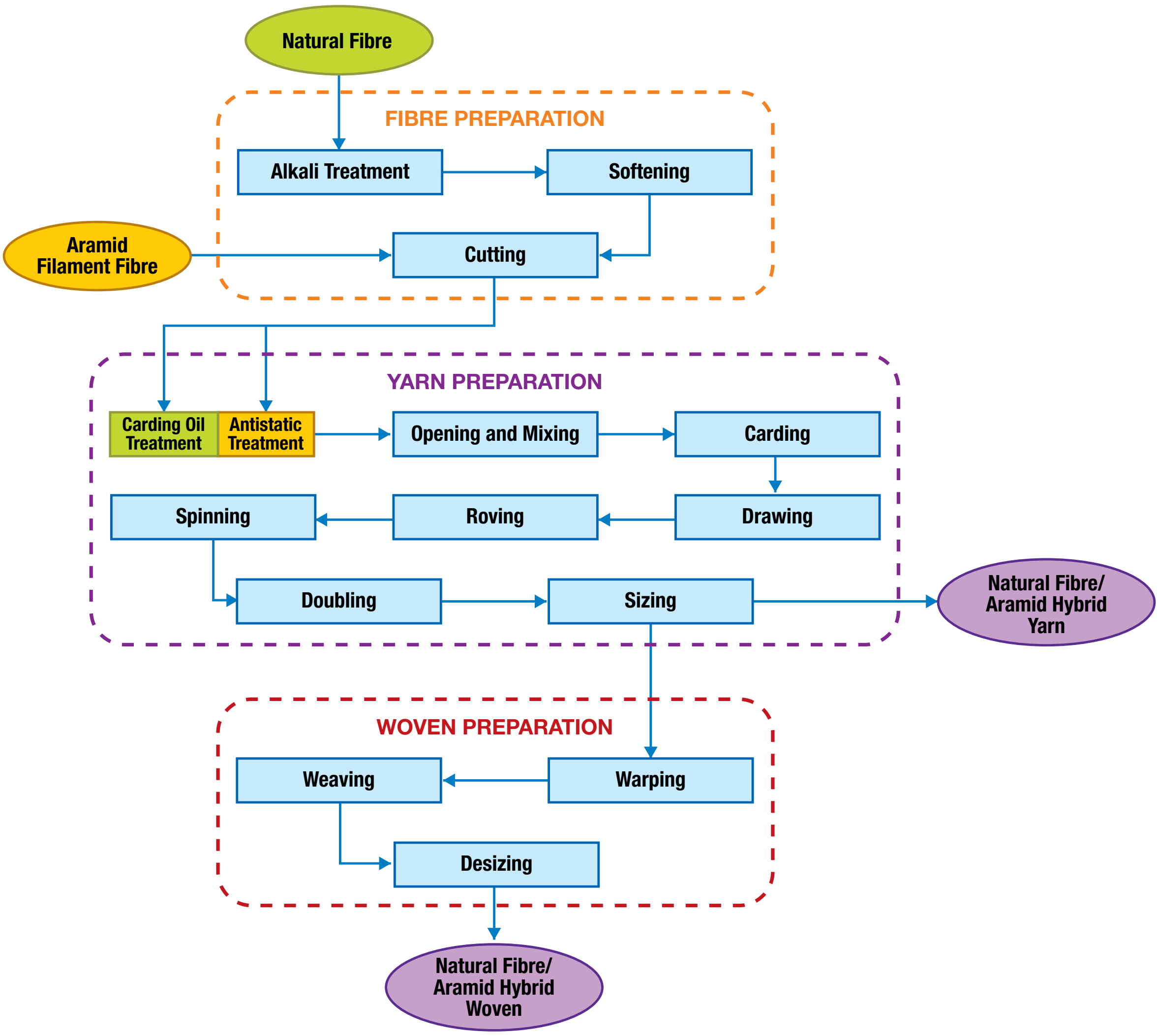

Figure 1: Flow process of natural fibre / Aramid hybrid woven

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and sustainable. Being biodegrable and non-abrasive, natural fibres do not pose health and environment hazards for the fibre composite industry.

In fact, the natural fibre-based industry has been established as a "green product", and has been successfully accepted worldwide, with huge market potential in Europe, USA and Japan. Therefore, the Fibre and Biocompsite Centre (FIDEC), MTIB with collaboration with industry partner Sri Jentayu Sdn. Bhd. attended the intensive training programme on utilising natural fibres at Tian Jing Polytechnic University, China from 16 September to 12 October.

The technical training was carried out by Dr. Wong Chung Hong, Department of Textile. The scope covered ISO fibre testing standard, fibre preparation and pre-treatment, fibre characterisation, fibre testing's (mechanical, physical, and chemical), yarning processing (natural, synthetic and hybrid), yarn testing, weaving process, calculation and reporting.

The technical training aimed to develop their understanding and knowledge as well as technical skills in the Advanced Green Composite industry. The training included a theoretical lecture on the characteristics of each fibre, yarn and woven, and hands-on properties evaluation using natural fibre testing facilities.

The specific objectives of the workshop were as follows:

i. To develop hybrid yarn from natural fibre for high end composite.

ii. To determine the properties of natural fibre available in Malaysia as compared to synthetic fibres.

The technical training was attended by four FIDEC officials namely Dr. Loh Yueh Feng, Encik Yeoh Beng Hoong, Cik Noor Intan Saffinaz Anuar and Encik Rozemy Mohammed Ghazali, and two staff from Sri Jentayu Sdn. Bhd. All participants were assigned to conduct a short project: to study the properties of natual fibre from Malaysia as compared to synthetic-based fibre according to ISO Fibre Testing Standard.

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The workshop agreed on the framework of the MCSG – Peninsular Malaysia and its contents as well as the consolidation of the MCSG between the three regions in Malaysia. Furthermore, MCSG should include a preamble that provides the general requirements and information in fulfilling the CSG and listing Malaysia's main and regional focal points. The MCSG should also provides information throughout the supply chain for a timber product consignment to be deemed as harvested, processed and exported legally from Malaysia.

Thirty-five participants participated in the workshop including MTIB representatives as well as representatives from related ministries, agencies and departments, and the private sector, namely MPIC, Ministry of Natural Resources and Environment, Ministry of International Trade and Industry, Forestry Department Peninsular Malaysia, Sabah Forestry Department, Forest Department Sarawak, STIDC, Malaysian Timber Council, Malaysian Furniture Promotion Council, Malaysian Furniture Industry Council, Malaysian Wood Moulding and Joinery Council, Malaysian Wood Industries Association, The Timber Exporters' Association of Malaysia, Association of Malaysia Bumiputera Timber and Furniture Entrepreneurs, Sarawak Timber Association, and Malaysia Pulp and Paper Manufacturers Association.

Encik S. Rajan, MTIB Director of Licensing and Enforcement (second from right) chairing the first session of the workshop.

Participants deliberating on the MCSG.

RILEM CONFERENCE AND ISO/TC165 TIMBER STRUCTURES

One for the album – International delegates at the ISO/TC 165 meeting.

The use of timber in structures represents one of the most promising approaches to meeting the urgent needs for sustainability, environment friendliness and CO_2 emission reduction in building technology. Since timber construction has experienced considerable progress within recent years with the advancement in materials and joints, a RILEM Conference was held from 8 to 10 October at the University of Stuttgart, Germany.

The objective of the conference was to bring together world leading experts in the field of timber materials, joint and construction to present the latest state of technology and to identify future needs to conserve the pace of progress in timber construction. The RILEM conference was divided into nine parts namely; Part I: Structures, Part II: Mechanical Connections, Part III: Glued Joints and Adhesive, Part IV: Timber and Concrete/Cement/Polymer Composites, Part V: Cyclic Seismic Behaviour, Part VI: Hardwood, Modified Wood and Bamboo, Part VII: Cross Laminated Timber, Part VIII: Properties and Testing of Wood and Part IX: Glulam.

A total of 73 papers were presented in a two parallel session by prominent speakers from all over the world such as Germany, Sweden, Switzerland, China, Korea, USA, Australia, Canada and Japan. Some of the presenters were Prof. Dr. Simon Aicher from MPA, University of Stuttgart, Prof. Dr. Sang Sik Jang from Korea and Mr. Con Adam from Australia who are currently convenor/members of the ISO/TC 165. RILEM was attended by 130 international and national participants who comprised mainly of architects, engineers, researchers, and lecturers as well as university students who are directly involved in timber engineering and construction aspects including six participants from Malaysia.

The meeting on ISO/TC 165: Timber Structures preceded the RILEM Conference since the subject matters are closely related to the development of international standards on timber structure. The meeting was held at MPA, University of Stuttgart, Germany from 14 to 17 October as a follow-up from the previous meeting which was held in Sweden in 2012. The meeting was jointly hosted by the German Glulam Association, the Association of German Panel Producers, the Association of Prefabricated Timber Houses, MPA University of Stuttgart, Hess Timber, Ladenburger Holzwerke and Dr Simon Aicher, from MPA Stuttgart University. ISO Standards which are currently being developed by six Working Group (WGs) under the ISO/TC 165 are under several development stages including the New Work Item Proposal (NWIP), Working Draft (WD), Committee Draft (CD), Draft International Standard (DIS) or Final Draft International Standards (FDIS).

A total of 23 resolutions were concluded during the meeting which included two resolutions to thank both Mr. Tom Williamson and Prof. Keith Crews who had resigned from the meeting, for their invaluable contributions in the ISO/TC 165 standards development. The resolutions were grouped according to several WGs i.e. WG2: Requirements for Glued Laminated Elements, WG6: Glued Joints for Timber Structures, WG7: Connection and Assemblies, WG 10: Evaluation of Characteristic Values of Timber Products and WG 11: Classification for Structural Timber. Besides the current WGs, ISO TC165 decided to initiate the development of a new work item on the mechanical grading of bamboo and decided to establish a new working group i.e., WG12: Structural use of bamboo. The meeting appointed Mr. Oliver Frith from INBAR as convenor and requested that the WG prepare a NWI proposal and WD on mechanical grading of bamboo.

Beside conference and meeting, the delegates also visited testing facilities which are currently available at the MPA, University of Stuttgart to test real size timber structures for bending strength, tensile strength, compression strength, shear strength and bonding test for engineered timber products such as glulam, LVL, CLT and I-Beam as well as fire resistance testing facilities. In addition, a preliminary discussion was also held with Prof. Dr. Simon Aicher, from MPA University of Stuttgart to explore possibilities for a strategic partnership with the University in gathering research data for limit states for selected Malaysian Hardwood as per requirements in Eurocode 5 and latest EN Standards for Structural Timber.

The ISO/TC 165 meeting was attended by 40 international experts and delegates from Australia, Austria, Canada, PR China, France, Germany, Indonesia, Japan, Korea Malaysia, New Zealand, South Africa, Sweden, Switzerland, UK and USA as well as from INBAR China. Malaysia was represented by six delegates which comprised Puan Hjh. Mahsuri Mat Dris (MTIB), Dr. Zakiah Ahmad (UiTM), Prof. Dr. Badorul Hisham Abu Bakar (USM) , Dr. Tan Yu Eng (FRIM), Dr. Wong Tuck Meng and Puan Hamidah Abdullah (MTC). The next meeting will be held in Japan in 2014 whilst Malaysia will be hosting the 2015 ISO/TC 165 meeting at the Galeri Glulam Johor Bahru.

FOURTH INTERNATIONAL CONFERENCE ON GREEN PURCHASING

Malaysia Productivity Corporation (MPC) in collaboration with the Green Purchasing Network Malaysia (GPNM) successfully organised the Fourth International Conference on Green Purchasing. The three-day conference was held on 18-20 September in Subang Jaya, Selangor. The conference was officiated by YB Datuk Seri DiRaja Mahdzir Khalid, Deputy Minister of Energy, Green Technology and Water, Malaysia (KETTHA).

Also present were Prof. Hideki Nakahara, Chairman of International Green Purchasing Network (IGPN) Japan; Dato' Mohd Razali Hussain , Director-General of MPC; Ms Augustine Koh, Secretary-General of GPNM as well as world's representatives of Green Purchasing Networks. The programme aimed to enlighten and share with the participants on the current green purchasing best practices in the world. The Deputy Minister also launched the book "Green Government Procurement Roadmap for Asia".

The conference brought together renowned experts and practitioners with more than a decade of green purchasing and green productivity experiences. The experts spoke on the critical factors and conditions for the successful implementation of green purchasing and green productivity. The conference also examined how the roadmap for government green procurement (GGP) has been successfully implemented in advanced green purchasing countries. For example, Japan has successfully implemented 100% Green Procurement in 22 local governments and is working to achieve 100% implementation for all other local governments in Japan. Strategies, techniques and mechanisms such as resource productivity, eco design and materials, eco-labels, biomass and green supply chain to achieve successful green purchasing in governments, private enterprises and the retail sectors were also highlighted by the speakers.

GGP and Sustainable Public Procurement (SPP) practices, promote government policies that encourage companies to shift towards more sustainable processes in order to qualify for government contracts. This results in green procurement policies serving as a powerful initiator to demand in the green market thus boosting green growth in a country. The implementation of GGP and SPP will effectively achieve a sustainable economic development for the nation while reducing the environmental impact and increasing quality of life. With a commitment to green procurement, the number of private manufacturers creating and supplying green products will rise.

Today, the world is ready and eager to endorse the concept of green productivity and purchasing. Europe, Americas, Japan, China, Korea, Taiwan and Thailand are advanced in the adoption of Green Purchasing. Malaysia has also embarked on its green agenda, endorsed by the Prime Minister of Malaysia, through the implementation of a GGP policy. Similarly, countries such as Singapore, Philippines, Viet Nam, India and Indonesia have been implementing green productivity in its industry, agriculture and service sectors.

As for Malaysia, it is also in a journey towards implementing its green procurement policy. The government has acknowledged the importance of the GGP as it represents about 12-15% of the nation's GDP. Initial steps have been carried out towards its implementation. Malaysia's commitment with regards to GGP has been outlined in a number of national policies and GGP-related initiatives. In this regards, the GGP short-term action plan has been prepared as an initial step towards the GGP implementation in Malaysia. The Government Green Procurement Steering Committee, chaired jointly by KETTHA and Ministry of Finance, has been established to spearhead and pave the way towards Malaysia's long term GGP development and to elevate Malaysia into an inclusive and sustainable, high-income nation by 2020. While Malaysia has progressed well, it has a long way to go before attaining full scale green products procurement practices. There is a need for a collective responsibility to be undertaken by the government, private sectors and general public to ensure the realisation of this vision. There is a need to encourage wider participation and involvement of the public as well as the industry to enable the creation of a viable and competitive marketplace to support the initiative.

Among others, the conference invited Prof. Ryoichi Yamamoto, Honorary Secretary of International Green Purchasing Network (IGPN) to talk on the Ethical Procurement, whereby Mr. Shoichiro Sakaguchi from Ministry of Environment Japan, Mr. Chen Yiqun from China Environmental United Certification Centre Co. Ltd. and Mr. Moon Sung Sik from Korea Environmental Industry and Technology Institute; Mr. Mark Hidson from Local Governments for Sustainability European Secretariat; and Ms. Araya Nuntapotidech of Pollution Control Department, Thailand shared their knowledge and experiences on successful cases and practices of the GGP and Sustainable Public Procurement in their respective countries. Mr. Cholathorn Dumrongsak from Siam Cement PLC, Thailand; Mr. Hiroyuki Onodera from Hitachi Ltd. and Mr. Mitsuo Takeuchi from SARAYA Japan as well as AEON Malaysia briefed the participants on the successful cases of green purchasing in private corporations and the retail sector.

The conference also discussed the key issues and mechanisms such as how to trade and market green products as well as ways to influence the retailers and SMEs on green procurement and how to educate consumers and promote eco-products. A topic on life cycle costing and its benefits to sustainable public procurement was also presented. Participants were also informed by IGPN on the material data base or data base website for GGP/SPP. Other topics included green purchasing and its impact on the biomass supply chain in Asia; the speakers talked about the strategic use of biomass for green growth, biomass usage and green purchasing requirements worldwide and green productivity through green purchasing.

In today's current scenario, buying and selling 'green' is no longer a trend but an essential part of building and driving sustainable business practices. Green buyers have the opportunity to adopt a green and ethical purchasing option. This development has allowed for new markets to be created with emphasis on innovations in green technology, green productivity practices and eco-friendly business operation.

MTIB was represented by Puan Noorazimah Sarkom, Deputy Director of Trade Development.

A VISIT TO PLYWOOD MILLS IN VIET NAM AND CHINA

Photo session with representatives from plywood mills in China.

As part of the initiative to explore for alternative raw material and to study for greater opportunities in the panel products sector, members of the Malaysian Panel-Products Manufacturers' Association organised a trip to Hanoi, Viet Nam and Nanning, China from 20 to 25 October. The group was led by Encik Thong Chee Hong form T-Forest Products Holding Sdn. Bhd.

A factory visit and a round table discussion around the Hanoi and Nanning provinces were drawn up. The visit in Viet Nam was led by Encik Lai Wee Boon of Zinkuan (M) Sdn. Bhd. and Mr. BK Ng of Fujigate local plywood and veneer traders. The delegation visited a small size plywood factory in Yen Bai, located in Hanoi Province where they viewed the full process of plywood production from preparation of veneer logs and the veneering process for core and face veneer to production of 'platform' plywood and finished plywood. The factory produces low grade plywood which is BB/CC and Utility (equivalent to B2 and B3) and also platform base plywood with a thicknesses ranging from 3 mm to 21 mm. The products are exported to Malaysia, Indonesia, India, Korea and Singapore.

There are about 2,000 similar factories producing veneer and plywood in Hanoi. Small enterprises with less than 10 workers can produce in average, 50 m^3 of dried core veneer per month from small diameter (4-6 in) plantation Acacia logs. These core veneers then will be used by the plywood factories for their production of either 'platform' or plywood with the appropriate 'face and back' veneer required by the buyers. The quality of the plywood produced by the factory differs in relation to the machineries and equipment used and also the type of glue as well as quality of face veneer. The average export price of plywood to Malaysia is in the range of USD290 per m^3 to USD380 per m^3 varied according to size and grade. The group was also informed that the workers' wages were at USD100 to USD150 per month based on 10 hour working hours. Clearly,

Log peeling in progress.

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INTERNATIONAL ROSENHEIM WINDOW AND FACADE CONFERENCE

The International Rosenheim Window and Facade Conference 2013 was held on 10–11 October in Rosenheim, Germany, with the theme "Safety and Comfort-Better Quality of Life". Twenty-six papers were presented during eight sessions namely energy turnaround, refurbishment, glass, development for future, safety, developments in construction, market and trends, and what's new in construction legislation.

The aim of the conference was to act as a platform for exchanging information in standards and regulations. This included the new requirements on solar screening, terminology and documentary evidence requirement in sound insulation, the new technology of glass used for window and implementation of accessible building components.

Dr. Odette Moarcars from ift Rosenheim presenting her paper.

In the Plenary Session, Professor Ulrich Sieberath, Director of the Institute of Window Technology (ift), Rosenheim presented a paper on the "Development of Window and Facade that Affects the Industry". He pointed out that building components and their manufactures are currently facing a great deal of change. The new European mandates, changes in society, and a shift away from energy efficiency have become the main driving force behind the development of building components, which have give more challenges to the industry. However, windows, door, facades, solar control and shading systems, etc. will still remain important in the building construction sector.

Some papers related to wooden window and façade were presented. One of them was "Wood Preservative in Windows", presented by Dr. Odette Moarcars from ift Rosenheim. She explained the new DIN 68800 (relevant sections for the manufacture of wooden building) standard on Wood Preservation. The objective of the new DIN 68800 is to keep wood preservation to a minimal use of chemical. The following criteria needed to consider when planning wood preservation measures in accordance with DIN 68800-1 (Annex E/Table E.1) concerning wooden window is stress on the window, grade, protection level and expected duration of use.

The other paper presented was "Fire Safety of Windows and Facades" by Dr. Gerhard Wackerbauer from ift Rosenheim. He highlighted on the construction legislation in European countries. He also explained the importance of defining the level of resistance of material to be used as fire protection product. The objectives of the fire resistant product such as door and window are to protect human lives and reduce material damage. In order to do that, the building and component must be subjected to requirements that take account the circumstances specific to the country in question. For example, in the sparsely-populated countries of Scandinavia, the fire

Puan Nooraini Yaakop (centre) and Encik Jambari Suriff (third from right) with other participants.

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Veneer glue section in one of the factories in Viet Nam.

the labour cost in Viet Nam was the salient point in making the country's productivity higher and more competitive in the most of the manufacturing sector.

The delegates then visited a few plywood mills in the Nanning Province, China. Led by Mr. Chen from Gxqianchuan Company, the group had the opportunity to look into the plywood manufacturing process. Most of the plywood production In Nanning is meant for domestic consumption. They produce high-end decorated plywood to be used by the furniture sector for the domestic and the export market. They mainly use Eucalyptus plantation logs which can be harvested three times every four years with a diameter size ranging from 4-6 in. Most of the plantations use Eucalyptus clone nine which originated from Australia. The use of more advance machinery thus, has increased their productivity and quality compared to Viet Nam. They also produce plywood for construction purposes. The current production of plywood at the factory they visited was at an average of 10,000 m^3 per month. To support product demand, they also buy raw material of about 3,000 m^3 per month from local suppliers. They produce plywood mostly with the thickness of 8.5 mm. The group was also informed that the workers' wages at the moment based on 10-hour working rate is USD490 per month.

The trend of producing 'platform plywood' in small size plywood mills in Viet Nam and China has become very popular and practical in relation to the processing of small log and assessable to get very good mechanical equipment in China. It is also supported by the demand from buyers or end user for the plywood needed to fulfill their requirements.

MTIB was represented by Encik Mohd Adawi Ton Omar from Industry Development and Puan Syaidatul Nadia Hussin from Trade Development.

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Scantling profiles.

services typically need longer to reach the scene of the fire than in other countries.

In the final plenary session, Prof. Christian Niemöller from SMNG Solicitor reported on the current status of the Construction Products Regulation. He was impressed with the professional preparation and implementation by large manufacturers with respect to the creation of documents and the obligation for declaration. He also expressed his concern regarding the smaller handcraft industries, which may face difference with the market surveillance authorities in the future. This would be justified, since the officials of the market surveillance met in September for an initial exchange of experiences where they discussed opinions regarding the procedure. Hence, intensified activities may have to be reckoned with in 2014.

About 1,000 participants from 18 countries attended the conference. Two representatives from MTIB were: Puan Nooraini Yaakop and Encik Jambari Surif. Dr. Tan Yu Eng from Forest Research Institute Malaysia and Puan Phang Suet Kum from Malaysian Wood Industries Association were also in attendance.

UPDATES ON INTERNATIONAL TIMBER MARKET

The second edition of the International Timber Marketing Conference (ITMC) was held on 24 October at MAEPS, Serdang. The conference was organised by the Malaysian Timber Council (MTC) in conjunction with the fifth MICCOS 2013.

The conference aimed to provide a global perspective on the current status of timber trade in the international markets such as Europe, India, Australia, Russia, South Africa and the Middle East countries. The presentations were deliberated by MTC Regional Directors and their market consultants from the respective countries.

Datuk Aaron Ago Anak Dagang, Chairman of MTC in his keynote address welcomed the participants of the conference and conveyed his hopes that the presentations would equip the industry members with first hand information and on-the-ground experience from the regional directors and the market consultants engaged by MTC. He also hoped that the information would assist them in identifying business opportunities and enhancing the exports of Malaysian timber and timber products.

At the conference, six papers were delivered. The papers were as follows:

- Timber Market and Regulatory Developments in Europe by Puan Sheam Satruku-Granzella, Director of MTC London
- Russian Timber Industry Overview by Ms. Irina Slepneva, MTC Market Consultant for Russia
- Timber Market Focus – Middle East 2014 by Encik Khairul Anwar, Director of MTC Dubai
- India Timber Market Update by Mr. K. Baskar, MTC Market Correspondent for India
- The Insights of the Market of Malaysian Timber and Timber Products in Mauritius, Reunion Island and South Africa by Mr. Georges Koo, MTC Market Correspondent for Mauritius, Reunion Island and South Africa
- The Australian Timber and Timber Product Market – Current Trends by Mr. John Bagley, MTC Market Correspondent for Australia

It was highlighted in the presentations that the EU Construction Products Regulation (CPR) has been enforced since 1 July 2013. Under the CPR, it is mandatory for manufacturers to apply CE markings on any of their products which are covered by a harmonised European product standard or European Technical Assessment. Also, Middle East countries are currently a potential market for Malaysian timber and timber products. Qatar, the host for the 2022 FIFA World Cup, has increased imports of Malaysian timber and timber products; Malaysian sawntimber accounted for 19% of the total market share. Apart from that, Saudi Arabia will be hosting the World Expo 2020 and Saudi Arabia proposes to build a rail network linking countries in the Gulf thus improving demand for tropical timber products for the facilities' construction.

The briefing session drew the participation of more than 50 people from various sectors of the timber industry as well as representatives from the Ministries and government agencies. MTIB was represented by Cik Hjh. Robiyah Hj. Husin, Puan Sharifah Hasreena Wafa Syed Hassan, Cik Erien Noor Md Nasir and Puan Ruslinda Yahia from Trade Development.

TRAINING ON SILVICULTURE TECHNIQUES OF FOREST PLANTATION

Photo of participants taken at the Konsen Seibu District, Kushiro.

The Economic Partnership Programme (EPP) is one of the projects under the Japan-Malaysia Economic Partnership Agreement (JMEPA) signed between the governments of Malaysia and Japan in December 2005.

In order to gain Japan's experience in the forest plantation, nine MTIB officials were sent on a two-week training programme from 23 September to 5 October. The programme, entitled Silviculture Techniques of Forest Plantation was conducted by the Japan International Cooperation Agency (JICA), aimed for participants to gain knowledge on forest management skills which included silviculture techniques in forest plantation with an in-depth knowledge on planting, thinning techniques, tissue culture methods for afforestation trees and in producing high quality timbers.

Dr. Takaki Toyoda, Senior Director (Operation), Japan Overseas Forestry Consultants Association briefed participants at the compound of the Forest and Forest Products Research Institute in Tsukuba.

During the training, participants were briefed on the Outline of Forests and Forestry at JICA Tokyo. They learnt that in Japan, forest plantations fulfill many of the productive and protective roles of the natural forest. It helps to stabilise and improve the environment (sequestering carbon and enhancing water and air quality), combat desertification, minimise erosion, and restore soil fertility. They also visited the Forests and Forestry Products Research Insitute, in Tsukuba as well as the Tree Breeding Centre which focuses on tree breeding using a developed genetic breeding process. They were also taken to the nursery for further understanding of the tree breeding techniques. The common tree species used In Japan for the timber industry are Japanese Ceddar, Japaness Cypress and Japanese Larch.

The participants were also briefed on a Pilot Forest and the countermeasure for damage caused by deer in man-made forest in Konsen Seibu District Forest Office, Kushiro. The Pilot Forest was created to replace the forest that was burned in 1974, which caused the land to became a wasteland. The existence of the Pilot Forest could restore and preserve as well as protect the natural ecosystem.

The participants were also taken to Tokachi Tobu District Forest Office in Kushiro and were briefed on the Forest Planning

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Japanese Larch nursery owned by Ohsaka Ringyou Co. Ltd.

Observing high performance logging machinery in action at Tokachi Regional Forest.

System and Forest Management using Forest Compartment Register as well as the management of National Forest.

Later, the participants visited Osaka Ringyo Co., Ltd in Churui Makubetsu Town. The company has a nursery which cultivates plants, mainly Japanese Cedar and Japanese Larch with developed and systematic cultivating techniques. The cultivating techniques used by the company has produced a new spesis of Japanese Larch which is called the 'F1' spesis. Other than that, participants were taught how to produce tissue culture and were given the opportunity to produce the tissue culture seedlings themselves.

The participants then went for site visits to logging areas and were briefed on the cutting and selling system by using High Performance Machinery. One of the uses of the machinery is for harvesting trees which it also cuts it to length and removes branches. The workers demonstrated how the machineries worked and later, participants were given the opportunity to operate the machineries themselves.

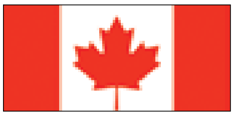
Later, the participants were briefed on Storage and Management of Wood by the President of Satoh Co. Ltd. company. The sawmill company specialised in domestic Japanese Larch products. Among its products are industrial, contructions, exterior and civil engineering materials.

The training provided greater understanding and awareness of current issues on forest management, and addressed global issues including climate change, pollution of rivers, landslides, slump flora and fauna as well as its negative impact on the local community. In addition, it was also important as education as it indirectly taught how the operation of efficient forest management can help forest conservation.

The course provided a platform in creating cooperation between Japan and Malaysia exchanging ideas and in advancing the performance of efficient forest management in line with the era of biotechnology and innovation.

In addition, the knowledge gained could also be made to serve as a guideline towards sustainable management of forest plantations in Malaysia.

MTIB was represented by officials from various departments comprising Cik Hjh. Noor Zakiah Othman and Encik Mohd Amin Kadir from Strategic Planning and Corporate Affairs, Encik Mohammad Ghazali Mohd Daud, Puan Nur Hayati Ahmad, Cik Emy Zulika Dzulkifly and Encik Norazli Ismail from Management Services, Encik Mohd Afthar Amir and Encik Mohd Nizam Hamid from Trade Development, and Encik Mohd Tarmin Ismail from Director-General's Office.



CAPITALISING ON THE GROWING CANADIAN FURNITURE INDUSTRY

Quick Facts

Capital City	Ottawa
Official languages	Canadian English Canadian French
Currency	Canadian Dollar
Population	33,476,688
GDP (Nominal) (2012)	USD52,218.99 (per capita)

Canada occupies a major northern portion of North America, sharing land borders with the contiguous United States to the south (the longest border between two countries in the world) and the US state of Alaska to the northwest. Canada stretches from the Atlantic Ocean in the east to the Pacific Ocean in the west; to the north lies the Arctic Ocean.Greenland is to the northeast, while Saint Pierre and Miquelon is south of Newfoundland. By total area (including its waters), Canada is the second-largest country in the world, after Russia. By land area alone, Canada ranks fourth.

Forest Coverage

Canada's forested, other wooded land and other land with tree cover extend over about half of the country's total land surface—nearly 400 million hectares—from coast to coast.

The average age of Canada's forests increases from east to west. This pattern reflects differences in the frequency of disturbances (including fire, insect and disease outbreaks, glaze ice, windfall and timber harvesting) and natural variations in species longevity. There is a general shift from hardwood to softwood dominance with increasing age of forest stands.

The forest industry in Canada employs about 600,000 people, largely in harvesting, milling, processing and manufacturing jobs. Canada's forest products range from raw logs, timber and pulp and paper to a growing suite of bioproducts and other emerging high-value, forest-derived goods and services in demand by both domestic and international markets.

For the approximately 200 Aboriginal and forest-based communities that exist in Canada, sustainable forest resources are particularly critical to local livelihoods and the long-term economic and social stability of many small towns and villages.

In recent decades, the economic value of non-timber forest products has also gained increasing recognition. Maple sap products are the biggest earners (for example, the industry accounted for CAD354 million in Canada in 2009). Other popular products include mushrooms, plant extracts, resins, florist supplies, and craft-making materials, which are harvested in Canada's forests and sold in natural or processed form.

In 2012, Canada exported wooden furniture worth USD3.8 billion.

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Most of Canada's forests are publicly owned, 77% under provincial or territorial jurisdiction and 16% under federal jurisdiction (about 7% are privately owned). As a result, governments at three different levels have set legislation and regulations for the protection and management of forests. The National Forest Inventory provides information about Canada's forests to help guide policy, make projections and meet regional, national and international reporting commitments.

Canada is committed to sustainable forest management (SFM), a process in which forest management practices evolve in response to scientific advances and public participation.

Bilateral Timber Trade with Malaysia

In 2012, Malaysia exported RM2.98 billion worth of timber and timber products to Canada. This was an increase of 3.8% from the previous year. Malaysia mostly exported wooden furniture (RM2.72 billion or 92.2% of market share) to Canada. It is worth noting here that in terms of being export partner of plywood, mouldings and wooden furniture for Canada, Malaysia is ranked at eighth, fifth and sixth respectively.

In 2012, Malaysia imported RM0.17 billion worth of timber and timber products from Canada. This was an increase of 15.2% from the previous year. Malaysia mostly imported sawntimber (RM0.15 billion or 90.9% of market share) from Canada.

Malaysia : Export of Major Timber and Timber Products to Canada, 2010-2013 (January-August)

Year	2010	2011	2012	2013 (Jan-Aug)	% Change in Value 2012/2011	Market Share (2012)
Products	RM	RM	RM	RM	RM	(%)
Sawntimber	991,581	342,303	441,664	717,793	29.0	0.1
Plywood	4,125,412	3,851,850	4,941,655	4,348,840	28.3	1.7
Veneer	771,419	963,521	934,663	303,911	-3.0	0.3
Fibreboard	608,830	746,904	386,911	904,554	-48.2	0.1
Mouldings	8,349,341	7,389,500	4,990,712	1,983,058	-32.5	1.7
BJC	4,127,687	3,786,220	5,117,584	2,604,655	35.2	1.7
Wooden Frames	3,725,082	5,474,406	6,494,751	2,811,252	18.6	2.2
Wooden Furniture	303,544,480	264,942,699	275,066,716	143,055,215	3.8	92.2
Rattan Furniture	0	59,633	44,054	0	-26.1	0
Total	**326,243,832**	**287,557,036**	**298,418,710**	**156,729,278**	**3.8**	

Source: Department of Statistics Malaysia (DOSM) and MTIB

Malaysia : Import of Major Timber and Timber Products from Canada, 2010-2013 (January-August)

Year	2010	2011	2012	2013 (Jan-Aug)	% Change in Value 2012/2011	Market Share (2012)
Products	RM	RM	RM	RM	RM	(%)
Sawntimber	17,847,927	23,068,310	25,653,179	14,897,291	11.2	90.9
Veneer	644,738	242,109	295,822	177,868	22.2	1.0
Chipboard / Particleboard	0	9,091	0	0	-100.0	0
Mouldings	129,861	0	0	0	0.0	0
BJC	0	0	0	0	0.0	0
Wooden Frames	0	5,148	0	0	-100.0	0
Wooden Furniture	1,137,094	1,174,479	2,277,990	2,000,301	94.0	8.1
Rattan Furniture	0	0	7,492	0	100.0	0
Total	**19,759,620**	**24,499,137**	**28,234,483**	**17,075,460**	**15.2**	

Source: DOSM and MTIB

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International Timber Trade

Import

In 2012, Canada's import of timber and timber products was USD8.75 billion, an increase of 8.0% from the previous year. The majority of timber products being imported were wooden furniture, which represented 70.69% of market share in 2012. This was followed by sawntimber and fibreboard with a market share of 32.26% and 14.42% respectively. Canada's main import partner is the US and China.

Export

In 2012, Canada's export of timber and timber products was USD13.0 billion, an increase of 8.0% from the previous year which was USD12.0 billion. It is clear that Canada's main export partner for timber and timber products is the US followed by China.

The majority of timber products being exported were sawntimber, which represented 45.64% of market share in 2012. This was followed by wooden furniture and particleboard with a market share of 29.02% and 8.36% respectively.

Canada : Major Import of Timber and Timber Products, 2010-2012

(Value : USD million)

Products	2010	2011	2012	% of Market Share 2012	% Change in Value 2012/2011	Main Market (2012)
Logs	310.10	274.87	296.35	3.39	7.82	US
Sawntimber	473.23	440.73	478.87	5.48	8.65	US
Veneer	126.92	129.63	132.04	1.51	1.86	US
Mouldings	418.54	371.03	358.30	4.10	-3.43	US
Particleboard	76.57	77.11	86.73	0.99	12.49	US
Fibreboard	450.15	412.63	446.72	5.11	8.26	China
Plywood	294.99	316.09	363.41	4.16	14.97	US
Wooden Frames	43.16	40.91	35.52	0.41	-13.18	China
BJC	344.65	340.98	365.35	4.18	7.15	US
Wooden Furniture	5,387.45	5,693.64	6,182.95	70.69	8.59	US
Total	**7,925.75**	**8,097.63**	**8,746.25**	**100.00**	**8.01**	

Source: World Trade Atlas (WTA)

Canada : Export of Timber and Timber Products, 2010-2012

(Value : USD million)

Products	2010	2011	2012	% of Market Share 2012	% Change in Value 2012/2011	Market Share 2012
Logs	450.74	687.07	686.04	5.28	-0.15	China
Sawntimber	4,907.47	5,437.09	5,927.75	45.64	9.02	US
Veneer	193.75	187.20	217.69	1.68	16.29	US
Mouldings	109.58	107.13	112.20	0.86	4.74	US
Particleboard	873.10	805.24	1,086.11	8.36	34.88	US
Fibreboard	236.86	228.76	234.17	1.80	2.36	US
Plywood	182.70	179.31	171.22	1.32	-4.51	US
Wooden Frames	3.69	5.04	4.83	0.04	-4.17	US
BJC	749.08	732.13	778.73	6.00	6.37	US
Wooden Furniture	3,403.85	3,653.78	3,769.58	29.02	3.17	US
Total	**11,110.81**	**12,022.74**	**12,988.32**	**100.00**	**8.03**	

Source: WTA

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Strengths of Canadian Furniture Industry

The Canadian Furniture Manufacturing industry is worth more than CAD15 billion to the Canadian economy. Approximately 100,000 manufacturing jobs rely on the Canadian Furniture Industry. Canadian upholstery manufacturers use mainly Canadian hardwood for frame construction as locally grown wood is less likely to warp. Most US and overseas furniture companies use engineered laminates to build their upholstery frames. Canadian manufacturers generally use hardwood frame construction which is much stronger. Furthermore, Canadian manufacturers are obligated to build their furniture using strict Canadian Standards. The use of formaldehyde and other chemicals is not as tightly regulated in other countries.

The Canadian furniture industry comprises household furniture including mattresses (37%), office and institutional furniture (44%), wooden kitchen cabinets and counter tops (16%) and blinds and shades (3%). The industry is made up of a number of sub-sectors: furniture and related product manufacturing, office furniture, and other furniture related to product manufacturing. Products included in furniture and product related manufacturing are wooden, metal, contract, office, household, kitchen upholstered (sofas and armchairs), living room, dining room, non-upholstered seats (chairs), bedroom beds, wardrobes, outdoor, ready-to-assemble furniture, seat parts and parts of furniture.

Canadian furniture retailers, trade show organisers, manufacturers and associations expect positive future prospects for the industry. The furniture market contracted more than others during the recession. Often considered a luxury or otherwise non-essential purchase in a strained economy, furniture has traditionally been among the first sectors to suffer in a downturn and the last to rebound, as consumers usually delay furniture upgrades until market volatility subsidies. Consumers seek out the best balance between a product's quality, price and value-added. Distributors generally are more reluctant to invest in inventory. While residential furniture sales bore the brunt of these losses, government procurement in Canada (furniture for schools, hospitals, and federal, provincial and municipal facilities) has remained strong, grossing about CAD25 million a year.

Trade of Wooden Furniture Products

Import

In 2012, Canada mostly imported its wooden furniture from the US (USD2.22 billion or 35.87% of market share). This was followed by China and Mexico (30.48% and 14.97% respectively). Malaysia ranked at sixth place in terms of being Canada's wooden furniture import partner with USD0.11 billion or 1.73%). This was an increase of 2.38% from the previous year.

In 2012, Canada mostly exported its wooden furniture to the US (USD3.54 billion or 93.99% of market share).

Canada : Import of Wooden Furniture, 2010-2012

(Value : USD million)

Origin	2010	2011	2012	% of Market Share 2012	% Change in Value 2012/2011
United States	1,926.61	2,052.84	2,218.00	35.87	8.05
China	1738.63	1794.75	1884.45	30.48	5.00
Mexico	690.55	756.40	925.40	14.97	22.34
Viet Nam	155.13	166.79	204.80	3.31	22.79
Italy	128.22	144.26	151.13	2.44	4.76
Malaysia	112.44	104.65	107.14	1.73	2.38
Poland	81.96	96.00	88.32	1.43	-8.01
Taiwan	63.61	69.69	73.65	1.19	5.68
Germany	46.80	52.37	55.37	0.90	5.72
Indonesia	48.63	48.89	54.56	0.88	11.59
Japan	50.29	41.09	42.56	0.69	3.58
France	33.67	32.49	30.49	0.49	-6.16
Others	310.93	333.41	347.09	5.61	4.10
Total	**5,387.45**	**5,693.64**	**6,182.95**	**100.00**	**8.59**

Source: World Trade Atlas (WTA)

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Canada : Export of Wooden Furniture, 2010-2012

(Value : USD million)

Origin	2010	2011	2012	% of Market Share 2012	% Change in Value 2012/2011
United States	3,197.45	3,449.70	3,543.05	93.99	2.71
Mexico	52.37	49.42	44.59	1.18	-9.77
Japan	30.94	23.12	24.48	0.65	5.91
United Kingdom	15.31	13.07	14.60	0.39	11.70
Saudi Arabia	7.49	14.67	14.26	0.38	-2.80
United Arab Emirates	7.07	8.05	13.87	0.37	72.22
China	11.00	10.70	12.74	0.34	19.07
Kuwait	0.75	0.74	4.80	0.13	545.16
Azebaijan	0.22	0.06	3.43	0.09	5,810.34
Qatar	1.69	1.16	3.13	0.08	171.17
Panama	0.78	1.21	2.99	0.08	147.85
Finland	2.73	3.64	2.87	0.08	-21.14
Romania	0.00	0.04	2.15	0.06	5,282.50
Sweden	1.64	2.05	1.89	0.05	-7.86
Others	74.43	76.16	80.73	2.14	6.00
Total	**3,403.86**	**3,653.78**	**3,769.59**	**100.00**	**3.17**

Source: WTA

Market Prospects and Opportunities

According to the Natural Resources Canada, Canada's forest sector has benefited from federal investments aimed at increasing demand for Canadian forest products, both at home and abroad. These investments, which have enhanced the sector's overall competitiveness, have led to a series of notable achievements. These include:

- Increasing sales of Canadian forest products in fast growing offshore markets such as China and South Korea.
- Expanding the use of wood in new market segments such as non-residential and mid-rise construction).
- Working with partners to bring about changes in the National Building Code of Canada to enable the broader use of wood in buildings up to six storeys.
- Demonstrating the versatility and environmental benefits of using wood in large-scale structures.

The activities were delivered through offices in Shanghai, Beijing, Tokyo, Seoul and Toulouse. This market diversification strategy has helped Canada's wood products sector increase, over the past decade, its exports in some rapidly-growing Asian emerging economies. For example, the value of Canadian wood product exports to China increased almost 24-fold between 2002 and 2012 to CAD1.4 billion.

With the economic climate improving and economic indicators showing positive signs, Canadian consumers will continue to purchase furniture. Malaysia should find ways to improve the export of wooden furniture to Canada such as participating in Canadian furniture trade shows or increasing business networks with their Canadian counterparts. Malaysia must not rely on existing establishments in the Canadian market and take advantage of existing buyers and distribution channels and seek new business. However, Malaysia is facing stiff competition from its regional neighbours namely Viet Nam and China in increasing its market share in Canada.

These positive outlooks in the Canadian furniture industry should be fully capitalised by Malaysian timber exporters particularly by the furniture sector by forging closer alliance and strategic partnerships with Canadian timber importers and exporters to enhance our existing market share in Canada.

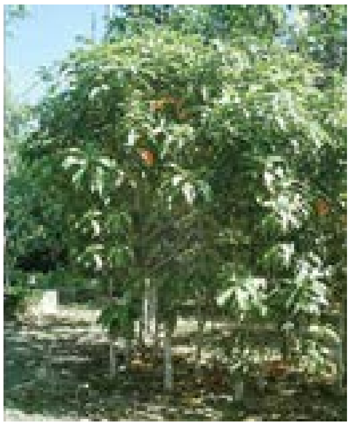
In addition, currently both Malaysia and Canada, along with Australia, Brunei, Canada, Chile, Mexico, New Zealand, Peru, Singapore, Viet Nam and the US are involved in the Trans Pacific Partnership (TPP) Free Trade Agreement.

References:

- *MTIB Statistics*
- *Department of Statistics Malaysia (DOSM)*
- *World Trade Atlas (WTA)*
- *Natural Resources Canada*
- *http://www.smittysfinefurniture.com/*

PUTAT – SUITABLE FOR PLYWOOD

Putat is the Standard Malaysian Name as well as the ASEAN Standard Name for the timber of Barringtonia *spp.* (Lecythidaceae)*. Other vernacular names include Tampalang (Sabah). Major species include* B. asiatica, B. macrostachya, B. pendula, B. sarcostachys *and* B. scortechinii. *The sapwood is light yellow-brown and is not differentiated from the heartwood. It is also known as Hijal (India), Butun, Keben and Songgom (Indonesia, Chicknam, Kyi-bin and Kyi-gyi (Myanmar), Botong and Ulam (Philippines), and Chik (Thailand).*



Putat tree.

Local Names

Borneo : Langsat Burung, Putat, Tempalang, Tempalong, Terakot.

Malaysia : Putat Gajah, Putat Tuba, Putat Hutan (Peninsular).

Distribution

Peninsular Thailand, Peninsular Malaysia, Sumatra, Borneo, Philippines.

Ecology

It occurs in primary and secondary forest in Borneo in low undulating country up to 1,400 m altitude, in Peninsular Malaysia in swampy forest and near rivers in hillside forest; usually on hillsides and ridges with sandy to clay soils.

Description

It is a spreading tree, usually 7-20 m tall, occasionally up to 40 m; bole 3-40(-73) cm in diameter, sometimes with buttresses 2 m x 1 m x 5 cm, bark scaly, finely longitudinally fissured, brown or red, peeling off in small flakes. Leaves are subcoriaceous, glabrous, glossy bright green, petiole up to 5 cm long, blade obovate to elliptical, 8-21 cm x 5-8 cm. Inflorescence a pendulous spike, up to 70 cm long and with up to 65 flowers, calyx tubular with three-four lobes, four petals, elliptical, 1.5 cm x 1 cm, greenish-white to pink-red; stamens in four-five whorls, numerous, at base united in a staminal tube, inner whorl staminodial. Fruits are an ovoid, one-seeded berry, 10-12 cm x 3-5 cm with eight ridges, green with a reddish tinge; immature fruits tetragonous with distinct wings on the edges which gradually disappear. Seeds are ovoid, 5-6 cm x 2 cm, yellow-white. (from PROSEA).

Density

The timber is moderately hard to hard and moderately heavy to heavy with a density of 480-815 kg/m^3 air dry.

Natural Durability

The timber is non-durable under exposed conditions. Susceptible to sap-stain and power-post beetle attacks.

Texture

Texture is moderately fine and even, with straight to interlocked grain.

Machining Properties

It is easy to resaw and easy to fairly easy to cross-cut. Planing is easy and the planed surface produced is smooth to moderately smooth.

Air Drying

The timber seasons fairly slowly, without any degrade except for slight insect and fungal attacks. Boards of 13 mm thick take approximately two months to air dry while 38 mm thick boards take five months.

Shrinkage

Shrinkage is rather high, with radial shrinkage averaging 1.9% and tangential shrinkage averaging 3.1%.

Growth Rings

Rings are present but of variable distinctness, demarcated by either zones of thicker-walled fibres or faint layers of apotracheal parenchyma.

Vessels

Vessels are medium sized to moderately large, moderately numerous, solitary and in radial groups of two-four; tyloses and deposits are absent.

Wood Parenchyma

Parenchyma is moderately abundant, both paratracheal and apotracheal type present; paratracheal types appearing as narrow borders around vessel and the apotracheal types appearing as short tangential lines running from ray to ray.

Rays

Rays are moderately broad and distinct to the naked eye.

Uses

The timber is suitable for temporary construction, non-striking tool handles, general planking, packing boxes and crates, plywood and pallets. The fruit can be used as flavouring in food. Pounded seeds or bark are used as a fish poison in Malaysia (they contain saponins).

References:

1. *Wong, T. M. 1976. Wood Structure of the Lesser Known Timbers of Peninsular Malaysia.*
2. *P.F. Cockburn B.A (Oxon) 1980. Sabah Forest Record No.10 Trees of Sabah Volume II. Forest Department Sabah.*
3. *Wong, T. M. 1982. A Dictionary of Malaysian Timbers. Revised by Lim, S. C. & Chung, R. C. K. Malayan Forest Record No. 30. Forest Research Institute Malaysia Kuala Lumpur.*
4. *http://animhosnan.blogspot.com/2011/11/putat.html*
5. *http://woodwizard.my/report.asp?AttrID=74&ItemID=199*
6. *http://www.asianplant.net/Lecythidaceae/Barringtonia_scortechinii.htm*

MTIB Moments

MTIB organised a Seminar on Bamboo : A Potential Alternative Resource, held in conjunction with MICCOS on 25 October 2013 at MAEPS, Selangor.

Seminar on Karas and Gaharu was organised by MTIB in conjunction with MICCOS on 26 October 2013 at MAEPS, Selangor. Seen here is Encik Mohd Zamakhsyary Mustapa, MTIB officer presenting his paper.

Demonstration on Karas wood carving at Timber Showcase during MICCOS on 27 October 2013.

MTIB and FPDSB jointly organised a Workshop on Standard Operating Procedure for Soft Loan Collection Under the Forest Plantation Development Programme for their officials. It was held on 29-31 October 2013 in Seremban, Negeri Sembilan.