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NATIP REVISIT 2017

WORLDSKILLS MALAYSIA COMPETITION 2017

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***Cover** : YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities (centre) receiving a memento from YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (right). For more details, please read pages 3 and 15.*

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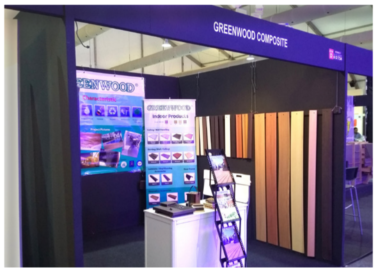

Regular Features

NATIP REVISIT 2017

Group photo with YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities (seated, centre).

The National Timber Industry Policy (NATIP) which was launched in 2009 has laid out a course of actions designed specifically for the timber industry to maintain and enhance its compatible edge in the global marketplace up until the year 2020. With three years left, MTIB and the Malaysian Timber Council (MTC) jointly organised a two-day NATIP Revisit Session which was held on 24-25 August in Kuala Lumpur. The purpose of the session was to review NATIP's existing export target and to devise a strategic plan for the next three years.

YBhg. Datuk K.Yogeesvaran, Secretary-General, from the Ministry of Plantation Industries and Commodities (MPIC) officiated the session. He highlighted that under NATIP, Malaysia's timber exports were targeted to reach RM53 billion by 2020 and that that was in line with the government's aspiration to increase value-added timber products to 60% by 2020 (currently 40%) and reduce export commodities (primary products) to only 40% (currently 60%) of the total Malaysian timber exports revenue by 2020. He expressed his concerns regarding the NATIP target and urged the timber industry to discuss pertinent issues and potential solutions, to revisit the industry structure of 60:40 and to relook at NATIP's target within the current environmental context.

The session was conducted in plenary and breakup sessions. The Three-Year Overview of the Timber Industry in Malaysia was presented by YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General while Markets and Promotion for the Timber Industry was presented by YBhg. Datuk Dr. Abdul Rahim Nik FASc, CEO from MTC. Encik Patrick Tan from Ministry of Industrial Development (MID) Sabah spoke on The Current Status of the Timber Industry in Sabah and Puan Hajah Eda Binti Edan from Sarawak Timber Industry Development Corporation (STIDC) presented on the Status of the Timber Industry in Sarawak. The Malaysian Timber Association (MTA), on behalf of all timber associations, spoke on the Challengers Faced by the Malaysian Timber Industry, highlighting on the raw material and workers issues.

Later in the afternoon the participants were divided into five clusters: Raw Material; Human Capital; Marketing; Bumiputera; and Innovation, Technology and Financing/Incentives/Insurance. Representatives from the clusters shared their views on the status of their respective sectors, the issues and the challenges they faced as well as the way forward for NATIP in their own clusters. Shortage of raw materials, lack of forest plantation species as a new source of raw material, stabilisation

YBhg Datuk K. Yogeesvaran, Secretary-General of MPIC delivering his opening speech.

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INDONESIA
Increase Share in Declining EU Market

Indonesia has become more firmly established as the leading tropical supply country into the EU this year. While the dollar value of EU imports from Indonesia has remained static since the start of 2016, import value from most other leading supply countries has been declining.

This provides context for those concerned about the apparent lack of market growth for Indonesian wood products in the EU since of the first FLEGT licenses was issued in November 2016. While total imports from Indonesia are not rising, they are stable in a market which is generally declining and Indonesia is increasing share compared to other tropical supply countries.

The dollar value of EU imports of tropical wood products from Malaysia fell almost continuously in the two years up to March 2017, with a notable decline in Dutch and German imports of sawnwood and UK imports of Malaysian plywood. However, there were some early signs of EU imports of Malaysian products picking up again in April and May this year.

EU imports from Cameroon, mainly sawnwood and mostly imported into Belgium, spiked in the second half of 2016 and subsided rapidly in the first five months of 2017. EU imports from Congo and Gabon have also slowed in 2017 after a strong performance in the second half of 2016.

Meanwhile the long-term decline in EU imports from Ivory Coast has continued in 2017. Imports from Brazil have also declined consistently in the last two years.

Fordaq.com,16 August

MYANMAR
Tax on Sawnwood Clarified

The Ministry of Finance and Revenue has intervened in the conflict between exporters and regional Internal Taxation Departments over the tax on sawnwood. The Yangon Division Internal Revenue Department previously stated that a 10% Special Commodity Tax will be levied on all wood products. It now appears that the 10% tax will apply to sawnwood with a cross sectional area of 12 square inches or more but sawnwood of a smaller cross section and all other semifinished products will be exempted.

Globalwood.org, 1-15 August

VIET NAM
The 12th Vietnamwood Fair Set to Attract Elite Woodworking Equipment & Machinery Manufacturers

The 12th Viet Nam International Woodworking Industry Fair (Viet NamWood) is slated to run from 18 to 21 October 2107 at Saigon Exhibition and Convention Centre (SECC). Solely endorsed by Eumabois makes VietnamWood the most reputed woodworking machinery exhibition in Viet Nam. Organised by Ministry of Industry and Trade - Viet Nam National Trade Fair and Advertising Joint Stock Company (VINEXAD) and Yorkers Trade & Marketing Service Co., Ltd., the fair provides an exclusive platform and channel exhibitors from all over the world to the domestic wood processing industry.

With the great success that has been developed for over a decade, Viet Nam Wood does not seem to stop growing. From participants to visitors, the exhibition has shown significant progress on internationalistion. This year, organisers are aiming for taking VietnamWood to a brand-new level, starting with the marketing strategy. The organiser is actively inviting trade visitors from neighboring countries such as Thailand, Malaysia, Myanmar etc. in order to establish a more fruitful business connection among participants. Followed by fair scale expansion, adding 20% of exhibiting area, bringing in abundant of elite woodworking equipment and machinery manufacturers into the trade show.

What makes an exhibition credible, aside from the quality of exhibitor and buyers? It's industry associations' endorsements. Over the years VietnamWood has built strong connection with many local and international associations, including Handicraft and Wood Industry Association (HAWA), Viet Nam Timber and Forest Product Association (VIETFOREST), Viet Nam Forest Corporation (VINAFOR), Taiwan Woodworking Machinery Association (TWMA), German Woodworking Machinery Manufacturers' Association (VDMA), Italian Woodworking Machinery and Tools Manufacturer's Association (ACIMALL), Spanish Association of Woodworking Machinery (AFEMMA) and American Hardwood Export Council (AHEC) and most of all, European Federation of Woodworking Machinery Manufacturers (EUMABOIS). This shows the professionalism of VietnamWood and it is certified by world's leading wood processing industry agencies.

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As one of the most well-known woodworking exhibition in Asia, VietnamWood it is definitely the best meet-up point for wood processing industry professionals regardless of where your operation is.

Fordaq.com, 22 August

JAPAN
Housing Starts Recover in June

Japanese housing starts rebounded in June, figures from Japan's Ministry of Land, Infrastructure, Transport and Tourism showed last week. Housing starts increased unexpectedly 1.7% year-on-year in June, reversing a 0.3% fall in May. Housing starts were forecast to drop 0.2% previously.

Annualised housing starts increased to 1.003 million from 0.998 million in the previous month. The expected level was 987,000. Construction orders received by big 50 contractors also recovered in June after falling for two straight months. Orders advanced 2.3% annually, in contrast to a 0.5% fall in May.

Fordaq.com, 7 August

CHINA
Qingdao Wood Industry Association to Participate in the Seventh China Global Wood Trade Conference

In June 2017, Qingdao Timber Industry Association confirmed to participate in the Seventh China Global Wood Trade Conference (GWT China) once again with delegation in Chengdu from 6 to 7 September. This is the third time that Qingdao Timber Industry Association deeply partake the annual event where global wood traders meet in China.

In 2016, China's total timber import was 93.4718 million m^3, with an increase of 13.56%. Among them, the import of log was 48.7247 million m^3, increased by 9.33% while sawntimber import was 31.512 million m^3 with an increase of 18.57%. The total amount of imported timber of Shandong Province was 9.1937 million m^3, accounting for 9.8% of China's total imports. Among which 7.1372 million m^3 were logs and 1.488 million m^3 were imported sawntimber.

Qingdao, located in the "the Belt and Road Initiative" extended interchange area, is an important city with unique advantages of expansion. Qingdao proposed the "the Belt and Road Initiative" integrated hub city strategic concept to inforce the cooperation with western port. Qingdao Port is China's second large port of billion tonnes throughput, and also an important timber and wood products trade port. The timber import and export data of Qingdao Port is a significant part of China's timber and wood products import and export index report.

The Seventh China Global Wood Trade Conference's taking place in Chengdu will promote the domestic and international wood trade communication. The active participation of Qingdao Timber Industry Association will promote industrial exchange and advance the industrial docking between Qingdao and Chengdu and the western area, facilitating the updating of the industrial structure. Besides, taking part in the international event will also promote the outward communication and cooperation of the industry leaded by the association, improve their international influence and push the optimistic development of wood market.

Fordaq.com, 9 August

CHINA
Rise in Timber Imports Through Ningbo Port

According to Ningbo Entry-Exit Inspection and Quarantine Bureau, in the first half of 2017, timber (including logs and sawnwood) imports through Ningbo Port totalled 510,000 m^3 valued at USD197 million, up 42% in volume and 45% in value from the same period of 2016, breaking a record high.

The increase in timber imports through Ningbo Port resulted from the growth of African timber imports. In the first half of 2017, China's timber imports from Africa rose 77% to 170,000 m^3, accounting for more than 30% of all timber imports through Ningbo Port.

Among African timber imported, the largest amount imported was Mopane (also known as Balsam tree, Butterfly tree, or Turpentine tree). Mopane wood is one of southern Africa's heaviest and is difficult to work with because of its hardness. The wood is similar to African blackwood, traditionally used for musical instruments.

Imported timber from Africa is mainly transported to Yiwu and Dongyang cities in Zhejiang province to be made high quality furniture and craft items.

Timbers through the port also arrive from the US and Canada and amounted to 109,000 m^3 in the first half of this year, up nearly 40% from the same period of 2016. North American timbers include northern Pine, Fir, Spruce and Oak are mainly used in construction and flooring.

Fordaq.com, 7 August

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CHINA
China-Australia Wood Products Trade Increased by 17%

In the first half of 2017, the value of wood products trade between China and Australia rose 17% to USD1,680 million from the same period of 2016, says ITTO in its latest report.

Of the total, the value of China's wood products imports from Australia increased by 23% to USD790 million. The value of log and waste paper imports rose 47% and 41% respectively.

The Chinese wood products exports to Australia increased by 12% in value terms, up to USD890 million. The value of China's plywood exports to Australia grew 36%.

More than 50% of China's wood product exports to Australia were of wooden furniture and seats and the value of China's wooden furniture and seat exports increased 11% to USD466 million.

China imported mainly woodchips and logs from Australia. In the first half of 2017 China's woodchips and log imports from Australia were 1.93 million tonnes and 2.25 million m^3 respectively.

Chip imports grew 4% year on year and log imports were up 28% year on year in the first half of 2017. China's plywood imports from Australia grew 34% to 74,000 m^3. In addition, China imported fibreboard, waste paper, paper, paperboard and paper products.

Fordaq.com, 4 August

INDIA
Plantation Teak Log Prices C&F Indian Ports

Traders report demand for imported plantation Teak logs as steady and prices remain unchanged for the moment. Because of the introduction of the GST, importers are saddled with higher transaction costs. Having to pay almost 24% as of basic duty, plus GST (18%) and surcharges, this is stretching the finances of importers. As the Rupee strengthens and because of high transaction costs importers may open price negotiations with shippers.

Globalwood.org, 1-15 August

EUROPE
Market for Tropical Wood Slows Again

Although overall economic conditions are improving in Europe, growth in key countries and sectors for the tropical hardwood sector is subdued and weakening in some cases.

The European Commission currently forecasts GDP growth in the EU to remain level at 1.9% in both 2017 and 2018. However, private consumption, the main growth driver in recent years which expanded at its fastest pace in 10 years in 2016, is set to moderate this year as inflation partly erodes gains in the purchasing power of households.

Investment is expected to expand fairly steadily in the EU but remains hampered by the modest growth outlook. Unemployment continues its downward trend, but it remains high in many European countries. In the euro area, it is expected to fall to 9.4% in 2017 and 8.9% in 2018.

Meanwhile the European market for tropical wood which, after a long period of decline, stabilised at a low level between 2014 and 2016, has generally slowed again this year.

Fordaq.com, 15 August

FINLAND
Dropping Roundwood Prices

Prices for Finnish roundwood started to decrease in May 2017, as compared to the same period last year and the prices in April 2017. Thus, the logs' prices were the only ones to go up, bearing in mind that the growth percentage for April 2017 decreased. Pine could be bought in May for EUR57.83 per m^3, 1.63% up from the same period in 2016. Also, the price for Spruce increased by 3.92%, to EUR59.04 per m^3, while Birch was traded for EUR47.34 per m^3, 1.95% more than in May 2016.

The prices for pulpwood went down during May 2017, with Birch to decrease the most, by -2.95%, to EUR27.88 per m^3. The price for Pine pulpwood reached EUR27.65 per m^3, down by -1.10% from May 2016, while Spruce could be bought for EUR29.81 per m^3, -0.23 down as compared to last year.

Fordaq.com, 11 August

BRAZIL
Stronger Wood Products Exports Bring Pine Sawlog Prices Up

Sawlog prices in Brazil have gone up over the past 12 months after five years in decline and the expectations are that the recent upward trend will continue for the remainder of the year, reports the Wood Resource Quarterly (WRQ). Stronger wood product exports from Brazil have resulted in higher demand for logs and increasing sawlog prices during 2016 and early 2017. Despite the recent price increases, current prices are below the long-

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term trend lines in the local currency.

In the first quarter of 2017, Pine sawlog prices in Brazil increased in both US dollars and in the Brazilian Real quarter-over-quarter. Over the last 12 months, sawlog prices have gone up by 26%, according to the WRQ. Most of the rise in prices has been the result of a stronger Real, but there have also been smaller upward price adjustments in the local currency because of higher labour and energy costs. The recent price increases follow a downward price trend that lasted for much of 2011-2015.

There are expectations that sawlog prices may continue to go up in the coming months because of improved opportunities for Brazilian exporters of lumber, plywood and value added products such as doors and mouldings to increase shipments overseas. During the first quarter of 2017, pine lumber exports reached an all-time high and were equal to the annual export volume just five years ago. The countries that have increased imports of Brazilian lumber the most in the past year are, the US, Mexico, China and Saudi Arabia.

An analysis of long-term timber price trends, volatility, and a point-in-time assessment of current timber prices relative to historical trends was recently undertaken by the timberland investment consultancy firm ForestEdge LLC.

Sixteen products were tracked, generally representing plantation roundwood products in Brazil, Chile, South Africa and New Zealand, in addition to conifer sawlogs in Sweden and hardwood pulpwood in the South Americas. Only pulpwood in Brazil (both Pine and Eucalyptus) and conifer products in South Africa (pulpwood, small and large sawlogs) registered increasing prices over the 1995-2016 period in inflation adjusted US dollars.

With respect to current delivered timber prices in local currency, it is interesting to note that with few exceptions, most timber prices in the local currencies in the fourth quarter 16 were not far from their trend-line values. Prices in both Brazil and Chile remained below their local currency trend lines, reflecting somewhat depressed timber markets.

Fordaq.com, 3 August

UNITED STATES
Sawmills Produce 7.015 Billion Board Feet of Softwood

Western US sawmills produced 7.015 billion board feet. (bbf) of softwood lumber in the first six months of 2017, an increase of 1.1% from 6.939 bbf a year earlier, according to the latest data from the Western Wood Products Association (WWPA) of Portland, Oregon.

Coastal mills accounted for 4.305 bbf of the six-month total, up 1.8% from 4.229 bbf last year, while inland mills produced 2.450 bbf, up 1.4% from 2.416 bbf in the first half of 2016. California Redwood production fell by 11.6% to 260 million board ft. (mmbf) from 294 mmbf. Western softwood lumber inventories in June were down 2.6% from 1.173 bbf last year to 1.142 bbf.

Fordaq.com, 9 August

NEW ZEALAND
Structural Log Prices Hit New Record

New Zealand structural log prices hit a new record as local mills compete with the export market to secure supply to meet the demand from the busy domestic construction market. The price for structural S1 logs lifted to USD127 a tonne this month, from USD124 a tonne last month, and USD115 a year earlier, according to AgriHQ's monthly survey of exporters, forest owners and saw millers.

New Zealand's economy is being buoyed by increased construction activity as record levels of tourism and migration stoke demand. However local wood mills are have to compete for log supply with the export market, with the price for S1 logs creeping above the price of export A-grade logs in AgriHQ's latest data for the first time since late last year.

"A consistently firming export log market has driven increases in structural log prices in recent months, though positive housing construction rates locally have been key to mills being able to stomach these increases," said AgriHQ analyst Reece Brick. "The short-term outlook is for either a steady or slightly firmer market, where the exchange rate movements will likely be key to the competitive pressure between the local and export markets."Brick said the closing valuation between wharf gate and domestic values may indicate some stabilisation in the market towards the end of the year, assuming no major change occurs in the export market.

Log values at the wharfgate slipped by around USD2 a tonne this month hurt by a rise in the New Zealand dollar exchange rate with the US dollar through mid-July to mid-August to peak at a 28- month high of US75 cents. However, the report noted that the exchange rate is now tracking downwards.

"Any concerns towards future easing of this market are minimal," Brick said. "There's little to no concerns regarding the state of overseas log markets for the short-term."

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Malaysia: Higher Revenue, Lower Profit Posted by Westports in January-June 2017

Westport Holdings (Westports) of Malaysia registered a revenue of RM1.02 billion (EUR 207.13 million, USD237.52 million) up by 3.5% year-on-year during its first six months ended 30 June 2017, while its net profit dropped 12.5% to RM289.71 million from RM 330.95 million. Meanwhile, the revenue and net profit reported by Westports for April-June 2017 alone stood at RM501.44 million (down 4.1%) and at RM148.82 million (down 6.0%) respectively. The port operator attributed its weaker earnings for the cited quarter to a decline in container throughput from 2.50 million to 2.23 million twenty-foot equivalent units (TEUs).

Source: The Sundaily, 21 July

Japan: Shipping Firms Establish New Container Shipping Firm on 1 July 2017

A new container shipping firm called Ocean Network Express (ONE) has been set up by Japanese shipping firms Mitsui OSK Lines, Nippon Yusen and Kawasaki Kisen Kaisha on 1 July 2017. In April 2018, ONE is scheduled to initiate its services. The move by the three shipping firms to integrate container shipping operations came amid historically slow market conditions. ONE is to be the sole Japanese container line to have an international shipping route. According to Junichiro Ikeda, the President of Mitsui OSK Lines, around three years would be needed for the integration to take effect.

Source: Nikkei Asian Review, 8 July

Singapore: Container Traffic Rose 8.7% to 2.8 Million TEUs in June 2017

Westport Holdings (Westports) of Malaysia registered a revenue of RM1.02 billion (EUR 207.13 million, USD237.52 million) up by 3.5% year-on-year during its first six months ended 30 June 2017, while its net profit dropped 12.5% to RM289.71 million from RM 330.95 million. Meanwhile, the revenue and net profit reported by Westports for April-June 2017 alone stood at RM501.44 million (down 4.1%) and at RM148.82 million (down 6.0%) respectively. The port operator attributed its weaker earnings for the cited quarter to a decline in container throughput from 2.50 million to 2.23 million twenty-foot equivalent units (TEUs).

Source: Business Times Singapore, 14 July

Asia/Europe: Container Freight Rates Down by 3.1% on Average

Figures from the Shanghai Shipping Exchange show that the container freight rates from Asia to Europe have decreased by 3.1% on average over the past week. This means that the freight rates now sit at USD939, which stems from general global developments at major trade routes worldwide.

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, July 2017

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m³	% Change July 2017/ June 2017
	m³	% Change July 2017/ June 2017	m³	% Change July 2017/ June 2017	m³	% Change July 2017/ June 2017	m³	% Change July 2017/ June 2017	m³	% Change July 2017/ June 2017		
Sawntimber	68,154	2	6,900	-51	1,197	-24	449	128	8,886	25	85,586	-5
MDF	30,099	44	578	-10	7,553	9	4,631	2	14,439	16	57,300	26
Mouldings	11,150	21	223	13	1,735	25	866	43	1,768	28	15,743	23
Plywood	8,490	0	281	178	38	100	274	-31	9,599	-8	18,682	-4
Veneer	1,371	78	0	0	46	100	42	-29	2,189	79	3,648	78
Particleboard	40,739	28	496	100	774	253	772	100	2,728	-8	45,509	30
TOTAL	**160,004**	**16**	**8,478**	**-44**	**11,343**	**12**	**7,034**	**22**	**39,609**	**11**	**226,468**	**11**

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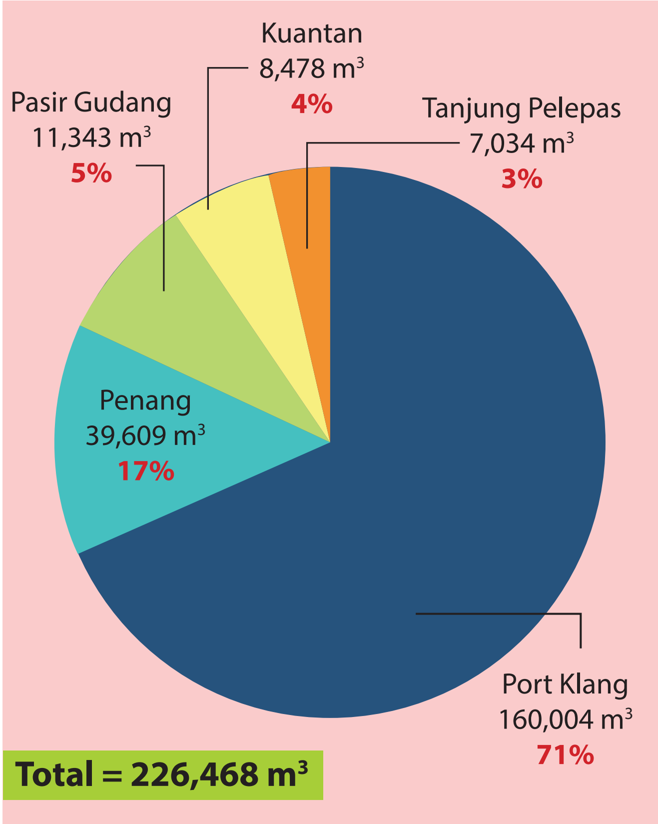
The decrease is similar to the development of the SCFI index, which measures freight prices between Shanghai and 15 global destinations. The index also serves as a rate indicator for container shipping companies such as Maersk Line, MSC and CMA CGM. The SCFI index fell by 3.1% to USD861.91, but remains above the average so far in 2017, which sits at USD861.40.

Source: Borsen, 17 July

Timber Shipment through Ports in Peninsular Malaysia, July 2017



Indonesia: Setback for Ports' Dwell Time Reduction

The Indonesian authorities' efforts in reducing the 2.9 days dwell time at its seaports in late 2016 have suffered a setback, as the figure has increased to 3.6 days in the first six months of 2017. The seaports' freight volume hike especially before the Idul Fitri break has been blamed for the prolonged dwell time, said Antonius Tonny Budiman, the Maritime Affairs Director General of the Transportation Ministry. He added that his office will monitor the situation to shorten the average dwell time through improving the unloading and loading system. Meanwhile, officials will also be disciplined over their roles in administrative delays.

Source: Jakarta Post, 18 July

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Timber World In Brief

In China, New Zealand's largest log market, the price for unpruned log grades rose USD 2/JAS, marking the 13th consecutive month without any weakening, Brick said.

Meanwhile, shipping rates were stable, following ongoing stability in world oil prices, Brick said. "Exporters are anticipating shipping rates to stay locked in position as we approach the end of the year," he said. Forest products are New Zealand's third-largest commodity export behind dairy and meat products

Fordaq.com, 23 August

SOUTH AFRICA
Wood Market Sector Round-Up

The decking market is steady but there is no strong demand and some customers are preferring local Eucalyptus and Pine rather than imported species. Domestic Pine mills are still building up stock levels and there have been instances of price discounting. In the current market the plan to raise prices has been postponed.

The American hardwood market has been reasonably steady with most of the demand being for White Oak with some demand also for Ash. There has been some movement of European Beech and Douglas Fir but the strong Euro is holding back sales.

The board market is under pressure. PG Bison (manufacturer of wood-based panel products founded in 1987 and based in Sandton, South Africa) has commissioned their new plant which has added 13,000 square metres per day to their overall production. They have also installed a high gloss line.

The market for African species is also patchy, mainly due to erratic delivery problems. There have been reports of Zambian authorities halting the export of logs brought into the country from Democratic Republic of Congo for onward shipment to mainly China. The problem appears to be that Zambia does not allow log exports and the process for transshipment is not clear. Analysts write it is there could be as much as 45,000 m^3 held up in Zambia.

Fordaq.com, 16 August

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JULY 2017

Total exports of Malaysia timber and timber products in July 2017 increased by 10% valued RM1.9 billion over the previous month. Similarly, cumulative export for the period of January to July increased by 7% valued to RM13.4 billion compared to the previous corresponding period in 2016.

SAWNTIMBER

Export of sawntimber in July 2017 decreased 4% in volume, however increased 4% in value to 167,443 m^3 with a value of RM311.9 million as compared to the previous month. Cumulative export for the first seven months of 2017 increased 17% in volume and 20% in value to 1.3 million m^3 totalling RM2.3 billion over the previous corresponding period.

Export of sawntimber to the EU for the month increased 21% to 10,769 m^3 from 8,880 m^3 in the previous month. Export to the Netherlands and UK increased 21% to 4,511 m^3 and 33% to 2,031 m^3 respectively. Similarly, purchases made by Germany improved 1% to 1,351 m^3 followed by Belgium with 1,388 m^3 from 608 m^3 in the previous month. However, export to France and Italy declined 13% to 616 m^3 and 42% to 285 m^3 respectively.

Total exports to West Asia increased 43% to 34,643 m^3 from 24,217 m^3 recorded in the previous month due to improving demand from major market in the region. Export to the UAE increased 16% to 7,734 m^3 followed by Yemen 66% to 13,973 m^3, Saudi Arabia 32% to 3,577 m^3 and Oman 24% to 3,532 m^3. In the meanwhile, export to Bahrain increased to 1,882 m^3 from 604 m^3 in the previous month.

Buying from ASEAN decreased 28% to 52,924 m^3 from 73,036 m^3 registered in the previous month. Export of sawntimber to Thailand, a major buyer of sawntimber from Malaysia declined 8% to 32,198 m^3 from 35,149 m^3 in the previous month. Purchases made by the Philippines also reduced by 67% to 9,936 m^3. However, export to Singapore and Viet Nam increased 30% to 8,446 m^3 and 35% to 2,103 m^3 respectively.

Shipments to East Asia decreased 3% to 33,637 m^3 from 34,637 m^3 in the previous month. Export to Japan and Taiwan decreased 35% to 3,904 m^3 and 24% to 5,642 m^3 respectively. Likewise, export to South Korea declined 5% to 2,529 m^3. On the other hand, export to China improved 16% to 21,140 m^3 from 18,196 m^3 in the previous month.

Elsewhere, exports to the US decreased 52% to 823 m^3 whilst intake by Australia increased 43% to 691 m^3. Demand from South Africa reduced 12% to 4,903 m3 from 5,588 m^3 in the previous month.

The average FOB price of sawntimber increased 8% to RM1,863 per m^3 from RM 1,734 per m^3 in the previous month. Price of Dark Red Meranti increased 2% to RM2,521 per m^3 from RM2,462 per m^3 in the previous month. Price of Dark Red Meranti to the Netherlands improved 4% to RM3,403 per m^3 from RM3,265 per m^3 in the previous month. Keruing was traded at RM2,023 per m^3, a decrease of 2% from RM2,064 per m^3 in the previous month.

PLYWOOD

Export of plywood in June increased by 3% in volume and 2% in value to 209,516 m^3 valued at RM367.6 million as compared to the previous month.

Total exports to the EU decreased by 1% to 10,896 m^3. The UK has recorded an increase in their intake of plywood by 6% to 8,256 m^3. Similarly, export to Belgium and Denmark have increased in volume by 67% and 43% to 571 m^3 and 428 m^3, respectively. In contrast, exports to the Netherlands, Ireland and France decreased by 18%, 52% and 59% to 799 m^3, 416 m^3 and 298 m^3, respectively. Meanwhile, Italy and Germany did not make any purchases for this month.

Exports to ASEAN and East Asia region increased by 3% with 147,614 m^3 compared to previous month. Thailand and Singapore reflected an increase in intake by 65% and 37% to 5,748 m^3 and 3,228 m^3 respectively. Similarly, Brunei Darussalam and Indonesia recorded an increase in their intake of plywood by 38% and 100% to 786 m^3 and 78 m^3 respectively. In contrast, export to the Philippines has decreased by 54% to 1,036 m^3. Meanwhile in East Asia, export to Japan has recorded a decrease of 6% to 88,355 m^3. Exports to South Korea and Taiwan have increased by 1% and 49% to 26,815 m^3 and 14,350 m^3 respectively. Similarly, Hong Kong and China also increased their intake by 25% and 42% to 3,381 m^3 and 2,966 m^3 respectively.

Overall exports to West Asia recorded an increase of 54% as compared to the previous month. Exports to Yemen and Kuwait have increased significantly by 455% and 100% to 30,333 m^3 and 1,089 m^3. In contrast, exports to the UAE, Saudi Arabia and Bahrain decreased by 33%, 49% and 13% to 1,623 m^3, 985 m^3 and 391 m^3, respectively. Meanwhile, Qatar maintained its intake about 43 m^3 for this month.

Exports of plywood to the Americas region has decreased by 55% to 8,817 m^3. Export to the US

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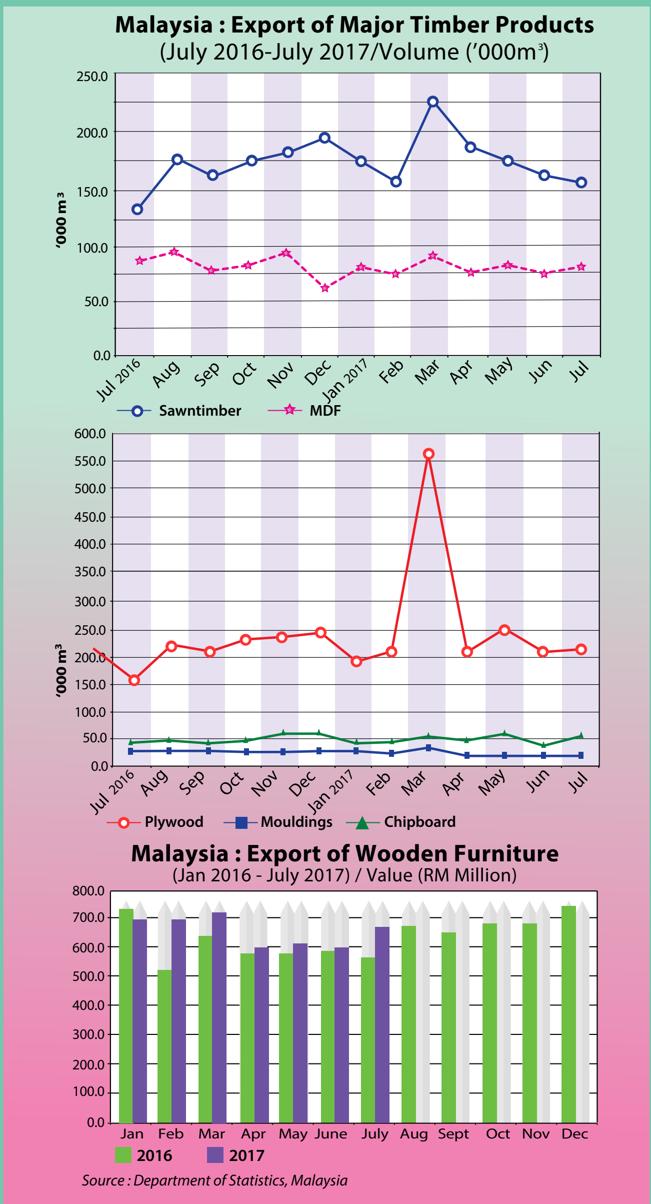
decreased by 72% to 4,594 m^3. In contrast, exports to Mexico and Canada have increased by 25% and 114% to 3,478 m^3 and 745 m^3 respectively. Meanwhile, export to Australia decreased 1% to 3,276 m^3 and New Zealand did not make any purchases this month.

Exports to South Africa and Mauritius have increased by 48% and 100% to 310 m^3 and 233 m^3. Algeria did not make any purchases this month. Elsewhere, Turkey has increased its intake by 100% to 280 m^3.

The FOB price of plywood decreased by 1% to RM1,755 per m^3 from RM1,774 per m^3 in the previous month.

VENEER

Export of veneer for July 2017 increased by 7% in volume and 5% in value to 18,001 m^3 at RM25.8 million as compared to the previous month. Export to Taiwan has increased by 10% to 6,193 m^3. Similarly, China and India have increased their intake of veneer by 87% and 64% to 4,192 m^3 and 392 m^3. Australia also recorded an increase in export by 63% to 134 m^3 from 82 m^3 in the previous month.



On the other note, South Korea has decreased their intake of veneer by 18% to 5,340 m^3. The Philippines and Canada also have decreased their exports by 39% and 46% to 700 m^3 and 13 m^3. Meanwhile Viet Nam, Chile and Italy did not make any purchases this month.

The FOB price of veneer decreased to RM1,431 per m^3 from RM1,459 per m^3, a decrease of 2% from the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for July 2017 increased 9% in volume and 13% in value compared to previous month. Export totalled 75,366 m^3 and valued at RM94.6 million.

Exports to East Asia registered an increase of 11% to 13,398 m^3 from 12,055 m^3 in the previous month. Export to Japan, Taiwan and South Korea registered positive growth of 11% to 11,760 m^3, 38% to 570 m^3 and 45% to 996 m^3 respectively. On the other hand, China including Hong Kong recorded negative growth by 77% to 72 m^3.

Exports to West Asia recorded negative growth of 10% to 32,906 m^3 from 36,661 m^3 in the previous month. Similarly, export to the UAE, Kuwait and Jordan decreased by 2% to 10,516 m^3, 30% to 4,060 m^3 and 56% to 457 m^3 respectively. Moreover, Syria, Iran and Lebanon did make any purchase. However, export to Saudi Arabia, Qatar, Bahrain and Oman increased by 52% to 10,078 m^3, 86% to 1,075 m^3, 155% to 1,308 m^3 and 456% to 4,783 m^3 respectively.
Elsewhere, exports to South Asia increased by 92% to 10,425 m^3. Similarly, export to Pakistan, Bangladesh and India increased by 43% to 2,157 m^3, 67% to 2,078 m^3 and 95% to 5,226 m^3 respectively. Sri Lanka resumes its intake for this month.

Contrariwise, exports to the US, Australia, UK and South Africa increased by 2% to 1,531 m^3, 40% to 2,367 m^3, 81% to 665 m^3 and 98% to 479 m^3 respectively. On the other hand, export to Mauritius decreased by 46% to 173 m^3.

In ASEAN, total exports to ASEAN region increased by 52% to 11,658 m^3 from 7,649 m^3 in the previous month. Export to Viet Nam, Indonesia, the

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JULY 2017

LOGS

The supplies of logs were reported to be sufficiently available and accessible. The average domestic prices of logs continued to be firm for most of the species.

Log prices for the species of Chengal, Balau and Red Balau stood firm at RM4,500 per tonne, RM3,000 per tonne and RM2,200 per tonne respectively. Prices of Keruing, Kempas and Kapur continued to be traded at RM1,500 per tonne, RM1,720 per tonne and RM1,700 per tonne respectively. Similarly, the prices of Dark Red Meranti and Red Meranti stood firm at RM2,100 per tonne and RM1,750 per tonne respectively. On the other hand, logs prices for Mixed Heavy Hardwood and Mixed Light Hardwood fell by 6.7% and 32.5% respectively to RM910 per tonne and RM827 per tonne over the previous month.

SAWNTIMBER

The average sawntimber prices recorded increased for some species due to declining supply and slow activities in the domestic market.

The sawntimber prices of Chengal dropped by 1% to RM6,850 per m^3. Meanwhile, prices of Balau and Red Balau maintained at RM3,178 per m^3 and RM2,895 per m^3 respectively. Prices for Keruing increased slightly by 5.9% to RM1,271 per m^3 over the previous month. Kempas and Kapur sawntimber prices stood at RM2,239 per m^3 and RM1,746 per m^3 respectively. Similarly, prices of Dark Red Meranti and Red Meranti remained at RM2,278 per m^3 and RM1,977 per m^3 respectively. On the other hand, sawntimber prices for Mixed Heavy Hardwood and Mixed Light Hardwood dropped by 2.7% and 5% respectively to RM883 per m3 and RM1,006 per m^3 compared to the previous month.

PLYWOOD

The supply of plywood for the usage of the domestic market reported by the industry continued to suffice the need of local demand although there were still competition of raw material for certain timber product in the market. Plywood traders reported that there were no significant changes in the export price. Plywood of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM14.60, RM22.00, RM38.00 and RM48.00 per piece respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

Domestic supply of MDF remained stable as prices continued to chart at last month's level. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM13.50, RM18.05, RM24.65 and RM32.20 per piece respectively.

INTRA-MALAYSIA TRADE * - JULY 2017

The shipments of sawntimber from Sabah to Peninsular Malaysia increased tremendously by

INTRA-MALAYSIA TRADE – JULY 2017

From	Products	JUN 2017		JULY 2017		% Change in Volume Jul 2017 / Jun 2017	% Change in Value Jul 2017 / Jun 2017
		Volume (m^3)	Value (RM '000)	Volume (m^3)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	166	346	412	958	148	177
	Plywood	8,483	14,450	4,355	7,842	-49	-46
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	252	259	540	731	114	182
	Plywood	4,899	6,452	9,109	13,063	86	102
	Veneer	4,972	6,492	3,584	5,327	-28	-18

Source : Department of Statistics, Malaysia

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JULY 2017

148% in volume from 166 m^3 to 412 m^3 valued at RM958,000. Meanwhile, shipment of plywood decreased marginally by 49% in volume to 4,355 m^3 worth at RM7.8 million.

Export of sawntimber from Sarawak to Peninsular Malaysia increased by 114% to 540 m^3 valued at RM731,000. Likewise, shipments of plywood increased by 86% in volume to 9,109 m^3 worth at RM13.1 million as compared to previous month. Export of veneer decreased by 28% in volume to 3,584 m^3 and 18% in value to RM5.3 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in July 2017.

** Source: MTIB and Department of Statistics, Malaysia*

***AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA JULY 2017 (VALUE IN RM)**

SPECIES	LOGS/tonne	SAWNTIMBER/m^3		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	4,500	6,850	5,297	7,415
Balau	3,000	3,178	2,684	2,743
Red Balau	2,200	2,895	2,542	3,178
Merbau	2,600	3,849	3,178	3,955
Mixed Heavy Hardwood	910	883	802	918
MEDIUM HARDWOOD				
Keruing	1,500	1,271	1,201	2,203
Kempas	1,720	2,239	2,225	2,331
Kapur	1,700	1,746	1,412	1,746
Mengkulang	1,200	2,119	996	2,119
Tualang	1,400	2,472	2,331	2,493
LIGHT HARDWOOD				
Dark Red Meranti	2,100	2,278	1,695	1,912
Red Meranti	1,750	1,977	1,780	2,083
Yellow Meranti	1,200	1,342	1,236	1,271
White Meranti	1,070	2,119	1,412	2,260
Mersawa	1,480	1,554	1,130	1,589
Nyatoh	1,300	1,554	706	777
Sepetir	1,100	1,554	918	1,118
Jelutong	1,140	1,497	1,201	1,730
Mixed Light Hardwood	827	1,006	805	918
MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	**LOGS/tonne**	**SAWNTIMBER/m^3**		
	180	**1" X 1"**	**2" X 2"** / **3" X 3"**	**4" X 4"**
		876	1,342 / 1,518	1,766
PLYWOOD 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	14.60	22.00	38.00	48.00
MDF 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	13.50	17.15	24.65	32.20

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

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Philippines and Singapore all increased by 2% to 3,442 m³, 78% to 4,965 m³, 99% to 2,825 m³ and 216% to 79 m³ respectively.

The FOB price of MDF increased to RM1,255 per m³ from RM1,211 per m³, an increase of 4% from the previous month.

MOULDINGS

Exports of mouldings for the month increased by 10% and 14% in volume and value to 19,005 m³ and RM70.8 million respectively. However, cumulative exports for the period of January to July 2017 decreased by 1% in volume and increased by 0.3% in value to 137,627 m³ and RM487.2 million respectively as compared to the previous corresponding period in 2016.

Exports to the EU for the month recorded at 6,493 m³, an increase of 2% compared to the previous month. Germany and Belgium increased their purchased by 70% and 9% to 995 m³ and 693 m³. Meanwhile, the Netherlands and UK decreased their purchases by 7% and 5% to 3,307 m³ and 594 m³ respectively. However, Italy did not make any purchases.

Exports to ASEAN region decreased as Viet Nam and Indonesia intake of mouldings decreased by 34% and 16% to 126 m³ and 54 m³ whilst exports to Singapore increased 17% to 1,491 m³ from 1,277 m³ compared to the previous month.

Meanwhile, exports to China and South Korea have increased by 79% and 40% to 694 m³ and 1,737 m³ respectively. However, exports to Hong Kong, Taiwan and Japan decreased by 58%, 54% and 2% to 141 m³, 28 m³ and 1,777 m³ respectively.

Elsewhere, export to Australia increased by 12% to 2,901 m³ compared to the previous month whilst export to the US decreased by 11% to 1,447 m³ compared to the previous month. However, Canada resumed its intakes.

FOB unit value increased to RM3,727 per m³ and an increase of 4% compared to the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from July 2017 increased 7% to RM719.8 million as compared to RM670.4 million in the corresponding period last year. Export to the EU increased 19% to RM208.0 million. Export to the Netherlands, Italy, Sweden, France, Belgium, Turkey, Germany and Denmark increased by 84%, 73%,59%, 51%, 40%, 33%, 23% and 2% to RM5.3 million, RM5.1 million, RM5.4 million, RM15.0 million, RM30.4 million, RM4.9 million, RM19.2 million and RM13.5 million respectively. However, export to the UK decreased by 2% to RM97.7 million compared to the previous year.

In Asia, exports to Saudi Arabia, India, South Korea, Thailand, Singapore and Pakistan decreased by 14%, 14%, 9%, 7%, 3% and 1% to RM2.1 million, RM34.0 million, RM1.5 million, RM19.4 million, RM74.1 million, and RM28.9 million respectively compared to the previous year. However, exports to the UAE, Taiwan and Japan grew 83%, 20% and 5% to RM5.6 million, RM11.1 million and RM45.2 million. Qatar did not make any purchases while Bahrain resumed its intakes for the month.

Exports to Australia increased by 5% to RM125.8 million compared to the previous year. However, Mauritius and South Africa decreased its purchases by 40% and 3% to RM117 thousand and RM9.8 million respectively. Likewise, the US decreased its intake by 1% to RM60.4 million from RM61.1 million in the previous corresponding period.

FURNITURE

Total cumulative export of wooden and rattan furniture for the period under review in 2017 rose 9% compared to the corresponding period of 2016. Total shipment recorded was at RM4.6 billion compared to RM4.2 billion in 2016.

Imports of wooden furniture by the US expanded 17% from RM1.5 billion to RM1.7 billion. Intake by Japan remained positive with a 2% increase from RM332.0 million to RM338.1 million. The UK's imports saw a growth of 5% from RM253.4 million to RM267.3 million. Canada's uptake of wooden furniture strengthened with an increase of 9% to reach RM159.6 million. China boosted its wooden furniture consumption by 73% totalled RM97.7 million. India's consumption of furniture has increased by 38% to RM113.5 million. South Africa picked up 12% to record RM29.7 million. The UAE and Saudi Arabia decrease their furniture consumption by 11% and 3% to RM103.6 million and RM86.9 million respectively. Australia and Singapore decreased its consumption by 1% to RM341.9 million and 9% to RM249.4 million respectively.

Rattan furniture shipments decreased to RM13.7 million for the January to July 2017 period compared to RM26.7 million in 2016, a drop of 49%. Main buyer Singapore absorbed RM1.7 million, thus decreasing its buying by 61%. Australia also reduced its consumption by 52%, into RM1.3 million. Meanwhile India saw positive improvements with an increase from RM1.4 million into RM3.8 million.

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of Rubberwood prices and importation of raw materials were among the issues raised by the Raw Material Cluster. It was concluded that the forest plantation programme needed to be enhanced to sustain the availability of raw materials and that it was necessary to take into consideration the commercialisation of potential R&D findings of new materials.

Human Capital is another important factor. The cluster discussed the need to take the 3D issue into account and create a conducive environment in factories. The issue of shortage of workers and lack of local skilled workers in the timber industry also needed to be addressed seriously.

The Marketing Cluster highlighted marketing and promotion issues needed to enhance market access and the trade liberalisation of Malaysia's timber and timber products in the global markets. Promotion activities like e-Commerce Specialised Selling Missions, the B to B programme, Customised Sourcing Missions and Free Trade Agreements (FTA) were among the issues discussed.

In order to strengthen the performance of Bumiputera entrepreneurs, several initiatives have been proposed for them to gain a competitive edge in business. One such effort is the *Skim Usahawan Perabot Bumiputera* (SuperBumi). The objective of this programme is to enhance the participation of Generation Y Bumiputera in the furniture export market. In addition, the Certified Timber Credible Supplier (CTCS) programme which is supported by the government aims to provide opportunities for Bumiputera entrepreneurs in the construction sector.

Meanwhile, the Innovation, Technology and Financing/Incentives/Insurance Cluster discussed on enhancing the competitiveness of the timber industry with the latest technology and supporting the growth to timber business. The cluster agreed that, the industry should move forward by using automation and modernisation in order to reduce dependence on foreign labour and facilitate the Original Equipment Manufacturer (OEM) to Original Design Manufacturer (ODM) and Original Brand Manufacturing (OBM) transformation. Promoting new innovative products like glued laminated timber (glulam) and cross laminated timber (CLT) is another new approach discussed during the cluster meeting.

At the closing ceremony of NATIP Revisit on 25 August, YB Datuk Seri Mah Siew Keong, Minister

YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities flanked by YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (on his right) and YBhg. Datuk Dr. Abdul Rahim Nik FASc, CEO of MTC (on his left).

of Plantation Industries and Commodities agreed with the group's proposal for a new NATIP target of RM25-RM30 billion, from RM53 billion, by 2020. He stated that the revision was necessary due to the shortage of raw material as well as workers. He urged MPIC, MTIB and MTC to take action on the matters raised by all clusters.

Among the major outcomes highlighted at the end of closing ceremony were the setting of the new export target of RM25-RM30 billion by 2020 and the activation of the NATIP committee, namely *Jawatankuasa Induk Pemantauan* NATIP (JIPN) which will be chaired by the Secretary General and *Jawatankuasa Teknikal* (JKT) for the respective NATIP thrusts, chaired by relevant agencies.

Datuk Seri Mah also highlighted Bumiputera programmes such as SuperBumi and supply of raw material (Acasia and Rubberwood) from Sabah and Sarawak to Peninsular. He urged small medium entrepreneurs (SME) to take part in eTrade programmes implemented by MATRADE. At the end of his speech, the Minister expressed his gratitude to industry players for their time and commitment in making the event a success.

The session which received very encouraging response was attended by 160 participants including representatives from the industry, government agencies, timber associations, financial institutions and research institutes from Peninsular Malaysia, Sabah and Sarawak.

NEW SECRETARY - GENERAL OF MPIC

YBhg. Datuk K.Yogeesvaran, Secretary-General of MPIC.

YBhg. Datuk K. Yogeesvaran has been appointed as the new Secretary-General of Ministry of Plantation Industries and Commodities (MPIC). He succeeds YBhg. Datuk M. Nagarajan effective 9 August 2017.

Before assuming his current post, he was previously Deputy Director-General (Macro), Economic Planning Unit (EPU), Prime Minister's Department in charge of the Macroeconomics Section; the Service Industry Sector; the Industry, Science and Technology Sector; and the Environment Sector. He served in EPU for 27 years from 1990.

Datuk K.Yogeesvaran graduated with his M.A. Economics (Distinction) from Manchester University, U.K. He obtained his Post Graduate Diploma in Economics (Distinction) from Manchester University, U.K; the LLB from University of London; a Certificate of Legal Practice, Malaysia; a Diploma in Public Administration (INTAN); and a B. Arts (Economics) Honours from University Malaya.

For his excellence in service, he has received several awards including *Panglima Mahkota Wilayah (PMW), 2014; Kesatria Mangku Negara (KMN), 2008; Khidmat Cemerlang Tahun 1994 & 2004, EPU; and Pingat Kelakuan Terpuji (PKT), Pulau Pinang, 2002.*

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Timber World In Brief

WEST AFRICA
Log and Sawnwood FOB Prices Remained Unchanged

Log and sawnwood FOB prices remained unchanged through into early August and producers appear confident that the current market stability will continue for the time being. Demand for logs and sawnwood is forecast to remain at the present level allowing millers to balance log availability with shipments. Many sawmills report satisfactory forward order books equivalent to two months of full production.

Business for the Chinese market is steady and producers report regular but modest increases in the volumes being ordered, especially for the most favoured species. While some forecasters are suggesting the Chinese economy may slow, this does not fit with the mood of buyers for this market who seem to be convinced the economic prospects for the country are sound.

Globalwood.org, 1-15 August

GHANA
Joins Satellite Based Forest Monitoring Project

The Forestry Commission will participate in a project to monitor activities in the country's forest so action can be taken immediately to protect against illegal activities. The project will develop new methods to detect changes in the forest cover to provide for fast and accurate identification of deforestation and degradation. This five year project being funded by the UK Space Agency's (UKSA) International Partnership Programme and will be conducted in Ghana as well as Brazil, Colombia, Indonesia, Mexico and Kenya. Trials will be undertaken in three forest types; forest reserves, reforestation areas and coastal ecosystems. Project Coordinator, Professor Ernest Foli, said the system can distinguish between tree crops and the natural forest cover.

Globalwood.org, 1-15 August

WORLDSKILLS MALAYSIA COMPETITION 2017

Participant preparing his project.

The WorldSkills Malaysia Belia (WSMB), formerly known as *Pertandingan Kemahiran Malaysia* (*PKM*), is an annually skills competition. It is aimed at selecting and recognising skills that trainees need to be recognised as skilled workers and to elevate the position of skills level in Malaysia to the international level. This competition is conducted in two stages: the pre-feasibility stage and the final stage.

The terms of application are :

- Malaysian Citizen
- Open to trainees or skilled workers
- Aged 20 years and below (except for Mechatronics, aged 23 and below)
- Each participant is entitled to apply for one field only.

MTIB through WISDEC has been involved in the skills competition for more than 10 years. To develop human capital in the timber industry, MTIB was appointed as Industry Lead Body (ILB) by Department of Skills Development (JPK), Ministry of Human Resources in 2012. As ILB, MTIB has conducted training programmes and activities to elevate the level of human resources skills in the timber industry.

WISDEC, the training arm of MTIB had been selected by JPK to host the cabinetmaking trade category of the competition on 12 -15 August . The joinery trade competition was held at the Malaysian Buildings Academy (ABM) Northern Region, Kedah on 14-17 August. Two graduates of Furniture Processing Technology under Vocational Training Programme from WISDEC Sabah took part in WSMB 2017 and underwent intensive training at WISDEC Banting. The cabinetmaking trade category was represented by Joerdan Jesselly James while the joinery trade category was represented by Felix Soon. They were trained at WISDEC Banting under the supervision of Encik Amri Mustaffa, National Expert in Cabinetmaking; Encik Saifol Azri Mohamad, National Expert in Joinery; and Encik Mohd Azizi Razali and Encik Mohd Akmal Hassan as coaches.

Eight students took part in the cabinetmaking competition and they are from Politeknik Sultan Salahuddin Abdul Aziz Shah (1 competitor), Institut Kemahiran MARA Tan Sri Yahaya Ahmad (1 competitor), Terengganu Timber Industry Training Centre (4 competitors), Institut Latihan Perindustrian Kota Bharu (1 competitor) and WISDEC (1 competitor).

Successful participants receive the following prizes:

- Gold medal - Certificate and RM5,000.00
- Silver medal - Certificate and RM2,500.00
- Bronze medal - Certificate and RM1,500.00

Participants with their cabinets produced by them.

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PROMOTING BETTER WORKPLACE ENVIRONMENT FOR TIMBER-BASED FACTORIES THROUGH GMP

Group photo during the programme held in Kuala Terengganu.

MTIB has been conducting the Good Manufacturing Practices (GMP) – 5S Programme since 2015 to encourage the creation of safer and more conducive work environments. This is to reduce the rate of workplace accident and therefore retain existing workforce whilst attracting new ones to work in timber-based factories. The effort aimed to dispel the negative notions of the 3D (Dirty, Dangerous & Difficult) perception of the timber industry which discourages local talents to join the industry. As of 2016, 39 timber based companies have participated in the programme and shown positive effects with an overall savings of RM 80,200 per year being recorded. The savings include floor layout, machinery usages and reduced reject rates. Based on the results, MTIB decided to continue the programme in 2017.

In order to promote the programme, MTIB organised a series of one-day roadshows throughout the Peninsular Malaysia which included Kuala Terengganu, Terengganu (1 August); Muar, Johor (10 August); Sungai Buloh, Selangor (16 August); and Seberang Prai, Penang (26 August). The roadshow would also serve as an introduction on the concept of GMP – 5S to the participants who mainly consisted of timber-based companies' owners and staff.

In his opening speech for the Muar, Johor session, Encik Mohd Amin Kadir, MTIB Deputy Director of Strategic Planning, stated that MTIB had initiated a series of productivity related programmes in order to achieve higher economic growth. Therefore, it was highly important for the timber industry to take heed and participate in the productivity related programme. MTIB believes that the GMP-5S is the first step towards that.

The roadshow also included a knowledge-sharing session by companies that had previously completed their GMP–5S Programme with MTIB such as Amizu Industries Sdn. Bhd., De Hong Furniture Industries Sdn. Bhd., and A&A Chesterfield Sdn. Bhd. These companies gave detailed explanations about their experience while participating in the programme and the overall impact it had on their factories. They also elaborated on the importance of all levels of management being fully committed in order to successfully complete the programme. The session was an eye opener for the participants as they learnt that although practicing the GMP–5S Programme required a great deal of effort and cooperation, it was rewarding and fruitful, as evident by the amount of savings the companies managed to obtain throughout the 6 months programme.

After the knowledge-sharing session, they were given certificates of completion. This was followed by a briefing session on the GMP–5S programe by Encik Eric Foo, the consultant hired by MTIB to

Participants of the programme.

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Companies receiving their Certificate of Completion.

conduct the programme. Encik Foo explained that the timber-based industry needed to participate with the GMP–5S Programme because it would give the companies some recognition which would instill confidence among potential customers or agencies. It would also encourage a systematic production run which would reduce operation cost and ensure better control of stock level. The programme would also help companies to adhere to government regulations such as having a cleaner environment and a safer workplace. This session was followed by a briefing on how the participants can be part of the GMP – 5S Programme.

The session was attended by 72 people from 49 timber-based companies. Overall, the programme was well received by the participants as it increased their awareness of having a more conducive workplace environment as well as signaling MTIB's commitment in transforming the Malaysian timber industry to become more productive and competitive and thus able to better compete with international timber-based companies.

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Timber News

- Certificate of Excellence - Certificate of Excellence and RM500.00

The medalS and certificates will be awarded during the Prime Minister's Gold Award Ceremony in November 2017 and the winners will have a chance to represent Malaysia at the ASEAN Skills Competition (ASC) 2018, Bangkok.

During the WSMB competition, WISDEC also held the SkillsMalaysia Carnival. The event included a career talk, a DIY session and products exhibition. The main aim of the carnival was to promote skills training in the main stream of the national education system and to enlighten the public about government policies on the development of high skilled human capital. The majority of the visitors were technical and vocational students.

DIY session

ARCHIDEX 2017

The 18th International Architecture, Interior Design and Building Exhibition Malaysia (ARCHIDEX) was held at the Kuala Lumpur Convention Centre (KLCC) on 19-22 July. The co-organisers of the event were the Malaysian Institute of Architects (Pertubuhan Arkitek Malaysia or PAM) and C.I.S Network Sdn. Bhd. Since its introduction in 2000, ARCHIDEX has been Malaysia's most successful annual industry event for the architecture, interior design and building industries.

ARCHIDEX is widely recognised as a leading event that draws together South East Asia's fraternity of architects, interior designers, developers, urban planners, engineers, academicians, students and various related industry professionals. ARCHIDEX continues to strive and it currently occupies a highly coveted position at the forefront of the regional's robust architecture, design and building industries.

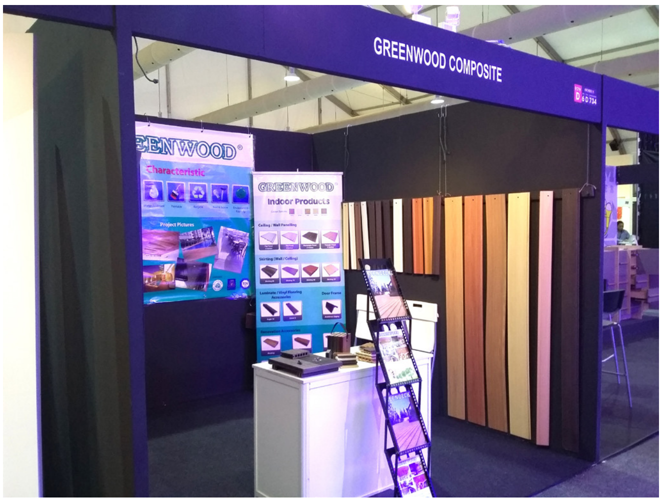
ARCHIDEX 2017 was officiated by Sr Ratna Hj Mahyuddin, Deputy Director-General (Specialised Sector) of Public Works Department, Ministry of Works who represented the Deputy Minister of Works YB Datuk Rosnah Binti Abdul Rashid Shirlin at the KLCC. She highlighted that the Malaysian economy has registered a strong growth of 5.6% in the first quarter of 2017 as compared to the same period last year with 4.1% growth. This was supported mainly by the higher domestic demand and positive growth across all sectors.

The construction industry registered a growth of 8.0% in the first quarter of 2017, driven by higher civil engineering activities. The residential buildings subsector expanded from 4.9% in 2016 to 7.0% this year, largely attributed to the construction of high-end serviced apartments and affordable housing projects particularly in the Klang Valley and Johor. The total value of construction work rose accordingly at 9.7% to RM35 billion involving 9,572 projects in 2017, compared to 11.1% with RM31.9 billion involving 10,043 project in 2016.

A total of 550 exhibitors from Malaysia, Australia, Austria, China, Germany, Indonesia, Japan, Korea, Singapore, Switzerland, Taiwan, Thailand, United Kingdom, Viet Nam and Hong Kong (SAR) participated in ARCHIDEX 2017. The four-day event was also packed with concurrent events and networking sessions through its conferences, forums, trade talks, daily presentations, discussions, meetings, awards, product launches, hosted cocktails and gala dinner. The beauty of ARCHIDEX is the opportunity to network with traders across the globe and the power of face-to face business meetings instead of via e-mail or phone. The fair has attracted over 36,000 trade and public visitors from over 60 countries since its inception.

ARCHIDEX is an excellent platform to enable Malaysian companies particularly from the timber industry to showcase and introduce their products to a wider market. MTIB took the opportunity to participate at ARCHIDEX 2017 to promote Malaysian timber and timber products. Five companies joined MTIB at this fair namely GM Door, Fly Tred Resources Sdn. Bhd., Azzahrawi Enterprise Sdn. Bhd., Greenwood Composite (M) Sdn. Bhd. and Anggun Sofa & Interior Design Sdn. Bhd. The companies displayed various timber products such as doors, timber houses, timber structure, reclaimed timber, sofas, chairs and wood plastic composite.

MTIB Booth



Greenwood Composite (M) Sdn. Bhd. displayed products during the fair.

23RD MPOB TRANSFER OF TECHNOLOGY SEMINAR AND EXHIBITION

YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities (second from left) officiating TOT Seminar and Exhibition.

YB Datuk Seri Mah Siew Keong visited exhibition booths.

MPOB organised their 23rd Transfer of Technology (TOT) seminar and exhibition on 11 July at MPOB Head Office, Bangi, Selangor. This annual event was officiated by YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities. The seminar was attended by over 200 participants consisting of breeders, nursery operators, tissue culturists, biotechnologists, agronomists, entomologists, plant pathologists, plant physiologists, policy makers, planters, managers, researchers, academia, consultants, students and those interested in oil palm breeding and seed production.

The TOT seminar and exhibition is a strategic platform for MPOB to launch their new technologies, products and services related to oil palm and it welcomes the industry and entrepreneurs to take up its technologies for commercialisation under mutually agreed terms and conditions. The TOT seminar and exhibition also provides business matching engagements involving investors of technologies, Malaysian entreperneurs and MPOB scientists through sharing of knowledge/ideas and experience on the commersialisation process.

The highlight of the event was the launching of the Palm-based Liquid Detergent using Methyl Esther sulphonates (MES) as an active ingredient. Eighteen new technologies and nine services were introduced to the palm oil industry during the event, bringing the total number of technologies launched for adoption and commercialisaton up to 626. The technologies included farm machinery, plant protection, plant biotechnology, milling and processing, biomass advancement, livestock integration, food, oleochemicals, green energy and laboratory equipment/services.

Four MTIB officers attended the TOT seminar and exhibition namely Cik Zamzarina Ahmad, Puan Juliwar Idrus, Encik Mohd Rozemy Mohammad Ghazali and Encik Mohd Radzi Buang.

Attendees at the seminar.

CHEMICAL HEALTH RISK ASSESSMENT TRAINING

Protecting employees from the adverse effects of chemicals is one of the primary duties of an employer under the Occupational Safety and Health Act 1994. Occupational Safety and Health Act 1994 (OSHA 1994) is an Act that provides the legislative framework to secure the safety, health and welfare among all Malaysian workforces and to protect others against risks to safety or health in relation to the activities of persons at work as stated under OSHA 1994 Part 1 (section 1). This Act is a practical tool which covers the existing safety and health legislation.

Under Regulation 5 (1) Occupational Safety and Health, The Use and Standard of Exposure of Chemicals Hazardous to Health Regulations, 2000 (USECHH) it is stipulated that it is the duty of the employer to take action to control chemicals hazardous to health, through progressive application of control measures in the order of elimination, substitution, isolation process modification, engineering control, safety work procedure and personal protective equipment, and reduce the exposure level of the employees to the lowest practicable level.

To perform this duty, an assessment of all chemicals used in the workplace must be carried out in order to identify, evaluate and control any health risk associated with work activities involving the use of the chemicals. An employer is required to identify and record all hazardous chemicals used at the workplace and record in the Chemical Hazardous to Health register. This would also include any chemical as categorised below :

- List in Schedule 1 or 2, of the USECHH Regulation 2000.
- Possesses any of the properties as categorised in Part B of Schedule 1 of the Occupational Safety and Health (Classification, Packaging and Labeling of Hazardous Chemicals) Regulation 1997.
- Comes within the definition of "Pesticide" under the Pesticides Act 1974
- Is listed in the First Schedule of the Environment Quality (Schedule Waste) Regulations 1989.

The Chemical Health Risk Assessment (CHRA) provides the legislative framework to promote, stimulate and encourage high standards of safety and health at work. This would allow enabling decisions to be made on appropriate control measures, induction and training of employees, monitoring and health surveillance activities as may be required to protect the health of employees who may be exposed to chemicals hazardous to health at work.

The objectives of CHRA are :

- To identify the hazards posed by each chemical substance used, stored, handled or transported within the place of work.
- To evaluate the degree of exposure of employees to the chemicals hazardous to health, either through inhalation, skin absorption or ingestion.
- To evaluate the adequacy of existing control measures.
- To conclude on the significance of the health risk posed by the chemicals hazardous to health.
- To recommend further appropriate control measures to prevent or reduce risks.

MTIB's representative , Dr. Yeoh Beng Hoong from FIDEC attended the course to gain a better

Participants working on assignments during the programme.

Participants posing for the camera.

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SECOND PLENARY MEETING OF ISO TECHNICAL COMMITTEE 296

Participants attending the meeting.

The second Plenary Meeting of the International Organisation for Standardisation (ISO) Technical Committee (TC) 296—Bamboo and Rattan (ISO/TC 296 PM) was officiated on 22 August in Jakarta, Indonesia. Hosted by the National Standardisation Agency of Indonesia (BSN), and co-organised by ISO and Centre for Environment and Forestry Standardisation of the Indonesian Ministry of Environment and Forestry with support from the Indonesian Association for Advancement of Small Business (PUPUK), the ISO/TC 296 PM was a three-day meeting held from 22 to 24 August.

Established in April 2016, ISO/TC 296 promotes the standardisation of bamboo, rattan and derived material, and harmonises terminology, classifications, specifications, test methods and quality requirements. The opening session of the second ISO/TC 296 PM meeting was attended by more than 100 delegates from 11 countries including Indonesia, Uganda, Malaysia, Nepal, Nigeria, Philippines, Columbia, Ethiopia, Kenya, Netherlands and China.

In his welcoming speech, Dr. Fei Benhua, Chair of ISO/TC commented on the significant progress of all three-working groups (WG) under ISO TC 296 namely WG1-Bamboo Terminology, WG2-Bamboo Flooring, and WG3-Bamboo Charcoal. Dr. Fei Benhua also highlighted the growing acknowledgment of the global relevance of bamboo and rattan international standards, highlighted by an increase in participating countries from 12 countries in April 2016 to 18 countries in August 2017.

In this second plenary meeting of ISO/TC 296, International Network for Bamboo and Rattan (INBAR), through its Task force on Rattan Uses and Development, proposed a new Working Group (WG4) on rattan. INBAR also proposed the development of two New Working Item Proposals (NWIP), NWIP1-Terminology of Rattan Products, and NWIP2-Grading of Rattan, under the WG4.

The proposed WG4 aims at addressing the existing confusion in rattan terminologies and creating a consensus on commercial names of rattan canes (raw material) from different countries. Standardised terminologies of rattan will also allow for standardised grading practices that will improve international trade of rattan materials and the products. The three-day ISO/TC 296 PM highlighted the potential of taking the development of bamboo and rattan under the scope of ISO/TC 296 to the next level.

Malaysia was represented by a delegation of three officers namely Encik Mohd Zamakhsyary Mustapa from MTIB, and Dr. Wan Tarmeze Wan Ariffin and Dr. Rushdan Ibrahim from FRIM.

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Timber News

understanding on the importance of developing and conducting CHRA activities. The course was held from 17 to 28 July at the National Institute of Occupational Safety and Health (NIOSH), Bangi, Selangor.

Instructors such as a medical doctor, an engineer and a chemical health risk assessor with experienced in occupational safety and health conducted the programme. Both theoretical and practical approaches were applied to enhance the participants' knowledge and skills in understanding the benefits of implement CHRA at workplace.

The topics comprised three modules:

- Module 1: Legislative Requirements for Hazardous Chemicals
- Module 2: Control of Chemical Hazardous to Health
- Module 3: Chemical Health Risk Assessment

At the end of the course, a chemical hazard risk assessment and identification in the workplace was conducted at the Environmental and Biological Hygiene Laboratory, NIOSH.

SPEARHEADING EXPORT DRIVE IN THE 'GOING GLOBAL : EXPORT MARKETING FUNDAMENTALS' WORKSHOP

The workshop on 'Going Global: Export Marketing Fundamentals' provided the basic concept of export marketing for international trade which included international market research, export planning, marketing, finance, logistics and the legal aspect. It also furnished the participants with fundamentals of the marketing concept, leveraging on free trade agreements, trade shows and missions, and insights on current government policies and incentives. The two-day training course held on 22-23 August in Kuala Lumpur was attended by participants from government and private organisations such as MTIB, Malaysian Rubber Export Promotion Council (MREPC), QSR Trading and Panasonic Malaysia.

An export business can significantly contribute to a company's sales growth and profitability. According to the World Trade Organisation's statistics, Malaysian trade accounts for around 1% of the global trade and thus, 99% of the global market opportunity is outside Malaysia. There are tremendous opportunities in international trade and yet, it also comes with great risks.

The participants were given an insight into the opportunities and risks of going global in various environments such as economic, financial, logistics, political, and socio-cultural environments, as well as in natural disasters. They gained in depth knowledge in conducting research markets and developed entry and sales strategies. The participants also able to work out a competitor analysis and developing export pricing strategies. From the knowledge gained, they can develop a comprehensive risk assessment and mitigate export risks by taking actions such as identifying non-tariff barriers, securing payment through Letter of Credit, obtaining product liability insurance, and ensuring necessary product standards and importing regulations are complied with.

The participants discussed measures to overcome documentation, labelling and transportation issues in their export dealings. They also talked about International Commercial Terms (Incoterms) which provide a common set of rules used for defining the responsibilities of sellers and buyers in the delivery of goods under sales contracts. The facilitator provided some tips on how to avoid trouble in international business dealings such as working with reputable importers who can provide guidance on import requirements to avoid costly mistakes.

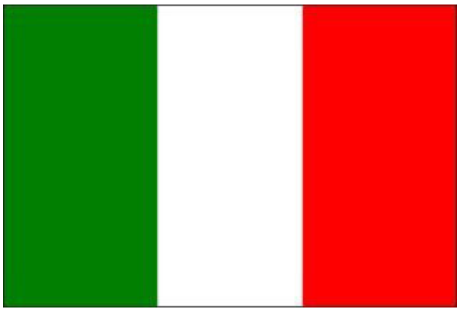
During the workshop, participants were able to gain a better understanding on identifying market potential, getting access to potential customers and promoting products in a culturally acceptable manner. They learnt that with cross-cultural proficiency, the effectiveness of meetings and other encounters in international business is increased.

The workshop also discussed intellectual property issues when going global, such as patents, industrial designs and trademarks. Without protection, exporters are exposed to infringement of their inventions, innovation or industrial designs. One of the participants shared her experience: When she wanted to penetrate an international market, she found she could not use her brand name in the said country as the brand name was already registered by another company. Thus, she was prevented from entering and penetrating the market. The facilitator also briefed the participants on leveraging market access through Malaysia FTAs and their benefits such as lower or '0' tariffs, lower import cost , larger market base and overcoming non-tariff barriers.

Overall, the participants demonstrated an increase level of understanding on the concepts of market selection, market entry strategies and market risk assessment. They also showed an awareness of export pricing strategy, financing and payment plans as well as the do's and don'ts in export promotion activities. They concurred there was a need for protection of trademarks and intellectual property when dealing in an international trade.

The workshop was facilitated by Encik Prakash Nair of PN Marketing and Export Training PLT. He was former Director at MATRADE and had served as the Malaysian Trade Commissioner based in New York and Singapore. He has also been appointed as a member of the SME Corp Malaysia Expert Advisory Panel, based on his extensive experience in export marketing and international trade. MTIB was represented by Cik Rainah Yusof, Puan Norhaizurah Zulkarngain and Encik Noor Azhiim Sansudin.

ITALY – FURNITURE MARKET OUTLOOK



Italy officially the Italian Republic is a unitary parliamentary republic in Europe. The country located in the heart of the Mediterranean Sea and shares open land borders with France, Switzerland, Austria, Slovenia, San Marino and Vatican City. Italy covers an area of 301,338 km2 (116,347 square metres) and has a largely temperate seasonal and Mediterranean climate. Due to its shape, it is often referred to in Italy as lo Stivale (the Boot). With around 61 million inhabitants it is the fourth most populous EU member state.

Economy

The economy of Italy is the third-largest national economy in the Eurozone, the 8th-largest by nominal GDP in the world, and the 12th-largest by GDP (PPP). The country is a founding member of the European Union, the Eurozone, the OECD, the G7 and the G20. Italy is the eighth largest exporter in the world with USD514 billion exported in 2016. Its closest trade ties are with the other countries of the European Union, with whom it conducts about 59% of its total trade. The largest trading partners, in order of market share, are Germany (12.6%), France (11.1%), United States (6.8%), Switzerland (5.7%), United Kingdom (4.7%), and Spain (4.4%).

Italy has a diversified industrial economy, which is divided into a developed industrial north, dominated by private companies, and a less-developed, welfare-dependent, agricultural south, with high unemployment. The Italian economy is driven in large part by the manufacture of high-quality consumer goods produced by small and medium-sized enterprises, many of them family owned. Italy also has a sizable underground economy, which by some estimates accounts for as much as 15% of GDP. These activities are most common within the agriculture, construction, and service sectors. Italy has moved slowly on implementing needed structural reforms, such as reducing graft, overhauling costly entitlement programs, and increasing employment opportunities for young workers, particularly women.

Forest Resources

The major portion of the 10 million hectares of forest is in the Alpine areas of northern Italy and few extensive forests grow in central or southern Italy or on the islands. Italy has more softwood than hardwood growth and extensive coppice with thicket and small shrub stands. The overall forest structure consists of 58% coppice stands, 23% softwoods, and 19% hardwood high stands. The only species that are commercially important are chestnut, beech, oak, and poplar.

Chestnut and Beech stands account for 30% of the hardwood forest and Oak comprises 6% of wood production. Poplar is the only species grown using managed forestry practices. Poplar plantations account for only 1% of the total forest area but for 50% of domestic wood output. Forest resources are stable and meet about 19% of annual demand.

About 57% of the timber cut was used for fuel wood. Approximately 90% of Italian forest product exports consist of wooden furniture, semi-finished wood products, and other finished wood products. The diversity in species composition, ownership patterns, topographic constraints, and conflicting resource management strategies have all contributed to limiting the productivity of Italian forest resources. Italy is a major importer of hardwood and softwood lumber, since its rugged terrain and disjointed forestland restrict domestic production.

Timber Production

According to the FAO 2016 forest statistics, Italy produced around 1.1 million m^3 of logs. Apart from

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logs production, the country also produced 1.5 million m³ of sawntimber followed by particleboard with 2.5 million m³ and fibreboard with 730 thousand m³.

Italy : Production of Timber Products, 2012-2016

(Volume : m³)

Product	2012	2013	2014	2015	2016
Logs	800,533	912,274	1,132,136	1,098,094	1,120,000
Sawntimber	1,370,000	1,360,000	1,430,000	1,470,000	1,500,000
Veneer	274,050	202,500	202,500	202,500	207,000
Plywood	280,000	225,000	265,670	243,500	300,000
Particleboard	2,588,000	2,353,559	2,385,600	2,465,000	2,500,000
Fibreboard	730,000	708,000	730,000	730,000	730,000

Source: FAO

Import of Timber and Timber Products

Italy's import of timber and timber products in 2016 worth USD5.2 billion, an increase of 0.8% over the previous corresponding period. Italy import mainly sawntimber, furniture, BJC and fibreboard. Import of sawntimber and furniture totalled USD1.18 billion and USD1.15 billion. In the meanwhile, import of BJC totalled USD520.2 million followed by fibreboard with USD276.9 million and particleboard with USD291.6 million.

Italy : Import of Timber and Timber Products, 2012 -2016

(Value: USD 000)

Product	2012	2013	2014	2015	2016
Wooden Furniture	1,116,974	1,130,902	1,276,275	1,128,882	1,146,638
Sawntimber	1,365,072	1,350,250	1,404,075	1,182,927	1,181,188
BJC	612,787	578,273	575,000	495,930	520,239
Fibreboard	273,676	316,219	316,840	277,491	276,921
Mouldings	175,727	146,618	138,003	111,681	108,438
Logs	297,162	298,420	317,122	256,398	262,615
Veneer	164,263	160,292	179,202	158,403	159,787
Plywood	240,418	248,711	266,357	234,035	227,452
Particleboard	209,865	233,743	328,832	288,290	291,569
Others	946,367	1,157,052	1,253,655	996,114	997,057
TOTAL	**5,402,311**	**5,620,480**	**6,055,361**	**5,130,151**	**5,171,904**

Source: International Trade Centre

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Export of Timber and Timber Products

Italy's export of timber and timber products in 2016 decreased 0.6% to USD8.8 billion over the previous corresponding period. Italy export mainly furniture, BJC, sawntimber and plywood. Export of furniture and BJC totalled USD6.9 billion and USD420.9 million. In addition, export of sawntimber totaled USD218.3 million followed by plywood at USD208.1 million.

Italy : Export of Timber and Timber Products, 2012 - 2016

(Value: USD '000)

Product	2012	2013	2014	2015	2016
Wooden Furniture	7,293,491	7,726,333	7,918,879	7,017,429	6,910,139
Sawntimber	189,530	203,117	221,308	205,389	218,283
Fibreboard	189,618	171,869	163,590	127,732	122,183
Particle board	157,414	167,134	186,737	165,828	195,364
Plywood	190,735	184,325	201,311	183,954	208,098
BJC	420,909	468,227	489,040	442,330	420,859
Logs	26,070	28,165	30,171	29,395	26,445
Mouldings	168,495	176,585	173,908	145,112	145,741
Veneer	113,203	107,885	120,519	100,533	98,144
Others	393,929	422,940	450,680	384,935	406,078
TOTAL	**9,143,394**	**9,656,580**	**9,956,143**	**8,802,637**	**8,751,334**

Source: International Trade Centre

Malaysia's Import of Timber and Timber Products from Italy

In 2016, import of Malaysian timber and timber products from Italy registered a decrease of 21% to RM44.7 million from RM56.7 million in 2015. Major product imported from Italy were wooden furniture with a total value of RM29.3 million followed by veneer at RM7.7 million, particleboard at RM1.4 million and BJC at RM1.3 million.

Malaysia : Import of Timber and Timber Products from Italy, 2012-2016

(Value: RM)

Product	2012	2013	2014	2015	2016
Sawntimber	1,807,578	2,227,280	2,778,304	2,167,512	740,118
Plywood	130,410	239,277	0	33,091	50,206
Veneer	3,433,517	2,073,552	2,472,961	3,545,287	7,672,701
Particleboard/Chipboard	1,167,567	1,184,677	1,853,410	804,151	1,415,667
Fibreboard	0	0	32,092	82,154	341,439
Mouldings	0	71,077	0	0	0
Wooden Furniture	17,849,205	20,265,141	23,921,368	48,188,261	29,271,578
Rattan Furniture	926,321	189,348	970,377	923,490	2,343,065
Builders Joinery and Carpentry (BJC)	6,000	0	35,582	466,318	1,346,181
Wooden Frame	0	20,256	8,759	17,379	44,477
Others	1,068,370	1,381,568	1,383,491	519,982	1,446,728
Total	**26,388,968**	**27,652,176**	**33,456,344**	**56,747,625**	**44,672,160**

Source: DOSM/MTIB

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Malaysia's Export of Timber and Timber Products to Italy

In 2016, export of Malaysian timber and timber products to Italy registered an increase of 4% to RM32.9 million from RM31.5 million in 2015. Italy ranked 48th with 0.15% of Malaysia's total market share. Amongst timber products, sawntimber constituted the largest portion. In 2016, sawntimber made up of 42% of Malaysia's total exports of timber and timber products in terms of value to Italy. Other major products exported were Builders' Joinery and Carpentry (BJC) with a total value of RM6.3 million followed by wooden furniture with RM6 million and veneer with RM3.7 million.

Malaysia : Export of Timber and Timber Products to Italy, 2012-2016

(Value: RM)

Product	2012	2013	2014	2015	2016
Logs	673,853	0	72,377	0	0
Sawntimber	18,804,222	15,255,554	12,985,789	13,375,174	13,751,171
Plywood	1,227,780	459,014	1,022,488	1,548,538	2,024,651
Veneer	0	407,364	1,733,385	2,036,649	3,667,173
Fibreboard	90,846	113,537	60,104	114,567	0
Mouldings	8,327,612	1,449,050	1,414,406	1,757,841	379,509
Chipboard/ Particleboard	0	0	101,372	0	0
Wooden Furniture	13,146,526	11,485,395	12,374,753	8,082,141	6,006,016
Rattan Furniture	93,304	67,143	0	49,891	173,038
Builders Joinery and Carpentry (BJC)	15,258,985	4,964,966	4,936,295	3,481,847	6,250,578
Others*	935,075	624,709	1,251,245	1,063,697	657,959
Total	**58,558,203**	**34,826,732**	**35,952,214**	**31,510,345**	**32,910,095**

Source: DOSM/MTIB

The intense focus that Italian furniture designers place on even the smallest details make each piece a work of art. Each piece carries a little piece of history from ancient times into today's modern world.

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Import Tariff

Italy's import duty on timber and timber products ranges from 0 – 10%. Details are as follows:

Hs Code	Product	Duty (%)
4401	Fuel Wood	0
4402	Wood Charcoal	0
4403	Logs	0
4404	Hoop Wood	0
4405	Wood Wool and Wood Flour	0
4406	Sleepers	0
4407	Sawntimber	0 – 2.5
4408	Veneer	0 – 6
4409	Mouldings	0
4410	Particleboard	7
4411	Fibreboard	7
4412	Plywood	6 – 10
4413	Densified Wood	0
4414	Wooden Frames	0 – 2.5
4415	Packing Cases	3 – 4
4416	Cask, Barrels, Vats and Tubs	0
4417	Tools Bodies and Handle	0
4418	BJC	0 – 3
4419	Tableware and Kitchenware	0
4420	Wood Marquetry	0 – 4
4421	Other Articles of Wood	0 – 4
9104-9403	Wooden Furniture	0 – 5.6

Source: WTO

Italian Furniture Market Outlook

Italy is the leading furniture exporter and the second largest furniture manufacturer in the world. Among the competitive factors determining the success of Italian furniture is the fact that the Italian furnishings industry is at the forefront in terms of quality of planning and product aesthetics, and Italian design has a clear role as a global trendsetter.

Italian design is a by-product of a virtuous circle composed of quality workmanship, a winning manufacturing model (the industrial furniture districts), constant technological innovation and a strong creative attitude to the marketplace. This is an important success factor for the furniture related sectors (furniture components, woodworking machinery, and household appliances) and is fundamental for the image of Italian furniture.

The Italian furniture tradition occupies a special place in the overall history of furniture with Italy being the birthplace of the classical Renaissance and the Italian Renaissance furniture that came from it had an immeasurable effect on world furniture, with its echoes of the classical empires of antiquity, Rome and Greece, the foundation stones of the western furniture tradition. While much of the furniture industry in modern day Europe has declined into obscurity or narrow experimentalism the modern Italian furniture industry remains comparatively robust and capable of producing marketable, popular, yet still stylish, furniture for contemporary homes.

The Italian wood and furniture industry is one of the driving forces of this encouraging scenario, with a surplus of over 10 billion dollars. The Italian wood and furniture industry ranks very highly in the EU-28 trade balance, positioned in either first, second or third place for its foreign trade surplus in an impressive 60% of the sector's products.

Italy as the leading and well renowned producers of furniture in the world, therefore, Malaysian furniture designers should take the opportunities to learn from the Italian furniture designers in the aspects of design and marketability of the design in order to penetrate the global market. Malaysian furniture manufacturers and exporters should also enhance their presence in the Italian market through active participation in the relevant fairs and exhibitions, conducting market visits as well as enhancing business networking relationship with the Italian furniture manufacturers.

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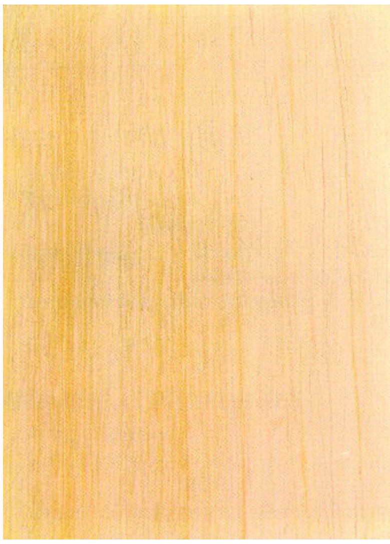
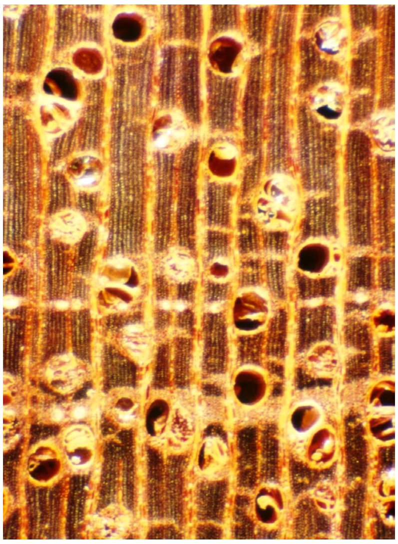
ALAN BUNGA – SUITABLE FOR INTERIOR FINISHING



Wood colour and texture



Cross section of Alan Bunga

Alan Bunga is the Standard Malaysian Name for the timber of *Shorea albida* (Light variety). The ASEAN Standard name for the timber, which is of Brunei origin, is also Alan Bunga. The common trade name is applied to the lighter forms of *Shorea albida* (*Dipterocarpaceae*). Vernacular names applied include Meranti bunga (Sarawak) and Singawan bunga (Sarawak). The sapwood is light yellowish pink and not clearly defined from the heartwood, which is pink or pinkish red. The timber resembles the Light Red Meranti of Peninsular Malaysia and is classified as a Light Hardwood in Sarawak.

General Characteristics

Alan Bunga is a light hardwood with an air dry density ranging from 575 kg/m^3 to 640 kg/m^3 (36 – 40)lb/ft^3 with average or 720 kg/m^3 (45 lb/ft^3).

Alan Bunga is the product of the lighter form of *Shorea albida* in Sarawak. The timber comes from the juvenile wood of the younger and smaller trees. It seasons well without any serious defects.

General description of the wood: - Sapwood is light yellowish pink and not clearly defined from the heartwood which is pink or pinkish red. The grain is straight to shallowly interlocked. The texture is rather coarse but even.

Vessels are mostly solitary and in a loose oblique arrangement, medium to moderately large while tyloses are fairly abundant. Wood parenchyma is indistinct, generally surrounding the vessels and are sometimes diffused. Rays are medium-sized and light brown. Vertical canals are in tangential series; diameter of canals smaller than that of the vessels

Physical Properties

Shrinkage Radial: 1.6 %
Tangential: 4.5 '%
Seasoning: Seasons well without any serious defects
Recommended Kiln Schedule: H

Texture

Texture is rather coarse but even, with usually straight to interlocked grain.

Strength Properties

The timber falls into Strength Group C (Burgess, 1958) or SG 5 (MS 544:Part 2:2001)

Shrinkage

Shrinkage is very high, especially in the tangential direction. Radial shrinkage averages 1.2% and tangential shrinkage averages 4.5%.

Anatomy

Pores: solitary and in radial pairs and multiples of up to three common, oblique arrangements; medium to moderately large; tyloses abundant; simple perforation

Wood Parenchyma: incomplete vasicentric; occasionally aliform; diffuse and sometimes as short wavy fine lines also around the axial canals forming continuous tangential layers

Rays: fine to medium size

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Alan Bunga tree

Wood of intermediate colour which cannot be grouped satisfactorily within one of the classes mentioned above is usually given the general name Red Meranti. Apart from the division of light and dark red meranti, the wood of several species is sometimes traded under a distinct name. The most important ones are: Alan Batu and Alan Bunga for heavy and lightweight timber, respectively, of *S. albid*.

Mechanical Properties

Strength Group: C

Static Bending Modulus of Elasticity: 11,300 N/mm^2

Modulus of Rupture: 84 N/mm^2

Compression Strength Perpendicular to Grain: n.a.

Parallel to Grain: 39.00 N/mm^2

Shear Strength: 9.00 N/mm^2

Working Properties

Generally easy to work and the planed surface is smooth.

Uses

The timber is suitable for furniture manufacture, plywood, interior finishing, panelling, mouldings, joinery, light construction and other general utility purposes.

References:
PROSEA Bogor Indonesia
The International Tropical Timber Organisation (ITTO)
Forest Research Institute Malaysia (FRIM)
Sarawak Timber Industry Development Corporation (STIDC)
The wood Database
The Malaysian Grading Rules (MGR)

MTIB's courtesy visit to the Peninsular Malaysia Forestry Department (JPSM) on 4 August 2017.

Workshop on Furniture Design for Furniture Manufacturers organised by MTIB held from 4 to 5 August 2017 in Tawau, Sabah.

Refresher Course on Lean Management and Conducting Lean for MTIB Auditors held from 7 to 8 August 2017 in Putrajaya.

YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (sixth from right) leading a courtesy visit to MIMOS Berhad, Kuala Lumpur on 21 August 2017.

YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (right) exchanging documents with Ir. Ruslan Abdul Aziz, Director of Public Works Department (JKR) Selangor, during the MTIB Building Upgrading Project Ceremony (FIDEC 3 and WISDEC 2) on 25 August 2017 in Banting, Selangor.

Encik Kamaluddin Hj. Abdul Rashid, Deputy Director-General of Public Works (Building Sector) handing over a replica key (WISDEC 2) during the MTIB Building Upgrading Project Ceremony on 25 August 2017 in Banting, Selangor.