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MALAYSIA WINS MEDAL IN CABINET MAKING IN WSC 2017

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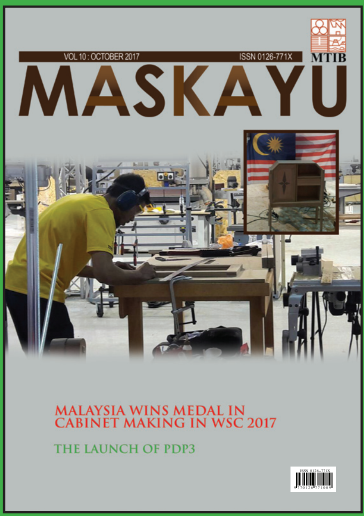

***Cover**: Encik Mohd Izwan Mat Rabi from Malaysia won a Medallion for Excellence in the cabinet making during WSC 2017. Read details on pages 3 and 15.*

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REGULAR FEATURES

MALAYSIA WINS MEDAL IN CABINET MAKING IN WSC 2017

The VVIPs and Encik Mohd Izuwan Mat Rabi, (holding a Malaysian flag), posing during the return of the Malaysian contigent from WSC 2017.

The Malaysian contingent participated in the 44th Worldskills Competition (WSC), which was held in Abu Dhabi, United Arab Emirates (UAE) in October 2017. Two Malaysian contestants won bronze medals in the automobile technology and cooking categories, while nine contestants won Medallion for Excellence in various categories including cabinet making. Encik Mohd Izuwan Mat Rabi from Institut Kemahiran MARA (IKM) represented Malaysia in the cabinet making category or trade, as it is called, while Encik Amrul Ridwan Mohd Azam from Institut Latihan Perindustrian (ILP) competed in the joinery trade.

Prior to the participation in the WSC 2017, both contestants had undergone intensive training at WISDEC, as well as in Australia and Taiwan. MTIB, through WISDEC, has been involved in the skills competition, either at national, ASEAN or international level. Since its appointment as Industry Lead Body (ILB) by the Department of Skills Development (JPK), Ministry of Human Resources in 2012, MTIB has undertaken training programmes and activities to elevate the level of human resource skills in the timber industry.

WorldSkills is a skills competition as well as a job and career event held in a member country every two years. The competition is promoted and managed by WorldSkills International (WSI), formerly known as the International Vocational Training Organisation (IVTO). Governed by an international Board of Directors and administered by the WorldSkills Secretariat, WSI's mission is to promote, through the cooperative actions of its members, a world-wide awareness of the essential contribution that skills and high standards of competence make to the achievement of economic success and individual achievement. Through international competitions held every two years, WSI attempts to raise awareness to the opportunities that exist in skilled professions with the intent of encouraging youths and their parents and teachers to explore career opportunities in skilled trades, skilled professions and high technology. Among its main objectives are:

- Promoting the exchange between young professionals from various regions of the world;
- Exchanging skills, experience and technological innovations;

Contestant (left) from Malaysia with his product under the Joinery Category.

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AUSTRIA
Wood Pellets Prices Goes Up

Austrian EN plus A1 wood pellets have reached the average price of EUR228.6 per tonne in October 2017. The price increased by 3.4%, as compared to the same period in 2016, and by 1.1% when compared to September 2017.

Austrian wood pellets presently offer a price advantage of 49.0% as opposed to extra light heating oil and 74.7% as opposed to natural gas.

During October, wood pellets in bags cost an average of EUR3.97 per 15 kg sack (when ordered by the pellet): +4.1% higher, as compared to the previous year and +1.2% higher from September 2017.

Propalletes/fordaq, 26 October

BELGIUM
New European Union Procedure Over Illegal Timber Trading

The European Commission has launched a new legal procedure against Belgium over insufficient efforts against illegal timber trading. According to environmental non-governmental organisation Greenpeace, in the last four years, timber imports were controlled only 20 times and there were no sanctions.

L'Echo, 20 October

CHINA
DNA Timber Identification by Chinese Academy of Forestry

The Timber Industry Institute, Chinese Academy of Forestry (CAF) has been commissioned by a domestic inspection and certification institution to identify a consignment of imported timber intercepted by China's Customs officials.

The wood identification team at the CAF used DNA sampling to identify the species and found it was (*pterocarpus erinaceus*) a timber native to the Sahelian region in West Africa.

This was the first time the CAF had used DNA appraisal and marks an advance in wood identification for the CAF.

DNA identification technology provides for a more accurate basis for China's CITES management and enforcement.

Fordaq, 30 October

FINLAND
Logging Volume Came Up

In September, 5.3 million m^3 of roundwood was harvested for use by the forest industry in Finland. This harvested timber volume up 10% from the 10 year September average, says Natural Resources Institute Finland (Luke) in its monthly statistics report.

Out of the total harvested Finnish roundwood volume, sawlogs accounted for 2.4 million m^3 and pulpwood for 2.9 million m^3 of the industrial roundwood removal. Industrial roundwood logging volumes from forests in non-industrial private ownership were 4.3 million m^3.

Finnish forest industry companies and the state harvested 1.0 million m^3 of roundwood from their forests, which is 6% more than in September 2016.

As of 2017, the volume of roundwood destined for energy production is included in the monthly statistics. In September, 352 000 m^3 of wood was harvested for energy production.

Luke/Fordaq, 31 October

GERMANY
Furniture Exports Stagnated at 2016 Level

Germany furniture exports in July remained stable at last year's level. According to information from the German Furniture Industry Association (VDM) reduction in shop furniture (-20.1%), living, dining, and bedroom furniture (-7.9%), and upholstered furniture (-7.8%) coincided with growth in office furniture (+6.2%), Mattresses (+3.8%), other seating furniture (+3.4%), kitchen furniture (+2.1%), and other furniture (+0.3%). Germany exports of furniture fell by 0.9% in the first seven months.

Germany furniture imports rose slightly by 0.5% in July. By far the greatest growth was registered in mattress imports at +27.8%. Imports of office furniture were also up (+6.1 %), as were those of other furniture (+2.3%), and other seating furniture (+1.0%). Imports of shop furniture and kitchen furniture, however, fell by double-figure percentages of 34.8% and 22.8% respectively. Imports of living, dining, and bedroom furniture (-3.6%) and upholstered furniture decreased as well

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(-3.5%). Furniture imports fell by a total of 1.4% in the first seven months of this year.

EUWID, 27 October

INDONESIA
Furniture Industry Struggles to Secure Raw Rattan

Chairman of Indonesian Furniture and Handicraft Association (HIMKI), Soenoto, has said Indonesian furniture and craft industries are finding it increasingly difficult to secure raw rattan. He went on to suggest that the smuggling of raw rattan to neighbouring countries which are paying good prices for rattan is part of the explanation for the domestic shortage.

Indonesia is a major producer of rattan accounting for around 80% of the rattan traded globally but domestic industries are becoming staved of raw rattan while in other countries rattan product exports are growing. The concerns raised by Soenoto come as the government relaxed restrictions on the export of partially processed rattan to benefit both furniture makers and rattan producers.

In related news, Chairman of the Jabodetabek Regional Board of the Association of the Indonesian Furniture and Handicraft Industry (HIMKI), Ade Firman, has pointed to the disadvantaged position of local furniture makers compared to foreign own companies operating in Indonesia.

He says foreign companies have much better access to financing and can invest in the latest technologies but local companies are at disadvantaged as they do not have an easy access to capital.

According to Firman, the government needs to establish a mechanism to provide capital assistance for domestic companies so that they can employ the latest technologies to be competitive. ket still slow and difficult to satisfy as the EU Timber Regulation begins to bite, and with rising competition from modified temperate hardwoods, it's almost inevitable that tropical sawnwood imports into the region will continue to fall.

Fordaq, 3 October

JAPAN
Forest Protection Measures in Sea Affect Japan's Plywood Market

The construction sites in Japan depend a lot on the lumber from Southeast Asia countries, which are now reducing exports due to concern on deforestation concern.

It is unlikely that Japan's own lumber industry can pick up the slack. Plywood from Japanese trees are lack in the term of the strength compared to plywood from Southeast Asia, and there simply is not enough of it. Meanwhile, there are nascent moves to adopt a long-term solution using Japanese technology to help Southeast Asia's forestry industry gain sustainability, Nikkei Asian Review reported.

For now, the Japanese's concern is building over environmental regulations in Malaysia. The Sarawak state government has raised the "timber premium" that it levies on commercial logging back in July, in an effort to protect tropical forestland. A cubic meter of lumber is now taxed at a uniform USD12, compared to a maximum of 70 cents previously.

Meanwhile, Malaysia has reduced its export quota to 20% of total logging volume. Previously, it was 30%. The country has also introduced a restriction on logging that fluctuates according to the size of the trees being felled. Due to the higher tax and tighter restrictions, prices of Malaysian plywood exports to Japan are on the rise, with the median price of October-November shipments reaching USD560 per m^3, up over 20% from the June contract price, Nikkei Asian Review reported.

Southeast Asian lumber has superior strength, and Japan has an especially heavy reliance on the region for the plywood boards used to shape concrete at construction sites. These boards are sawed from tall, nearly 50 year old Meranti and other trees that have few knots.

The amount of plywood that Japan uses every year for formwork is estimated at about 700,000m^3, of which nearly 90% is from Southeast Asia, mainly Malaysia and Indonesia, according to the Japan Plywood Manufacturers' Association.

Also, Seihoku, the largest plywood board maker in Japan, plans to ship domestically produced plywood boards to compensate for the coming drop in Southeast Asian imports. But industry insiders say domestic alternatives can compensate for only 30% of the estimated shortfall in Southeast Asian imports.

As Nikkei Asian Review reported, Japanese products are typically made from relatively knotty coniferous trees. According to a construction company source, formwork material made of Southeast Asian products can be reused about 10 times twice that of moulds made of Japanese wood. Even though there is a Japanese government policy to promote the country's lumber industry, Koki

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Shobayashi the president of Tokyo lumber trader SIT, believes it would be difficult to make up for the entire shortfall in formwork-use plywood with domestic boards.

Nikkei Asian Review/Fordaq, 25 October

RUSSIA
Capacity of Hotel Furniture Market Estimated at RUB 4-6 Billion Per Year

Demand for furniture is growing thanks to the development of the hotel market on the eve of the FIFA World Cup 2018. According to the Association of Furniture and Woodworking Enterprises, over the first three months of 2017 the output of wooden furniture for living rooms and bedrooms rose by nearly 30% and the output of office furniture grew by 5.2%.

The capacity of the hotel furniture market in Russia is estimated at RUB4 billion (EUR58.10 million/ USD69.42 million) to RUB6 billion per year, including up to RUB1 billion in St. Petersburg. General Director of First Furniture Factory Alexander Shestakov, who is a president of the Association, says that furnishing one room costs RUB200,000-500,000.

Regnum, 23 October

RUSSIA
46.40 Million Square Metres of Housing Built in January-September 2017

According to Rosstat, 46.40 million square metres of housing was built in Russia in January-September 2017 (-6.4% year-on-year). In monetary terms, the figure amounted to RUB4.89 trillion (EUR71.01 billion/USD84.85 billion). In the third quarter of 2017, the housing construction growth rate amounted to 2.1%. In 2018, Moscow's renovation program will influence the market. The development of the market will also help to reduce mortgage rates.

Expert, 19 October

SWEDEN
Sawlog Prices Rose by 2% in the Third Quarter of 2017

Average delivery prices for Swedish sawlogs rose by 2% in the third quarter of 2017 compared to the previous quarter. Prices rose mostly for spruce sawlogs in all regions. Swedish Forest Agency reports in its press release.

In total, prices of pulpwood remained unchanged for the entire country during the third quarter of 2017 compared to the previous quarter. Birch pulpwood prices fell slightly, while prices for other assortments rose slightly.

In the third quarter of 2017, sawlog prices fell by 3% over the third quarter of 2016. Pulpwood prices increased by 2% in the third quarter of 2017 compared to the previous corresponding period.

SFA/Fordaq, 27 October

THE NETHERLANDS
Dutch Timber Imports are Mostly Certified

The headline statistics in the 'Sustainably produced wood on the Dutch market' study from sustainability, forestry and forest products institute Probos, is that the market share of FSC and PEFC certified timber increased from just 13.3% in 2005 to 83.3% in 2015. This is the fifth analysis of the sector undertaken by Probos, covering the primary wood products, paper and cardboard markets in the Netherlands. It also breaks down market share figures for sawnwood, temperate and tropical hardwoods, sheet materials, packaging paper, cardboard, graphic paper, newsprint and sanitary paper.

The report indicates that share of certified wood on the Dutch market increased across all product groups, although the rate of increase has slowed in recent years. Share of softwood increased from 76% in 2009 to 96% in 2012 before rising to 98% in 2016. The share of panel products increased from 61% in 2009, to 89% in 2014 before rising to 92% in 2016. Share of hardwoods increased from 24% in 2009 to 55% in 2013 and 61% in 2016.

The share of certified tropical sawn hardwood supply to the Netherlands increased from 56.5% in 2013 to 63.2% in 2015. Almost half of the certified tropical sawn supply is under the Malaysian Timber Certification Scheme (MTCS) which is PEFC-recognised and was endorsed as fully compliant with the sustainability criteria of the Dutch government from January this year. The rest of the volume is mainly FSC certified from Cameroon, Gabon, and Indonesia.

The report notes that the most rapid rate of proportional increase in certified supply in recent years is in temperate sawn hardwood, from 20.7% in 2013 to 33.7% in 2015, but this is against the background of a sharp decline in Dutch imports of temperate hardwood.

Probos suggest that temperate hardwoods are lagging other product groups because most of lower grade wood used in the packaging industry in the Netherlands, very little of which is certified.

The share of total Dutch consumption of timber and wood based panels taken by timber certified under the schemes was 40.9% for FSC and 33.1% for PEFC in 2015.

Fordaq, 27 October

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UNITED KINGDOM
Market for European MDF Producers

The UK market for wood panel products is dominated by the construction industry, which uses all varieties of panel products for structural, aesthetic and fitting-out purposes.

However, the second most important market for panel producers is furniture. The growth of flat-pack Do-It-Yourself (DIY) products during the latter part of the 20th century created a demand for both particleboard and MDF that continues to grow strongly.

Its consistent and reliable physical characteristics and the ease with which it can be machined also lend MDF to manufacturing and it is used widely in the manufacturing sector for carcassing and framing.

While the furniture industry is an important consumer of all types of wood product (including expensive high quality hardwoods) the bulk of its production relies on sheet materials and in particular, products like Norbord's Caberwood MDF. According to the Wood Panel Products Federation, the UK furniture industry consumes around 28% of all domestically-produced wood panel products, a similar proportion to the total amount of all roundwood products consumed in the UK (the Timber Trade Federation estimates that furniture production accounts for 30% of all imported and domestically produced wood).

The industry is especially important for MDF producers, half of whose total production is consumed by furniture manufacturers. Only 40% of UK MDF goes to the construction industry in stark contrast to particleboard and OSB where construction accounts for 55% and 80% of annual production respectively (Source: Wood Panel Industries Federation (WPIF)).

As a proportion of the UK total, WPIF estimates that MDF accounts for 29% of annual UK consumption of domestically produced panel products (compared to particleboard 64%, and OSB 7%)

In 2016, UK MDF production reached 950,000 m^3 compared with 320,000 m^3 of OSB and 2,310,000 m^3 of particleboard. Demand for the product currently exceeds supply and imports remain steady at around 25%. Last year, total UK consumption of MDF reached 1,245,980 m^3.

Demand for MDF is currently growing throughout the UK and Europe. The European Panel Federation reports that MDF production throughout the region grew by 2.7% in 2015 from 11.5 million m^3 to 11.8 million m^3. At the same time, the value of wood furniture production increased 4.4% to EUR31.2 billion across the EUR28 while, in the UK, the market grew by 1.1%.

Woodprice.com, 12 September

UNITED ARAB EMIRATES
Under Construction, Top Picks of UAE's Housing Projects

Despite subdued oil prices, immense sums of money are still being poured into mega projects in the UAE, and the list of new developments coming on stream from malls and commercial complexes to villas and skyscrapers just keeps on growing.

As of October 2017, more than 11,600 projects worth USD805 billion are being built across the UAE, up by 16.3% from the 10,002 active projects under construction in 2016 which were valued at USD776.9 billion. That's roughly about USD28 billion increase in expenditures in just one year, figures from BNC Network showed.

A huge chunk of the total outlay, estimated to be USD21.6 billion, has been earmarked just for building of 10 residential projects, including sky-high apartments, townhouses and other types of communities that are up for completion between 2019 and 2025.

These upcoming new communities, which are mostly located in Dubai, will definitely increase the supply of new flats or villas in the UAE, and widen the options for tenants.

Zawya, 31 October

VIET NAM
Proportion of Forest Area Expanded

Proportion of forest area in Viet Nam expanded from 28% in early 1990s to over 41%, according to the National Assembly (NA) Committee of Science, Technology and Environment's Chairman, Phan Xuan Dung. Revenue from forestry industry amounted to USD7.30 billion (EUR6.11 billion) in 2016, up from USD2.8 billion in 2008. Wood output volume totalled about 17.3 million m^3. Viet Nam exported wood and wooden goods to 100 nations and territories, as the fifth biggest global wood exporter.

Saigon Times (The) (in English), 25 October

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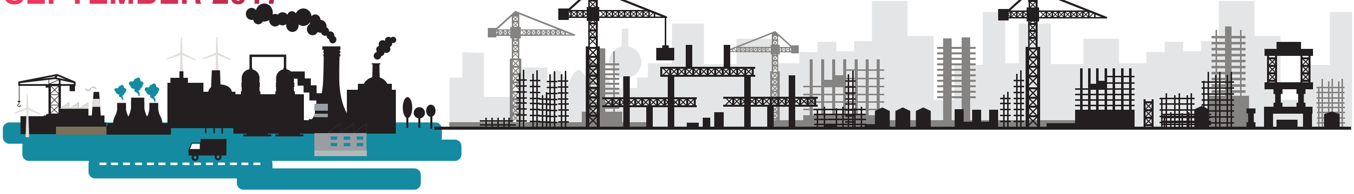

Malaysia/China: Port Alliance Group Adds Five New Members

The China-Malaysia Port Alliance (CMPA) has added five new members, namely Qingdao Port and Tianjin Port of China as well as Kuching Port Authority, Sabah Ports Authority and Kemaman Port of Malaysia to its network. Following that, the alliance group which was launched in November 2015 has 21 members across China and Malaysia.

Source: The Star, 5 September

Malaysia: Thailand Urged to Make Better Use of Penang Port

Marine shippers in Thailand have been urged to make better use of the Penang port in Malaysia through enhanced connectivity with Thailand's southern Songkhla. Somkid Jatusripitak, Thailand's Deputy Prime Minister said that the sea connectivity with Penang port will also reduce transportation costs for local exporters.

Source: Bangkok Post, 15 September

Hong Kong: China Merchants Port's Freight Volume Managed Increase to 249 Tonnes

During January 2017 to June 2017, Hong Kong-headquartered port operator China Merchants Port Holdings Company Ltd saw the bulk freight volume managed came to 249 million tonnes, hiking by 14.6% year on year; while the container throughput dealt came to 50.16 twenty-foot equivalent units (TEUs), up by 8.9%. In terms of profit, the firm recorded HKD3.15 billion (EUR339.19 million, USD402.34 million) of income during the six months, surging by 86.3%.

Source: Xinhua News / Xinhua News Agency, 5 September

Indonesia: TPS to Offer Direct Call to Several Countries Every Week

According to Muchammad Solech from Terminal Petikemas Surabaya (TPS), the terminal will be serving overseas container direct call every week. The direct call to several countries will help to boost overseas trade from East Java. TPS is aiming for its throughput in 2017 to hit 1.4 million TEUs. Direct call can potentially be to South Korea, Australia, Thailand, Hong Kong, Taiwan, China and Japan. Container traffic from TPS during the first eight months of 2017 was at 910,352 million TEUs with 847 vessels visiting the terminal.

Source: Bisnis Indonesia, 18 September

Panama: Ports Handled 3.98 Million TEUs in First Seven Months of 2017

Ports in Panama handled 3.98 million TEUs in the first seven months of 2017, 12.5% more than those they handled in the same year-earlier period. This is an improvement from a 12% reduction in

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m³	% Change Sep 2017/ Aug 2017
	m³	% Change Sep 2017/ Aug 2017	m³	% Change Sep 2017/ Aug 2017	m³	% Change Sep 2017/ Aug 2017	m³	% Change Sep 2017/ Aug 2017	m³	% Change Sep 2017/ Aug 2017		
Sawntimber	73,230	-2	12,289	24	921	-44	386	-13	11,011	-24	97,837	-3
MDF	27,278	0	0	0	6,791	-14	5,620	-20	6,545	-64	46,234	-23
Mouldings	11,148	-6	196	-4	1,670	-15	434	-39	1,315	-8	14,763	-9
Plywood	7,936	-9	247	-32	0	0	185	-15	8,776	-17	17,144	-14
Veneer	300	-45	7	-54	9	-91	23	-65	1,709	-24	2,048	-31
Particleboard	30,552	11	425	1,122	4,176	45	1,184	195	2,084	-55	38,421	8
TOTAL	**150,444**	**0**	**13,164**	**25**	**13,567**	**-6**	**7,832**	**-12**	**31,440**	**-39**	**216,447**	**-8**

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2016. Cristobal Port, which is run by Panama Ports Company, handled 320,690 TEUs in July 2017, 69% more than in July 2016. The same port saw 77.4% growth in the first seven months of 2017. Colon Container Terminal saw growth of 17.5% in July 2017 and 11.3% in the first seven months of 2017. Manzanillo International Terminal saw growth of 8.2% in the first seven months of 2017 and 0.8% in July this year. In contrast, Balboa and PSA Panama, both on the Pacific side, saw TEUs traffic drops of 3.7% and 45.2% in the first seven months of 2017, respectively.

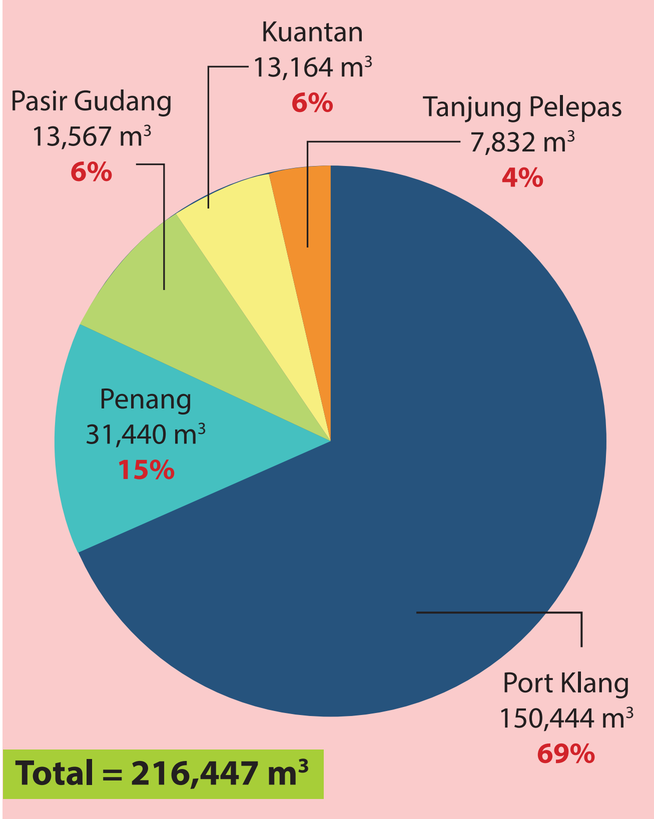
Source: La Prensa, 26 September

Netherlands: Large Container Ships Unload Almost 50% of Rotterdam Containers

According to Dutch statistics bureau CBS, almost 50% of containers offloaded in Rotterdam were unloaded from New Panamax and ULCV type vessels in 2016. The vessel accounted for 8% of visiting container ships but unloaded 2.5 million TEUs. Smaller vessels unloaded 2.8 million TEU. This is compared with 2011 when smaller vessels unloaded 4.3 million TEUs and large container ships accounted for 16% of TEUs.

Source: Het Financieele Dagblad, 27 September

Timber Shipment through Ports in Peninsular Malaysia, September 2017



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Timber World In Brief

KENYA
Illegal Logging, Human Settlement Cause 5% Forest Loss in 1990-2005

On account of illegal logging and human settlement, Kenya lost 12,600 hectares of forest on average yearly or 5% of forest cover during 1990-2005. The government has set a target to reach a forest cover of 10% by 2020 and increased the national forest cover by more than 5% during the previous four years by allocating more than 0.4 million hectares of degraded public land under forestry.

Business Daily, 19 October

GLOBAL
Decorative Laminates Market Size May Surpass 12 Billion Square Metres by 2024

According to market researcher Hexa Research's report, the global decorative laminates market size is expected to increase at a the Compound Annual Growth Rate (CAGR) of more than 5.5% to surpass 12 billion square metres by 2024. Growing trend of interior decoration and home renovations and rising income levels will drive the market growth.

The demand for decorative laminates is driven by low maintenance and installation costs. Increased demand for wall panels and floorings as well as ready to fix furniture for commercial and residential applications will also drive the market growth during the forecast period.

During the forecast period, Asia Pacific market will also be driven by the high expenditure on residential and non-residential construction in India and Indonesia. Europe will see growth during 2016 to 2024, due to the high concentration of laminate flooring and furniture manufacturers. North America market will be driven by rapid industrialisation. The Middle East Africa market will see strong growth during the forecast period, due to the expanding hotel and real estate industries in South Africa and the UAE. Some of the major companies operating in the market include Armstrong World Industries, Wilsonart International, Kingboard Holdings, FunderMax and Kronospan Holdings.

Stock Market News / Marketplace, 16 October

SEPTEMBER 2017

Total exports of Malaysia timber and timber products in September 2017 decreased by 13% valued at RM1.8 billion over the previous month. However, cumulative export for the period of January to September increased by 6% valued at RM17.2 billion compared to the previous corresponding period in 2016.

SAWNTIMBER

Export of sawntimber in September 2017 decreased 17% in volume and 18% in value to 151,000 m^3 with a value of RM275.4 million compared to the previous month. Cumulative export for the third quarter of 2017 increased 13% in volume and 17% in value to 1.6 million m^3 totalling RM2.9 billion over the previous corresponding period.

Export of sawntimber to the EU for the month decreased 31% to 9,045 m^3 from 13,038 m^3 recorded in the previous month as a result of decreasing purchases from major market in the region. Export to the UK declined 45% to 1,944 m^3 followed by Belgium 39% to 848 m^3, Germany 54% to 737 m^3 and Italy 52% to 303 m^3. However, export to the Netherlands showed an increase of 7% to 4,201 m^3 from 3,912 m^3 recorded in the previous month.

Total exports to West Asia decreased 16% to 22,004 m^3 from 26,139 m^3 in the previous month. Export to Saudi Arabia, Kuwait, Bahrain and Yemen declined 84%, 67%, 53% and 46% to 565 m^3, 226 m^3, 369 m^3 and 3,693 m^3 respectively. On the other hand, export of sawntimber to Oman improved by 73% to 5,779 m^3 followed by Qatar with 28% to 1,933 m^3 and the UAE with 14% to 7,138 m^3.

Buying from ASEAN declined 24% to 47,274 m^3 from 62,456 m^3 in the previous month due to declining import from Thailand by 16% to 29,701 m^3. Similarly, export to the Philippines, Singapore and Viet Nam decreased 42% to 9,881 m^3, 33% to 5,106 m^3 and 5% to 1,945 m^3 respectively. However, export to Indonesia improved 149% to 641 m^3 from 257 m^3 in the previous month.

Shipments to East Asia decreased 18% to 34,988 m^3 from 42,531 m^3 in the previous month. Export to Taiwan, Japan and China declined by 38%, 31% and 12% to 5,056 m^3; 3,891 m^3 and 22,484 m^3 respectively. On the other hand, export to South Korea registered an increase of 11% to 3,275 m^3 from 2,939 m^3 in the previous month.

Elsewhere, export to the US improved 23% to 1,278 m^3 from 1,040 m^3 in the previous month. Similarly intake by South Africa improved 22% to 6,292 m^3 from 5,141 m^3. However, purchases from Australia decreased 50% to 546 m^3 from 1,097 m^3 recorded in the previous month.

The average FOB price of sawntimber decreased 0.3% to RM1,824 per m^3 from RM1,830 per m^3 in the previous month. Price of Dark Red Meranti (DRM) decreased 5% to RM2,497 per m^3 from RM2,619 per m^3 in the previous month. Price of DRM to the Netherlands decreased 1% to RM3,288 per m^3 from RM3,336 per m^3 in the previous month. Keruing was traded at RM2, 067 per m^3, a decreased of 1% from the previous month.

PLYWOOD

Export of plywood in September decreased by 9% in volume to 189,389 m^3 and 5% in value at RM354 million as compared to the previous month.

Total exports to the EU increased by 35% to 10,277 m^3. The UK has increased their intake of plywood by 68% to 9,008 m^3. Similarly, export to Belgium and France have increased by 12% and 100% to 380 m^3 and 129 m^3 respectively. In contrast, exports to the Netherlands and Denmark have decreased by 68% and 40% to 339 m^3 and 257 m^3 respectively. Similarly, Ireland and Italy also reduced their intake by 88% and 67% to 40 m^3 and 38 m^3 respectively. Meanwhile Germany did not make any purchases for this month.

Exports to ASEAN and East Asia region decreased by 2% with 159,090 m^3 compared to previous month. Exports to South Korea and Taiwan both recorded a decrease of 22% to 24,746 m^3 and 11,439 m^3 respectively. Meanwhile, China maintained its intake by 3,251 m^3 for this month. However, exports to Japan and Hong Kong have increased by 12% and 53% to 106,425 m^3 and 2,980 m^3 respectively.

Meanwhile, Malaysia's plywood trade with its ASEAN partners showed mixed growth this month. Exports to Thailand and Singapore have shown a negative growth by 31% and 35% to 5,177 m^3 and 2,152 m^3 respectively. Similarly, the Philippines and Brunei Darussalam have decreased their export by 48% and 27% to 1,429 m^3 and 880 m^3 respectively. Only Indonesia has shown positive growth by 50% to 123 m^3 for this month.

Overall exports to West Asia shrank by 72% to 5,999 m^3 as compared to the previous month. Exports to the UAE and Saudi Arabia have decreased by 39% and 19% to 2,065 m^3 and 1,057 m^3 respectively. Similarly, exports to Bahrain and Kuwait have decreased by 26% and 71% to 171 m^3 and 98 m^3 respectively. Meanwhile, Qatar made their plywood purchase at 300 m^3 and Yemen did not make any purchases for this month.

Exports of plywood to the Americas region has increased by 16% to 7,751 m^3. Exports to the US and Mexico increased by 15% and 34% to

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4,238 m^3 and 3,049 m^3 respectively. In contrast, Canada has reduced its intake by 32% to 464 m^3. Similarly, exports to Australia and New Zealand have decreased by 18% and 84% to 3,213 m^3 and 21 m^3 respectively.

Exports to African continent have decreased by 83% to 263 m^3 for this month. Only South Africa increased their plywood intake by 37% to 263 m^3. Algeria and Mauritius did not make any purchases this month. Elsewhere, Turkey has decreased its intake by 12% to 439 m^3.

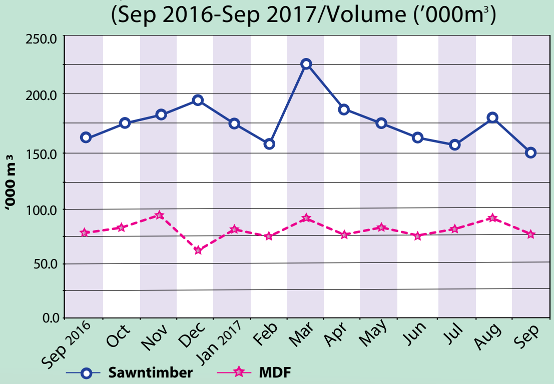
The FOB price of plywood increased by 4% to RM1,868 per m^3 from RM1,803 per m^3 in the previous month.

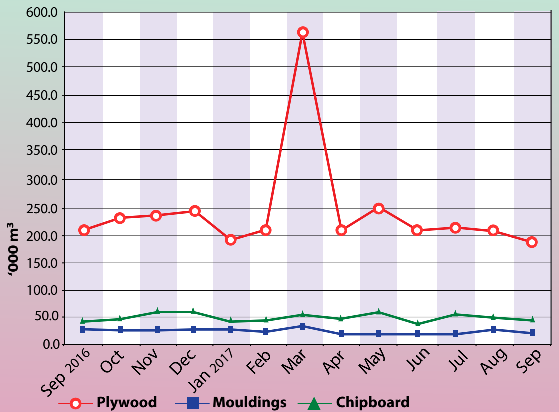
VENEER

Export of veneer for September 2017 increased by 27% in volume and 26% in value to 17,617 m^3 at RM28.1 million as compared to the previous month. Exports to Taiwan, Viet Nam and Canada have grown by 245%, 107% and 100% to 6,607 m^3, 29 m^3 and 17 m^3, respectively. Meanwhile, South Korea resumed their intake for this month at 5,698 m^3. Exports of veneer to China and India have decreased by 23% and 16% to 3,021 m^3 and 357 m^3, respectively. Similarly, the Philippines and Australia have decreased their intake of veneer by 36% and 29% to 342 m^3 and 181 m^3, respectively. Meanwhile, Singapore, Italy and Chile did not make any purchases this month.

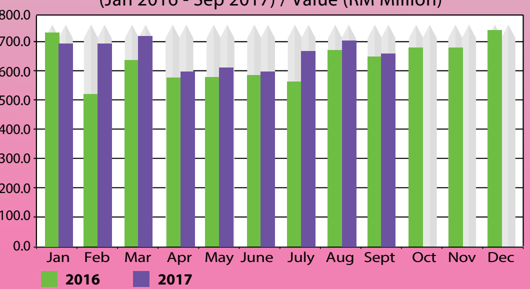
The FOB price of veneer for September 2017 is at RM1,594 per m^3, a decrease of 1% from RM1,605 per m^3 on the previous month.

Malaysia : Export of Major Timber Products
(Sep 2016-Sep 2017/Volume ('000m^3)





Malaysia : Export of Wooden Furniture
(Jan 2016 - Sep 2017) / Value (RM Million)



Source : Department of Statistics, Malaysia

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for September 2017 decreased 21% both in volume and in value compared to previous month. Export totalled 68,727 m^3 and valued at RM87.8 million.

Exports to East Asia registered a decrease of 18% to 11,393 m^3 from 13,867 m^3 in the previous month. Only export to South Korea registered positive growth of 68% to 176 m^3. On the other hand, export to Japan, Taiwan and China including Hong Kong recorded negative growth by 19% to 10,517 m^3, 54% to 571 m^3 and 62% to 129 m^3 respectively.

Exports to West Asia also recorded negative growth of 29% to 24,810 m^3 from 34,763 m^3 in the previous month. Similarly, export to Saudi Arabia, the UAE, Oman, Kuwait, Bahrain and Jordan decreased by 11% to 2,768 m^3, 12% to 11,983 m^3, 41% to 1,264 m^3, 47% to 3,197 m^3, 64% to 292 m^3 and 79% to 120 m^3 respectively. Moreover, Lebanon and Syria did not resume their intake. However, export to Iran and Qatar increased by 180% to 5,000 m^3 and 215% to 186 m^3 respectively.

Elsewhere, exports to South Asia decreased by 29% to 10,445 m^3. Similarly, export to India, Pakistan and Bangladesh decreased by 12% to 5,712 m^3, 43% to 3,156 m^3 and 80% to 276 m^3 respectively. However, export to Sri Lanka increased by 5% to 1,301 m^3.

Furthermore, exports to Australia, the US, UK and Mauritius also decreased by 11% to 2,474 m^3, 13% to 1,268 m, 16% to 651 m^3 and 75% to 128 m^3 respectively. On the other hand, export to South Africa increased by 257% to 1,554 m^3.

In ASEAN, total exports to the region increased by 31% to 15,398 m^3 from 11,792 m^3 in the previous month. Export to Indonesia, the Philippines, Viet Nam and Singapore increased by 6% to 4,032 m^3, 36% 2,512 m^3, 47% to 8,323 m^3 and 120% to 429 m^3 respectively.

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LOGS

The supplies of logs were reported to be sufficiently in Peninsular Malaysia. The domestic prices of logs for the month recorded some significant changes due to high demand.

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. Price of Merbau increased by 23.8% to RM2,360 per tonne. Similarly, Keruing and Kempas prices increased slightly by 22.7% and 1.7% to RM1,841 per tonne and RM1,750 per tonne respectively. Price of Sepetir increased by 15.5% from RM1,100 per tonne to RM1,270 per tonne over previous month. On the other hand, logs prices for Mixed Heavy Hardwood fell by 0.8% to RM903 per tonne whilst prices of Mixed Light Hardwood remained at RM827 per tonne.

SAWNTIMBER

The average sawntimber prices stood firm although some species recorded significant changes in their prices.

The sawntimber prices of Chengal, Balau and Red Balau maintained at RM6,850 per m^3, RM3,178 per m^3 and RM2,895 per m^3 respectively. Prices for Merbau increased slightly by 16.9% to RM4,500 per m3 over the previous month. Similarly, prices of Keruing and Kempas increased by 39.9% and 3.1% to RM1,700 per m^3 and RM2,331 per m^3 respectively. Prices of Dark Red Meranti and Red Meranti remained at RM2,278 per m^3 and RM1,992 per m^3 respectively. On the other hand, sawntimber prices of Mixed Heavy Hardwood increased by 15.5% to RM957 per m^3, whilst prices of Mixed Light Hardwood remained at to RM1,024 per m^3.

PLYWOOD

The supply of plywood to the domestic market remained adequate for the month under review. Plywood of 4mm, 6mm, 9mm and 12mm of thicknesses were continued to be traded at RM14.60, RM22.00, RM38.00 and RM48.00 per piece respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

Industry reported that the supply of MDF to the domestic market continued to sufficient whilst the prices were quoted similarly as per the last month's level. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were sold at RM13.50, RM18.05, RM24.65 and RM32.20 per piece respectively.

INTRA-MALAYSIA TRADE * - SEPTEMBER 2017

The shipments of sawntimber from Sabah to Peninsular Malaysia increased by 68% in volume

INTRA-MALAYSIA TRADE – SEPTEMBER 2017

From	Products	AUG 2017		SEP 2017		% Change in Volume	% Change in Value
		Volume (m^3)	Value (RM '000)	Volume (m^3)	Value (RM '000)	Sept 2017 / Aug 2017	Sept 2017 / Aug 2017
SABAH	Logs	57	43	0	0	-100	-100
	Sawntimber	259	385	435	567	68	47
	Plywood	7,508	13,447	5,626	10,240	-25	-24
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,091	1,219	728	857	-33	-30
	Plywood	5,717	7,920	3,610	5,121	-37	-35
	Veneer	6,335	8,717	7,552	10,955	19	26

Source : Department of Statistics, Malaysia

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to 435 m³ valued at RM567,000. However, export of plywood dropped by 25% to 5,626 m³ valued at RM10.2 million.

Export of sawntimber from Sarawak to Peninsular Malaysia dropped sharply by 33% in volume to 728 m³ worth at RM857,000. Likewise, plywood shipment also reported to drop by 37% in volume from 5,717 m³ to 3,610 m³ worth at RM5.1 million, whilst exports of veneer increased slightly by 19% in volume from 6,335 m³ to 7,552 m³ which valued at RM10.9 million.

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

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

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

SPECIES	LOGS/tonne	SAWNTIMBER/m³		
	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	2,360	4,500	3,178	3,955
Mixed Heavy Hardwood	903	957	847	1,041
MEDIUM HARDWOOD				
Keruing	1,841	1,700	1,271	2,203
Kempas	1,750	2,331	2,239	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	1,992	1,780	2,097
Yellow Meranti	1,100	1,342	1,236	1,271
White Meranti	1,480	2,472	1,412	2,260
Mersawa	1,480	1,624	1,130	1,660
Nyatoh	1,300	1,518	1,059	777
Sepetir	1,270	1,624	918	1,118
Jelutong	1,100	1,780	1,215	1,730
Mixed Light Hardwood	827	1,024	876	918
MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	**LOGS/tonne**	**SAWNTIMBER/m³**		
	180	**1″ X 1″**	**2″ X 2″** / **3″ X 3″**	**4″ X 4″**
		890	1,359 / 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	18.05	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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The FOB price of MDF decreased to RM1,278 per m^3 from RM1,286 per m^3, a decreased of 1% from the previous month.

MOULDINGS

Exports of mouldings for the month decreased both by 20% in volume and value to 17,614 m^3 and RM64.4 million respectively. Cumulative exports for the period of January to September 2017 decreased 1% in volume, however increased 2% in value to 2% to 177,273 m^3 and RM631.8 million respectively as compared to the previous corresponding period in 2016.

Exports to the EU for the month recorded at 6,338 m^3, a decrease of 12% compared to the previous month. Belgium, Germany and the Netherlands decreased their purchased by 41%, 13% and 11% to 570 m^3, 901 m^3 and 3,224 m^3 respectively. However, UK recorded an increase of 7% to 692 m3 meanwhile Italy did not make any purchases.

Exports to ASEAN region decreased as Viet Nam, Singapore and Indonesia intake of mouldings decreased by 51%, 20% and 3% to 149 m^3, 1,153 m^3 and 37 m^3 respectively compared to the previous month.

Meanwhile, exports to South Korea, Japan and Hong Kong have decreased by 39%, 12% and 9% to 1,262 m^3, 1,638 m^3 and 290 m^3 respectively. However, exports to Taiwan and China increased by 76% and 1% to 209 m^3 and 643 m^3 compared to the previous month.

Elsewhere, export to the US, Australia and Canada also decreased by 54%, 15% and 3% to 1,091 m^3, 2,860 m^3 and 87 m^3 respectively compared to the previous month.

FOB unit value for mouldings is at RM^3,655 per m^3, an increase of 0.3% compared to the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from January to September 2017 increased 4% to RM918.6 million as compared to RM887.7 million in the corresponding period last year. Export to the EU increased 13% to RM274.6 million. Export to the Netherlands, Sweden, France and Turkey increased by 113%, 56%, 54% and 45% to RM8.2 million, RM5.9 million, RM21.3 million and RM7.1 million respectively. Similarly, exports to Italy, Germany, Belgium and Denmark have increased by 43%, 20%, 20% and 4% to RM6.4 million, RM25.3 million, RM41.4 million and RM17.5 million respectively. However, export to the UK decreased by 7% to RM126.9 million compared to the previous year.

In Asia, exports to Saudi Arabia, Pakistan, India and South Korea decreased by 26%, 18%, 18%, 16%, 8% and 7% to RM2.1 million, RM29.3 million, RM42.8 million, RM1.7 million, RM94.2 million and RM24.3 million respectively.

In Asia, exports to Saudi Arabia, Pakistan, India, South Korea, Singapore and Thailand decreased by 26%, 18%, 18%, 16%, 8% and 7% to RM2.1 million, RM29.3 million, RM42.8 million, RM1.7 million, RM94.2 million and RM24.3 million respectively. However, exports to the UAE, Viet Nam, Taiwan and Japan grew 101%, 28%, 3% and 1% to RM6.3 million, $RM^3$1.3 million, RM12.8 million and RM59.3 million respectively. However, Qatar did not make any purchases meanwhile Bahrain resumed its intakes.

Exports to Australia and South Africa increased by 4% and 1% to RM160.4 million and RM13.5 million respectively. However, Mauritius decreased its purchases by 26% to RM222.1 thousand compare to the previous year. Likewise, the US also decreased its intake by 2% to RM77.0 million from RM78.5 million in the previous corresponding period.

FURNITURE

Total cumulative export of wooden and rattan furniture for the period under review in 2017 rose 8% compared to the corresponding period of 2016. Total shipment recorded was at RM5.9 billion compared to RM5.5 billion in 2016.

Imports of wooden furniture by the US expanded 18% from RM1.9 billion to RM2.2 billion. The UK's imports saw a growth of 4% from RM316.9 million to RM330.2 million. Canada's uptake of wooden furniture strengthened with an increase of 7% to reach RM209.1 million. China boosted its wooden furniture consumption by 58% totalled RM127.8 million. India's consumption of furniture has increased by 37% to RM151.6 million.

South Africa picked up 22% to record RM44.7 million. Intake by Japan decrease by 3% from RM470.5 million to RM456.8 million. The UAE decrease their furniture consumption by 6% to RM138.5 million respectively. Australia and Singapore also decreased its consumption by 4% to RM434.4 million and 9% to RM323.4 million respectively.

Rattan furniture shipments decreased to RM14.4 million for the January to September 2017 period compared to RM31.1 million in 2016, a drop of 54%. Main buyer Singapore absorbed RM1.8 million, thus decreasing its buying by 67%. Australia also reduced its consumption by 57%, into RM1.7 million. Meanwhile India saw positive improvements with an increase from RM2.1 million into RM3.8 million.

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YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (third from right) with MTIB delegation to WSC 2017, Abu Dhabi.

- Raising the understanding in governments, education and industry to the importance of skills training; and
- Raising the awareness of youth and those who influence youth to the opportunities available in skilled professions.

The young professionals who compete are selected by their respective countries, may only participate once in the WorldSkills Competition, and must be between the ages of 17 and 22 years in the year of competition. Certificates of Achievement, Certificates of Excellence (to competitors who achieve over 700 points) and medals (bronze, silver and gold) are awarded during the competition.

The 44th WSC was held at Abu Dhabi National Exhibition Centre (ADNEC), Abu Dhabi UAE from 14 until 19 October 2017.The week-long celebration and showcase of skills brought together the finest young professionals in skilled trades and technologies from 59 Member countries and regions. About 1,200 competitors in 51 skills and 1,100 experts attended the international vocational education training event. The 45th WSC 2019 will be held in Kazan Russia.

The Malaysian contingent participated in 20 trades: Mechatronics, IT Network Systems Administration, IT For Business Solution, Fashion Technology, Electronics, Cooking, Web Design, Electrical Installations, Plumbing and Heating, Welding, Hairdressing, Automobile Technology, Refrigeration and Air Conditioning, Mechanical Engineering Design, Painting and Decorating, Beauty Therapy, Wall and Floor Tiling, Bricklaying, Joinery, and Cabinet Making.

Encik Mohd Izuwan Mat Rabi, a Malaysian representative won a Medallion for Excellence in the cabinet making trade. In the cabinet making trade, cabinetmakers specialise in working with wood and other construction materials to fabricate useful and decorative items. They must master a combination of traditional and contemporary techniques using hand tools such as chisels and mallets and modern tools such as electronic and even computerised woodworking equipment. A cabinetmaker should be able to;-

- identify various types of wood and composite materials
- safely operate hand and power tools
- use woodworking machines and perform detailed milling
- perform material breakouts, case work assembly, gluing and laminating
- construct furniture and cabinets

The joinery trade, on the other hand involves the process of connecting or joining two or more pieces of wood together through the use of various forms of wood joints. In fine woodworking, common forms of joinery include dovetail joints, mortise-and-tenon joints biscuit joints, lap joints and spline joints. Joiners should be able to construct doors, windows, stairs and other architectural objects. Joinery involves work both by hand and machine.

The Malaysian contingent was led by YB Dato' Ismail bin Abdul Mutallib, Deputy Minister of Human Resource. The MTIB group was led by Dr. Mohd Nor Zamri Mat Amin, Director of WISDEC. WISDEC officers who took part in this competition were Encik Amri Mustaffa (expert in cabinet making) and Encik Saifol Azri Mohamad (expert in joinery).

Encik Mohd Izuwan Mat Rabi from Malaysia with his masterpiece during the competition.

Seminar on Malaysian Standard (MS) for Timber Structures

YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General delivering his speech.

MTIB organised a Seminar on Malaysian Standards on Timber Structure on 10 October in Kuala Lumpur as part of its initiatives as the Standards Development Agency (SDA) for Timber, Timber Products and Timber Structures, having been appointed by Standards Malaysia on 22 August 2013. The objectives of the seminar were to provide awareness to stakeholders and end-users on the Malaysian Standards (MS) that are being developed, to provide a platform for end-users/specifiers and experts to discuss applications of the relevant MS as well as to encourage active participation from the industry and relevant stakeholders in the standards development process to ensure the standards developed are relevant to the industry and stakeholders.

YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General, in his opening speech, highlighted the importance of the timber industry as a significant contributor in the export market with a total of RM22.11 billion for the export market and RM18 billion for the domestic market in 2016. Currently there are about 3,540 timber-based product manufacturers. The timber industry accounts for an estimated 2.81% of the total Malaysian export value of RM786 hundred million. The timber industry also provides more than 240,000 job opportunities and contributes a domestic investment of RM 526.3 million and an FDI of RM151.9 million with a total investment of RM678.2 million.

Dato' Dr. Jalaluddin added `While the timber industry showed excellent performance in the export market, the use of structural timber in the domestic market in 2014 was only RM5.72 billion (7%) compared to RM77.27 billion of the overall construction materials. This may be due to a variety of factors including competition with other alternative materials including PVC, concrete and steel. In addition, the lack of accurate information to specifiers such as architects, engineers, developers and contractors on the advantages of wood has led to a negative perception such as timber being categorised as high cost and combustible with low durability. Timber should in fact, be highlighted as an environment-friendly, sustainable and durable material for the use of load bearing structures as well as having design flexibility for various uses. As such, the seminar was a timely event as it provided an understanding of the importance of the development and the structural applications of the standards to specifiers, housing developers and contractors as well as end users.

Dato' Dr. Jalaluddin noted that the Malaysian Government has approved an allocation of RM5 million under the 10th and 11th Malaysian Plan of RM11.4 million respectively for MTIB to undertake a joint research with Universiti Teknologi MARA in obtaining data on Malaysian hardwood for use as a construction structure in particular for load bearing according to strength groups as well as a study for the development and data acquisition for Cross Laminated Timber (CLT) products with University of Stuttgarts Germany. The data obtained will be used in the development of standards at the national level and the preparation of input for the development of international ISO standards, various international standards (EN) including Eurocode 5 and the revision of Malaysian Standards (MS) related to timber structures including the revision of MS 544 after the data is completed. Test data will also be used to list selected Malaysian species in EN standards to assist in the procurement process of CE marking required by the industry. The CE

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Marking is required in the event manufacturers would like to export structural products including wood engineering products to the European market as well as ASEAN markets including Singapore and the Philippines which also emphasize CE Marking requirements for structural product construction.

Dato' Dr. Jalaluddin further added that with the latest technology available, a wide range of timber engineering products such as glue-laminated timber (glulam), laminated veneer lumber (LVL), CLT and I-joists/I-Beam composite materials have been successfully introduced in developed countries. These products are major component due to their flexibility for innovative designs. Examples of such applications can be seen in the 10-storey FORTE CLT apartment in Melbourne, Australia, the CREE Life Cycle Tower CLT (8 floors) building in Dornbirn, Austria and the 14-storey Treet building in Bergen, Norway, the highest current project using 50 m^3 of glulam and 385 m^3 of CLT.

In this context, MTIB has taken the initiative with the construction of the glulam-based building, Galeri Glulam Johor Bahru (GGJB) as the first commercial glulam building in Malaysia using Keruing and Resak timbers. It was officiated by the former YAB Deputy Prime Minister on 22 May 2012 and earned recognition from the Malaysia Book of Records. It also won second place in the Malaysia Wood Awards organised by the Malaysian Timber Council recently.

As a result of the GGJB project, at present, projects amounting to approximately RM150 million in relation to the use of glulam, are underway. These include the Crops-for-Future building (CFF) which belongs to the Ministry of Agriculture in Semenyih Selangor, the Malaysian Pavillion project for Expo Milano 2015, Italy under MITI as well as the Ritz Carlton Hotel in Langkawi, the Multipurpose Hall for the Navy Base in Lumut, and Pulau Kukup National Park, Johor. Many other glulam buildings are being initiated by Woodsfield Timber Industries with assistance from MTIB and relevant higher learning institutions such as UiTM and Public Works Department.

Four papers were presented during the seminar. The papers were Timber as Green Materials for Construction by Pn. Hjh Mahsuri Mat Dris, Senior Deputy Director, Industry Development Division, MTIB; MS 544-8: 2015 Design, Fabrication and Installation of Prefabricated Timber Roof Trusses using Toothed Metal Plate Connectors by Assoc. Prof. Dr. Mohd Ariff Jamaludin, Chairman of WG on Roof Trusses, Universiti Teknologi MARA; MS 544-11-4: 2015 Recommendations for the Calculation Basis for Span Tables – Section 4: Domestic Rafters by Prof. Dr. Badorul Hisham Abu Bakar, Chairman of WG on Domestic Rafters, Universiti Sains Malaysia; as well as a Consultation With Industry - Public Comment/s on DMS 544-5: Timber Joints by Assoc. Prof. Dr. Mohd Ariff Jamaludin, Chairman of WG on Timber Joints.

A total of 100 participants attended the seminar which comprised manufacturers and industries, specifiers, academicians and researchers in the fields related to timber structures as well as government agencies and the private sector. The seminar received positive feedback by the participants who provided their views and input as part of improving the standards development process.

Attendees during the seminar.

Q&A session.

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THE LAUNCH OF PDP3

YBhg Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General officiating the event

MTIB in collaboration with the Malaysian Furniture Council (MFC) and the Australian Furniture Association (AFA) launched the Professional Designers Programme 3rd Edition (PDP3) on 17 October in Kuala Lumpur with a fresh new outlook. PDP3 consists of three segments, the first being the launch and introduction. The first segment of the programme is where international designers were flown to Malaysia to spend a working week with local designers and local furniture manufacturers.

PDP3 was launched by YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General, witnessed by the furniture and design community. The Guests of Honour were Encik Chua Chun Chai, President of MFC and Ms. Patrizia Torelli, CEO of AFA.

In his welcoming remarks, Encik Chua Chun Chai urged for the development of the Malaysian furniture be even more elevated. He said, "Design must be uplifted as one of the aspects of moving up the value chain and PDP has proven itself to be a platform to promote and expose the industry to such possibilities. This is in tune with recent developments, whereby the National Export Council (NEC) recognised the importance of the furniture industry to Malaysia's economy and for this we have to thank the MTIB Director-General for his foresight and efforts in wanting to revolutionise the industry through enhancement of product innovation, creation of high-value segments, adoption of automated manufacturing and establishment of furniture hubs."

He congratulated MTIB for its efforts and for having secured the support of the Ministry of Plantation Industries and Commodities as it proved Malaysia's commitment in elevating the furniture industry through strategic collaborations to enhance design quality and provide a platform to develop innovation in furniture design.

Encik Chua's speech was followed by Ms. Patrizia Torelli's who added that both AFA and MFC were excited to be involved in PDP3 and to be working with each other towards the benefit of the industry in both countries.

YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General continued the event with the opening speech. He highlighted the collaborative efforts that were being nurtured by MTIB through PDP:

- Local talents under the TANGGAM banner with its associates are being mentored and guided by the international designers from Europe and Australia.
- Local talents are also exposed to the capabilities of the local manufacturers. This relationship is valuable in giving them more access to the manufacturing sector where the designers work will be of more value.
- The overall international exposure given to the local talents during the international furniture exhibition where PDP will be showcased as newly designed furniture products of Malaysia.
- Local manufacturers are also given a taste of how design-based production should be like, especially for the world market where design-based furniture garners a much higher selling-price compared to the mass-production furniture market.
- Countless contacts are available to all participants of PDP and endless possibilities are up for grabs.

Mr. Stefan Schoning of stefan.schoning.studios in Belgium, as a representative of the international

Attendees during the event.

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designers spoke on his experience working with local talents and manufacturers for the past two years. He expressed the international designers' enthusiasm in kicking off the programme and meeting with the participants of PDP3. He noted that this edition of PDP would be a better platform for the designers and Malaysian furniture products especially in branding Malaysia as one of the top furniture producers in the world.

More than 140 guests from the industry and design community attended the launching of PDP3 together with the officials from MTIB and other government agencies.

Professional Designers Programme (PDP)

MTIB envisioned the original PDP, which was fully supported by the Ministry of Plantation Industries and Commodities under the 10th Malaysia Plan, as a sub-project of the Furniture Design Development Project.

MTIB envisaged taking research in furniture design to the next level, through the development of furniture designs with professional designers and Malaysian furniture manufacturers. With an estimated budget of RM1 million for every edition, PDP's main objective is to reach the goal of 70% Own Design Manufacturing (ODM) in the Malaysian furniture production by 2020.

PDP is a programme that combines local creative talents and the manufacturing capabilities of local furniture manufacturer to produce new furniture designs and products ready for both local and international markets. This collaboration between local designers and local manufacturers is further uplifted with the assistance from a select group of international designers.

PDP1

The first edition of PDP (PDP1) was held in the year 2015 with a group of professional designers from Europe (Manolo Bossi, Stefan Schoning, Giorgio Biscaro and Filippo Mambretti) and a group of TANGGAM designers, collaborating with a group of Malaysian furniture manufacturers (Deep Furniture, Tawei Furniture, Zone Furniture and Dynamic Furniture) which also engaged their in-house designers into PDP1.

These collaborators explored and studied each other's strengths and capacity and at the same time learnt to adapt the Malaysian manufacturing culture to the standards of the international industrial design processes. The locals had more to learn from the Europeans in the terms of design-based production especially for furniture and furnishings.

PDP1 saw the production of 20 new furniture designs from this group of collaborators that went on to prototyping and were finally showcased as Design@Hall8 (PDP Showcase) during the Export Furniture Exhibition (EFE) in March 2016. PDP1 began in July 2015 and ended in April 2016.

PDP2

The PDP2 took off in the month of November 2016 with the enrolment of the same European designers as mentors and collaborators to the group of young local designers from TANGGAM and the local Malaysian furniture manufacturers (Hup Chong Furniture, IB Sofa, NSF Manufacturing and Jukraf Furniture).

This edition saw the designers as a more structured delegation which began with understanding the market targets and aiming for finished products end-result. However, PDP2 only had less than three months to plan, structure, propose and prototype in order to showcase the finished products by March 2017 – it was on a very tight deadline.

Despite the shorter timeframe, PDP2 managed to produce 20 finished products by March 2017 and they were all showcased in PDP Showcase DESIGN@HALL7 during EFE2017.

PDP3

The expected outcome of PDP3 will include the certification and testing of the finished products to add value and marketability to the newly designed furniture products.

PDP3 is also recruiting the talents of local carpenters who have been involved in MTIB's TANGGAM makers programme. The young carpenters will be involved in PDP3 as observers first and makers second – if there are opportunities for the young carpenters to produce from the designs in PDP3, it will be an added bonus.

TANGGAM DESIGNERS AND MAKERS PROGRAMME

Official opening by YBhg Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General.

Furniture exports by the year 2020 are targeted to comprise 70% Original Design Manufacturer (ODM), featuring original and independent designs. This is in line with the government's intention to shift to ODM from Original Equipment Manufacturer (OEM), which typically depends on existing designs in the market or designs stipulated by importers.

Hence, MTIB has conducted a number of activities to increase the skills of furniture designers such as organising the Furniture Design Competition known as MOBILI annually and creating a group of talented young designers under a platform known as "TANGGAM Label" to collaborate with local furniture manufactures as well as global furniture players to produce ODM, and eventually Own Brand Manufacturing (OBM).

One of the issues faced by TANGGAM designers is getting high-tech furniture makers who can become strategic partners as furniture makers for a prototype scale as well as production. In order to find a solution to the issue, MTIB organised the TANGGAM Designers and Makers Programme which was launched by YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General on 11 September at Wood Industry Skills Development Centre (WISDEC), Kota Kinabalu, Sabah.

TANGGAM designers are participants who had participated in the MOBILI Design Competition, organised by MTIB and who were then selected to join the Saloni Satelitte exhibition in Milan, Italy. The TANGGAM label has a pool of 16 young designers while the furniture makers were selected from participants who have competed in the cabinet making and furniture making categories in the World Skills, ASEAN Skills and Malaysian Skills Competitions.

A total of 15 participants were selected for the two-month programme. Over the course of two months, the five designers and 10 makers were exposed to various programme modules including Auto CAD programming, raw materials selection, design concepts, market research, design brief, packaging, and presentation skills.

The programme ended on 26 October and the closing ceremony was completed by Puan Hjh. Norchahaya Hashim, MTIB Deputy Director-General in Kota Kinabalu, Sabah. Fifteen prototypes were produced and exhibited at the Sabah Wood and Lifestyle Fair 2017.

Discussion among the participants.

The designers explained about the concept and functional of the product to Puan Hjh. Norchahaya Hashim, MTIB Deputy Director-General.

MEETING ON ISO/TC 218: TIMBER, UKRAINE

Meeting in progress.

Standards provide people and organisations with a basis for mutual understanding, and are used as tools to facilitate communication, measurement, commerce and manufacturing. Standards play an important role in the economy as it facilitates business interaction. Realising the importance of participating in the development of international standards, MTIB as the Standards Development Agency (SDA) for timber, timber products and timber structures, attends regular ISO/TC meetings as Malaysia is an important market for tropical timber; Malaysian timber and timber products are currently exported to more than 160 countries.

In this context participation in the ISO meeting is crucial in ensuring that relevant data on tropical timber is included in the development of ISO standards, taking into account the fact that international standards are globally adopted and applied in many markets. In addition, recent business trend is moving towards the use of international standards that have been developed in a transparent manner with the consensus of standards development organisations, regulatory bodies, academia as well as manufacturers around the world. Only with such collaboration will international standardisation become a reality.

The 16th Meeting of the ISO/TC 218: Timber convened from 16 to 20 October in Kiev, Ukraine. The meeting was hosted by National University of Life and Environment Science of Ukraine, chaired by Professor Oleksii Tsytsyliano from Ukraine and officially opened by Madam Valeriy Yuzba, Director of Institute of Forestry. The committee of ISO TC 218: Timber that was established 19 years ago, is responsible for the development of standards for round, sawn and processed timber, and timber materials used in all fields of applications including terminology, specifications and test methods. As of October 2017, a total of 62 ISO Standards for timber have been published while another nine are at different stages of development.

During the 16th Meeting, each convener of the working groups (WGs) reported on the development of the respective WG activities and the status of the ISO standards that were being developed. The comments and amendments on the ISO standards were further deliberated in the respective WG meetings. The Convenor of WG4: Test Methods, Prof Dr Paridah Md Tahir from Malaysia chaired the meeting on Standardisation of test methods for physical and mechanical characteristic of timber.

Prof Dr. Paridah Md Tahir coordinating WG 4 meeting and presenting the Report.

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During the Meeting, six WGs were actively involved in the deliberation which included:

Working Group and Convener	Scope
WG 1: Terminology Convener: Mr John Neels (Canada)	Standardisation of terminology, definitions and general measurement
WG 2: Round Timber Convener: Mr. Yauheni Novik (Belarus)	Standardisation of round timber
WG 4: Test method Convenor: Prof Dr Paridah Md Tahir (Malaysia).	Standardisation of test methods for physical and mechanical characteristics of timber
WG 5: Parquet flooring Convenor: Mr Frederic Henry (France)	Standardisation of all kinds of parquet with more than one layer, including multi-layer floorings, engineered floorings, paving blocks and mosaic parquet panels. It does not include standardisation of wood-based panels which is under ISO/TC 89
WG 6: Wooden products Convenor: Mr Wu Shengfu/ Mr Yu Huaqiang (China)	Standardisation of wooden parts, units, elementary products and means of packing made of wood, including parquet and wood coverings for floors
WG 7: Wood residue and post-consumer wood Convenor: Mr Oleksii Tsytsyliano (Ukraine)	Standardisation of the use of wood residue from logging, wood processing and post-consumer wood.

Eleven resolutions were concluded during the plenary meeting for further follow up actions by the WGs which included a systematic review results as follows:

- to revise ISO 8965:2013, Logging Industry – Terminology – Terms and definition;
- to revise ISO 3129: 2012, Wood – Sampling methods and general requirements for physical and mechanical testing of small clear wood specimens;
- to revise ISO 5323:1984 ISO 5323, Solid wood parquet and raw parquet blocks – Vocabulary
- to confirm ISO 13059:2011, Round timber -- Requirements for the measurement of dimensions and methods for the determination of volume

Apart from the meeting, the delegations also visited the Forest Scientific Research Station of Ukraine. Most of the forests in Ukraine (7,175 thousand hectares or about 70%) are managed and monitored by the Ukrainian State Committee of Forestry (USCF) which is part of the Ukrainian Ministry of Ecology and Natural Resources. The major forest species in Ukraine are Pine, Spruce, Fir, Oak, Beech, Hornbeam, Ash, Maple, Black Locust, Birch and Alder.

A total of 31 international delegates attended the meeting from 11 countries namely Austria, Belarus, Canada, China, France, Germany, Japan, Korea, Malaysia, Russia, Sweden and Ukraine. ISO Technical Programme Manager, Dr Anna Catherina Rossi was in attendance for the presentation on "what is new in ISO Central Secretariat" in updating the delegates on the latest requirements by the ISO.

Malaysia was represented by four delegates comprised Professor Dr Paridah Md Tahir from Universiti Putra Malaysia (Head of delegation), Assoc. Professor Dr H'ng Paik San from Universi Putra Malaysia, Encik Awang Mentali Awang Awang Mohd Sulaiman from Sarawak Timber Industry Development Cooperation and Puan Nor Shahira Mat Nasir from MTIB. The next meeting tentatively will be held on 15-20 October 2018 in China.

Attendees during the meeting.

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BAMBOO BEAUTY

Bamboo materials have long become a vital component in building constructions and furniture productions. Its importance is so significant that there are now major plans to create awareness and commercialise the usage of this plant among the Malaysian and international markets. Bamboo Jungle Adventures, a premier Malaysian bamboo producer, intends to be at the forefront of this commercialisation initiative.

COMPANY BACKGROUND

Bamboo Jungle Adventures was founded by Encik Ahmad Mazlan Othman in 2013 and is now a highly reputable company in the nation's bamboo-related industries. The 60-year-old, who is also a consultant engineering firm director, admires the beauty and functionality of bamboo, an interest also shared by his daughter, Anum Nazahah, the owner of Bamboo Jungle Adventures.

As one of the first entrepreneurs to venture into Malaysia's bamboo industry, they started the company with an open and fresh mentality, keen on maximising the potential of this "Green Gold", a term used to describe bamboo among the media.

Seeing the need of growth in diverse aspects of the industry, the company also incorporates in a few other bamboo-related fields such as construction, furniture production, and plantation. Driven by a bamboo-enthusiastic team, the company strives to be in the lead of each field through constant updating of information from worldwide development in bamboo technology.

Bamboo furniture.

VARIANT PRODUCTS

Similar to the company's name, exploring the world of bamboo is an adventure. Unlike common timber, the bamboo's surface has a greenish golden hue-conveying an exotic beauty. The raw cylinder form of the bamboo is just as unique, providing structures and furniture with a refreshing nature-inspired vibe.

Additionally, Bamboo Jungle Adventures has also created a bamboo-based series of bicycles and musical instruments. Their Bamboo Bike Series include a racing bike variant, which is known as "Sepang Fugitive". It is amazing how a plant can be transformed into a sleek bicycle through skilled craftsmanship.

Bamboo plants can be ready for harvesting within four years through modern seedling and branch-cutting methods of propagation. Additionally, the wooden part of the bamboo plant is as durable as premier timber. On top of it, Bamboo Jungle Adventures implements the latest treatment technology to ensure the everlasting quality of the bamboo materials in their buildings and furniture.

BAMBOO CONSULTATION

The company provide the following specialised professional services for the development of bamboo plantations.

- Supplying high quality selected bamboo species, seeds and seedlings.
- Providing technical assistance in accessing suitability of soil, selection of suitable commercial species and full plantation management.
- Training soil preparations, planting, weed control, fertilisation, pest and disease control, pruning and harvesting.
- Providing technical assistance in preparing bamboo plantations including the working paper.

COLLABORATION WITH MTIB

Bamboo Jungle Adventures has been collaborating with MTIB in various aspects of the industry. According to Encik Ahmad, MTIB was the first government agency that his company liaised with. During the early period of their partnership, master skills training programmes in the bamboo industry was their priority. MTIB and the company emphasised the importance of having locally

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trained skilled workers, as this would establish more job opportunities for Malaysians in rural areas. These programmes also created awareness among the public on the applications of bamboo.

Throughout the years, as Bamboo Jungle Adventures continued to collaborate with MTIB, the company has participated in numerous prestigious exhibitions. In 2015, they showcased a pre-fabricated bamboo house at FLORIA T5 in Putrajaya. This bamboo home was fully furnished. Other exhibitions that the company has participated in included the 2014 World Bamboo Day Celebration, Sarawak Timber & SME's Expo 2015 and Perak Wood & Lifestyle Fair 2016.

LOOKING FORWARD

The company is now enjoying an enterprising year. Known for its achievements in bamboo-influenced building constructions, furniture productions and plantation cultivation, Ahmad and his staff have also organised training programmes to produce skilled bamboo industry workers.

They are also continuing their master skills training programmes with MTIB, including a new series of Bamboo Bike workshops. Bamboo Jungle Adventures has also secured their biggest project to date, which began during the first quarter of 2017 in Kelantan.

In addition, their product development department continues to research innovative designs, equipment and machinery via their partnership with the Furniture Industry Technology Centre (FITEC).

Bamboo products.

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Bicycle from bamboo

Bamboo structure.

USA – FURNITURE INDUSTRY OUTLOOK

Overview

The United States of America is the world's third largest country in size and nearly the third largest in terms of population. Located in North America, the country is bordered on the west by the Pacific Ocean and to the east by the Atlantic Ocean. Along the northern border is Canada and the southern border is Mexico. There are 50 states and the District of Columbia. The United States of America (US) remains the world's largest economy, with an annual gross domestic product (GDP) of over USD18 trillion (nominal) and a population of over 323 million people. The US economic outlook is healthy according to the key economic indicators. The most critical indicator is gross domestic product, which measures the nation's production output. The GDP growth rate is expected to remain between the 2% to 3% ideal range.

Economic growth is projected to pick up in 2017 and 2018 as headwinds from past exchange rate appreciations abate and support from fiscal policy begins to appear. Consumer spending will benefit from continued, though slowing, employment gains and, as the labour market tightens, stronger wage growth. With inflation nearing its target and unemployment edging down further, monetary policy stimulus has begun to be withdrawn gradually. As growth picks up, further interest rate rises are projected to contain inflationary pressures and reduce the risk of financial-market distortions. Reducing the size of the central bank's balance sheet will soon become appropriate.

The Administration and Congress are formulating plans to cut taxes and boost infrastructure spending. The present projection assumes no spending increase at the federal level, but a tax reform is projected, which will support consumer spending and investment in 2018. The United States is an important participant in global value chains and foreign trade has become a more important driver of economic activity. Together with technical change, this has brought many benefits to consumers, though in certain areas job losses have contributed to persistent unemployment and poverty, while displaced workers who find new jobs may need to take a significant pay cut. In comparison with other OECD countries, the United States devotes relatively few resources to helping workers retrain or find new employment. The successful experience of some states in harnessing vocational training suggests that more can be done to improve employment opportunities.

The US has the most technologically powerful economy in the world, with a per capita GDP of USD57,300. US firms are at or near the forefront in technological advances, especially in computers, pharmaceuticals, and medical, aerospace, and military equipment; however, their advantage has narrowed since the end of World War II. Based on a comparison of GDP measured at Purchasing Power Parity conversion rates, the US economy in 2014, having stood as the largest in the world for more than a century, slipped into second place behind China, which has more than tripled the US growth rate for each year of the past four decades.

USA Forest Resources

Forests in the USA covered nearly 1 billion acres (4,000,000 km^2). The arrival of Europeans, however, caused a decline in native populations, and since the natives were largely agricultural, this caused reforestation of agricultural lands.[1] Since the mid-1600s, about 300 million acres (1,200,000 km^2) of forest have been cleared, primarily for agriculture during the 19th century. Today about one-third of the nation is forested. While total forest area has been relatively stable for the last 100 years (currently about 747 million acres (3,020,000 km^2)), there have been significant regional shifts in the area and composition of the nation's forests. Reversion of marginal farmland in the east, large scale planting

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in the South, and fire suppression have contributed to increases in forest area.

Urbanisation, conversion to agriculture, reservoir construction, and natural disasters have been major factors contributing to loss of forests.[2] As of 2005, the United States ranked seventh in the rate of loss of its old growth forests. Eastern forests cover about 384 million acres (1,550,000 km^2) and are predominantly broadleaf (74%), with the exception of extensive coniferous forests and plantations in the southern coastal region. These are largely in private ownership (83%). By contrast, about 363 million acres (1,470,000 km^2) of western forests are predominantly coniferous (78%) and in public ownership (57%).

Nearly 10 million private individuals own about 422 million acres (1,710,000 km^2) of forest and other wooded land. Most public forest land is held by four Federal agencies (United States Forest Service, Bureau of Land Management, National Park Service, Fish and Wildlife Service) as well as numerous state, county, and municipal government organisations. Major uses of forests include timber production, recreation, hunting, fishing, watershed and fisheries protection, wildlife habitat and biodiversity protection, and gathering nontimber products such as berries, mushrooms, and medicinal plants.

Malaysia's Export of Timber and Timber Products to the USA

The USA remained as top three export markets for Malaysia's timber products and continued to be the largest market for Malaysia's furniture. In 2016, export of Malaysian timber and timber products to the USA registered an increase of 7.5 % to RM3.30 billion from RM3.1 billion in 2015. The country ranked second with 14.9% of Malaysia's total market share. Wooden furniture was the main product exported with a total value of RM2.6 billion, followed by plywood at RM204.5 million and BJC at RM106.9 million.

Malaysia: Export of Major Timber Products to USA, 2012-2016

(Value: RM)

Product	2012	2013	2014	2015	2016
Logs	8,080	0	0	0	0
Sawntimber	40,374,755	44,767,824	51,707,084	45,278,451	52,319,414
Plywood	205,003,735	225,012,451	123,181,100	151,707,511	204,549,315
Veneer	0	0	0	1,125,031	1,463,573
Mouldings	69,231,034	54,502,419	68,329,709	98,957,768	101,826,776
Chipboard/ Particleboard	2,094,823	1,504,098	962,653	714,676	1,006,206
Fibreboard	32,193,179	32,804,656	0	41,947,487	47,123,007
Wooden Frame	87,335,227	72,225,557	81,118,925	85,034,406	86,697,757
BJC	67,380,925	59,592,137	82,337,396	98,241,483	106,874,256
Wooden Furniture	1,964,773,057	1,819,624,089	1,984,288,481	2,499,251,713	2,647,577,659
Rattan Furniture	3,817,219	5,118,366	2,257,589	1,917,620	859,649
* Other Products	4,328,767	3,251,463	13,001,892	46,127,280	50,778,453
TOTAL	**2,480,146,637**	**2,322,550,700**	**2,448,637,366**	**3,070,303,426**	**3,301,076,065**

Source: DOSM

Malaysia's Import of Timber and Timber Products from the USA

In 2016, import of Malaysian timber and timber products from the USA decreased by 1% to RM343.6 million from RM346.6 million in 2015. Sawntimber was the main product imported with a total value of RM90.4 million, followed by veneer at RM33.8 million and wooden furniture at RM2.5 million.

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Malaysia: Import of Major Timber Products from USA , 2012-2016

(Value: RM)

Product	2012	2013	2014	2015	2016
Logs	9,870,451	12,604,269	10,023,742	10,420,653	10,666,932
Sawntimber	83,868,557	87,042,598	102,646,788	100,901,091	90,430,282
Plywood	123,727	560,146	1,158,541	313,254	105,647
Veneer	15,707,719	24,872,520	20,775,011	26,506,301	33,826,630
Mouldings	555,500	374,707	861,334	451,095	1,107,392
Chipboard/Particleboard	405,398	63,393	403,216	16,350	5,057
Fibreboard	25,272	9,835	72,739	19,581	192,921
Wooden Frame	228,920	121,849	161,116	1,012,455	18,165
BJC	841,300	360,450	42,411	41,977	90,196
Wooden Furniture	3,006,985	2,704,691	3,451,882	5,452,823	2,451,363
Rattan Furniture	370,642	266,162	608,786	1,164,093	296,928
Other Products	204,884,326	173,400,432	220,798,812	200,294,969	204,387,746
TOTAL	**319,888,797**	**302,381,052**	**361,004,378**	**346,594,642**	**343,579,259**

Source: DOSM

Timber Production

According to the FAO latest forest statistics, the USA produced around 132.5 million m^3 of sawlogs and veneer, an increase of 3% from 2015. Apart from log production, the country produced 55.6 million m^3 of sawntimber, 9.4 million m^3 of plywood, 16.4 milion m^3 of particleboard and 3 million m^3 of fibreboard.

USA : Timber Production, 2012-21016

(Value : m^3)

Product	2012	2013	2014	2015	2016
Sawlogs and Veneer	118,323,000	121,323,000	123,897,000	128,472,000	132,462,000
Sawnwood	48,746,000	51,051,000	53,803,300	53,793,000	55,627,000
Plywood	9,493,000	9,680,210	9,451,725	9,244,635	9,398,000
Chipboard/Particleboard	13,435,000	15,184,830	15,641,490	16,056,555	16,450,380
Fibreboard	2,878,000	2,944,000	3,001,000	2,964,000	3,001,000

Source: FAOstat

The USA Import of Timber and Timber Products

The USA import of timber and timber products in 2016 increased 4% to USD82.7 billion over the previous corresponding period. The USA imported mainly furniture, sawntimber, Plywood and BJC. Imports of furniture and sawntimber totalled USD63.1 billion and USD6.8 billion, an increase of 3% and 18% respectively. Similarly, imports of plywood & BJC improved 5% to USD2.8 million and 5% to USD2.2 million respectively.

USA: Import of Major Timber Products , 2012-2016

(Value : USD '000)

Product	2012	2013	2014	2015	2016
Sawntimber	4,186,844	5,288,857	6,006,879	5,728,993	6,807,869
Plywood	1,933,946	2,085,756	2,358,462	2,718,631	2,849,411
BJC	1,590,315	1,854,916	2,006,143	2,115,497	2,211,786
Particle board	1,016,979	1,385,142	1,224,897	1,236,893	1,557,167
Fibreboard	841,392	979,861	1,084,576	1,146,719	1,188,154
Veneer	320,569	338,336	357,165	381,658	370,881
Furniture	47,855,696	51,335,977	55,782,891	61,163,742	63,138,206
Others	3,830,166	4,170,989	4,396,517	4,671,189	4,541,032
TOTAL	**61,575,907**	**67,439,834**	**73,217,530**	**79,163,322**	**82,664,506**

Source: UNstat

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The USA'S Export of Timber and Timber Products

The USA's export of timber and timber products in 2016 decreased 2% to USD 20.0 billion over the previous corresponding period. The US export mainly furniture, logs, and BJC. Export of furniture and sawntimber totalled USD11.0 billion and USD3.3 million respectively. In addition, export of logs totalled USD2.1 million.

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

(Value : USD '000)

Product	2012	2013	2014	2015	2016
Sawntimber	2,617,869	3,082,865	3,537,914	3,104,489	3,304,076
Logs	2,001,504	2,446,024	2,529,003	2,045,800	2,097,849
BJC	444,905	459,459	475,306	427,538	384,848
Plywood	435,946	444,385	420,707	351,296	351,013
Fibreboard	280,285	264,372	245,787	219,003	213,198
Others	2,110,132	2,266,560	2,536,612	2,779,813	2,667,785
Furniture	10,622,790	11,103,952	11,843,286	11,558,117	11,025,436
TOTAL	**18,513,431**	**20,067,617**	**21,588,615**	**20,486,056**	**20,044,205**

Source: UNStat

Import Tariff

The USA's import duty on timber and timber products ranges from 0 – 6.7%.
Details are as follows:

HS Code	Product	MFN Duty Rates (%)
4407	Sawntimber	0
4408	Veneer	0
4409	Mouldings	0.9 – 1.6
4410	Chipboard/Particleboard	0
4411	Fibreboard	0 – 1.5
4412	Plywood	3.0 – 6.7
4413	Densified Wood	3.7
4414	Wooden Frame	3.9
4415	Packing Cases	3.6 – 5.4
4416	Casks, Barrels, Vats and Tubs	1.1
4417	Tool Bodies and Handle	1.3
4418	Builders Joineryand Carpentry	0 – 4.8
4419	Tableware and Kitchenware	4.3
4420	Wood Marquetry	1.9 – 3.2
4421	Other Articles of Wood	2.6 – 3.2
9401,9402, 9403	Wooden Furniture	0

Source: WTO

Furniture Industry Outlook

The US furniture market was worth USD114 billion in 2016, when sales climbed by a solid 4.5%. Growth in consumer spending on furniture has softened considerably in 2017, averaging 2.5% year over year in the first six months of the year, according to the US Bureau of Economic Analysis (BEA). The performance of the residential property market has a major impact on furniture sales, and existing home sales growth has been tepid so far this year, according to the National Association of Realtors. Consumers' ability to spend is crucial, too, and average real weekly earnings growth deteriorated in 2016, and turned negative in early 2017, although there has been a modest recovery since then.

Furniture specialists' sector sales are growing more slowly than spending on furniture overall, as Internet-only retailers continue to build share. E-commerce accounted for close to 12% of the broader homewares and home furnishings category last year, according to Euromonitor International, and is expected to climb to just over 13% in 2017.

On the basis that around 5% of total Amazon sales are in the homewares and furnishings categories, we estimate Amazon would capture around one-quarter of online category sales. Wayfair and Williams-Sonoma each capture sizeable shares of the online market, too.

Prospects

With the growth of millennial consumers buying furniture, U.S. furniture manufacturers are moderately optimistic about the steady increase

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of new furniture sales in the coming years. The National Association of Realtors forecasts existing-home sales growth of 4% for the residential property market in 2018, which could, in turn, have a positive impact on the moderate furniture industry performance.

Overall, the US furniture market is expected to experience growth. The market registered a 4.5% increase in growth in 2016, placing its overall value at USD114 billion. Although the first six months of 2017 saw a softened increase of 2.5% in consumer spending year over year, the US furniture market is anticipated to grow at a "compound annual growth rate of 2.9% through 2019."

According to a new Pew Research Centre report, 36.6% of household heads rented their home in 2016, the highest since 1965. Rising home prices, apprehension from the burst housing bubble, rising student debts, and the delay of millennials to get married or start their own families are some of the reasons owning a home is not a priority, as yet, for some Americans. Additionally, the US consumer goods rent-to-own market, which includes businesses like Rent-A-Center and Aaron's Inc., is increasingly growing and is expected to continue that upward trend through 2020.

According to 2016 Statistic data, 24% of households in California are single-person households. Single-person households are expected to increase over the next 15 years, according to a 2015 article by Deloitte Insights. And smaller households are opting to live in apartments or smaller homes. This calls for the demand of smaller homes, an increase in availability of more modular, space-saving and multifunctional furniture, and furniture for storage.

Furniture manufacturers should take this as both a challenge and opportunity to create new designs as an addition to their portfolio of offerings, further promoting their brand. The bulk of the furniture market is composed of millennials, generation X, baby boomers, and seniors. With lower disposable income and higher levels of debt, millennials tend to delay the decision to start a household — which poses a potential problem because they represented 37% of the furniture and bedding market in 2014. They also have different shopping habits (more online-centric) than other generations and tend to prioritise more sustainable product purchases.

The GenX group, which tends to be more affluent and represented 30% of the market, have different tastes or needs when it comes to furniture and buying preferences. The baby boomers and seniors are the settled consumers and they represented 29% and 4% of the market, respectively.
The generational demographic of consumers calls for furniture manufacturers to diversify their products to cater to the specific needs of each group. While this may mean additional investment on new design and innovation, it also creates new possibilities for additional revenue sources and a motivation to embrace more sustainable processes and resources.

Online retailing has been around for some time but it will continue to be a preferred buying channel for millennials in particular. With instant access to catalogues and price lists, customers have a clearer idea of what they want.

Online retailers have taken away a good portion of the market share of brick-and mortar retailers. Not all is lost for store owners if they start embracing online and mobile technology and deploy them in their physical stores. For manufacturers, the increase in online shopping means an opportunity to sell to online retailers that are not limited to a physical geographic area.

Innovation is critical to the future of furniture manufacturing. The steady growth prospects of the US furniture manufacturing have attracted a host of companies to introduce innovative furniture creations. A quick search on YouTube can result in videos that show furniture that can be assembled in minutes without tools or multifunctional furniture that converts or includes hidden storage. And a furniture manufacturer has designed smart furniture that is able to monitor and record health-related data, such blood pressure, breathing, heart rate and body temperature.

In order for the Malaysian furniture industry to sustain its position in the USA market, Malaysian manufacturers need to continuously create excitement and creativity in terms of design, innovation, materials used, colours, finishing as well as improve product quality and standard. In addition, local furniture manufacturers are urged to react quickly to market changes particularly in terms of design, product variety, and materials and price competitiveness in order to stay ahead of competitors from China, Viet Nam, Indonesia, Poland and Romania.

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KHAYA - SUITABLE FOR FURNITURE

Khaya is a native African rainforest tree which consists of eight species including *Khaya senegalensis*, *Khaya anthotheca* and *Khaya grandifoliola*. This tree belongs to the *Meliaceace* family. It is considered a high-value hardwood tree species suitable to be introduced into the forest plantation programme.

Botanic Description

Khaya is a medium-size tree that can attain a height of 40-50 m and a diameter of up to 2 m. It has a very high growth rate; Malaysian planted trees have recorded a mean annual increment of 1.8 cm in diameter. It is a light-demanding species and the wide-spreading crown of the tree provides good shade underneath. Its leaves are arranged in a spiral formation clustered at the end of branches. The flower is white and the fruit changes from grey to black when ripening. The growing trees have high survival and growth rates, good tolerance to termites, and are not severely affected by shoot borers.

Timber Processing and Properties

The Khaya logs are liable to be attacked by ambrosia beetles and longhorn beetles. Once converted into planks, the sapwood portion is susceptible to attack by powder-post beetles. However, the timber is considered as moderately durable.

Khaya logs provide very acceptable recoveries in both sawn and veneer products. It was found that 20 year-old trees can produce an average saw recovery of about 50%. Pith, decay and stain are the major natural rejects occured when processing this timber.

When freshly sawn, the heartwood of Khaya is orange-red to red when fresh, while the sapwood is a creamy white. Upon exposure to the sun, the heartwood colour generally darkens to pinkish-brown or orange-brown. The grain is straight and often interlocked, yielding striped or roe-figured boards when quarter-sawn. The texture of this wood is coarser, owing to the slightly larger pores. A narrow sheath of parenchyma around each pore is sometimes visible using a hand lens. Growth rings are usually not distinct. Dark reddish brown gum deposits are generally present.

Wood colour and texture.

The timber class falls under the light hardwood group with a density that ranges from 540 - 600 kg/m′. It seasons fairly rapidly with little tendency to split. The dimensional movement of timber is small. Because of this, Khaya timber has low incidence of board distortion, particularly cupping during drying. The strength properties of the timber are good.

The timber works fairly easily with hand and machine tools but machining may be difficult when tension wood is present. Woolly planed surfaces often occur in quarter-sawn boards but generally it produces a smooth and fine finish. The timber has good nailing and screwing properties. Gluing and finishing can be classified as satisfactory.

Khaya tree.

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Uses

Due to the shady nature of the Khaya tree, it is now planted widely as a roadside tree. Traditionally, the bitter tasting bark is used for a variety of medical purposes such as fever, stomach complaints, and headaches.

Khaya timber has a good colour and produces prized furniture and craft pieces. The tree is mainly processed into high value applications such as furniture, panels, cabinets, moulding and other decorative items. The timber is highly valued for the production of decorative veneers and high grade plywood. It is also used in the shipbuilding industry and for boat decking. Owing to its low resistance to abrasive actions, the timber is also suitable for flooring and for light conditions of wear in domestic buildings.

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- *Peter Bishop, 1999. 100 Woods – A Guide to Popular Timbers of the World. Crowood Press Ltd., Wiltshire*

Khaya leaves.

MTIB's National Sports Day celebration held on 14 October 2017 at Taman Pudu Ulu, Cheras.

Press conference by MTIB, Selangor Customs Department and Westports on false container declaration held on 9 October 2017 at Westports Central Inspection Complex, Port Klang. One of the suppliers had declared the round logs as sawntimber to be exported to India.

Group photo of participants and facilitator during the Seminar on Karas and Gaharu held on 23 - 25 October 2017 in Kota Kinabalu, Sabah.

MTIB's Workshop on Revision and Improvement of MS ISO/IEC 27001: 2013 Documentation (Information Security Management Systems) held on 24 – 26 October 2017 in Melaka.

Sabah Wood and Lifestyle Exhibition organised by MTIB from 27 to 30 October 2017 in Kota Kinabalu, Sabah.