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EXPLORING BUSINESS OPPORTUNITIES
IN EGYPT

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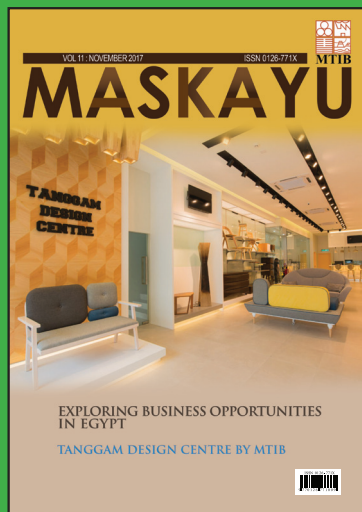
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EXPLORING BUSINESS OPPORTUNITIES IN EGYPT



The delegation poses with Mr. Ehab Samy of French Home Furniture during visiting his factory in Damietta, Egypt.

Booming construction activities in Egypt has contributed to the economic growth of the country, making it as one of the potential economy in the Middle East and Northern Africa (MENA) regions. Recognising the potential for business opportunities in Egypt, MTIB organised a Technical Mission and Timber Entrepreneurs Development Programme to Egypt from 10 to 17 November. The mission was led by YBhg. Dato' Dr. Jalaluddin Harun FASc, Director-General of MTIB and comprised a delegation of six industry players. The mission aimed to enhance trade of Malaysian timber and timber products to the Egyptian market, to promote Malaysian timber and timber products particularly high value-added products such as BJC, mouldings and furniture, to foster business networking between Malaysian exporters and Egyptian importers as well as to observe the latest market development and prospects for Malaysian timber and timber products in Egypt.

In 2016, export of Malaysian timber and timber products to Egypt was recorded at RM65.3 million with plywood and MDF as main products exported to Egypt totalling RM57.6 million and RM4.8 million, respectively. In addition, export of Malaysia wooden furniture to Egypt was recorded at RM1.8 million in 2016. In terms of import, wooden furniture was the only product imported by Malaysia from Egypt, worth RM58 thousand in 2016. Despite mixed trends in timber bilateral trade between two countries, Egypt still offers vast opportunities for Malaysian timber exporters due to its booming construction and tourism industries.

The first leg of the mission started in Damietta, the Furniture City of Egypt before proceeding to Cairo. While in Damietta, the delegation had a roundtable discussion with the Damietta Chamber of Commerce and Chamber of Woodworking & Furniture Industry (CWWFI). At the roundtable discussions, both delegations exchanged information on timber and timber products and development of the industry in both countries.

The delegation also visited WoodTech Egypt 2017, which showcased new technologies and trends on furniture design and machinery. During the visit to the exhibition, the delegation participated in several business matching sessions and some of the Egyptian importers showed a keen interest in procuring Malaysian raw materials



Mr. Ahmad Jasmani Jusoh of Impressive Transform and Mr. Farosham Naizamohideen of SZ Bumi Enterprise in a business session with Cairo timber importers.



ALGERIA

Rise in Wood Prices Causes Difficulties for Sector

The price of wood in Algeria has continued to rise since July 2017, resulting in a declining national market and financial difficulties for woodworkers, particularly those specialised in indoor and outdoor home construction. This is due to the wood import restriction put in place by the government. Professionals report that a door that previously cost DZD11,000 (EUR81.82/ USD97.76) has risen in price to DZD17,000, and a 1.2 x1.2 metre window has grown in cost from DZD22,000 to DZD35,000. The rise in cost has caused business to go bankrupt and customers to choose alternative materials such as lower-quality medium density fibreboard, aluminium, PVC, and steel.

Le Quotidien d'Oran, 12 November

AUSTRALIA

Logs Harvests Reach 32.8 Million m³

Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) estimated total volume of harvested hardwood and softwood logs in the country at the level of 32.8 million m³ in 2016–2017. The indicator is 9.1% up from 30.1 million m³ in 2015–2016. At the same time, the estimated value (at the mill door) of total logs harvested grew by 11.8% to AUD2.5 billion in 2016–17.

According to the announcement, the estimated hardwood log harvest volume rose to 15.5 million m³ in 2016–2017 (up 12.6% from 2015–16). Based on ABARES estimates of a 1.2% decrease in average hardwood log prices over the year, the total value of hardwood logs harvested is AUD1.2 billion (up 11.3%).

The estimated softwood log harvest volume rose to 17.3 million m³ in 2016–2017 (up 6.1% from 2015–2016). In contrast to hardwood log prices, ABARES estimated average price of softwood logs rose strongly by 5.9% over the year, which corresponds with a total value of softwood logs harvested of AUD1.3 billion (up 12.3%).

Fordaq, 14 November

BRAZIL

Impact of Changing the US Tariffs Discussed

During a recent joint-meeting of the Brazilian Association of Mechanically-Processed Timber Industry (ABIMCI) and the Paraná State Federation System of Industries (FIEP) timber industry entrepreneurs discussed the dynamics of the Brazilian timber sector.

The main issues discussed revolved around market opportunities and hurdles created by exchange rate fluctuations, logistics and tariffs on manufactured goods especially those in the US market. On exchange rates, specialists forecast that the BRL/USD rate will remain around BRL3.10/USD0.94 this year with a projected slight strengthening in 2018.

FIEP, with support of other institutions (including ABIMCI), has been working on an investment plan for logistics, infrastructure and new investments in ports and railways that can improve the profile and performance of enterprises in the southern state of Paraná. The plan aims at reducing logistics costs and guaranteeing energy supplies.

During the meeting, the status of the US tariffs on Chinese plywood exporters was discussed as was the likely outcome of the negotiations on a revised North American Free Trade Agreement. It was noted that, at present, Canada supplies around 90% of the sawnwood consumed in the US and that any change to import tariff on Canadian sawnwood and plywood will need to be carefully monitored.

ITTO/Fordaq, 13 November

CHINA

Furniture from Bazhou City Exported to 130 Countries

According to Hebei Entry-Exit Inspection and Quarantine Bureau data presented at a conference 'Second China Export Wood Products Quality Technology Promotion' in Bazhou City, Hebei Province, the number of enterprises exporting furniture has increased.

In 2013 there were just 20 furniture manufacturers exporting but that number has grown to 55 this year. The expansion of furniture manufacturing for export is due partly to the recent establishment of a furniture demonstration/production zone in the city.

The value of furniture exports from manufacturers in Bazhou City rose USD2.28 billion between January

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and August this year, up 47% from last year. Exports are shipped to more than 130 international markets.

ITTO/Fordaq, 3 November

CHILE **Forestry Exports to Hit USD5.4 Billion**

Chile's forestry exports are expected hit USD5.40 billion (EUR4.52 billion) in 2017, 2.5% above USD5.27 billion recorded in the previous year, according to forecasts by Corma, the country's forestry industry association. Exports could have increased by 3.3% to USD4.036 billion in the first nine months of 2017, compared with exports in the same year-earlier period, according to Central Bank estimates, reverting a downwards trend in the first half of 2017.

Infor, the national institute of forestry, expects exports to grow by up to 5% in 2017, driven by the strong demand from China where stocks have been depleted. Increased pulp price has contributed to such growth. Pulp prices are expected to fall and local firms will still have to overcome the problems caused by fires in the south of Chile over the last Southern Hemisphere summer. This year export levels will be at 2015 levels.

El Mercurio, 7 November 2017

ESTONIA **Wood Sector has Become a Significant Industry Sector**

In September 2017, the production of industrial enterprises increased 4% compared to September 2016. According to a SEB analyst, increase in the manufacture of wood products, on upward trend over the last years, has made wood sector one of the most significant industry sectors. The wood products industry sector posted growth was 12% in the first Quarter, 10% in the second Quarter, and 8% in Third Quarter of 2017. Wood products and wood houses exports has increased to account for over a fifth of Estonia's exports.

Postimees, 6 November

FINLAND **Softwood Sawntimber Production Increased**

Finland's softwood sawntimber production in January-September 2017 increased by 5.9%, compared to the year ago period and totalled 8.9 million m³, as the Finnish Forest Industries Federation said in the press release received by

Lesprom Network.

In recent years, China has become a significant export market especially for Spruce sawntimber. In the third quarter of 2017, softwood sawntimber production remained at the same level as in the corresponding period last year, that is, 2.6 million m³.

Plywood production increased by 10.3% in January-September 2017 to 0.9 million m³. In July-September 2017, plywood production totalled 0.3 million m³, which is 16% more than in the year ago period. Plywood is primarily used in construction, vehicle flooring, and LNG tankers. Growth in the European new construction and renovation markets had a positive impact on plywood production.

Lesprom, 14 November

FRANCE **Wood-based Board Production Stable for One Year**

Wood-based panel production in France has remained stable for one year, and in 2016 the 13 manufacturers in France produced 4 million m³ of oriented strand board (OSB), compared to 1 million m³ of MDF board, and just 245,000 m³ of plywood and 100,000 m³ of hardboard. Half of the board produced went to industrials and half to wood traders, with 50% of all panels exported.

President of the Union of Wood Panel Industries Laurent de Sutter affirms that one threat to the French wood-based panel industry is the lack of raw materials due to climate change. He contends that a solution must be found at the inter-professional level, and that the industry is prepared to incorporate an increasing amount of recycled materials into production. Higher production growth outside of France also poses a threat, which has led de Sutter to lobby for Europe-wide standards.

Eastern European countries have seen production rise thanks to the availability of raw materials, while it dropped 20% in Germany due to a shortage, and has also fallen in Belgium. Turkey has also seen production grow and has attracted the attention and investments of large companies. The European Panel Federation reported in June 2017 that total wood panel production had reached 55.6 million m³, up 1.8% from the previous year.

Particleboard totalled 30.2 million m³, up 0.8%; MDF board 12 million m³, up 2%; OSB board 5.4 million m³, up 6.9%; plywood 4.6 million, up 2.5%; and hardboard 500,000, down 5.6%.

Bois mag, 1 October, p.38-40

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HUNGARY Number of Newly Built Homes Up

According to data published by the Hungarian central statistics office KSH, a total of 7,981 flats were built in Hungary between January and September 2017. This represents a 51.5% increase on a year-to-year basis. In the Hungarian capital, a 17.8% growth was recorded. Meanwhile, the number of homes built in smaller towns rose by 73.7%. The average size of the affected flats reached 97 square metres. This is 4 square metres more than the same period a year earlier. It has also been revealed that 50% of the affected homes were built by private individuals over the monitored period. KSH has reported that the number of construction permits issued grew by 32.7% to 28,411 in Hungary.

Mfor, 3 November

JAPAN Bedroom Furniture Imports Up

Japan's year-on-year, imports of wooden bedroom furniture were up 9% in August and data for past three to four months seems to indicate that the downward trend in wooden bedroom furniture imports is bottoming out, as ITTO reported.

A staggering 90% of Japan's imports of wooden bedroom furniture come from shippers in just three countries, China, Viet Nam and Thailand. Between China and Viet Nam over 85% of Japan's bedroom furniture imports are accounted for.

Lesprom, 2 November

NETHERLANDS 8,000 Residential Properties are Made from Other Buildings

Eight thousand new residential properties were created in the Netherlands in 2016 through renovations of offices, retailer properties and industrial properties, according to the Dutch statistics bureau CBS. Between 2012 and 2016, 34,000 residential properties were created in this manner and 8,000 new properties in 2016 formed 9% of all new residential properties on the market.

More than half of the properties were created from former office buildings, 900 came from former commercial properties and 700 properties came from industrial buildings. The Dutch cooperative bank Rabobank estimates that some 2 million square metres of office buildings can be developed into 35,000 residential properties.

Het Financieele Dagblad, 13 November

NEW ZEALAND Log Prices to Rise to 24-Years High

New Zealand structural log prices rose to the highest level in 24 years and A-grade export logs hit a record as local mills compete with the export market to secure supply for the domestic construction market amid strong demand from China, reports New Zealand's Scoop Business Desk based on data from AgriHQ.

The price for structural S1 logs increased to USD130 a tonne this month, from USD128 a tonne last month, marking the highest level since 1993, according to AgriHQ's monthly survey of exporters, forest owners and saw millers. Export log prices lifted between USD2 to USD5 a tonne for the majority of grades, with the price for A-Grade logs touching USD128 a tonne, up from USD127 a tonne last month and the highest level since AgriHQ began collecting the data in 2008.

New Zealand is experiencing strong demand for its logs from China, which has clamped down on the harvesting of its own forests and reduced tariffs on imported logs to meet demand in its local market. AgriHQ said Chinese demand for softwood logs remains strong, lifting back to record levels in the latest data for September with Chinese imports of New Zealand logs currently tracking 10% ahead of last year.

"Those trading in the domestic log market are continuing to receiver near-record returns and there's nothing to signal that this situation will change anytime soon," said AgriHQ analyst Reece Brick. "Looking forward, all prospects will be determined by the direction the export log market takes."

Brick said wharf gate values climbed through October and early November and will likely hold high until the Chinese New Year period. Also known as the 'spring festival', the Chinese New Year falls on 16 February 2018, and the festival will last until 2 March 2018, about 15 days in total. As an official public holiday, Chinese people can get seven days' absence from work, from 15 to 21 February 2018.

He noted the latest situation and outlook report released by the Ministry of Primary Industries continues to shed a positive light on forestry's prospects over the next two years.

"They predict strong Chinese interest in logs over the short-medium term, underpinned by its ban of commercial logging of natural forests, falling

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Russian log supplies, and a 2% reduction on its imported log tax."

Brick said "the only proper negative" when it comes to the export market is shipping rates, which are rising faster than log values. However, this was being masked by a weaker New Zealand dollar, he said.

RUSSIA Sawntimber Export Value Up

In the first nine months of 2017, Russia increased its sawntimber exports, both in value and in volume terms, indicate the statistics published by the Russian Federal Customs Office.

Thus, during the first nine months of the current year Russia exported 13.67 million tonnes of sawntimber. That is 11.64% more than during the respective period of the last year. The total value of the exported Russian sawntimber increased as well. In January-September 2017 it came up to USD2.92 billion having gone up by 22.72%.

In their turn, Russian log exports went a bit down in volume terms. In January-September 2017, Russian log exports went down to 14.26 million m³ while during the respective months of the last year the figure equalled 14.92 million m³. Thus, Russian log exports decreased by 4.44% year-on-year.

The total value of the Russian logs exported in January-September 2017 came up to USD1.075 billion that is 7.51% more than during the respective period of 2016.

FTS/Fordaq, 16 November

SLOVENIA The Value of Purchased Roundwood Decreased

Slovenia's roundwood purchased from private owners in September 2017 worth EUR4.2 million, which is about 28% less than in the previous month (mainly due to the lower quantity of purchased wood), as the Statistical Office of the Republic of Slovenia said in the press release received by Lesprom Network.

The value of purchased sawlogs and veneer logs was lower by about 30%, of pulpwood by almost 16%, and of other industrial roundwood by almost 12%. On the other hand, the value of wood fuel was about 5% higher than in the previous month.

The value of roundwood purchased from private owners in September 2017 was 47% lower than in September 2016, mainly due to the lower quantity

of purchased wood. The value of purchased sawlogs and veneer logs was lower by almost 49%, of wood fuel by almost 53%, of other industrial roundwood by almost 43% and of pulpwood by 35%.

Lesprom, 16 November

SOUTH AFRICA Wood Market Sector Round-Up

The final quarter of the year is usually the busiest time for the South African building sector but Pine mills have shown lackluster sales. If current market conditions continue into the New Year, competition for sales will be rife.

Many Pine mills are still feeling the strain of the last round of log price increases set by the South African Forestry Company (SAFCOL). Coupled with labour unrest in some mills, owners are considering ceasing operations until the market picks up.

The wood-based panel market is also facing the same constraints but have the benefit of attracting buyers who have now opted for panel boards over solid wood of which are cheaper.

Traders have also reported improved activity in Meranti over the past few weeks but this also comes at a time when consumption has fallen very low and recovery is considered modest. Iroko has also become more popular as buyers look to cut costs. The demand for Saligna (Eucalyptus) is also looking up especially as an alternative to native hardwoods. In contrast, demand for American hardwoods remains steady driven by interest in White Oak, Ash and Walnut. High end furniture manufacturers seem to have enough work for the time being.

ITTO/FORDAQ, 15 November

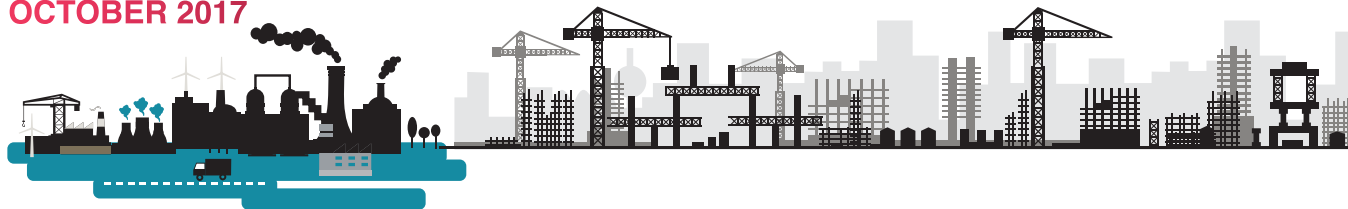
SWEDEN Knowledge About Wood Building Exports Swedish Minister of Housing and Digitalisation

Peter Eriksson spoke at the Wood Building Summit about the need for increased knowledge in the field of wooden construction. He stated that if Sweden manages to become a leading player in this area, the knowledge could then be utilised globally and become an exportable commodity to other countries. Eriksson further commented that new developments within both wooden building and technology have led to a new industrialisation, and that the National Board of Housing, Building and Urban Development (Boverket) has been commissioned to provide governmental grants to support innovative, sustainable homes.

Byggnyheter, 8 November

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Germany: Seaport Industry Calls for Import Turnover Tax Review

The German seaport industry is pushing for a change in foreign trade tax law from the German federal government. The tax in question is import turnover tax - the tax that importers must pay to customs when importing goods to Germany. The importers are later reimbursed by their tax authorities but it can take weeks or months. This ties up considerable liquidity for importers and it makes German seaports less competitive compared to their Dutch and Belgian counterparts. Organisations such as the chamber of commerce in Hamburg, Germany and the central association of German seaport companies have urged that this issue be discussed during coalition negotiations to form the next federal government.

Source: Die Welt, 4 October

Germany: Hamburg Port Usage Fees to Increase by 1.4% in 2018

According to the Hamburg Port Authority (HPA), the port usage fees in Hamburg will increase by 1.4% for the majority of sea shipping traffic in 2018. The increase in charges is due to the coalition agreement with an environmental component and the air clean-up plan of the Hamburg senate. Based on the international air pollution prevention certificate (IAPP), a portion of port fees will in the future, be

calculated based on environmental influences. Ships will be charged a surcharge if they do not present an IAPP or if they have poor emissions values. However, ships will also be charged less if they have clean emissions value on the basis of the IAPP.

Source: Deutsche Verkehrs-Zeitung, 10 October

Finland: Cargo Traffic in Port of Helsinki up in January-September 2017

Cargo traffic in the Port of Helsinki in Finland totalled 1.1 million tonnes in September 2017, up 13.4% from September 2016. Exports grew by 16.4% to 583,745 tonnes and imports by 9.8% to 461,968 tonnes. Total cargo traffic was 1.2 million tonnes, up 12.3% from September 2016. Cargo traffic totalled 8.8 million tonnes in January-September 2017, up 11.4% from the corresponding period in 2016. Exports grew by 12.8% to 4.7 million tonnes and imports by 9.8% to 4.2 million tonnes. Total cargo traffic was 10.5 million tonnes, up 12.7% from the corresponding period in 2016. Passenger traffic grew by 1.8% to 9 million passengers in January-September 2017.

Source: Press Release Port of Helsinki, 10 October

Russia: Group NCSP Handles 107.70 Million Tonnes of Cargo in Q1-Q3 2017

In January-September 2017, the cargo turnover of the group Novorossiysk Commercial Sea Port (NCSP) decreased by 2.5% year on year, to 107.74 million tonnes. Transshipment of liquid cargo amounted

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change Oct 2017/ Sep 2017
	m ³	% Change Oct 2017/ Sep 2017	m ³	% Change Oct 2017/ Sep 2017	m ³	% Change Oct 2017/ Sep 2017	m ³	% Change Oct 2017/ Sep 2017	m ³	% Change Oct 2017/ Sep 2017		
Sawntimber	77,822	6	4,930	-60	1,377	50	436	13	12,807	16	97,372	0
MDF	29,549	8	0	0	5,837	-14	7,326	30	19,453	197	62,165	34
Mouldings	11,699	5	271	38	1,766	6	884	104	1,488	13	16,108	9
Plywood	8,548	8	160	-35	10	100	137	-26	8,137	-7	16,108	9
Veneer	719	140	0	-100	0	-100	48	109	2,968	74	3,735	82
Particleboard	33,789	11	344	-19	3,596	-14	3,634	207	4,038	94	45,410	18
TOTAL	162,135	8	5,705	-57	12,586	-7	12,465	59	48,891	56	241,782	12

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to 80.80 million tonnes (-6.2%), including 56.95 million tonnes of oil (-7%), 23 million tonnes of oil products (-4.8%), 336,700 tonnes of vegetable oils (+140%). The volume of bulk cargoes reached 11.90 million tonnes (+37.8%), including grain 7.46 million tonnes of grain (+84.4%), 1.56 million tonnes of coal (+23.7%), 1.89 million tonnes of iron ore (-6.2%), 571,000 tonnes of chemical cargoes (-22.1%), 422,000 tonnes of sugar (-27.5%). The group also handled 10.34 million tonnes of general cargoes (-8.7%), including 8.99 million tonnes of ferrous metals (-10.4%), 868,000 tonnes of non-ferrous metals (+3.6%), 296,000 tonnes of timber cargoes (-29.5%). Container turnover increased by 32.3% to 439,000 twenty-foot equivalent units (TEUs).

Source: Portnews, 11 October

Russia: Belomorskaya Splavnaya Company Increases Transportation of Timber

Belomorskaya Splavnaya Company a part of Titan Group, increased transportation of timber 2.5-fold during navigation of 2017, compared with the same period a year ago. The figure stood at 450,000 m³. Arkhangelsk pulp and paper mill will give Belomorskaya Splavnaya Company towing vessels under a long-term program of development of river fleet of Titan group.

Source: Lesprom, 27 October

India: Increased Container Handling for APM Terminals in H1

Danish A.P. Møller-Mærsk's container terminal operator APM Terminals is the port operator that, in the first six months of 2017, has grown the most in India's largest container port, Jawaharlal Nehru Port Trust, east of Mumbai. In H1, APM Terminals handled 990,000 twenty-foot equivalent units (TEUs), which is an increase by 11.6% from H1 2016, while competing port operator, Dubai-headquartered DP World saw a growth of 5.2% to 625,000 TEUs.

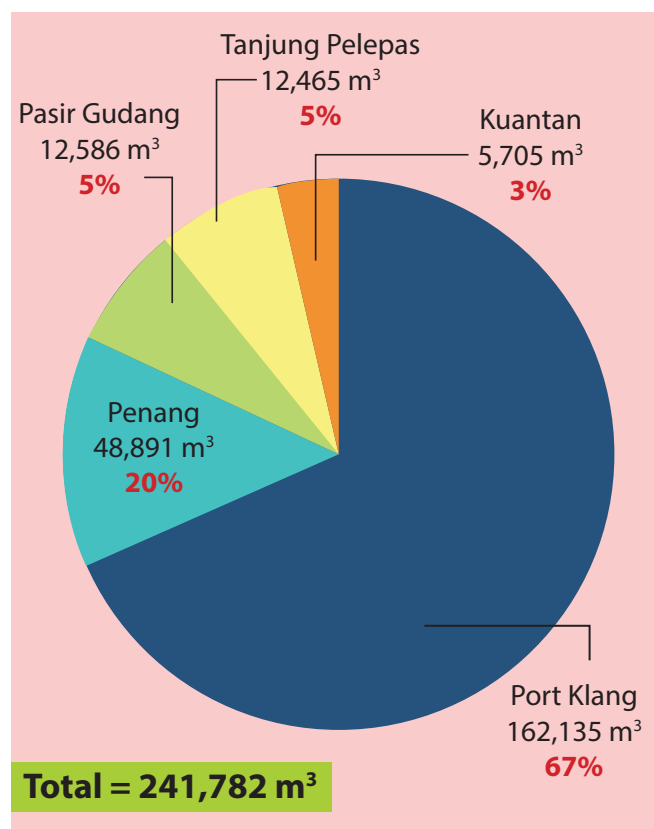
Source: Børsen, 17 October

China: Total Logistics throughput Grow to 34.334 Billion Tonnes in Q1-Q3 2017

On 30 October 2017, China's National Development and Reform Commission (NDRC) reported that total logistics throughput in the first nine months of 2017 grew 10.5% year-on-year to 34.334 billion tonnes. Within the figure, air cargo delivered 5.1 million tonnes of items, up by 6.4%; maritime transportation shipped 4.918 billion tonnes, up by 6.4%; road transportation sent 26.656 billion tonnes, up by 10.9%; railway transportation carried 2.755 billion tonnes, up by 14.6%. In September 2017, total logistics throughput in China expanded 10.9% to 4.34 billion tonnes. Of the total, air cargo contributed 640,000 tonnes, up by 7.1%; maritime transportation accounted for 579 million tonnes, up by 3.5%; road transportation climbed 12.4%, sending 3.449bn tonnes; while railway transportation fetched 312 million tonnes of cargoes, up by 9.2%.

Source: Jij.com.cn, 30 October

Timber Shipment through Ports in Peninsular Malaysia, October 2017



OCTOBER 2017

Total exports of timber and timber products in October increased 14% in value to RM2.0 billion over the previous month. Similarly, cumulative export for the period of January to October increased 6% to RM19.3 billion compared to the corresponding period in 2016.

SAWNTIMBER

Export of sawntimber in October 2017 increased 18% in volume and 19% in value to 178,161 m³ with a value of RM326.2 million compared to the previous month. Cumulative export for the period of January to October 2017 increased 12% in volume and 16% in value to 1.8 million m³ totaling RM3.2 billion over the previous corresponding period. Increasing intake from major market in the East Asia and Oceania contributed to the positive performance of sawntimber export.

Export of sawntimber to the EU for the month increased 37% to 12,390 m³ from 9,045 m³ recorded in the previous month as a result of increasing purchases made by major market in the region. Export to Belgium increased by 111% to 1,793 m³ followed by France 99.5% to 1,135 m³, Italy 91% to 578 m³, the Netherlands 38% to 5,805 and Germany 18% to 872 m³. However, export to the UK decreased by 17% to 1,618 m³ from 1,944 m³ in the previous month.

Total exports to West Asia improved 17% to 25,716 m³ from 22,004 m³ in the previous month as a result of increasing purchases made by Saudi Arabia, Bahrain, Kuwait and Yemen. Export of sawntimber to Saudi Arabia improved by 575% to 3,816 m³ followed by Bahrain by 282% to 1,409 m³. In addition, export to Kuwait increased 234% to 754 m³ and Yemen by 50% to 5,522 m³. However, export to Oman, Qatar and the UAE declined 43%, 33% and 7% to 3,315 m³, 1,297 m³, and 6,621 m³ respectively.

Buying from ASEAN improved 19% to 56,304 m³ from 47,274 m³ in the previous month. Export to the Philippines, Singapore, Viet Nam and Thailand increased by 77% to 17,455 m³ followed by Singapore 26% to 6,440 m³, Viet Nam 9% to 2,116 m³ and Thailand by 1% to 30,058 m³.

Shipments to East Asia increased 33% to 46,563 m³ from 34,988 m³ in the previous month. Export to Taiwan registered an increase of 80% to 9,123 m³ from 5,056 m³ followed by South Korea 33% to 4,366 m³, China 25% to 28,108 m³ and Japan 24% to 4,837 m³.

Elsewhere, export to the US declined 33% to 859 m³ from 1,278 m³ in the previous month. Similarly intake by South Africa reduced 10% to 5,678 m³ from 6,292 m³ recorded previously. However, purchases

from Australia increased 60% to 874 m³ from 546 m³ recorded in the previous month.

The average FOB price of sawntimber increased 0.4% to RM1,831 per m³ from RM1,824 per m³ in the previous month. Price of Dark Red Meranti (DRM) increased 6% to RM2,658 per m³ from RM2,497 per m³ in the previous month. Price of DRM to the Netherlands increased 2% to RM3,349 per m³ from RM3,288 per m³ in the previous month. Keruing was traded at RM2,029 per m³, decreased of 2% from the previous month.

PLYWOOD

Export of plywood in October 2017 increased by 10% in volume to 209,130 m³ and 12% in value at RM395 million as compared to the previous month. Total exports to the EU decreased by 8% to 9,443 m³. The UK has decreased their intake of plywood by 5% to 8,519 m³. Similarly, export to the Netherlands, Belgium and Italy have decreased by 1%, 89% and 40% to 335 m³, 43 m³ and 23 m³ respectively. In contrast, export to Ireland has increased by to 458 m³ from 40 m³ in the previous month. Meanwhile, Germany, France and Denmark did not make any purchases for this month.

Exports to ASEAN and East Asia region decreased by 3% with 154,965 m³ compared to previous month. Exports to Japan and China decreased by 10% and 0.2% to 95,561 m³ and 3,243 m³ respectively. In contrary, South Korea and Taiwan increased their intake by 13% and 25% to 27,929 m³ and 14,325 m³ respectively. Similarly, Hong Kong also increased their import by 19% to 3,550 m³.

Meanwhile, Malaysia's plywood trade with its ASEAN partners showed mixed growth this month. Exports to Thailand and Brunei shown a negative growth by 15% and 26% to 4,391 m³ and 650 m³ respectively. On the other hand, Singapore and the Philippines increased their export by 23% and 25% to 2,648 m³ and 1,787 m³ respectively. Meanwhile, Indonesia did not make any purchase for this month.

Overall exports to West Asia boosted by 203% to 18,181 m³ as compared to the previous month. Exports to the Yemen and Saudi Arabia have increased by 100% and 283% to 8,265 m³ and 4,047 m³ respectively. Similarly, exports to Bahrain and Kuwait increased by 409% and 338% to 870 m³ and 429 m³ respectively. In contrast, the UAE and Qatar reduced their intake of plywood purchase by 4% and 58% to 1,975 m³ and 127 m³ respectively.

Exports of plywood to the Americas region increased by 145% to 19,024 m³. Exports to the US, Mexico and Canada increased by 251%, 13% and 58% to 14,856 m³, 3,434 m³ and 734 m³ respectively. In the

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AUGUST 2017

meanwhile, export to Australia and New Zealand decreased by 19% and 200% to 3,833 m³ and 63 m³ respectively.

Exports to African continent increased by 148% to 652 m³ for this month. South Africa and Mauritius increased their plywood intake by 107% and 100% to 545 m³ and 86 m³. Algeria did not make any purchase for this month. Elsewhere, Turkey decreased its intake by 9% to 400 m³.

The FOB price of plywood increased by 1% to RM1,888 per m³ from RM1,868 per m³ in the previous month.

VENEER

Export of veneer for October 2017 decreased by 23% in volume and 22% in value to 13,509 m³ at RM22 million as compared to the previous month. Exports to South Korea and China have decreased by 6% and 13% to 5,372 m³ and 2,624 m³ respectively. Similarly,

exports to Taiwan and Australia have decreased by 61% and 19% to 2,592 m³ and 147 m³ respectively. On the contrary, exports to the Philippines and India have increased by 161% and 24% to 894 m³ and 444 m³ respectively. Both Italy and Singapore also reduced their intake of plywood by 100% to 67 m³ and 11 m³ respectively. Meanwhile, Canada, Chile and Viet Nam did not make any purchases this month.

The FOB price of veneer for the month is RM1,627 per m³, an increase of 2% from RM1,594 per m³ in the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for October 2017 increased 33% in volume and 28% in value compared to previous month. Export totaled 91,661 m³ and valued at RM112.6 million.

Exports to East Asia registered an increase of 19% to 13,589 m³ from 11,393 m³ in the previous month. Export to Japan, South Korea and China including Hong Kong registered positive growth of 18% to 12,372 m³, 97% to 347 m³ and 133% to 300m³ respectively. On the other hand, export to Taiwan recorded negative growth by 39% to 570 m³.

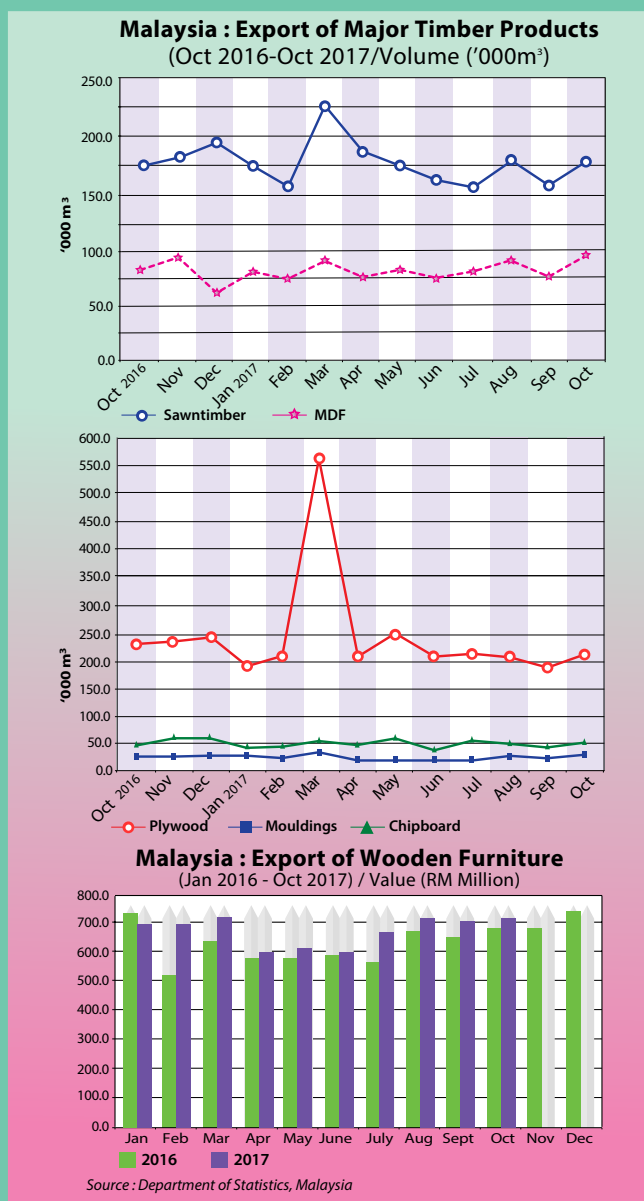
Exports to West Asia also recorded positive growth of 69% to 41,968 m³ from 24,810 m³ in the previous month. Similarly, export to Kuwait, Iran, Saudi Arabia, Bahrain, Jordan and Qatar increased by 18% to 3,764 m³, 22% to 6,092 m³, 60% to 4,418 m³, 67% to 487 m³, 696% to 955 m³ and 880% to 1,822 m³ respectively. In addition, Lebanon and Syria resume their intake for the month. On the other hand, export to Oman and the UAE decreased by 15% to 1,071 m³ and 27% to 8,774 m³ respectively.

Elsewhere, exports to South Asia increased by 9% to 11,389 m³. Similarly, export to Pakistan increased by 67% to 5,284 m³. However, export to India, Sri Lanka and Bangladesh decreased by 15% to 4,867 m³, 18% to 1,072 m³ and 40% to 166 m³ respectively.

Furthermore, exports to the US and Mauritius increased by 4% to 1,313 m³ and 131% to 295 m³ respectively. On the other hand, export to Australia, South Africa and the UK decreased by 15% to 2,114 m³, 32% to 1,059 m³ and 40% to 388 m³ respectively.

In ASEAN, total exports to ASEAN region decreased by 14% to 13,290 m³ from 15,398 m³ in the previous month. Export to Viet Nam, Indonesia, Philippines and Singapore decreased by 2% to 8,148 m³, 19% 3,258 m³, 30% to 1,757 m³ and 86% to 60 m³ respectively.

The FOB price of MDF recorded at RM1,229 per m³



OCTOBER 2017



LOGS

Log supply was reported to be sufficient in Peninsular Malaysia. Most mills reported that they had adequate log inventories to prepare for the coming monsoon period.

Log prices for the species of Chengal, Balau and Merbau stood firm at RM4,500 per tonne, RM3,000 per tonne and RM2,360 per tonne respectively. Similarly, prices of Keruing, Kempas and Kapur continued to be traded at RM1,841 per tonne, RM1,750 per tonne and RM1,700 per tonne respectively. Prices of Dark Red Meranti and Red Meranti were traded at RM2,100 per tonne and RM1,750 per tonne respectively while logs prices for Mixed Heavy Hardwood and Mixed Light Hardwood increased slightly by 1.3% and 0.4% respectively to RM915 per tonne and RM830 per tonne over the previous month.

SAWNTIMBER

The average sawntimber prices for most of the species in the domestic market continued to remain firm. The supplies of sawntimbers were reported to be sufficient and accessible for the month particularly in Peninsular Malaysia.

The sawntimber prices of Chengal, Balau and Red Balau maintained at RM6,850 per m³, RM3,178 per m³ and RM2,895 per m³ 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 m³ and RM2,331 per m³ respectively. Prices of Dark Red Meranti and Red Meranti remained at RM2,278 per m³ and RM1,992 per m³ respectively. Sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood increased further by 0.1% and 0.2% to RM958 per m³ and RM1,026 per m³ compared to the previous month.

PLYWOOD

Supply of plywood to the domestic market remained adequate for the month under review. Plywood of 4mm, 6mm, 9mm and 12mm of thicknesses 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 be sufficient whilst the prices were quoted as per the last month's level. The 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 * - OCTOBER 2017

The shipments of sawntimber from Sabah to Peninsular Malaysia dropped by 64% in volume to 155 m³ from 435 m³ recorded last month valued at RM486,000. However, trade of plywood increased

INTRA-MALAYSIA TRADE – OCTOBER 2017

From	Products	SEP 2017		OCT 2017		% Change in Volume Oct 2017 / Sept 2017	% Change in Value Oct 2017 / Sept 2017
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	435	567	155	486	-64	-14
	Plywood	5,626	10,240	8,942	17,184	59	68
	Veneer	0	0	60	112	100	100
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	728	857	64	219	-91	-74
	Plywood	3,610	5,121	6,135	8,343	70	63
	Veneer	7,552	10,955	8,933	13,180	18	20

Source : Department of Statistics, Malaysia

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by 59% to 8,942 m³ valued at RM17.2 million. Similarly, shipment of veneer resumed to 60 m³ in volume valued at RM112,000.

Movement of sawntimber from Sarawak to Peninsular Malaysia dropped significantly by 91% in volume to 64 m³ from 728 m³ recorded last month with the value of RM219,000. Trade of plywood however increased significantly by 70% in volume

at 6,135 m³ worth RM8.3 million. Similarly, trade of veneer rose to 8,933 m³ from 7,552 m³ recorded last month, valued at RM13.2 million.

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

* Source: MTIB and Department of Statistics, Malaysia

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

SPECIES	LOGS/tonne	SAWNTIMBER/m ³			
	18" UP	GMS	STRIPS		SCANTLINGS
HEAVY HARDWOOD					
Chengal	4,500	6,850	5,297		7,415
Balau	3,000	3,178	2,684		2,743
Red Balau	2,200	2,895	2,542		3,178
Merbau	2,360	4,500	3,178		3,955
Mixed Heavy Hardwood	915	958	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		1,342
White Meranti	1,480	2,472	1,412		2,260
Mersawa	1,480	1,624	1,130		1,660
Nyato	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	830	1,026	876		918
MALAYSIAN RUBBERWOOD <i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m ³			
	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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from RM1,278 per m³, a decreased of 4% from the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from October 2017 increased 2% to RM1.0 billion as compared to RM989.1 million in the corresponding period last year. Export to the EU increased 10% to RM298.7 million. Export to the Netherlands, Sweden, France and Turkey increased by 121%, 51%, 50% and 33% to RM9.5 million, RM5.9 million, RM23.6 million and RM7.8 million. Similarly export to Italy, Belgium, Germany and Denmark increased by 31%, 18%, 17% and 9% to RM6.4 million, RM46.4 million, RM27.0 million and RM19.0 million respectively. However, export to the UK decreased by 10% to RM137.5 million compared to the previous year.

In Asia, exports to the UAE, Viet Nam, Taiwan and Japan grew 80%, 24%, 9% and 1% to RM6.3 million, RM35.0 million, RM14.7 million and RM66.7 million respectively. However, exports to Pakistan, Saudi Arabia, India, Singapore, South Korea and Thailand decreased by 28%, 23%, 18%, 12%, 9% and 3% to RM29.5 million, RM2.2 million, RM46.6 million, RM102.4 million, RM1.8 million and RM27.5 million respectively. Qatar did not make any purchases meanwhile Bahrain resumed its intakes.

Exports to Australia increased by 4% to RM177.0 million compared to the previous year. However, Mauritius and South Africa decreased its purchases by 43% and 2% to RM222 thousand and RM15.2 million respectively. Likewise, the US also decreased its intake by 1% to RM87.1 million from RM87.5 million in the previous corresponding period.

MOULDINGS

Exports of mouldings for the month increased 17% and 15% in volume and value to 20,592 m³ and RM73.9 million respectively. Cumulative exports for the period of January - October 2017 increased in volume and value by 0.3% and 3% to 197,865 m³ and RM705.7 million respectively as compared to the previous corresponding period in 2016.

Exports to the EU for the month recorded at 7,982 m³, an increase of 26% compared to the previous month. The Netherlands, UK and Belgium increased their purchased by 45%, 22% and 21% to 4,666 m³, 844 m³ and 690 m³ respectively. However, Italy did not make any purchases.

Exports to ASEAN region increased as Indonesia, Viet Nam and Singapore intake of mouldings increased by 97%, 34%, and 2% to 73 m³, 199 m³ and 1,178 m³ respectively compared to the previous month. Meanwhile, exports to South Korea, Japan and China increased by 45%, 30% and 5% to 1,831

m³, 2,131 m³ and 672 m³ respectively. However, exports to Taiwan and Hong Kong decreased by 89% and 28% to 24 m³ and 209 m³ compared to the previous month.

Elsewhere, the US increased their intakes by 26% to 1,376 m³ compared to the previous month. However, Canada and Australia decreased their intakes by 47% and 1% to 46 m³ and 2,822 m³ respectively.

FOB unit value decreased 2% to RM3,589 per m³ from RM3,655 per m³ in the previous month.

FURNITURE

Exports of wooden and rattan furniture for the period under review in 2017 rose 8% compared to the corresponding period of 2016. Total shipment recorded RM6.7 billion against RM6.2 billion in 2016. Imports of wooden furniture by the US increased 18% from RM2.1 billion to RM2.5 billion. Canada saw a modest increase of 6% to RM232 million.

In East Asia, wooden furniture exports to China and Taiwan increased by 61%, and 27% to RM147.1 million and RM50.8 million respectively. Whereas, Japan reduced its consumption by 2% to RM536.6 million. Similarly, shipments to ASEAN region such as Singapore decreased by 8% to RM362.8million. However, the Philippines increased its intake by 18% to RM151.5million.

Exports to West Asia declined as the UAE and Saudi Arabia reduced their intake by 6% and 4% to RM152.4 million and RM122.7 million respectively. However, Bahrain and Iraq increased their wooden furniture consumption by 2% and 11% to RM19.8 million and RM4.9 million respectively. Shipment of wooden furniture to India recorded an increase of 34% to RM165.6 million.

In Europe, the UK and France improved their intake by 2% and 4% to RM361 million and RM53.6 million respectively. However, Belgium and Spain reduced their intake by 5% and 13% to RM33.5 million and RM17.7 million respectively.

However, Australia reduced its intake by 2% to RM492.2 million respectively. Contrariwise, South Africa improved its intake by 28% to RM55.2 million. Rattan furniture shipments in October 2017 recorded a negative growth with a decreased of 55% from RM34.2 million to RM15.3 million.

Export to Singapore for this month decreased by 69% to RM1.8 million from RM5.7 million in the previous month. Similarly, shipments to Australia decreased by 40% to RM2.4 million, United Kingdom decreased by 77% to RM0.6 million, and Cote D'Ivoire decreased by 24% to RM0.2 million. However, India increased its intake by 19% to RM3.8 million.

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such as sawntimber and plywood. In addition, the delegates visited three furniture factories, namely French Home Furniture, Shoulah Furniture Group and Asal Furniture Co. The delegates also visited a plywood factory, Firstwood Co. and three furniture showrooms which are Al-Mohandes, Metwally El Eraky and Nabolia Home.

From Damietta, the delegation proceeded to Cairo for the final leg of the mission. While in Cairo, a roundtable discussion with the Cairo Chamber of Commerce was held. After the roundtable discussion, business matching sessions were then held between Malaysian timber exporters and Egyptian timber importers. The delegation was brought to visit In & Out, a furniture showroom and Mffco Helwan, its furniture showroom and factory. The delegation also made a courtesy visit to Mr. Shahabudeen Adam Shah, Deputy Chief of Mission, Embassy of Malaysia in Cairo.

Based on observation from the visits to factories and furniture showrooms, Egyptian furniture designs are inspired by classical French design with intricate carvings. Equipped with combination of mechanisation and manual production, most of their furniture are being exported to Europe and Middle East countries such as France, Russia, Ukraine, Saudi Arabia, Qatar, Iraq and United Arab of Emirates.

Their main timber suppliers are from Romania, Russia and other European countries, the main species being Beech and a combination of other hardwood such as Cherry, Oak and Mahogany. Their upholstery materials and accessories are mainly obtained locally and from China. The delegation exchanged information with Egyptian timber importers and suppliers whilst at the same time sought opportunities to promote Malaysian timber and timber products and to expand the Malaysian export market to Egypt.

The roundtable discussions with both Chambers in Damietta and Cairo bore fruitful outcomes on future business opportunities between Malaysia and Egypt. Although MTIB Director-General acknowledged that Beech is a common material



Posing at Shoulah Furniture Group.

used in furniture making and wood carving in Egypt, he informed that Malaysia also offers species equivalent to Beech which is suitable for furniture making and wood carving. He also stated that classical Egyptian furniture has the potential to penetrate the Malaysian market as it can offer competitive prices compared to Italian furniture.

The Chambers also indicated their interest to come to Malaysia to promote Egyptian classical furniture and look for opportunities to source raw material supply from Malaysian exporters. Following the Egyptian government's aspiration to encourage foreign direct investments into the country, both Chambers encouraged Malaysian business entities to come and invest in Egypt. The discussion also elaborated on the import tariff structure between the two countries and recognised the need to initiate high level discussions between governments for a preferential trade agreement (PTA) or free trade agreement (FTA).

Overall, the mission provided opportunities for Malaysian delegates to enhance trade, especially in the areas of raw material. Nevertheless, value-added products such as home furniture catered for middle-class income is seen to have potential in the Egyptian market. The Malaysian companies involved in the mission were World Trend Garden Furniture Sdn. Bhd., Innovatory Furniture Sdn. Bhd., Timberdeck Sdn. Bhd, Mazma Marketing Sdn. Bhd., SZ Bumi Enterprise and Impressive Transforms Sdn. Bhd. MTIB was represented by Puan Norhaizurah Zulkarnagain from Trade Development.



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Timber World In Brief

UNITED STATES Hardwood Exports to Southeast Asia and China in Great Shape

The global exports value of American hardwood reached USD2.64 billion, rose 11.6% (Year-on-year). Mainland China and Viet Nam have continuously outperformed in eight consecutive months that helped to uplift the whole Southeast Asia (SEA) & Greater China (GRCH) market gained 24.7% when compared to the same period of 2016 and reached USD1.59 billion for the past eight months. The SEA & GRCH market accounted for 60.5% of all global exports value.

Greater China market grew at 27.3% (Year-on-year) to USD1.37 billion in which Mainland China market was up 27.9% to USD1.35 billion. The overall

performance of Southeast Asia markets stayed on upward trend and showed a rise at 10.7% to USD220 million (Year-on-year), it was helped mainly by Viet Nam and Malaysia markets which recorded a 16.5% (Year-on-year) to USD158 million and 10.2% (Year-on-year) to USD20.5 million respectively.

The hardwood lumber exports value to Indonesia mildly grew at 5% (Year-on-year) to USD15 million and Philippines grew at 23% (Year-on-year) to over USD1 million, but the overall performance of Indonesia market resulted a decline at 5.3 % (Year-on-year), and Philippines market slipped 14.3% (Year-on-year). The remaining markets in South East Asia, Thailand and Singapore dropped 3.4% and 40.7% respectively.

AHEC/Fordaq, 14 November 2017

MTCP: MYANMAR'S FAMILIARISATION VISIT ON TIMBER INDUSTRY TO MALAYSIA (PHASE 3)



Photo session during closing ceremony of Myanmar's Familiarisation Visit on Timber Industry to Malaysia.

The Government of Malaysia through MTIB organised a short term study visit entitled 'Myanmar's Familiarisation Visit on Timber Industry to Malaysia' from 8 to 18 November under the Malaysian Technical Cooperation Programme (MTCP). MTCP was established 35 years ago and its main objective is to share Malaysia's development experience with other developing countries within the framework of South-South Cooperation. Malaysia hopes that these experiences would be useful for other developing countries as part of their own development process. The primary belief is that the development of a country depends on the capabilities of its human resources.

In line with MTCP's objective, the programme aimed to provide the participants with a better understanding of the development of the timber industry in Malaysia. Eight participants from the Republic of the Union of Myanmar attended the programme.

Through MTCP, Malaysia has undertaken the commitment to assist other developing countries to develop their human capital by providing training and assistance in various key technical fields which are vital for economic and social development. This was the third programme organised by MTIB under MTCP. The first programme was organised in 2014 with six participants while the second programme, organised in 2015 had 14 participants. To date, more than 28,000 participants

have taken part in the various courses offered under MTCP and the number continues to grow every year.

Malaysia and Myanmar have had bilateral ties and collaboration in the timber trade since the signing of the Memorandum of Understanding (MoU) on 28 March 2012 in Yangon, Myanmar. MTIB was represented by YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General while Myanmar Timber Merchants Association (MTMA) was represented by its Chairman, Mr. Sein Lwin. The exchange

of documents was witnessed by YAB Dato' Sri Mohd Najib Tun Abdul Razak, Prime Minister of Malaysia.

The main areas of collaboration between MTIB and MTMA are training, capacity building, marketing and trade facilitation, and exchange of formation and knowledge sharing. As part of the MoU signed between MTIB and MTMA, both parties agreed to conduct training and capacity building programmes for the timber industry and related institutions and organisations in Myanmar. This third phase programme included lectures and practical training at WISDEC as well as courtesy visits to MTIB, FIDEC, TANGGAM Design Centre, Rumah Melaka, Malaysian Timber Certification Council, and local timber companies such as Supreme Fame Sdn. Bhd., Dynamic Furniture Industries (M) Sdn. Bhd. and Weng Meng Industries Sdn. Bhd.



Delegates at Supreme Fame Sdn. Bhd.

MALAYSIA HOSTS ISO/TC 89 MEETING ON WOOD-BASED PANELS



Puan Hjh. Norchahaya Hashim, Deputy Director-General of MTIB (seated centre) flanked by Encik Ridzwan Kassim on her right and Mr Benard Chevaldonnet from France, the outgoing Chairman for SC3 ISO/TC 89.

International standard and market requirement may significantly influence the exchange of goods and services through the elimination of technical barriers to trade. Realising the importance of participation in international standardisation, MTIB together with the Department of Standards Malaysia (Standards Malaysia) organised the ISO/TC 89 on Wood-based Panels Meeting from 13 to 17 November in Melaka. The organisation of this international meeting was inline with the role of MTIB as a Standards Development Agency (SDA) for timber, timber products and timber structures, as appointed by Standards Malaysia effective September 2013. This was the second time for Malaysia to organise an ISO/TC 89 Meeting. The first meeting was held in Kuala Lumpur in 2004.

The ISO/TC 89: Wood-based panels committee is responsible for the standardisation and development of standard in the field of panels such as fibreboards, particle boards and plywood based on lignocellulosic materials (derived from wood or other materials) including terminology, classification, dimensions, test methods and quality requirements. At present, a total of 43 ISO standards related to wood-based panels have been published while six ISO standards are at different stages of development.

The meeting was convened in plenary, inclusive of three subcommittees (SCs) and one working group (WG) namely; SC 1 on Fibreboard, SC 2 on Particleboard, SC 3 on Plywood and WG 5: Test Method. Forty-two participants from 10 countries namely Australia, Belgium, China, France, Germany, Japan, Malaysia, Republic of Korea, Sweden and

United States attended the meeting. The Chairman of ISO/TC 89, Dr. Steffen Tobisch from Germany welcomed the delegates and officiated the meeting. Following that, the chairman of each SC reported the activities and

progress of the standard development.

A total of five ISO standards at various stages of development under WG 5 : Test Method were deliberated. They included confirmation of ISO 12460-1: Chamber method, development of ISO/DIS 12460-2: Small scale chamber method, revision of ISO 12460-3: Gas analysis under Vienna Agreement, revision of ISO 12460-4: Desiccator under Vienna Agreement and revision of ISO 12460-5: Perforator under Vienna Agreement.

At present, a total of six ISO Standards have been discussed under Subcommittees 1, 2 and 3 namely revision of ISO 16894: Wood-based panels - Oriented strand board (OSB) - Definitions, classification and specifications, development of ISO 2426-4: Plywood - classification by surface appearance - Part 4: Palm-plywood, revision of ISO 2426-1: Plywood-classification by surface appearance - Part 1: General, revision of ISO 2426-2: Plywood-classification by surface appearance - Part 2: Hardwood, confirmation of ISO 2426-3: Plywood-classification by surface appearance - Part 3: Softwood and revision of ISO 18775: Veneers - terms and definitions, determination of physical characteristic and tolerances.



Meeting in progress.

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Malaysia's excellent work performance was once again recognised when Dr. Loh Yueh Feng from MTIB was appointed as project leader for a new work item :- a proposal revision of ISO 2426-1 and ISO 2426-2 with participation of China, France, Japan, Republic of Korea and Germany. In 2015 Malaysia's pioneer proposal on ISO 2426-4 was drafted. Prof. Dr. Paridah Md Tahir from Malaysia as the project leader succeeded in getting the proposal accepted as Final Draft International Standard (FDIS) and it will be published ISO in 2018.

Seven resolutions were also concluded during the plenary meeting approval of ISO/DIS 12460-2 as FDIS stage, appointment of new convener for WG 5, revision of ISO 12460-3, revision of the ISO/TC 89 business plan as well as appointment of Puan Hj. Mahsuri Mat Dris from MTIB as liaison officer to ISO/TC 296 on Bamboo and Rattan. The ISO/TC 89 also thanked Mr. Alan Haligan from Australia and Mr. Bernard Chevaldonnet from France for their dedicated work and their very successful Chairmanship of SC1, SC2 and SC 3.

Apart from the meeting, MTIB organised a welcoming dinner to celebrate and appreciate the delegates of ISO/TC 89. In her welcoming speech, Puan Hj. Norchahaya Hashim, Deputy Director-General of MTIB highlighted on the contribution of the timber-based industry to the Malaysian economy. The timber-based industry contributes approximately RM20 billion to the export market and RM 18 billion for the domestic market. Malaysian timber products are being exported to more than 160 countries due to product quality as well as compliance to the international standards and market requirements.

In 2016, a total of RM22.11 billion of wood-based products were exported to the international market. The highest export value item was wooden furniture with a value of RM7.56 billion followed by plywood worth RM4.37 billion and sawntimber RM3.39 billion. The above products are amongst the three star performers of the exported timber products. Beside plywood, other panel products exported in 2016 were fibreboard with a total export value of RM1.15 billion and particleboard with an export value of RM340 million.

With regards to the export of wood-based panels, Puan Hj. Norchahaya Hashim noted that Japan was the biggest export destination of plywood with a total export value of RM2 billion (46%) followed by Republic of Korea with RM480 million (11%). Japan was also a major export destination for



Attendees posing for the camera.

fibreboard, with an export value of RM256 million (22%).

During the dinner, Encik Ridzwan Kasim, Senior Director on Standardisation of Standards Malaysia highlighted on the active involvement of Malaysia as Participating (P) and Observing (O) member at the international fora under ISO and IEC including ISO/TC on Timber, Wood-based Panels, Timber Structures as well as Rattan and Bamboo. Standards Malaysia acts as the National Standards Body.

The delegates also had the opportunity to explore the potential of oil palm trunk (OPT) in the manufacturing of plywood, the delegates visited Profina Plywood Sdn. Bhd. in Kluang, Johor. The field visit provided an insight information on the manufacturing of plywood from OPT and the commercialisation of OPT plywood into the international market as Malaysia is pioneering plywood production from OPT due to the abundant supply of OPT in Malaysia. OPT has the potential to be used as an alternative raw material for plywood, furniture and other biocomposite materials for the wood-based industry in achieving the National Timber Industry Policy (NATIP) target of exporting a total value of RM25-30 billion in 2020.

The involvement of MTIB together with technical experts at the international fora is crucial in ensuring that Malaysia provides relevant inputs during the standards development process at ISO level as tropical timber properties are different from temperate softwood and hardwood. Malaysia was represented by a total of 13 delegates which comprised experts from Forest Research Institute Malaysia, MTIB, Malaysian Panel-Products Manufacturers Association, Sarawak Timber Industry Development Corporation, Universiti Putra Malaysia and Universiti Teknologi MARA. The representatives from MTIB comprising Puan Hj. Mahsuri Mat Dris, Dr. Loh Yueh Feng and Puan Nor Shahira Mat Nasir. 

53RD SESSION OF INTERNATIONAL TROPICAL TIMBER COUNCIL



Mr. John Leigh, Executive Director of Servicio Nacional Forestal y Fauna Silvestre (SERFOR) addresses the International Tropical Timber Council at the opening of its 53rd session in Lima, Peru.

The 53rd International Tropical Timber Council (ITTC) meeting was held on 27 November - 2 December in the city of Lima, Peru. The session was officially chaired by Council Chair, Mr. Tabi Agyarko who highlighted the common purpose among ITTO members to promote the sustainable management of tropical-timber-producing forests.

His Excellency, Mr. Pedro Pablo Kuczynski Godard, President of Peru who opened the session, highlighted the importance of conserving tropical forests as it provides oxygen and freshwater supply and mitigates climate change. As such if neglected, it will have a huge impact on future generations. Mr. Kuczynski also spoke about a new Peruvian initiative, Sierra Azul, one of the aims of which is to restore degraded lands in the Peruvian Andes by establishing tree plantations to protect water catchments and generate green jobs in rural communities.

Dr. Gerhard Dieterle, Executive Director of ITTO, in his speech to the Council, supported Peru's emphasis on forest restoration, calling for a dramatic global increase in the supply of sustainably produced wood products. He pointed out that, without such an increase, the deficit in the supply of timber and other harvested forest products worldwide could be as high as 6 billion m³ per year by 2050. Scaling up landscape restoration, sustainable forest management and legal and sustainable supply chains were essential to meet this demand, said Dr. Dieterle. Moreover, it "could make an enormous contribution to green and inclusive growth, jobs and income".

The Council adopted several decisions, many of which are aimed at improving the transparency,

governance and administration of the Organisation. These included the amendment of rules of procedure and financial rules and rules relating to projects of the ITTO, acknowledging the recommendation of the Oversight Committee on measures regarding the financial impairment, improving ITTO's financing infrastructure and fundraising strategies as well as accepting the principle of rotation in the selection of the Executive Director as set out in the Report of the Ad Hoc Working Group.

The ITTO Secretariat reported to the Council on the 2017 implementation of the Biennial Work Programme (BWP), including communication and outreach. The Executive Director presented the draft BWP for 2018–2019, and approved by the Council members. The ITTC also discussed and agreed to extend the ITTO Strategic Action Plan 2013-2018 to 2019 and requested the Executive Director to develop the ITTO Strategic Action Plan 2020-2025 to be presented to the ITTC 55th session for approval. The Council also endorsed the approval of 14 projects obtained through the time-bound electronic no objection procedure for Projects and Pre-Projects for the project cycle of 2017.

The 2017 Annual Market Discussion, organized by the Trade Advisory Group, was held with the theme "Sharing experiences on promoting investment in tropical timber industries and tropical forestry". Mr. Andre de Boer (TAG Co-coordinator) chaired the Market Discussion, while speakers from Finland, Peru, Brazil, Papua New Guinea, Germany and Netherlands shared their experiences in promoting investments in their respective countries.

The Malaysian delegation to the meeting was led by



Attendees listen to a presentation at the Annual Market Discussion convened on day three of the 53rd session of the International Tropical Timber Council in Lima, Peru.

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Bilateral cooperation between Malaysia and Myanmar in the commodity and timber sectors continue to grow with a lot of opportunities for both countries, especially the timber sector. Both countries are endowed with tropical forests which offer a steady supply of raw materials. While Malaysia and Myanmar share some similarities, the timber industry in both countries differs in terms of the level of development. Myanmar is a dominant supplier of primary processed timber, whereas Malaysia has established itself as one of the leading suppliers of downstream processed timber products. The Malaysia-Myanmar cooperation will help fortify Malaysia's efforts to develop and enhance the local timber industry to compete in the global economy. In addition, this bilateral

cooperation will benefit trade and investments between Malaysia and Myanmar. 



The group at TANGGAM Design Centre, Kota Damansara.



At Wisma Putra, Ministry of Foreign Affairs Malaysia.

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Puan Zurinah Pawanteh, Deputy Secretary General (Commodities), Ministry of Plantation Industries and Commodities. A total of six delegates attended the meeting comprising representatives from MTIB, Malaysian Timber Council and Sarawak Forestry Department. MTIB was represented by Encik Mohd Kheiruddin Mohd Rani, Director of Trade Development.

The 54th session of the International Tropical Timber Council and Sessions of the Associated Committees will be held in Yokohama, Japan in 2018 and the 55th session will be held in Togo, Africa in 2019. 



Members of the producer caucus consult informally on day three of the 53rd session of the International Tropical Timber Council in Lima, Peru. (Picture of Pn. Zurinah Pawanteh, Deputy Secretary General of MPIC (Commodities))

WOOD AND BIOFIBRE INTERNATIONAL CONFERENCE



The VIPs with attendees during the conference.

Wood and Biofibre International Conference 2017 (WOBIC 2017), previously named International Conference on Kenaf and Allied Fibres (ICKAF), and carries the tradition of the international conference which began in 2009 organised by Institute of Tropical Forestry and Forest Products (INTROP), Universiti Putra Malaysia. INTROP recognises the value of a holistic approach to sustainable wood and biofibre production in order to meet the needs of all. A strategic was made to change the name of the conference to expand its scope by covering other fibres, and ascertain the evolution and significance of the wood and biofibre sector in the global economy.

WOBIC 2017 seeks to bring together the industry and academia to discuss the latest developments in wood and biofibre, from upstream agricultural-related topics to downstream fibre processing and product advancement, as well as the socio-economic impact of these commodities.

The theme for this year's WOBIC is "Lignocellulose for Future Bioeconomy". The co-organisers of the conference included MTIB, Malaysian Palm Oil Board, National Tobacco and Kenaf Board, Forest Research Institute Malaysia and Fujian Agriculture and Forestry University. It was held on 21-23 November in Bangi, Selangor. The conference was officiated by YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities.

WOBIC 2017 was held to assist the evolution of the wood and biofibre products research and industry, bringing together researchers, inventors, educators,

suppliers and engineers from numerous countries with expertise in different relevant fields related to the industry. It also aimed to gather the industry and academia together to deliberate on the latest buildout in wood and biofibre technology and the impact of these commodities on socio-economy.

WOBIC 2017 provided an excellent platform for the industry, academia, researchers, policy makers and government agencies to discuss the latest pertinent issues related to wood and biofibre as well as the latest developments. Approximately 90 papers were presented by local and international speakers from various institutions, companies and government agencies in eight technical sessions conducted during the two-day conference. The technical sessions were as follows:

- Bio-composite Technology;
- Bio-products;
- Bio-resource Managements and Economics;
- Environment and Life Cycle Analysis;
- Bio-polymer and Derivatives;
- Wood Technology and Applications;
- Bio-nanomaterials; and
- Pulp and Paper Technology

Apart of the technical session, participants also had a line-up of highly renowned speakers for plenary and keynote sessions who shared their expertise and insights in their fields of interest. Keynote speaker 1, Professor Emeritus Dr. Derek Gray from McGill University, Montreal, Canada presented a paper entitled "Lignocellulose in a Sustainable Bioeconomy". He explained that the bioeconomy is viewed as an economy that relies on renewable

39TH MEETING OF THE ACCSQ WORKING GROUP 1 – STANDARDS AND MRA AND ITS RELATED MEETINGS



The 39th Meeting of the ACCSQ WG 1 on Standards and MRA and its Related Meetings were held on 31 October – 4 November in Manila, Philippines. The Meeting was preceded by the following events at the same venue:

- 18th Meeting of the Task Force on Building and Construction (TFBC), held on 30 October 2017
- 11th Meeting of the Task Force on Wood-based Products (TFWBP), held on 31 October 2017
- 2nd Workshop on the Revision of the ASEAN Good Regulatory Practice (GRP) Guide, held on 1 November 2017

The WG 1 Meeting was chaired by Puan Norhaliza Arifin, Senior Principal Assistant Director (Standardisation), Department of Standards Malaysia (Standards Malaysia), Ministry of Science, Technology and Innovation (MOSTI), Malaysia and co-chaired by Mr. Steven Phua, Deputy Director, Standards Division, SPRING Singapore. The WG 1 Meeting was officially opened by Atty. Ernesto V. Perez, Assistant Secretary, Consumer Protection Group, Department of Trade and Industry (DTI) and Officer in Charge of Bureau of Philippines Standards (BPS), Philippines.

The Meeting noted on the decisions made at the 47th ACCSQ Meeting, held on 25-27 April 2017 in Bandar Seri Begawan, Brunei Darussalam, that were related to WG 1 activities in particular those on the revised Terms of Reference (TOR) of WG 1 and the revised Work Plan of WG as well as the term of office of chair and co-chair of WG 1, for endorsement at the 48th ACCSQ Meeting. The WG 1 Meeting was attended by delegates from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Philippines, Singapore, Thailand and Viet Nam and

representatives from the ASEAN Secretariat. The representatives from Physikalische-Technische Bundesanstalt (PTB) Germany also attended the Meeting to organise the Revision of ASEAN Good Regulatory Practice (GRP) Guide workshop. The outcome of the Second Workshop on Review of the 2009 ASEAN GRP Guide which was held on 1 November 2017, in Manila, Philippines was during the WG meeting.

The Meeting also noted that guidance from ACCSQ with regard to progress on the review of the 2009 ASEAN GRP Guide to be in line with activities that will be conducted by the High-Level Task Force on ASEAN Economic Integration (HLTF-EI). Taking into consideration the outcome of the second workshop and the follow-up actions to be taken, the Meeting agreed to target the finalisation of the text of the revised GRP Guide by the next WG 1 Meeting in Singapore.

Harmonisation of Standards for the Wood-based Products Sector

The objective of the Task Force on Wood-based Products (TFWBP) is to assist the ACCSQ WG 1 (Standards and MRAs) in addressing the Technical Barriers to Trade for the wood-based products sector, which is a Priority Integration Sector under the ASEAN Community building efforts, to support trade facilitation initiatives towards the realisation of the ASEAN single market and production base. To achieve its objective, the Task Force will:

- Exchange information on standards, technical regulations, conformity assessment procedures and trade volume of key wood-based products in ASEAN
- Identify standards for harmonisation
- Enhance cooperation in the development, adoption and application of technical standards, technical regulation and conformity assessment procedures
- Promote transparency of the harmonised standards, technical regulations and conformity assessment procedures
- Promote recognition and acceptance of conformity assessment results among Member States, where possible, explore the development of MRAs
- Promote extra-ASEAN trade in wood-based products through cooperation with non-



Meeting in progress.

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ASEAN Countries in areas pertaining to technical regulations and conformity assessment procedures

- Identify and implement capacity building programmes for the wood-based product sector.

The Chair of the Task Force on Wood-based Products (TFWBP), Puan Hjh. Mahsuri Mat Dris, MTIB Senior Deputy Director from Malaysia, updated the Meeting on the outcome of the 11th Meeting of the TFWBP held on 31 October 2017. The Meeting noted that TFWBP, led by Indonesia, is currently conducting prioritisation for harmonisation in wood-based standards, while Indonesia will also analyse the list of 57 standards under TFWBP, upon the submission of inputs from ASEAN Member States.

The first list of proposed harmonisation consisted of 34 standards for wood-based panels, sawntimber and flooring products whilst the second list comprised 12 additional standards for wood based panels and a total of 11 standards for furniture. The outcome of the analysis will be presented at the next TFWBP Meeting. The TFWBP is currently developing Action Plan 2017-2025, undertaken by the Chair of TFWBP with the purpose of aligning TFWBP Action Plan 2017-2025 with the latest TFWBP scope of work in order to achieve its outlined objectives, as well as to be in line with the ASEAN Standards And Conformance Strategic Plan 2016 -2025 themed "Forging Ahead Together: Ensuring Quality & Building Confidence". A total of 35 delegates from nine ASEAN counties including Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Philippines, Singapore, Thailand and Viet Nam as well as ASEAN Secretariats attended the TFWBP meeting.

Task Force on Building and Construction

The 18th Meeting of the Task Force on Building and Construction was held on 30 October 2017 and chaired by Mr. Yan Tandiele, Head Center for Industrial Standardisation, Ministry of Industry, Indonesia and co-chaired by Encik Sazali Che Amat, General Manager of Construction Industry Development Board (CIDB), Malaysia. Following the decision made by the previous 47th ACCSQ Meeting, the meeting on Task Force on Building and Construction (TFBC) on 30 October discussed and agreed on the following:

- TFBC to report directly to ACCSQ on the progress of finalisation of its MRA
- TFBC to continue its work until the MRA is



Pn Hjh Mahsuri Mat Dris, from MTIB (centre) posing with a few attendees during the meeting.

signed

- TFBC to conduct its future meetings separate from WG 1 Meeting
- TFBC to acknowledge the importance of long term collaboration in the building and construction sector which includes the possible elevation of Task Force into Product Working Group. The scope of the Product Working Group may include the harmonisation of standards, the implementation of the MRA as well as other activities. On this note, TFBC agreed to seek guidance from ACCSQ on way forward for establishment of such PWG both procedurally and the scope of PWG.

The TFBC meeting also discussed the timeline for the finalisation of the MRA on Building and Construction Materials which involved several processes including the listing of building materials within the scope of the MRA, internal consultation by member states, legal scrubbing, endorsement by ACCSQ and SEOM until the MRA signing which is expected to take place in August/September 2018.

Six Malaysian delegates participated in the meetings. They were Puan Norhaliza Ariffin and Encik Mohd Shahrul Md Tahir from Standards Malaysia, Puan Hjh. Mahsuri Mat Dris and Encik Muhamad Basri Md Daud from MTIB as well as Encik Sazali Che Amat and Cik Norhamiza Zahar from CIDB. Two other Malaysian delegates were also in attendance namely Encik Rahmat Wadio from Ministry of Domestic Trade, Co-operatives and Consumerism (KPDNKK) and a representative from the MATRADE office in Manila. The ASEAN meeting delegates expressed their appreciation to the Department of Trade and Industry (DTI) and Officer in Charge of Bureau of Philippines Standards (BPS), Philippines for the warm hospitality extended and the excellent arrangements made for the Meeting.

FEATURE : TANGGAM DESIGN CENTRE BY MTIB



Launching of TDC Kota Damansara by YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities on 5 December 2016.



TANGGAM products displayed at TDC.

Introduction

Tiered amongst the top 10 largest exporters of furniture in the world, Malaysia exports around 80% of its production. With large markets in the US, Japan and Australia, Malaysia has a strong position in the global furniture industry. With terrific growth in exports to the UAE, Saudi Arabia, the Philippines and Russia, Malaysia is now eyeing countries like Algeria, Greece, Puerto Rico and Libya for export expansion. Malaysia has always been known for its wood based furniture and its natural resources. In fact, the government has set an annual growth target of 6.5% for wood based furniture, estimated to reach up to RM53 billion by year 2020. In recent years, the growth has shifted from producing general products towards designing its own, and this has been key in propelling Malaysia onto the international arena.

The government is currently playing an important role in nurturing the industry. With the Pioneer Status for tax exemption and Investment Tax Allowance, the pro-business environment makes doing business easier and faster. With a business-friendly environment, good quality products with a good design and a high potential market, the Malaysian furniture industry is being moulded to exceed expectations and to continue its exponential growth.

TANGGAM Design Centre (TDC)

The TANGGAM Design Centre or TDC is an initiative by MTIB with funds allocated from the 10th Malaysian Plan (RMK-10). The main objective of TDC is to be able to provide design services and to be a design hub for designers, students, industries related or

connected to design, and any end-user who wishes to make full use of the design facilities available at the Centre. Located at No. 16, Jalan PJU 5/5, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, the Centre is designed as multi-functional and is spread over three levels of 1,000 sqf each. TDC was launched by YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities on 5 December 2016.

Objectives of TDC

In more ways than one, TDC is a vision realised for MTIB, an avid advocate of world-class furniture designed and made by Malaysians. The Centre aims at developing a portfolio of exciting new designs that have international market appeal, manufactured and marketed by Malaysian furniture makers.

The Centre also aims to improve the quality of Malaysian furniture designs to stimulate the change from the existing level of Original Equipment Manufacturer (OEM) towards the practice of Original Design Manufacturer (ODM) and finally achieving the status of Own Brand Manufacturing (OBM).

MTIB believes that encouraging locally produced designers who are capable of attaining world-class reputation will facilitate the growth of the Malaysian furniture industry. The registration of MTIB's TANGGAM Trademark will protect the designs produced by the internationally acclaimed local young designers under the TANGGAM label. This effort is envisaged to ensure that the intellectual properties being developed are relevant with current global economic development and technology enhancement.

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Facilities at TDC

The ground floor consists of a display area where designers are able to showcase their commercial products. There are Post Box addresses also available for designers who wish to rent them at TDC at very reasonable rates. Details of the rent can be found at its website - www.tanggam.my.

TDC offers designers the opportunity to rent their own workspace in the form of Studios or Workstations, complete with Personal Computers, Printers, Design Software, Telephone Land-Lines, plotter and Internet Access. There are a total of 14 Studios/Workstations available to be rented for a very reasonable monthly rate at the first floor.

The top floor is principally a resource centre. There are also meeting rooms convertible into mini conference space complete with audio visual equipment for training, seminars, meetings and presentations. The conference room can accommodate to a total of 50 participants at any



Workspace for rental at TDC Kota Damansara.

given time. The meeting rooms can cater for 12 people each or they can be merged to become a bigger meeting room for at least 30 people.

There are currently three other TDCs. The Centres in Kota Bharu and Johor Bahru provide design studio services and are also exhibition galleries while the Centre in Kota Kinabalu is another design studio.

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natural resources to produce food, energy, products and service. As such a major component of such an economy must involve the properly use of plant biomass as a sustainable source of energy and materials.

Keynote speaker Session 2, Professor Dr. Sabu Thomas from Mahatma Gandhi University, India talked on "Engineering at the Nanoscale: A Strategy for Developing High Performance Functional Materials". The conference also helped participants explore new ideas through a paper entitled "Issues and Challenges of Bio-based Resin Commercialisation in the 21st Century" delivered by plenary speaker, Professor Dr. Hyun-Joong Kim from Seoul National University, Republic of Korea. Professor Kim highlighted on green polymers that play an important role in sustainable development in the 21st Century.

WOBIC 2017 was held for three days with one day set aside for technical visit and an excursion programme; a technical visit to Eco Premium Packaging Sdn. Bhd. and an excursion to Putrajaya took place on the third day

FIDEC as one of its co-organisers acted as an agency to promote wood-based products by local companies. It opened up an exhibition booth for companies such as Plus Intervest Sdn. Bhd. and Perceptive Profile Sdn. Bhd. to advertise their products.

A total of 190 delegates from 10 countries namely Malaysia, Japan, Canada, India, Korea, the Netherlands, China, Indonesia, Iran and Thailand comprising speakers, participants and exhibitors participated in this conference.

MTIB was represented by Puan Nor Shahira Mat Nasir and Encik Noor Azhiim Sansudin.

SINGAPORE – A LEADING PLAYER IN GLOBAL TIMBER TRADE



Overview

Singapore is a sovereign city-state located at the southern tip of the Peninsular Malaysia in Southeast Asia. Singapore lies 137 kilometres north of the equator, south of the Malaysian state of Johor and north of Indonesia's Riau Islands. Singapore is one of three remaining true city-states in the world. It is the second smallest nation in Asia.

Singapore gained independence from the UK in 1963 by federating with several other former British territories to form Malaysia, but separated two years later over ideological differences, becoming a sovereign nation in 1965. After early years of turbulence and despite lacking natural resources and a hinterland, the nation developed rapidly as an Asian Tiger economy, based on external trade and its workforce.

Economy

Singapore has a highly developed and successful free-market economy. It enjoys a remarkably open and corruption-free environment, stable prices, and a per capita GDP higher than that of most developed countries. Along with Hong Kong, South Korea, and Taiwan, Singapore is one of the original Four Asian Tigers, but has surpassed its peers in terms of GDP per capita. Between 1965 and 1995, growth rates averaged around 6% per annum, transforming the living standards of the population.

The Singaporean economy is known as one of the freest, most innovative, most competitive, most dynamic and most business-friendly. The 2015 Index of Economic Freedom ranks Singapore as the second freest economy in the world and the Ease of Doing Business Index has also ranked Singapore as the easiest place to do business in for the past decade.

In 2016, Singapore is rated the world's most expensive city for the third consecutive year by the Economist Intelligence Unit. Singapore attracts



a large amount of foreign investment as a result of its location, skilled workforce, low tax rates, advanced infrastructure and zero-tolerance against corruption.

Singapore has the world's 11th largest foreign reserves and one of the highest net international investment position per capita. There are more than 7,000 multinational corporations from China, India, United States, Japan and Europe in Singapore. Singapore is the second-largest foreign investor in India. It is the 14th largest exporter and the 15th largest importer in the world.

Forest Resources

Singapore is a timber deficient country. Forest and woodland cover only 3.3% of the land area with 633 square kilometres being classified as reserved forest.



Quality Teak furniture in Singapore.

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Timber Production

According to the latest FAO forest statistics on Singapore, the country produced around 108,000 thousand m³ of wood in 2016. Details of production are as follows:

Singapore : Production of Timber and Timber Products, 2012-2016

(Volume : m³)

Products	2012	2013	2014	2015	2016
Sawntimber	5,000	5,000	5,000	5,000	5,000
Plywood	28,000	28,000	28,000	28,000	28,000
Veneer	65,000	65,000	65,000	65,000	65,000
Chipboard/Particleboard	10,000	10,000	10,000	10,000	10,000
Total	108,000	108,000	108,000	108,000	108,000

Source: FAO Stats

Timber Industry

Although lacking in forest resources, Singapore has developed into one of the world's major trading centre for timber trade. The strategic location and highly developed infrastructure and facilities have contributed to its growth. Timber and timber products are imported from neighbouring producing countries and re-exported to other parts of the world. Malaysia with its geographical location and consistent timber supply remains as one of the major timber suppliers to Singapore.

Singapore's Export of Timber and Timber Products

Singapore's export of timber and timber products in 2016 decreased 7% to USD222.1 million over the previous corresponding period. Singapore exports mainly furniture, plywood and sawntimber. In 2016, export of furniture, plywood and sawntimber totalled USD148.6 million, USD17.4 million and

USD11.3 million respectively. Singapore exported furniture mainly to Indonesia amounting to USD23.2 million. Its plywood is also exported to Maldives, the amount of which was valued at USD3.0 million in 2016 while its sawntimber exported to Malaysia amounted to USD3.2 million.

Singapore's Import of Timber and Timber Products

According to the latest UN Comtrade statistics, Singapore's import of timber and timber products in 2016 decreased 9% to USD1.6 billion over the previous corresponding period. Singapore imported mainly furniture, plywood and BJC. Imports of other furniture, plywood and BJC totalled USD507.7 million (a decrease of 7%), USD140.1 million (a decrease of 14%) and USD63.1 million (an increase of 3%) respectively.

Malaysia is major import source for Singapore's import of timber and timber products while, Indonesia ranks third after China.

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

(Value : USD '000)

Products	2012	2013	2014	2015	2016
Furniture	167,784	160,889	153,855	143,816	148,589
Plywood	26,790	23,007	25,167	23,105	17,471
Sawntimber	45,795	25,922	21,122	18,293	11,342
BJC	5,264	9,009	16,271	7,478	5,267
Mouldings	11,172	5,268	12,368	6,447	2,957
Veneer	4,594	3,979	5,152	2,097	2,361
Fibreboard	3,324	3,384	2,702	2,877	2,201
Logs	859	3,864	2,369	1,069	1,494
Particleboard/ Chipboard	1,690	876	1,043	536	897
Wooden Frames	158	126	246	186	285
Others	38,424	38,209	41,525	33,092	29,197
Total	305,854	274,533	281,820	238,996	222,061

Source: UN Stats

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

(Value : USD '000)

Products	2012	2013	2014	2015	2016
Furniture	523,166	554,827	577,494	544,611	507,659
Plywood	170,125	177,679	180,890	162,390	140,180
BJC	64,552	85,158	88,599	61,026	63,107
Sawntimber	117,164	102,542	88,941	56,774	48,212
Mouldings	41,179	35,211	43,573	36,657	26,521
Particleboard/Chipboard	6,481	6,570	5,171	5,991	7,319
Fibreboard	5,939	5,464	5,678	6,348	4,927
Veneer	7,245	7,079	6,020	4,677	3,163
Wooden Frames	2,548	2,234	2,172	1,832	1,759
Logs	2,440	5,470	14,769	1,363	1,566
Others	942,851	984,247	1,015,321	883,684	806,429
Total	1,883,690	1,966,481	2,028,628	1,765,353	1,610,842

Source: UN Stats

Malaysia's Export of Timber and Timber Products to Singapore

Singapore has always been a significant timber trade partner for Malaysia, ranking fifth with 5% of Malaysia's total market share. In 2016, export of Malaysian timber and timber products to Singapore registered an increase of 9% to RM1.2 billion from RM1.1 billion in 2015. Wooden furniture was the main product exported with a total value of RM470.2 million, followed by BJC at RM147.2 million and sawntimber at RM130.8 million.

Malaysia's Import of Timber and Timber Products from Singapore

In 2016, import of Malaysian timber and timber products from Singapore showed an increase of 36% to RM34 million from RM25 million in 2015. Singapore ranked 15th with 1% of Malaysia's total market share. Wooden furniture was the main product imported with a total value of RM14.3 million followed by BJC at RM2.5 million and veneer at RM2.0 million.

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

(Value : RM)

Products	2012	2013	2014	2015	2016
Wooden Furniture	338,867,744	285,365,218	356,651,421	403,978,143	470,224,300
Builders Joinery & Carpentry	137,616,731	129,087,433	125,099,034	138,037,249	147,182,845
Sawntimber	111,611,586	115,155,605	122,099,478	132,817,890	130,759,595
Plywood	69,372,806	67,902,046	60,779,928	57,991,632	54,342,956
Mouldings	26,754,569	24,194,564	28,297,499	45,997,410	42,616,692
Rattan Furniture	4,426,243	7,362,711	8,685,258	6,805,874	6,992,855
Chipboard/Particleboard	5,834,022	4,237,143	3,786,425	4,653,242	8,391,931
MDF	5,711,792	3,504,796	1,421,000	2,957,363	2,840,789
Wooden Frame	2,232,000	2,235,163	1,835,724	1,996,138	1,637,520
Veneer	649,652	396,144	508,112	1,206,659	852,650
Logs	936,697	1,381,719	2,728,459	766,734	1,227,453
Others	197,358,883	222,843,140	242,252,760	271,216,789	296,234,078
Total	901,372,725	863,665,682	954,145,098	1,068,425,123	1,163,303,664

Source: MTIB and DOSM

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

(Value : RM)

Products	2012	2013	2014	2015	2016
Wooden Furniture	12,480,167	2,589,664	3,799,210	6,875,082	14,362,220
Builders Joinery and Carpentry	997,325	154,153	83,247	1,290,934	2,494,304
Veneer	2,305,831	2,326,767	3,268,059	1,062,997	1,987,334
Plywood	5,353,065	474,554	659,144	1,070,218	1,144,323
Chipboard/Particleboard	1,830,339	690,986	613,165	850,575	767,943
Rattan Furniture	6,009,607	1,685,001	407,881	1,099,374	740,944
MDF	204,101	143,622	844,503	238,603	494,224
Sawntimber	1,608,275	204,536	681,537	279,028	387,174
Mouldings	880,131	143,121	110,219	741,228	368,739
Logs	109,240	3,608,129	1,491,060	35,143	142,014
Wooden Frame	86,526	13,396	79,819	13,191	87,483
Others	8,719,210	6,487,960	5,151,096	11,662,443	11,389,530
Total	40,583,817	18,521,889	17,188,940	25,218,816	34,366,232

Source: MTIB and DOSM

Import Tariffs

Singapore's import duty on timber and timber products are 0%. Details are as follows:

Product	MFN Tariff (%)	ATIGA (%)
Logs	0	0
Sawntimber	0	0
Veneer	0	0
Mouldings	0	0
Particleboard	0	0
Fibreboard	0	0
Plywood	0	0
BJC	0	0
Furniture	0	0

Prospects

Singapore is one of the most important trading hubs in Southeast Asia and is heavily involved in the business of re-exporting timber and timber products from its neighbouring countries. Its globalised and diversified economy depends heavily on trade, especially manufacturing, which represents 20% of Singapore's GDP in 2016. Singapore ranks fifth on the UN Human Development Index and the third highest GDP per capita. It is ranked highly in education, healthcare, life expectancy, quality of life, personal safety and housing.

As one of the five founding members of ASEAN, Singapore is the host of the Asia-Pacific Economic Cooperation (APEC) Secretariat and a member of the East Asia Summit, Non-Aligned Movement and the Commonwealth of Nations. Singapore is also a

member of the Regional Comprehensive Economic Partnership negotiations (RCEP) with the nine other ASEAN members plus Australia, China, India, Japan, South Korea, and New Zealand.

The government is attempting to restructure Singapore's economy by weaning its dependence on foreign labour, addressing weak productivity growth, and increasing Singaporean wages. Singapore has attracted major investments in advanced manufacturing, pharmaceuticals, and medical technology production and will continue efforts to strengthen its position as Southeast Asia's leading financial and technology hub.

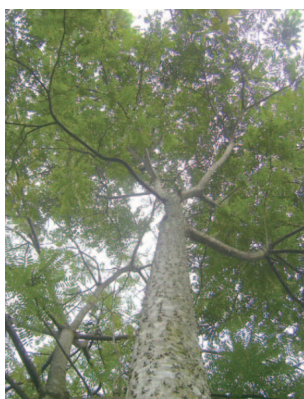
Malaysia, which has always been an important trading partner with Singapore in timber, is also facing strong competition from China and Indonesia. Therefore, in order to sustain and improve trade as well as market share in Singapore, Malaysian exporters need to be competitive in terms of price and quality together with effective marketing and promotion strategies.

Malaysian manufacturers also need to enhance their presence in the Singapore market through participation in major timber, furniture and construction fairs and exhibition to create demand for Malaysian value added timber products to the market. Through those activities, Malaysian timber exporters would be able to further develop their networking with Singapore's timber and furniture importers while at the same time undertake market research on current market preferences and taste.

HANTU DURI - SUITABLE FOR BRIDGE CONSTRUCTION



Wood colour and texture of Hantu Duri.



Hantu Duri Tree



Bark structure of Hantu Duri

INTRODUCTION

Hantu Duri is the common Malaysian name for the tree and timber of *Zanthoxylum* spp. (Rutaceae). Vernacular names applied include Chenkring (Peninsular Malaysia). Major species include *Z. Myriacanthum* and *Z. Rhetsa*. The sapwood is not differentiated from the heartwood, which is yellow to buff-coloured. The heartwood is described as uniform yellow to buff, without any distinct markings. Heartwood and sapwood are reported to be indistinct. Grain is often straight, occasionally curly or wavy.

It is also known as Kayu lemah (Indonesia), Cosc hooi (Viet Nam), Caay hoafng moojc hooi (Viet Nam), Kaitana (Philippines), Kasabang (Philippines), Kayu tanah (Indonesia), Kayutana (Philippines), Khen (Lao PDR), Kathit-pyu (Myanmar), Ma khuang (Thailand), Luk ra mat (Thailand), Kamehat ton (Thailand), Khouang (Lao PDRs), Hantu Duri (Malaysia).

ECOLOGY

Zanthoxylum rhetsa is reportedly found in primary and secondary forests, at up to 500 m of altitude. It prefers rather dry, often monsoon forests.

DENSITY

The timber is soft to moderately hard and light to moderately heavy with a density of 335-675 kg/m³ air dry.

NATURAL DURABILITY

The heartwood is reported to be moderately resistant to decay, and is not readily attacked by insects.

TEXTURE

Texture is moderately fine and even, with a straight grain.

STRENGTH PROPERTIES

The species has medium bending strength in the air-dry condition (about 12% moisture content). It is closer in strength to Mahogany than either Teak or White Oak, which has higher bending strength. Its strength in compression parallel to grain is medium, but lower than that of Teak. Hardness is rated as medium. It resists denting and marring about as well as White Oak or Birch. It is a heavy wood with high density.

MACHINING PROPERTIES

The timber is reported to saw and work easily and finishes to a shiny smooth surface.

AIR DRYING

The timber is reputed to season well without any splitting but shrinkage is high.

USES

The timber has been used in India for planking, scantlings, handles, legs of beds and for chair making. In the Philippines, it has been used for fine furniture and walking sticks. Other uses include bridge construction, decorative plywood, gunstocks, shutters, blinds, bridge beams, bridge joints, chests and concealed parts (furniture).

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Self-Motivation Awareness Programme for MTIB Eastern Region personnel, held on 13-14 October 2017 in Kuala Terengganu, Terengganu.



MTIB officials at Joy Design Studio, Johor Bahru during a visit on 13 November 2017.



Workshop on Bamboo Plantation organised by MTIB on 14-15 November 2017 in Lanchang, Temerloh, Pahang.



Joerdan Jesselly James, a graduate of the Furniture Processing Technology Programme under the Vocational Training Programme from WISDEC Sabah, won a silver medal and cash prize worth RM2,500 (cabinetmaking trade) under the Youth Category 2017. He received the award during the Prime Minister Golden Hand Award Ceremony held on 16 November 2017 at MAEPS, Serdang, Selangor.



MTIB's Family Day held on 18 November 2017 at Sunway Lagoon, Bandar Sunway, Selangor.



Terengganu Wood and Lifestyle Fair, organised by MTIB, from 25 to 29 November 2017 in Kuala Terengganu. YB Dato' Hj. Muhammad Pehimi Yusof, Chairman of Agriculture and Agro Industry Committee, Plantation Industries and Commodities, Terengganu visiting the MTIB booth during the fair.