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MTIB

# MASKAYU



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**AGRI COMMODITY TECHNICAL AND  
PROMOTIONAL MISSION TO JAPAN**

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**Cover :** YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities officiated FIDEC 3. For more details, please read pages 3 and 15.

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## ADDITIONAL SERVICES PROVIDED BY FIDEC



YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities (left) officiating FIDEC 3.

**18** December 2017 was indeed a momentous day for MTIB as that was when MTIB launched a new building which houses advanced green composite processing facilities and a furniture testing laboratory at the Kompleks Perabot Olak Lempit, Banting, Selangor. Previously, in 2008 MTIB established the Biocomposite and Fibre Centre (FIDEC) to develop natural fibre and biocomposite products for industrial commercialisation. In 2013 another building, containing five labs - mechanical, polymer, analytical, chemical and formaldehyde labs, was built to provide testing services for wood and biocomposite products.

The new building, called FIDEC 3 is part of MTIB's initiative to provide processing facilities and testing services of mainly advanced green composite and furniture for the industry and higher learning institutions. It also aims to enhance the commercialisation of fibre and biocomposite products. The 7,432-square metre designated building is expected to attract more industry players to explore the potential of natural fibres and value-added biocomposite products especially for aviation, automotive, marine, building and furniture application in both local and global markets.

YBhg. Dato' Dr. Jalaluddin Harun FASc, Director-General of MTIB in his welcoming remarks stated that the fibre and biocomposites industry within the timber sector has very high potential. Malaysia has a large amount of natural fibre/biomass from the agricultural sector that has not been fully

utilised. This fibre/biomass which consists of rice husk, kenaf, coconut stems, oil palm biomass in the form of oil palm frond (OPF) and empty fruit bunches (EFB), has the potential to be converted into biocomposite products such as plywood, fibreboard, chipboard, wood plastic composite (WPC) and into value-added products such as furniture commercially while oil palm trunk (OPT) is the alternative raw materials for timber in the future.

The opening ceremony was officiated by YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities and was attended by over 300 guests comprising furniture manufacturers, managers, researchers, academia, consultants, students and those interested in furniture testing and the biocomposite industry. In his speech, the Minister highlighted that



MoU signing between MTIB and LKTN during the event.





## INDONESIA

### Furniture Industry Weighed Down by Regulations and Inadequate Raw Materials Supply

The Vice Chairman of the Raw Materials Sector in the Indonesian Furniture and Handicraft Industry Association has said, the recent poor export performance of the furniture sector is the result of over burdening regulations and problems with raw material supplies.

She said the introduction of the SVLK and FLEGT license systems are holding back the industry and while the FLEGT license was promoted as a means to secure more exports to the EU this has just not happened. She said "so far, FLEGT implementation has not significantly raised sales'.

Not only is FLEGT an issue but also the Indonesian Timber Legality Verification System (SVLK) is a problem, both of which are considered as hampering the furniture and handicraft industries.

In related news, Gati Wibawaningsih, Director General of Small and Medium Industry in the Ministry of Industry, revealed that inadequate raw material supplies, overlapping regulations and the decline in the number of craftsmen in the furniture and handicraft sectors are major problems.

In addition, inadequate attention to market promotion has allowed competitors to capture international market share from Indonesia. He said Indonesian manufacturers have become less competitive than those in Malaysia, Singapore and Viet Nam.

Indonesian furniture exports in 2015 totalled USD1.21 billion but fell to USD .04 billion in 2016. Despite the problems in the furniture sector the government is aiming for furniture and handicraft export in 2018 to top USD2 billion.

Gati said that while the government plans to increase its support for export promotion manufacturers should improve their productivity and be more innovative in designs.

*www.fordaq.com, 12 December*

## MYANMAR Seeks PEFC Membership

A delegation from the Myanmar Forest Certification Committee (MFCC) attended the PEFC General Assembly in Helsinki and formally declared their intention to be a PEFC member within three years.

MFCC and PEFC are undertaking a three year project supported by the Prince Albert II of Monaco Fund to strengthen MFCC as an institution and to strengthen the Myanmar Forest Certification System (MFCS) as the National Certification System.

The analysts said, it will contribute the mitigation of risk in Myanmar's forestry and timber industry sectors.

*www.fordaq.com, 04 December 2017*

## VIET NAM Wood Industry Sees Bright Future as Orders Increase

China's policy on focusing on their domestic market has prompted foreign importers to place more orders with Vietnamese enterprises. The prosperity of the wood processing industry in the last year has been robust. According to Viet NamNet, Viet Nam hopes it can obtain turnover of USD8 billion from wooden furniture exports in 2018.

Returning from AFIC (ASEAN Furniture Industries Council) conference held in Shanghai in August, Nguyen Quoc Khanh, Chair of Hawa (Handicraft and Wood Industry Association), provided a noteworthy piece of news. Chinese policy makers said at the conference that 80% of the wood processing output would mostly serve its domestic market in the next few years. The demand in the world market means that other countries will have opportunities to receive orders from importers instead of China.

Viet Nam, the second largest wooden furniture exporter in Asia and the biggest manufacturer in South East Asia, is most likely to receive the orders. Viet Nam, the second largest wooden furniture exporter in Asia and the biggest manufacturer in South East Asia, is most likely to receive the orders.

According to Vifores, Viet Nam exported USD5.5 billion worth of wooden furniture in the first nine months of 2017, an increase of 10.6% compared with the same period last year, so the target of USD7 billion export turnover in 2017 is within reach.



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Nguyen Chanh Phuong, Director of Danh Moc (Carpenter), said the transfer of orders to Viet Nam began last year. Even Chinese manufacturers relocated their factories to Viet Nam in anticipation of the TPP (Trans Pacific Partnership Agreement) and EVFTA (the EU-Viet Nam Free Trade Agreement). Besides orders from the major markets of the US and Europe, Vietnamese enterprises have also received orders from the Middle East and Australia, which were loyal clients of Chinese manufacturers.

Phuong believes that China has every reason to focus on the domestic market. Its economy is thriving, income per capita has increased and the demand for wooden furniture is on the rise. The total demand in the world is USD450 billion a year. China, with 1.4 billion people, is a vast market. However, Phuong believes China will continue exporting products because of the high profits.

He said he can see a bright future for the Viet Nam wood industry. Viet Nam exports USD7 billion out of total export turnover of USD150 billion in the industry in the world, which means that the market is still big. South Korean, Danish and Swedish enterprises have chosen Viet Nam to set up their factories, which will have positive impact on Viet Nam's brand..

[www.fordaq.com](http://www.fordaq.com), 01 December

### INDIA Seeks Exemption from the CITES

India is a regular exporter of musical instruments and parts much of which is made from Indian Rosewood and sissoo or northern Indian Rosewood (*Dalbergia latifolia* and *Dalbergia sissoo*). Over the past months exporters have been experiencing a slowdown in exports due to the time it takes for CITES formalities to be completed. Both of these timbers are readily available in India and harvests are strictly controlled so the Indian trade feels that these two domestic timbers should be removed from CITES Appendix II.

These species are found in Indian forests and have also been planted alongside coffee and other agri-crops to provide shade. They are also planted along canals and rivers. The Government of India is of the view that products made for exports from both plantation logs or agroforestry plantings should be exempted from the CITES. This message was conveyed to CITES at a meeting last month by Mr. Das Gupta who represented India. The Indian trade is now waiting for a decision from CITES.

[www.itto.int](http://www.itto.int), 15 December

### CHINA Total Forestry Output

China's total forestry output is expected to exceed 7 trillion RMB (USD1.06 trillion) in 2017, according to Chinese newspaper Economic Daily. China has become the fastest-growing and most influential country in forest products manufacturing, trading, and consumption, said Zhang Jianlong, director of the State Forestry Administration (SFA).

"China has a forest area of 208 million hectares with 15.137 billion cubic metres of forest stock, covering 21.66% of the country," Zhang noted.

China tops the world in the production of furniture, timber floors, wooden plates, bamboo wood, rosin, and affordable forest products, he added.

The rapid development of emerging forestry has become a new growth point, according to the head of SFA. In 2016, the total output of China's forestry for the first time exceeded 6 trillion RMB.

However, the scale of the industry is still generally small, with low intensification, Zhang pointed out, adding that over 80% of the forestry enterprises are small- and medium-sized. In addition, labour productivity per capita is less than 1/6 of that in the developed countries.

In the next few years, China will optimise traditional businesses such as forestry cultivation, wood manufacturing, paper making, forestry herbicides, and forestry equipment. According to him, the country's total output of forestry industry will hit 8.7 trillion RMB in 2020.

[www.ecns.cn](http://www.ecns.cn), 20 December

### INDIA Plywood Manufacturers to Hike Prices

Plywood manufacturers, under the aegis of Punjab Plywood Manufacturers Association (PPMA), organised a meeting to discuss persistent problems facing them. The meeting, which was presided over by Association President Ashok Juneja, aimed at getting issues resolved by the government.

In view of rising cost of production, it was unanimously decided that rates of plywood and allied products would be hiked by 5% from 1 January 2018. Juneja said, "The plywood industry has been declared an agro-based industry by the government, but no concessional treatment has been given to us till now. Our business has been

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badly affected and the government should at least ensure that banks and financial institutions reduce rates of interest by at least 2% on advances, limits and loans availed by our industry."

He said the plywood industry should be given a concession of Rs1 per unit in electricity charges to enable them to check cost of production and recover from losses. "We are forced to increase prices of our products by 5% from 1 January 2018 till relief is granted to us," he said.

According to PPMA President Inderjit Singh Sohal, association members have reiterated that none of the members will sell plywood or allied products to any dealer or customer without issuing the prescribed GST invoice, bill or challan.

He also said PPMA would not tolerate fixing of quality mark by units that do not have a valid license. Others present in the meeting included PPMA Vice President Sukhdev Chhabra and Harmeet Singh, General Secretaries Vishal Juneja and Ranjit Singh Sohal, Sandeep Singh, Sheetal Goel.

*timesofindia.indiatimes.com, 22 December*

### MIDDLE EAST

#### USD 2.4 Trillion Worth of Construction to Boost Wood Consumption in GCC

The USD2.4 trillion (AED8.8 trillion) worth of construction activities in the GCC is driving demand for wood products in the region, according to the organisers of the Dubai WoodShow.

Studies have shown that 70% of timber and wood products are being used in the construction industry, with the real estate sector, interiors, furniture and other industrial applications following closely behind.

The wood and wood-based products sector will get a further boost with the delivery of more than 25,000 homes in Dubai this year, especially when new home-owners start purchasing their furniture and home décor products, industry reports revealed.

With an average spent of USD2,722 (AED10,000) on wooden products per home, this translates to a USD68 million (AED250 million) spent in this year in Dubai alone.

In addition, with more than 35,000 residential units slated for delivery in 2018, spend on wooden products is expected to jump 40% to USD 95 million (AED350 million).

Dawood Al Shezawi, CEO, Strategic Marketing and

Exhibitions, Organiser of the Dubai WoodShow, said: "The growth in the housing market will drive the wood, wood-related and timber business across the region and this creates a great opportunity for the industry.

"However, consumers are also looking for replacing new, innovative products to replace the old furniture, especially those innovative furniture that help families to manage spaces in a better way. Those products will be in solid demand."

Similar trends can be seen in the hospitality sector, where more than 100,000 hotel rooms and serviced apartments are currently in operation in Dubai alone.

Additionally, the emirate will need to have a strong hotel inventory of 140,000 hotel rooms and hotel apartments by October 2020 to meet this growing demand.

"As the hotel developers are racing against time to deliver more than 40,000 hotel rooms that will help the emirate to serve 20 million hotel guests annually as well as the 25 million visitors to Expo 2020 in six months' time," Al Shezawi, said.

"As we speak, a number of hotel operators are floating tenders for wooden beds, tables, and wooden interior products to offer greater comfort to hotel guests. This is going to be a great driver of demand for wooden products."

The Dubai WoodShow will be held at the Dubai World Trade Centre from 12-14 March 2018, with the organisers anticipating more than 300 exhibitors from over 106 countries at this year's event.

*www.constructionweekonline.com, 03 December*

### FINLAND

#### Wood Imports Decreased

In the first nine months of 2017 the Finnish wood imports decreased by 10% to 6.7 million solid m<sup>3</sup>, reports Natural Resources Institute Finland (Luke).

The Finnish wood imports came up to 0.70 million solid m<sup>3</sup> in September. Besides, in September forest industry products worth of EUR0.99 billion were exported from Finland.

The real exports value of forest industry products in January-September was EUR8.9 billion.

*www.fordaq.com, 7 December*

## AGRI COMMODITY TECHNICAL AND PROMOTIONAL MISSION TO JAPAN



Presentation by Mr. Kazuyaki Morita.

Japan's industrialised, free-market economy is the third-largest in the world. Its economy is highly efficient and competitive in areas linked to international trade. Japan is also Malaysia's largest market for timber and timber products particularly for plywood and other value-added timber products such as furniture and MDF. Japan currently ranks as Malaysia's largest market for timber and timber products. In 2017, major timber and timber products exported to Japan were plywood, accounting for 58% market share, followed by furniture (17%), MDF (7%) and sawntimber (4%).

To explore further trade opportunities, MTIB joined the Agri Commodity Technical and Promotional Mission to Japan during which MTIB managed to hold additional meetings with several major Japanese timber industry players. The mission was held from 13 to 16 December and was led by YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities, Malaysia. The delegation comprised senior officials from the Ministry of Plantation Industries and Commodities, MTIB, Malaysian Timber Council (MTC), Malaysian Palm Oil Board, Malaysian Palm Oil Council, Malaysian Palm Oil Certification Council, Malaysian Rubber Board and Malaysian Rubber Export Promotion.

In Tokyo, the MTIB delegation, with MTC, met with Mr Ryo Sasaki, General Manager of Japan Lumber Inspection and Research Association (JLIRA) to discuss the implementation of the Clean Wood Act which is implemented by the Japanese Government as part of the their timber and timber products procurement process. The meeting was also attended by Mr. Kazuyaki Morita, Managing Director and Mr. Masahiko Kato, Planning Director from Japan Federation of Wood Industry Association and Mr. Kiyotaka Okada, Executive Director from

Japan Lumber Importers Association (JLIA). During the meeting, YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General presented on the development of the Malaysian timber industry and the current status of the implementation of MYTLAS for the exportation of Malaysian timber and timber products while Mr. Sasaki and Mr. Morita presented on the development of the Japanese timber industry and the current status of the implementation of the Clean Wood Act in Japan.

In the evening, the Minister hosted a reception dinner with multi-commodity stakeholders. Nine representatives from the Japanese timber industry, led by the Chairman of the Japan Plywood Manufacturers Association attended the dinner. The representatives were from the Japan Forestry Agency, Sumitomo Forestry Co. Ltd., NJS Home Makers and JLIRA.

As a whole, the mission was beneficial to the Malaysian timber industry as it provided business opportunities while enhancing trade networking between the two countries as well as updating information on the current status and the way forward towards further developing bilateral trade in timber and timber products, parallel to the implementation of Japan's Clean Wood Act. The MTIB delegation comprised YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General as leader, and Cik Erien Noor Md Nasir from Trade Development.



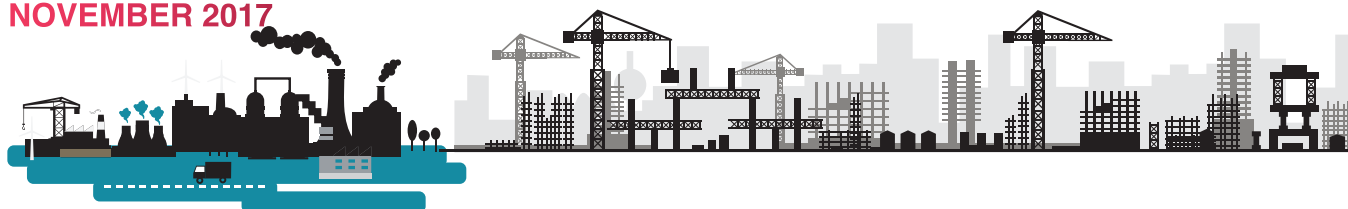
Group photo after the meeting.



YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General briefed on the development of Malaysian timber industry.



NOVEMBER 2017



### Malaysia: RM2.05 Million Information System Job Secured by Privasia Technology

Lumut Maritime Terminal of Malaysia has awarded a contract for the setup of a port management information system to Privasia Technology (Privasia). Works on the contract, which is valued at RM2.05 million (EUR408,462.75/USD488,047.03), will be carried out at the port operator's premise in Sitiawan, Perak with slated completion in six to 12 months' time.

Source: The Sunday (SunBiz), 16 November

### Malaysia: Bintulu Port Records RM49.25 Million Pre-tax Profit

For the three months to 30 September 2017, the pre-tax profit of Malaysia-based Bintulu Port totalled RM49.25 million (EUR9.81 million/USD11.73 million), higher than RM40.57 million booked in an earlier quarter. The operating revenue of the firm was RM178.19 million, a hike of 28.7% year-on-year against RM138.43 million. This was led by base support, bulk fertilizer, container, and liquefied natural gas (LNG) services. From the construction services for concession infrastructure, revenue declined from RM146.48 million to RM19.79 million. Revenue from bulking facilities slightly improved from RM9.77 million to RM10.17 million. Revenue from Samalaju Industrial Port's operation hiked from RM8.53 million to RM22.26 million. The net profit of Bintulu Port was at RM34.74 million, down 5.1%.

Source: The Star, 28 November

### Malaysia: Port of Tanjung Pelepas Receives Southeast Asia's Tallest Ship-to-Shore Quay Cranes

Malaysia-based Port of Tanjung Pelepas (PTP) has received the tallest ship-to-shore quay cranes in Southeast Asia. The four new cranes are part of the eight cranes under an order placed by PTP, with the other four cranes expected for delivery by December 2017. The super post-Panamax cranes received by PTP each has a weight of 1,900 tonnes and a lifting height of 55.5 metres. PTP is the region's first port to receive such cranes. According to Che Khalib Mohamad Noh, Chairman of PTP, the 50 cranes operating at the port would be complemented by the new quay cranes. Additionally, PTP has purchased 20 units of rubber tyre gantry cranes and 93 units of prime movers. PTP will also upgrade two berths to take in the new Triple E Cranes and has begun the capital dredging to deepen the channel.

Source: New Straits Times, 29 November

### Malaysia: Freight Management's Net Profit Rose to RM5.93 Million

In the quarter ended 30 September 2017, Malaysia-based Freight Management Holdings (Freight Management) saw its net profit increase year-on-year by 13% from RM5.27 million (EUR1.05 million/USD1.25 million) to RM5.93 million. The company's revenue in the same first quarter of 2018, ending June 2018, increased year-on-year by 22% from RM104.77 million to RM127.72 million. The multi-

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

| Products      | Port Klang     |                             | Kuantan        |                             | Pasir Gudang   |                             | Tanjung Pelepas |                             | Penang         |                             | Total all Ports m <sup>3</sup> | % Change Nov 2017/ Oct 2017 |
|---------------|----------------|-----------------------------|----------------|-----------------------------|----------------|-----------------------------|-----------------|-----------------------------|----------------|-----------------------------|--------------------------------|-----------------------------|
|               | m <sup>3</sup> | % Change Nov 2017/ Oct 2017 | m <sup>3</sup> | % Change Nov 2017/ Oct 2017 | m <sup>3</sup> | % Change Nov 2017/ Oct 2017 | m <sup>3</sup>  | % Change Nov 2017/ Oct 2017 | m <sup>3</sup> | % Change Nov 2017/ Oct 2017 |                                |                             |
| Sawntimber    | 79,922         | 3                           | 16,467         | 234                         | 1,090          | -21                         | 657             | 51                          | 12,255         | -4                          | 110,391                        | 13                          |
| MDF           | 27,992         | -5                          | 225            | 100                         | 4,807          | -18                         | 5,704           | -22                         | 10,954         | -44                         | 49,682                         | -20                         |
| Mouldings     | 10,816         | -8                          | 224            | -17                         | 1,577          | -11                         | 835             | -6                          | 1,366          | -8                          | 14,818                         | -8                          |
| Plywood       | 7,702          | -10                         | 499            | 212                         | 36             | 260                         | 56              | -59                         | 10,188         | 25                          | 18,481                         | 9                           |
| Veneer        | 683            | -5                          | 0              | 0                           | 0              | 0                           | 12              | -75                         | 1,940          | -35                         | 2,635                          | -29                         |
| Particleboard | 34,101         | 1                           | 267            | -22                         | 4,632          | 29                          | 3,476           | -4                          | 4,266          | 6                           | 46,742                         | 3                           |
| <b>TOTAL</b>  | <b>161,216</b> | <b>-1</b>                   | <b>17,682</b>  | <b>210</b>                  | <b>12,142</b>  | <b>-4</b>                   | <b>10,740</b>   | <b>-14</b>                  | <b>40,969</b>  | <b>-16</b>                  | <b>242,749</b>                 | <b>0</b>                    |

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modal freight and logistics services provider's freight volume came up to 113,200 TEUs of containers, as of fiscal 2017, versus the more than 10 million TEUs that move through Port Klang annually. The firm is positive about its potential in the midst of enhancing growth in global trade and expanding manufacturing activities in the nation.

Source: The Edge Financial Daily, 30 November

### Malaysia: Revenue of Westports Holdings at RM1.51 Billion in Nine Months of 2017

Revenue of Malaysia-based Westports Holdings expanded by 3.6% from RM1.46 billion (EUR290.91 million/USD347.58 million) a year ago to RM1.51 billion in the first three quarters of 2017. In that period, the port operator handled 6.8 million twenty-foot equivalent units (TEUs) of containers. Its net profit decreased by 8.6% from RM481.98 million to RM440.53 million. However, its revenue increased by 3.8% from RM474.41 million a year before to RM492.28 million in the third quarter of 2017. The firm's net profit lowered by 0.14% from RM151.03 million to RM150.82 million because of larger fuel cost and lesser container throughput.

Source: New Straits Times (Business Times), 11 November

### Indonesia: Pelindo IV Seals Agreement with Johor Port

State port operator, Pelabuhan Indonesia IV (Pelindo IV) sealed a partnership agreement with Pelabuhan Johor Port Malaysia (Johor Port) on 5 November 2017. The On-the-Job Training partnership is on the upgrading of skills of Pelindo IV's workforce. The target is to train 120 officers from Pelindo IV at the supervisory level, where 12 officers will be trained every month.

Source: Bisnis Indonesia, 6 November

### United States: Governor of Florida Proposes USD10.8 Billion Transportation Budget for Florida Department of Transportation

Rick Scott, the Governor of Florida in the US, has proposed a USD10.80 billion (EUR9.04 billion) transportation budget for the Florida Department of Transportation (FDOT) in fiscal years 2018 and 2019. Around USD171.60 million (EUR143.62 million) will be allocated for improving the seaport infrastructure, including USD23.5 million for channel widening and deepening project for the

Port of Jacksonville in Florida. The officials of the FDOT stated that the investment will help the US Army Corps of Engineers to continue their efforts to develop the waterway as well as reinforce the state's position as a national cargo gateway. The proposal also comprises allocation of USD568 million for public transit development grants.

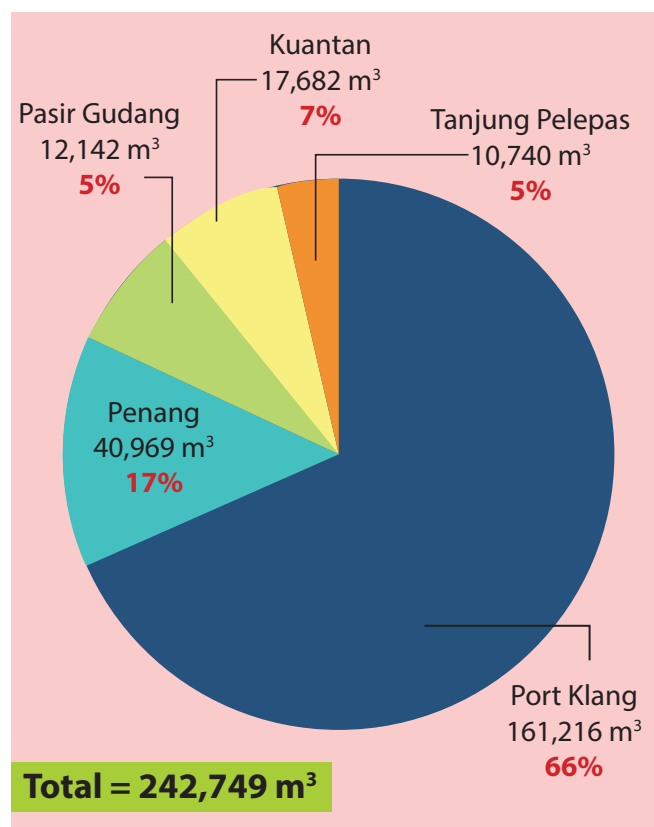
Source: Progressive Railroading, 16 November

### China/Latvia: Nations to Cooperate in Logistics, Freight

On 27 November 2017, cooperation between China and Latvia was reached between Chinese Premier Li Keqiang and Latvian Prime Minister Maris Kucinskis. Kucinskis said that the two countries will cooperate in logistics and freight. China will help Latvia in infrastructure developments including the latter's ports, aligning the Belt and Road Initiative with the development strategy in Latvia.

Source: People's Daily Online, 28 November

### Timber Shipment through Ports in Peninsular Malaysia, November 2017





## NOVEMBER 2017

**T**otal exports of timber and timber products in November increased 5% in value to RM2.1 billion over the previous month. Similarly, cumulative export for the period of January to November increased 7% to RM21.4 billion compared to the corresponding period in 2016.

### SAWNTIMBER

Export of sawntimber in November 2017 increased 12% in volume and 10% in value to 199,445 m<sup>3</sup> with a value of RM357.7 million as compared to the previous month. Cumulative export for the first 11 months of 2017 increased 25% in volume and 29% in value to 1.98 million m<sup>3</sup> totalling RM3.5 billion over the previous corresponding period.

Export of sawntimber to the EU for the month declined 35% to 8,055 m<sup>3</sup> from 12,390 m<sup>3</sup> in the previous month. Export to the Netherlands decreased 31% to 4,036 m<sup>3</sup> followed by the UK at 40% to 979 m<sup>3</sup>. Similarly, Germany and France reduced purchases by 17% to 724 m<sup>3</sup> and 39% to 695 m<sup>3</sup> respectively. Export to Belgium and Italy declining as well by 62% and 32% to 677 m<sup>3</sup> and 391 m<sup>3</sup> respectively due to slower demand from the market towards the end of the year.

Total exports to West Asia increased 51% to 38,695 m<sup>3</sup> from 25,716 m<sup>3</sup> recorded in the previous month. Export to Yemen improved by 250% to 19,322 m<sup>3</sup> followed by the UAE at 9% to 7,206 m<sup>3</sup>, Qatar at 66% to 2,156 m<sup>3</sup> and Bahrain at 15% to 1,624 m<sup>3</sup>. In the meanwhile, export to Saudi Arabia and Oman decreased 44% to 2,125 m<sup>3</sup> and 5% to 3,140 m<sup>3</sup>.

Buying from ASEAN increased 14% to 64,076 m<sup>3</sup> from 56,304 m<sup>3</sup> registered in the previous month. Export of sawntimber to Thailand, a major buyer of sawntimber from Malaysia increased marginally to 30,654 m<sup>3</sup> from 30,058 m<sup>3</sup> in the previous month. Similarly, export to the Philippines increased 41% to 24,667 m<sup>3</sup> from 17,455 m<sup>3</sup> registered in the previous month.

Shipments to East Asia decreased 3% to 45,065 m<sup>3</sup> from 46,563 m<sup>3</sup> in the previous month. Similarly, export to China increased 2% to 28,683 m<sup>3</sup>. However, export to South Korea declined 26% to 3,228 m<sup>3</sup> followed by Japan at 7% to 4,508 m<sup>3</sup> and Taiwan at 12% to 8,026 m<sup>3</sup> respectively.

Elsewhere, exports to the US increased 159% to 2,228 m<sup>3</sup> whilst intake by Australia decreased 21% to 691 m<sup>3</sup>. Demand from South Africa decreased 66% to 1,947 m<sup>3</sup> from 5,678 m<sup>3</sup> in the previous month.

The average FOB price of sawntimber decreased 2% to RM1,793 per m<sup>3</sup> from RM 1,831 per m<sup>3</sup> in the

previous month. Price of Dark Red Meranti (DRM) decreased 12% to RM2,351 per m<sup>3</sup> from RM2,658 per m<sup>3</sup> in the previous month. Similarly, price of DRM to the Netherlands decreased marginally to RM3,334 per m<sup>3</sup> from RM3,349 per m<sup>3</sup> in the previous month. Keruing was traded at RM2,075 per m<sup>3</sup>, an increase of 2% from RM2,029 per m<sup>3</sup> in the previous month.

### PLYWOOD

Export of plywood in November 2017 increased by 13% in volume to 235,186 m<sup>3</sup> and 12% in value at RM442.9 million as compared to the previous month.

Total exports to the EU decreased by 14% to 8,104 m<sup>3</sup>. The UK has decreased their intake of plywood by 24% to 6,443 m<sup>3</sup>. On the other hand, exports to Ireland and the Netherlands increased by 50% and 24% to 686 m<sup>3</sup> and 415 m<sup>3</sup>, respectively. Similarly, export to Belgium and Italy increased by 1005% and 83% to 475 m<sup>3</sup> and 42 m<sup>3</sup> respectively. Meanwhile, Germany, France and Denmark did not make any purchases for this month.

Exports to ASEAN and East Asia region increased by 8% with 166,917 m<sup>3</sup> compared to previous month. Exports to Japan, South Korea and Taiwan increased by 2%, 23% and 11% to 97,412 m<sup>3</sup>; 34,348 m<sup>3</sup> and 15,831 m<sup>3</sup> respectively. In contrary, China and Hong Kong decreased their import by 4% and 33% to 3,130 m<sup>3</sup> and 2,365 m<sup>3</sup> respectively.

Meanwhile, Malaysia's plywood trade with its ASEAN partners showed mixed growth this month. Export to the Philippines has shown a negative growth by 31% to 1,226 m<sup>3</sup>. On the other hand, Thailand, Singapore and Brunei Darussalam increased their export by 70%, 12% and 36% to 7,445 m<sup>3</sup>, 2,972 m<sup>3</sup> and 885 m<sup>3</sup> respectively. Meanwhile, Indonesia did not make any purchases for the month.

Overall exports to West Asia boosted by 129% to 41,544 m<sup>3</sup> as compared to the previous month. Exports to the Yemen and the UAE increased by 210% and 40% to 25,616 m<sup>3</sup> and 2,761 m<sup>3</sup> respectively. Similarly, exports to Kuwait and Qatar increased by 39% and 102% to 594 m<sup>3</sup> and 257 m<sup>3</sup> respectively. In contrast, Saudi Arabia and Bahrain reduced their intake of plywood by 49% and 73% to 2,046 m<sup>3</sup> and 236 m<sup>3</sup> respectively.

Exports of plywood to the Americas region decreased by 35% to 12,466 m<sup>3</sup>. Exports to the US and Canada decreased by 53% and 84% to 7,006 m<sup>3</sup> and 117 m<sup>3</sup> respectively. In the meanwhile, export to Mexico increased 56% to 5,343 m<sup>3</sup>. In contrast, exports to Australia and New Zealand decreased by 28% and 33% to 2,743 m<sup>3</sup> and 42 m<sup>3</sup> respectively.

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Exports to African continent decreased by 68% to 212 m<sup>3</sup> for this month. South Africa decreased their plywood intake by 92% to 43 m<sup>3</sup>. Algeria and Mauritius did not make any purchases for this month. Elsewhere, Turkey increased its intake by 110% to 839 m<sup>3</sup>.

The FOB price of plywood decreased by 0.3% to RM1,883 per m<sup>3</sup> from RM1,888 per m<sup>3</sup> in the previous month.

## VENEER

Export of veneer for November 2017 increased by 83% in volume and 73% in value to 24,686 m<sup>3</sup> at RM38 million as compared to the previous month. Export to China decreased by 15% to 2,222 m<sup>3</sup>. On the contrary, exports to Taiwan and South Korea increased by 357% and 49% to 11,836 m<sup>3</sup> and 8,002 m<sup>3</sup> respectively. Similarly, exports to the Philippines and India increased by 43% and 53% to 1,275 m<sup>3</sup> and 677 m<sup>3</sup> respectively. Australia,

Singapore and Canada increased their intake of plywood by 70%, 100% and 100% to 250 m<sup>3</sup>, 22 m<sup>3</sup> and 20 m<sup>3</sup> respectively. Meanwhile, Italy, Chile and Viet Nam did not make any purchases this month.

The FOB price of veneer for the month is RM1,540 per m<sup>3</sup>, a decrease of 5% from RM1,627 per m<sup>3</sup> in the previous month.

## MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for November 2017 decreased 7% in volume and 4% in value compared to previous month. Export totalled 84,879 m<sup>3</sup> and valued at RM108.5 million.

Exports to East Asia registered an increase of 20% to 16,355 m<sup>3</sup> from 13,589 m<sup>3</sup> in the previous month. Export to Japan and South Korea registered positive growth of 21% to 14,943 m<sup>3</sup> and 83% to 635 m<sup>3</sup> respectively. On the other hand, export to China including Hong Kong and Taiwan recorded negative growth by 8% to 277 m<sup>3</sup> and 12% to 500 m<sup>3</sup> respectively.

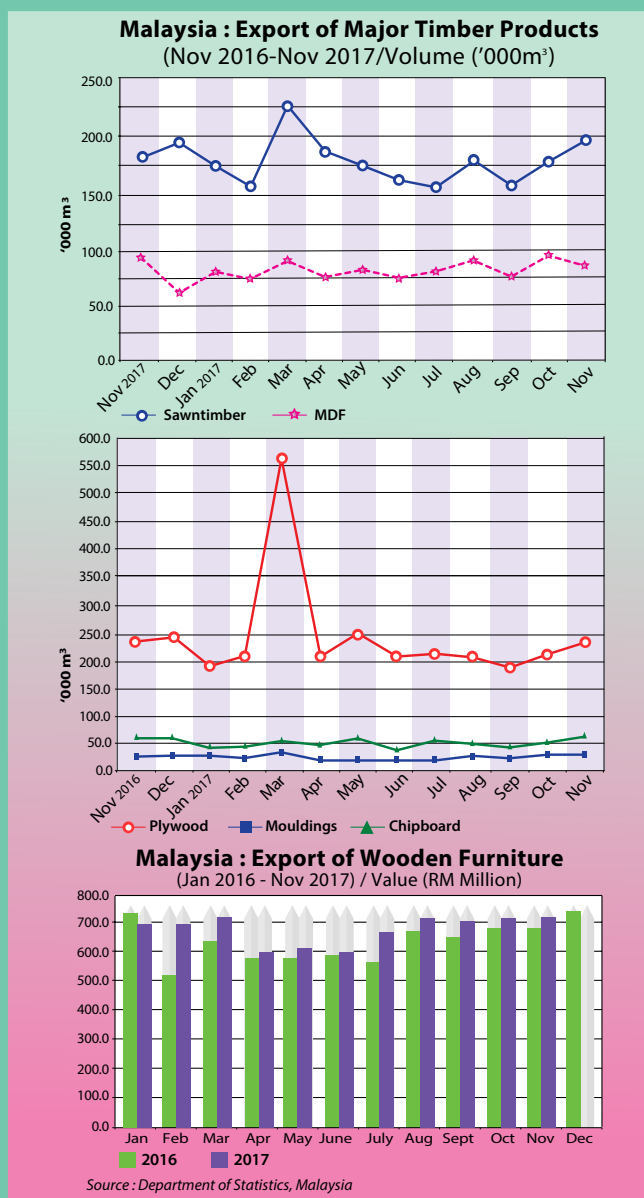
In addition, exports to West Asia recorded negative growth of 33% to 28,231 m<sup>3</sup> from 41,968 m<sup>3</sup> in the previous month. Similarly, export to the UAE, Qatar and Saudi Arabia decreased by 15% to 7,471 m<sup>3</sup>, 37% to 1,151 m<sup>3</sup> and 53% to 2,092 m<sup>3</sup>. Export to Kuwait, Jordan and Lebanon decreased by 73% to 1,018 m<sup>3</sup>, 89% to 101 m<sup>3</sup> and 98% to 107 m<sup>3</sup> respectively. Iran did not make any purchases for the month. However, export to Syria, Oman and Bahrain increased by 77% to 7,985 m<sup>3</sup>, 150% to 2,676 m<sup>3</sup> and 247% to 1,692 m<sup>3</sup> respectively.

Elsewhere, exports to South Asia increased by 17% to 13,282 m<sup>3</sup>. Similarly, export to Pakistan, Sri Lanka and Bangladesh increased by 12% to 5,913 m<sup>3</sup>, 100% to 2,141 m<sup>3</sup> and 255% to 589 m<sup>3</sup> respectively. However, export to India decreased by 5% to 4,639 m<sup>3</sup>.

Furthermore, exports to Australia increased by 14% to 2,402 m<sup>3</sup>. On the other hand, export to the US, UK and South Africa decreased by 16% to 1,104 m<sup>3</sup>, 67% to 129 m<sup>3</sup> and 97% to 36 m<sup>3</sup> respectively.

In ASEAN, total exports to the region increased by 32% to 17,553 m<sup>3</sup> from 13,290 m<sup>3</sup> in the previous month. Export to the Philippines, Indonesia and Singapore increased by 13% to 1,989 m<sup>3</sup>, 92% 6,257 m<sup>3</sup> and 187% to 172 m<sup>3</sup> respectively. However, export to Viet Nam decreased 13% to 7,132 m<sup>3</sup>.

The FOB price of MDF increased 4% to RM1,278 per m<sup>3</sup> from RM1,229 per m<sup>3</sup> in the previous month.





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## LOGS

The supply of logs were reported to be sufficiently available in Peninsular Malaysia. The average domestic prices for most of the species reported to be sustained at last month's level.

Log prices for the species of Chengal, Balau and Red Balau stood firm at RM4,500 per tonne, RM3,000 per tonne and RM2,200 per tonne respectively. Similarly, the prices of Keruing and Kempas continued to be traded at RM1,841 per tonne and RM1,750 per tonne respectively. Meanwhile, price for Mengkulang increased slightly by 4.2% to RM1,250 per tonne over the previous month. Prices of Dark Red Meranti and Yellow Meranti stood firm at RM2,100 per tonne and RM1,100 per tonne respectively. On the other hand, logs prices for Mixed Heavy Hardwood increased slightly by 2.7% to RM940 per tonne whilst Mixed Light Hardwood remained at RM830 per tonne.

## SAWNTIMBER

The average sawntimber prices for most species remained at last month's level with slow demand reported by the industry for domestic markets.

The sawntimber prices of Chengal, Balau and Red Balau maintained at RM6,850 per m<sup>3</sup>, RM3,178 per m<sup>3</sup> and RM2,895 per m<sup>3</sup> respectively. Similarly, prices of Keruing and Kempas remained at RM1,700 per m<sup>3</sup> and RM2,331 per m<sup>3</sup> respectively. Price of Dark Red Meranti increased slightly by 0.8% to RM2,295

per m<sup>3</sup> compared to previous month. On the other hand, sawntimber price of Mixed Heavy Hardwood increased slightly by 0.7% to RM964 per m<sup>3</sup> whilst Mixed Light Hardwood remained at RM1,026 per m<sup>3</sup>.

## PLYWOOD

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

## MEDIUM DENSITY FIBREBOARD (MDF)

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

## INTRA-MALAYSIA TRADE \* - NOVEMBER 2017

The shipments of sawntimber from Sabah to Peninsular Malaysia dropped by 8% in volume to 143m<sup>3</sup> from 155m<sup>3</sup> recorded last month, valued at RM276,000. Similarly, trade of plywood dropped by 1% to 8,857m<sup>3</sup> valued at RM17.5million.

Movement of sawntimber from Sarawak to

### INTRA-MALAYSIA TRADE – NOVEMBER 2017

| From    | Products   | OCT 2017                 |                 | NOV 2017                 |                 | % Change in Volume<br>Nov 2017 / Oct 2017 | % Change in Value<br>Nov 2017 / Oct 2017 |
|---------|------------|--------------------------|-----------------|--------------------------|-----------------|-------------------------------------------|------------------------------------------|
|         |            | Volume (m <sup>3</sup> ) | Value (RM '000) | Volume (m <sup>3</sup> ) | Value (RM '000) |                                           |                                          |
| SABAH   | Logs       | 0                        | 0               | 0                        | 0               | 0                                         | 0                                        |
|         | Sawntimber | 155                      | 486             | 143                      | 276             | -8                                        | -43                                      |
|         | Plywood    | 8,942                    | 17,184          | 8,857                    | 17,492          | -1                                        | 2                                        |
|         | Veneer     | 60                       | 112             | 0                        | 0               | 100                                       | 100                                      |
| SARAWAK | Logs       | 0                        | 0               | 0                        | 0               | 0                                         | 0                                        |
|         | Sawntimber | 64                       | 219             | 802                      | 1,114           | 1,153                                     | 409                                      |
|         | Plywood    | 6,135                    | 8,343           | 5,441                    | 7,923           | -11                                       | -5                                       |
|         | Veneer     | 8,933                    | 13,180          | 4,999                    | 7,892           | -44                                       | -40                                      |

Source : Department of Statistics, Malaysia

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Peninsular Malaysia has increased tremendously in volume to 802 m<sup>3</sup> from 64 m<sup>3</sup> recorded last month with the value of RM1.1 million. Trade of plywood however dropped by 11% in volume at 5,441 m<sup>3</sup> worth at RM7.9 million. Similarly, trade of veneer dropped by 44% in volume to 4,999 m<sup>3</sup> worth at RM7.9 million.

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

\* Source: MTIB and Department of Statistics, Malaysia

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

| SPECIES                                        | LOGS/tonne | SAWNTIMBER/m <sup>3</sup> |         |            |         |
|------------------------------------------------|------------|---------------------------|---------|------------|---------|
|                                                | 18" UP     | GMS                       | STRIPS  | SCANTLINGS |         |
| <b>HEAVY HARDWOOD</b>                          |            |                           |         |            |         |
| 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                           | 940        | 964                       | 855     |            | 1,042   |
| <b>MEDIUM HARDWOOD</b>                         |            |                           |         |            |         |
| 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                                     | 1,250      | 2,119                     | 996     |            | 2,119   |
| Tualang                                        | 1,400      | 2,472                     | 2,331   |            | 2,493   |
| <b>LIGHT HARDWOOD</b>                          |            |                           |         |            |         |
| Dark Red Meranti                               | 2,100      | 2,295                     | 1,695   |            | 1,947   |
| 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     |            | 1,388   |
| Jelutong                                       | 1,100      | 1,780                     | 1,215   |            | 1,730   |
| Mixed Light Hardwood                           | 830        | 1,026                     | 876     |            | 918     |
| <b>MALAYSIAN RUBBERWOOD</b>                    |            |                           |         |            |         |
| <b>RUBBERWOOD</b><br><i>Hevea brasiliensis</i> | LOGS/tonne | SAWNTIMBER/m <sup>3</sup> |         |            |         |
|                                                | 180        | 1" X 1"                   | 2" X 2" | 3" X 3"    | 4" X 4" |
|                                                |            | 890                       | 1,359   | 1,518      | 1,766   |
| <b>PLYWOOD 4' X 8'</b>                         |            |                           |         |            |         |
| (RM per piece)                                 | 4mm        | 6mm                       | 9mm     |            | 12mm    |
|                                                | 14.60      | 22.00                     | 38.00   |            | 48.00   |
| <b>MDF 4' X 8'</b>                             |            |                           |         |            |         |
| (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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Standing on Excellence

**Lukisan Seribu Makna, Kayu Eratkan Semua**  
*A Picture Paints a Thousand Words. Wood Binds Them All*

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## BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports for the period of January to November 2017 increased 1% to RM1.1 billion as compared to RM1.09 billion in the corresponding period last year. Export to the EU increased 10% to RM320.9 million. Export to the Netherlands, France, Sweden and Turkey increased by 134%, 47%, 34% and 31% to RM11.1 million, RM25.9 million, RM5.9 million and RM8.2 million respectively. Similarly export to Italy, Belgium, Germany and Denmark increased by 22%, 20%, 18% and 12% to RM6.4 million, RM50.2 million, RM29.8 million and RM20.7 million respectively. However, export to the UK decreased by 9% to RM146.2 million compared to the previous corresponding period.

In Asia, exports to the UAE, Viet Nam, Taiwan and Japan grew 83%, 15%, 4% and 4% to RM7.1 million, RM39.8 million, RM15.4 million and RM74.4 million respectively. However, exports to Pakistan, South Korea, India, Singapore, Saudi Arabia and Thailand decreased by 34%, 22%, 18%, 14%, 10% and 4% to RM30.4 million, RM1.8 million, RM50.8 million, RM112.9 million, RM2.6 million and RM30.1 million respectively. Qatar did not make any purchases.

Exports to Australia increased by 1% to RM189.7 million compared to the previous corresponding period. Meanwhile, Reunion Island and South Africa increased its purchases by 13% and 6% to RM1.6 million and RM17.5 million respectively.

## MOULDINGS

Exports of mouldings for the month decreased 3% and 2% in volume and value to 20,028 m<sup>3</sup> and RM72.6 million respectively. Cumulative exports for the period of January to November 2017 increased in volume and value by 1% and 5% to 217,893 m<sup>3</sup> and RM778.4 million respectively as compared to the previous corresponding period in 2016.

Exports to the EU for the month recorded at 6,691 m<sup>3</sup>, a decrease of 16% compared to the previous month. The Netherlands, UK and Belgium decreased their purchases by 17%, 67% and 15% to 3,897 m<sup>3</sup>, 279 m<sup>3</sup> and 584 m<sup>3</sup> respectively. However, Italy did not make any purchases.

Exports to ASEAN region increased as Viet Nam intake of mouldings increased by 56% to 310 m<sup>3</sup> compared to the previous month. However, export to Singapore decreased by 9% to 1,069 m<sup>3</sup> compared to the previous month. On the other hand, Indonesia did not make any purchases for the month.

Meanwhile, exports to Taiwan, Hong Kong, Japan

and China increased by 33%, 23%, 7% and 3% to 32 m<sup>3</sup>, 257 m<sup>3</sup>, 2,283 m<sup>3</sup> and 689 m<sup>3</sup> respectively. However, exports to South Korea decreased by 8% to 1,684 m<sup>3</sup> compared to the previous month.

Elsewhere, the US increased their intakes by 53% to 2,107 m<sup>3</sup> compared to the previous month. Canada and Australia also increased their intakes by 102% and 12% to 93 m<sup>3</sup> and 3,173 m<sup>3</sup> respectively.

FOB unit value increased 1% to RM3,627 per m<sup>3</sup> from RM3589 per m<sup>3</sup> in the previous month.

## FURNITURE

Export of wooden and rattan furniture for the period under review in 2017 rose 8% compared to the corresponding period of 2016. Total shipment recorded RM7.4 billion against RM6.9 billion in 2016. Import of wooden furniture by the US increased 18% from RM2.4 billion to RM2.8 billion. Canada saw a modest increase of 7% to RM256.5 million.

In East Asia, wooden furniture exports to China and Taiwan increased by 62%, and 22% to RM171.6 million and RM55.3 million respectively. Meanwhile, Japan reduced its consumption by 1% to RM607.7 million. Similarly, shipments to ASEAN region such as Singapore decreased by 7% to RM406.9million. However, the Philippines increased its intake by 19% to RM172.5million.

Export to West Asia declined as the UAE and Saudi Arabia reduced their intake by 7% and 6% to RM166.1 million and RM133.5 million respectively. However, Kuwait and Qatar increased their wooden furniture consumption by 7% and 10% to RM43.1 million and RM13.7 million respectively. On the other hand, shipment to India recorded an increase of 32% to RM183.5 million.

In Europe, the UK and France improved their intake by 1% and 2% to RM394.3 million and RM59.2 million respectively. However, Sweden and Spain reduced their intake by 7% and 10% to RM27.3 million and RM20.5 million respectively. Australia reduced its intake by 3% to RM543.4 million. Contrariwise, South Africa improved its intake by 28% to RM60.1 million.

Rattan furniture shipments in November 2017 recorded a negative growth with a decrease of 60% from RM38.3 million to RM15.5 million. Export to Singapore decreased by 71% to RM1.8 million from RM6.2 million in the previous month. Similarly, shipments to Australia decreased by 41% to RM2.6 million, followed by the UK by 78% to RM617.2 thousand, and Cote D'Ivoire by 50% to RM212.7 thousand. However, Poland increased its intake by 100% to RM301.7 thousand. 

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in 2016, biocomposite products comprising plywood, chipboard, fibreboard, and wood plastic composites contributed RM6.3 billion, which was 29% of the total RM22.1 billion timber export value. The export performance for biocomposite products from January-September 2017 was RM4.57 billion compared to RM4.28 billion for the same period last year with an increase of 7%.



Viewing the woven fabric weaving machine.

The event proceeded with an MoU signing between MTIB and National Kenaf and Tobacco Board (LKTN) on the Collaboration in Bumiputera Development Programme and the Promotion of Kenaf-based Products. The guests were then given the opportunity to visit all the facilities provided including the furniture testing laboratory, the WPC processing line, the woven fabric/yarn processing line and the composite/lamination line. 



Demonstration on the armrest durability testing machine.

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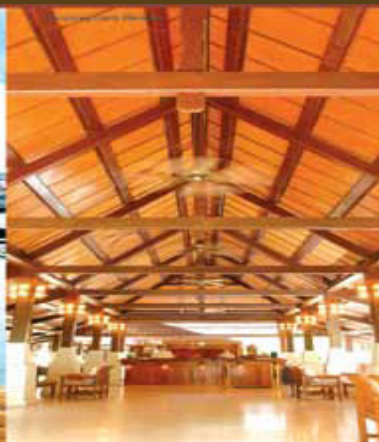
Malaysian Timber Industry Board  
(Ministry of Plantation Industries and Commodities)



MINISTRY OF  
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## WORKSHOP ON MAKING AGARWOOD PARFUM



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

Perfume is a mixture of fragrant essential oils or aroma compounds, fixatives and solvents, used to give the human body, animals, and living-spaces "a pleasant scent". Ancient texts and archaeological excavations show the use of perfumes in some of the earliest human civilisations. Modern perfumery began in the late 19th century with the commercial synthesis of aromatic compounds such as vanillin or coumarin, which allows for the composition of perfumes with smells previously unattainable solely from natural aromatics alone.

Taking cognisance of the sophistication involved and viewing the growing importance of perfumery in the local Agarwood industry, MTIB recently organised the first Workshop on Making Agarwood Parfum held from 19 to 20 December at MTIB, Kuala Lumpur. The workshop was officiated by YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General. In his officiating speech, he emphasised on the importance of developing the Karas and Agarwood industry further to be an important income generator for the country. He said that Agarwood products had long been used for perfumes, aromatherapy, soaps and other related products. According to him, this industry has seen a significant growth over the years with the increasing number of Karas plantations in Malaysia and the workshop was aimed at enlightening participants on the intricacies of making perfume involving Gaharu.

The two-day workshop included theoretical training sessions followed by practical exercises with access to multiple commercially available perfumery materials including essential oils, absolutes, isolates, aroma chemicals and specialty key bases. Among the topics discussed were the Introduction to Perfume, Odour Classification and Description. Perfume is described as having three



Workshop in progress.

sets of scents known as 'notes', which are created with knowledge of the evaporation process of the perfume. The top note is perceived immediately on application of a perfume, while the middle note refers to the scent that emerges just prior to the dissipation of the top note. Finally, the base note is the scent that appears close to the departure of the middle note. The base and middle notes together are the main theme of a perfume. Other topics learnt were Smelling Techniques, Overview of Natural Perfumery Materials (Oudh, Flower and Fruits Material), Ingredients and Formulating (Agarwood and Arabian Musk) and Perfume Applications.

The workshop was conducted by Encik Arfan Ramli from Grow Project Works Sdn. Bhd. and Encik Ruslan Osman from Oud Agarwood Sdn. Bhd. who participated in the International Course on Perfumery held in the United Kingdom in July 2017. The workshop provided the participants with a better understanding of how perfumes are developed worldwide. Eighteen participants from the local Agarwood industry attended the workshop. 



Instructor and participants posing for the camera.

## INTERNATIONAL WORKSHOP ON RUBBER TECHNOLOGY AND RUBBERWOOD



*Tn Hj Mahpar Atan, MTIB Director of Industry Development (second from right).*

The International Rubber Research and Development Board (IRRDB) and the Indonesian Rubber Research Institute (IRRI) jointly organised the International Workshop on Rubber Technology and Rubberwood on 6-7 December in Bogor, Indonesia. The workshop was attended by over 150 participants consisting of planters, researchers and academia, and policy makers mainly from Indonesia as well as international participants from China, Cambodia, Thailand and Malaysia.

In his introductory remarks, Datuk Dr. Abdul Aziz SA Kadir as Secretary General of IRRDB said, the main focus of the workshop was to share experience among rubber producers with regard to rubber usage for infrastructure development and the processing technology of Rubberwood. He noted that IRRDB, as a research and development network, has brought together natural rubber research institutes from virtually all rubber producing countries covering 95% of world rubber production.

In his welcoming remarks, Dr. Karyudi, Director of IRRI stated that he was very pleased to host the International Workshop on Rubber Technology and Rubberwood 2017 in collaboration with IRRDB. He added, the workshop was an excellent medium for the exchange of information, knowledge and technology among researchers, policy makers and industry players both local and those from IRRDB member countries. He hoped that the workshop would accelerate the world's natural

rubber consumption in general by helping in the developing new rubber products and give a better understanding of how technology has improved the value of the rubber tree.

At the workshop 12 papers were presented by 11 distinguished speakers and experts in their respective fields. The speakers spoke on rubberised asphalt, bridge bearing, seismic bearing, tyre retreading, latex products, charcoal, Rubberwood for furniture and construction, mobile sawmill and thermos Rubberwood.

Tuan Hj. Mahpar Atan, MTIB Director of Industry Development, presented a paper on Rubberwood: Its Impact on the Furniture and Construction Industry. He shared Malaysia's experience in using Rubberwood as a raw material for furniture production since the 1970s till now; 80% of furniture produced in Malaysia uses Rubberwood as raw material. The Malaysian government has played an important role in the rapid development of the Rubberwood processing industry and the acceptance of Rubberwood by traditional timber importing countries. Clearly, research played a vital role in assisting in the development for Rubberwood processing technologies.

Apart from sawntimber, Rubberwood logs are used in plywood, particleboard and medium density fibreboard as well as wood cement-board manufacturing. The potential of Rubberwood utilisation is very broad. The properties and versatility of this wood for a wide spectrum of end uses are encouraging diversification in both the manufactured product range and the market being approached. It was highlighted that Rubberwood was becoming the preferred raw material due to its physical characteristics. In fact, the favourable colour and qualities of Rubberwood make it a perfect substitute for light coloured tropical timber.

Tuan Hj. Mahpar Atan added, since Rubberwood furniture has become a Malaysian furniture flagship, it was vital to maintain the Rubberwood supply at a competitive price in the future through replanting programmes as well as research on tissue culture to introduce new breeds of rubber



## MG FURNITURE SDN. BHD. - SAFETY BEGINS WITH COMPLIANCE

### INTRODUCTION

Most of us are probably familiar with being careful with breakable items when we have children, or if we live in a house where children often visit. However very often, we may overlook one safety hazard - the furniture. Awareness and a growing concern towards furniture safety, particularly for the young ones, have brought about a growing demand for children's furniture. Rising family-income has also led parents to opt for better living conditions for their children; for instance, furniture which is multi-functional, safe and versatile is beneficial for children's development. Hence, prospects for the children's furniture market are promising.

### ETHICAL BUSINESS AND STANDARDS COMPLIANT

Taking into consideration that the prospect market for children furniture is gaining popularity, MG Furniture Sdn. Bhd. is currently producing children's bedroom articles. MG Furniture Sdn. Bhd. is also confident that there are more opportunities ahead.

MG Furniture Sdn. Bhd. started its business operation in 2009 with a small workforce of only 20 employees, with a minimal production capacity. Its ultimate objective is to be a reliable top supplier of children's furniture worldwide. Upon going through the challenges, particularly in abiding by all kinds of regulations, and experiencing raw material and

worker issues, the company has grown and now has more than 200 employees.

MG Furniture specialises in manufacturing children's beds with a combination of metal and particleboard. Located in Nibong Tebal, the company's production line is at Kawasan Perindustrian Bukit Panchor, Penang.

Two prong areas that MG Furniture is focusing on are the timber material used - it must come from a sustainable source, and of course the product, has to comply with certain standard requirement, for necessary certification. Registered with MTIB, MG Furniture Sdn. Bhd. believes that a proper legal business framework is crucial for any producer to provide legality assurance, especially when dealing with the international market.

The man helping the company is Encik Ch'ng Chen Mong, the Managing Director. He has a great passion for children's bedroom furniture, having devoted his life to studying the most efficient ways to manufacture children's bedroom in term of quality, cost and design. In addition, together with the support of experienced designers on designing beds and dedicated R&D teams to develop bedding lines and to fulfill Bunk Safety Regulations of different countries, he wants the company to be a leading player in the children's furniture manufacturer market. He strongly feels that standard and regulatory compliance is an important aspect if we need to be globally competitive.



MG Furniture Sdn. Bhd. factory

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*"...The rule of law gives everyone a framework for how to act and operate. It holds people, businesses and government accountable for their actions..."*



Encik Ch'ng Chen Mong, Managing Director of MG Furniture Sdn. Bhd.

## PRODUCTS OFFERED

MG Furniture Sdn. Bhd. adheres to its safety features; for instance, the lacquer used must comply with certain safety standard requirement, as well as the design and dimension of the furniture have to be in accordance to rules as outlined in certain standards. The identity of MG Furniture lies within its easy-to-assemble mechanism and stackable furniture pieces, made to be packed with style, uniqueness and creativity. All product series are fully knock-down and ready to be assembled, and production is solely for the export market.

MG Furniture Sdn. Bhd. offers safe, good quality, stylish, multi-purpose and functional designs that

can be custom-made to fit children's rooms. They also make sure that when a customer is purchasing a bed for growing children, the piece has to be the right choice.

With great passion, undying dedication and determination to produce the best children's furniture, the company has managed to produce and ship an average of 40 containers monthly with an average of 25% increase of revenue each year.

MG Furniture Sdn. Bhd. has participated in various furniture fairs, be it locally and internationally, and its major export markets are the EU. MG Furniture Sdn. Bhd. bears the license of Timber Legality Assurance System, issued by MTIB.



Furniture produced by MG Furniture Sdn. Bhd.

## THE WAY FORWARD

More furniture manufacturers are choosing to go green by developing eco-friendly furniture. This trend is driven by environmental concerns, such as the problem of deforestation. Although eco-friendly furniture is more expensive and exclusive, the demand is on the rise, making it worthwhile for MG Furniture Sdn. Bhd. to enhance its production line.

MG Furniture Sdn. Bhd. aims to continue to offer and supply top quality and innovative furniture products at reasonable cost, in line with the nation's furniture safety regulations.

### Contact details:

MG Furniture Sdn. Bhd.  
Lot 2780, Jalan Industri 2,  
Kawasan Perindustrian Bukit Panchor,  
Nibong Tebal,  
14300 Penang  
MALAYSIA

Tel : 604-593 9133

Fax : 604-593 2133

E-mail : shipping-1@mgfurniture.com.my

### References :

- Company's Promotional Media
- Interviewed Miss Lini, representative from MG Furniture Sdn. Bhd.





## LEAN STUDY MISSION TO JAPAN



*Delegation at AVEX Japan.*

As the saying goes, “seeing is believing”. With that in mind, MTIB in cooperation with the Malaysian Productivity Corporation (MPC) organised a Lean Study Mission to Japan from 10 to 16 December.

Japan was chosen for this particular mission because the country had built itself a reputation as the ‘Lean Specialist’ in the world. This was made possible through decades of economic power building. Japan is also the only place that showcases Lean implementation as a culture. As the Lean principles permeate many aspects of daily life in Japan and are not limited to production or engineering environments, Japan is deemed the most suitable destination to learn first hand about Lean management.

The objectives of this mission is to allow participants to study the background and structure of the

Toyota Production System (TPS) which is the origin of Lean management and to learn firsthand how Lean is practiced in the Japanese manufacturing industry. Lean refers to tools that enhance processes through continuous improvement (Kaizen) and the elimination of waste. The Kaizen approach basically is a method that copes with waste and effectively increases probability through the 5S concept. The breakdown of this method is named with words that start with the letter “S”: Seiri (Sort), Seiton (Straighten), Seiso (Shine), Seiketsu (Standardise), Shisuke (Sustain). The foundation of Lean manufacturing is leveling production (Heijunka) which means work load each day is level known. To ensure the work load is level, the Just-In-Time (JIT) and Automation with human touch” (Jidoka) were applied.

The TPS workshop was conducted at the TPS DOJO – Hirayama Training Centre. The Hirayama Training Centre originally started by giving basic TPS operation training to employees assigned to work at Toyota Motors or group companies. The purpose of the training centre was to spread and teach TPS Kaizen method both domestically and globally through educational and training programmes. The objectives of the workshop were to encourage participants to execute and master Kaizen techniques by themselves at their work environment, acquire TPS fundamental knowledge and apply the Genchi Genbutsu (go see for yourself) principle to detect MUDA (waste), MURA (overburden) and MURI (irregularity).



*At Oak Village Showroom.*

The trainers, who each had working experience

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plant that has a shorter mature age and is capable of producing good quality timber. He also said Rubberwood has the potential to be used as glued laminated timber (glulam) and Cross Laminated Timber (CLT) for construction sectors.

The speaker from Thailand talked about her country's experience in paving rubberised road. According to her, in Thailand, rubberised roads boost latex consumption. The country is also paving roads with rubber which has resulted in the reduction of traffic noise and improved road

conditions. Thailand is also contending with falling prices of the commodity amid oversupply from other rubber producing countries. The country accounts for 4.5 million tonnes/year of rubber produced which accounts for 37% of global production. Thus, to stimulate its latex prices, it is boosting its domestic consumption. For Thailand, not only does using latex rubber enhance the durability of roads and render lower road maintenance costs, it also cushions rubber prices by increasing domestic use and the consumption of the rubber produced. 

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## Timber News

with Toyota of more than 40 years, explained about the importance of cost reduction as well as the basic concept of the TPS. They also briefed on the concept of and how to manage Kaizen ideas. Kaizen is meant to improve quality safety and operation, reduce cost and shorten lead-time. Kaizen is constantly improving and evolving, and therefore one needs to continually apply it to achieve the aforementioned goals. The participants had a chance to witness how the trainers applied Kaizen on a mock radiator production line. The participants were able to keep track of the Kaizen process and together generate ideas of how the production line could be improved.

The participants also learnt about the Kanban System which is a Japanese manufacturing system in which the supply of components is regulated through the use of a card displaying a sequence of specifications and instructions, sent along the production line. This system is an integral part of implementing the JIT manufacturing philosophy which was designed to control inventory and reduce waste. JIT is an inventory strategy whereby a company will only receive goods as they are needed in the production process. This strategy encourages reduction of cost.



Hands-on Kaizen Project.

The Lean approach in the Malaysian manufacturing sector especially the timber sector, is still low compared to other countries. The mission hopes to change the mindset of timber players to change their working culture into one that is more productive and effective thus increasing industry performance through the application of the Lean manufacturing system.

Fifteen people from both government and private companies participated in the mission. Representatives from MTIB were Encik Shah Badri Mohd Nor and Cik Shahidatul Hilni Halim. 





**Lukisan Seribu Makna, Kayu Eratkan Semua**  
*A Picture Paints a Thousand Words. Wood Binds Them All*

Jelutong Dyers spp.

[www.mtib.gov.my](http://www.mtib.gov.my)





## MTIB TRAINING PROGRAMME 2018

**M**TIB will conduct the following courses in 2018 at the Wood Industry Skills Development Centre (WISDEC) in Banting, Selangor and Kota Kinabalu, Sabah. These courses are designed to assist in expediting technology transfer and to impart skills and knowledge to the wood-based industry in particular the downstream wood processing sectors. Besides these, MTIB offers customised courses according to the specific needs of the companies or agencies, upon request.

### VENUE: WISDEC SELANGOR

| MONTH | NO. | COURSE TITLE                                                                     | DURATION | FEE (RM)* | DATE      |
|-------|-----|----------------------------------------------------------------------------------|----------|-----------|-----------|
| MAR   | 1   | Identification of Malaysian Timber Species                                       | 4 Days   | 742.00    | 12-15 Mar |
|       | 2   | Identification of Commercial Import Timber Species                               | 4 Days   | 742.00    | 26-29 Mar |
| APR   | 3   | Introduction to MGR                                                              | 3 Days   | 556.50    | 9-11 Apr  |
|       | 4   | Timber Drying                                                                    | 15 Days  | 1,590.00  | 9-27 Apr  |
| MAY   | 5   | Technology and Operation of Woodworking Machine CNC Router – (AlphaCAM Software) | 4 Days   | 742.00    | 2-5 May   |
|       | 6   | Technology and Operation of Woodworking Machine – 6 Head Moulder                 | 4 Days   | 742.00    | 7-10 May  |
| JUL   | 7   | Basic Furniture Making                                                           | 4 Days   | 742.00    | 2-5 Jul   |
|       | 8   | Furniture Making (Build-in Furniture)                                            | 4 Days   | 742.00    | 16-19 Jul |
| AUG   | 9   | AutoCAD in Furniture Drawing (3D)                                                | 4 Days   | 742.00    | 6-9 Aug   |
|       | 10  | Basic Wood Technology                                                            | 4 Days   | 742.00    | 13-16 Aug |
| SEP   | 11  | Wood Machining Technology                                                        | 4 Days   | 742.00    | 3-6 Sep   |
|       | 12  | Operation and Maintenance of Woodworking Machines                                | 4 Days   | 742.00    | 17-20 Sep |
| OCT   | 13  | Furniture Finishing Technology                                                   | 4 Days   | 742.00    | 1-4 Oct   |
|       | 14  | Safety and Health in Wood-based Industry                                         | 2 Days   | 371.00    | 16-17 Oct |
|       | 15  | Furniture Quality Control                                                        | 2 Days   | 371.00    | 23-24 Oct |

**For WISDEC Selangor, please contact :**

Pn. Rohaiza Abd Kadir Zailani/En. Mohd Shairazi Yahya/  
 En. Mohd Faizal Helmy Othman  
 Wood Industry Skills Development Centre (WISDEC)  
 Lot 167, Jalan 3, Kompleks Perabot Olak Lempit,  
 42700 Banting, Selangor  
 Tel : 603-3149 2924  
 Fax : 603-3149 2122  
 E-mail : wisdec@mtib.gov.my

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## VENUE: WISDEC SABAH

| MONTH | NO. | COURSE TITLE                                                                   | DURATION | FEE (RM)* | DATE      |
|-------|-----|--------------------------------------------------------------------------------|----------|-----------|-----------|
| FEB   | 1   | HIRARC Analysis in Wood-based Industry                                         | 2 Days   | 265.00    | 26-27 Feb |
| MAR   | 2   | Furniture Entrepreneur Business Coaching                                       | 3 Days   | 397.50    | 12-14 Mar |
| APR   | 3   | Product Costing and Budgeting                                                  | 3 Days   | 397.50    | 16-18 Apr |
| MAY   | 4   | Wood Processing – Kayu Sungkai                                                 | 2 Days   | 265.00    | 7-8 May   |
| JUL   | 5   | Furniture Making – Display Cabinet                                             | 4 Days   | 530.00    | 16-19 Jul |
| AUG   | 6   | Technology and Operation of Woodworking Machine – 6 Head Moulder               | 4 Days   | 530.00    | 6-9 Aug   |
| SEP   | 7   | Knife Grinding and Maintenance                                                 | 3 Days   | 397.50    | 24-26 Sep |
| OCT   | 8   | Technology and Operation of Woodworking Machine CNC Router – AlphaCAM Software | 4 Days   | 530.00    | 15-18 Oct |

**For WISDEC Sabah, please contact :**

En. Mohd Faizal Abdul Rodzak/Pn. Nurul Hasana Jaafar  
 Wood Industry Skills Development Centre (WISDEC)  
 Lot 4, Fasa 1, Jalan Timur 6,  
 Taman Perindustrian Kota Kinabalu (KKIP),  
 Peti Surat 177, Pos Mini Indah Permai,  
 88450 Kota Kinabalu, Sabah  
 Tel : 6088-498 822  
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 E-mail : mtibsabah@mtib.gov.my

**Note :** \* Course fee inclusive 6% GST  
 GST No : 000143245312



Hands-on session at WISDEC Selangor (left) and WISDEC Sabah (right).



## **LATVIA** **Furniture Industry Turnover Improves**

In the third quarter turnover of the Latvian furniture industry increased by 1% to EUR46.3 million in the comparative period of the preceding year. According to the Central Statistical Bureau of Latvia, this means that the rate of growth recorded in the first quarter (+17% to EUR49.7 million) and second quarter (+9% to EUR46.9 million) slackened off again in autumn.

In the accumulated period from January to September, the Latvian furniture industry generated turnover of EUR143.0 million. This represents an increase of 9% in the comparative period of the preceding year. While domestic turnover, at EUR31.9 million, fell 4% short of last year's figure, export turnover increased by 13% to EUR111.1 million.

*www.euwid-wood-products.com, 29 December*

## **RUSSIA** **Sawntimber Export Value**

In the first 10 months of 2017, Russia increased its sawntimber exports again, both in value and in volume terms, indicate the statistics published by the Russian Federal Customs Office.

Thus, during the first 10 months of the current year Russia exported 15.21 million tonnes of sawn timber. That is 12.09% more than during the respective period of the last year.

The total value of the exported Russian sawntimber increased as well. In January-October 2017, it came up to USD3.33 billion having gone up by 25.48%.

In their turn, Russian log exports went a bit down in volume terms. In January-October 2017, Russian log exports went down to 15.9 million cubic metres while during the respective months of the last year the figure equalled 16.6 million cubic metres. Thus, Russian log exports decreased by 4.15% year-on-year.

The total value of the Russian logs exported in January-October 2017 came up to USD 1.197 billion, that is 8.23% more than during the respective period of 2016.

*Lesprom, 16 November www.fordaq.com, 13 December*

## **CHILE** **Radiata Pine Exports Decreased**

Chilean exports of Radiata Pine timber in the first nine months fell 2% short of the figure for the same period of last year at 1.932 million m<sup>3</sup>. According to information from Instituto Forestal (Infor), the export value was 3% higher than a year earlier at USD417.1 million). The arithmetic value per exported m<sup>3</sup> of radiata pine timber thus rose by 5% to USD216 per m<sup>3</sup>.

Amongst the countries with a reduced volume of incoming deliveries were China (-2% to 448,458 m<sup>3</sup>), Mexico (-35% to 123,317 m<sup>3</sup>), and Saudi Arabia (-38% to 170,677 m<sup>3</sup>). The reductions were only partly compensated for by greater exports to South Korea (+16% to 356,684 m<sup>3</sup>) and Viet Nam (+17% to 224,283 m<sup>3</sup>).

*www.euwid-wood-products.com, 15 December*

## **UNITED STATES** **Residential Construction Recovers Again**

In the USA housing starts in the 12 months up to and including October, adapted to account for seasonal influences, increased by 13.7% to 1.290 million units by comparison with the 12 month period until September. According to the US Census Bureau, housing starts thus reached the highest level since the beginning of the year. Up to and including September, housing starts had dropped by 4.7% vis à vis August.

Building approvals as well as dwelling unit completions in the twelve months up to and including October were also each higher than the comparative values of the preceding month. Building approvals increased by 5.9% to 1.297 million units. In the period covered by the report completion of residential units increased by 12.6% to 1.232 million units compared to the preceding month.

*www.euwid-wood-products.com, 13 December* 

## PROSPECTS OF TIMBER INDUSTRY IN EGYPT



### Quick Facts

|                    |                      |
|--------------------|----------------------|
| Capital            | Cairo                |
| Population         | 97,041,072           |
| Official Languages | Arabic               |
| GDP per capita     | USD12,600            |
| Currency           | Egyptian Pound (EGP) |

### Country Overview

Egypt is a country situated mainly within North Africa, with its Sinai Peninsula forming a land bridge in Southwest Asia, making it a transcontinental state. Covering an area of about 1,010,000 square kilometres (390,000 square million), Egypt is bordered by the Mediterranean Sea to the north, the Gaza Strip and Israel to the northeast, the Red Sea to the east, Sudan to the south and Libya to the west.

Egypt is one of the most populous countries in Africa and the Middle East, and the 15th most populated in the world. The great majority of its over 82 million people live near the banks of the Nile River, where the only arable land is found, in an area of about 40,000 square kilometres (15,000 square million). The large regions of the Sahara Desert, which constitute most of Egypt's territory, are sparsely inhabited. About half of Egypt's residents live in urban areas, with mostly spread across the densely populated centres of greater Cairo, Alexandria and other major cities in the Nile Delta.

The economy of Egypt is one of the most diversified in the Middle East, with sectors such as tourism, agriculture, industry and services at almost equal production levels. Egypt has significant cultural, political, and military influence in the region, and is a major power in the Mediterranean, the Middle East and the Muslim world.

### Forestry

Forested area in Egypt is estimated at 2,500 hectare, mostly planted with Casuarina, Eucalyptus,



Cupressus, Pinus and Khaya trees by both the governmental and the private sectors for the purpose of protecting soils, water-courses and farms from winds and storms.

The government has directed its efforts for afforestation aiming at magnifying the afforested (green) stretch through the use of treated sewage water in establishing forest-plantations (man-made forests), selecting some poplar and new varieties plus some of the fast growing timber trees, using new advanced techniques in irrigating and propagating timber trees such as drip-irrigation and modified surface irrigation and lastly by expansion in planting tropical trees in Upper Egypt like Khaya, Teak and Neem.

### Furniture and Timber Industry

According to Foreign Agriculture Service (FAS) Cairo, the largest market share of any wood product was furniture for home use at USD603 million, followed by carpentry products used in the construction industry at USD324.16 million and wooden furniture for bedrooms at USD237.99 million.

The surge in residential construction and the jump-starting of big infrastructure projects will result in demand for carpentry products used in the construction industry. It will also have a spill over effect on variety of wooden doors, which will grow by 11%, as well as home furniture and bedroom wooden furniture which will also grow at 10% each. Flooring demand is expected to increase by 6%

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from 2014 to USD51.9 million.

Egyptian annual furniture exports totalled USD250 million and it is expected to reach USD800 million in the future. Egypt is one of the largest timber importers in the world, 70% of which are used in the construction industry. 15% of Egypt furniture industry relies on imports, 30% of which are used to build doors and windows and a large amount of wood is used to shape scaffolding and concrete at 7% and 13% respectively.

## Egypt's Export of Timber and Timber Products

The total export of timber and timber products for Egypt showed an increase by 7% to USD738 million in 2016. Furniture encompassed 48% of Egypt export worldwide at USD351.6 million. The major market for Egypt destination for timber and timber products was Saudi Arabia, Sudan and Italy, whilst major market for furniture was Saudi Arabia, Lebanon and Sudan.

### Egypt : Major Exports of Timber Products and Furniture, 2012-2016

(Value : USD'000)

| Product                         | 2012           | 2013           | 2014           | 2015           | 2016           |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Furniture                       | 297,995        | 323,869        | 323,787        | 327,295        | 351,648        |
| Mouldings                       | 3,217          | 2,020          | 23,668         | 12,002         | 8,797          |
| Fibreboard                      | 5,434          | 2,833          | 9,571          | 416            | 2,177          |
| Plywood                         | 2,237          | 2,290          | 2,455          | 3,218          | 1,881          |
| Particleboard and Chipboard     | 4,393          | 2,097          | 1,790          | 1,368          | 1,710          |
| Builders' Joinery and Carpentry | 2,759          | 1,841          | 1,515          | 431            | 824            |
| Sawntimber                      | 408            | 352            | 188            | 61             | 468            |
| Wooden Frames                   | 199            | 94             | 135            | 247            | 411            |
| Veneer                          | 235            | 460            | 224            | 177            | 135            |
| Logs                            | 95             | 181            | 46             | 244            | 56             |
| Others                          | 318,889        | 337,869        | 365,347        | 347,230        | 370,067        |
| <b>Total</b>                    | <b>635,861</b> | <b>673,906</b> | <b>728,726</b> | <b>692,689</b> | <b>738,174</b> |

Source: UN Contrade Stats

## Egypt's Import of Timber and Timber Products

The total import of timber and timber products for Egypt showed a decrease of 25% to USD1.46 billion in 2016. Sawntimber was the main product imported value at USD894.5 million followed by plywood (USD200.6 million) and furniture (USD154.3 million). Russia was the major import partner for timber and

timber products followed by Finland and Sweden. Malaysia rank 10th of Egypt import partner for timber and timber products with 1.5% of market share.

In addition, China was the major import partner for furniture followed by Italy and Germany. Malaysia rank 15th of Egypt import partner for furniture with 0.83 of market share.

### Egypt : Major Import of Timber Products and Furniture, 2012-2016

(Value : USD'000)

| Product       | 2012             | 2013             | 2014             | 2015             | 2016             |
|---------------|------------------|------------------|------------------|------------------|------------------|
| Sawntimber    | 1,207,705        | 1,015,585        | 1,390,701        | 1,203,642        | 894,462          |
| Plywood       | 256,250          | 233,107          | 256,911          | 284,023          | 200,633          |
| Furniture     | 134,165          | 147,268          | 175,488          | 222,251          | 154,302          |
| Fibreboard    | 73,381           | 64,314           | 85,815           | 104,328          | 86,483           |
| Logs          | 65,518           | 54,138           | 57,456           | 65,622           | 57,972           |
| Veneer        | 38,415           | 47,288           | 39,814           | 45,041           | 35,785           |
| BJC           | 4,717            | 5,659            | 5,783            | 8,007            | 9,673            |
| Wooden Frames | 293              | 444              | 629              | 540              | 361              |
| Others        | 17,251           | 21,773           | 18,135           | 21,422           | 20,049           |
| <b>Total</b>  | <b>1,797,695</b> | <b>1,589,576</b> | <b>2,030,732</b> | <b>1,954,876</b> | <b>1,459,720</b> |

Source: UN Contrade Stats

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## Malaysia's Export of Timber and Timber Products to Egypt

In 2016, Malaysia's exports of timber and timber products to Egypt decreased 44% to RM65.3 million

over the previous year. Egypt ranked 37th with 0.3% of Malaysia's total market share. Plywood was the main product exported with a total value of RM57.6 million, followed by MDF at RM4.8million and wooden furniture at RM1.8 million.

### Malaysia : Export of Major Timber and Timber Products to Egypt by Value, 2012-2016

(Value : RM)

| Product          | 2012               | 2013               | 2014               | 2015               | 2016              |
|------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| Plywood          | 143,222,503        | 182,891,206        | 84,287,288         | 85,887,284         | 57,562,999        |
| MDF              | 4,349,533          | 11,953,669         | 15,745,988         | 14,874,017         | 4,769,122         |
| Wooden Furniture | 13,250,006         | 9,947,766          | 13,460,760         | 14,649,280         | 1,833,158         |
| Sawntimber       | 139,169            | 212,720            | 0                  | 82,808             | 283,699           |
| Mouldings        | 86,404             | 478,582            | 0                  | 0                  | 0                 |
| Particleboard    | 0                  | 0                  | 1,744,557          | 0                  | 0                 |
| BJC              | 769,237            | 541,235            | 45,594             | 0                  | 0                 |
| Others           | 227,973            | 50,830             | 0                  | 530,573            | 900,732           |
| <b>Total</b>     | <b>162,044,825</b> | <b>206,076,008</b> | <b>115,284,187</b> | <b>116,023,962</b> | <b>65,349,710</b> |

Source : DOSM & MTIB

### Malaysia : Export of Timber and Timber Products to Egypt by Volume, 2012-2016

(Volume : m<sup>3</sup>)

| Product       | 2012    | 2013    | 2014   | 2015   | 2016   |
|---------------|---------|---------|--------|--------|--------|
| Plywood       | 101,298 | 125,488 | 58,455 | 51,296 | 36,258 |
| MDF           | 4,754   | 15,101  | 15,554 | 16,548 | 5,992  |
| Sawntimber    | 73      | 104     | 0      | 33     | 136    |
| Mouldings     | 17      | 170     | 0      | 0      | 0      |
| Particleboard | 0       | 0       | 4,001  | 0      | 0      |

Source : DOSM and MTIB

## Malaysia's Import of Timber and Timber Products from Egypt

In 2016, Malaysia's import of timber and timber products from Egypt decreased 62% to RM58.6

thousands over the previous year. Egypt ranked 77th with 0.002% of Malaysia's total market share. Wooden furniture was the only product imported by Malaysia in 2016.

### Malaysia : Import of Major Timber and Timber Products from Egypt by Value, 2012-2016

(Value : RM)

| Product          | 2012          | 2013          | 2014         | 2015           | 2016          |
|------------------|---------------|---------------|--------------|----------------|---------------|
| Wooden Furniture | 5,974         | 0             | 6,173        | 153,282        | 58,596        |
| Wooden Frame     | 38,061        | 20,800        | 0            | 0              | 0             |
| <b>Total</b>     | <b>44,035</b> | <b>20,800</b> | <b>6,173</b> | <b>153,282</b> | <b>58,596</b> |

Source : DOSM and MTIB

## Tariff Rates

Timber and timber products imported into Egypt are subject to import tariffs ranging between zeros

to 60%. There is no duty imposed on sawntimber. Plywood and fibreboard are subject to 10% tariff and wooden furniture is subject to 40 - 60% tariff.

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### Egypt : Import Duty for Timber and Timber Products, 2017

| HS Code | Product                      | (%) Duty |
|---------|------------------------------|----------|
| 4403    | Logs                         | 2        |
| 4407    | Sawntimber                   | 0        |
| 4408    | Veneer                       | 5        |
| 4409    | Mouldings                    | 20       |
| 4410    | Particleboard                | 10       |
| 4411    | Fibreboard                   | 10       |
| 4412    | Plywood                      | 10       |
| 4414    | Wooden Frames                | 40       |
| 4418    | Builders Joinery & Carpentry | 30       |
| 9401    | Seat & Parts                 | 40       |
| 9403    | Furniture & Parts            | 60       |

Source: WTO

### Prospects

The Egyptian government is actively investing in large-scale infrastructure projects, including one million affordable housing units in 13 regions valued at about USD40 billion. From 2011 to 2013, Egypt's economic downturn was affected by the turmoil in the local situation. The slowdown in the industry was the result of weaker domestic demand, mainly due to the decrease in international arrivals, the shelving of large-scale hotel and construction projects and the weakening of the Egyptian pound. However, since the end of 2016, with the promulgation and implementation of the economic reform together with new investment law and the economic recovery in Egypt, various major projects have also started.

Meanwhile, developers begin to increased liquidity and spending through banking to promote the implementation of large-scale infrastructure projects and to offset the slowdown in hotel and resort construction. Among them, the first development project was the Suez Canal (SCDP). The first phase of the project was completed in August and a parallel waterway was constructed on the Suez Canal at a cost of USD8.5 billion. It is estimated that by 2023, waterway revenues will increase from USD5 billion to more than USD13 billion. The SCDP also includes the construction of seven New Zealand tunnels linking the Sinai Peninsula and the Egyptian continent at a cost of USD4.2 billion; the expansion of the six ports of the canal; and about 76,000 square kilometers of logistics hubs that will facilitate the production of electronics, textiles, phosphates and agricultural products and trading. Other major projects include the construction of a new road network worth

USD3.5 billion on 1.5 million acres of land and the resumption of projects such as the Toshka project, Qattara district power generation and the mining Golden Triangle East Desert.

Apart from this project, one of the national projects of Egypt that is funded by the government and local authorities, which will upgrade city of Damietta into one of the major specialised industrial zones for furniture in the Middle East region. It will have 1,500 small and medium workshops from 50 to 150 metres with about 150 large and complete factories besides the establishment of the furniture factories and test furniture before exporting to the world. The centre will include an educational and academic institution for design and innovation, as well as exhibition halls aimed at promoting the city's furniture products locally and internationally. The aim is to provide opportunities for the promotion of Damietta furniture, hotels and a complex of government and administrative services and an integrated services area such as warehouses, financial institution and banking.

According to the Egyptian Ministry of Finance, the implementation of large-scale projects will contribute to Egypt's sustainable GDP growth of least 6%. By 2019, the total timber industry in Egypt will increase from USD2.62 billion to USD3.31 billion. With the launching of a series of large projects such as the new Cairo and Damietta Furniture City, the demand for timber in Egypt's construction and furniture industry is on the rise. However, due to restrictions on regional conditions and production levels, it is difficult to find suitable customers and suppliers in Egypt.

With the positive growth of construction industry and strong economy, Egypt is seen as an emerging market to Malaysia's exports of timber and timber products. Thus, Malaysian exporters are encourage to take full advantage in promoting their products particularly high value-added products such as furniture, BJC and mouldings besides seeking opportunity to promote building materials namely sawntimber, plywood, fibreboard and other raw materials to the Egyptian market.

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- Damietta Furniture City
- Woodtech Forum Damietta

## URAT MATA - SUITABLE FOR LIGHT TO MEDIUM CONSTRUCTION



Urat Mata tree

### Introduction

Urat Mata is the Standard Malaysian Name for the timber of the heavier species of *Parashorea* (*Dipterocarpaceae*). Vernacular names applied include heavy white seraya (Sabah), meranti gerutu (Peninsular Malaysia) and other localised names which are too numerous to be listed here. Major species include *P. densiflora*, *P. globosa* and *P. stellata* from Peninsular Malaysia, and *P. parvifolia* and *P. smythiesii* from Sabah and Sarawak. The sapwood is whitish yellow and is moderately distinct from the heartwood, which is light golden brown and darkens to a deep brown on exposure.

The species is also known as Mai hao, Mai nao and Mai si (Lao PDR); Kaunghmu, Tavoy wood and Thingadu (Myanmar); Khai Kheio and Kian-suai (Thailand); and Cho chi (Viet Nam).

### Density

The timber is a light hardwood with a density of 640-880 kg/m<sup>3</sup> air dry.

### Natural Durability

From the standard graveyard test of untreated

*P. stellata* carried out at the Forest Research Institute Malaysia (FRIM) based on test sticks of dimension 50 mm x 50 mm x 600 mm, it was observed that 60% of the test sticks were destroyed within the first year. Subsequently, in the second and third year, 70% and 90% of the test sticks were destroyed respectively. All the test sticks were destroyed in the fifth year of service (Jackson, 1965).

Under such circumstances, Urat mata is classified as not durable. In a later series of test, Dahlan & Tam (1986, in press) also reported that *P. stellata* has an average service life of 1.9 years, thus confirming the results obtained by Jackson (1965). However, treated specimens of *P. stellata* has an average service life of about 14 to 17.2 years, and about 14 years for *P. densiflora*.

### Preservative Treatment

The timber is difficult to treat with preservatives.

### Texture

Texture is moderately coarse and even, with interlocked grain.



Wood colour and texture



Cross section of Urat Mata

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## Strength Properties

The timber falls into Strength Group C (Engku, 1988b) or SG 5 (MS 544:Part 2:2001).

### Strength Properties of Urat Mata

| Species              | Test Condition | Modulus of Elasticity (MPa) | Modulus of Rupture (MPa) | Compression Parallel to Grain (MPa) | Compression Perpendicular to Grain (MPa) | Shear Strength (MPa) |
|----------------------|----------------|-----------------------------|--------------------------|-------------------------------------|------------------------------------------|----------------------|
| <i>P. densiflora</i> | Green          | 19,700                      | 94                       | 50.5                                | 7.0                                      | 8.4                  |
| <i>P. stellata</i>   | Green          | 13,200                      | 74                       | 41.5                                | 4.3                                      | 7.9                  |

## Machining Properties

It is slightly difficult to saw but is fairly easy to cross-cut. Planing, boring and turning are easy and the planed surface is smooth.

### Sawing and Woodworking Properties of Urat Mata

| Species              | Test Condition | Sawing             |                 | Planing         |                                 | Boring         |                   | Turning         |                   |
|----------------------|----------------|--------------------|-----------------|-----------------|---------------------------------|----------------|-------------------|-----------------|-------------------|
|                      |                | Re-sawing          | Cross Cutting   | Ease of Planing | Quality of Finish               | Ease of Boring | Quality of Finish | Ease of Turning | Quality of Finish |
| <i>P. densiflora</i> | Green          | slightly difficult | fairly easy     | easy            | smooth                          | easy           | fairly smooth     | -               | -                 |
|                      | Air dry        | slightly difficult | fairly easy     | easy            | smooth                          | easy           | fairly smooth     | easy            | moderately smooth |
| <i>P. stellata</i>   | Green          | slightly difficult | easy            | easy            | tangential smooth, radial rough | easy           | smooth            | -               | -                 |
|                      | Air dry        | slightly difficult | moderately easy | easy            | moderately smooth               | easy           | fairly smooth     | moderately easy | moderately smooth |

## Nailing Property

The nailing property is rated as excellent.

the main sources of degrade. There are also slight splitting and insect attacks during drying. Thick boards of 13 mm take four months to air dry, while 38 mm thick boards take about six months.

## Air Drying

The timber seasons slowly with moderate end-checking and surface-checking and staining as

## Kiln-drying

Kiln Schedule C is recommended.

### Kiln Schedule C

| Moisture Content (%) | Temperature (Dry Bulb) |      | Temperature (Wet Bulb) |      | Relative Humidity (%) |
|----------------------|------------------------|------|------------------------|------|-----------------------|
|                      | °F                     | °C   | °F                     | °C   |                       |
| Green                | 105                    | 40.5 | 101                    | 38.0 | 85                    |
| 60                   | 105                    | 40.5 | 99                     | 37.0 | 80                    |
| 40                   | 110                    | 43.5 | 102                    | 39.0 | 75                    |
| 35                   | 110                    | 43.5 | 100                    | 38.0 | 70                    |
| 30                   | 115                    | 46.0 | 103                    | 39.5 | 65                    |
| 25                   | 125                    | 51.5 | 109                    | 43.0 | 60                    |
| 20                   | 140                    | 60.0 | 118                    | 47.5 | 50                    |
| 15                   | 150                    | 65.5 | 121                    | 49.0 | 40                    |

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### Shrinkage

Shrinkage is high, with radial shrinkage averaging 1.8% and tangential shrinkage averaging 3.5%.

### Movement in Service

The movement of seasoned timber is classified under Type IV (based on the species *P. densiflora*).

### Defects

Brittle-heart is normally present and may be appreciable in some logs. Burgess (1966) recorded that, in general, brittle-heart in this timber does not extend for more than 175 mm to 200 mm from the pith. Timber affected by brittle-heart is susceptible to compression failures and liable to break up into small pieces. Knots are small and infrequent. Shot-hole borer attacks occasionally occur in the living tree and are rarely serious, but the pin-hole borer attacks in felled logs may cause severe damage.

Defects other than those mentioned above are quite negligible.

### Uses

This timber is regarded as suitable, when colour is of secondary consideration, for similar purposes as Dark Red Meranti timbers. It is suitable for light to medium construction under cover, panelling and partitioning, utility furniture, strip flooring, plywood manufacture, pallets, boxes and crates.

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Plywood of various thicknesses.



Utility furniture.

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### Multiple Uses, Variable Styles

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MTIB personnel at a course on Management Leadership from 6 to 11 December 2017 at Outward Bound Malaysia in Lumut, Perak.



Workshop on R&D in Bamboo Industry held on 12 December 2017 in Putrajaya.



Participants of the Professional Management Development Programme for 2016 and 2017 posing with the VIPs during presentation of IMPAC certificates, held on 12 December 2017 in Putrajaya.



MTIB's course on Enforcement Enhancement on 19 December 2017 in Kota Kinabalu, Sabah.



Courtesy visit to MARA HQ in Kuala Lumpur on 19 December 2017 led by YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General.