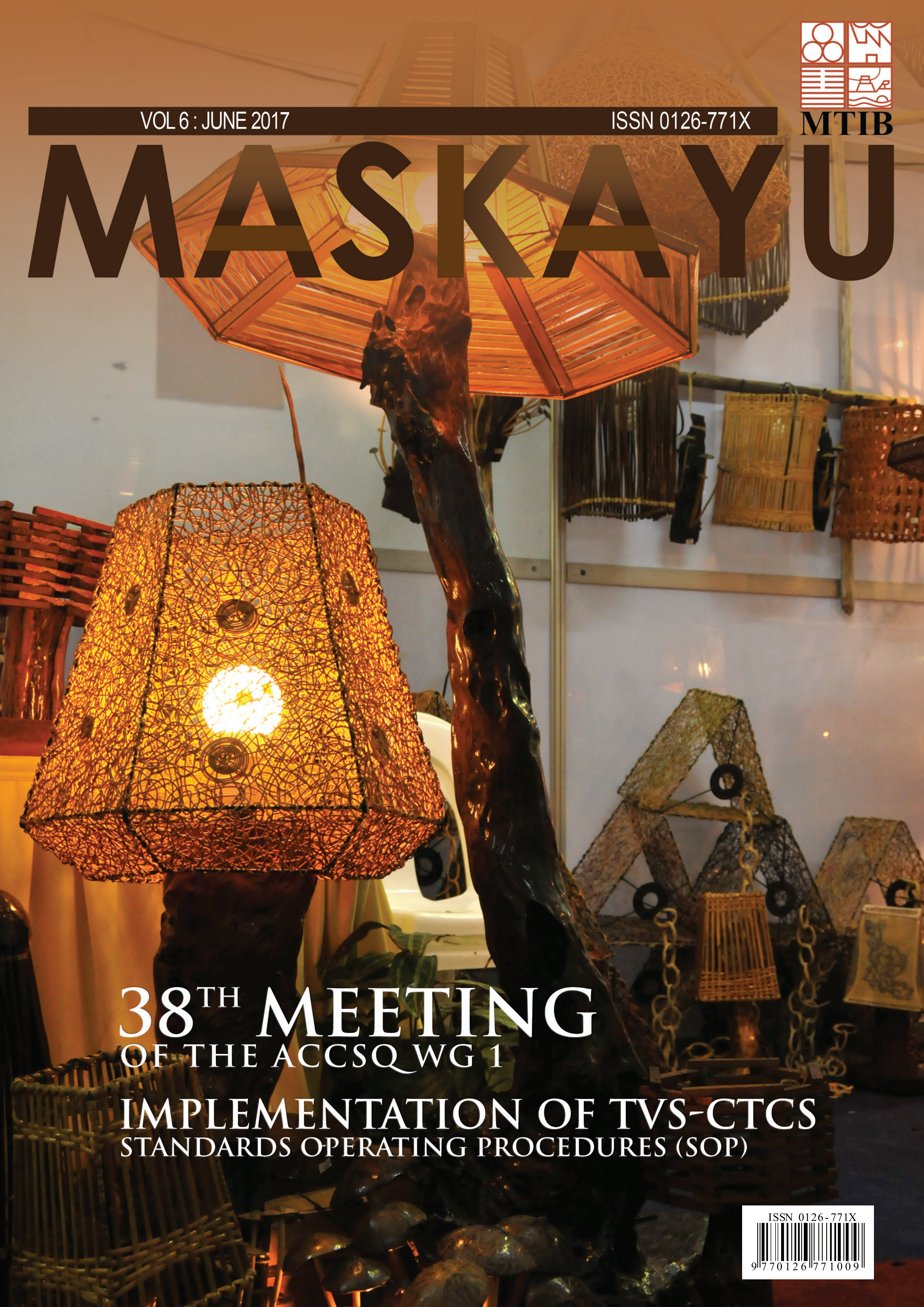
VOL 6 : JUNE 2017
ISSN 0126-771X

MTIB

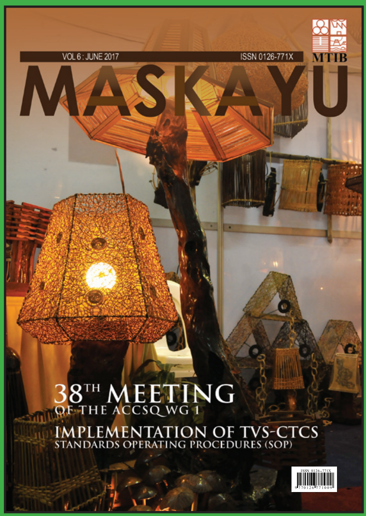
MASKAYU



38TH MEETING OF THE ACCSQ WG 1

IMPLEMENTATION OF TVS-CTCS STANDARDS OPERATING PROCEDURES (SOP)

ISSN 0126-771X
9 770126 771009



***Cover :** Products manufactured by KZ Wood Inspiration displayed during Johor Wood & Lifestyle Fair 2016 held at Galeri Glulam Johor Bahru.*

Publisher

LEMBAGA PERINDUSTRIAN KAYU MALAYSIA
(MALAYSIAN TIMBER INDUSTRY BOARD)
Level 13 - 17, Menara PGRM,
8, Jalan Pudu Ulu, Cheras, P.O. Box 10887,
50728 Kuala Lumpur, Malaysia
Tel : 603-9282 2235
Fax : 603-9200 3769 / 9283 9792
E-mail : info@mtib.gov.my
Website : www.mtib.gov.my

Printer

Gemilang Press Sdn Bhd
No. 16, Jalan S.B. Jaya 12,
Taman Industri S.B. Jaya,
47000 Sungai Buloh, Selangor
Tel : 603 - 6151 2285
E-mail : gemilangpress2105@gmail.com

MS ISO 9001 : 2008 REG. NO. AR3307

Read eMASKAYU at www.mtib.gov.my

CONTENTS

Highlights

Regular Features

38TH MEETING OF THE ACCSQ WG 1

Group Photo of WG 1 delegates with Dr. Phyu Phyu Win, Deputy Director-General, Department of Research and Innovation, Ministry of Education, Myanmar (seated sixth from left) after the opening ceremony.

The 38th Meeting of the ACCSQ WG 1 on Standards and MRA and Related Meetings was held on 22-26 May in Yangon, Myanmar. The Meeting was preceded by the following events at the same venue:

- 17th Meeting of the Task Force on Building and Construction (TFBC), held on 22 May 2017;
- 10th Meeting of the Task Force on Wood-based Products (TFWBP), held on 22 May 2017;
- Workshop on the Revision of the ASEAN Framework Agreement on Mutual Recognition Arrangements, held on 23 May 2017; and
- Workshop on the Revision of the ASEAN Good Regulatory Practice (GRP) Guide, held on 24 May 2017.

The WG 1 Meeting was chaired by Puan Norhaliza Arifin, Senior Principal Assistant Director (Standardisation), Department of Standards Malaysia (Standards Malaysia), Ministry of Science, Technology & Innovation (MOSTI), Malaysia and co-chaired by Mr. Steven Phua, Deputy Director, Standards Division, SPRING Singapore. The WG 1 Meeting was officially opened by Dr. Phyu Phyu Win, Deputy Director-General, Department of Research and Innovation, Ministry of Education, Myanmar.

The Meeting noted the decisions made at the 47th ACCSQ Meeting, held on 25-27 April 2017 in Bandar Seri Begawan, Brunei Darussalam that were related to WG1 activities:

- WG 1 to focus its task on the harmonisation of standards in collaboration with National Standards Bodies (NSBs) of Member States. In pursuing harmonisation, WG 1 should liaise with the PWGs to seek inputs to identify which standards are prioritises for harmonisation. Additionally, it should, in consultation with Standards Committees in NSBs and other stakeholders, identify other standards for harmonisation in ASEAN, that have an impact on market integration, including standards that are for voluntary application.
- WG 1 to review its current TOR as well as its 2016-2025 Work Plan and make necessary amendments based on the decisions of ACCSQ. WG 1 will submit the amended documents to 48th ACCSQ Meeting for its consideration.
- WG1 to continue work on current tasks which are still in the pipeline, namely the review of 1998 Framework Agreement on MRA as well as review on the GRP Guide, until completion.
- As an interim measure, the Task Force on Building and Construction (TFBC) and Task Force on Wood-based products (TFWB) will report directly to ACCSQ on the progress of their work.

Cont. page 15

AUSTRALIA
Retirement Housing Projects Need AUD33 Billion

Australian retirement and aged-care accommodation projects that were approved in March 2017 amounted to a record AUD340 million (EUR224.27 million/USD253.01 million), signifying that the baby boomer generation's mass transition into retirement is about to buoy the overlooked real estate segment.

So far, the surging capital invested for the booming residential housing market cannibalises that for the retirement segment. The investment required to fulfil the demand for retirement housing over the next 10 years is estimated at AUD33 billion.

Across all Australian states, the number of retirement accommodation projects underway are generally in proportion to each of the state's population. In 10 years' time, Australians aged 65 and older will account for over 20% of the population, based on current projections.

Australian (The), 8 June

AUSTRIA
New Campaign to Support Efficient Use of Wood

The Austrian federal Ministry of Agriculture, Forestry, Environment and Water Management and the Austrian timber industry association are to launch a campaign Holzreiches Österreich in support of climate protection through an efficient use of wood in summer 2017. The aim of the campaign is to strengthen people's awareness of the wood in the country as a raw material and to promote a sustainable use of the Austrian forests as a source of energy.

Holz Magazin, 13 June

BELARUS
Licensing of Exported Forest Product Extended for Six Months

Belarus has extended the licensing of some forest materials exported outside the Eurasian Economic Union (EAEU) for six months. In addition to the requirement to obtain a license to export hardwood timber (Oak and Ash), the list of products subject to the procedure has included Maple and Alder timber. Exporters of certain types of forest materials are to obtain a one-time license from the Ministry of Antimonopoly Regulation and Trade (MART) in agreement with Bellesbumprom Group. Azerbaijan, Georgia, Turkmenistan and Serbia are excluded from the licensing procedure.

lesprominform.ru, 15 June

BANGLADESH
GDP Growth Forecast

Bangladesh's gross domestic product (GDP) is forecasted to grow 7.24% in fiscal year 2016/2017. In 2015/2016, the GDP growth stood at 7.11%. This will be followed by a projected GDP growth of 7.04% for the upcoming fiscal year 2017/2018.

Financial Express Bd, 21 June

BOLIVIA
Lack of Liquidity Impacts Forestry Sector

According to the New York Times, Bolivia plans to eliminate 5 million hectares of forests by 2025, transforming the land for soya cultivation. The publication insists that President Morales has prioritised food sovereignty fuelling intensive agriculture expansion. The information comes from Mighty Earth which has done an assessment of land and areas where Cargill has silos in Bolivia. Local farmers sell their soya to this firm. The country offers little protection for forests and the forest and ground control authority has different roles which sometimes contradict each other.

El Diario, 8 June

CANADA
CAD867 Million Package to Mitigate Softwood Tariffs

To mitigate the impact of new US tariffs on softwood exports from Canada, a CAD867 million (EUR576.60 million/USD644.67 million) financial support package to assist lumber workers and producers was unveiled on 1 June 2017 by Canadian Natural Resources Minister Jim Carr.

Measures to support employees who wish to transition to a different industry or enhance their skills are included in the package, while as a move to further diversify the market base for lumber products from Canada, CAD260 million worth of funds will be provided.

Canadian Business Online, 1 June

CHINA
National Formaldehyde Emission Standard Released

The Chinese national formaldehyde emission standard (GB18580-2017) has been released by the

Cont. next page

Cont. from previous page

General Administration of China National Quality Supervision, Inspection and Quarantine Bureau and China National Standards Administration. The standard will enter force on 1 May 2018. In the new standard, the formaldehyde emission limit will be lowered to 0.124 mg per m^3 and the test method for detection of formaldehyde emission has been unified.

Analysts said that the revised standard will enhance product quality and market acceptance and will profoundly alter the structure of forest products industry.

ITTO, 1-15 June

ECUADOR
Teak Exports to India are at Risk

India allowed Ecuador to fumigate its Teak with phosphine or aluminium phosphide before exporting it to this Asian country, following a request by Ecuadorian Agency for Agricultural Product Quality Assurance (AGROCALIDAD), on 10 March 2017. Furthermore, an agreement was reached so that an Indian delegation would visit Ecuador to certify local fumigation companies, although it has not yet turned up, according to the Ecuadorian Teak and tropical wood producers association (ASOTECA).

India extended imports of Ecuadorian Teak, which do not need to be subject to these new conditions, until the end of March 2017, with a second extension carried out until the end of June 2017. ASOTECA believes that this situation puts teak exports to India, which purchases 98% of all national Teak, at risk, moreover, no news has emerged about when Indian officials will visit the country. Ecuador exported more than 200,000 tonnes of Teak to India worth USD24 million (EUR21.44 million) during 2015, rising to more than 281,000 tonnes, worth USD34 million, during January-October 2016. If Teak sales to India are paralysed at the end of June 2017, Ecuador would lose out on export revenues of around USD3 million per month.

El Universo (Ecuador), 12 June

EUROPEAN UNION
Import of Tropical Sawnwood Declined

EU imports of tropical sawn wood EU imports of tropical sawn wood decreased by 10% to 180,000 metric tonnes in the first quarter of 2017. After a significant rise in trade with Cameroon last year, EU imports of tropical sawn wood from the central African country declined 13% to 64,700 metric tonnes in the first three months of 2017.

Imports also fell from Malaysia (down 2% to 24,900 metric tonnes), Gabon (down 8% to 22,100 metric tonnes), Congo (down 16% to 9,900 metric tonnes MT), Côte d'Ivoire (down 13% to 8,800 metric tonnes), Ghana (down 18% to 3,400 metric tonnes), DRC (down 64% to 2,200 metric tonnes) and Suriname (down 57% to 2,100 metric tonnes).

However, after a decline in 2016, EU imports of tropical sawn wood from Brazil increased 25% to 27,000 metric tonnes in the first quarter of 2017. Imports from Angola, which were negligible in 2016, increased to 2,000 metric tonnes during the period.

ITTO, 1–15 June

FINLAND
Wood Purchases From Private Forests 4.34 Million M^3

Finland's forest industry purchased 4.34 million m^3 of roundwood from private forests in May 2017, the Natural Resources Institute Finland (LUKE) reported. The stumpage price of Pine logs was EUR55.0 per m^3 and that of Spruce logs EUR57.9 per m^3. The stumpage price of Pine pulpwood was EUR16.3 per m^3 and that of Spruce pulpwood EUR18.1 per m^3. The stumpage price level rose less than 1% from April 2017.

Press Release Luke, 21 June

FRANCE
Strong Decline in Construction of Wooden Homes

According to the 2016 bi-annual national survey carried out by professional unions France Bois Forêt and Codifab, the French wood construction sector (houses, buildings and non-residential structures) suffered a 11% decline in turnover compared to 2014 despite the efforts made to promote the use of this material. Therefore, it only represented a market worth EUR1.60 billion (USD1.81 billion) excluding taxes. However, the other activities (roofing, masonry, carpentry, etc.) of the nearly 2,000 companies in the sector managed to cushion the blow thanks to the booming new housing market. They were therefore able to generate a total of EUR3.60 billion from all activities combined, only 3% lower than in 2014.

The number of companies also remained the same, although they remain marginal, representing just 3% of the turnover and building workforce of the construction industry. The under-performance was concentrated in the sector's traditional market: the single-family home, which represents more than

Cont. next page

Cont. from previous page

half of the activity. Only 1,235 wooden houses were built in 2016, down from 1,400 in 2014, meaning that the share of wooden homes in the new individual dwelling market dropped from 10.6% in 2014 to 8.7% in 2016. While the new housing segment has benefited from the strengthening of the zero-rate loan scheme that favours first-time buyers, this has not aided the wood construction market, as these people are not its main target.

Wooden houses tend to be in the top and middle price ranges and often cost more than concrete homes (except for wooden houses in kit form). Lowering costs to conquer buyers with a more modest budget would require the large-scale prefabrication of wooden components and the industry is not industrialised enough for this to be an option. Nevertheless, some 8,960 wooden residential buildings were built in 2016, representing a market share of 4% compared with 2.6% in 2014.

Les Echos,7 June

Gulf Corporation Council (GCC) Construction Sector Down

The fall in the price of oil has pushed construction margins down in the Gulf and wider Middle East region. The cost of building in the Middle East is considerably lower than in other global capitals, with Doha ranking the 15th most expensive place to build at an average cost of USD2,367 per sqm, while the UAE and Muscat are placed 26th (USD1,726) and 30th (USD1,397) respectively.

The report said that while 2016 saw construction value in the Gulf region down by nearly a third on 2015, making it the worst year since the global financial crisis in 2009, the UAE has been identified as a warm market in 2017 with Expo 2020 Dubai expected to influence companies to reduce prices in order to win work, according to new research by Professional services company, Turner & Townsend.

Research by data analysts Business News for Construction (BNC) said the value of ongoing urban construction projects across the GCC has exceeded the USD1 trillion mark.

Across the GCC, more than 12,200 buildings are under construction (worth USD448 billion), with a further 204 urban megaprojects (USD297 billion) also underway.

The report said that of 21% of planned projects in the GCC are on hold, valued at USD494.9 billion.

Arabian business.com, 2 June

GERMANY Furniture Exports Up Again

According to the Association of the German Furniture Industry (VDM), German furniture exports increased again by 1.3% in March 2017. This followed a significant decrease of 10.1% in February. Nevertheless, in March increases could only be recorded in the case of kitchen furniture (+15.0%) and other seating furniture (+6.2%). Decreases were recorded for all other segments. At -19.8%, mattress exports declined most significantly. Exports of shop furniture also decreased in the double-digit range (-16.6%). Declines in living room, dining room and bedroom furniture (-4.4%), miscellaneous furniture (-4.2%), upholstered furniture (-2.7%) as well as office furniture (-1.9%) were, in contrast, more moderate. In the first quarter of this year German furniture exports declined overall by 2.2%.

German furniture imports increased slightly by 0.8% in March. The highest rate of increase was also recorded for kitchen furniture at 14.0%. Increases were also recorded in the case of imports of other seating furniture (+5.0%), upholstered furniture (+2.0%) and office furniture (+0.7%). Imports of shop furniture (-23.3%) and mattresses (-19.2%), by contrast, declined significantly. Decreases in imports of living room, dining room and bedroom furniture (-5.4%) and miscellaneous furniture (-1.4%) were also recorded. Accumulated over the first three months, furniture imports decreased by a total of 4.7%.

EUWID, 29 June

GERMANY Furniture Industry Turnover Up

According to figures from the association of the German furniture industry, turnover in the German furniture industry rose by 3.1% in the first quarter of 2017 on the same period in 2016. The industry generated a turnover of EUR4.51 billion (USD5.09 billion). Turnover in the domestic market increased by 2.8% to EUR3.09 billion while turnover in the export industry rose by 3.9% to EUR1.42 billion. Growth was strongest in the kitchen industry where turnover increased by 3.9% to EUR1.18 billion while turnover in the upholstery industry fell by 1.7% to EUR262.7 million.

Holz Zentralblatt, 30 May

Cont. next page

INDIA
Personal Money Transfer From Abroad Down

Personal transfers by Indian nationals abroad back home totalled USD59.10 billion (EUR52.80 billion) in the 2016/17 financial year, down 6.8% and dipping below USD 60 billion or the first time since 2010/11.

However, remittances in particular rose 3.7% to USD39 billion despite pressure from the slowing Gulf economies. India remains the largest recipient of remittances worldwide, and the World Bank forecasted a 1.9% growth in calendar year 2017.

Hindu Business Line (The), 20 June

INDONESIA
Pulp and Paper Industry in Riau Face Raw Material Shortage

With the implementation of the No.57/2016 regulations on the Protection and Management of Peat land Ecosystem as well as regulation from the Forestry and Environment Ministry, the industrial plantation forest industry, in the form of pulp and paper, is facing shortage in the supply of raw materials. Some 76% or 398,216 hectares of industrial plantation land in Riau are expected to be converted into reserve land.

The pulp and paper industry in Riau is expected to import up to 9.5 million m^3 of raw materials per annum due to the shortage. The industry players are preparing to import from Malaysia to ensure that the plants will be able to be in operations. The industry players in Riau are urging the government to review the regulations.

Bisnis Indonesia, 14 June

IRAN
Authority Approves 263 Foreign-Funded Projects

During the period August 2013 and 21 June 2017, foreign-funded projects approved by the government of Iran totalled 263 with a value of USD18 billion (EUR16.08 billion). By sector, automobile industry attracted USD410 million investment while trade sector attracted USD920 million. Petrochemicals, minerals and polymer sectors accounted for USD1.1 billion, USD1.3 billion and USD3.5 billion of total foreign investment respectively. Iran attracted the most investment from China, Germany and Spain at USD1.32 billion, USD1.36 billion and USD3 billion respectively.

The Ministry of Industry, Mine and Trade set up 178 projects worth USD8 billion in total, including 97 projects worth USD5.8 billion and 81 projects worth USD2.2 billion.

Zawya (In English), 22 June

JAPAN
Asia Major Plywood Supplier Dominate Japan Market

Three shippers, Malaysia, Indonesia and China continue to dominate the Japanese market for imported plywood. Shipments of plywood within HS 441231 account for the bulk of Japan's plywood imports and in April this year amounted to some 86% of all plywood imports. HS441233 and 34 account for another approximately 12% of imports. In April, this year shippers in China supplied around the same volume to Japan as was the case in March (approximately 11,000 m^3), On the other hand shipments from both Malaysia and Indonesia were down compared to a month earlier.

Shipments from Malaysia were down 6.5% to 92,600 m^3 in April while shipments from Indonesia were down almost 24% to 58,000 m3 from March. However, for the first four months of this year shipments to Japan from Malaysia were up around 18%. On the other hand, shipments from Indonesia in the first four months of this year were slightly grew compared to the same period in 2016.

ITTO, 1-15 June

LAO PDR
270,000 M^3 Remains in Timber Stockpile

According to a senior official, despite an initiative made by the government to offload timber to private firms, the amount of timber stockpile in Lao PDR stood at around 270,000 m^3. The government will offload legal timber from the 270,000 m^3 to furniture processing factories to be shipped overseas while illegal timber will be offloaded via bidding processes and confiscated.

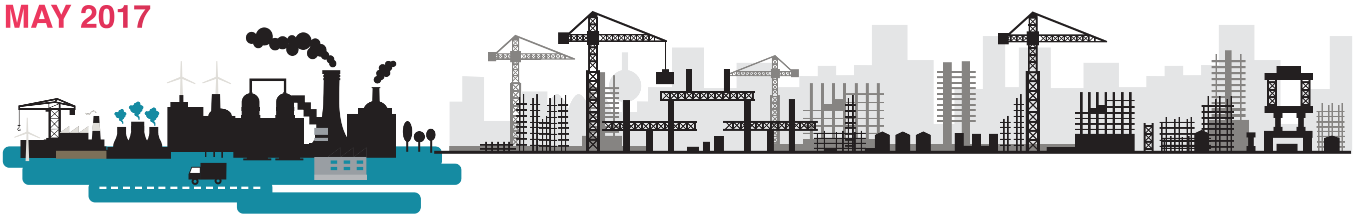
According to Thongphat Vongmany, Deputy Minister of Agriculture, the 270,000 m^3 consist of legal and illegal timber. An order has been issued by Lao PDR's Prime Minister to prohibit the exports of unfinished wood products, including logs and timber.

Vientiane Times, 15 June

LAO PDR
Agreement for Over LAK316 Billion Sealed by World Bank and Finance Ministry

An agreement for over LAK316 billion (EUR33.77 million/USD38.10 million) has been sealed by the World Bank and the Lao PDR Ministry of Finance

Cont. page 9



Malaysia: Government to Abolish Cabotage Policy from 1 June 2017

From 1 June 2017, the Malaysian government will abolish the cabotage policy on cargo vessels from ports in Peninsular Malaysia to Sabah, Sarawak and Labuan. The policy is often claimed as the reason why goods prices are higher in the two states and the Federal Territory and the exemption will help address the rising living cost there. The exemption will also allow foreign vessels to pick up cargo from Sabah and ship them to other ports in the country. In the long-run, freight charges may be reduced as local shippers willl compete with foreign vessels in domestic routes with the exemption. However, ships operating between Sabah, Sarawak and Labuan will not be exempted from the policy.

Source: New Straits Times, 8 May

Malaysia: RM1.10 Billion to be Spent by Suria Capital Holdings (SCH) on Upgrade of Sepangar Bay Port

Suria Capital Holdings (SCH) of Malaysia will carry out a facility upgrade project at its Sapangar Bay Container Port in the state of Sabah with an allocation of MYR1.10 billion (EUR226.96 million/USD254.37 million) provided by the federal government. Work on the project is scheduled to start in 2018 and will include expansion of the container stacking area to 34 hectares from 13 hectares, extension of berth to 820 metres from 500 metres and construction of transshipment facilities. Sapangar Bay Container Port's processing capacity will be increased from 500,000 twenty-foot equivalent units (TEUs) at present to at least 1million TEUs upon completion of upgrade works by 2023 while the figure is to be increased further to 1.25 million TEUs by 2026.

Source: New Straits Times, 23 May

China/Brunei : Muara Port Company to Increase Container Handling by End of 2017

Chinese joint venture company Muara Port Company (MPC) formed by Darussalam Assets and Beibu Gulf of Guangxi, China recorded a 25% increase in container handling to 35,000 TEUs from January 2017 to April 2017. The firm aims to increase container handling by the end of 2017. It has 106 employees at present, 88% of which are locals. The company aims to better the port operation efficiency and improve the level of port services in the short term.

According to MPC's CEO Zhou Yan, the future plan of the firm is to improve the container vessels handling capacity, upgrade shipping line service, reinforce the link between the neighbouring nations and Brunei and explore port industry industrial parks to attract investment to boost the economy of Brunei. The aim is also to expand the Muara Port base on its cargo handling growth. The firm will be participating in the CAEXPO Brunei Exhibition 2017.

Source: Borneo Bulletin, 6 May

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m^3	% Change May 2017/ Apr 2017
	m^3	% Change May 2017/ Apr 2017	m^3	% Change May 2017/ Apr 2017	m^3	% Change May 2017/ Apr 2017	m^3	% Change May 2017/ Apr 2017	m^3	% Change May 2017/ Apr 2017		
Sawntimber	70,855	10	12,568	-19	1,711	84	246	-5	5,586	46	90,966	7
MDF	22,577	13	805	67	6,565	-9	9,056	93	21,041	22	60,044	21
Mouldings	12,785	10	169	-4	2,166	58	790	3	1,869	6	17,779	13
Plywood	8,436	11	161	35	152	253	221	31	11,824	40	20,794	27
Veneer	1,326	-4	12	9	65	-26	22	-54	1,876	-22	3,301	-16
Particleboard	34,937	16	500	-9	412	175	0	0	4,003	209	39,852	24
TOTAL	**150,915**	**11**	**14,215**	**-15**	**11,071**	**13**	**10,335**	**74**	**46,199**	**32**	**232,735**	**15**

Cont. next page

Cont. from previous page

Netherlands : Port of Rotterdam Grows with Larger Container Vessels

The Dutch Port of Rotterdam has been visited by the largest container ship MOL Triumph which can hold over 20,000 standard containers. On 10 June 2017, the Madrid Maersk vessel with a capacity of 20,568 containers will visit the port and a vessel with over 21,000 containers is expected to visit the port before the end of June 2017. The Port of Rotterdam has recorded growth in the first four months mainly due to the container transhipment volumes. The port will invest in the container exchange route that improves the transhipment from vessel to vessel in the port.

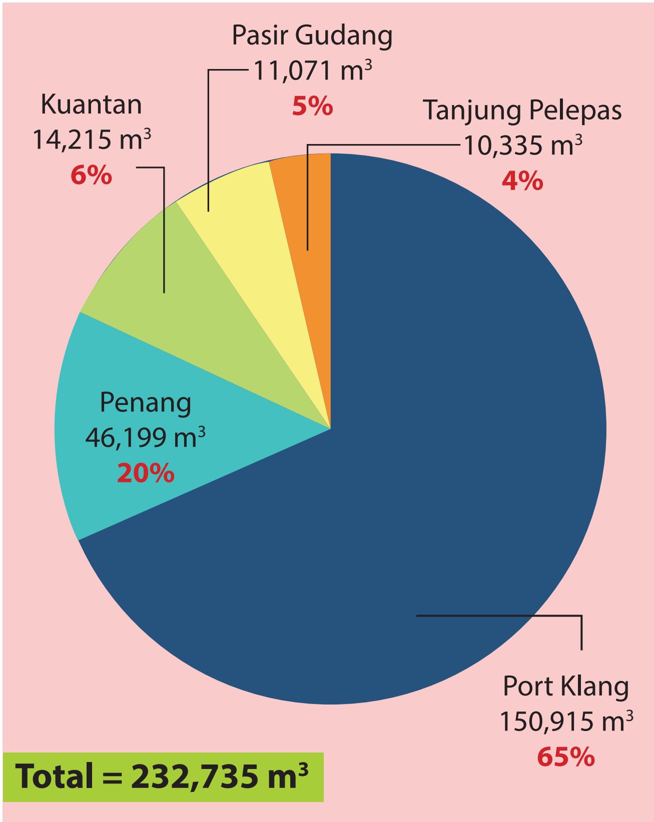
Source: De Volkskrant, 20 May

United States: Trump's Budget Proposal to Provide USD108 Million for Two Port Projects

The budget proposal published by the Trump administration on 23 May 2017 has allocated USD108 million (EUR96.36 million) in funding for two port projects in Boston and Savannah. The money will be used to help deepen harbors so that the ports can serve large cargo ships. A total of 15 deepening projects have been approved by Congress and those not covered by the budget proposal will have to turn to the Army Corps of Engineer instead. Its spending plan for discretionary funds includes over USD 56 million for five deepening projects at the Port of Charleston, Port of Jacksonville, Port Everglades, Port of Boston and the the Sabine-Neches waterway that serves three ports in Texas. Overall, ports in the US are seeking over USD4.6 billion in state and federal funding to deepen and widen their harbors.

Source: Seattle Times, 24 May

Timber Shipment through Ports in Peninsular Malaysia, May 2017



Cont. from previous page

Timber World In Brief

to back key policy reforms to preserve the robust economic growth of the nation. The goals of Laos' First Programmatic Green Growth Development Policy Operation are to boost environmental protection and resilience to climate change as well as to set up the foundations for green growth planning in the nation. It is predicted that the agreement will protect the environment and aid many, particularly the disadvantaged and poor.

The green growth initiative is a portion of the new nation partnership framework of the World Bank for Lao PDR. The procedure of the continued partnership is detailed in the new framework for 2017-2021. Included in said framework is improved resilience to climate change and disaster risks in addition to environmental protection via natural resource management that is more sustainable. The objectives of the programme include bolstering control of illicit logging, launching a system for national parks, halting pesticide and harmful chemical utilisation and more.

Vientiane Times, 8 June

MOROCCO
Anti-Dumping Probe into Chinese Plywood to be Carried Out

Morocco will conduct anti-dumping investigation on plywood products imported from China. This was announced by Morocco's Ministry of Foreign Affairs and International Cooperation on 2 June 2017.

Sina.com.cn, 7 June

Cont. page 20

MAY 2017

Total export of Malaysian timber and timber products in May 2017 increased 10% in value to RM2.0 billion from the previous month. Cumulative export for January to May 2017 increased 7% to RM9.7 billion over the previous corresponding period.

SAWNTIMBER

Export of sawntimber in May 2017 increased 5% in volume and 11% in value to 188,512 m^3 with a value of RM350.4 million as compared to the previous month. Cumulative export for the first five months of 2017 increased 17% in volume and 20% in value to 928,183 m^3 totalling RM1.6 billion over the previous corresponding period.

Export of sawntimber to the EU for the month increased 18% to 12,500 m^3 from 10,637 m^3 in the previous month resulting from improved demand from major market in the region. Export to the Netherlands and UK increased 39% and 34% to 5,431 m^3 and 1,885 m^3 respectively. Similarly, purchases made by France rose 51% to 1,197 m^3 from 791 m^3 in the previous month. However, export to Belgium and Germany decreased 27% to 1,034 m^3 and 38% to 1,386 m^3 respectively.

Total exports to West Asia decreased 8% to 27,983 m^3 from 30,279 m^3 recorded in the previous month. This is due to declining demand from the UAE by 6% to 8,019 m^3, followed by Oman at 31% to 4,791 m^3 and Bahrain at 51% to 1,087 m^3. On the other hand, export to Yemen and Saudi Arabia increased 5% and 86% to 5,889 m^3 and 3,659 m^3 respectively.

Buying from ASEAN decreased 13% to 67,403 m^3 as a result from declining demand from the Philippines by 53% to 18,301 m^3. Meanwhile, export of sawntimber to Thailand, major buyer of sawntimber from Malaysia improved 32% to 40,614 m^3 from 30,829 m^3 in the previous month. Likewise, export to Singapore and Viet Nam increased 7% to 6,853 m^3 and 11% to 1,425 m^3 respectively.

Shipments to East Asia increased by 41% to 47,052 m^3 from 33,265 m^3 in the previous month. Export of sawntimber to China increased by 74% to 32,356 m^3 followed by Taiwan with 2% to 7,351 m^3 and Japan with 3% to 4,264 m^3. However, export to South Korea decreased 16% to 2,528 m^3 from 3,003 m^3 in the previous month.

Elsewhere, exports to the US increased 22% to 1,205 m^3 and intake by Australia rose 37% to 670 m^3. Meanwhile, demand from South Africa decreased 22% to 3,528 m^3 from 4,542 m^3 in the previous month.

The average FOB price of sawntimber increased 6% to RM1,859 per m^3 from RM1,756 per m^3 in the previous month. Price of Dark Red Meranti increased 5% to RM2,498 per m^3 from RM2,385 per m^3 in the previous month. Price of Dark Red Meranti to the Netherlands declined 7% to RM3,249 per m^3 from RM3,510 per m^3 in the previous month. Keruing was traded at RM1,867 per m^3, a decrease of 4% from RM1,941 per m^3 in the previous month.

PLYWOOD

Export of plywood in May increased by 19% in volume and 17% in value to 244,554 m^3 valued at RM435.4 million as compared to the previous month.

Total exports to the EU increased 45% to 11,549 m^3. Exports to the UK and Belgium have increased by 66% and 195% to 9,604 m^3 and 646 m^3, respectively. In contrast, exports to Ireland and the Netherlands decreased by 6% and 51% to 493 m^3 and 476 m^3, respectively whilst Germany resumed its intake. Denmark also reduced their intake by 66% to 126 m^3. On the other note, France intake of plywood increased by 100% with 76 m^3. Italy did not make any purchases for this month.

Exports to ASEAN and East Asia region increased by 17% with 182,753 m^3 compared to previous month. Brunei and Thailand reflected an increase in intake by 3% and 17% to 830 m^3 and 6,494 m^3, respectively. Similarly, the Philippines recorded an increase in their intake of plywood by 39% to 2,388 m^3. Indonesia did not make any purchases for this month. In East Asia, Japan, South Korea, Taiwan, Hong Kong and China also increased their intake by 20%, 5%, 6%, 49% and 111% to 113,551 m^3; 29,876 m^3; 16,659 m^3; 4,008 m^3 and 4,503 m^3 respectively.

Overall exports to West Asia increased by 38% as compared to the previous month. Similarly, shipments to Yemen, the UAE, Saudi Arabia and Qatar have increased by 53%, 16%, 84% and 100% to 22,086 m^3; 3,843 m^3; 2,162 m^3 and 456 m^3 respectively. Meanwhile, Bahrain reduced its intake by 49% to 318 m^3 and Kuwait did not make any purchases for this month.

Export of plywood to the US dropped by 44% to 5,057 m^3. Australia, Canada and New Zealand recorded an increase in their intake of plywood

Cont. next page

Cont. from previous page

by 36%, 105% and 540% to 3,789 m³, 311 m³ and 128 m³, respectively. Similary, Turkey also increased their intake by 312% to 585 m³. On the other hand, Mexico decreased their intake by 3% by 4,014 m³. Elsewhere, exports to South Africa decreased by 62% to 144 m³. Intake of Mauritius remained the same whilst Algeria did not make any purchases for this month.

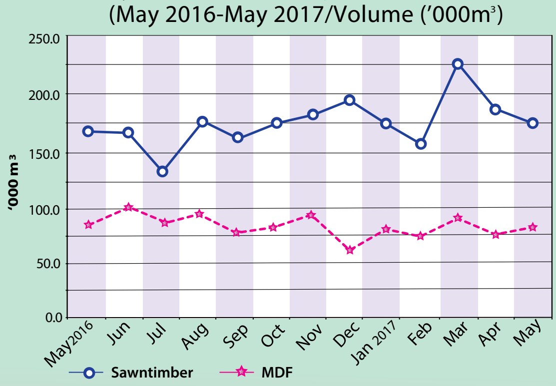
The FOB price of plywood decreased by 1% to RM1,780 per m³ from RM1,797 per m³ in the previous month.

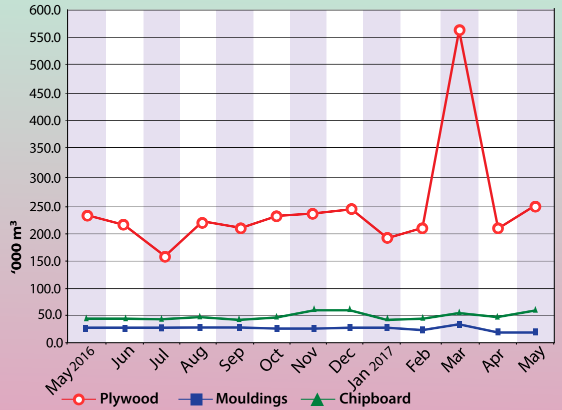
VENEER

Export of veneer for May 2017 decreased by 29% in volume an 23% in value to 15,931 m³ at RM24.8 million as compared to the previous month. Similarly, exports to South Korea, Taiwan and China have decreased by 11%, 47% to 5,342 m³; 4,872 m³ and 2,679 m³ respectively. Inversely, India, Australia and Italy have increased their intake by 37% and 100% to 529 m³; 288 m³ and 117 m³ respectively. Viet Nam and Singapore also increased their intake by 33% and 171% to 53 m³ and 19 m³. On another note, Canada and Chile did not make any purchases for this month.

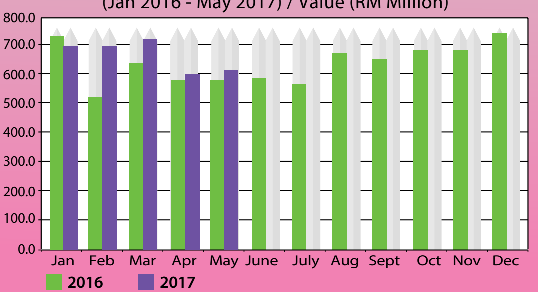
The FOB price of veneer increased to RM1,558 per m³ from RM1,434 per m³, an increase of 9% from the previous month.

Malaysia : Export of Major Timber Products
(May 2016-May 2017/Volume ('000m³)





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



Source : Department of Statistics, Malaysia

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for May 2017 increased 4% in volume and 7% in value compared to previous month. Export totaled 76,039 m³ and valued at RM95.1 million.

Exports to East Asia registered an increased 48% to 15,166 m³ from 10,237 m³ in the previous month. Export to Japan and China including Hong Kong registered positive growth of 59% to 13,259 m³ and 249% to 255 m³ respectively. On the other hand, South Korea and Taiwan recorded negative growth by 9% to 1,135 m³ and 17% to 457 m³ respectively.

Exports to West Asia recorded negative growth of 2% to 31,586 m³ from 32,120 m³ in the previous month. Similarly, export to Bahrain and Lebanon decreased by 15% to 1,073 m³ and 90% to 180 m³ respectively. However, export to the UAE, Kuwait, Saudi Arabia and Qatar increased by 11% to 13,419 m³, 13% to 3,607 m³, 53% to 7,608 m³ and 55% to 2,523 m³. Similarly, export to Oman, Jordan and Iran improved 89% to 1,703 m³, 319% to 826 m³ and 547% to 647 m³ respectively. Syria did not make any purchase for this month.

Exports to South Asia also decreased by 9% to 8,994 m³. Similarly, export to Bangladesh, Pakistan, and Sri Lanka decreased by 7% to 1,622 m³, 25% to 2,284 m³ and 57% to 943 m³ respectively. Contrariwise, export to India increased by 40% to 4,145 m³.

Elsewhere, exports to the UK increased by 187% to 913 m³. On the other hand, export to the US, Australia and South Africa decreased by 5% to 1,708 m³, 23% to 1,644 m³ and 72% 149 m³. Mauritius did not make any purchase.

In ASEAN, total exports to ASEAN region increased by 32% to 12,965 m³ from 9,818 m³ in the previous month. Export to Indonesia, Viet Nam and Singapore increased by 2% to 3,656 m³, 94% to 7,034 m³ and 108% to 302 m³ respectively. However, export to

Cont. page 14

MAY 2017

LOGS

In May, overall domestic prices of logs for most of the species reported to sustain at the last month's level. Most of the mills preferred to process only logs species which placed higher demand for the month.

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. Meanwhile, prices for Merbau and Keruing fell slightly by 3.7% and 2% to RM2,600 per tonne and RM1,500 per tonne over the previous month. Prices of Mengkulang and Tualang continued to be traded at RM1,100 per tonne and RM1,400 per tonne respectively. Similarly, the prices of Dark Red Meranti and Red Meranti stood firm at RM2,100 per tonne and RM1,750 per tonne respectively. On the other hand, logs prices for Mixed Heavy Hardwood grew 0.2% to RM975 per tonne whilst Mixed Light Hardwood remained at RM1,225 per tonne.

SAWNTIMBER

The average sawntimber prices for most of the species in the domestic market continued to firm whilst some of the species experiencing some price improvement.

The sawntimber prices of Chengal and Balau maintained at RM6,921 per m^3 and RM3,178 per m^3 respectively. Meanwhile, prices for Keruing increased slightly by 16.3% to RM1,412 per m^3 over the previous month. Kempas and Kapur sawntimber prices stood at RM2,239 per m^3 and RM1,746 per m^3 respectively. Similarly, prices of Dark Red Meranti and Nyatoh stood at RM2,278 per m^3 and RM777 per m^3 respectively. Sawntimber prices of Mixed Heavy Hardwood increased further by 9.5% to RM907 per m^3 compared to the previous month whilst Mixed Light Hardwood prices dropped by 11.8% to RM 1,059 per m^3 .

PLYWOOD

The supply of plywood was reported sufficient to meet the needs of local demand. Plywood of 4mm, 6mm, 9mm and 12mm of thicknesses were continuously traded at RM14.60, RM22.00, RM38.00 and RM48.00 per piece respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

According to the industry sources, the supply of raw material reported stable in May. Thus, domestic supply of MDF remained stable as prices continued to chart at last month's level. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM12.95, RM17.15, RM23.30 and RM30.40 per piece respectively.

INTRA-MALAYSIA TRADE * - MAY 2017

The shipments of sawntimber from Sabah to Peninsular Malaysia increased by 98% in volume from 142 m^3 to 281 m^3 recorded last month valued at RM582,000. Export of plywood increased by 16% in volume at 8,732 m^3 worth RM15 million. Export of veneer resumed at 16 m^3 in volume worth at RM40.3 million.

INTRA-MALAYSIA TRADE – MAY 2017

From	Products	APR 2017		MAY 2017		% Change in Volume May 2017 / Apr 2017	% Change in Value May 2017 / Apr 2017
		Volume (m^3)	Value (RM '000)	Volume (m^3)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	142	373	281	582	98	56
	Plywood	7,508	12,669	8,732	15,044	16	19
	Veneer	0	0	16	40,344	100	100
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	499	583	668	683	34	17
	Plywood	5,438	7,071	6,314	8,462	16	20
	Veneer	5,002	6,748	7,754	9,867	55	46

Source : Department of Statistics, Malaysia

Cont. from previous page

MAY 2017

Export of sawntimber from Sarawak to Peninsular Malaysia increased by 34% to 668 m^3, valued at RM683,000. Likewise, shipments of plywood grew by 16% in volume to 6,314 m^3 worth at RM8.5 million. Similarly, export of veneer increased by double digits or 55% to 7,754 m^3 in volume worth RM9.9 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded during the month under review.

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

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

SPECIES	LOGS/tonne	SAWNTIMBER/m^3		
	18″ UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	4,500	6,921	5,367	7,768
Balau	3,000	3,178	2,684	2,743
Red Balau	2,200	2,895	2,542	3,213
Merbau	2,700	3,849	3,178	3,955
Mixed Heavy Hardwood	975	907	805	1,001
MEDIUM HARDWOOD				
Keruing	1,500	1,412	1,271	2,203
Kempas	1,720	2,239	2,225	2,331
Kapur	1,700	1,746	1,412	1,746
Mengkulang	1,100	1,483	925	1,624
Tualang	1,400	2,472	2,331	2,493
LIGHT HARDWOOD				
Dark Red Meranti	2,100	2,278	1,695	1,912
Red Meranti	1,750	1,977	1,780	2,083
Yellow Meranti	1,200	1,342	1,236	1,554
White Meranti	1,070	2,119	1,412	2,260
Mersawa	1,480	1,554	1,130	1,589
Nyatoh	1,300	777	565	777
Sepetir	1,100	1,283	918	1,118
Jelutong	1,140	1,497	1,201	1,730
Mixed Light Hardwood	1,225	1,059	918	989

MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	**LOGS/tonne**	**SAWNTIMBER/m^3**			
		1″ X 1″	**2″ X 2″**	**3″ X 3″**	**4″ X 4″**
	200	876	1,315	1,490	1,715
PLYWOOD 4′ X 8′ (RM per piece)	**4mm**	**6mm**	**9mm**		**12mm**
	14.60	22.00	38.00		48.00
MDF 4′ X 8′ (RM per piece)	**4mm**	**6mm**	**9mm**		**12mm**
	12.95	17.15	23.30		30.40

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

*** Prices are only indicative**

Cont. from page 11

the Philippines decreased by 9% to 1,877 m^3.

The FOB price of MDF increased to RM1,251 per m^3 from RM1,221 per m^3, an increase of 3% from the previous month.

MOULDINGS

Exports of mouldings for the month decreased both by 1% and 3% in volume and value to 19,790 m^3 and RM70.4 million respectively. However, cumulative exports for the period of January to May 2017 increased both by 2% in volume and by 1% in value to 101,328 m^3 and RM354.1 million respectively as compared to the previous corresponding period in 2016.

Exports to the EU for the month recorded at 7,567 m^3, a decreased of 5% compared to the previous month. Germany, Belgium and the Netherlands decreased their purchases by 34%, 22% and 5% to 882 m^3, 643 m^3 and 4,099 m^3 respectively.

Exports to ASEAN region increased as Singapore intake of mouldings increased by 5% to 1,289 m^3 whilst exports to Viet Nam and Indonesia decreased by 55% and 1% to 92 m^3 and 126 m^3 compared to the previous month.

Meanwhile, exports to Japan and South Korea decreased by 8% and 7% to 1,689 m^3 and 1,564 m^3 respectively. However, exports to Hong Kong, China and Taiwan increased by 61%, 6% and 2% to 334 m^3, 502 m^3 and 106 m^3 respectively.

Elsewhere, export to Canada, Australia and the US increased by 173%, 20% and 10% to 210 m^3, 3,020 m^3 and 1,825 m^3 respectively compared to the previous month.

FOB unit value increased to RM3,559 per m^3, an increase of 1% compared to the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from May 2017 increased 10% to RM524.4 million as compared to RM479 million in the corresponding period last year. Export to the EU increased 15% to RM150.8 million. Export to Sweden, Italy and the Netherlands increased by 100%, 97%, 68% to RM5.3 million, RM3.6 million and RM3.5 million respectively. Likewise France, Germany and Belgium increased their intake by 51% and 21% to RM11.1 million, RM13.7 million and RM20.1 million respectively. However, export to Turkey and the UK decreased by 27% and 7% to RM1.7 million and RM69.9 million compared to the previous year.

In Asia, exports to the UAE, Viet Nam and Taiwan increased by 84%, 17% and 12% to value at RM4.0 million, RM14.5 million and RM7.4 million. Export to Japan, South Korea and Singapore also increased 8%, 3% and 2% to RM32.2 million, RM1.3 million and RM57.2 million respectively compared to the previous year. However, exports to Thailand, Saudi Arabia, Pakistan and India decreased by 22%, 12%, 7% and 3% to RM13.4 million, RM1.8 million, RM22.6 million and RM25.0 million respectively. Meanwhile, Bahrain resumed its purchases and Qatar did not make any purchases.

Exports to the US and Australia increased by 17% and 14% to RM45.0 million and RM95.0 million compared to the previous year. However, Mauritius and South Africa decreased its purchases by 36% and 3% to RM117 thousand and RM6.8 million.

FURNITURE

Total cumulative export of wooden and rattan furniture from January to May 2017 increased 8% from RM3.0 billion to RM3.3 billion compared to the same period in 2016.

Imports of wooden furniture by the US expanded 14% from RM1.1 billion to RM1.2 billion. Intake by Japan remained positive with a 5% increase from RM246.9 million to RM257.9 million in the first five months of 2017. The UK's imports saw a growth of 9% from RM185.5 million to RM201.5 million. Canada's uptake of wooden furniture strengthened with an increase of 11% to reach RM113.0 million. China boosted its wooden furniture consumption 62% with a purchase of RM64.2 million. India's consumption of furniture increased by 28% to RM75.9 million. South Africa picked up 31% to record RM21.9 million. The UAE and Saudi Arabia decrease their furniture consumption by 23% and 12% to RM67.5 million and RM60.5 million respectively. Australia and Singapore decreased its consumption by 4% to RM181.4 million and 5% to RM245.5 million respectively.

Rattan furniture shipments decreased to RM13.4 million for the January to May of 2017 period compared to RM22.1 in 2016, a drop of 39%. Main buyer Singapore absorbed RM1.7 million, thus decreasing its buying by 48%. Australia also reduced its consumption by 40%, into RM1.3 million. Meanwhile India saw positive improvements with an increase from RM732 thousand into RM3.8 million.

Cont. from page 3

- WG 1 to consider its current arrangement and provide recommendation on the possible establishment of PWG on Building and Construction and PWG on Wood-based products. The recommendation will be submitted to the 48th ACCSQ Meeting for its consideration.

HARMONISATION OF STANDARDS
Harmonisation of Standards for the Wood-based Products Sector

The Chair of the Task Force on Wood-based Products (TFWBP), Puan Hjh. Mahsuri Mat Dris from Malaysia, informed the Meeting on the outcome of 10th Meeting of the TFWBP held on 22 May 2017 in Yangon, Myanmar. With regard to the decision of the 47th ACCSQ Meeting on the TFWBP institutional arrangement, WG 1 noted that TFWBP agreed to remain under WG 1 since its current work was in line with WG 1's work on harmonisation of standards.

WG 1 also noted that should TFWBP agree to expand its current scope of work beyond the harmonisation of standards for the wood-based products sector in the future, TFWBP will submit a proposal to ACCSQ to transform TFWBP to a WBPWG. WG 1 noted and agreed with TFWBP's decision and will inform this decision to the 48th ACCSQ Meeting. TFWBP will develop a list of prioritisation for harmonisation of standards under the wood-based product sector making a reference to the 57 standards identified for harmonisation, focusing on two most traded products within ASEAN - plywood and furniture. TFWBP will develop the Action Plan 2017-2025 whereby Indonesia, Malaysia, Philippines and Singapore will collaborate to develop the Action Plan led by the Chair of the TFWBP. The draft of the TFWBP Action 2017-2025 will be presented at the next TFWBP Meeting.

MUTUAL RECOGNITION ARRANGEMENTS
Development of ASEAN MRA on Building and Construction Materials

The Co-Chairs of the Task Force on Building and Construction (TFBC) shared the outcome of the 17th Meeting of the TFBC. The Meeting noted that based on the direction of ACCSQ, as an interim measure TFBC will report directly to ACCSQ on the progress of its work. As for whether or not TFBC is to be transformed into the Product Working Group, TFBC will inform ACCSQ once AMS completes its internal consultation. TFBC will then reach a consensus on its future institutional arrangement. The Meeting also noted that TFBC was considering to conduct an inter-sessional Meeting prior to the 18th TFBC Meeting, to be held in November 2017, back to back with the 39th WG 1 Meeting. To ensure the attendance of regulatory agencies related to building and construction in the future meetings, the invitation letter of future TFBC Meetings will stipulate the requirements.

Besides the Meeting, two related workshops were also conducted: Workshop on the Revision of the ASEAN Framework Agreement on Mutual Recognition Arrangements, held on 23 May 2017; and Workshop on the Revision of the ASEAN Good Regulatory Practice (GRP) Guide, held on 24 May 2017. In addition, capacity buildings by PTB, EU-ARISE as well as ISO-REA were also held back to back with the meetings. The Philippines updated the Meeting on the hosting of the 39h WG 1 and its related meetings on week of 30 October 2017 to be held in Manila, Philippines.

The WG 1 Meeting was attended by delegates from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam and representatives from the ASEAN Secretariat. The representatives from Physikalische-Technische Bundesanstalt (PTB) Germany, ASEAN Regional Integration Support by EU (ARISE) and International Organisation for Standardisation Regional Engagement – Asia (ISO REA) also attended the Meeting under the specific agenda item.

Six Malaysian delegates which comprised Puan Norhaliza Ariffin and Cik Nur Hidayah Ayub Kamaruddin from Standards Malaysia, Puan Hjh. Mahsuri Mat Dris and Encik Mohd. Norzam Ujud from MTIB as well as Encik Sazali Che Amat and Puan Rohana Abd Manan from CIDB, participated in the meeting. The ASEAN meeting delegates expressed their appreciation to the Department of Research and Innovation, Ministry of Education, Myanmar for the warm hospitality extended and the excellent arrangements made for the Meeting.

Malaysian delegates.

möbili

NEW CALL FOR TALENT

DESIGN

COMPETITION IS BACK !

Unleash your creativity and explore **kontra** possibilities

Grand Prize

Category A: Profesional
RM 10,000.00 cash with Trophy

Category B: Student
RM 4,000.00 cash with Trophy

Submission dateline
6 October 2017

All artwork must be sent to
mobili@tanggam.my
or mobili@mtib.gov.my

Organized by:

MTIB

TANGGAM

Log on to our website for more details
www.tanggam.my

application form

Registration No.
for official use only

mobili
furniture design competition 2017

Name

NRIC

Email

Gender — Male / Female

Mobile No.

Address

Job Position

Institution
for student only

Ever participated in previous MOBILI competition — Yes / No

SUBMISSION REQUIREMENTS

Your project must be submitted digitally through MOBILI official email before **Oct. 6, 2017, 11:59 p.m.** Malaysian time.
Each submission must include the following:
1. Application form
2. A copy of student identification card **if application under student category only*
2. Three (3) pieces of A3 (landscape view) digital presentation board in PDF / JPEG format not to exceed 6 mb containing:
   a. Panel 1 - One (1) best view of your design
   b. Panel 2 - Front, side & top view of your design
   c. Panel 3 - Brief description of your design concept

NOTE: All panel or image must be in its finest resolution (300 dpi)

ELIGIBILITY

This competition is open to Malaysian citizen **only**. All participants must be 35 years old and below following the contest commencing date.
All work must be released for individual usage. All entries must contain copyright-free art or art released for entrants and public use.
No unauthorized used of any copyright images, text, or other material will be accepted.

TIMELINE

Call for entry period	: Aug. 2, 2017 – Oct. 6, 2017
Submission deadline	: Oct. 6, 2017, 11:59 p.m. Malaysian Time
Finalist announcement	: Nov. 2017
Final presentation	: Dec. 2017

JUDGING

All design must be based on **KONTRA** (contemporary + tradisional) theme. Content or design should be appropriate for public use and not offensive. A panel of three judges will evaluate the entries based on:

1. Innovation and creativity	: 40%
2. Thematic impact	: 35%
3. Coherence and functionality	: 20%
4. Human and environmental impact	: 5%

AWARDS*

Category A: Professional

1. First Place	: RM 10,000.00 cash + trophy and certificate
2. Second Place	: RM 7,000.00 cash + trophy and certificate
3. Third Place	: RM 5,000.00 cash + trophy and certificate

Category B: Student

1. First Place	: RM 4,000.00 cash + trophy and certificate
2. Second Place	: RM 3,000.00 cash + trophy and certificate
3. Third Place	: RM 2,000.00 cash + trophy and certificate

**** All prizes and awards are subjected to change without prior notice***
***** Organizer reserves the right to modify the terms and conditions without any prior notice***

Please send your entries to our official MOBILI Furniture Design Award 2017 email:
mobili@tanggam.my or **mobili@mtib.gov.my**
Log on to our website for more details: **www.tanggam.my**

MASKAYU Vol 6 / 2017

IMPLEMENTATION OF TVS-CTCS STANDARDS OPERATING PROCEDURES (SOP)

Tuan Hj Mahpar Atan, MTIB Director of Industry Development delivering his opening speech.

A workshop on MTIB TVS-CTCS Standards Operating Procedures (SOP) was held on 13-14 June in Bangi, Selangor with the purpose of reviewing the existing SOP as well as the work processes involved in carrying out the Timber Verification Services Certified Timber and Credible Suppliers (TVS-CTCS) programme. The workshop aimed to achieve the following objectives;

- To review the existing TVS-CTCS SOPs
- To make improvements to the appropriate TVS-CTCS work processes
- To identify the follow-up actions to be taken after the workshop session

The Certified Timber and Credible Suppliers Programme (CTCS) is a programme established to promote certified wood products supplied by credible suppliers to government link companies/ private projects. The CTCS programme is run by Malaysian Bumiputera Timber Exporters and Furniture Association (PEKA), and funded by the Malaysian Timber Council, whilst MTIB is involved in the development of product specifications and certification services through TVS for selected products such as windows, doors, glulam, furniture and interior decoration works. There are currently 38 companies registered in the programme with a total project value of more than RM300 million and most of the projects are in the State of Johor.

The programme is a successful joint venture of Bumiputera companies through the CTCS-TVS in collaboration with big corporations from Johor such as Kumpulan Prasarana Rakyat Johor (KPRJ) which has concluded more than 2.6 billion future projects.

The TVS-CTCS Verification Scheme was introduced in the domestic construction industry in 2014. The scheme aims to ensure that the products supplied to a project are in accordance with the agreed specifications in the contract covering aspects of product quality criteria. To date the scheme has been adopted and included in the bill of quantities (BQ) of housing projects covering almost 2000 units of houses within Johor Bahru. .Following a number of TVS-CTCS inspections conducted at factories and construction sites, MTIB in collaboration with CTCS team has organised a workshop to review the existing TVS-CTCS Standards Operating Procedures (SOPs) and subsequently make appropriate improvements to the TVS-CTCS verification scheme.

Attendees at the workshop.

Cont. next page

Cont. from previous page

The SOP TVS-CTCS Draft covers the following work processes:

- TVS-CTCS Scheme Registration
- TVS-CTCS Verification Execution

Documents to be submitted to Vendors & Developers are as follows:

- TVS-CTCS Registration Scheme - Vendor
- TVS-CTCS Report Review Scheme - Vendor

TVS-CTCS Certificate Inspection Scheme – Developer The improvement to TVS-CTCS SOP will provide impact as follows:

- More effective and efficient TVS-CTCS verifications conducted by MTIB officers and Quality Control Inspectors
- Enhanced Specifiers'/Builders' confidence in the TVS-CTCS Verification Scheme where the impact generated will make developers continue to adopt the scheme in future construction projects
- New perception towards the quality of wood products by specifiers, developers, builders and users as well as stakeholders.
- Increased use of timber based products in the domestic construction industry as a whole

It is hoped that with the SOP review, it will further clarify the roles and procedures in product inspections applied on the ground in compliance with recognised standards and quality in the local market. The workshop involved 20 participants from CTCS and MTIB. The speaker and consultant, Ir. Dr. Mukhtar Che Ali from Pearl Impulse Enterprise, was formerly a CIDB senior officer who specialises in material engineering.

The workshop provided the opportunity for the industrial community to highlight their respective expertise as well as to pay more attention to sharing of ideas. The ideas could then be used as a reference document for MTIB, covering guidelines and procedures in accordance with the existing product specifications and guidelines while at the same time adhering to certain applicable standards. Consequently, it can also convince users of the benefits of the scheme's services.

The development of the SOP from the collaboration of the industry represented by CTCS will be able to highlight the use of timber product inspection services from sources and products certified through the TVS-CTCS programme. Thus, it is able to compete in the global market with services offered to big corporations including KPRJ as well as widen the service opportunities to other GLC Companies by focusing on the quality of furniture/panel product inspections.

It will involve other public/private agencies that can be further supported and extended to other local companies. It will also help the timber industry to improve their services, promotions, sales and supply, and the quality of wood and timber products.

As a whole, the programme will also assist the TVS-CTCS programme in the application of IBS-based structural timber engineering as outlined in the IBS Roadmap for Timber (2013-2023) as well as the National IBS Roadmap for Timber (2011-2015), and extend the use of certified local timber products to various projects domestically.

Cont. from page 9

MYANMAR
Government Unveils New Forestry Bill

The Myanmar government will introduce a new forestry bill that threatens MMK1.50 million (EUR981.90/USD1,099.13) to MMK3 million worth of fine as 5-15 years of imprisonment for unlawful possession, transport and extraction of timber. It replaces the 1992 Forestry Law. Imprisonment for up to five years will be imposed for offences involving the possession or felling of teak on government land.

Fines of MMK100,000 to MMK500,000 can be imposed for below one tonne of teak and the timber will be confiscated by forestry officers. The bill only allows extraction of wood after obtaining a permit for a specific amount for domestic, fishing or agricultural use, and not on a commercial scale.

Eleven Myanmar, 22 June

NEW ZEALAND
Global Demand Fuelling Forestry Export Growth

Strong demand from key markets is driving up export growth in forestry products, Associate Primary Industries Minister Louise Upston says.

The latest Ministry for Primary Industries' Situation and Outlook for Primary Industries (SOPI) shows strong growth in the forestry sector.

"Forestry exports are expected to grow 6.4% to USD5.5 billion in 2017, before increasing further to USD6.3 billion by 2021 as increased volumes of wood become available for harvest," Ms Upston says.

Strong demand for logs and sawntimber from key markets such as China and the US are keeping prices high while favourable exchange rates are also contributing to strong returns for exporters, the SOPI shows.

Demand is expected to remain strong, as increased construction activity in China and the US, combined with China's bans on harvesting native forest should ensure continued demand for New Zealand logs and sawntimber.

"With a bright outlook for forestry production and exports, the Government continues to invest in improved harvesting techniques. This investment is primarily through the Steep land Harvesting Primary Growth Partnership programme, which also encourages afforestation by allowing previously unsuitable land to be planted with production forestry," Ms Upston says.

Planting is encouraged through other programmes such as the Afforestation Grants Scheme, the Erosion Control Funding Programme and the Sustainable Land Management and Climate Change research programme.

Vox, 15 June

POLAND
Sold Production of Furniture Sector Rises

Experts from Klynveld Peat Marwick Goerdeler (KPMG) estimate that sold production of the furniture industry in Poland was worth almost Polish Zloty (PLN)42 billion (EUR9.98 billion/USD11.17 billion) in 2016, which is 6.9% up on the previous year. They also predict that in the next few years production will slow down slightly, growing by between 4% and 4.6% each year and reaching a value of almost PLN50 billion in 2020.

Poland is currently the fourth largest furniture exporter worldwide after China, Germany and Italy, with Polish exports worth USD10 billion (EUR8.93 billion) in 2016. According to Polish Furniture Manufacturers' Association, apart from European markets, Brazil and the United Arab Emirates are also currently buying Polish furniture, with Iranian and Chinese markets starting to open up.

Puls Biznesu, 21 June

ROMANIA
Residential Constructions Fall

Data from the National Institute of Statistics (INS) in Romania have shown that residential constructions have fallen by 13% to 10,084 households in the first quarter of 2017 compared to the previous year. Up to 58.5% of the total were built in urban spaces, with homes funded with private money falling by 1,757 during the quarter in question, while 251 were funded with public money.

Ziarul Finaciar, 9 June

RUSSIA
Furniture Imports Total Grow in January-April 2017

According to Federal Customs Service (FCS), in January-April 2017 Russia imported furniture worth USD491.60 million (EUR435.76 million), up 20.5% year-on-year. The CIS supplied products worth USD76.20 million (+36.3%). Non-CIS countries increased the supply to USD415.40 million (+18%).

Lesprom, 7 June

Cont. next page

Cont. from previous page

SINGAPORE
Economy Projected to Grow In 2017

According to a report compiled by Oxford Economics, the Singapore economy is projected to grow 2.7% in 2017, albeit uneven across industries. The outlook is bright for sectors dependent on a stronger global economy, such as financial services. Business investment will likely see a modest recovery soon, following an 8.1% year-on-year increase in business loans during January-March 2017. Manufacturers are also expected to experience growth, as PMI recorded the ninth consecutive month of expansion in May 2017.

Conversely, sectors dependent on domestic factors will need more time to recover. The less positive outlook is attributed to a softer property market, concerns about unemployment, and slow increases in household spending.

The Oxford Economics report was commissioned by the Institute of Chartered Accountants in England and Wales.

Straits Times (The), 23 June

SOUTHEAST ASIA
Borneo Could Lose of its Forest Due to Deforestation

An executive summary of an impending publication known as "The Environmental Status of Borneo 2016," has been launched by World Wildlife Fund (WWF) Indonesia and Malaysia on 5 June 2017, which is the World Environment Day. The summary predicts that Borneo could be losing 75% of its forest by 2020 because of the dangerous level of deforestation on the island. In 2005, only 71% of the 74 million hectares of Borneo's forest was remaining, while in 2015, the rate stood at just 55%.

Borneo accommodates a wide array of plants and animals. The resources in Borneo feeds 11 million people from Brunei, Malaysia as well as the Indonesian province of Kalimantan. An extra 6 million hectares of forest will be damaged within 2020, if the deforestation goes on at this rate, according to projections. With that, certain species, which includes the endangered orangutans, are also at risk of witnessing a loss of habitat. Due to logging, palm oil production and other agricultural activities, lowland forest areas are in the highest danger in Borneo. Between 2015 and 2020, Borneo's lowland forests are projected to lose 10 million to 13 million hectares of forest area.

Jakarta Globe (The), 6 June

SLOVAKIA
Survey Shows 33% Plan Home Improvements in 2017

According to a survey conducted by 2muse on 510 respondents for Postova Banka, some 33% of people plan to do some form of home improvements in 2017, with 17% of those a home refurbishment. Out of the total, 29% plan to refurbish their bathrooms and 21% their kitchen. Household refurbishment is the most common reason for a consumer loan, with 33% of the Slovak population currently repaying one. The third most common reason with 18% is to borrow money for a new car or to repair an existing one, with loans of up to EUR5,000 (USD5,640.75).

Webnoviny, 1 June

SOUTH AFRICA
Housing Market Affected Meranti Demand

Meranti demand affected by housing market weakness. However, demand for US hardwoods remains steady and the stronger Rand has created added competiveness. There is steady demand from shopfitters and some of the high end furniture manufacturers.

On the other hand, sales of meranti have been slow mainly because of the poor property market. The stronger Rand has helped keep aluminium substitues competitive so this has reduced demand for timber windows.

The market for Okoume has been undermined by high prices compared to Meranti and by extended delivery times. The supply of Kiaat remains tight and because of the erratic supply manufacturers are buying substitutes such as Acajou/Mahogany.

ITTO, 1–15 June

SWEDEN
Concern Over High Construction Rate of New Homes

Andreas Wallström, Chief Analyst at investment bank Nordea Markets Sweden, states that the unusually high construction rate of new homes could increase the risk of declining housing prices. While 255 out of 290 Swedish municipalities have reported about lack of housing, Wallström states that these estimates are based on projected population growth.

He added that such forecasts are highly uncertain, while also critisising a forecast from the National Board of Housing, Building and Urban Development (Boverket) regarding the need for about 400,000 new homes until 2020.

Cont. next page

Cont. from previous page

Wallström comments that the National Board bases its forecast on obsolete population forecast from Statistics Sweden, in addition to not having included new homes from the renovation of old vacation homes and industrial premises.

Dagens Industri, 1 June

TAIWAN
EPA Mulls Maximum Fine for Environmental Violation

Taiwan's Environmental Protection Administration (EPA) is planning to increase the maximum fine for environmental violation to TWD15 million (EUR441,612.02/USD498,204.23). The move followed EPA's plan to emend the Standards for Determining Specific Items and Scope of Environmental Impact Assessments for Development Activities and the Environmental Impact Assessment Enforcement Rules, as announced on 2 May 2017. Liu Tsung-yung, the Director-General of Department of Comprehensive Planning, revealed that the EPA will release a final draft by 30 June 2017.

Taipei Times, 4 June

THAILAND
Government Has Two Years To Increase Forest Protection Efforts

Dong Phayayen-Khao Yai forest complex, which is a site that was gazetted as a natural heritage site since 2005, will not be marked as 'in danger' by UNESCO. Instead, two years are given to Thailand to effectively halt the encroachment threat that include illegal rare phayung trees logging. The forests covers 230 km and borders with Cambodia.

The government needs to increase its efforts to handle the issue in collaboration with neighbouring firms although the current efforts are lauded by the World Heritage Committee (WHC). This was according to the Natural Resources and Environment Ministry Surasak Karnjanarat.

Bangkok Post, 17 June

UNITED STATES
Sawn Hardwood Imports Increased

The US imports of all sawn hardwood increased 9% in April to 82,091 m3. The growth in tropical sawnwood imports was greater than for temperate species. Tropical sawnwood imports increased for the second consecutive month in April to 22,279 m^3. Year-to-date imports were up 17% from April 2016. The value of imports grew 18% from March to USD24.7 million. Balsa, Keruing and Virola imports were down month-over-month, but imports of most other species increased in April.

Ipe sawnwood imports were 2,912 m^3 in April, up 9% year-to-date from April 2016. The value of Ipe imports was USD6.5 million, making Ipe the highest value of all tropical sawnwood imported and Brazil the largest supplier to the US market based on value. Brazil accounted for almost all Ipe imports (2,707 m3.) valued at over USD6 million.

ITTO, 1–15 June

ZAMBIA
Reduces Export Excise Duty on Wood Products

Stakeholders on Wednesday commended the Zambian government on its decision to reduce export excise duty on wood and wood products by more than 50% following an outcry.

The government announced Tuesday a reduction in the export excise duty after stakeholders expressed concern that it was too high and would make the country's timber uncompetitive in the region. The excise duty used to be introduced this year as a way of promoting value addition.

Timber Producers Association of Zambia President Charles Masange said the association was happy with the government's decision as it will allow players who had shunned the business to resume operations.

"This is a very welcome move by the government. We are happy that the government has listened to our concerns," he told Xinhua in an interview.

He added that the move will also reduce corruption and smuggling because the increase in the excise duty had forced some traders to use under-hand methods to export their products, which was making the government lose a lot of revenue.

The government will be able to earn foreign exchange because corruption and smuggling are likely to be reduced, he added.

William Bwalya, President of the Zambia National Association of Sawmillers, also lauded the government for attending to their concerns.

He said the reduction in the export excise duty would make Zambian timber competitive in the region.

Xinhua, 8 June

MTIB

Shaping the Timber Industry of Malaysia

One Man's Waste, Another Man's Wealth

To many of us, rice husks, coconut trunks, oil palm fronds and empty fruit bunches are nothing but a pile of residue. But did you know that they can be turned into furniture and building materials?

For many years now, the demand for wood far exceeds the supply. The biggest challenge has always been fulfilling demand without sacrificing our beautiful forests. Little did we know, the things we often regard as junk could actually be a solution to this problem. Possessing excellent mechanical and physical properties, wood made from agricultural by-products is not only durable, but also highly customisable in terms of weight, structure and density.

We at MTIB are committed in finding solutions to make both you and Mother Nature happy. With MTIB, your wastes are not wasted.

Malaysian Wood
Standing on Excellence

MTIB is committed towards enhancing the sustainable growth of the Malaysian timber industry through various initiatives and innovations.

For more information, contact:

Malaysian Timber Industry Board (MTIB)
Level 13-17, Menara PGRM, No. 8, Jalan Pudu Ulu, 56100 Cheras, Kuala Lumpur, Malaysia
Tel: +603-9282 2235 **Fax:** +603-9285 1477/1744 **Email:** info@mtib.gov.my
URL: www.mtib.gov.my **facebook.com/**pages/Malaysian-Timber-Industry-Board

COMING EVENTS - NOVEMBER 2017

DATE	EVENT	VENUE	ORGANISER
1-4	**PAPEREX 2017** International Exhibition and Conference on Pulp Paper Allied Industries	Pragati Maidan Exhibition Centre, Delhi, India	International Trade and Exhibition India Pvt. Ltd. Tel : + 91 11662 95700 Fax : + 91 11662 95411 E-mail : info@itei.in
2-4	**ONEBUILD KUALA LUMPUR** International Building Construction and Infrastructure Technology Exhibition in Malaysia	Kuala Lumpur Convention Centre (KLCC) Kuala Lumpur, Malaysia	One International Exhibition Sdn. Bhd Tel : + 603 8943 7488 Fax : + 603 8943 7599 E-mail : info@oneinternational.com.my
7-12	**FURNITURE DESIGN NOW 2017** Furniture of all kinds and for all purpose	Belgeade Faiur, Grounds, Serbia	Belgeade Fair Tel : + 381 (0) 112655 555 Fax : + 381 (0) 112655 402 E-mail : info@sajam.ru
7-12	**MODEF EXPO 2017** International Furniture Decoration Fair	Hikmet Sahin Culture Park International Exhibition Centre, Istanbul, Turkey	Antexpo Tel : + 90 216 541 0390 Fax : + 90 216 541 0389 E-mail : info@antexpo.net
14-17	**WOODEX MOSCOW 2017** International Trade Show for Timber Products and Woodworking Industries	Crocus – Expo IEC, Moscow, Russia	MVL - International Exhibition Company Tel : + 49 (0) 40235 240 Fax : + 49 (0) 40235 244 E-mail : info@gima.de
15-17	**JAPAN HOME AND BUILDING SHOW 2017** International Exhibition Furniture and Building Material	Tokyo International Exhibition Centre, Tokyo, Japan	Japan Management Association Tel : +81 (0) 33434 0093 Fax : +81 (0) 33434 8076 E- mail : convention@ jma.or.jp
20-22	**MEBEL 2017** International Exhibition of Furniture Interior Design, Fitting and Upholstery	Expocentre Krasnaya Presnya Fairgrounds, Moscow, Russia	ZAO Expocentre Tel : +7 (495) 255 37 23 Fax : +7 (495) 205 80 55 E- mail : centr@expocentr.ru
23-26	**ALGERIA DECOREXPOI 2017** Internasional Furniture Decoration and Housewares	Palais des Expositions d'Alger, Algeria	AK Events Tel : +213 (0) 550 018 297 Fax : +213 (0) 21 400 441 E-mail : tr_abrous@sira-dz.com

SAUDI ARABIA: CHALLENGES AND OPPORTUNITIES

Saudi Arabia, officially the Kingdom of Saudi Arabia (KSA), is an Arab sovereign state in Western Asia constituting the bulk of the Arabian Peninsula. With a land area of approximately 2,150,000 square kilometres, Saudi Arabia is geographically the fifth-largest state in Asia and second-largest state in the Arab world after Algeria. Saudi Arabia is bordered by Jordan and Iraq to the north, Kuwait to the northeast, Qatar, Bahrain and the United Arab Emirates to the east, Oman to the southeast and Yemen to the south. It is separated from Israel and Egypt by the Gulf of Aqaba. It is the only nation with both a Red Sea coast and a Persian Gulf coast and most of its terrain consists of arid desert and mountains.

Population

The current population of Saudi Arabia is 32.8 million in 2017. Saudi Arabia population is equivalent to 0.44% of the total world population. 78.9% of the population is urban (25.8 million people in 2017). The median age in Saudi Arabia is 28.6 years.

Economy

Saudi Arabia has an oil-based economy with strong government control over major economic activities. It possesses about 16% of the world's proven petroleum reserves, ranks as the largest exporter of petroleum, and plays a leading role in OPEC. The petroleum sector accounts for roughly 87% of budget revenues, 42% of GDP, and 90% of export earnings.

Saudi Arabia encourages the growth of the private sector in order to diversify its economy and to employ more Saudi nationals. Over 6 million foreign workers play an important role in the Saudi economy, particularly in the oil and service sectors; at the same time, however, Riyadh is struggling to reduce unemployment among its own nationals. Saudi officials are particularly focused on employing its large youth population, which

generally lacks the education and technical skills the private sector needs.

In 2016, the Kingdom incurred a budget deficit estimated at 13.6% of GDP, which was financed by bond sales and drawing down reserves. Although the Kingdom can finance high deficits for several years by drawing down its considerable foreign assets or by borrowing, it has cut capital spending. Plans to cut deficits include introducing a value-added tax and reducing subsidies on electricity, water, and petroleum products.

In January 2016, Crown Prince and Deputy Prime Minister Muhammad bin Salman announced that Saudi Arabia intends to list shares of its state-owned petroleum company, ARAMCO - another move to increase revenue and outside investment. The government has also looked at privatization and diversification of the economy more closely in the wake of a diminished oil market.

Historically, Saudi Arabia has focused diversification efforts on power generation, telecommunication, natural gas exploration, and petrochemical sectors. More recently, the government has approached investors about expanding the role of the private sector in the healthcare, education and tourism industries. While Saudi Arabia has emphasized its goals of diversification for some time, current low oil prices may force the government to make more drastic changes ahead of their long-run timeline.

Forest Resources

The forests of Saudi Arabia are not well-known, yet they exist. They only cover 1.3% of the country's total area, but they play a significant role in the local

Cont. next page

Cont. from previous page

ecosystem. Unfortunately, these natural forests are dwindling and witnessing degradation at an alarming rate because of natural factors such as very low rainfall, high temperatures, low humidity and lack of rivers and scarcity of underground water. All these factors hamper the natural growth of forests making tree planting very expensive. The excessive cutting of trees, overgrazing, deforestation, deterioration of natural pastures and expansion of agricultural lands are considered the main challenges for sustainable development of the forests in Saudi Arabia.

Saudi Arabia's Import of Timber and Timber Products

According to the UN Comtrade latest statistics in 2016, Saudi Arabia's imports of timber and timber products decreased 25% to USD2.48 billion. Furniture was the main product imported valued at USD 1.35 billion followed by sawntimber (USD423.9 million), plywood (USD239.5 million) and fibreboard (USD196.5 million).

China was the major import partner for timber and timber products as well as furniture. Malaysia ranked eighth as import partner for timber and timber products with 4.2% of market share while furniture ranked sixth with 4.0% of market share.

Saudi Arabia: Import of Timber and Timber Products, 2012 - 2016

(Value : USD '000)

Product	2012	2013	2014	2015	2016
Furniture	1,251,292	1,419,729	1,562,490	1,707,729	1,346,812
Sawntimber	650,688	650,251	643,112	586,713	423,917
Plywood	401,432	343,301	362,297	440,364	239,542
Fibreboard	249,906	264,335	258,750	271,477	196,494
Builders Joinery and Carpentry	72,135	79,377	79,372	102,163	72,009
Mouldings	16,842	18,802	15,025	24,040	21,155
Veneer	34,052	14,697	17,008	18,936	18,151
Particleboard/Chipboard	25,504	14,595	21,975	22,751	17,234
Logs	2,056	13,022	8,907	18,884	6,304
Wooden Frames	5,379	6,860	4,262	3,729	4,877
Others	61,999	89,132	87,891	123,624	130,257
TOTAL	**2,771,285**	**2,914,101**	**3,061,089**	**3,320,410**	**2,476,752**

Source: UN Comtrade Stats

Cont. next page

Cont. from previous page

Saudi Arabia's Export of Timber and Timber Products

In 2016, Saudi Arabia's exports of timber and timber products valued at USD93.3 million. Furniture was the main product exported valued at USD52.0 million.

Saudi Arabia: Export of Timber and Timber Products, 2012 -2016

(Value : USD '000)

Product	2012	2013	2014	2015	2016
Furniture	42,081	37,040	41,121	43,715	52,025
Plywood	12,923	14,957	10,606	13,059	17,545
Mouldings	221	387	563	1,339	5,247
BJC	4,745	5,436	6,176	7,637	3,363
Sawntimber	989	734	1,514	1,686	3,116
Particleboard/Chipboard	5,523	2,569	4,296	7,211	2,489
Fibreboard	2,213	5,309	4,942	2,693	1,264
Logs	455	262	0	0	237
Veneer	2,887	1,105	1,412	2,118	50
Others	14,971	14,581	12,516	9,358	7,985
Total	**87,008**	**82,380**	**83,146**	**88,816**	**93,321**

Source: UN Comtrade Stats

Malaysia's Export of Timber and Timber Products to Saudi Arabia

In 2016, Malaysia's exports of timber and timber products to Saudi Arabia decreased 13% to RM384.3 million over the previous year. Saudi Arabia ranked 14th with 1.7% of Malaysia's total market share. Wooden furniture was the main product exported with a total value of RM158.2 million, followed by MDF at RM96.8 million and sawntimber at RM51.1 million.

In terms of volume, export in 2016 amounted to 126,060 m^3 which registered a slight decrease compared to 128,611 m^3 in 2015.

Malaysia: Export of Timber and Timber Products by Value to Saudi Arabia, 2012 -2016

(Value : FOB RM)

Products	2012	2013	2014	2015	2016
Wooden Furniture	122,838,175	123,865,347	145,182,436	207,088,077	158,221,015
MDF	68,270,452	99,963,282	101,177,292	77,220,676	96,837,134
Sawntimber	62,200,565	89,263,857	97,650,034	61,636,223	51,141,700
Plywood	33,212,854	23,363,422	36,999,718	50,577,190	31,350,256
BJC	2,184,130	2,978,987	11,943,460	6,604,895	3,414,421
Rattan Furniture	205,862	376,346	669,667	127,292	48,680
Wooden Frame	167,083	0	0	0	0
Veneer	107,808	0	34,728	0	0
Particleboard	37,484	103,896	0	2,971,227	0
Others	6,689,399	17,649,495	25,378,710	36,796,755	43,240,802
Total	**295,913,812**	**357,564,632**	**419,036,045**	**443,022,335**	**384,254,008**

Source: Department of Statistics Malaysia (DOSM and MTIB

Cont. next page

Cont. from previous page

Malaysia: Export of Timber and Timber Products by Volume to Saudi Arabia, 2012 – 2016

(Volume : m^3)

Products	2012	2013	2014	2015	2016
MDF	62,695	114,742	109,110	66,722	102,836
Sawntimber	35,870	41,796	46,782	28,106	23,224
Plywood	26,854	17,312	26,735	33,783	0
Particleboard	64	130	0	0	0
Veneer	40	0	9	0	0
Total	**125,523**	**175,993**	**184,650**	**128,611**	**126,060**

Source: Department of Statistics Malaysia (DOSM) and MTIB

Import Tariffs

Saudi Arabia's import duty on timber and timber products ranges from 0 – 20%. Details are as follows:

HS Code	Product	Duty (%)
4401	Fuel Wood	0
4402	Wood Charcoal	0
4403	Logs	0 - 5
4404	Hoop Wood	0 - 5
4405	Wood Wool and Wood Flour	0 - 5
4406	Sleepers	0 - 5
4407	Sawntimber	0 - 5
4408	Veneer	0 - 5
4409	Mouldings	0 - 5
4410	Chipboard/Particleboard	0 - 5
4411	Fibreboard	0 - 5
4412	Plywood	0 - 5
4413	Densified Wood	5
4414	Wooden Frame	20
4415	Packing Cases	0-20
4416	Casks, Barrels, Vats and Tubs	20
4417	Tool Bodies and Handle	0-5
4418	Builders Joinery and Carpentry	5 -12
4419	Tableware and Kitchenware	20
4420	Wood Marquetry	5 - 20
4421	Other Articles of Wood	5 - 20
9403	Furniture	0 - 5

Source: WTO

Prospects

The construction industry in Saudi Arabia is massive and will be the biggest in the GCC region surpassing the United Arab Emirates in 2017. Numerous high value projects that are ongoing in Saudi Arabia are drawing much attention for both the scope of design and value. According to a Business News for Construction (BNC) report on "Ongoing Mega Projects commissioned by The Big 5 Saudi 2017", Saudi's top 10 construction projects are worth a collective USD92 billion.

Slated to open with much anticipation is the Kingdom Tower, located in Jeddah. Standing at 1 km high, the tower will comprise of 252 floors and will have a gross floor area of 245,000 square meters. It will include offices, a 200-room Four Seasons Hotel, 121 serviced apartments and 360 residential apartments. It will also have several sky lobbies and the world's highest observation floors located on the top floors, at 660 metres high, enabling visitors to view the city of Jeddah. The project is valued USD1.8 billion and due for completion by March 2020.

Cont. next page

Cont. from previous page

Apart from that, Saudi Arabia will have an estimated 6.2 million housing units in the next 10 years amid a spurt in demand for residential property across the Kingdom. Currently, the government allocated about SR250 billion towards building 500,000 new homes throughout the country. It is estimated that 10% of the project worth, is for timber and timber products. These positive scenarios will definitely augur well for Malaysian timber and timber products especially high value-added timber products such as furniture and builders joinery and carpentry.

As a young country with a median age of 28 and high purchasing power with lots of mega construction projects including residential units, this provides increasing opportunities for the application of timber and timber products as well as furniture. Solid wood and panels doors are very popular in Saudi Arabia as well as premium wood flooring. Other high growth products in Saudi Arabia also include dining table sets of six, eight and up to 14 chairs, accessories and fittings incorporated in wardrobes and bed sets.

As for doing business in Saudi Arabia, Malaysian entrepreneurs must have core strength and focus only on what they can do well, pitch a realistic level and then team up with the right local partners.

References:

- *Saudi Arabia – Wikipedia*
- *Department of Statistics Malaysia (DOSM)*
- *WTO*
- *The World Factbook – Saudi Arabia*
- *International Trade Centre (ITC)*
- *Rainforest News (Observatory on World's Natural Forests) – Deforestation in Saudi Arabia?*

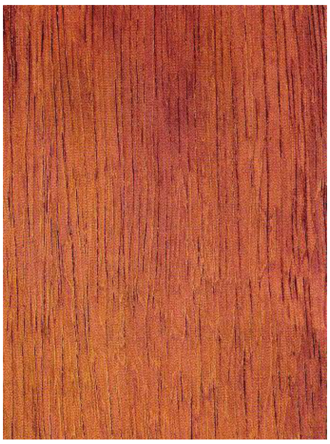
MENGARIS - SUITABLE FOR HEAVY CONSTRUCTION

Mengaris tree

Introduction

The scientific name of Mengaris is *Koompassia excelsa (Leguminosae).* Vernacular names applied include Kayu Raja (Sarawak), Mengaris (Sabah) and Tapang (Sarawak). This is a monospecific timber. The sapwood is buff-coloured or yellow-brown, often with a pink tinge and is sharply differentiated from the heartwood, which is reddish brown to deep brick-red-brown when fresh and darkens with age to a deep chocolate-brown.

It is also known as Mengaris (Brunei); Bengaris, Mengaris, Menggeris, Sialang, Tualang and Wehis (Indonesia); Koompassia (Papua New Guinea); Ginoo and Manggis (Philippines); and Tulae and Yuan (Thailand).



Wood colour and texture

Cross section of Mengaris

General Characteristics

Its sapwood is well-defined. The heartwood is reddish brown to deep brick red-brown when fresh, weathering to a deep chocolate brown. The grain is interlocked, often deeply. The texture is rather coarse but even except in areas where included phloem occurs. Vessels are moderately large and with simple perforations, generally few in number, solitary and in radial multiples of two to three with a tendency to arrange in tangential lines while deposits are common.

Density

The timber is a Medium Hardwood with a density of 800-865 kg/m^3 air dry.

Natural Durability

Mengaris is classified as moderately durable under exposed conditions. The durability rating is based on the standard graveyard tests conducted at the Forest Research Institute Malaysia (FRIM) on specimens of dimension 50 mm x 50 mm x 600 mm. In the first series of such tests, all six specimens were completely destroyed after 3.5 years (Foxworthy & Woolley, 1930). In the second test, 60 specimens were used and the average service life was three years (Jackson, 1965). The sapwood of the timber is susceptible to both powder-post beetle and fungi attacks, while the heartwood is readily destroyed by termites.

Axial Parenchyma

Wood parenchyma is abundant and visible to the naked eye, mainly paratracheal as wavy confluent bands and occasional narrow terminal bands of apotracheal type. Rays are moderately fine and generally not visible to the naked eye.

Preservative Treatment

The timber is amenable to preservative treatment and is classified as easy to treat.

Strength Properties

The timber falls into Strength Group A (Engku, 1988b) or SG 3 (MS 544: Part 2: 2001).

Test Condition	Modulus of Elasticity (MPa)	Modulus of Rupture (MPa)	Compression Parallel to Grain (MPa)	Compression Parallel to Grain (MPa)	Shear Strength (MPa)
Green	16,400	102.0	53.4	7.17	11.3
Air dry	17,800	121.0	62.0	8.00	16.3

MASKAYU Vol 6 / 2017

Cont. from previous page

Machining Properties

It is easy to re-saw and cross-cut when green but is slightly difficult to re-saw when dry. Planing is easy in either condition and the surface produced is smooth to moderately smooth.

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
Green	easy	easy	easy	smooth	easy	rough	-	-
Air dry	slightly difficult	easy	easy	moderately smooth	slight difficult	rough	easy	moderately smooth

Nailing Property

Nailing property is rated as good.

Air Drying

The timber dries moderately slowly to slowly with slight end-checking, surface-checking and insect attacks as the main sources of degrade. Thick boards of 13 mm take 3.5 months to air dry, while 38 mm thick boards take six months.

Shrinkage

Shrinkage is average, with radial shrinkage averaging 1.5% and tangential shrinkage averaging 1.7%.

Defects

The major defect that is associated with the timber is the presence of hard abnormal tissues commonly known as included phloem. It is observed that is even more severely riddled with included phloem than Kempas (*Koompassia malaccensis*). In sawntimber, bands and patches of included phloem similar to those found in Kempas (Ser, 1981). These zones of abnormal tissues are likely to result in seasoning degrade and mechanical weakness in the timber. Some minor defects that have been recorded are shot holes, pin holes, heart rot and hollow pith. Apart from these, the logs of freshly-felled *K. excelsa* are generally free from other defects.

Uses

When treated, the timber is suitable for all heavy construction, like posts, beams, joists, columns (heavy duty), piling, railway sleepers and power transmission poles. Untreated, the timber is suitable for flooring (heavy traffic), panelling, mouldings, heavy duty furniture, fender supports, office and shop fittings, tool handles (impact) and plywood.

References:

- *Engku, Abdul Rahman Chik. 1988b. Basic and Grade Stresses for Some Malaysian Timbers. Malaysian Forest Service Trade Leaflet No. 38. The Malaysian Timber Industry Board and Forest Research Institute Malaysia, Kuala Lumpur. 13 pp.*
- *Foxworthy, F. W. & Woolley, H. W. 1930. Durability of Malayan Timbers. Malayan Forest Record No. 8.*
- *Jackson, W. F. 1965. The Durability of Malayan Timbers. Malayan Forest Service Trade Leaflet No. 28.*
- *Menon, P. K. B. 1986. Uses of Some Malaysian Timbers. Revised by Lim, S. C. Timber Trade Leaflet No. 31. The Malaysian Timber Industry Board and Forest Research Insitute Malaysia, Kuala Lumpur. 48 pp.*

A dialogue between MTIB and the industry on 15 June 2017 in Butterworth, Penang.

YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General and MTIB officials from HQ and Penang during Iftar on 15 June 2017 in Butterworth, Penang.

A courtesy visit to Penang Port led by YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General on 16 June 2017.

YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (right) presenting a hamper to an underprivileged child during Iftar organised by MTIB on 16 June 2017 at MTIB, Kuala Lumpur.

MTIB's Retreat Tebrau II held from 19 to 20 June 2017 in Ampang, Selangor.