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JOHOR WOOD AND LIFESTYLE 2016 :
INSPIRING LIFESTYLE THROUGH
INNOVATIVE DESIGNS

MB JOHOR LAUNCHING TVS-CTCS
SCHEME

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Cover : YAB Dato' Mohamed Khaled Nordin, Menteri Besar of Johor launching the Roadmap for the Development of Johor's Wooden Furniture Industry on 11 August 2016. Please read pages 3 and 7 for more details.

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MS ISO 9001 : 2008 REG. NO. AR3307

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JOHOR WOOD AND LIFESTYLE FAIR 2016 : INSPIRING LIFESTYLE THROUGH INNOVATIVE DESIGNS



YAB Dato' Mohamed Khaled Nordin, Menteri Besar of Johor delivering his opening speech.

The Johor Wood & Lifestyle Fair 2016 was organised by MTIB to introduce Malaysian timber products as not just being an everyday item, but as a source of inspiration, with the tagline 'Wood Inspires Lifestyle'. The event was held from 10 to 13 August at Galeri Glulam Johor Bahru (GGJB), a uniquely designed building, utilising the engineered glued laminated timber (glulam) as a load bearing structure. It was a follow-up of the first Wood and Lifestyle Fair which was held in May 2016 at PWTC, Kuala Lumpur.

At the four-day event, the exhibition highlighted some of Johor's timber-based manufacturers and their finest products which included bedroom and living furniture, doors, craft products as well as driftwood furniture. Forty exhibitors and furniture entrepreneurs from Johor participated in the Fair, showcasing their wood-based products for indoor and outdoor applications, most of which being exported to more than 160 countries worldwide.

The pinnacle of the event was the launching of the Roadmap for the Development of Johor's Wooden Furniture Industry by YAB Dato' Mohamed Khaled Nordin, Menteri Besar of Johor on 11 August. The Roadmap launch was timely as it fit Johor's role as a principle wooden furniture exporter, having exported RM4.51 billion out of the national export value of RM7.29 billion or 62% of the total wooden furniture exported in 2015. The Roadmap outlines five strategic thrusts which directly addresses some of the state's main issues concerning the

timber industry namely labour and raw material shortage. It also outlines the development of local furniture entrepreneurs in Johor in order for them to be more competitive and thus contribute to the nation's export target. The Roadmap will be used as Johor's Furniture Industrial Planning 2015-2020 Master Plan. It is targeted to be a guideline for the development of the wood furniture industry in Johor to have it remain competitive in the market and continue as the largest

wooden furniture manufacturer in Malaysia.

Dato' Khaled in his speech mentioned that the Roadmap is a complete strategic plan which would guide the development of the furniture industry in Johor. The Roadmap is in line with the recently launched Johor's Strategic Growth Plan which aims to create a balance in economic growth in every area in Johor. Muar with its extensive furniture industry, is one of the areas that has been identified as the focus point in the plan. He added that Johor had announced to investors and economic players that the state has a long-term plan to stimulate growth and mould Johor into a new economic power in Malaysia.

Aside from the launching of the Johor Furniture Roadmap, various other events were held at the Fair, including the launching of the "Certified Timber and Credible Suppliers Programme "(TVS-



The signing ceremony of MoU between MTIB with KPRJ, MFA, UTHM witnessed by YAB Dato' Mohamed Khaled Nordin and other VIPs.



CHINA

Increase Future Wood Imports

China's huge wood demand, in relation with its economic and social evolution, faced with the insufficient forestry development, will inevitably increase wood imports in the following years. China will push forward its Natural Forest Protection Programme and phase out all commercial logging of natural forests by 2017. A logging ban is already active in some of the country key areas, especially in three north-eastern provinces. It seems that the ban will be extended to all state-owned forests next year, and logging on privately owned land will be ceased by the end of 2017. These bans will reduce logging output by 50 million m³ per year.

China has at the moment 198 million hectares of natural forests, of which 127 million hectares have been put under the administration of reservations since the launch of the Natural Forest Protection Programme in 1998. Chinese natural forest policies will determine an even wider gap between wood demand and the ability to satisfy this demand with own domestic resources. Therefore, in the following years, China's reliance on foreign imports of timber will further be enhanced. As more and more countries around the world ban log exports, it is expected that of the logs and lumber duo, Chinese lumber imports to win in the upcoming years. At current growth rates, Chinese log imports will reach around 82 million m³ by 2020, while lumber imports around 52 million m³.

If we take into account the full stop of commercial logging in natural forest, then Chinese wood imports (logs and lumber) might reach 180 to 200 million m³ by 2020. It is expected that in key markets where China makes purchases of valuable hardwoods, like in Southeast Asia and Africa, export bans will be imposed in the following years. However, Chinese domestic investment and consumption of valuable hardwoods is still strong.

According to Chinese customs import data in 2013, total imports of mahogany in 2013 reached 3,196,000 m³ in volume and 38.06 billion Yuan in value. In 2014, Chinese imports of Mahogany increased to 4,693,000 million m³ and 61.78 billion Yuan; thus up 46.8% in volume and 62.3% in value over the previous year. There are no current signs of a decline in the Chinese demand for valuable hardwoods.

globalwood.org, 15 August

EUROPE

Rise in House Construction

In the 19 member countries of Euroconstruct the number of completed dwellings in new residential buildings is to increase up to 2018 by 17.8% to 1.682 metres units. In multifamily houses Euroconstruct forecasts an increase of 22.7% by comparison with 2015 to 950,000 completed dwellings. For detached and semidetached houses, an increase of 11.5% to approximately 730,000 completions is expected.

According to current forecasts, which were announced at the June 2016 conference held in Dublin, up to 2018 the construction research network expects a 17.8% increase in completions in the 15 west as well as the four east European member countries to 1.451 metres and to 230,900 respectively. Thus increases in Germany (+26.9%), France (+15.1%), Great Britain (+12.7%), Spain (+77%) and Poland (+15%) are expected. Decreases in completions compared to 2015 are only expected in the case of Belgium (-9.8%) and Italy (-8.1%). In the 19 member countries, based on 2015 prices, the construction volume is expected to increase by 8.4% to approximately EUR700 billion (USD646 billion) by 2018.

EUWID, 24 August

FINLAND

Timber Felling Up By Almost 7%

Timber felling in Finland in the first half of 2016 increased year on year by 6.6% to 28.9 million m³ across all forms of forest ownership. According to calculations made by the Natural Resources Institute Finland (Luke) that increase was mainly attributable to more felling of industrial timber. The volume of industrial timber harvested up until the end of June, at 17.4 million m³, was 8% higher year-on-year.

Felling of industrial Spruce timber increased year on year at an above average rate of 9% to 4.8 million m³, while there was growth in the volume of harvested industrial Pine timber of 7% to 7.7 million m³ and of industrial hardwood timber of 8% to 4.8 million m³. The rate of increase in the felling of roundwood, at only 5% to 11.6 million m³, was less than that for industrial timber, and was primarily accounted for by Spruce. At 6.3 million m³, 10% more Spruce was extracted in the first half of 2016, while harvesting of Pine roundwood was even down slightly, by 1% to 4.7 million m³. In spite of

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a small increase of 2% to 0.51 million m³, felling of hardwood logs played only a subordinate role.

EUWID, 25 August

INDIA Forests Valued at USD1.7 Trillion

India's forests value is approximated at USD1.7 trillion, lower than its USD 2.1 trillion GDP, but higher than the GDP of countries such as Korea, Russia, Canada or Mexico. The Indian government has set an expert panel back in 2013 as to evaluate the forests at the net present value (NPV). The evaluation of the forest land has been asked in the case it had to be diverted for industrial or construction purposes, according to Quartz India.

As reported by Quartz India, the Indian government has approved the diversion of 1.29 million hectares of forestland for non-forest purposes since 1980. India has a total forest area of seven lakh square kilometers, which grew by 0.54% over the past two years.

The report used 14 forests type groups and four forest canopy cover classes, which formed 56 classification units for the estimation of the economic value of forests.

Fordaq.com, 30 August

INDONESIA FLEGT Export Timber License to be Issued in November

The Ministry of Environment and Forestry has stated that the Forest Law Enforcement, Governance and Trade-Voluntary Partnership Agreement with 28 Uni European countries will be issued in 15 November 2016. According to Director-General of Sustainable Forest Management at the Ministry, it will effective on 15 November 2016 and Indonesia timbers will be allowed to enter 28 Uni European countries without passing fit and proper tests. FLEGT-VPA is a license that aims to reduce illegal logging by strengthening sustainable forest management, improving governance and promoting legal timber trade.

FLEGT certificate will increase the competitiveness of Indonesia timber products in the international market. The issuance of FLEGT-VAP is confirmed by a statement from the European Forest Institute (EFI) as a representative of the European Union (EU). Indonesia has completed all requirements for the submission of FLEGT-VAP.

In the two months' period, the EU Parliament and Council submitted no objection to Indonesia proposal statement and rebuttal submission period ended on 10 August. Indonesia has the right to issue FLEGT license effective 15 November 2016. The EU regulation provides 90 days, after the parliament passed Indonesia licensing request, for the member states to make preparations to receive certified timber from the country. The Ministry records that about 2,000 primary and advanced timber exporters in Indonesia have Timber Legality Verification System. They process raw materials from around 24 million hectares of Indonesia forests.

antaranews.com, 13 August

JAPAN Furniture Imports

While Japan's office furniture imports have remained remarkably stable over the past 12 months more volatility has been observed in the value of both kitchen and bedroom furniture demand for which is affected by consumer spending and willingness to purchase durable goods, items on which spending can easily be deferred.

In April this year kitchen furniture imports fell well below the average monthly flow. For bedroom furniture a declining trend in imports first became noticeable in March and continued into April after which import values steadied.

globalwood.org, 3 August

RUSSIA Sawlogs Prices Have Fallen Faster Than Lumber Prices

Softwood lumber production in Russia was practically unchanged from 2014 to 2015, according to official statistics. Domestic consumption fell by almost 10%, while export volumes were up from 21.7 million m³ in 2014 to 23.1 million m³ in 2015. The export shipments have continued to go up this year with volumes during the first six months reaching 12% higher than during the same period in 2015. By far, the biggest increases in exports have been to China, Japan and South Korea.

Higher production levels at the sawmills in Siberia and the Russian Far East have slowly increased sawlog prices (in Roubles) in this region over the past two years. In the second quarter 2016, average log prices were over 20% higher in Rouble terms than in the second quarter 2014, according to the

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Wood Resource Quarterly (WRQ). However, since the value of the Rouble against the US dollar has plunged since early 2014, log costs in dollar terms has fallen by almost 50% making Russian sawmills very competitive in the global market place.

Very low production costs in Eastern Russia have resulted in major inroads for Russian sawmills in the Chinese market at the expense of particularly Canadian sawmills. Russian sawmills' market share in China has reached 58% in 2016, up from 42% in 2014. It is important to note that lumber import prices to China have fallen quite substantially the past 12 months, as reported in the most recent issue of the WRQ.

A higher market share does not necessarily mean higher profitability. But the good news for the sawmills in Siberia and the Far East is that log prices have declined more (37% by the 2nd quarter 2016), than lumber prices (down 10%) the past two years so the profitability for many sawmills has gone up substantially. The wood costs for larger sawmills in Eastern Russia as a percentage of the lumber export prices, have fallen from a range of 65% to 80% in 2012-2013 to below 50% in 2016 making this region's sawmills some of the lowest cost producing mills in the world.

floordaily.net, 15 August

UNITED KINGDOM Strong Timber Prices Lift Interest in Farm Woodlands

Standing prices of hardwood for firewood range from £30/t to £40/t – double what they were 10 years ago, according to agents John Clegg & Co. Meanwhile, conifer prices for sawing have also increased to between £20/t and £35/t.

This, combined with favourable tax treatments, is leading some farmers and woodland owners to consider bringing their trees back in to management. Estimates are that there are over 1 million hectares of unmanaged trees in the UK, predominantly in south-east England situated on large estates.

fwi.co.uk, 5 August

UNITED STATES Higher Plywood Imports from China

US hardwood plywood imports grew 27% in May following four months of declines. Year-to-date import volumes were up 3% from May 2015 but

the value of imports fell 5%. A total of 268,735 m³ was imported in May, worth USD159 million. A recovery in US plywood imports from China was mainly responsible for the growth in May. Imports from China jumped 55% from the previous month to 157,103 m³. Canadian shipments to the US also increased while imports from Indonesia declined to 21,779 m³ (-7%).

China increases share of hardwood mouldings import in May US hardwood mouldings import grew 7% year-on-year to USD15.9 million and year-to-date imports are slightly higher (1%) than in 2015. The largest jump was in imports from China, which increased 37% to USD4.8 million. However, year-to-date imports from China remain below 2015 levels. Hardwood mouldings import from Brazil were almost unchanged in May. Imports from Malaysia fell 40% month-on-month, but were well above levels in 2015.

globalwood.org, 4 August

VIET NAM Domestic Sector Loses Forestry Market to Foreigners

According to Director-General of the Handicraft and Wood Industry Association of Ho Chi Minh City, the domestic sector has lost the local and export forestry markets to the foreign sector. As a result, foreign sector companies from Malaysia, China, Taiwan and Thailand have swooped in and taken control of production in Viet Nam and now have at least a 60% market share of all local and export sales.

There are three main forest industry segments in the local Viet Nam market. The forestry and logging segment harvests timber, including felling and hauling it to the mills, while the pulp and paper manufacturing segment produces everything from newsprint and writing paper products to facial tissues. Lastly, the solid wood product manufacturing segment produces items such as outdoor and indoor furniture, handicrafts, decorations and accessories.

Other nations, generally have had the upper hand when it came to investing in research and development and adopting the latest technologies, something domestic sector companies had never been committed or able to do. Local companies should not only have invested more in these areas but should have had more public investment in colleges and universities as well to fund market research, which left them largely out of touch with understanding customer needs and preferences.

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Another contributing factor is that the forest industry's profitability track record has been poor. The domestic sector failed to invest in developing employees' expertise and skills to increase worker productivity. In the seven months leading up to August of 2016, total revenues for the forest industry jumped 0.8% on-year to USD3.8 billion, according to official statistics, said Hanh, with in excess of 60% of the revenues going to the foreign sector.

Nguyen Ton Quyen, Vice President of the Viet Nam Timber and Forest Product Association, has said he believes that the foreign sector controls at least 80% market share of the local and export forestry market. Domestic sector companies are not in any position

to compete and they woefully have lacked in investment in research and development, marketing, and establishing a distribution network. In fact, 93% of Vietnamese companies in the domestic sector are smallholders and lack adequate funds or access to funds to invest in modern equipment.

To address the situation, the Ministry of Agriculture and Rural Development is working on a legislation that will support these smallholders by providing financing for such things as developing domestic distribution networks and marketing to boost competitiveness.

english.vietnamnet.vn, 31 August 

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Timber News

CTCS) as well as the official launching of the Balau Timber Showcase as a permanent exhibition hall at GGJB. The signing of three Memorandums of Understanding (MoU) was also held between MTIB and Muar Furniture Association (MFA), Universiti Tun Hussien Onn Malaysia (UTHM) and Kumpulan Prasarana Rakyat Johor (KPRJ) as part of the obligation of all parties in carrying out programmes and activities as stipulated in the Roadmap.

Earlier, in a welcoming speech delivered by YB Datuk Datu Nasrun Mansur, Deputy Minister of Plantation Industries and Commodities, he spoke on several activities being implemented by MTIB supported by other organisations, to enhance the development of the timber industry in Malaysia. One such programme is the "Certified timber and Credible Suppliers Programme" (CTCS, a programme to promote quality wood products. He also highlighted MTIB's Timber Verification Services (TVS).

Datuk Datu Nasrun also spoke about the Balau Timber Showcase located at GGJB, which was established to promote timber structures and non-structural products for professionals, specifiers, students as well as the public. Also highlighted in the showroom are Tanggam products, designed by young Tanggam designers.

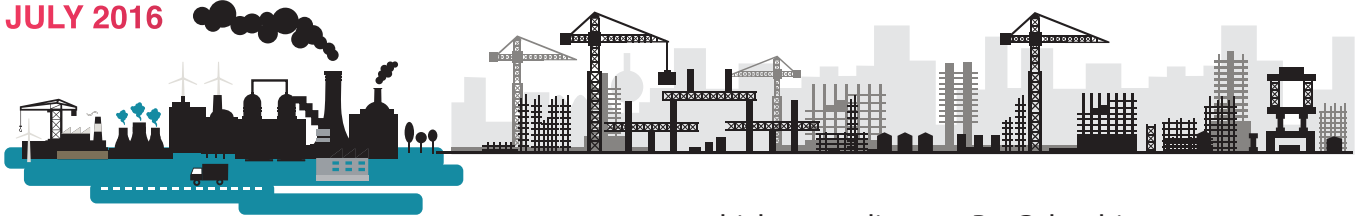
Several programmes were also held for specific target groups: the timber industry - specifiers such as architects, engineers, developers and contractors; Public Work Department (PWD) and CIDB; PAM and local authorities; and general



Group photo with YAB Dato' Mohamed Khaled Nordin after the launching of Balau Timber Showcase.

visitors such as university students, end-users and the public at large. The programmes conducted included technical seminars, an industry briefing, and a demonstration of gaharu carving and DIY products. In addition, a competition and quiz on timber and timber products also attracted the attention of visitors at the Fair. 

JULY 2016



Colombia: National Ports Handle 94% of All Imports and Exports

Colombia's national investment promotion agency ProColombia revealed that 11 domestic ports handle 94% of all goods which are imported and exported from the country. There are also more than 3,700 routes that arrive into 670 international ports, with the Colombian terminals capable of receiving 61,000 boats every year. On average, these ports have been handling 144 million tonnes of cargo annually since 2011, although their combined capacity is estimated at 302 million tonnes. The port of Buenaventura handles the majority of exports, or 33% of the national volume followed by Santa Marta with 26.3%, Barranquilla with 24% and Cartagena with 16.7% of all exports. Buenaventura is also the leader in receiving cargo, with 49% of all imports arriving into Colombia through this port.

On the other hand, Cartagena terminal maintains the highest number of routes (1,652) that lead to 472 international destinations, whereas 1,146 routes from Buenaventura are able to reach 404 ports around the world. Barranquilla's number of routes stands at 607 to 320 destinations followed by Santa Marta with 244 connections to 190 harbours, while the private Turbo port handles six routes to five ports. Overall, the majority of cargo from the 11 Colombian ports are shipped to Europe,

which according to ProColombia amounts to an average of 32 million tonnes per year. Exports to North and South Americas regularly reach 26 million and 15 million tonnes, respectively while African countries receive 502,204 tonnes of cargo.

Source: La Republica, 15 July

Portugal: Port of Sines Increased Activity in the First Half (H1) 2016

The port of Sines authority, APS (Administração dos Portos de Sines e do Algarve) has recorded that in the first half of 2016, port dockworkers handled more than 24 million tonnes of cargo which meant an increase by 10.5% compared to the same period of 2015. The port handled 11.8 million tonnes of liquid bulk cargo (fuel) and recorded 9.5 million tonnes of general cargo which accounted for 88.6% of all cargo handled in Sines in H1 2016. The container cargo handled at the Port of Sines rose by 2.4% to 692,866 twenty footer equivalent units (TEUs).

Source: Diario Economico, 18 July

Spain: Bilbao Port Sees Freight Traffic Fall 1.26% in the First Half of 2016

Freight tariff through the Port of Bilbao in Spain was down 1.26% year-on-year in the first six months of 2016, reaching 15.26 million tonnes. This was the result of the fall in natural gas freight

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, July 2016

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change July 2016/ June 2016
	m ³	% Change July 2016/ June 2016	m ³	% Change July 2016/ June 2016	m ³	% Change July 2016/ June 2016	m ³	% Change July 2016/ June 2016	m ³	% Change July 2016/ June 2016		
Sawntimber	43,080	-26	4,419	71	1,350	-6	261	-63	6,334	-33	55,444	-24
MDF	33,944	-17	225	100	10,366	5	2,611	-64	18,071	-19	64,992	-19
Mouldings	9,607	-24	161	-38	1,295	-32	279	-56	1,600	-8	12,942	-25
Plywood	6,937	-19	0	100	0	-100	211	67	8,127	-8	15,275	-13
Veneer	143	-5	0	-100	0	-100	46	-59	507	-31	696	-32
Particleboard	32,018	-10	307	-10	396	2	41	-71	2,103	-34	34,865	-12
TOTAL	125,729	-20	5,112	60	13,407	-2	3,449	-61	36,742	-20	184,439	-19

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and the stoppage of the ArcelorMittal steelworks in Sestao (Vizcaya). Despite this, the port is hoping that by the end of the year, its traffic will have grown by 2%. Turnover at the port was up 0.12% to EUR32.10 million (USD35.41 million). The initial prediction for the year as a whole was for 1.3% growth in turnover, but this has now been lowered to 2%. In the 2013 to 2016 period, the port saw freight traffic rise 14%, in contrast with the 26% drop in the 2008 to 2013 period. The port believes it will be able to return to pre-crisis levels within two to three years.

Source: *Expansión*, Spain, 22 July

Brunei: Import and Export-laden Container Charges to be Reduced by 36%

From 1 August 2016, the Ports Department of Brunei will reduce import and export-laden container charges by 36%. In line with an effort to bolster local sectors by reducing logistics costs, the port charges reduction will be implemented at the Muara Container Terminal. The reductions comprise stevedoring charges accounted to shipping agents, wharfage charges accounted to forwarders, as well as Lift-On Lift-Off (LOLO) charges. Besides that, the Free Storage period has been extended by the department for all import and export containers. Domestic SMEs will gain from the move, with regards to handling costs at the Muara Container Terminal, while also motivating other stakeholders in the logistics industry to accommodate by decreasing their respective charges like shipping, forwarding and transport charges. Storage costs for consignees and consignors is projected to be saved from the extension to five days, from the current two days, giving sufficient time for permit approval processing.

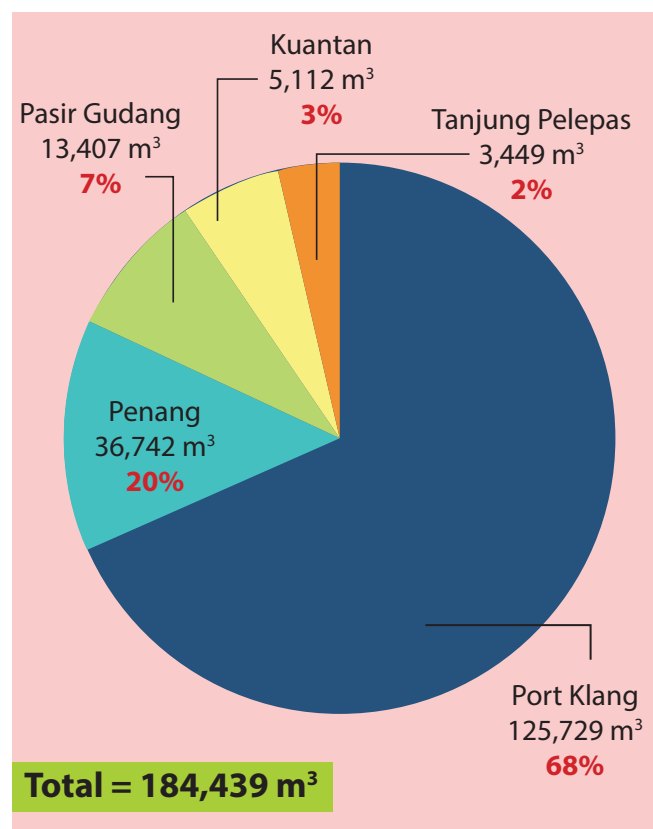
Source: *Brunei Times (The)*, 25 July

Global: UAE's DP World Handles 31.4 million TEUs in the First Half of 2016

The UAE-based and globally-operating container terminal company, DP World, has handled 31.4 million TEUs over the half-year period beginning 2016 in its worldwide operations. The volume is 2.5% and 1.2% higher on a report. At terminals where DP World has control, the consolidated volume rose 1.6% and fell 1.4% correspondingly. Meanwhile, its home market has registered a 6% year-on-year decline volume-wise. From across the globe, the robust handling activities reported at DP World's Indian subcontinent and European terminals have offset the contrasting situations in Latin America and Australia.

Source: *Arabian Business*, 26 July

Timber Shipment through Ports in Peninsular Malaysia, July 2016







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

www.mtib.gov.my

JULY 2016

Total export of Malaysian timber and timber products in July 2016 decreased 11% valued at RM1.60 billion over the previous month. Furthermore, cumulative export for the period of January to July increase 2% valued at RM12.5 billion over the corresponding period.

SAWNTIMBER

Export of sawntimber in July 2016 decreased 20% in volume and 12% in value to 128,449 m³ with a value of RM240.2 million as compared to the previous month. Cumulative export for the first seven months of 2016 decreased 8% in volume however increased 9% in value to 1,083,346 m³ totalling RM1.9 billion over the previous corresponding period.

Export of sawntimber to the EU for the month increased 9% to 8,573 m³ from 7,839 m³ in the previous month as a result of improving demand from major markets in the region. Export to the Netherlands and UK increased 36% to 3,011 m³ and 3% to 1,313 m³ respectively. Similarly, purchases made by France and Germany improved 25% and 39% to 921 m³ and 1,547 m³ respectively. In the meanwhile, export to Belgium declined 22% to 1,191 m³ from 1,522 m³ recorded in the previous month.

Total exports to West Asia increased marginally to 20,131 m³ from 20,060 m³ recorded in the previous month. Improving demand from Yemen caused a significant increase in the export of sawntimber to the country from 1,151 m³ to 6,158 m³. Likewise, export to Oman increased 1% to 4,198 m³ followed by Bahrain with 21% to 1,113 m³. On the other hand, export to the UAE decreased 52% to 4,050 m³ followed by Saudi Arabia by 24% to 1,739 m³ and Qatar by 3% to 1,107 m³.

Buying from ASEAN decreased 30% to 44,314 m³ from 63,379 m³ registered in the previous month. Export of sawntimber to Thailand, a major buyer of sawntimber from Malaysia declined 48% to 18,521 m³ from 35,438 m³ in the previous month. Likewise, export to Singapore decreased 28% to 6,933 m³. However, export to Indonesia increased 1% to 17,383 m³ followed by Viet Nam with 48% to 1,477 m³.

Shipments to East Asia decreased 29% to 28,889 m³ from 40,608 m³ in the previous month. Similarly, export to China declined 24% to 15,676 m³ followed by Taiwan at 25% to 6,357 m³ and Japan at 54% to 3,660 m³. On the other hand, export

to Hong Kong increased to 338 m³ from 308 m³ in the previous month.

Elsewhere, exports to the US decreased 2% to 1,373 m³ whilst intake by Australia increased 9% to 1,104 m³. Demand from South Africa decreased 23% to 4,532 m³ from 5,912 m³ in the previous month.

The average FOB price of sawntimber increased 10% to RM1,870 per m³ from RM1,700 per m³ in the previous month. Price of Dark Red Meranti (DRM) decreased 5% to RM1,652 per m³ from RM1,736 per m³ in the previous month. However, price of DRM to the Netherlands declined 3% to RM3,342 per m³ from RM3,438 per m³ in the previous month. Keruing was traded at RM1,866 per m³, an increase of 11% from RM1,683 per m³ in the previous month.

PLYWOOD

Total export of plywood in July decreased 26% in volume and 25% in value to 158,968 m³ valued at RM274 million as compared to the previous month. Total exports to the EU decreased by 16% to 8,813 m³. Similarly, exports to Belgium, Denmark, Ireland, Netherlands and UK decreased by 69%, 6%, 12%, 1% and 20% to 176 m³, 643 m³, 201 m³, 1,316 m³ and 6,029 m³ respectively whilst Italy did not make any purchases. However, France and Germany resumed their intake.

Exports to ASEAN region decreased as Brunei, Indonesia, Singapore, Thailand and Philippines intake of plywood reduced by 4%, 2%, 38%, 67% and 41% to 957 m³, 62 m³, 2,007 m³, 1,912 m³ and 1,606 m³ respectively. In East Asia, Hong Kong, Japan, South Korea and Taiwan reduced their intake by 41%, 27%, 10% and 24% to 2,945 m³, 68,794 m³, 22,953 m³ and 11,050 m³ respectively. However, China increased its intake by 2% to 1,903 m³.

Overall, exports to West Asia increased by 45% as compared to the previous month. Similarly, shipments to Bahrain, the UAE, Kuwait and Yemen increased by 106%, 94%, 162% and 45% to 460 m³, 4,795 m³, 338 m³ and 7,564 m³ respectively. However, Saudi Arabia and Qatar reduced their intake by 37% and 83% to 2,070 m³ and 90 m³ respectively.

Elsewhere, exports of plywood to South Africa, the US, Mexico, Canada, Australia and the UK decreased by 2%, 72%, 36%, 67%, 32%, and 20% to 482 m³, 3,489 m³, 4,012 m³, 42 m³, 3,252 m³ and 6,029 m³ respectively whilst Mauritius, Norway and Turkey did not make any purchases. However, Algeria and New Zealand resumed their intake.

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JULY 2016

The FOB price of plywood increased by 1% to RM1,721 per m³ from RM1,705 per m³ in the previous month.

VENEER

Exports of veneer for July 2016 showed an increase of 30% in volume and 25% in value to 20,651 m³ at RM31.99 million as compared to the previous month. Exports to Taiwan and South Korea increased by 82% and 9% to 10,917 m³ and 7,736 m³ respectively whilst Canada resumed its purchases. Inversely, China, Australia, India, Italy Singapore and Viet Nam reduced their intake by 46%, 2%, 31%, 65%, 75% and 40% to 346 m³, 243 m³, 279 m³, 50 m³, 1 m³ and 70 m³ respectively, whilst, Chile and the Philippines did not make any purchases.

The FOB price of veneer increased to RM1,549 per m³ from RM1,622 per m³, a decrease of 5% from the

previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for July 2016 showed a decrease of 22% in volume and in value from the previous month. Export totalled 79,528 m³ at RM 84.11 million.

Exports to East Asia registered a decrease of 35% to 8,006 m³ from 12,283 m³ in the previous month. Only exports to South Korea increased by 162% to 770 m³. The rest of market in East Asia decreased, started with Japan decreased by 37% to 6,546 m³, followed by Taiwan decreased by 52% to 672 m³ and lastly China including Hong Kong decreased by 93% to 18 m³.

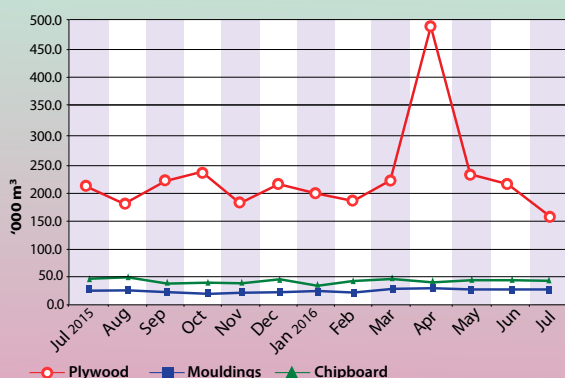
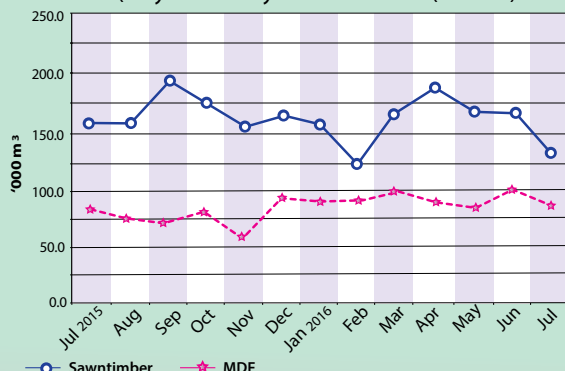
Meanwhile exports to West Asia in July 2016 also recorded a negative growth with a decrease of 17% in volume to 44,242 m³ from 53,245 m³ in the previous month. Export to Lebanon and Syria recorded an increase of 100% to 2,197 m³ and 602 m³ respectively followed by Kuwait at 38% to 4,747 m³. Import from Saudi Arabia also increased by 29% to 11,627 m³, followed by Jordan increased 6% to 907 m³. On the other hand, Bahrain, Qatar, Iran, the UAE and Oman dropped by 3% to 1,455 m³, 7% to 1,855 m³, 22% to 4,039 m³, 29% to 15,658 m³ and 44% to 1,072 m³ respectively from the previous month.

Furthermore, export to South Asia also recorded negative growth by 23% in volume to 10,005 m³ from 12,907 m³. Only export to Bangladesh increased by 28% to 548 m³. Meanwhile, Pakistan, India and Sri Lanka recorded negative growth decreased by 1% to 5,769 m³, 42% to 2,724 m³ and 50% to 964 m³.

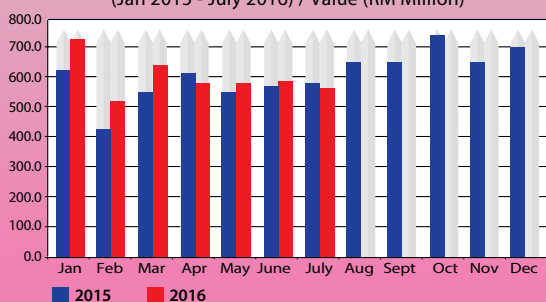
Export to Australia showed an increase by 6% to 2,243 m³ and demand from South Africa also increased by 6% to 265 m³. However, exports to the US, Mauritius and the UK showed a marginal decreased by 28% to 1,511 m³, 56% to 171 m³ and 90% to 101 m³ respectively.

In ASEAN, total export to ASEAN region for this month also showed decreased by 28% to 10,836 m³ from 14,991 m³ in the previous month. Only export to Indonesia increased by 14% to 2,372 m³. Export to Viet Nam, the Philippines and Singapore down by 35% to 6,611 m³, 35% to 1,616 m³ and 38% to 119 m³ respectively.

Malaysia : Export of Major Timber Products
(July 2015-July 2016/Volume ('000m³)



Malaysia : Export of Wooden Furniture
(Jan 2015 - July 2016) / Value (RM Million)



Source : Department of Statistics, Malaysia

JULY 2016



LOGS

Most mills reported that they have adequate supply of logs for the month and they are now starting to monitor their stock level in preparation for the coming monsoon month.

Log prices for the species of Chengal, Balau and Merbau stood at RM4,000 per tonne, RM3,000 per tonne and RM2,700 per tonne respectively. Similarly, the prices of Kapur, Mengkulang and Tualang logs remained at RM1,700 per tonne, RM1,100 per tonne and RM1,400 per tonne respectively. Meanwhile, prices for Keruing and Kempas increased by 9.3% and 1.2% to RM1,530 per tonne and RM1,670 per tonne over the previous month. However, price for Mersawa logs dropped significantly by 24.3% to RM1,400 per tonne. On the other hand, logs prices for Mixed Heavy Hardwood fell by 5.2% to RM958 per tonne whilst Mixed Light Hardwood continued to be traded at RM1,200 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. However, industries reported that they are still facing a challenging market as the demand especially from the overseas market continued to slow.

Prices of Chengal and Balau sawntimber remained firm at RM6,638 per m³ and RM3,178

per m³ respectively. Meanwhile, prices for Kempas increased slightly by 0.3% to RM2,196 per m³ over the previous month. Conversely, the prices for Keruing and Mersawa dropped by 26% and 4.5% to RM1,306 per m³ and RM1,483 per m³ compared to last month. Meanwhile, sawntimber prices of Dark Red Meranti and Nyatoh stood at RM2,013 per m³ and RM777 per m³ respectively. Sawntimber prices of Mixed Heavy Hardwood grew by 14.7% to RM992 per m³, whilst Mixed Light Hardwood prices maintained at RM1,130 per m³.

PLYWOOD

The demand and supply were quite low from both domestic and overseas market. However, industry representatives reported that the prices of plywood remained stable as per the last month's level. Plywood of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM14.60, RM22.00, RM34.50 and RM41.50 per piece respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

Domestic supply of MDF remained stable, thus, the average prices were reported to still hovering at last month's level. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM12.10, RM15.80, RM21.70 and RM28.10 per piece respectively.

INTRA-MALAYSIA TRADE *- JULY 2016

The shipments of sawntimber from Sabah to Peninsular Malaysia were decreased by half or 52%

INTRA-MALAYSIA TRADE – JULY 2016

From	Products	JUNE 2016		JULY 2016		% Change in Volume July 2016 / June 2016	% Change in Value July 2016 / June 2016
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	174	395	84	184	-52	-53
	Plywood	7,987	14,538	5,649	9,772	-29	-33
	Veneer	0	0	39	84	100	100
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	478	745	1,404	1,364	194	83
	Plywood	8,049	10,121	8,351	10,932	4	8
	Veneer	9,360	12,803	1,262	1,652	-87	-87

Source: Department of Statistics, Malaysia

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JULY 2016

to 84 m³, valued at RM184,000. Similarly, shipments of plywood decreased significantly by 29% in volume from 7,987 m³ to 5,649 m³, worth at RM9.8 million. However, export of veneer for the month under review resumed to 39 m³ worth at RM84,000.

Export of sawntimber from Sarawak to Peninsular Malaysia increased by triple digits to 1,404 m³ from 478 m³ recorded last month with the value of RM1.4

million. Likewise, shipment of plywood increased marginally by 4% in volume to 8,351 m³, worth at RM 10.9 million as compared to the previous month. On the contrary, export of veneer fell sharply by 87% to 1,262 m³ valued at RM1.7 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in July 2016.

* Source : Department of Statistics, Malaysia

***AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA
JULY 2016 (VALUE IN RM)**

SPECIES	LOGS/tonne	SAWNTIMBER/m ³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	4,000	6,638	7,062	8,828	
Balau	3,000	3,178	3,249	3,531	
Red Balau	2,500	2,987	3,037	3,213	
Merbau	2,700	3,849	3,884	3,955	
Mixed Heavy Hardwood	958	992	1,024	1,095	
MEDIUM HARDWOOD					
Keruing	1,530	1,306	1,412	2,203	
Kempas	1,670	2,196	2,295	2,331	
Kapur	1,700	2,248	2,260	2,331	
Mengkulang	1,100	1,483	1,554	1,624	
Tualang	1,400	2,472	2,542	2,585	
LIGHT HARDWOOD					
Dark Red Meranti	1,900	2,013	2,119	2,707	
Red Meranti	1,700	1,907	1,977	1,977	
Yellow Meranti	1,200	1,342	1,448	1,554	
White Meranti	1,070	2,119	2,189	2,260	
Mersawa	1,400	1,483	1,518	1,554	
Nyatoh	900	777	812	847	
Sepetir	1,100	1,283	1,335	1,469	
Jelutong	1,100	1,518	1,554	1,730	
Mixed Light Hardwood	1,200	1,130	1,222	1,236	
MALAYSIAN RUBBERWOOD					
RUBBERWOOD <i>Hevea brasiliensis</i>	LOGS/tonne 150	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		-	1,000	950	1,100
PLYWOOD 4' X 8' (RM per piece)	4mm 14.60	6mm 22.00	9mm 34.50	12mm 41.50	
MDF 4' X 8' (RM per piece)	4mm 12.10	6mm 15.80	9mm 21.70	12mm 28.10	

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

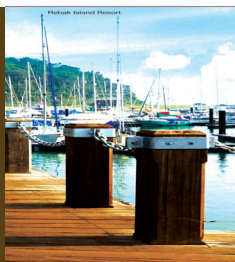
* Prices are only indicative

Malaysian Wood
Standing on Excellence



**Multiple Uses,
Variable Styles**

Incomparable Malaysian Wood. Choice for those with exclusive preference. Pushing the Frontier of imagination and creativity. Our Heritage. Our Pride.



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

Level 13-17, Menara PGRM No.8, Jalan Pudu Ulu, Cheras P.O. BOX 10887, 50728 KUALA LUMPUR
Tel : 603 - 9282 2235 , Fax : 603 - 9285 1477 / 9200 3769, E-mail : info@mtib.gov.my, Website : www.mtib.gov.my

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MOULDINGS

Exports of mouldings for the month decreased by 13% and 14% in volume and value to 18,434 m³ and RM61.8 million respectively. However, cumulative exports for the period of July 2016 decreased by 13% in volume and increased by 2% in value to 139,142 m³ and RM485.7 million respectively as compared to the previous corresponding period in 2015.

Exports to the EU for the month recorded at 18,434 m³, a decrease of 13% compared to the previous month. Germany and Belgium increased their purchased by 45% and 16% to 1,311 m³ and 649 m³. Meanwhile, the UK and Netherlands decreased their purchases by 28% and 21% to 417 m³ and 2,861 m³ respectively. However, Italy did not make any purchases.

Exports to ASEAN region decreased as Viet Nam intake of mouldings decreased by 63% to 22 m³ whilst exports to Singapore increased 10% to 1,338 m³ from 1,217 m³ compared to the previous month. However, Indonesia resumed its intake.

Meanwhile, exports to Hong Kong, China and South Korea Japan increased by 128%, 27% and 13% to 632 m³, 509 m³ and 1,271 m³ respectively. However, exports to Taiwan and Japan decreased by 60% and 25% to 21 m³ and 1,873 m³ respectively.

Elsewhere, export to Australia increased by 16% to 3,560 m³ compared to the previous month whilst export to Canada and the US decreased by 68% and 47% to 43 m³ and 1,425 m³ respectively.

FOB unit value decreased to RM3,351 per m³ and a decrease of 1% compared to the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from July 2016 increased 14% to RM670.4 million as compared to RM586.2 million in the corresponding period last year. Export to the EU increased 7% to RM174.3 million. Export to Germany, Turkey, Italy, Denmark and the UK increased by 246%, 231%, 76%, 47% and 7% to RM15.6 million, RM3.6 million, RM2.9 million, RM13.2 million and RM99.3 million respectively. However, export to Sweden, Belgium and France decreased by 68%, 22% and 14% to RM3.4 million, RM21.8 million and RM10.0 million compared to the previous year. Meanwhile, Netherlands resumed its intakes.

In Asia, exports to Saudi Arabia, Qatar and Taiwan decreased 51%, 37% and 14% valued at RM2.4 million, RM1.3 million and RM9.3 million respectively compared to the previous year. However, exports to the Pakistan, South Korea, the UAE, India, Thailand, Singapore and Japan grew 34%, 24%, 15%, 9%, 9%, 7%, and 6% to RM29.3 million, RM1.6 million, RM3.1 million, RM39.7 million, RM21.0 million, RM76.3 million and RM43.0 million respectively. Meanwhile, Bahrain did not make any purchases.

Exports to Australia increased by 44% to RM120.1 million compared to the previous year. However, Mauritius and South Africa decreased its purchases by 60% and 1% to RM194.4 thousand and RM10.1 million respectively. Likewise, the US increased its intake by 16% to RM61.1 million from RM52.6 million in the previous corresponding period.

FURNITURE

Wooden and rattan furniture exports between January to July 2016 improved by 7% to RM4.20 billion compared to RM3.93 billion recorded in the previous corresponding period of last year.

Exports of wooden furniture from Malaysia increased by 7% from RM 4.17 billion to RM 3.19 billion compared to the same period in 2015. Economic recovery in the US, although seemed to be slow, has helped furniture exports to the US by 10% to RM1.48 billion from RM1.34 billion recorded in the previous corresponding period.

Shipments to Australia grew by 20% to RM346.6 million while exports to the UK increased by 26% to RM253.4 million. Similarly, demand from Singapore increased by 26% to RM273.5 million. Demand from Japan, India, South Korea and the Philippines also increased by 20% to RM277.9 million, 17% to RM82.10 million, 1% to RM70.63 million and 35% to RM81.92 million respectively.

However, demand from Canada and the UAE fell by 14% to RM145.88 million and 11% to RM116.25 million respectively.

While, rattan furniture exports showed increased by 50% to RM26.7 million, compared to RM17.8 million recorded in the previous corresponding period. Demand from the UK, Singapore and Australia increased by 17% to RM2.64 million, 51% to RM4.45 million and 177% to RM2.78 million respectively. On the other hand, the US and Thailand reduced its consumption by 43% and 62% to RM675.7 thousand and RM311.1 thousand.

MB JOHOR LAUNCHING TVS-CTCS SCHEME



The TVS-CTCS scheme officially launched by YAB Dato' Mohamed Khaled Bin Nordin, Menteri Besar of Johor (centre).

The Timber Verification Services (TVS) is a service offered by MTIB to ensure that the timber being used is of the right quality and correct specification for its intended usage and application. Now 16 years since its inception, TVS has helped many architects, engineers, construction developers, contractors, building owners and end-users in ensuring that the right timber is used in their projects.

Certified Timber & Credible Suppliers (CTCS), on the other hand, is a programme designed to promote the use of certified timber in the local building industry at the same time creating credible suppliers for timber and timber products. It is undertaken by The Association of Malaysia Bumiputera Timber and Furniture Entrepreneurs (PEKA) to promote good quality timber supply for the domestic construction industry.

To enhance its effectiveness, MTIB has launched a new TVS-CTCS scheme, which involves the verification of timber products, especially building components such as doors, windows, flooring, cabinets and prefabricated wooden furniture. As such, wood-based products used in a construction project will go through the process of assessment and monitoring by MTIB to ensure that the products meet the specifications and quality required by the developers who adopt the TVS-CTCS scheme.

The TVS-CTCS scheme was officially launched by YAB Dato' Mohamed Khaled Bin Nordin, Menteri Besar of Johor on 11 August at Galeri Glulam Johor

Bahru in conjunction with the launch of the Roadmap for the Development of Johor's Wooden Furniture Industry and Johor Wood & Lifestyle Fair 2016. It is believed that this scheme would have a major impact on the use of timber by the Malaysian construction industry. This is because the scheme will verify product quality and consequently, convince housing developers to use timber and wooden components in their projects.

MTIB has signed a Memorandum of Understanding (MoU) with one of the biggest developers in Johor, which is Kumpulan Prasarana Rakyat Johor (KPRJ) to symbolise the cooperation between the two parties in the development of vendors for wood products and furniture in the construction industry, especially in Johor. The vendor development programme will as such, create credible suppliers that are capable of delivering products for big-scale development projects. So far, response from the developers and the main contractors have been very encouraging. The developers and GLCs that are the pioneering group in adopting the TVS-CTCS scheme have also been awarded with certificates of appreciation by the Menteri Besar of Johor at the same event. They are I & P Group Sdn. Bhd., Johor Land Berhad, KPRJ Sdn. Bhd., Mutiara Rini Sdn. Bhd. and FNA Builders Sdn. Bhd.



The developers and GLCs adopting the TVS-CTCS scheme been awarded with certificates of appreciation by the Menteri Besar of Johor

JOHOR WOOD AND LIFESTYLE FAIR 2016: SHOWCASING SME WOOD PRODUCTS



MTIB officer briefed on the perfume from gaharu to the VIPs during their visit to MTIB booth.

The Johor Wood and Lifestyle Fair 2016 was organised by MTIB to showcase wood products ranging from home and office furniture to flooring and mouldings as well as interior design services and contract manufacturing of timber products by SMEs. The event was held on 10-13 August at Galeri Glulam Johor Bahru in conjunction with the launch of the Roadmap for the Development of Johor's Wooden Furniture Industry by YAB Dato' Mohamed Khaled Nordin, Menteri Besar of Johor.

The four-day event featured 36 companies from Johor, Melaka, Negeri Sembilan, Kuala Lumpur, Selangor, Penang, Pahang and Terengganu, exhibiting their products. In line with one of MTIB's objectives, that is to facilitate and strengthen the development of SMEs, the event was an initiative, dedicated to small and medium-sized enterprises, with the following three-pronged objectives: promoting products and services by SMEs in the timber industry to domestic consumers; increasing the market share of the products and services of SMEs in the timber industry; and raising consumer awareness on the benefits of wood and its aesthetic and inherent properties and values compared to other materials.

The Johor Wood and Lifestyle Fair 2016, which has also taken place in other regions, was a good

platform for SMEs to showcase their products to local visitors and potential buyers. MTIB also took the opportunity to exhibit its promotional material which included wood samples and furniture of OPT and composite as well as furniture designed by Tanggam, MTIB's furniture design programme. Visitors were also informed of MTIB's services. A number of enquiries were made on products displayed as well as other Malaysian timber products. The event attracted about 2,000 visitors.



YBhg. Dato' Dr. Jalaluddin Harun, MTIB Director-General being briefed on the products displayed by one of the exhibitors.

SEMINAR ON KARAS PLANTATION AND AGARWOOD PRODUCTION



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

Karas is a gaharu-producing tree from the *Aquilaria* species. There are 22 species of *Aquilaria* worldwide, out of which five are found in Malaysia namely; *Aquilaria malacensis*, *Beccariana*, *Hirta*, *Rostrata* and *Microcarpa*. Locally known as gaharu, Agarwood is now being considered as an important non-timber forest product. It has been used since hundreds of years ago for medicine and as a base to produce perfumes. Today, Agarwood is being traded in more than 18 countries with trade worth millions of US dollars annually. Indeed, due to the growth in the population and affluence in gaharu-consuming markets, the demand for gaharu has risen significantly over the past 30 years.

However, the increase in demand has led to the over-exploitation of natural gaharu from forests. In addition, uncontrolled gaharu trade may cause some gaharu-producing species to become extinct. The Convention on International Trade of Endangered Species of Wild Flora and Fauna (CITES) has therefore listed the gaharu-producing species, *Aquilaria* under Appendix II of CITES due to the threat posed by trade to the survivability of the species. In Malaysia, trade in Agarwood is subjected to quota and currently only 150,000 kg is allowed for export annually. The value of Agarwood products exported in 2015 was RM13.19 million in which RM10.27 million was from woodchips and woodblocks while RM2.92 million was from Agarwood oil.

In an effort to further develop the Karas and gaharu industry in Malaysia, MTIB recently organised a Seminar on Karas Plantation and Agarwood Production. The seminar was held at Galeri Glulam

Johor Bahru in conjunction with the Johor Wood and Lifestyle Fair from 10 to 11 August. The two-day seminar aimed to provide information on the following topics: Karas Plantation Establishment, Policy on the Karas Plantation and Agarwood Trade, Agarwood Essential Oil Production, Gaharu Grading, Inoculation Method and Marketing of Agarwood Products. It was also a platform for government agencies and

the private sector to exchange information and experiences about the Karas and gaharu industry in Malaysia.

The seminar was officiated by YBhg. Dato' Dr. Jalaluddin Harun, Director-General of MTIB, who emphasised in his opening speech on the importance of developing the Karas and Agarwood industry further to be an important income generator for the century. He also highlighted the importance of Karas plantations as a sustainable source of gaharu in the future. In fact, since 2005, this industry has seen significant growth with the increasing number of Karas plantations in Malaysia.

A total of 60 participants comprising individuals and representatives from both the government and private sectors attended the seminar in which 10 papers were presented. The practical sessions involved the demonstration of inoculation techniques by Sansen Agarwood Sdn. Bhd. and a field visit to Asia Plantation Capital Sdn. Bhd. Agarwood Oil Refinery Factory. 



Encik Mohd Zamakhsyary Mustapa of MTIB presenting his paper at the seminar.

INTRODUCING LEAN MANAGEMENT TO MTIB PERSONNEL

In the pursuit of spreading Lean Management principles among the Malaysian timber industry, MTIB organised a Training of Trainers on Lean Methodology and Life Audit on Timber-based Companies for its personnel from 22 to 26 August in Kuala Lumpur. The training was attended by 20 MTIB officers from various departments.

The purpose of this training was to facilitate a deeper understanding of efficient lean management which included the value stream mapping process that would help the participants to identify wastages that would hinder productivity and efficiency among timber-based companies. This programme would also assist participants in understanding lean auditing processes by observing several timber-based companies. The programme would then enable the participants to judge and evaluate for themselves those companies' current status in implementing lean management.

Lending his support was YBhg. Dato' Dr. Jalaluddin Harun, Director-General of MTIB who also officiated the programme. In his opening speech he stated that MTIB had been implementing the lean management programme for the Peninsular Malaysia timber industry since 2014. "We have achieved significant impact as shown by all participating 27 companies, having reduced 38 workers and recorded operation cost savings of RM20.3 million in a year". He further added that the programme would benefit the participants as it was a form of capacity building.

The trainer, Encik Muhar Murad from Muhar & Associates Sdn. Bhd. was tasked with guiding all participants into understanding lean management throughout the five-day programme. The participants learnt the history of lean management as well as its philosophy and principles. They also learnt about types of waste in addition to being exposed the Toyota Production System (TPS) which was what lean management was based upon. The participants also participated in a few games, group activities and presentations which helped them grasp the workings of lean management.

On the third and fourth day, the participants visited three factories which participated in the Lean Management Programme organised by MTIB. The first one was Meranti Furniture Sdn. Bhd. According to the upper management of Meranti Furniture, an estimated cost savings of over

RM100, 000 was recorded in 2014. It was further revealed that the programme focused on improving their manufacturing system, people skills and processes.

The participants also visited Wild Industries Furniture Sdn. Bhd. which was located in Muar Johor. They learnt that the company aimed at reducing order lead time by 30%, reducing main power and achieving cost saving. The next factory visited was Fair Production Sdn Bhd, also located in Muar, Johor. The factory was known internationally as a knock-down furniture manufacturer and exporter, serving different levels or market worldwide. The participants studied the current status of the company's lean implementation.

On its final day, the programme returned to MTIB KL office and all participants had a chance to reflect upon what they had learned and observed throughout the five-day programme. All in all, the participants showed a better understanding of the basics of lean management.



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



Participants actively involved with the training programme.

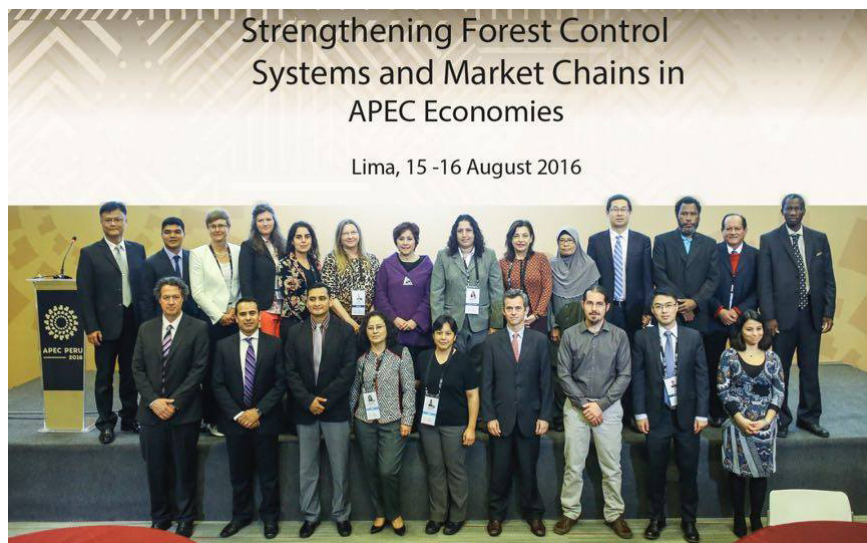


Participants posing with Encik Muhar Murad (seated, centre).



Puan Candice Lim, Marketing Director of Fair Production Sdn. Bhd. (right) explaining about her factory.

MALAYSIA PARTICIPATES AT 10TH EGILAT MEETING



Attendees at the meeting.

The 10th APEC Expert Group on Illegal Logging and Associated Trade (EGILAT) Meeting was held in Lima, Peru from 17 to 18 August. Thirteen member economies attended the Meeting. The Malaysian delegation was represented by Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General; Puan Eda Edan from Sarawak Timber Industry Development Industry Corporation, Encik Abdul Wahab Ahmad from Sarawak Forestry Department and Cik Annie Ting from Sarawak Timber Association. EGILAT which was established in 2011, is a body within APEC under the SOM Steering Committee on Economic and Technical Cooperation. EGILAT's mission is to foster sustainable economic growth in the Asia Pacific region by enhancing the efforts of member economies to take concrete steps to combat illegal logging and its associated trades, as well as to promote trade of legally harvested forest products.

During the Meeting, Malaysia presented on her experience on promoting legality in timber trade. Malaysia's presentation, entitled "Malaysia's Efforts in Promoting Trade of Legal Timber and Timber Products" was well received by the meeting members, enabling them to understand the efforts undertaken by the relevant Malaysian authorities in ensuring legal trade of timber and timber products. Malaysia informed the meeting that it supported USA's proposal to establish EGILAT law enforcement Points of Contact and believes that the establishment of this list would assist and expedite collaboration and information-sharing among economies. The USA also assured the Meeting that the role of the identified focal point is not binding in nature and will, in actuality, facilitate contact between member economies. Also, the list can only be assessed by APEC/EGILAT member

economies.

The Meeting noted that most countries had not worked on compiling their Timber Legality Guidelines and encouraged economies to work on the Guidelines for possible presentation at the next meeting, the 11th EGILAT Meeting, which will take place in Viet Nam, in February 2017.

The delegation also attended the Second Joint Meeting of the EGILAT and Sub Committee on Customs Procedures (SCCP) on 19 August

2016. Malaysia was invited by the APEC Secretariat to share its current project involving Customs which is being coordinated by TRAFFIC (Wildlife Trade Monitoring Network). The project has attracted the interest of member economies as it demonstrates an integrated approach and the cooperation between the authorities and Customs in detecting illegality or violations of rules and procedures particularly at the border. The project increased the efficiency and effectiveness of enforcement agencies in stopping smuggling activities, hence improving the reputation of the country's timber industry and its timber trade.

Besides the EGILAT and the Sub-Committee on Customs Procedures Meetings, the Malaysian delegation took the opportunity to attend two events organised during the week - Workshop on Strengthening Forest Control Systems and Market Chains in APEC Economies from 15 to 16 August, and APEC Pathfinder Dialogue III on Strengthening the Fight Against Illicit Trade and Corruption from 18 to 19 August.

The Workshop was organised by APEC in co-operation with the Peruvian Government with the National Forest and Wildlife Service and the Ministry of Agriculture acting as lead agency and ministry to coordinate. The Dialogue was organised by the USA under the theme Partnership for Sustainable Security in collaboration with Commission of Anti-Corruption (CAN) and OECD. The Dialogue focused on corruption and forest crime cases faced by member economies and the actions taken to minimise them. A breakout session was convened to exchange views and strategies undertaken by the economies to address illegal logging and actions taken to minimise corruption related to forestry activities.

19th ASOF AND ITS RELATED MEETINGS



ASEAN Senior Officials on Forestry (ASOF) meets annually to formulate and implement regional cooperation activities in support of the following strategic thrusts: ensuring sustainable forest management and conservation of natural resources, strengthening ASEAN cooperation and joint approaches in addressing international and regional forestry issues, promotion of intra and extra ASEAN trade in forest products and private sector participation, increasing productivity and efficient utilization of forest products, and capacity building and human resources development.

The 19th Meeting of ASOF was held on 4-6 August in Vientiane, Lao PDR. H.E. Mr. Thongphath. Vongmany, the Vice Minister of the Ministry of Agriculture and Forestry, Lao PDR warmly welcomed all delegates to the 19th ASOF Meeting and to the Capital City of Lao PDR, Vientiane. He stressed the importance of ASEAN tropical forest as one of the largest tropical forest in the world and highlighted Lao PDR's efforts in protecting and managing its forest to meet its national and regional objectives. He concluded his remarks by noting his appreciation for the participation of the ASEAN member states and hopes that the Meeting would be fruitful. He then wished all delegates a pleasant stay in Vientiane, Lao PDR.

Mr. Sousath Sayakoummane, Director- General, Department of Forestry, Ministry of Agriculture and Forestry, Lao PDR and YBhg. Dato' Lim Kee Leng, Director of Forest Plantation and Forest Protection, Forestry Department Peninsular Malaysia, Ministry of Natural Resources and Environment, Malaysia were elected as Chairperson and Vice-Chairperson of the 19th ASOF Meeting, respectively.

Mr. Sousath in his welcoming remarks expressed that it was a great privilege and honour to be elected the Chair of the Meeting and to work together with delegates to promote ASEAN cooperation on forestry. He noted the important of forests for economic development and biodiversity conservation in the region. He highlighted issues to be discussed which included SPA for Forestry Cooperation (2016-2025), streamlining the process of subsidiary bodies under ASOF and other related cooperation to promote SFM, and climate change.

The 19th ASOF Meeting was held in plenary and closed sessions during which several important

issues were highlighted and deliberated. The issues included progress in the implementation of policy framework related to ASEAN cooperation in forestry, joint consultation with the chairman of ASEAN on prevention of forest fire in the ASEAN region, sustainable forest management in ASEAN, ASEAN cooperation programmes and projects in forestry, joint ASEAN positions and approaches on regional and international forestry issues, ASEAN forest and environment issues, and ASEANROK cooperation in forestry.

In conjunction with the ASOF meeting, the Eighth Meeting the ASEAN Experts Group on Forest Products Development (AEG-FPD) was earlier held on 1-2 August at the same venue. Dr. Chanh Samone Phongoudome, Deputy Director-General of National Agriculture and Forestry Research Institute of Lao PDR and Encik Mohd Afthar Amir, MTIB Senior Assistant Director (International) Trade Development, were elected as the Chairperson and Vice Chairperson of the Meeting respectively.

The meeting discussed the decisions, progress, and follow-up actions made during the last ASOF, SOM-AMAF, AMAF Meetings and the ASEAN Summit which included the Roadmap for an ASEAN Community (2009-2015) and the ASEAN Economic Community (AEC).

Some of the issues updated were on Identification, Support of Project Proposals and Accelerate Possible Areas of Cooperation for Forest Products Development and Trade; Establishment of Networking among ASEAN Research and Trade Promotion Institutions to Facilitate Exchange of Information, Transfer of Technology, and Sharing of Expertise in Forest Products Development and Trade, Strengthening of Trade Promotions, Compilation of Information on Promotion, Transfer of Technologies and Innovations on Plantation Timber Species; Regional Knowledge Network on Forest Products Development; Promoting Quality Standards and Innovating the Diversification of Forest Products; Updating and Information Sharing on Common Non-Tariff Barriers by Importing Countries; Compilation and Exchange of Information on Common Barriers to Trade in Forest Products, Particularly in US, EU, and Japan Markets; Strengthening of Cooperation in Human Resources Development in Forest Products Development; Compilation and Exchange of Information on

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Institutions Providing Capacity Building in each AMS on Forest Products Industry; Identification of Capacity Building Needs and Conduct of Capacity Building Activities for the AMS; Report on Regional Workshop on Bamboo Utilisation; Exchange of Information and Harmonising of Technical Regulations to Facilitate Trade; Support of Aligning National Standards and Testing Protocols in line with Existing Internationally Recognised Standards; Development of National Standards among others through the Adoption or Modification of ISO Standard; Exchange of Information on the Latest Edition of ISO and IEC Standards for Harmonisation/Alignment; and Documentation of Best Practices, Establishment and Maintenance of a Database for Forest Products Development Information System.

Following the AEG-FPD meeting, the 17th ASEAN Senior Officials International Seminar was held on 3 August. Among the papers presented and discussed were REDD+ Performance and the Paris Agreement, Rattan Management and Certification for Sustainable Development in Lao PDR, Social Forestry's Contribution to the Sustainable Development Goals (SDGs), and Relevance of the SDGs to ASEAN Cooperation in Forestry, Social Forestry as Joint Mitigation and Adaptation in Following-up with Paris Agreement and Sustainable Forest Management and Climate Change in Malaysia.

The Malaysian delegation was led by Puan Norsham Abdul Latip, Deputy Undersecretary, Biodiversity and Forestry Management Division, Ministry of Natural Resources and Environment (MNRE). Other delegates were YBhg. Dato' Lim Kee Leng (FPPM), Puan Afaf Hilyati Che Hassan Pahmi (MNRE), Encik Melvin Ku Kin Kin (MTCC), Encik Zainal Abidin Abdullah (STIDC) and Encik Mohd Afthar Amir (MTIB).



Malaysian delegation.

Malaysian Wood

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

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Tel : 603 - 9282 2235 , Fax : 603 - 9285 1477 / 9200 3769, E-mail : info@mtib.gov.my, Website : www.mtib.gov.my

NINTH AFPIC COUNCIL MEETING



Attendees at the meeting.

The ASEAN Forest Products Industry Council (AFPIC) is a regional trade organisation which protects the interests of its members and promotes general business welfare of ASEAN in the global trade of timber products. The establishment of AFPIC in 2001 was derived out of the spirit of the Memorandum of Understanding (MoU) on ASEAN Cooperation in Agriculture and Forest Products Promotion Scheme signed during the 20th ASEAN Ministers of Agriculture and Forestry (AMAF) meeting in 1999 at Brunei Darussalam.

The Ninth Meeting of AFPIC was held on 24 August in Bangkok, Thailand. The council meeting was attended by 28 ASEAN delegates including representatives from Cambodia, Malaysia and Thailand. Mr. Jirawat Tangkijngamwong, the re-elected Chairman of AFPIC, welcomed all AFPIC delegates and conveyed his sincere appreciation and gratitude to all delegates for the active participation and cooperation during his chairmanship term since the 8th AFPIC Meeting in Johor Bahru, Malaysia. He also expressed his hope that AFPIC would act as an important platform for strategic alliances among the ASEAN timber entrepreneurs' member states. The Chairman urged AFPIC members to be more creative in planning and seeking funds for future AFPIC activities.

The Meeting discussed the progress of AFPIC, country reports, updates on promotional activities and product promotions. Cambodia, Malaysia and Thailand presented their country report to the meeting. The meeting agreed that each member of AFPIC should provide a country report even though

no representative attended the next meeting; a template of a country report will be sent to the AFPIC members prior to the next meeting.

The issue of how to improve AFPIC programmes so that it would attract other members to join AFPIC's future programmes was also addressed. Throughout the meeting, the agenda on the importance of the structure, line of reporting and constitution of AFPIC were discussed in order to enhance and strengthen the role of AFPIC in the current global economic situation.

Subsequent to the meeting, a visit to the National Science and Technology Development Agency (NSTDA) to learn the driving force for Thailand's innovation and research center for future growth also took place. During the visit, the delegates were briefed by Ms. Srithip Utchin, Manager of NSTDA. Videos on the functions of NSTDA were also shown to the delegates.

The delegates were then transported to visit K. Patara Lumber Co. Ltd., a pioneer door manufacturer in Pathumthani, Thailand. They met with Mr. Kittipong Vongpatarakul, Managing Director of K. Patara Lumber Co. Ltd. They were briefed on the production of solid and non-solid wooden doors. The company is the biggest door supplier who caters to domestic door demand in Thailand.

Malaysia was represented by Encik Mohd Afthar Amir from MTIB, Encik Leong Yue Peng (Woodguide Resources) and Encik William Wong (TEAM).



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The Galeri Glulam is primarily an exhibition centre showcasing various innovations relating to the timber industry and their applications, such as the application of structural timber-engineered products for specifiers and builders. It also serves as a centre to promote the use of locally-produced timber products in construction and homes, which include furniture, builders' carpentry and joinery, and mouldings. The gallery also functions as a convention centre and an exhibition hall, as well as provides an ideal space for seminars, courses and workshops.

Want to learn more about Glulam's unlimited potential, or simply admire the unconventional beauty of this innovative structure? Come pay us a visit. Someday, all wooden buildings will be made this way.

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)

(Ministry of Plantation Industries and Commodities)

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PHILIPPINES ECONOMY TO GROW THIS YEAR



Overview

The Philippines, officially the Republic of the Philippines, is a sovereign island in Southeast Asia situated in the western Pacific Ocean. It consists of about 7,641 islands that are categorised broadly under three main geographical divisions from north to south: Luzon, Visayas, and Mindanao. The capital city of the Philippines is Manila and the most populous city is Quezon City, both part of Metro Manila. The Philippines has an area of approximately 300,000 square kilometres and a population of more than 100 million with faster growth than any other East Asian country. It is the seventh-most populated country in Asia and the 12th most populated country in the world. The Philippines is one of the most dynamic economies in the East Asia region, with sound economic fundamentals and a globally recognised competitive workforce. Growth in the Philippines has been on average above 5% in the past decade, significantly higher than in previous decades.

Economy

The Philippines' economy has weathered global economic shocks better than its regional peers due to less exposure to troubled international securities, lower dependence on exports, relatively resilient domestic consumption, large remittances from 4-5 million overseas Filipino workers, and a rapidly expanding outsourcing industry. The current account balance has recorded consecutive surpluses since 2003, international reserves remain at comfortable levels, and the banking system is stable; the stock market resumed an upward trajectory in 2014, climbing to new record highs during the first four months of 2015.

Efforts to improve tax administration and management of expenditures have helped ease the Philippines' tight fiscal situation and reduce debt levels. Nevertheless, government taxation and spending remain weak. The Philippines has received investment-grade credit ratings on its sovereign debt under the Aquino administration and has had little difficulty financing its deficits. Economic growth has accelerated, averaging 6.0% per year from 2011-2014, compared with 4.5% under the Macapagal-Arroyo government;

competitiveness has improved; and foreign direct investment hit a historic high in 2014, although it continues to lag compared with the rest of the region. Unemployment has remained high, hovering at around 7% of the population, and underemployment is nearly 20%. At least 40% of the employed work in the informal sector and poverty afflicts about a quarter of the population.

The Aquino administration has been working to boost expenditures for education, health, transfers to the poor, and other social spending programmes. Infrastructure remains underfunded and the government is relying on the private sector to help with major projects under its Public-Private Partnership programmes. Other long term challenges include reforming governance, the judicial system, and the regulatory environment, and improving the ease of doing business. The Philippine Constitution and other laws restrict foreign ownership in important activities or sectors - such as land ownership and public utilities. Some progress has been made in establishing a Customs Modernisation Act to meet international standards and commitments.



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Forest Resources

The forest area of the Philippines is estimated to have declined from 12 million hectares in 1960 to a current level of about 5.7 million hectares (which includes less than one million hectares of virgin forest largely confined to very steep and inaccessible areas). It is difficult to obtain accurate land use data as all areas over 18 degrees of slope are classified as forest regardless of whether any tree cover is present. The official figure of forest area is about 33% of the land area.

Timber harvest has reduced from 6.4 million m³ in 1980 to 0.8 million m³ in 1995. The reduction was the result of a number of factors including a Government ban on the export of logs in 1986, a ban on the export of timber in 1989, and a Forestry Master Plan introduced in 1991 banning the harvest of virgin forests. This level of harvest looks set to continue in the foreseeable future. However, this harvest level is inadequate to support domestic demand and the country has moved from being at least self sufficient to being a net importer of logs and lumber.

In spite of the above mentioned bans, the rate of deforestation remained at about 150,000 hectares in the 1980s. Deforestation is caused by shifting cultivation, landuse conversion, forest fires, illegal logging and 40 million m³ of fuelwood harvested each year. Fuelwood demand continues to be strong, further exacerbating the critical position the forests are in. Fuelwood harvesting is believed to be seriously impacting on the remaining commercial forests.

Most remaining virgin forests have been given protected status, but many of these areas are in

critical condition and remain threatened due to inadequate protection resulting from lack of funds and lack of political will.

Apparent roundwood consumption has fallen dramatically in the past decade giving credence to the possibility of the country's forests being close to economic extinction.

In spite of this rather gloomy picture there are also some success stories. A total of 1.4 million hectares of plantation forest has been established with the Master Plan aiming to have additional plantations of about 3 million hectares by 2015, although this goal may be difficult to achieve.

Timber Industry in Philippines

The Philippines has lost a substantial of its natural forest and timber production has declined dramatically over the last three decades. Many of the problems associated with the large-scale destruction of the forest resource can be linked to a combination of land and concession tenure issues and the lack of ability or will to enforce the conditions of the concessions. Moreover, many of the rural poor do not have land tenure and often settle illegally on the forest land. Considerable efforts have recently been into the development of community forestry, but the success of the approach in restoring the country's degraded landscapes particularly on steep slopes and in increase in rural incomes remains to be proven.

Timber Production in Philippines

According to the latest FAO forest statistics on the Philippines, the country produced around 1,481 million m³ of wood in 2014. Details of production are as follows:

The Philippines: Production of Timber and Timber Products, 2010 - 2014

(Volume : m³)

Product	2010	2011	2012	2013	2014
Logs	518,000	780,000	742,000	641,000	628,000
Sawntimber	700,000	700,000	500,000	450,000	496,000
Veneer	136,000	114,000	129,000	60,000	40,000
Plywood	296,000	320,000	317,000	317,000	317,000
Total	1,650,000	1,914,000	1,688,000	1,468,000	1,481,000

Source: FAO Stats

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The Philippines' Export of Timber and Timber Products

The Philippines' export of timber and timber products in 2015 decreased 9% to USD2.97 thousand over the previous corresponding period. Japan is the biggest export market for timber and timber products in the Philippines followed by China and the US. The Philippines export mainly BJC and furniture. Export of BJC and furniture totalled USD2.75 million and USD177 thousand respectively. The Philippines exported BJC mainly to Japan, to the value of USD2.91 million while furniture exports were mainly to the US, to the value of USD3.34 thousand.

The Philippines' Import of Timber and Timber Products

According to the latest UN Comtrade statistics, the Philippines' import of timber and timber products in 2015 decreased 3% to USD542 thousand over the previous corresponding period. The Philippines imported mainly furniture, plywood and sawntimber. Imports of furniture, plywood and sawntimber totalled USD172 thousand, USD150 thousand and USD80 thousand, a decrease of 3%, 10% and 26% respectively. China is the biggest import source for the Philippines' import of timber and timber products. Meanwhile, Malaysia is ranked second after China as an import source for timber and timber products.

The Philippines: Export of Timber and Timber Products, 2011-2015

(Value: USD'000)

Product	2011	2012	2013	2014	2015
BJC	1,662,743	2,134,611	3,032,326	2,925,319	2,750,234
Furniture	97,931	103,020	175,341	244,345	176,962
Sawntimber	24,377	28,046	58,098	51,447	28,713
Mouldings	210	793	961	9,826	9,493
Plywood	24,336	10,986	2,502	1,819	831
Veneer	1,347	13,475	2,947	3,269	808
Fibreboard	5	1,310	24,515	6,917	614
Logs	145	3,620	2,617	1,165	294
Particleboard/Chipboard	0	194	226	120	0
Total	1,811,094	2,296,055	3,299,533	3,244,227	2,967,949

The Philippines: Import of Timber Products, 2011-2015

(Value : USD'000)

Product	2011	2012	2013	2014	2015
Furniture	99,343	95,281	120,807	177,676	171,864
Plywood	76,712	72,193	108,079	167,108	150,089
Sawntimber	77,312	97,980	123,120	108,932	80,894
BJC	24,702	22,801	17,198	24,567	57,559
Fibreboard	28,186	28,034	29,399	30,194	30,666
Particleboard/Chipboard	18,525	21,188	24,907	23,047	19,077
Logs	19,094	26,027	22,315	11,855	17,839
Veneer	12,673	22,049	12,718	9,518	9,206
Mouldings	9,234	12,107	7,724	4,802	4,963
Total	365,781	397,660	466,267	557,699	542,157

Source: UN- Comtrade

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

The Philippines has always been a significant timber trade partner with Malaysia. The Philippines ranks 12th with 2.3% of Malaysia's total market share. In 2015, export of Malaysian timber and timber products to the Philippines registered an increase of 23.7% to RM606.9 million from RM490.7 million in 2014. Sawntimber was the main product exported with a total value of RM245.3 million, followed by plywood at RM143.6 million and wooden furniture at RM119 million.

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

In 2015, import of Malaysian timber and timber products from the Philippines show a decrease of 65% to RM19.1 thousand from RM55.8 thousand in 2014. Philippines ranked 9th with 1.9% of Malaysia's total market share. Sawntimber was the main product imported with a total value of RM16.9 million, followed by wooden furniture at RM1 million.

Malaysia: Export of Timber Products to the Philippines, 2011-2015

(FOB Value: RM)

Product	2011	2012	2013	2014	2015
Logs	10,300,032	7,175,292	16,000,866	17,793,694	24,950,353
Sawntimber	49,444,493	67,363,991	102,725,600	79,142,031	245,304,296
Plywood	163,399,276	151,139,325	239,002,899	218,105,232	143,698,479
Veneer	25,604,843	21,995,947	10,195,329	4,873,893	2,229,870
Mouldings	151,021	326,679	5,182,228	1,437,639	1,697,868
Chipboard/Particleboard	19,055,313	25,587,593	31,748,687	29,402,819	30,652,561
Fibreboard	20,498,783	24,880,243	25,688,924	29,478,527	25,890,808
Wooden Frame	552,644	180,435	997,559	382,102	212,339
BJC	4,955,358	6,096,768	6,220,252	7,173,536	10,593,651
Wooden Furniture	69,332,164	83,054,466	62,618,594	100,203,509	119,006,762
Rattan Furniture	261,949	101,944	319,382	2,273,652	1,932,548
Other Products	4,926,566	531,885	604,403	480,987	767,605
Total	368,482,442	388,434,568	501,304,723	490,747,621	606,937,140

Source: DOSM/MTIB

Malaysia: Import of Timber Products to the Philippines, 2011-2015

(FOB Value : RM)

Product	2011	2012	2013	2014	2015
Logs	613,531	424,270	405,585	5,809,962	78,113
Sawntimber	24,869,692	56,224,674	48,167,340	48,385,894	16,985,501
Plywood	-	-	-	118,820	-
Veneer	-	170,907	-	-	-
Mouldings	-	-	16,747	-	-
Fibreboard	-	2,853	-	-	-
Wooden Frame	-	12,232	-	17,066	-
BJC	-	254,216	-	-	-
Wooden Furniture	778,416	1,071,278	320,944	440,592	1,031,570
Rattan Furniture	155,546	57,069	249,605	7,319	100,897
Other Products	1,131,109	1,727,285	1,259,954	1,058,902	950,756
Total	27,548,294	59,944,784	50,420,175	55,838,555	19,146,837

Source: DOSM/MTIB

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Import Tariffs

The Philippines's import duty on timber and timber products ranges from 0–15%. The details are as follows:

Product	ASEAN Tariff (%)	MFN Tariff (%)
Fuel Wood	0	3
Wood Charcoal	0	3
Logs	0	0
Hoop Wood	0	3
Wood Wool and Wood Flour	0	1
Sleepers	0	3
Sawntimber	0	1 - 7
Veneer	0	3 - 7
Mouldings	0	5
Chipboard/Particleboard	0	15
Fibreboard	0	15
Plywood	0	15
Densified Wood	0	3
Wooden Frame	0	10
Packing Cases	0	7
Casks, Barrels, Vats and Tubs	0	3 - 5
Tool Bodies and Handle	0	3 - 10
Builders Joinery and Carpentry	0	5
Tableware and Kitchenware	0	5
Wood Marquetry	0	10
Other Articles of Wood	0	3 - 10
Wooden Furniture	0	3 - 30

Prospects

According to the World Bank's latest report, the Philippines' economic growth is forecast to slow to 5.8% in 2015 before recovering to 6.4% this year. It said that as growth would be sustained at above 6% in the next two years, the Philippines would be able to grow an annual average of approximately 6.23%, maintaining its upward trajectory although at a slower pace.

In its Global Economic Prospects 2016 report, the World Bank cited the Philippines among the countries in East Asia with the strongest growth prospects. "In the Philippines, growth is projected

to firm to 6.4% in 2016, reflecting accelerated implementation of public-private partnership (PPP) projects and spending related to the May 2016 presidential election," it said.

Private consumption and investment are expected to maintain solid growth in 2016. Inflation forecasts are revised down in light of unexpectedly low inflation so far this year, averaging 1.7% in the first eight months, and the assumption that global oil prices will increase only slightly in 2016 and that global food prices will be stable.

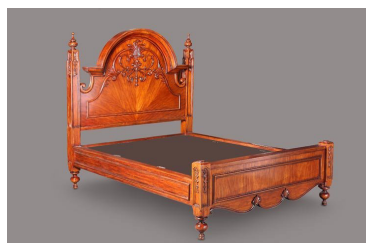
Upward pressure on inflation could come from drought induced by El Niño if it damages crops and reduces hydropower supplies. Merchandise exports fell by 12.9% in US dollar terms in the first half and imports fell by 8.3%. The trade deficit widened but growth in remittances and services exports, mainly from business process outsourcing and tourism, kept the current account in surplus.

This Update trims the forecast for the current account surplus in 2015 due to the weakness in merchandise exports. It maintains the current account forecast for 2016.

The Philippines is highly competitive in several areas, has a vibrant consumption-driven economy, strong remittance flows from its huge diaspora, healthy macroeconomic fundamentals, stable governance, and relatively limited exposure to foreign markets compared to its neighbors. While it is imperative that the country resolves its major structural issues and challenges, at least for 2016 and the next few years, its advantages has relatively shielded the Philippines' economy from the worst of the global volatility and highlighted its status as a rising economic star of Asia.



Handcrafted wood products in Philippines.



Philippines' wooden bed frame.

References:

International Trade Centre
Department of Statistics Malaysia
MTIB's Statistics
The Philippine Star
The World Bank

<http://en.wikipedia.org/wiki/Philippine>

YEMANE – SUITABLE FOR LIGHT CONSTRUCTION AND STRUCTURAL WORK



Texture and colour of Yemane



Yemane tress

Standard Name:

Yemane (Light Hardwood)

Family:

Verbenaceae

Botanical Name:

Gmelina arborea

Distribution:

It is planted throughout Malaysia. It performs well only on fresh, well-drained fertile soils.

General Description

The sapwood is whitish, sometimes with a greenish or yellowish tinge. The demarcation between the heartwood and sapwood is indistinct. The heartwood is light brown to yellowish-brown, sometimes with a pinkish tinge.

Texture is moderately coarse but even.

Grain is straight to moderately interlocked or wavy.

Growth rings are generally not distinct.

Vessels are diffuse, solitary and in radial multiples of three to six, solitary and in radial multiples of two to four, occasionally with narrow vessels between the larger ones. Deposits are absent. Tyloses are abundant.

Wood parenchyma is paratracheal, usually vasicentric and partly aliform, rarely confluent, and apotracheally diffuse.

Rays are moderately fine and visible to the naked eye.

Ripple marks are absent.

Intercellular canals are absent.

Uses:

The wood is suitable for general utility purposes, especially light construction and structural work, general carpentry, packaging, carvings, utility furniture with excellent woodworking properties.

References:

100 Malaysian Timber - Malaysian Timber Industry Board (MTIB)
[http://uses.plantnet-project.org/en/Gmelina_\(PROSEA_Timbers\)](http://uses.plantnet-project.org/en/Gmelina_(PROSEA_Timbers))



Yemane flowers

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No.	Properties	Information	
1	PHYSICAL PROPERTIES	Air-Dry Density	: 408-500 kg/m ³
		Shrinkage Radial	: 0.6%
		Tangential	: 1.1%
		Seasoning	: n.a
		Recommended Kiln Schedule	: K
2	MECHANICAL PROPERTIES	Strength Group	: SG 5
		Static Bending MOE	: 8,900 N/mm ²
		MOR	: 61 N/mm ²
		Compression Strength	
		Perpendicular to Grain	: n.a
		Parallel to Grain	: 33 N/mm ²
		Shear Strength	: 8-9 N/mm ²
3	DURABILITY	Non-durable	
4	TREATABILITY	Difficult	
5	WORKING PROPERTIES	Planing	: Easy
		Boring	: Easy
		Turning	: Easy
		Nailing	: Excellent
		Gluing	: Easy
		Finishing	: Easy
		Finish	: Smooth



Malaysian Wood
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Multiple Uses, Variable Styles

Incomparable
Malaysian Wood.
Choice for those
with exclusive
preference.
Pushing the
Frontier of
imagination and
creativity.
Our Heritage.
Our Pride.





MTIB's Hari Raya celebration in conjunction with MTIB's Excellence Day held on 2 August 2016 in Kuala Lumpur. Seen here are YB Datuk Datu Nasrun Mansur, Deputy Minister of Plantation Industries and Commodities (centre) with his wife (on his left); YB Tuan Anyi Ngau, MTIB Chairman (third from left); YBhg. Dato' Dr. Jalaluddin Harun, MTIB Director-General (second from left) and other invited guests.



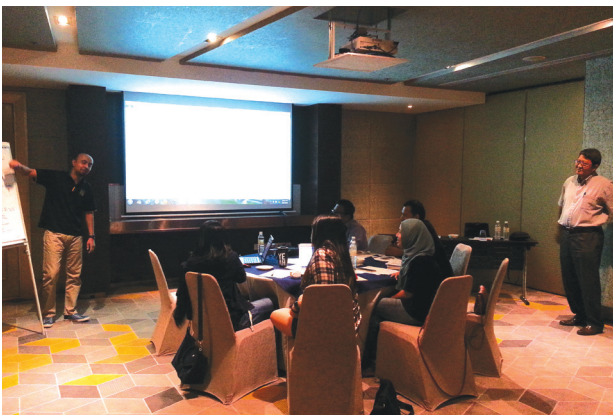
Invited guests posing with MTIB personnel who received Excellent Service Awards for 2015 during the event held on 2 August 2016 in Kuala Lumpur.



A seminar on Malaysian Standard (MS): MS on Timber Flooring and MS on Application on Wood Polymer Composite (WPC) organised by MTIB, held on 10 August 2016 at Galeri Glulam Johor Bahru in conjunction with the Johor Wood and Lifestyle Fair.



YAB Dato' Mohamed Khaled Nordin, Menteri Besar of Johor watering a sapling at Galeri Glulam Johor Bahru. The event took place on 11 August 2016 after the launch of the Roadmap for the Development of Johor's Wooden Furniture Industry in conjunction with the Johor Wood and Lifestyle Fair.



A Third Series of Workshop on NOSS Development (Furniture Design and Making) organised by MTIB, held on 26-29 August 2016 in Putrajaya.



A briefing on CST & CIS 5 Auditing Technique organised by MTIB, held on 29 August 2016 at MTIB, Kuala Lumpur.