

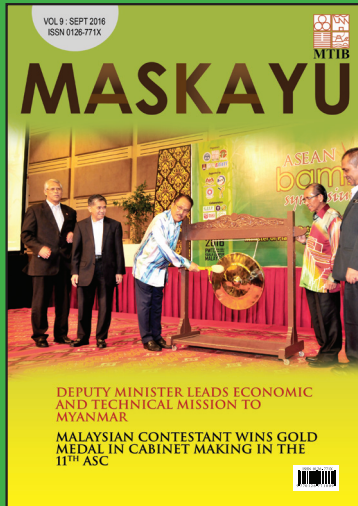
MASKAYU



**DEPUTY MINISTER LEADS ECONOMIC
AND TECHNICAL MISSION TO
MYANMAR**

**MALAYSIAN CONTESTANT WINS GOLD
MEDAL IN CABINET MAKING IN THE
11TH ASC**

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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
Fax : 603 - 6150 2285
E-mail : gpress06@gmail.com
Website : www.gemilangpress.com



MS ISO 9001 : 2008 REG. NO. AR3307

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DEPUTY MINISTER LEADS ECONOMIC AND TECHNICAL MISSION TO MYANMAR



Group photo of YB Datuk Datu Nasrun Datu Mansur (eighth from right) together with Malaysian delegates and officials of MTE and MFPMF.

Myanmar is rich in a vast variety of natural resources, both renewable and non-renewable. Among them, forest resource is one of the most critical and principal suppliers for the livelihood of the people and the national economy. There are various types of forests such as tidal, beach and dune; swamp forests; tropical evergreen forests; mixed deciduous forests; dry forests; deciduous dipterocarp forests; and hill and temperate evergreen forests. Indeed, Myanmar is home to the best quality Teak which is one of the most valued and sought after tropical timbers in the world. Moreover, it is asserted that extensive and beautiful natural Teak (*Tectona Grandis*) stands can be seen only in Myanmar today.

Realising the importance of the ASEAN region to the export trade of Malaysia's timber and timber products, YB Datuk Datu Nasrun Datu Mansur, Deputy Minister of Plantation Industries and Commodities (MPIC), led an economic and technical mission for palm oil and timber to Yangon, Myanmar from 19 to 22 September. The mission delegation comprised eight senior officials from MPIC, MTIB and Malaysian Palm Oil Board. The objectives of the mission were to increase Malaysia's market share, seek new business opportunities and strengthen trade relations between Malaysia and Myanmar while promoting commodity trade.

In Yangon, representatives of the timber sector were involved in Roundtable discussions

with Myanmar Timber Enterprise (MTE) and Myanmar Forest Products Merchants Federation (MFPMF) formerly known as Myanmar Timber Merchants Association (MTMA) as well as factory visits to Myanmar Teak Wood Industries Co. Ltd. and Lin Win Company Ltd. The objectives of the programme were to learn and update knowledge on the current status of timber industry in Myanmar, to observe the latest market requirement and prospects/opportunities for the Malaysian timber

products in Myanmar, to promote and increase exports of Malaysian timber and timber products to Myanmar's market and to seek future collaboration and opportunities on improving the growth of the timber industry in both countries.

The roundtable discussion with MTE and MFPMF was chaired by Mr. U Saw John Shwe Ba, Managing Director of MTE. Also present were the management teams of MTE and MFPMF, led by Dr. Myo Lwin, Executive Committee of MFPMF. The discussion was graced by the Deputy Minister of MPIC, responding to Mr. U Saw John Shwe Ba's welcoming remarks. Dr. Lwin reiterated that the purpose of the mission was to promote collaborations in the commodity sector in both Myanmar and Malaysia. He also believed that there are ample opportunities to further promote and strengthen bilateral trade in timber products.



YB Datuk Datu Nasrun Datu Mansur, Deputy Minister of Plantation Industries and Commodities presenting a souvenir to Dr Myo Lwin, representative of MFPMF.

**AFRICA****First African Development Bank Funds for PPP Forestry Project**

The African Development Bank (AfDB) is joining with private sector investors for a project to restore degraded forest reserves and double the area of sustainable forest plantations. A press release from the AfDB says this agreement is a first-of-its-kind Public-Private Partnership (PPP) in its forest sector and is backed by a USD10 million concessional loan from the Climate Investment Funds' Forest Investment Programme (CIF FIP). It is also supplemented by USD14 million in co-financing from the AfDB.

The concept is replicable and demonstrates how a close collaboration between the public and private sectors can contribute in transforming the future outlook for private sector participation in forestry. Reacting to the Board Approval and on behalf of the project sponsors, Paul Hol, Executive Director of Form International, stated that "this is a breakthrough for private investments in forestry on the continent. I believe that this project and collaboration between AfDB and Form Ghana Ltd can be a very important step to enable the expansion of large scale reforestation and landscape restoration projects in Africa. In this way it can be an important front running project for the African Forest Landscape Restoration Initiative (AFR100) from the World Resources Institute (WRI) and New Partnership for Africa's Development (NEPAD) which aims at restoring 100 million hectares of land in Africa by the year 2030".

The Form Ghana reforestation project will establish a forest plantation in areas that used to be productive with semi deciduous forest reserves but which have been severely degraded.

ITTO, 16 - 30 September

**AUSTRIA
Wood Surplus**

The Austrian wood industry had a surplus of EUR3.85 billion (USD4.32 billion) in 2015, up from EUR3.61 billion in 2014. Exports were EUR9.46 billion and imports were EUR5.61 billion.

Holz Zentralblatt, 9 September

BRAZIL**First Half 2016 Tough for Furniture Makers**

While August furniture exports increased by around 13%, this year has been tough for furniture manufacturers. The contraction of the Brazilian economy has impacted all sectors and the furniture industry was no exception. According to a report from the Market Intelligence Institute (IEMI), between January and June this year Brazilian furniture production, in terms of number of pieces produced, was down almost 15% compared to the first half of 2015. Over the same period furniture imports dropped around 13%. Perhaps of most concern is the indication from IEMI that productivity in the furniture manufacturing sector has worsened. To address the challenge of weak demand, the Furniture Industry Association of Rio Grande do Sul (MOVERGS) says the solution is to maintain investment in advanced technologies and pay more attention to product design and market diversification.

ITTO, 16 - 30 September

CHINA AND BRAZIL**Dominate Supply of Plywood to the UK**

China and Brazil dominate the supply of plywood to the UK, accounting for around three-quarters of the total volume from non-EU countries.

China is by far the largest supplier of hardwood plywood - commanding a 56% share of the market while Brazil controls around 56% of softwood plywood market, as reported by the latest Timber Trade Federation Statistical Bulletin. These figures confirm that plywood imported to the UK is largely sourced outside the European Union (81% against 19%) both for hardwood and softwood plywood. Among plywood suppliers from the EU, Finland accounts for nearly 50% of the trade, followed at a distance by France (8%) and Latvia (8%).

TTF/Fordaq, 30 September

FINLAND**Production of Sawn Wood Up**

According to Finnish Sawmills, production of sawn wood increased by 5% in January-June 2016 from January-June 2015. Production of Spruce sawn timber grew by 10%. Production of Pine sawntimber remained at the same level as in January-June 2015.

Metsälehti, 1 September

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FRANCE Housing Sales Rose

According to France's property developers' federation (FPI), new housing sales had an annual 22.7% growth to 71,064 units in the first half of 2016, with home ownership sales up 23.8% and purchases by investors rising 20.6%. All segments regained a positive dynamic and the average time between placing new housing on the market and the sale of the property has fallen from 13.9 months in 2015 to 11 months. However, prices rose 0.5% in Ile-de France and 1.1% in the provinces. FPI figures were in line with the data published by the Ministry of Housing, which showed a 24.2% increase in the number of new homes put up for sale and an 18.7% rise in reservations in the second quarter of 2016.

The Ministry has also recorded an annual 4.1% rise in the number of building permits issued and a 4.7% growth in housing starts over May-July 2016. The rise in new housing sales was mainly driven by very low borrowing rates. Data from Meilleurtaux.com indicated another drop in mortgage interest rates over July-August 2016 and a decline of around 100 base points has been recorded in the space of a year.

Le Monde, 2 September

GERMANY Increased in Residential Planning Approvals

In total, the construction of 213,000 homes were approved between January and July 2016, up 26% compared to the same period of 2015. This was the highest figure since 2000. The number of units approved in residential homes increased by 142%. Many firms submitted planning applications in 2015 in order to escape the stricter regulations that came into force in 2016. However, when these projects will be completed it's not yet known and the threshold of 300,000 new homes is not expected to be exceeded until 2017.

Süddeutsche Zeitung, 20 September

INDONESIA EU Signs Timber-licensing System Deal

Beginning 15 November 2016, timber licenses will be issued by Indonesia to ensure the quality of timber products sold to buyers in the European Union (EU). This is to ensure the products adhere to legal-verification standards and are guaranteed

up until they become finished products. This came about on 15 September 2016 when a timber-licensing system was finalised by Indonesia and the EU. Indonesia became the first out of 15 nations to reach a deal with EU. The bloc is working with 15 countries on legal-timber certification.

Wall Street Journal - United States (E-edition, PDF), 18 September

TURKEY Anti-dumping Tax to be Imposed on Plywood Products from Viet Nam

An anti-dumping tax of USD240 (EUR214.38) per m³ will be imposed by the Ministry of Economy in Turkey on plywood products imported from Viet Nam. The duty is expected to take effect soon, but producers can send feedback on the investigation before 2 September 2016. Only two companies will be excluded from the anti-dumping tax as they had provided full information to investigative agencies in a timely manner and evidence that they manufactured the exported products.

Vietvnam News, 1 September

TURKEY Foreign Trade Gap Down

The foreign trade gap in Turkey decreased by 18.9% during the January to July period of 2016, to reach USD32.80 billion (EUR29.30 billion). The decrease was largely a result of the on-going drop in oil, as well as recovery in the EU. In July, the gap decreased by 32.5% year-on-year to reach USD4.8 billion. The figures were provided by the national statistics office TUIK. In July, exports were down 11.5% at USD9.8 billion, while imports were down 20% at USD14.6 billion. During the first seven months of the year, exports reached USD81.5 billion, a drop of 3.6% year-on-year, while imports were down 8.6% at USD114.3 billion.

Hürriyet Daily News, 1 September

UNITED KINGDOM Scottish Government Launches Consultation on Forest Management

A consultation has been launched by the Scottish government on the future administration of forests in Scotland. The Scottish government is pushing for complete devolution, with some forestry management currently controlled on a UK level. Proposals include a new legislative framework, a dedicated Holyrood Forestry Division and a new body to manage the country's forests. The forestry

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sector in Scotland supports 25,000 jobs and is worth GBP1 billion (EUR1.17 billion/USD1.31 billion) annually. Complete devolution would make the sector accountable to the Scottish Parliament, while the Forestry Commission currently oversees management.

BBC News, 1 September

RUSSIA **Exports of Sawlogs to China Up**

In January-June 2016, exports of Pine logs from Russia to China amounted to 4.78 million m³, up 6% year-on-year. Exports of deciduous sawlogs rose by 26% to 1.14 million m³. The total volume of sawlogs purchased by China amounted to 23.91 million m³ in the first quarter of 2016.

Lesprom, 2 September

SWITZERLAND **Wood Harvest Down**

A total of 4.6 million m³ of wood was harvested in Switzerland in 2015, a fall of 7% according to the environment department Bafu and the statistics office BFS. The greatest reduction was in trunk wood at 10%. Industrial and energy wood were also down. However, sawmills processed 1.82 million m³, which was a drop of only 2.5%. Prices for raw timber fell 6% with industrial wood prices down 9% as a result of the strong franc.

Holz Zentralblatt, 9 September

VIET NAM **New Import Tariff Introduced for ATIGA Member Countries**

Regulators in Viet Nam have introduced a new tariff for goods imported directly from ASEAN Trade in Goods Agreement (ATIGA) member countries into Viet Nam. The new measure takes effect from 1 September 2016 and covers products from Thailand, Singapore, the Philippines, Myanmar, Malaysia, Lao PDR, Indonesia, Cambodia and Brunei. Under the ATIGA pact, Viet Nam has reduced more than 8,600 tariff lines to 0% as of end-2015, and intends to eliminate another 700 tariff lines over the next two years. The country also aims to increase the rate of its tariff line elimination to 97% by 2018 from 90% as of 2015.

VietnamPlus (in English), 19 September

GLOBAL **Sawlog Prices Up**

The global timber price index GSPI was up 4.2% in the second quarter after having fallen to the lowest level since 2009 in early 2016. According to the Wood Resource Quarterly, higher sawlog prices in Russia, Brazil, Germany and British Columbia in the second quarter 2016 contributed to the first increase of the Green Star Product Inc. Stock (GSPI) sawlog price index in over two years.

An increase in lumber demand and slightly higher log trade than last year have put upward price pressure on softwood sawlogs in most major markets of the world this year. Sawlog prices increased in 16 of the 19 regions tracked by the Wood Resource Quarterly (WRQ) and were generally higher in both the local currencies and in US dollar terms. The biggest price increases in dollar terms occurred in Russia, Brazil, Germany and British Columbia. The only regions that experienced lower log prices in the second quarter 2016 were Chile, where lumber export markets weakened, and the US Northwest, where log export to Asia slowed down the first few months of the year and the domestic sawmills ran at fairly low operating rates.

During the first half of 2016, global trade of softwood logs was up about 1% as compared to the same period in 2015, according to estimates by the World Resources Institute (WRI). Almost 50% of globally traded logs were imported to countries in Asia (specifically China, South Korea and Japan) followed by Europe and North America. Asia's share was down from 52% in 2015 because of reduced importation to China.

The biggest change over the past 10 years has been that the Nordic import share of the global log trade has fallen from almost 18% in 2005 to only 9% in 2015, because the three Northern European countries have increased their domestic timber harvests to decrease the reliance on imported wood raw-material.

The major trade flows in 2015 were, in descending order:

1. New Zealand to China
2. Russia to China
3. US to China
4. US to Canada
5. Norway to Sweden

The global log trade continued at a healthy pace in early third quarter 2016 with shipped volumes generally being higher than the same time in 2015.

Fordaq News, 19 September

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During the roundtable discussion, MTE presented on the Status and Development of the Myanmar Timber Industry and Business Opportunities with Malaysia. Based on the presentation, it was noted that MTE is a government institution under the Ministry of Natural Resources and Environmental Conservation (MONREC). It was established in 1948 as a State Timber Board by State Timber Board Order (Notification No.134) and State Timber Board Act, 1950, renamed as Timber Corporation in 1972, then as MTE in 1989. It is responsible for harvesting, sawmilling, downstream processing and marketing of timber. At the presentation, the MTE also stated that 47% of the total area of the country is forest is composed mangrove forest, dry forest, and evergreen forest. Like other agencies, MTE also faces a number of challenges in performing its functions, such as:

- Lack of capital investment for business expansion due to budget constraints.
- Lack of industry clustering.
- Shortcomings in technology and skill competency.
- Improper market access and competitiveness.
- Under-developed domestic market.
- Inadequate infrastructure.

MTIB presented on the Malaysia – Myanmar Bilateral Trade, presented by Cik Hj. Robiyah Husin, MTIB Senior Deputy Director of Trade Development. In her presentation, she noted that the period of January to June 2016, total export value of timber and timber-based products to Myanmar was RM6.54 million, an increase of 10.5% from RM5.92 million compared to the same period last year. Meanwhile the total import value of timber and timber-based products from Myanmar was RM20.48 million, an increase of 3.1% from RM19.86 million compared to the same period last year. She also highlighted the status of MTIB's MTCP (Malaysian Technical Cooperation Programme) a training programme for the Myanmar's timber industry in Malaysia, to be held in November.

There was active discussion after the presentation. Some points that were discussed were:

- Myanmar timber industry welcomes the Malaysian furniture industry to promote their furniture in Myanmar through participation in the 15th Yangon International Lifestyle Furniture Fair to be held in 2017.

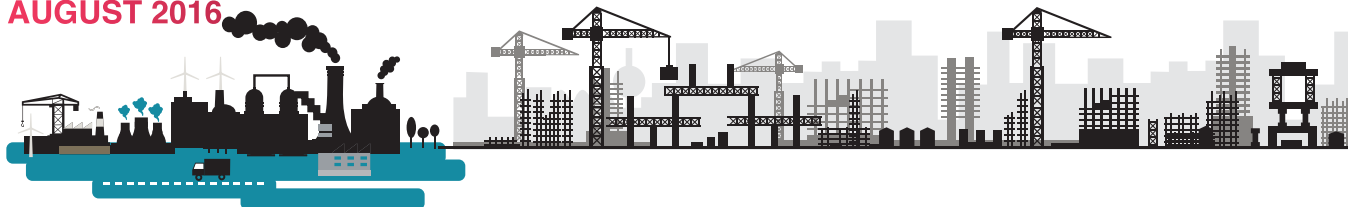
- MTE added that the new Myanmar government encouraged foreign investors including Malaysia to participate in forest plantation activities in Myanmar. Foreign investors are allowed to hold up to 100% equity/JV with local entrepreneurs.
- Myanmar timber industry also opened up opportunities for Malaysian entrepreneurs to participate in the activities of Agarwood plantation and processing.
- MTE expressed their interest to develop a special training centre for entrepreneurs similar to MTIB'S WISDEC operations and agreed to MTIB's assistance in terms of advisory services.

During the factory visit to Myanmar Teak Wood Industries Co. Ltd., the delegates were warmly greeted by Mr. U Kyi Sein, Managing Director of Myanmar Teak Wood Industries Co. Ltd. The company was formed under the Myanmar Company Act in 2000 and it is the largest timber factory in Myanmar as well as the largest Teak processing factory in the world. Mr. U Kyi Sein briefed the delegates on the operations of the company and its future development. He stated that the company emphasised on sawmilling, production of mouldings & flooring of Teak, Pyinkado, Gurjan and plywood. The main species used is Teak. He also noted that the company's export market was Thailand, Singapore, Malaysia, China, Japan and Europe with total annual sales about USD15 million.

After the briefing session, the delegates were taken on a tour around the factory. In addition to the Yangon's operation, the company also has another sawmill operation in Mandalay, two sawmills and one plymill in Yangon. In 2004, Myanmar Teak Wood Industries also expanded their operation in Thailand through the establishment of an associated company in Bangkok that focuses on retail sale and wholesale of sawn timber which is imported from their parent company in Myanmar.

Apart from visiting Myanmar Teak Wood Industries Co. Ltd., the delegation also visited Lin Win Company Limited located at Ahlone Township. The delegates were warmly welcomed by Mr. Min Thein, Director of Lin Win Company Limited. He noted that the company was established in 1991 and specialises in the manufacture and export of Teak products ranging from boards, decking, flooring, furniture components and fully assembled furniture. Lin Win Furniture & Flooring are manufactured from the finest

AUGUST 2016



Malaysia: MMC to Spend RM200 Million for 49% Stake in Penang Port

On 5 August 2016, Malaysia's leading utilities and infrastructure group MMC Corp and its major shareholder Seaport Terminal (Johor) have signed a conditional share sale and purchase agreement to acquire a 49% stake in Penang Port for RM200 million (EUR44.81 million, USD49.60 million). The planned acquisition is part of the company's strategy to further invest in ports and logistics, one of its core businesses. Penang Port is involved in the operation, management, maintenance and provision of port facilities and other related services. It also provides warehousing services and administers a free commercial zone under the Free Zones Act, 1990. The acquisition is expected to help the company become a leading player in the local ports sector.

Source: *Sundaily (The)*, 8 August

United States: Long Beach Terminal to be Sold by Hanjin Shipping for KRW100 Billion

Hanjin Shipping of South Korea will sell its terminal in California, sister firm Hanjin Transportation, and expects to generate some KRW100 billion (EUR81.17 million, USD90.62 million) from the exercise. Proceeds from the asset sale will be used

by the ailing shipping firm to manage its liquidity crisis. The terminal at Long Beach is capable of accommodating over 3 million twenty-foot equivalent units (TEUs) of cargo per year.

Source: *Korea Times (The)*, 13 August

Philippines: Better Result Posted by Asian Terminals in First Six Months

Asian Terminals of the Philippines registered a 2.6% year-on-year increase in its revenue from PHP4.29 billion (EUR82.54million, USD92.15million) to PHP4.40 billion during the six months ended June 2016, while its net income also improved 1% from PHP1 billion to PHP1.02 billion. The revenue and net income reported by the port operator in April-June 2016 alone stood at PHP2.43 billion (up 26%) and at PHP632.96 million (up 78%), respectively. Besides that, operating expenses and costs incurred by Asian Terminals in January-June 2016 rose 4% from PHP1.88 billion to PHP1.96 billion including PHP553.20 million (up 23%) for amortisation and depreciation costs and PHP 586.50 million (up 4%) for labour costs. Asian Terminals attributed its stronger earnings in the six months' period to the higher volume of international roll-on/roll-off and container cargo processed at its port of Batangas and Manila South Harbour, respectively.

Source: *BusinessWorld*, 15 August

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change Aug 2016/ Jul 2016
	m ³	% Change Aug 2016/ Jul 2016	m ³	% Change Aug 2016/ Jul 2016	m ³	% Change Aug 2016/ Jul 2016	m ³	% Change Aug 2016/ Jul 2016	m ³	% Change Aug 2016/ Jul 2016		
Sawntimber	64,668	50	4,989	13	1,311	-3	320	23	8,687	37	79,975	44
MDF	35,514	5	257	14	13,435	30	5,458	109	23,479	30	78,143	20
Mouldings	11,592	21	178	11	1,904	47	494	77	2,086	30	16,254	26
Plywood	8,930	29	47	100	19	100	210	0	14,236	75	23,442	53
Veneer	182	27	0	0	15	100	195	324	1,018	101	1,410	103
Particleboard	39,667	24	360	17	217	-45	71	73	4,811	129	45,126	29
TOTAL	160,553	28	5,831	14	16,901	26	6,748	96	54,317	48	244,350	32

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United Arab Emirates: Expansion of Jebel Ali Port to be Delayed by DP World

DP World, a UAE-based port operator will delay a project to add 1.5 million TEUs of capacity to Jebel Ali port's Terminal 3 to 2017. The company will also delay its plan to expand the port's Terminal 4 that costs USD1.60 billion (EUR1.43 billion) and will be completed by 2018. DP World handles cargoes for the UAE and the Middle East and it is delaying the expansion due to slowdown in the shipping sector.

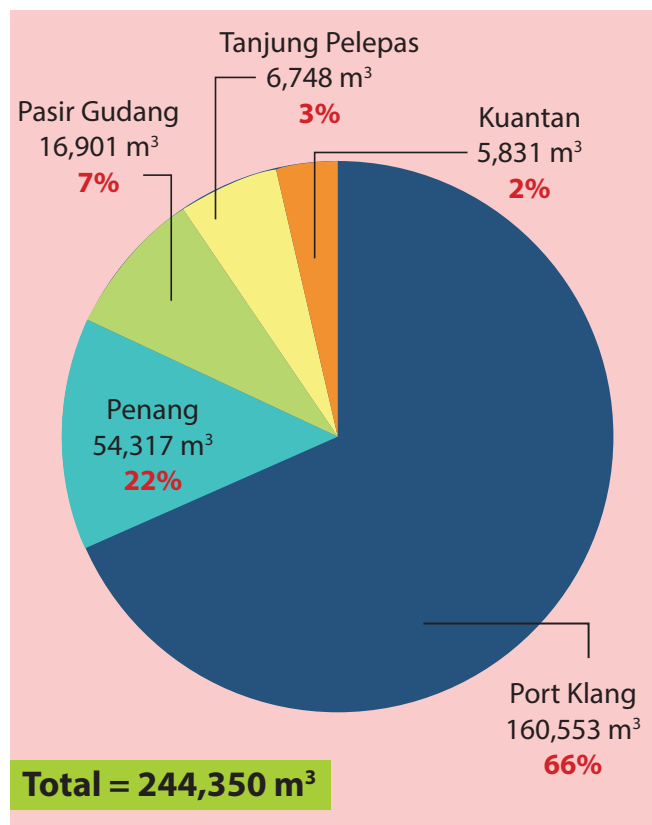
Source: Arabian Business, 19 August

Sri Lanka: Colombo Port to Grow Six-Fold to Achieve 30 Million TEUs target by 2030

According to a statement, Colombo Port is seeking to boost its container handling capacity to 30 million TEUs by 2030. In order to achieve the target, the Sri Lanka-based port has to grow by six-fold from its current capacity of 6 million (TEUs) per annum.

Source: Customs Today Newspaper, 18 August

Timber Shipment through Ports in Peninsular Malaysia, August 2016



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Timber News

Myanmar Teak. Their aim is to produce lasting quality products at affordable prices. All their furniture has mortise and tenon joints, and PU glue is used throughout to ensure lifelong strength and durability.

Besides MPIC's Deputy Minister, the Malaysian delegation also comprised Encik Toisin Gantor, Deputy Secretary General of MPIC; Dr. Ahmad Kushairi Din, Director-General of Malaysian Palm Oil Board (MPOB); Cik Rosidah Radzian, Director Product Development and Advisory Services of MPOB; and Encik Hisamuddin Mohamad Aspar, Senior Research Officer, MPOB. MTIB was represented by Cik Hjh. Robiyah Hj Husin, Senior Deputy Director, and Encik Muhamad Faizul Razilah, Deputy Director from WISDEC.



Group photo of YB Datuk Datu Nasrun Datu Mansur (seated fifth from right) together with Malaysian Ambassador, H.E. Mr. Mohd Haniff Abd Rahman (seated fourth from right) Malaysian mission members and Myanmar timber industry players at networking dinner.



Group photo of YB Datuk Datu Nasrun Datu Mansur (fourth from right) together with Malaysian mission members at Myanmar Teak Wood Industries Co. Ltd.

AUGUST 2016

Total export of Malaysian timber and timber products in August 2016 increased 20.2% valued at RM1.92 billion over the previous month. Cumulative export for January to August 2016 increased 2.3% to RM14.4 billion over the previous corresponding period.

SAWNTIMBER

Export of sawntimber in August 2016 increased 32% in volume and 20% in value to 169,933 m³ with a value of RM287.6 million as compared to the previous month. Cumulative export for the first eight months of 2016 decreased 6% in volume however increased 9% in value to 1,253,279 m³ totalling RM2.2 billion over the previous corresponding period.

Export of sawntimber to the EU for the month increased 28% to 10,929 m³ from 8,573 m³ in the previous month. Export to the Netherlands increased 75% to 5,264 m³ as a result of positive growth of construction sector in the country. Similarly, export to France improved 69% to 1,554 m³ from 921 m³ in the previous month. On the other hand, export to the UK declined 29% to 929 m³ followed by Germany with 23% to 1,193 m³ and Belgium with 13% to 1,032 m³.

Total exports to West Asia increased 3% to 20,705 m³ from 20,131 m³ recorded in the previous month. Export to the UAE, Oman and Qatar increased 67%, 18% and 20% to 6,770 m³, 4,953 m³ and 1,333 m³ respectively. However, export to Yemen and Saudi Arabia decreased 52% to 2,964 m³ and 23% to 1,333 m³ respectively. Similarly, purchases made by Bahrain reduced 21% to 877 m³ from 1,113 m³ in the previous month.

Buying from ASEAN increased 50% to 66,434 m³ from 44,314 m³ registered in the previous month. Export of sawntimber to Thailand, a major buyer of sawntimber from Malaysia improved 114% to 39,057 m³ from 18,251 m³ in the previous month. Likewise, export to Singapore increased 26% to 8,709 m³. However, export to the Philippines decreased 1% to 17,240 m³ followed by Viet Nam with 13% to 1,284 m³.

Shipments to East Asia increased 34% to 38,836 m³ from 28,889 m³ in the previous month. Similarly, export to China increased 46% to 22,911 m³ followed by Taiwan at 9% to 6,950 m³, Japan at 51% to 5,508 m³ and South Korea at 14% to 3,269 m³. On the other hand, export to Hong Kong decreased 41% to 198 m³ from 338 m³ in the previous month.

Elsewhere, exports to the US decreased 13% to 1,201 m³ whilst intake by Australia decreased 2% to 1,079 m³. Demand from South Africa increased 24% to 5,636 m³ from 4,532 m³ in the previous month.

The average FOB price of sawntimber decreased 10% to RM1,692 per m³ from RM 1,870 per m³ in the previous month. Price of Dark Red Meranti (DRM) increased 13% to RM1,870 per m³ from RM1,652 per m³ in the previous month. However, price of DRM to the Netherlands declined 2% to RM3,284 per m³ from RM3,342 per m³ in the previous month. Keruing was traded at RM1,550 per m³, a decrease of 17% from RM1,550 per m³ in the previous month.

PLYWOOD

Total export of plywood in August increased 42% in volume and 41% in value to 225,082 m³ valued at RM386 million as compared to the previous month. Total exports to EU increased by 72% to 15,196 m³. Similarly, exports to Belgium, Ireland and UK increased by 270%, 216% and 103% to 651 m³, 635 m³ and 12,254 m³ respectively whilst Italy resumed its intake. However, Denmark and Netherlands reduced their intake by 60% and 6% to 258 m³ and 1,233 m³ respectively whilst France and Germany did not make any purchases.

Exports to ASEAN region increased as Brunei, Singapore, Thailand and Philippines intake of plywood increased by 2%, 101%, 292% and 129% to 980 m³, 4,039 m³, 7,491 m³ and 3,683 m³ respectively. However, Indonesia reduced its intake by 50% to 31 m³. In East Asia, China, Hong Kong, Japan, South Korea and Taiwan increased their intake by 64%, 45%, 47%, 5% and 48% to 3,126 m³, 4,265 m³, 101,049 m³, 23,997 m³ and 16,311 m³ respectively.

Overall, exports to West Asia increased by 5% as compared to the previous month. Similarly, shipments to the UAE, Qatar and Yemen increased by 15%, 159% and 20% to 5,520 m³, 233 m³ and 9,059 m³ respectively. However, Bahrain, Saudi Arabia and Kuwait reduced their intake by 53%, 35% and 72% to 216 m³, 1,352 m³ and 96 m³ respectively.

Elsewhere, exports of plywood to the US, Mexico, Canada, Australia and UK increased by 111%, 32%, 2,336%, 54% and 103% to 7,357 m³, 5,279 m³, 1,023 m³, 5,020 m³ and 12,254 m³ respectively whilst Mauritius and Turkey resumed their intake. However, Algeria, South Africa, New Zealand and the Netherlands reduced their intake

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AUGUST 2016

by 31%, 10%, 58% and 6% to 1,116 m³, 434 m³, 39 m³ and 1,233 m³ respectively.

The FOB price of plywood decreased by 0.3% to RM1,715 per m³ from RM1,721 per m³ in the previous month.

VENEER

Exports of veneer for August 2016 showed a decrease of 36% in volume and 33% in value to 13,213 m³ at RM22 million as compared to the previous month. Exports to China, Australia, India and Viet Nam increased by 142%, 25%, 52% and 13% to 837 m³, 303 m³, 424 m³ and 79 m³ respectively whilst the Philippines resumed its purchases. Contrariwise, Taiwan and South Korea reduced their intake by 70% and 1% to 3,229 m³ and 7,644 m³ respectively, whilst, Singapore, Canada, Italy and Chile did not make any purchases.

The FOB price of veneer increased to RM1,617 per m³ from RM1,549 per m³, an increase of 4% from the previous month.

MOULDINGS

Exports of mouldings for the month increased by 8% and 11% in volume and value to 19,925 m³ and RM68.3 million respectively. However, cumulative exports for the period of August 2016 decreased by 13% in volume and increased by 0.1% in value to 159,067 m³ and RM553.9 million respectively as compared to the previous corresponding period in 2015.

Exports to the EU for the month recorded at 6,771 m³, an increase of 11% compared to the previous month. Belgium and Netherlands increased their purchased by 15% and 14% to 744 m³ and 3,273 m³. Meanwhile, Germany decreased their purchases by 29% to 935 m³ compared to the previous month. However, UK and Italy did not make any purchases.

Exports to ASEAN region decreased as Viet Nam and Singapore intake of mouldings decreased by 23% and 1% to 17 m³ and 1,321 m³ respectively. However, Indonesia did not make any purchases.

Meanwhile, exports to Taiwan, Japan, South Korea and Hong Kong increased by 857%, 23%, 20% and 10% to 201 m³, 2,296 m³, 1,524 m³ and 698 m³ respectively. However, exports to China decreased by 21% to 401 m³ compared to the previous month.

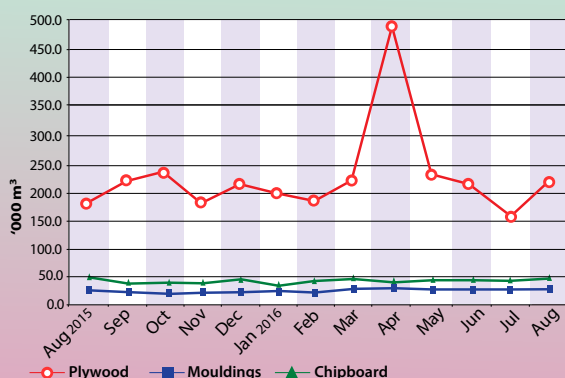
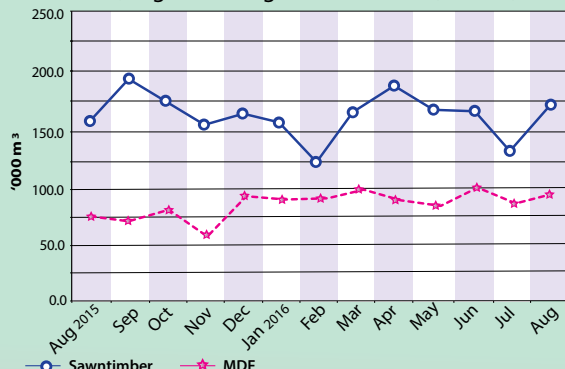
Elsewhere, export to Canada and Australia increased by 102% and 2% to 87 m³ and 3,620 m³ respectively whilst export to the US decreased by 18% to 1,169 m³ compared to the previous month.

FOB unit value increased to RM3,430 per m³ and increased of 2% compared to the previous month.

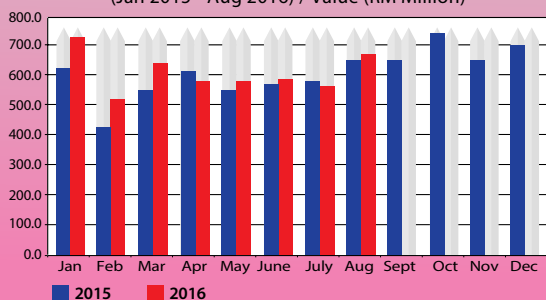
BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from August 2016 increased 14% to RM775.6 million as compared to RM683.4 million in the corresponding period last year. Export to the EU increased 9% to RM206.4 million. Export to Netherlands, Germany, Turkey, Italy and Denmark increased by 2642%, 274%, 149%, 107% and 48% to RM3.5 million, RM18.8 million, RM4.6 million, RM3.9 million and RM15.8 million respectively. However, export to Sweden, Belgium and France decreased by 72%, 15% and 12% to RM3.6 million, RM26.6 million and RM11.8

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



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



Source : Department of Statistics, Malaysia

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LOGS

The supplies of logs were reported to be sufficiently available and accessible whilst most mills reported that they are now continuously monitoring their stock level in preparation for the coming monsoon month. Overall, the average domestic prices of logs for most of the species remained at last month's level.

Log prices for the species of Chengal, Red Balau and Merbau stood at RM4,000 per tonne, RM2,500 per tonne and RM2,700 per tonne respectively. Similarly, the prices of Keruing, Kempas and Kapur logs remained at RM1,530 per tonne, RM1,670 per tonne and RM1,700 per tonne respectively. Prices of Dark Red Meranti and Red Meranti were traded at RM1,900 per tonne and RM1,700 per tonne respectively. On the other hand, logs prices for Mixed Heavy Hardwood was charted at RM958 per tonne whilst prices of Mixed Light Hardwood remained at RM1,200 per tonne.

SAWNTIMBER

According to the industry sources, sawntimber industry is facing a tough market demand from both domestic and international market.

The sawntimber prices of Chengal and Red Balau continued to be traded at RM6,638 per m³ and RM2,987 per m³ respectively. Likewise, prices for Keruing and Kempas sawntimber stood at RM1,306 per m³ and RM2,196 per m³ respectively. The Red Meranti and Nyatoh prices maintained to

RM1,907 per m³ and RM777 per m³. Sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood continued to be traded at RM992 per m³ and RM1,130 per m³ respectively.

PLYWOOD

The current demand and supply locally reported sluggish consequently hampered the plywood prices for the month. For the month under review, plywood prices of 4mm, 6mm, 9mm and 12mm of thicknesses were stably traded RM14.60, RM22.00, RM34.50 and RM41.50 per piece respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

Price of MDF remained firm as the previous month's level although demand was reported to be uncertain. Thus, the average prices were reported stood at last month's level. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were continuously traded at RM12.10, RM15.80, RM21.70 and RM28.10 per piece respectively.

INTRA-MALAYSIA TRADE *- AUGUST 2016

The shipments of sawntimber from Sabah to Peninsular Malaysia increased sharply to 198 m³, valued at RM674,000 over previous month. Similarly, shipments of plywood also rose significantly by 98% in volume from 5,649 m³ to 11,183 m³, worth at RM19.4 million. However, export of veneer for the month under review fell in volume to 34 m³ worth at RM106,000.

INTRA-MALAYSIA TRADE – AUGUST 2016

From	Products	JUL 2016		AUG 2016		% Change in Volume Aug 2016 / Jul 2016	% Change in Value Aug 2016 / Jul 2016
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	84	184	198	674	136	266
	Plywood	5,649	9,772	11,183	19,359	98	98
	Veneer	39	84	34	106	-13	26
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,404	1,364	661	760	-53	-44
	Plywood	8,351	10,932	10,457	13,755	25	26
	Veneer	1,262	1,652	6,546	8,900	419	439

Source: Department of Statistics, Malaysia

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AUGUST 2016

Export of sawntimber from Sarawak to Peninsular Malaysia dropped sharply by 53% in volume to 661 m³ from 1,404 m³ recorded last month with the value of RM760,000. Conversely, shipment of plywood increased significantly by 25% in volume to 10,457 m³, worth at RM13.8 million as compared to the previous month. Similarly, export of veneer rose tremendously by triple digits to 6,546 m³

from 1,262 m³ recorded last month worth at RM8.9 million.

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

* Source : Department of Statistics, Malaysia 

***AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA
AUGUST 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	
Nyato	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					
<i>Hevea brasiliensis</i>	LOGS/tonne 150	SAWNTIMBER/m ³			
		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	6mm	9mm	12mm	
	14.60	22.00	34.50	41.50	
MDF 4' X 8'					
(RM per piece)	4mm	6mm	9mm	12mm	
	12.10	15.80	21.70	28.10	

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

* Prices are only indicative

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(Ministry of Plantation Industries and Commodities) | 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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million compared to the previous year.

In Asia, exports to Saudi Arabia, Qatar, the UAE, South Korea and Taiwan decreased 47%, 26%, 5%, 4% and 3% valued at RM2.8 million, RM2.3 million, RM3.1 million, RM1.7 million and RM11.3 million respectively. However, exports to Pakistan, Japan, India, Singapore, Thailand and Viet Nam grew 30%, 9%, 6%, 6%, 4% and 2% to RM32.6 million, RM49.5 million, RM45.0 million, RM88.1 million, RM23.9 million and RM22.0 million respectively. Meanwhile, Bahrain did not make any purchases.

Exports to Australia increased by 40% to RM135.7 million compared to the previous year. However, Mauritius and South Africa decreased its purchases by 38% and 2% to RM301.8 thousand and RM11.5 million respectively. Likewise, the US increased its intake by 19% to RM72.1 million from RM60.8 million in the previous corresponding period.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for August 2016 showed an increase of 12% in volume and 15% in value from the previous month. Export totalled 89,266 m³ at RM 96.62 million.

Exports to East Asia registered an increase of 43% to 11,460 m³ from 8,006 m³ in the previous month. All destination of export showed an increase. Demand from South Korea increased by 5% to 809 m³, followed by Taiwan increased by 30% to 870 m³, followed by Japan increased by 48% to 9,696 m³ and lastly China including Hong Kong increased by 372% to 85 m³.

Meanwhile exports to West Asia in August 2016 recorded a negative growth with a decrease of 9% in volume to 40,249 m³ from 44,242 m³ in the previous month. Export to Oman, Jordan, Iran and Saudi Arabia recorded an increase of 1% to 1,085 m³, 19% to 1,078 m³, 20% to 4,861 m³ and 28% to 14,836 m³ respectively. On the other hand, Qatar, UAE, Kuwait, Bahrain and Lebanon dropped by 11% to 1,649 m³, 17% to 13,055 m³, 31% to 3,295 m³, 88% to 171 m³ and 90% to 219 m³ respectively from the previous month.

Furthermore, export to South Asia recorded positive growth by 64% in volume to 16,443 m³ from 10,005 m³. All destination to South Asia market showed positive increased. Pakistan, India, Sri Lanka and Bangladesh increased by 25% to 7,189 m³, 52% to 4,128 m³, 177% to 2,673 m³ and 348% to 2,453 m³ respectively.

Export to the US showed an increase by 13% to 1,704 m³, demand from Australia and Mauritius both increased by 25% to 2,805 m³ and 214 m³ respectively. Demand from UK also increased by 357% to 462 m³. However, exports to South Africa showed a marginal decreased by 91% to 23 m³.

In ASEAN, total export to ASEAN region for this month also showed an increase by 22% to 13,251 m³ from 10,836 m³ in the previous month. Export to Viet Nam, Philippines and Indonesia showed a positive demand by 4% to 6,862 m³, 34% to 2,159 m³ and 71% to 4,055 m³ respectively. However, export to Singapore down by 7% to 111 m³.

FURNITURE

Purchase of wooden furniture from Malaysia for January to August 2016 increased 6.3% compared to the same period in 2015. Imports of wooden furniture by the US expanded 8.3% from RM1.57 billion to RM1.70 billion. Japan recorded a consumption hike of 14.4% from RM348.0 million to RM398.3 million. The UK imports saw a growth of 24.6% from RM229.0 million to RM285.3 million. Intake by Australia remained positive with a 22.3% increase from RM331.4 million in 2015 to RM405.3 million in the corresponding period in 2016. Shipments to Singapore picked up 25.9% in 2016 to record RM317.1 million. However, demand from Saudi Arabia and UAE fall by 27.3% and 10.4% to RM99.7 million and RM132.0 million.

The Philippines boosted its wooden furniture consumption by 31.1% with a purchase of RM96.9 million in 2016 from RM73.9 million in 2015. Saudi Arabia to record a decrease of 27.3% to RM99.7 million. France, Belgium and Poland cut back consumption by 14.7%, 17.9% and 16.2% respectively.

Rattan furniture shipments increased by 6.3% to RM4.87 billion for the January to August of 2016 period compared to RM4.58 billion in 2015. Australia increased its consumption by 201.7% to RM3.3 million in 2016. The UK increased its import by 11.0%, to RM2.64 million in 2016. Meanwhile the US shipments slid to RM0.68 million in the January to August 2016 compared to RM1.4 million in 2015.

MALAYSIA HOSTING FIRST ASEAN BAMBOO SYMPOSIUM 2016



Q and A session.

Bamboo is a plant that belongs to the family *Gramineae* and has about 75 genera with over 1,250 species worldwide. Bamboo is abundant in the tropics and subtropic area as it requires a humid and hot climate for good growth. Most bamboo grow wild in the foothills of the main range, secondary forests, ex-logging areas and along river banks. Bamboo is also cultivated in villages or as plantations that can be found in many parts of Asia, America and Southeast Asia. Malaysia has about 70 species of bamboo of which 45 species are native species that grow naturally in natural forests or ex-logging areas.

In an effort to further develop the bamboo industry in Malaysia, four agencies and one institute of higher learning namely MTIB, Forest Research Institute Malaysia, Furniture Industry Technology Centre, Sarawak Timber Industry Development Corporation and Universiti Teknologi MARA jointly organised the first ASEAN Bamboo Symposium (ABS2016). The symposium was held at PWTC, Kuala Lumpur from 27 to 29 September with the theme "Sustainability and Advancement in Bamboo Utilisation". ABS2016 aimed to promote bamboo awareness as a sustainable resource, commercialisation of bamboo products, community involvement in bamboo industries and to enhance multilateral collaborations among ASEAN countries for research and educational purposes. In achieving these objectives, ABS framework was focused on four main themes of plantation; technology and product development; commercialisation;

and bamboo and community.

Four keynotes speeches were delivered by bamboo experts from the Netherlands, China and Malaysia. In addition, 21 oral presentations covering all themes were presented by participants from four ASEAN countries (Malaysia, Indonesia, the Philippines and Thailand), China, India, USA, Canada and Ethiopia. Eight

posters on themes ranging from technology, product development, design, and bamboo and community were also presented, by participants from Spain, Japan and Malaysia. YBhg. Dato' Dr. Jalaluddin Harun, Director-General of MTIB, presented a plenary paper entitled "Energising Bamboo Industry in Malaysia" while Tuan Hj. Kamaruzaman Othman and Tuan Hj. Mahpar Atan, each presented oral paper on "Credit Opportunities for Bamboo Plantation in Malaysia" and "Malaysia Bamboo Development Action Plan 2011-2020".

The symposium was officiated by YB Datuk Datu Nasrun Datu Mansur, Deputy Minister of Plantation Industries and Commodities (MPIC), representing Minister of MPIC, YB Datuk Seri Mah Siew Keong. In his speech, he emphasised the importance of bamboo as one of the most important non-timber forest products that have the potential to be utilised



YB Datuk Datu Nasrun Datu Mansur, Deputy Minister of MPIC representing Minister of MPIC officiating the symposium.

MALAYSIAN CONTESTANT WINS GOLD MEDAL IN CABINET MAKING IN THE 11TH ASC



YBhg Dato' Dr. Jalaluddin Harun, MTIB Director-General (sixth from right) posing with MTIB officials and Malaysian contestants.

Congratulations to the Malaysian contingent for emerging as champions in the 11th ASEAN Skills Competition (ASC), which was held at the Malaysian Agro Exposition Park, Serdang (MAEPS) from 19 to 29 September. Overall, the Malaysian contingent managed to win 22 gold medals, four silver medals and five bronze medals. In the cabinet making trade category, two contestants from Malaysia participated in the ASC 2016. Malaysian contestants won one gold medal and one medallion of excellence. The gold medal winner for the cabinet making trade from Malaysia was Mohd Izuwan Mat Rabi while Zamri Mohamad Supiah won the medallion of excellence.

ASC 2016 attracted more than 250 contestants from nine ASEAN member countries and thousands of international guests, experts, observers and students. ASEAN member countries comprise Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam. ASC was initiated in 1993 at the ILO/APSDEP meeting in Japan. It is a biennial skills competition among ASEAN member countries. This competition is to promote and upgrade skill standards in the region and consequently to the international level.

The objectives of the ASC are :

- To foster technical cooperation in vocational/technical education and training between member countries;
- To encourage close cooperation between governments, industries, employers,

workers unions and vocational training institutes; and

- To promote the development of quality vocational and technical as well as values among the youths and skill workers.

Some of trade areas or fields of skills in ASC 2016 were Electronic, IT Network Systems Administration, Fashion Technology, Electrical Installations, Plumbing And Heating, Welding, Cooking, Hairdressing, Automobile Technology, Refrigeration And Air Conditioning, Mechanical Engineering Design, Mechatronic, IT Software Solution for Business, Beauty Therapy, Bricklaying, Cabinet Making, CNC Maintenance, Graphic Design Technology, Industrial Automation, Information Network Cabling, Mobile Robotics, Restaurant Services, Web Design, Aircraft Maintenance, Painting and Decorating.



Mohd Izuwan Mat Rabi, the gold winner for the cabinet making trade from Malaysia.

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ASC is an activity where ASEAN member countries can cooperate and work together at the regional level in terms of skill development, in order to achieve an international standard. Therefore, ASC will pave the way for work excellence and development of highly skilled workers. The rules of the competition are as follows:

- The competition will be held every two years and the member countries will take turns to host by voting resolutions;
- ASEAN member countries have agreed to use the latest test projects of the latest WorldSkills Competition (A biennial skill competition with about 50 member countries) for the ASC test project. The WorldSkills test project was drafted by experts in skills areas who are leaders from different industrial sectors. The test project element must reflect the latest technology and skills needed and they are amended before every competition. Thus, by using WorldSkills test project as a basic for developing the ASC test project, it will enable the youth of ASEAN member countries to stay up-to-date with the world skills standard.
- Contestants must not be over 22 years old. Each country may only send two competitors for each skill area.

There has been 11 ASEAN Skills Competition:

1st ASC hosted by Malaysia on 12-23 Aug 1995

2nd ASC hosted by Philippines on 10-17 Dec 1996

3rd ASC hosted by Thailand on 16-18 Mar 2001

4th ASC hosted by Indonesia on 1-10 Oct 2002

5th ASC hosted by Viet Nam from 21-30 Sept 2004

6th ASC hosted by Brunei Darussalam on 3-12 Sept 2006

7th ASC hosted by Malaysia on 10 -19 Nov 2008

8th ASC hosted by Thailand on 14-24 Nov 2010

9th ASC hosted by Indonesia on 11-20 Nov 2012

10th ASC hosted by Viet Nam on 19-29 Oct 2014

11th ASC hosted by Malaysia on 19-29 Sept 2016

MTIB through WISDEC has been involved in the skills competition for more than 10 years. To develop human capital in the timber industry, MTIB was appointed as Industry Lead Body (ILB) by Department of Skills Development (JPK), Ministry of Human Resources in 2012. As ILB, MTIB has undertaken training programmes and activities, aimed to elevate the level of skills of human resources in the timber industry. Prior to the participation in ASC 2016, the two contestants of cabinet making had undergone intensive training at MTIB's training centre, WISDEC in Banting,

Selangor. They were trained at WISDEC under the supervision of Encik Amri Mustaffa as national expert in cabinet making, Encik Mohd Azizi Razali and Encik Mohd Akmal Hassan as national coaches.

In the cabinet making trade, cabinetmakers specialise in working with wood and other construction materials to fabricate useful and decorative items. They must master a combination of traditional and contemporary techniques using hand tools such as chisels and mallets, and modern tools such as electronic and even computerised woodworking equipment. A cabinetmaker produces furniture, cabinetry and architectural millwork from a variety of natural and manufactured materials for both the commercial and residential markets. A cabinetmaker should be able to;

- identify various types of wood and composite materials
- safely operate hand and power tools
- use woodworking machines and perform detailed milling
- perform material breakouts, assemble case work, glue and laminate
- construct staircases, sashes, doors, mouldings, furniture and cabinets
- execute specialty work involving bends and curves

In ASC 2016, the Malaysian contingent was led by YB Dato' Ismail bin Abdul Mutallib, Deputy Minister of Human Resources. YAB Dato' Seri Dr. Ahmad Zahid bin Hamidi, Deputy Prime Minister of Malaysia congratulated and praised the Malaysian team for their hardwork and commitment during the competition. He urged future Malaysia contestants to aim for even higher success in the next 44th WorldSkills Competition (WSC) which would be held in Abu Dhabi in 2017. Thailand will be the next host of the 12th ASC 2018.



Malaysian contestants with other contestants from ASEAN countries.

WORLD BAMBOO DAY 2016



YBhg. Dato' Dr. Jalaluddin Harun, MTIB Director-General (second from right) with other VIPs after launching a book entitled *Penanaman Buluh Komersial di Malaysia*.

In conjunction with the ASEAN Bamboo Symposium 2016 (ABS2016), which was held on 27-29 September at PWTC, Kuala Lumpur the joint organisers of ABS also organised the World Bamboo Day celebration (WBD 2016).

The WBD 2016 which was officiated by Dato' Dr Jalaluddin Harun, MTIB Director-General, was the fifth year Malaysia had celebrated the event. In his opening speech, he highlighted MTIB's role in developing the Bamboo Industry in Malaysia in which he made special reference to the Bamboo Industry Development Action plan for 2011-2020 which was developed by MTIB with its five main strategic thrusts of Bamboo Plantation Establishment, Human Resources and Capital Development, Value-added Products Development, Research and Development, and Marketing, Trade and Promotion. While stressing on the need for the bamboo industry to make the radical move to higher value-added products through innovation and technology, he also expressed his hope that WBD would be able to spur further growth of the Bamboo Industry in Malaysia through the increased awareness of the public on the importance of bamboo.

Dato' Dr. Jalaluddin also launched the *Book on Penanaman Buluh Komersial di Malaysia* which was written by Dr. Azmy Mohamed of Universiti Putra Malaysia (UPM) in collaboration with MTIB. The book which covers topics on Bamboo Cultivation, Harvesting, Treatment and Preservation of Bamboo

as well as Plantation Management is useful for those who are interested to start a bamboo plantation.

WBD 2016 included exhibitions on bamboo products and a series of talks on bamboo and related topics. A total of 17 bamboo companies from Malaysia, Thailand, Indonesia and the Philippines participated in the exhibition. The series of talks on bamboo attracted 250

participants from Universiti Teknologi MARA, Segi University College, UPM, and Terengganu Timber Industry Training Centre as well as the public. The two-day event also saw 2,000 visitors to the exhibition.



The VIPs were impressed with the bamboo bicycles displayed at the exhibition.



YBhg. Dato' Dr. Jalaluddin Harun with one of the exhibitors.

GLOBAL TIMBER CONFERENCE 2016 – “HARNESSING SUSTAINABLE GLOBAL GROWTH”



YBhg. Dato' Dr. Jalaluddin Harun, Director-General of MTIB officiating the conference on behalf of YB Minister of Plantation Industries and Commodities.

Global economic growth is a major indicator of demand for tropical wood products because of its flow-on effects on housing and construction activities as well as consumer wealth and spending. Timber industry is one of the most important commodities to the world's economy. In 2015, global trade of timber and timber products amounted to USD411.3 billion, an increase of 6% from USD389.3 billion recorded in 2011. For Malaysia alone, export of timber and timber products to the world totalled USD5.6 billion, contributed approximately 1.4% of the global timber trade.

Realising the importance of timber industry to the global economic growth, Confexhub Group supported by MTIB, organise the first inaugural Global Timber Conference (GTC) 2016 with the theme 'Harnessing Sustainable Global Growth'. The conference was held from 21 to 22 September in Kuala Lumpur. Main objectives of this conference are to provide a platform for participants to exchange ideas, opinions and challenges on the global outlook of the timber sector as well as to provide an insight information related to sustainable forest management; global supply chain; standards and certification; new products development, innovation and technology; marketing, design and branding.

During the conference, 20 papers including two papers from the plenary session were presented by 21 distinguish speakers and experts from their respective fields. The speakers elaborated about global market outlook of timber and furniture industry including trends and prospects of tropical

timber in Asia as well as globally. It was also highlighted that the demand for tropical timber is on declining trends as compared to softwood timber. In addition, sustainable, legal and certified timber products have been major concern among the consuming and producing countries and by looking at the current trends, it is predicted that more countries are going to impose and introduce new public procurement policies as well as standards and regulations in order to address the growing concern.

Invited speakers also provide detail information on advanced timber materials application particularly glued laminated timber (glulam) and cross laminated timber (CLT) in the timber building and construction sector. The speakers from furniture industry deliberated on the challenges faced the industry in balancing factors such as quality, cost and pricing in their production. It is also being highlighted that there is a continuous effort by the manufacturers to produce design and branding products in order to gain greater market access for their products.

In conclusion, the conference has enlighten the participants on the bright and promising future of the timber industry globally. Demand on timber construction especially on the high rise building are on increasing trend and generate greater interest among the specifiers as well as the public. The conference was attended by 180 participants from 20 countries.



VIPs posing for a group photo after the opening ceremony.

SABAH INTERNATIONAL EXPOSITION 2016



YB Datuk Seri Panglima Masidi Manjun, Sabah Minister of Tourism, Culture and Environment (left) at the booth during SIE 2016.

MTIB joined more than 100 exhibitors from 20 countries in the recent Sabah International Exposition (SIE) 2016, held on 15-18 September in Kota Kinabalu, Sabah. The event was one of the biggest expos in the Brunei, Indonesia, Malaysia, Philippines and East ASEAN Growth Area (BIMP-EAGA). The opening and welcoming dinner on 14 September was officiated by YB Datuk Raymond Tan, Deputy Chief Minister cum Industrial Development Minister on behalf of YAB Datuk Seri Musa Aman, Chief Minister of Sabah.

While MTIB has regularly participated in SIE, with two booths shared with a Sabah flooring company, AE Inspired Sdn. Bhd, most of the delegates for SIE 2016 were first-time participants, both local and international. SIE 2016 aimed to attract commercial and economic interest in Sabah. Sabah's abundant natural resources and proximity to the region's economic powerhouses (China, Japan, South Korea, Taiwan, Hong Kong and Australia); and the

strength of a 60-million customer market in the BIMP-EAGA make it an excellent and ideal trading hub in South East Asia. The expo has seven major business focus areas; green technology, agriculture and fisheries, manufacturing, real estate, food and beverage as well as services and tourism.

In addition, SIE 2016 served as a platform for Malaysian businesses, especially those based in Sabah, to showcase new products and services to both local and international consumers. It was also an event that helped showcase products from other nations. With the large number of entrepreneurs attending the expo, there were endless opportunities for networking and establishing business partnerships.

Over 15,000 people visited the expo this year while 334,000 people have visited the expo since it started in the year 2000. The expo has also succeeded in raising almost half a billion ringgit worth of business transactions since it was first launched.



A group photo with YB Datuk Seri Panglima Masidi Manjun.



Encik Mazree Iman, Head of MTIB Sabah presenting a token of appreciation to YB Datuk Seri Panglima Masidi Manjun.

30TH ISO/TC 165: TIMBER STRUCTURE CONVENES IN MELBOURNE



Group photo with ISO/TC165 Chairman Dr. Erol sitting in the middle.

Compliance to international standards is one of the factors that contributes to the use of timber and engineered timber products such as glued laminated timber (glulam), laminated veneer lumber (LVL) and cross laminated timber (CLT) as load bearing structures. These engineered timber structures are widely used in many countries such as Austria, Sweden, Norway, the United Kingdom, Japan, Canada, the United States, Australia, New Zealand and Singapore as well as Malaysia. At present, CLT is currently the most popular structural engineered building material being promoted and used in developed countries.

Realising the importance of international standards as a reference document, the 30th Meeting on ISO/TC 165: Timber Structure was held at University of Melbourne, Australia from 19 to 22 September. The meeting was organised by Standards Australia, University of Melbourne and it was sponsored by Forest and Wood Products Australia (FWPA), Glue Laminated Timber Association of Australia (GLTAA), Australian Sustainable Hardwood (ASH), Bairnsdale Sawmills and ITI, Australia. The meeting discussed several standards documents at various stages of development as a follow up from the previous meeting held in Johore Bahru, Malaysia in September 2015.

Twenty-seven resolutions were concluded during the meeting involving six working groups (WG) under ISO/TC 165. These included WG 2: Requirements for structural glued laminated

elements; WG 6: Glued joints for timber structures; WG 7: Connections and assemblies; WG 10: Evaluation of characteristic values for structural timber products; WG 11: Classification for solid timber; and WG 12: Structural use of bamboo. As of 2016, a total of 39 ISO Standards for timber structures were being developed, all at different stages of development including nineteen standards under development, six standards under new work item proposals, five standards already published and three

standards under systematic review. ISO TC 165 also confirmed the appointment of Dr. Erol Karacebeyli as Chair of TC 165 until the end of 2018. Through the deliberations during the meeting, it was noted that Malaysia still lacked data including characteristic values as well as test methods for tropical hardwood which is an important input for the development of ISO standards for timber structures. With the availability of the required data, it could be used to further promote tropical hardwoods as load bearing structures in the global market.

The participants also visited two buildings in Melbourne City which were made from CLT, glulam and recycled wood i.e. FORTE Apartment and Library-at-The-Dock, to observe the innovation involved in timber buildings made from engineered timber products. Forté was built with CLT which has a structural strength akin to the traditionally used concrete and steel. The 10-storey apartment with stands at 32.2 m is the world tallest timber and greenest apartment and it's amongst the most popular CLT buildings in the world. The CLT was imported from KLH Austria and it was built by Lend Lease using 759 CLT panels of European Spruce weighing a total of 485 tonnes. The panels were shipped to Australia in 25 shipping containers. Forté will positively affect the environment by directly storing (sequestering) 761 tonnes of carbon dioxide. When considering the emitted carbon dioxide that would occur if an equivalent concrete or steel buildings was used, the advantage would increase to 1,451 tonnes of

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carbon dioxide or the equivalent of taking 345 cars off the road for a year. The building is targeting a 5 star Green Star Built rating.

On the other hand the Library rests on a 75-year-old wharf, a structure that would not be able to support the weight of a concrete and steel building without additional piling. Using massive timber reduced the building weight by approximately 30% over concrete and steel alternative. The Library was constructed in 60 days using 1,000 m³ European Spruce CLT for wall panels and floor panels, glulam post and beam and recycled ironwood and tallowwood as cladding. Library at The Dock is Australia's first 6 star Green Star rated public building, as awarded by the Green Building Council of Australia. It's also won several other sustainable design and architecture awards since opening.

A total of 34 international delegates from various countries attended the meeting including Australia, Austria, Canada, China, Colombia, Finland, France, Germany, Japan, Malaysia, New Zealand, Republic of Korea, Tanzania and United States as well as from the International Network for Bamboo and Rattan (INBAR). The Malaysian delegation comprised Puan Hj. Mahsuri Mat Dris, MTIB Senior Deputy Director of Industry Development (Head of Delegation); Prof. Dr. Zakiah Ahmad, Director of

IIESM, Universiti Teknologi MARA, Shah Alam; as well as Puan Hamidah Abdullah, Director, Industry Development Division, Malaysian Timber Council. The ISO/TC 165 meeting for 2017 will be held in Vienna, Austria. 



Malaysian delegates; from left Puan Hj. Mahsuri Mat Dris (MTIB), Prof. Dr. Zakiah Ahmad (UiTM) and Puan Hamidah (MTC).

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Timber News

by the timber as well as other related industries such as transportation, textile and food industries through product development initiatives, innovation and creativity. Bamboo, he said, has the added advantage of being a green material that is environmentally friendly and could easily meet the demand of today's green consumerism.

A field visit was organised on the third day of the symposium where the participants visited the Bamboo Playhouse at Lake Garden, Kuala Lumpur and Tadom Hill Resorts in Banting, Selangor to see how bamboo is used in construction and in the making of bamboo charcoal.

A total of 135 participants attended the symposium comprising individuals and representatives from both the government and private sectors including international participants from 13 different countries. 



Attendees at the symposium.

BUMIPUTERA BUSINESS MATCHING MISSION TO EUROPE



The delegates posing with the Malaysian Embassy in Paris

A middle-income country, Malaysia has transformed itself since the 1970s from being a producer of raw materials into an emerging multi-sector economy spurred by high technology, knowledge-based and capital intensive industries.

MTIB's focus for many years has always been on the SMEs. SMEs are the backbone of our economy and the growth of SMEs is vital to Malaysia's trade and export performance. Therefore, MTIB took the initiative to organise a Business Matching Mission for Bumiputera to Europe under the Bumiputera Export Development Programme. Under this programme, the entrepreneurs are encouraged to build a network and collaborate with buyers and suppliers especially in the furniture sector. MTIB hoped to give Malaysian entrepreneurs a wider exposure to the interests and trends of the international market. Optimistically from this visit and exchange of ideas, the entrepreneurs will be able to develop more innovative and competitive furniture designs.

The programme was held on 1-12 September and it covered two different international furniture expos: Maison & Objet Paris 2016, France and Habitare Helsinki 2016, Finland.

The Maison & Objet Paris offers a clear perspective of three main areas:

- Maison which highlights a wide range of interior decoration;
- Objet, the show's concept store, ideal for retailers;

- Influences which covers information and knowledge sharing. An interesting observation made in France was that they highly appreciated new, cultural-based innovative designs.

Meanwhile, Habitare Helsinki is the largest furniture, design and interior decoration event in Finland. It offers experiences, ideas and information about interior decoration and about the function and look of homes and other spaces.

Besides having extensive discussions with the potential buyers from various countries, the participants also had the opportunity to meet and discuss with some government and non-government organisations namely the Malaysian Embassies in France and Finland, the Tourism Malaysia Office in France, the Malaysian Business Council in Finland, More Dutch Design – the consultant to the Ministry of Foreign Affairs Netherlands, Finnpartnership – the agency under the Ministry of Foreign Affairs Finland and the organisers of Maison & Objet Paris and Habitare Helsinki.

From the discussions and presentations, the Malaysian entrepreneurs received some feedback from the exhibitors and the organisers of the two expos. To penetrate the European market especially the furniture sector, Malaysia must expand its range of designs that suit and meet the requirements of the market especially with design concepts which would last more than

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10 years while also emphasising on being environmentally friendly, promising zero emissions and reducing ecological impact. We need to ensure that our products have the quality and finishing that meet their standards. This niche market segment requires a few critical elements; the design itself, quality, branding, pricing and sales channel are some important elements to be studied. The quality, for example, is higher than the average quality of mass market products. Our observation was that while some of the designs were simple and can be produced outright, the finishing quality is never compromised.

Many visitors suggested that Malaysia set-up its own pavilion in future events. However, while we try to match designs that are marketable in Europe, we should also incorporate some subtle aspects of the Malaysian culture into the design so as to instill the Malaysian identity into our products.

MTIB understands that the export journey can be challenging especially with the current economic landscape for example, where there is a huge decline in commodity prices and currency fluctuations. In fact, we at MTIB believe that we can work together to discover the opportunities in export together. It is obvious that the initiative to develop an export-oriented programme targeted towards the European market for Bumiputera companies is indeed viable with minimal marketing investment against the potential revenue generated.

The delegation was led by Encik Ahmad Farhan Ab Karim, MTIB Assistant Director of Bumiputera Economic Empowerment. The Bumiputera entrepreneurs were NSF Integrated Sdn. Bhd., FNB World Impression (M) Sdn. Bhd., One-Tech (M) Sdn. Bhd., Anggun Sofa & Interior Sdn. Bhd., Furnitech Industries (M) Sdn. Bhd., Homestead Wood Industries Sdn. Bhd., ZFH Industries Sdn. Bhd.; and Encik Shahril Faisal (TANGGAM Designer).



Products displayed at Maison Objet Paris 2016.



Posing with the Malaysian Embassy in Helsinki.

IRAN - THE NEXT BIG EMERGING CONSTRUCTION MARKET



Overview

Iran also known as Persia officially the Islamic Republic of Iran is a sovereign state in Western Asia. It is bordered to the northwest by Armenia, , and Azerbaijan; to the northeast by Turkmenistan; to the east by Afghanistan and Pakistan; to the south by the Persian Gulf and the Gulf of Oman; to the north by the Caspian Sea; and to the west by Turkey and Iraq. Comprising a land area of 1,648,195 square kilometres (636,372 square miles), it is the second-largest country in the Middle and the 18th-largest in the world. With 78.4 million inhabitants, Iran is the world's 17th-most-populous country. It is the only country with both a Caspian Sea and an Indian Ocean coastline. The country's central location in Eurasia and Western Asia, and its proximity to the Strait of Hormuz, make it of great geostrategic importance. Tehran is the country's capital and largest city as well as its leading economic centre.

Economy

The economy of Iran is a mixed and transition economy with a large public sector. Some 60% of the economy is centrally planned. It is dominated by oil and gas production, although over 40% of industries are directly involved in the Tehran Stock Exchange, one of the best performing exchanges in the world over the past decade. With 10% of the world's proven oil reserves and 15% of its gas reserves, Iran is considered an "energy superpower". It is the world's eighteenth largest by purchasing power parity (PPP) and 29 by nominal gross domestic product. The country is a member of Next Eleven because of its high development potential. A unique feature of Iran's economy is the presence of large religious foundations called Bonyad, whose combined budgets represent more than 30% of central government spending.

Price controls and subsidies, particularly on food and energy, burden the economy. Contraband, administrative controls, widespread corruption and other restrictive factors undermine private sector-led growth. The legislature in late 2009 passed the subsidy reform plan. This is the most



extensive economic reform since the government implemented gasoline rationing in 2007.

Most of the country's exports are oil and gas, accounting for a majority of government revenue in 2010. Oil export revenues enabled Iran to amass well over USD100 billion in foreign exchange reserves as of 2010. Iran ranked first in scientific growth in the world in 2011 and has one of the fastest developments in telecommunication globally.

Due to its relative isolation from global financial markets, Iran was initially able to avoid recession in the aftermath of the 2008 global financial crisis. However, following new sanctions related to Iran's nuclear programme, the Iranian Rial fell to a record low of 23,900 to the US dollar in September 2012.

Exports aided self-sufficiency and domestic investment, although double-digit unemployment and inflation remain problematic. Iran' educated, high human development, constrained economy and insufficient foreign and domestic investment prompted an increasing number of Iranians to seek overseas employment, resulting in a significant "brain drain".

Forest Resources

Seven percent of the country is forested. The most extensive growths are found on the mountain slopes rising from the Caspian Sea, with stands of Oak, Ash, Elm, Cypress, and other valuable

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trees. On the plateau proper, areas of scrub Oak appear on the best-watered mountain slopes, and villagers cultivate orchards and grow the plane tree, Poplar, Willow, Walnut, Beech, Maple and Mulberry. Wild plants and shrubs spring from the barren land in the spring and afford pasturage, but the summer sun burns them away. According to FAO reports, the major types of forests that exist in Iran and their respective areas are:

- Caspian forests of the northern districts – 19,000 square kilometres (7,300 square miles)
- Limestone mountainous forests in the northeastern districts (*Juniperus* forests) – 13,000 square kilometres (5,000 square miles)
- Pistachio forests in the eastern, southern and southeastern districts – 26,000 square

kilometres (10,000 square miles)

- Oak forests in the central and western districts – 35,000 square kilometres (14,000 square miles)
- Shrubs of the Kavir (desert) districts in the central and northeastern part of the country – 10,000 square kilometres (3,900 square miles)
- Sub-tropical forests of the southern coast, like the Hara forests – 5,000 square kilometres (1,900 square miles)

Timber Production

According to the latest FAO forest statistics on Iran, the country produced around 2.13 million m³ of wood ranging from particleboard to veneer in 2015. Details of production are as below:

Production of Timber Products, 2011 - 2015

(Volume : m³)

Product	2011	2012	2013	2014	2015
Particleboard	802,000	886,000	981,000	101,000	756,000
Log	660,000	730,000	730,000	730,000	730,000
Fibreboard	302,000	412,000	430,000	546,000	639,000
Sawntimber	31,000	33,000	33,000	33,000	33,000
Plywood	5,000	5,000	5,000	5,000	5,000
Veneer	553	1,000	1,000	1,000	1,000

Source: FAO stats.

Timber and MDF Industry in Iran

The future of wood product industries in Iran will depend on availability of raw materials. Availability of raw material will hinge on a sound forestry and import program. Due to the limited supply of raw material, wood-based panel industries operate at far less than their nominal capacity. One of the main wood based industries is medium density fibreboard (MDF) manufacture. MDF is widely used in the manufacturing of furniture, kitchen cabinets, door parts, mouldings, laminate flooring and embossing.

The current challenges facing this industry are to provide their raw materials to obtain main share of MDF products in the Iranian market. At the present, six MDF factories are active in Iran with annual consumption of raw material nearly 600,000 m³ round wood. Wood panel industries are operating less than full capacity excluded MDF manufacture. The main reasons are the limited supply of raw materials and low-technology machinery. These problems are most serious in plywood and veneer manufacturing, which need high-quality raw materials and high technologies.

Domestic sources of high-quality logs are very limited, and there is a ban on importing round wood with bark into Iran. Despite the current industry structure in Iran, MDF manufactures are running with higher technologies machinery rather than other wood panels manufactures. Due to the destruction of the forests and lack of proper plantation, replacement of the forest wood by the fast growing wood is vital to satisfy all requirements of factories in Iran. It is also critical to minimise cost at MDF manufacture. MDF panel has being downgraded by the waste due to inappropriate use of raw material during wood chips conversion. Improved production efficiency and business competitiveness of MDF can significantly reduce production costs in the current situation.

In general, the variation in consumption is associated with population changes. Considering the ever increasing rate of Iran's population, consumption of wood panels is increasing each year. Since MDF was first imported to Iran in 1996, import of MDF panels had increased dramatically from 217,081 m³ in 2004 to 1,078,472 m³ in 2012. Before 2004, the total of domestic consumption of MDF completely relied on import. By now, 61% of

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domestic MDF in Iran still relies on import, of which 30% is imported from Thailand, 24% from Turkey, 21% from China, 14% from Emirates United Arab, 10% from Malaysia and 1% from other countries. The estimated demand for MDF in Iran shows that the total MDF demand will reach more than 1,642,000 m³ in the year 2018, which increases by 42% in comparison with that in 2013.

Iran's Import of Timber and Timber Products

According to the latest UN Comtrade statistics, Iran's

import of timber and timber products decreased 36% to USD790.6 million. Fibreboard was the main product imported, valued at USD344.8 million followed by furniture (USD223.1 million) and sawntimber (USD124.2 million).

Turkey and China was the major supplier of timber and timber products including furniture. Malaysia was ranked sixth for timber and timber products with 1.7% of market share and ranked 12th for furniture with 0.4% of market share.

Iran: Import of Timber and Timber Products, 2011 – 2015

(Value : USD '000)

Product	2011	2012	2013	2014	2015
Fibreboard	414,285	453,301	304,764	368,677	344,848
Furniture	163,851	279,228	394,408	571,107	223,091
Sawntimber	167,326	213,511	172,357	134,476	124,208
BJC	3,532	21,511	26,290	75,174	24,864
Mouldings	1,991	15,168	11,028	17,420	8,474
Plywood	13,795	15,927	11,040	14,498	6,375
Particleboard/ Chipboard	10,657	6,023	11,744	9,290	6,274
Veneer	4,652	4,295	4,281	4,490	4,949
Logs	3,000	702	219	441	407
Wooden Frames	506	217	297	179	261
Others	18,541	32,091	34,787	46,401	46,822
Total	802,136	1,041,974	971,215	1,242,153	790,573

Source : UN Comtrade Stats

Iran's Export of Timber and Timber Products

Iran's exports of timber and timber products were valued at USD5.1 million. Furniture was the main

product exported, valued at USD2.8 million followed by sawntimber at USD820 thousand and fibreboard valued at USD690 thousand.

Iran: Export of Timber and Timber Products, 2011 -2015

(Value : USD '000)

Product	2011	2012	2013	2014	2015
Furniture	13,193	3,665	3,770	4,766	2,813
Sawntimber	524	454	539	1,254	820
Fibreboard	115	389	709	302	690
Plywood	6	46	175	1	151
Other Articles of Wood,n.e.s	658	75	144	117	144
Particleboard	1,896	17	108	180	109
Veneer	0	0	2	0	81
Fuelwood	246	179	56	14	55
BJC	1,227	196	57	93	52
Others	6,280	7,030	8,605	5,947	102
TOTAL	24,145	12,051	14,165	12,674	5,052

Source: UN Comtrade Stats

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Malaysia's Export of Timber and Timber Products to Iran

In 2015, Malaysia's exports of timber and timber products to Iran decreased 13.7% to RM40.3 million over the previous year. Iran ranked 42nd with 0.2% of Malaysia's total market share. MDF was the main product exported with a total value of RM33.0 million, followed by particleboard at RM3.1 million and wooden furniture at RM2.1 million.

MDF is in high demand in Iran due to major requirements from wood working joineries who consume them for making kitchen cabinets, drawers, wardrobes, cupboards and other furniture parts.

Importers are deeply concerned on the lack of avenues for payment/remittance for MDF shipment from Malaysia. In addition, the big size: 6' x 12' is not available without off-cuts with most mills in Malaysia which is mostly required by end-users in Iran.

Malaysian MDF is well accepted in Iran, as the current competitive prices, has increased its appeal to joinery workshops which are looking for cheaper variants available in the market. However, Thailand MDF is preferred by joinery workshops due to its lower price, smoother finish and lighter shade compared to Malaysian MDF.

As for particleboard, demand for imported particleboard is not much in Iran due to higher local production, which is considered a better

option by the end-users due to higher duties (25%) on melamine face particleboard in Iran. As such, it is mainly used for door cores and also some demand for fire-rated particleboard where it is mandatory to have light-weight doors which are fire retardant.

'Finsa' brand from Spain besides Romania, Russia and Turkey are other major suppliers of particleboard to Iran where the contractors apply them for multi-storeyed apartments and for office complexes in Tehran and other big cities such as Isfahan, Shiraz, Mashhad and Tabriz of Iran.

Home and office furniture demand in Iran is expected to remain stable as new residential apartments are delivered to owners. Home furniture from China is popular amongst Iranians as the prices are much lower for sofa sets, bedroom sets and dining table sets. Furniture from Italy, Germany, United Kingdom and France are available in a few retail stores which are considered to be expensive meant for high-end market.

Malaysian furniture was visible in some up-market shopping outlets in Tehran which included the office, home and outdoor furniture. Malaysian furniture is admired for its high quality, durability and value for money. Customers are now buying more of Chinese furniture instead of Malaysian furniture, former favoured for much lower prices, attractive designs and colour combinations with alternative usage of raw materials which appealed to youngsters because of their lower purchasing capacity.

Malaysia: Export of Timber and Timber Products by Value to Iran, 2011 -2015

(Value in RM)

Product	2011	2012	2013	2014	2015
MDF	115,960,372	148,829,576	41,369,877	43,468,687	33,007,024
Particleboard	0	0	833,283	0	3,093,350
Wooden furniture	11,859,816	5,091,199	4,008,126	2,550,815	2,054,218
BJC	940,788	1,014,093	232,650	594,791	1,191,377
Plywood	0	0	0	0	995,212
Sawntimber	235,236	233,077	638,862	86,252	0
Wooden Frame	32,110	0	0	0	0
Rattan Furniture	0	0	0	0	0
Others	1,273,527	886,484	219,362	71,776	0
Total	130,301,849	156,054,429	49,396,060	46,772,321	40,341,181

Source: DOSM and MTIB

Malaysia: Export of Timber and Timber Products by Volume to Iran, 2011 –2015

(Volume : m³)

Product	2011	2012	2013	2014	2015
MDF	127,271	156,040	49,902	49,325	33,871
Particleboard	0	0	1,173	0	7,466
Plywood	0	0	0	0	300
Sawntimber	86	188	531	34	0
Total	127,357	156,228	51,606	49,359	41,637

Source: DOSM and MTIB

Import Tariffs

Iran's import duty on timber and timber products ranges from 4–55% meanwhile for VAT is 9% for all timber and timber products. Details are as follows:

Code	Product	Duty (%)	Vat (%)
4403	Logs	4	9
4407	Sawntimber	4	9
4408	Veneer	4	9
4409	Mouldings	7	9
4410	Particleboard/ Chipboard	10-15	9
4411	Fibreboard	10-15	9
4412	Plywood	10	9
4418	BJC	20-40	9
9401	Seats	7-55	9
9403	Furniture and Parts Thereof	15-55	9

Source: WTO

Prospects

The lifting of the sanctions and a more business-oriented environment are projected to increase real GDP growth to 4.2% by the end of 2016 and 4.6% in 2017. The lifted of the sanctions, will opening widespread opportunities for international investors, developers and manufacturers of the full range of building material, equipment and cutting-edge construction technologies. Iran is set to construct 125 luxury hotels as the government's tourism arm is aiming to increase visitors to the Middle Eastern country to 20 million by 2025, a 20 fold increase, hopes are that it can contribute USD25 billion to the economy.

Rotana are set to open four hotels in the next two years, two in the city of Mashhad set to be completed by the end of 2017. In Tehran, Rotana will launch two Rayhaan properties by 2018 – a five-star hotel

which will house 194 rooms and a four-star hotel will include 210 rooms. Melia Hotels and Jumeirah Hotel Group are also considering expansion into Iran.

After three years of stagnation, Iran's housing market is picking up slowly. Iran has progressed in applying new civil construction technologies. Prefabricated construction projects are underway to save energy and time by utilising fibre-reinforced concrete (FRC), Un-plasticised Polyvinyl Chloride (UPVC) material and specifically Light Steel Framing (LSF) technologies in new constructions. Moreover the low cost in transporting and erecting these material, has generated a great deal of interest in such fast-paced pre-fab building projects.

There are opportunities for Malaysian MDF, engineered wood and laminated flooring, home and outdoor furniture due to the growing demand and consumption of these products in Iran. BJC products such as balustrades, cornice, door jambs, skirting, doors and doorframes, glulam can be supplied to building contractors and importers due to lack of technical know-how and skills to make quality products in Iran.

Importers in Iran are very much concerned about the lack of payment options to Malaysia unlike their timber products suppliers based in China and Thailand. Iranian companies lamented the non-availability of remittance/monetary transfer facilities which reduced imports of MDF, BJC and furniture from Malaysia to Iran.

Construction of small and medium houses, apartments and villas through private projects instead of government led initiatives is continuing in Iran due to requirement for residential properties in Tehran.

In conclusion, the import of Malaysian timber products such as plywood, MDF, particleboard, BJC products and furniture would continue to meet the requirement of Iran. 

KEDONDONG KERANTAI LICHIN – SUITABLE FOR MEDIUM HEAVY STRUCTURES



Tangential section of Kedondong Kerantai Lichin



Kedondong Kerantai Lichin tree

Kedondong Kerantai Lichin or *Santiria laevigata* is a species from the Burseraceae family that can grow up to 30m and 70cm in diameter, often with buttresses. This species can be found in South East Asia, Samoa Island and Sri Langka. Usually, *Kedondong Kerantai Lichin* can exist in mixed dipterocarp and swamp forests.

General Characteristics

Growth rings of *Kedondong Kerantai Lichin* timber cannot be seen physically (absent). *Kedondong* timber vessels are diffuse porous, medium sized, mostly solitary and in radial multiples of a series of up to six vessels. Tylosis of this timber is sparse or abundant and the deposit is absent. This timber has paratracheal vasicentric and aliform parenchyma. *Kedondong Kerantai Lichin* wood recorded an absent of ripple marks but has a horizontal type of intercellular canals. The colour of this species is pink-brown and red-brown heartwood and it's not clearly defined from sapwood. The texture of this species is moderately fine and even and it has wavy or shallowly interlocked grain.

Density

Santiria laevigata can be categorised as Light Hardwood (LHW) with a density of 495-980 kgm⁻³ air dry and the average density of 705 kgm⁻³ air dry.

Natural Durability

According to Jackson, it classified this timber as not durable if exposed to weather or in direct contact with the ground. The average service life for the species tested is 1.2 years. The sapwood of the timber is liable to heavy attack by powder-post beetles due to its high starch content. It was reported by Desch in 1941 that the heartwood can be readily attacked by drywood termites.

Preservative Treatment

The timber of *Kedondong* has been found to be very difficult to treat with preservatives.

Use of Timber

The timber is suitable as a general utility timber for posts, beams, joists, rafters, medium heavy structures, railway sleepers, vehicle bodies (framework and floor boards), planking, cladding, plywood, tool handles (non-impact), particleboard, flooring, furniture, packing boxes and crates as well as pallets (expendable and permanent light duty types).

Strength Properties

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

Strength Properties of Kedondong

Timber Species	Test Condition	Modulus of Rupture (MPa)	Modulus of Elasticity (MPa)	Compression Parallel to Grain (MPa)	Compression Perpendicular to Grain (MPa)	Shear Strength (MPa)
<i>S. laevigata</i>	Green	64	11,200	31.8	-	8.0
	Air dry	81	12,100	43.1	-	10.9

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Machining Properties

The working quality of the timber is variable, ranging from easy to very difficult to work, due to

the presence of silica and deeply interlocked grain. Planing is easy to slightly difficult and a smooth surface is often obtained although in some cases, severe picking-up of the grain has been noted.

Machining Properties of Kedondong

Species	Test Condition	Sawing		Planing		Boring		Turning	
		Re-sawing	Cross Cutting	Ease of Planing	Quality of Finish	Ease of Boring	Quality of Finish	Ease of Turning	Quality of Finish
<i>S. laevigata</i>	Green	Difficult	Difficult	Slightly difficult	Moderately smooth	Difficult	Smooth to Slightly rough	-	-
	Air dry	Very difficult	Very difficult	Slightly difficult	Moderately smooth	Difficult	Slightly rough	Slightly difficult	Moderately smooth

Nailing Property

Nailing property is good.

Air Drying

Seasoning properties for the species are as below:

Species	Time to air dry (months)		Remarks
	13 mm thick boards	38 mm thick boards	
<i>S. laevigata</i>	2	6	Fairly slow drying, powder-post beetle attacks, slight cupping, end-checking and surface-checking.

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Shrinkage

The shrinkage characteristics for the species are as below:

Species	Shrinkage (%) (Green to air dry)		Remarks
	Radial	Tangential	
<i>S. laevigata</i>	1.8	3.2	High shrinkage



Kelantan Wood and Lifestyle Fair organised by MTIB on 21 - 27 August 2016 at TESCO, Kota Bharu, Kelantan.



A Workshop on Documentation of MS ISO 9001 : 2015 organised by MTIB for its personnel on 8-9 September 2016 at MTIB, Kuala Lumpur.



MTIB participating at the AGRI Malaysia Exhibition held on 21-24 September 2016 at MITC, Melaka.



MTIB participating at the National Skills Expo Carnival (KEKK) on 24 to 26 September 2016 at MAEPS, Serdang, Selangor.



Encik Eric Foo from PFI Research and Consultancy giving a briefing on GMP 5S on 27 September 2016 in Seberang Prai, Penang. The programme was jointly organised by MTIB and PIFTA.



Briefing on Tools Technique GMP 5S on 29 September 2016 in Sungai Buloh, Selangor. It was jointly organised by MTIB and KLFSIA.