

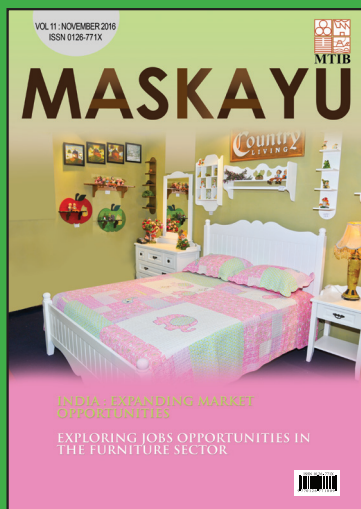
MASKAYU



INDIA : EXPANDING MARKET
OPPORTUNITIES

EXPLORING JOBS OPPORTUNITIES IN
THE FURNITURE SECTOR

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Cover : Bedroom sets manufactured by Country Living Furnishing. It was displayed during the Johor Wood and Lifestyle Fair held at Galeri Glulam Johor Bahru.

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INDIA : EXPANDING MARKET OPPORTUNITIES



Courtesy call to High Commissioner of Malaysia to India, His Excellency Datuk Naimun Ashakli Mohammad (centre).

In 2015, India imported Malaysian timber and timber products including furniture worth RM1.89 billion, an increase of 6.7% as compared to the corresponding period in 2014. India is the third largest export market for Malaysian timber and timber products after Japan and the US. In 2015, export of major Malaysian timber and timber products to India were logs, wooden furniture, sawntimber, builders' joinery and carpentry (BJC), chipboard/particleboard and plywood. To further expand its market potential, MTIB organised a technical mission and timber entrepreneurs' development programme to India from 9 to 15 November.

The mission was led by Puan Hj. Norchahaya Hashim, Deputy Director-General of MTIB, assisted by Encik Mohd Afthar Amir, MTIB Senior Assistant Director of Trade Development. The mission delegation comprised five members of the Malaysian timber industry: Golden Pharos Berhad, Jaya Tiasa Timber Products Sdn. Bhd., PESAMA Timber Corporation Sdn. Bhd., PESAKA Terengganu Berhad and Forestry Assets Sdn. Bhd.

The programme involved roundtable discussions with the Bombay Timber Merchant Association Ltd. (BTMA) and its member, Association of Furniture Manufacturers and Traders (AFMT), Timber Merchant Association (TMA) and Federation of Indian Plywood & Panel Industry (FIPPI). In addition, individual business matching and networking sessions as well as visits were conducted during the mission to factories and wholesales.

The roundtable discussions were held on 9-10 November in Mumbai and 14 November in New Delhi with the objective of seeking possible joint-ventures relating to manufacture and marketing of sawntimber, plywood and Agarwood products and strengthening exports of timber and timber products to India. The sessions were well attended by specifically selected Indian timber importers, agents and merchants, manufacturers and end-users of timber and timber

products. During the roundtable discussions, delegation members had the opportunity to exchange information on Malaysia's and India's timber trade. The business matching session which immediately followed the discussion, covered more trade-focused topics which included potential trade and business opportunities between both countries including the current status of India's timber industry development, export, import, production and trade collaborations.

BTMA highlighted that currently, the construction and housing industry in India was booming due to its increasing population. For example, Mumbai alone required timber and timber products about 1,000 cubic metres per month. However, the challenges were meeting the low prices asked by the Mumbai importers and the stringent import procedures imposed by the Indian government. Furthermore, the logistic facilities and delivery period needed to be very efficient.

Delegates also took the opportunity to visit ACETECH Mumbai, a leading architecture, building materials,



Roundtable discussion with the Bombay Timber Merchant Association Ltd.



AUSTRIA Timber Industry Increases Turnover

The Austrian timber industry recorded a turnover of almost EUR 7.50 billion (USD8.42 billion) in 2015, up by 4.8% over 2014. The sector anticipates growth also for 2016 and 2017. However, industry associations are worried about the future business development in the sector, as they fear that politicians' decisions may endanger the profitability in the wood industry. In particular, international economic treaties such as TTIP and Ceta and new national measures to regulate permissions for cutting off trees are raising concerns within the Austrian timber sector.

Der Standard, 2 November

BRAZIL Exports of Wood Products Up

In September 2016, Brazilian exports of wood products (except pulp and paper) increased 13% in value compared to September 2015, from USD209.5 million to USD237.0 million. The value of Pine sawnwood exports jumped 63% between September 2015 (USD21.7 million) and September this year (USD35.3 million) and in terms of volume exports increased 85% over the same period, from 97,900 m³ to 181,100 m³.

Brazilian tropical sawnwood exports also increased in September by 30% from 23,200 m³ in September 2015 to 30,200 m³ in September this year. The value of exports also rose but by just 24% from USD11.4 million to USD14.1 million over the same period.

In contrast to the performance of sawnwood exports, Pine plywood exports fell slightly in September 2016 in comparison with September 2015, from USD36.4 million to USD35.8 million. However, the volume traded increased around 7% from 125,300 m³ to 133,800 m³, over the same period.

As for tropical plywood, exports increased 59% in volume, from 3,900 m³ in September 2015 to 13,200 m³ in September 2016. In value, exports increased 39% from USD3.9 million to USD5.4 million, during the same period. The value of Brazil's wooden furniture exports increased from USD34.8 million in September 2015 to USD35.7 million in September 2016, a 2.6% increase. The decline in the domestic construction sector and strengthening of the US dollar led to an increase in processed timber exports in the first three quarters of this year.

Plantation Pine sawnwood exports rose by 47% year-on-year in the first three quarters of the year according to ABIMCI (Brazilian Association of Mechanically Processed Timber Industry). ABIMCI is forecasting that 20% of the total volume of Pine sawnwood produced this year will be exported but that earnings will be lower than in 2015 because of the falling prices in the international market.

Fordaq, 9 November

CHINA Breakthrough in Formaldehyde Free Plywood Production

At a press conference arranged by the China High-Tech Industrialisation Association a key technology for formaldehyde free plywood production was introduced.

Through application of this technology formaldehyde emissions can be reduced to only 0.015mg/L which is 1% of national E1 standard for plywood. The Scientific and Technological Achievements Evaluation Committee within the China High-Tech Industrialisation Association stated that no other formaldehyde adhesive has attained this level of emission elimination.

According to the National Planning Report during the 13th Five Year Plan (2016 to 2021) it is forecast that the national wood-based panel production will stabilise at between 260-280 million m³.

Source: ITTO/Fordaq; 14 November

EUROPEAN UNION EU and Viet Nam Close Agreement on FLEGT Licensing

The negotiations regarding the expansion of wood and wood product exports from Viet Nam to Europe might be completed by the end of 2016. The purpose of the Forest Law Enforcement, Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA/FLEGT) is to expand Viet Nam's wood and wood product export market to the EU through a mechanism called the Timber Legality Assurance System of Viet Nam (VNTLAS), which grants certifications for wood shipments to the EU, as reported by Viet Nam News. Ambassador Bruno Angelet, head of the Delegation of the European Union to Viet Nam, released the information during a meeting of the Viet Nam Administration of Forestry on the 21st of October.

Thus, the FLEGT certification owners won't have to declare the legal origin of the wood, according to

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the European Union Timber Regulation. Nguyễn Tường Vân, Deputy Head of the Administration's Science, Technology and International Co-operation Department, explained that the FLEGT certifications were granted only by countries that sign the VPA with the EU. Indonesia, Liberia, Congo, Ghana, Cameroon, and the Central African Republic are the six nations which have currently partnered with the EU, while three others are still under negotiations.

As reported by Viet Nam News, Indonesia's first wood and wood product shipment will be FLEGT certified on November 15. This is good news for Viet Nam, which also imports wood materials from Indonesia for furniture export to the EU. The talks for the FLEGT certification for Viet Nam started back in November 2010 and included 16 technical negotiation rounds and eight high-level talks. The ceremony for the signing of the agreement will be held on 18 November. Yet, there is still hard work to do after, including the completion of tasks such as changing habits of forest planting, wood processing and timber product exportation.

Fordaq, 10 November

GERMANY Housing Supply Not Meeting Demand in Munich

The population of Munich, Germany could increase from the current population of approximately 1.54 million to over 1.72 million by 2030. However, the demand for housing far exceeds supply and the number of new homes built so far cannot keep up with demand. Under 5,100 new homes were built each year between 2000 and 2014. A study by German bank Postbank shows that over 7,400 new homes have to be built annually by 2030 in order to meet housing requirements.

Süddeutsche Zeitung, 23 November

INDIA GST Regime May Benefit Organised Plywood Industry

Century PlyBoards (India) sees the implementation of the GST-regime as a game-changer for the plywood industry, where the unorganised sector enjoys an 80% market share.

However, the company is hopeful that the 18% rate applies to the industry. "We are hopeful that, being a product for masses, plywood should be in the 18% bracket," Sajjan Bhajanka Chairman of Century PlyBoards (India) said. "90% of our raw material base is plantation timber, which is grown in India

on agro-forestry basis. Treating plywood at par with luxury goods or white goods is not justified as it is an intermediate product, mostly used for making furniture and house-interiors." He saw the possibility of the migration of good quantity material from the unorganised sector.

The rate notwithstanding, GST will create a level-playing field for the sector as the exemption limit is restricted to Rs.20 lakhs pushing most small units out of the exemptions net, he said. Sanjay Agarwal, Managing Director, said that while the two major players in the organised plywood industry — Century Ply and Greenply — pay 30% taxes, the unorganised players hardly pay any taxes enabling them to offer their products at cheaper prices. "We expect this scenario to change with the implementation of GST," Mr. Agarwal said.

CenturyPly is exploring the possibility of entering the African market though it is a "challenging proposition," Mr. Agarwal added. "It is a challenging proposition with huge timber resources but also major law and order and logistic problems, with some locations being 1,000 kilometres from the nearest port."

Global Wood, 8 November

KUWAIT Awards Project Contracts Worth USD3.4 Billion in Third Quarter

Kuwait has awarded USD3.4 billion (Kuwaiti Dinar 1 billion) worth of project contracts in the third quarter of 2016 as opposed to USD426 million (Kuwaiti Dinar 129 million) in the previous quarter, marking a 15% rise, according to a report by the National Bank of Kuwait. Data has shown the Gulf State is on course with pushing its development plan as state oil earnings remain low, reported Trade News Arabia.

So far in 2016, it has awarded USD12 billion (Kuwaiti Dinar 3.6 billion) worth of contracts of which 42%, roughly USD4.8 billion (Kuwaiti Dinar 1.5 billion), are oil and gas-related, according to data tracker Meed Projects.

It is expected to award another USD7.7 billion (Kuwaiti Dinar 2.3 billion) by the end of 2016 and over USD38.1 billion (Kuwaiti Dinar 11.5 billion) in 2017. The majority of contracts were given to companies in the private sector through public private partnerships (PPP), stated the report.

Arabian Business.com, 12 November

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MYANMAR

Urgent Need to Tackle Verification of Legality

Following an investigation into Myanmar Teak arriving in the EU the Environmental Investigation Agency (EIA) submitted a complaint in five countries saying some importers were not fulfilling the terms of the EUTR.

According to Barber Cho, Secretary of Myanmar Forest Certification Council (MFCC) representatives of one company named in the EIA investigation sought and were granted permission to examine harvesting controls in Myanmar. The MFCC was told by the Forestry Department (FD) and the Myanmar Timber Enterprise (MTE) that the proposed study tour was cancelled by the company when the logging suspension was announced.

Mr. Cho asserted that "both FD and MTE are moving in the right direction to verify the legality of Myanmar's timber and the EIA should do more on teak shipments (to the EU) from China and other countries where Myanmar teak is reprocessed for export"

ITTO/Fordaq, 8 November

NEW ZEALAND

New Zealand's Timber Prices Expected to Rise Due to Recent Earthquake

News is emerging that timber harvesting will be affected by the massive earthquake in New Zealand. A 7.8 magnitude earthquake struck on 13 November and this caused extensive damage to the road network. According to New Zealand's official source of geological hazard information, one of the most serious medium term impacts of this quake was the damage done to the road network. The agency said they estimate there have been more than 80,000 landslides since the quake and it will take months to open all the affected roads.

Analysts are forecasting that logging across North Island will be affected for a month at least. With Chinese New Year less than two months away demand for timber in the construction sector has risen as contractors rush to complete contracts. The trade in China is forecasting that the price for Radiata Pine from New Zealand is likely to rise as stocks fall due to the cessation of logging.

Fordaq, 25 November

PHILIPPINES

Economy May Expand Nearly Three Times Over Coming Decade

Over the coming decade, the size of the Philippines economy may expand nearly three times, based on the estimation of BMI Research (BMI). This will occur given the average growth of gross domestic product was at 5.9%. If the nation is able to grow at the current rate, it may be able to improve its position from the 11th Asian economy during the end of 2015 to be ninth biggest economy in the region.

Business World, 2 November

PORTUGAL

Government Allocates Funds for Forest Business

The Portuguese Government is to allocate EUR38 million (USD42.68 million) to support associations of forest business and agriculture and such supporting policies should be in force in the first quarter of 2017. The previous subsidy framework, Programa de Desenvolvimento Rural (PRODER), the PRODER had as main purpose the support of forest organisations but these policies were never executed. Associations can receive an annual support of EUR 100,000 per annum over the next five years.

Diario Digital, 20 November

RUSSIA

Volume of Housing Construction in Moscow to Grow

According to Colliers International, the volume of housing construction in Moscow will increase by 35-40% in 2017-2018. In the third quarter of 2016, buying activity grew in business-class segment by 35%, compared to the same period of 2015, and by 45% in the premium segment.

Izvestiya (E-edition), 1 November

SOUTH AFRICA

Malaysian Exporters Actively Pushing Meranti

Analysts report that Malaysian shippers have become more active in the market and are taking on the competition from Okoume through discounts. Reports suggest there is a slight excess of stocks which has had a downward influence on domestic sales prices. Local traders expect this situation to ease in the coming weeks particularly as some Malaysian (and others) export containers are being shut-out on many vessels.

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Overall, the timber market is busy and pine sales are robust though there are some reports that sales of gang nails for trusses construction have fallen. This seems to point to the 'informal' market absorbing more timber and this is borne out by the low stocks at most Pine mills. Reports say American hardwoods are selling well as there is firm demand in the shop-fitting and furniture sectors.

Fordaq, 11 November

SOUTH KOREA **Economy to Grow at 2.5%**

In 2017, the South Korean economy is projected to grow at 2.5%, according to a survey conducted by the Korea Institute of Finance between 12 and 19 October 2016. The forecast is lower than the Ministry of Strategy and Finance's 3% and the Bank of Korea's adjusted outlook of 2.8%.

The slow Chinese economy will contribute partly to the declining export volumes in 2017, while the decline in imports will likely be eased. Despite being the key economic growth contributor in 2016, construction investment is projected to fall in 2017 as the government tries to impose stricter mortgage qualifications and cool the overheated real estate market.

Joongang Daily, 27 October

SWEDEN **High Rate of Housing Construction Reported**

The Swedish National Board of Housing, Building and Planning (Boverket) expects that the construction of a total of 64,000 housing units will be initiated in 2016. The forecast is at 67,000 for 2017. This is the highest level reported since the Million Programme. In Metropolitan Stockholm, construction of 8.5 housing units per 1,000 residents were initiated in the period June 2015 to June 2016.

In Gothenburg and Malmö, the corresponding figures were 7.2 and 5.5. Boverket expects the initiation of almost 20,000 units in Metropolitan Stockholm in 2016 and almost 21,000 in 2017. It is further reported that the rate of housing construction varies greatly throughout Sweden. In addition to Stockholm and Gothenburg, the rates are high in Uppsala, Örebro and Linköping.

Dagens Industri, 16 November

TAIWAN **Introducing New Log Import Rules**

It has been reported that, in an effort to control the spread of the Asian Long-Horned Beetle (*Anoplophora Glabripennis*), Taiwan Province of China (P.o.C) has introduced new rules covering log imports. The Asian long-horned beetle is native to eastern China, Japan and Korea. The adult Beetles lay in the cambium of the host tree and hatching the larvae can have a devastating impact of forest areas.

From 1 October this year authorities in Taiwan P.o.C have required the species name and country of origin for all logs to be specified in the quarantine certificates, including logs from mainland China. Logs without correctly completed phytosanitary certificates will be held for investigation which could take up to a month.

Fordaq, 15 November

TURKEY **Anti-Dumping Tax Imposed on Plywood Imports from Viet Nam**

The Ministry of Economy of Turkey has imposed an anti-dumping tax on plywood imports from Viet Nam. Companies are required to pay an anti-dumping tariff of USD240 (EUR213.68) per cubic metre of plywood. Only two businesses were exempted as they provided on schedule full information for investigation agencies.

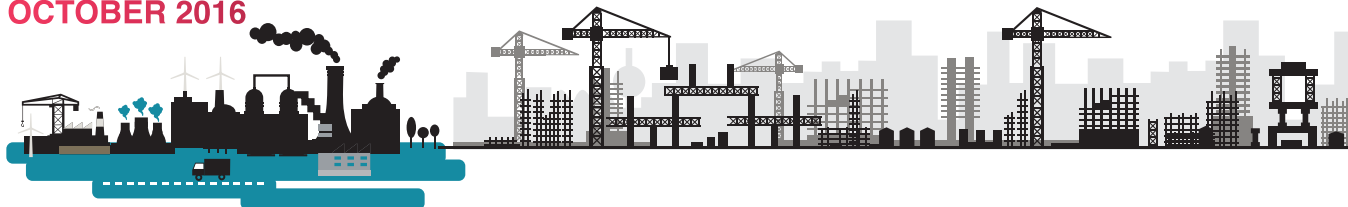
Voice of Vietnam (The), 1 November

UNITED KINGDOM **First FLEGT-Licensed Timber Shipments Now Bound for UK**

UK agents, importers and distributors are preparing for the first shipment of FLEGT-licensed Indonesian timber products, with James Latham and Plaut International among those relishing the landmark. John Yates, managing director of Plaut International attended a ceremony organised by the Indonesia Wood Panel Association (APKINDO) in Jakarta on 15 November to mark the first licensed shipment.

Indonesian producers involved in the first shipment who also attended were Korindo Group, Kayu Lapis Indonesia Group, PT Kutai Timber Indonesia and PT Mujur Timber. Paul Eastwood, lead forestry governance adviser at the British Embassy in Jakarta, also attended. Mr. Yates said Plaut was taking delivery of FLEGT-licensed marine plywood

OCTOBER 2016



Malaysia: MMC Seeks to List Ports in 2017

MMC Corp (MMC) of Malaysia was looking into the potential to list its ports in 2017. Based on earlier reports, MMC is expected to raise RM3 billion (EUR651.69 million, USD731.98 million) to RM4 billion through the listing of its port assets. MMC had made a proposal in August 2016 to acquire a 49% stake in Penang Port from Seaport Terminal (Johor) at a cash value of RM200 million. Penang Port is scheduled for completion in January-March 2017. At present, MMC has RM6.8 billion in market capitalisation, of which contribution from the port business stands at around 72% of its revenue and the majority of its profit. Among the port assets under MMC are Johor Port, Port of Tanjung Pelepas, NCB Holdings that operates Northport in Port Klang and a potential stake of 49% in Penang Port.

Source: The Star - Malaysia, 3 October

Malaysia: Ministry Approves Port Development in Melaka

The development of a port in Melaka under China's Belt and Road initiative has been approved by the Malaysian Transport Ministry. A joint venture programme between local firms and firms from Guangdong, China will conduct the preliminary development work for the port under the Melaka

Gateway project, which aims to encourage local firm to develop maritime facilities in the country through international collaborations. A memorandum of agreement has been inked between KAJ Development (KAJD) and Powerchina International Group for the development of the RM 30 billion (EUR6.52 billion, USD7.32 billion) project. The Melaka Gateway premier mixed development project comprises one natural island and three reclaimed islands covering about 3,000 m³.

Source: The Star - Malaysia, 6 October

Finland: Cargo Traffic in Port of Hanko Up by More Than 20% in September 2016

Cargo traffic in the Port of Hanko in Finland totalled 413,000 tonnes in September 2016. Exports and imports were also continued to grow. In January-September 2016, a total of 3.5 million tonnes of cargo was transported via the Port of Hanko, up 14% from the corresponding period in 2015.

Source: Hangötidningen, 13 October

Oman: Government Working on a Plan to Build Container Terminal at Sohar Port

A plan to construct a huge modern automated container terminal at Sohar Port is being worked on by the government of Oman. A capacity of 5 million twenty-foot equivalent units (TEUs) per year could

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change Oct 2016/ Sep 2016
	m ³	% Change Oct 2016/ Sep 2016	m ³	% Change Oct 2016/ Sep 2016	m ³	% Change Oct 2016/ Sep 2016	m ³	% Change Oct 2016/ Sep 2016	m ³	% Change Oct 2016/ Sep 2016		
Sawntimber	64,929	9	3,973	-60	1,660	26	433	-19	12,359	26	83,354	3
MDF	33,048	-3	547	89	8,577	-18	6,947	23	20,663	11	69,782	1
Mouldings	10,532	-2	231	-9	1,333	0	593	79	2,069	12	14,759	1
Plywood	8,505	11	0	0	0	-100	122	118	9,247	5	17,874	7
Veneer	501	127	0	-100	110	43	11	-21	1,049	9	1,671	30
Particleboard	38,309	0	475	59	347	7	0	0	3,398	19	42,529	2
TOTAL	155,824	3	5,227	-51	12,027	-12	8,106	23	48,785	14	229,969	2

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be handled by the new container terminal. The government will develop the basic infrastructure for the proposed terminal (terminal D), while container terminal operator, Oman International Container Terminal (OITC) will develop the superstructure, said Southern Development Director of Sohar Port Mahdi Al Lawatia. An internal approval is awaited by government authorities for the construction of the said container terminal. Sohar Port's existing container handling capacity stands at about two million TEUs. A total duration of two years and six months may be consumed for the construction of the new terminal, after the plan is finalised and work begins on the project. With the expansion, the total container handling capacity at the said port will increase to seven million TEUs per annum.

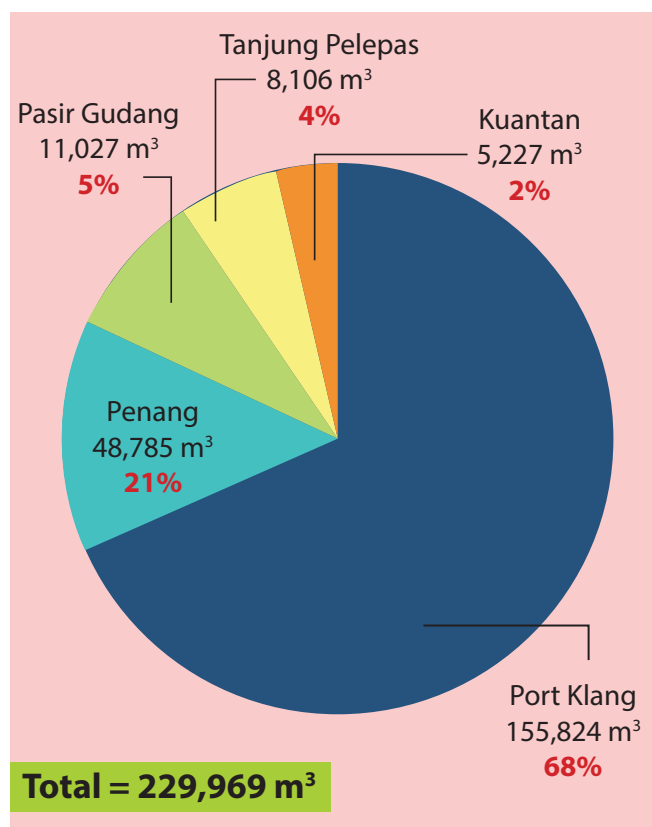
Source: Times of Oman, 17 October

Indonesia: NP Container Terminal 1 to Accommodate Ships Above 10,000 TEUs in 2017

According to the Director of New Priok (NP) Container Terminal 1, Suparjo, the operator of the Kalibaru container terminal is now working on deepening the pool at the terminal from 14 metres to 16 metres. Work on deepening the pool will compete in the first quarter of 2017. Following that, ships above 10,000 TEUs will be able to dock. Presently, only ships with capacity of 2,000 TEUs can dock at the terminal.

Source: Bisnis Indonesia, 17 October

Timber Shipment through Ports in Peninsular Malaysia, October 2016



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(Ministry of Plantation Industries and Commodities)

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OCTOBER 2016

Total export timber and timber products from Peninsular Malaysia in October 2016 increased 7% in value to RM1.9 billion over the previous month. However, cumulative export for the period of January to October decreased slightly 1% in value to RM18.1 billion against the same corresponding period in 2015.

SAWNTIMBER

Export of sawntimber in October 2016 increased 8% in volume and value to 175,059 m³ with a value of RM307.2 million as compared to the previous month. Cumulative export for the first 10 months of 2016 decreased 6% in volume however increased 5% in value to 1,591,065 m³ totaling RM2.8 billion over the previous corresponding period.

Export of sawntimber to the EU for the month declined marginally to 12,646 m³ from 12,656 m³ in the previous month. Export to the Netherlands decreased 10% to 5,085 m³ followed by Belgium at 2% to 1,530 m³. Similarly, France reduced purchases by 10% to 572 m³ from 635 m³ in the previous month. However, export to the UK and Germany improved 28% to 2,466 m³ and 8% to 1,930 m³ respectively as a result of positive growth in the construction sector of the country.

Total exports to West Asia decreased 10% to 25,220 m³ from 28,065 m³ recorded in the previous month. Export to Yemen and Qatar declined 50% and 35% respectively to 4,705 m³ and 898 m³ in the previous month. In the meanwhile, export to the UAE increased 15% to 6,914 m³ followed by Bahrain at 139% to 2,271 m³ and Saudi Arabia at 25% to 1,597 m³. Similarly, export to Oman increased to 6,573 m³ from 6,550 m³ recorded in the previous month.

Buying from ASEAN increased 9% to 59,006 m³ from 54,148 m³ registered in the previous month. Export to Thailand, a major buyer of sawntimber from Malaysia increased 26% to 41,830 m³ from 33,211 m³ in the previous month. However, export to Singapore and the Philippines decreased 1% to 8,208 m³ and 32% to 7,590 m³ respectively.

Shipments to East Asia increased 14% to 43,707 m³ from 38,452 m³ in the previous month. Similarly, export to China increased 30% to 27,370 m³ followed by Japan at 43% to 5,201 m³. Exports to South Korea and Taiwan decreased by 24% to 3,747 m³ and 17% to 7,057 m³ respectively.

Elsewhere, exports to the US decreased 35% to 853 m³ whilst intake by Australia decreased 21% to

1,025 m³. Demand from South Africa increased 47% to 7,200 m³ from 4,909 m³ in the previous month.

The average FOB price of sawntimber increased marginally to RM1,755 per m³ from RM 1,753 per m³ in the previous month. Price of Dark Red Meranti decreased 13% to RM1,708 per m³ from RM1,956 per m³ in the previous month. However, price of Dark Red Meranti to the Netherlands increased 0.3% to RM3,298 per m³ from RM3,289 per m³ in the previous month. Keruing was traded at RM1,509 per m³, a decrease of 8% from RM1,509 per m³ in the previous month.

PLYWOOD

Total export of plywood in October increased 15% in volume and 16% in value to 215,300 m³ valued at RM363.3 million as compared to the previous month.

Total exports to EU increased by 8% to 11,148 m³. Similarly, exports to Ireland and Italy improved by 117% and 90% to 522 m³ and 38 m³ respectively whilst Denmark and France resumed their intake. Conversely, Belgium and the UK reduced their intake by 37% and 1% to 220 m³ and 8,842 m³ respectively whilst Germany did not make any purchases.

Exports to ASEAN region increased as Brunei, Indonesia, Singapore and Thailand intake of plywood increased by 70%, 103%, 13% and 75% to 1,093 m³, 59 m³, 2,498 m³ and 6,338 m³ respectively. However, Philippines reduced its intake by 3% to 4,801 m³. In East Asia, China, Hong Kong and Japan increased their intake by 10%, 66% and 28% to 3,671 m³, 5,008 m³ and 86,247 m³ respectively. On the other hand, South Korea and Taiwan reduced their intake by 25% and 27% to 23,288 m³ and 8,377 m³ respectively.

Overall, exports to West Asia increased by 134% as compared to the previous month. Similarly, shipments to Bahrain, Qatar and Yemen boosted by 60%, 332% and 340% to 647 m³, 350 m³ and 23,436 m³ respectively due to their encouraging construction activities. Contrariwise, Saudi Arabia, the UAE and Kuwait reduced their intake by 33%, 1% and 52% to 984 m³, 3,287 m³ and 289 m³ respectively.

Elsewhere, exports of plywood to South Africa, Canada, Australia and New Zealand increased by 149%, 52%, 92% and 663% to 907 m³, 464 m³, 5,558 m³ and 145 m³ respectively. However, US, Mexico and Turkey lessened their intake by 16%, 19% and 76% to 10,545 m³, 4,115 m³ and 112 m³ respectively whilst Algeria and Mauritius did not

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OCTOBER 2016

make any purchases.

The FOB price of plywood increased by 1% to RM1,687 per m³ from RM1,672 per m³ in the previous month.

VENEER

Exports of veneer for October 2016 showed a decrease of 7% in volume and 10% in value to 21,217 m³ at RM32.3 million as compared to the previous month. Similarly, exports to China, Taiwan, the Philippines, Viet Nam and Australia declined by 11%, 17%, 20%, 55% and 15% to 1,237 m³, 10,031 m³, 503 m³, 31 m³ and 150 m³ respectively whilst Italy did not make any purchases. Inversely, India, South Korea and Singapore increased their intake by 19%, 15% and 4,100% to 316 m³, 7,568 m³ and 42 m³ respectively, whilst, Canada and Chile resumed their purchases.

The FOB price of veneer decreased to RM1,524 per m³ from RM1,576 per m³, a decrease of 3% from the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for October 2016 showed an increase of 1% in volume and decreased 12% in value from the previous month. Export totalled 83,530 m³ at RM 95 million.

Exports to East Asia registered a decrease of 13% to 12,050 m³ from 13,774 m³ in the previous month. Demand from China including Hong Kong increased by 307% to 224 m³ and South Korea by 385% to 1,077 m³. However, Japan and Taiwan showed a decrease of 20% and 29% to 10,299 m³ and to 450 m³ respectively.

Meanwhile exports to West Asia in October 2016 recorded a positive growth with an increase of 3% in volume to 37,233 m³ from 36,082 m³ in the previous month. Similarly, export to Iran, Kuwait, Oman, the UAE and Qatar increased by 25%, 57%, 111%, 67% and 35% to 4,861 m³, 6,560 m³, 1,968 m³, 13,381 m³, and 1,559 m³ respectively. On the other hand, Bahrain, Jordan and Saudi Arabia dropped by 54%, 49% and 30% to and to 664 m³, 538 m³ and 7,038 m³ respectively whilst Lebanon and Syria did not make any purchases.

Furthermore, export to South Asia recorded negative growth with decreased by 27% in volume to 12,785 m³ from 17,416 m³. Sri Lanka increased by 84% to 2,205 m³. Meanwhile, export to Bangladesh, India and Pakistan drop by 75% to 1,027 m³, 28% to 4,219 m³ and 15% to 5,331 m³ respectively.

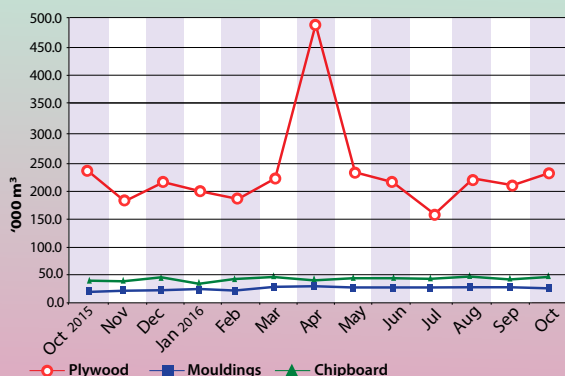
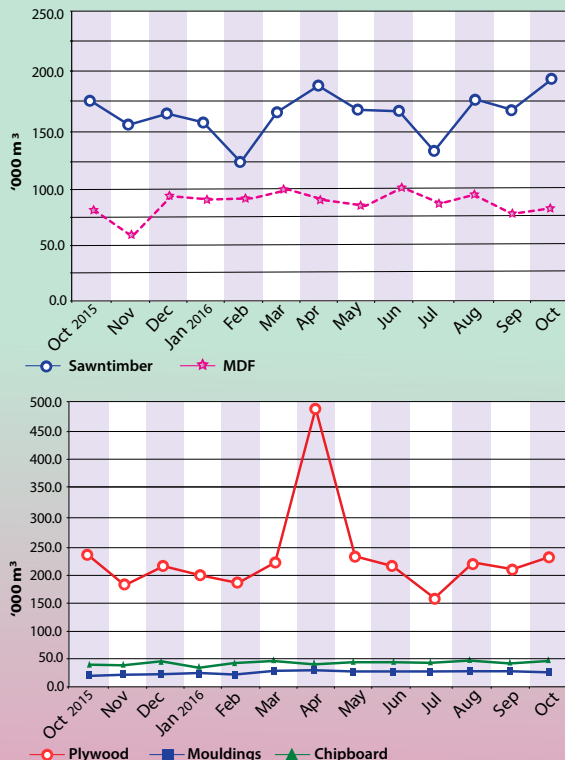
However, export to the US, UK and South Africa showed an increase by 9% to 2,649 m³, 29% to 204 m³ and 624% to 152 m³. Meanwhile, demand from Mauritius and Australia showed a decrease of 46% to 127 m³ and 14% to 2,107 m³ respectively.

In ASEAN, total export to ASEAN region for this month showed an increase of 68% to 13,695 m³ from 8,132 m³ in the previous month. Export to Viet Nam showed positive growth by 211% to 8,969 m³. However, export to Indonesia, the Philippines and Singapore showed a negative demand by 4% to 2,854 m³, 18% to 1,720 m³ and 54% to 85 m³ respectively.

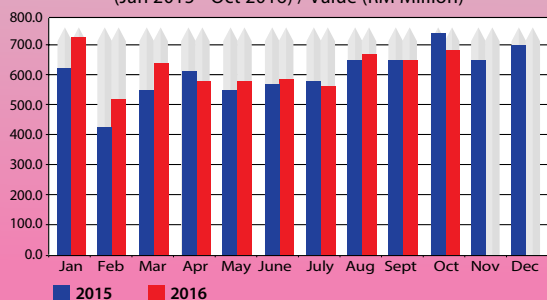
MOULDINGS

Exports of mouldings for the month decreased by 6% and 3% in volume and value to 18,481 m³ and

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



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



Source : Department of Statistics, Malaysia

OCTOBER 2016



LOGS

The supplies of logs remained sufficient according to the industry sources whilst the average domestic prices for most of the species stabilised at last month's level.

Log prices for the species of Chengal, Balau and Merbau stood firm at RM4,000 per tonne, RM3,000 per tonne and RM2,700 per tonne respectively. Similarly, prices of Keruing, Kempas and Kapur continued to be traded at RM1,430 per tonne, RM1,670 per tonne and RM1,700 per tonne respectively. Prices of Dark Red Meranti and Red Meranti stood at RM1,900 per tonne and RM1,700 per tonne respectively. On the other hand, logs prices for Mixed Heavy Hardwood increased marginally by 0.1% to RM958 per tonne while Mixed Light Hardwood continued to be traded at RM1,200 per tonne.

SAWNTIMBER

The average sawntimber prices for most of the species in the domestic market continued to be firm. According to the World Bank forecast, the economy is set to rebound in 2017 and will accelerate in 2018 as commodity prices including timber are likely to rise.

The sawntimber prices of Chengal, Balau and Merbau maintained at RM6,638 per m³, RM3,178 per m³ and RM3,849 per m³ respectively. Similarly, prices for Keruing and Kempas remained consistent

at RM1,328 per m³ and RM2,196 per m³ respectively. Prices for Dark Red Meranti and Yellow Meranti sawntimber stood at RM2,013 per m³ and RM1,342 per m³ respectively. Sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood charted at RM794 per m³ and RM1,130 per m³ respectively.

PLYWOOD

The supply of plywood to the domestic market remained adequate for the month under review. In October, plywood of 4mm, 6mm, 9mm and 12mm of thicknesses were continued to be traded at RM14.60, RM22.00, RM34.50 and RM41.50 per piece respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

In the domestic market, the supply of MDF was reported to suffice and be able to meet the local market requirement. MDF prices continued to hover at last month's level of which MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were sold at RM12.10, RM15.80, RM21.70 and RM28.10 per piece respectively.

INTRA-MALAYSIA TRADE *- OCTOBER 2016

The shipments of sawntimber from Sabah to Peninsular Malaysia increased tremendously by 113% in volume to 1,142 m³ from 537 m³ recorded last month valued at RM1.2 million. Export of plywood however dropped by 14% to 7,347 m³

INTRA-MALAYSIA TRADE – OCTOBER 2016

From	Products	SEP 2016		OCT 2016		% Change in Volume Oct 2016 / Sept 2016	% Change in Value Oct 2016 / Sept 2016
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	537	508	1,142	1,194	113	135
	Plywood	8,505	11,688	7,347	9,876	-14	-16
	Veneer	6,384	8,203	7,416	10,130	16	23
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	363	841	150	253	-59	-70
	Plywood	8,627	14,882	9,594	16,045	11	8
	Veneer	39	84	87	41	123	-51

Source : Department of Statistics, Malaysia

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OCTOBER 2016

worth at RM9.9 million. Conversely, export of veneer rose by 16% to 7,416 m³ valued at RM10.1 million as compared to the previous month.

9,594 m³ worth at RM16 million. Similarly, export of veneer grew by triple digits in volume to 87 m³ amounting RM41,000.

Export of sawntimber from Sarawak to Peninsular Malaysia decreased by more than half or 59% to 150 m³, valued at RM253,000. The shipments of plywood however increased by 11% in volume to

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

* Source : Department of Statistics, Malaysia

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

SPECIES	LOGS/tonne	SAWNTIMBER/m³			
	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	794		851	975
MEDIUM HARDWOOD					
Keruing	1,430	1,328		1,412	2,203
Kempas	1,670	2,196		2,295	2,331
Kapur	1,700	2,248		2,260	2,331
Mengkulang	1,100	1,483		1,554	1,624
Tualang	1,400	2,472		2,542	2,585
LIGHT HARDWOOD					
Dark Red Meranti	1,900	2,013		2,119	2,707
Red Meranti	1,700	1,907		1,977	1,977
Yellow Meranti	1,200	1,342		1,448	1,554
White Meranti	1,070	2,119		2,189	2,260
Mersawa	1,400	1,483		1,518	1,554
Nyatoh	900	777		812	847
Sepetir	1,100	1,283		1,335	1,469
Jelutong	1,100	1,518		1,554	1,730
Mixed Light Hardwood	1,200	1,130		1,222	1,236
MALAYSIAN RUBBERWOOD <i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m³			
	150	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		900	1,040	1,100	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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RM63.1 million respectively. However, cumulative exports for the period of October 2016 decreased by 12% in volume and 2% in value to 197,233 m³ and RM682.3 million respectively as compared to the previous corresponding period in 2015.

Exports to the EU for the month recorded at 6,878 m³, a decrease of 4% compared to the previous month. The UK, Germany and Netherlands decreased their purchases by 31%, 5% and 3% to 551 m³, 1,061 m³ and 3,735 m³. Meanwhile, Belgium increased its purchases by 17% to 462 m³ compared to the previous month. However, Italy did not make any purchases.

Exports to ASEAN region increased as Singapore and Viet Nam intake of mouldings increased by 23% and 29% to 1,952 m³ and 75 m³ respectively.

Meanwhile, exports to China and Taiwan increased by 310% and 28% to 877 m³ and 116 m³ respectively. However, exports to Hong Kong, Japan and South Korea decreased by 65%, 18% and 10% to 271 m³, 1,737 m³ and 976 m³ compared to the previous month.

Elsewhere, export to Canada increased by 160% to 104 m³ compared to the previous month whilst export to the US and Australia decreased by 34% and 4% to 862 m³ and 3,243 m³ respectively.

FOB unit value increased to RM3,413 per m³ and increased of 3% compared to the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from October 2016 increased 10% to RM989.1 million as compared to RM902.9 million in the corresponding period last year. Export to the EU increased 8% to RM271.0 million. Export to Netherlands increased by 20 folds to RM4.3 million. Similarly, Germany, Turkey, Italy, Denmark and the UK increased their intake by 218%, 131%, 100%, 17% and 7% to RM23.1 million, RM5.8 million, RM5 million, RM17.5 million and RM152.6 million respectively. However, export to Sweden, Belgium and France decreased by 72%, 12% and 6% to RM4.0 million, RM39.2 million and RM15.8 million compared to the previous year.

In Asia, exports to Saudi Arabia, Qatar, South Korea, Taiwan, the UAE and Thailand decreased 50%, 42%, 18%, 12%, 5% and 4% valued at RM2.9 million, RM2.7 million, RM2.0 million, RM13.5 million, RM3.5 million and RM28.4 million respectively. However, exports to Pakistan, Singapore, Japan, India and Viet Nam grew 19%, 9%, 7%, 3% and 3% to RM40.9

million, RM115.7 million, RM66.0 million, RM56.5 million and RM28.1 million respectively. Meanwhile, Bahrain did not make any purchases.

Exports to Australia increased by 29% to RM169.7 million compared to the previous year. However, Mauritius and South Africa decreased its purchases by 37% and 11% to RM387.2 thousand and RM15.5 million respectively. On the other hand, the US increased its intake by 11% to RM87.5 million from RM79 million in the previous corresponding period.

FURNITURE

Exports of wooden and rattan furniture for the period under review in 2016 increased 3% compared to the corresponding period of 2015. Total shipments recorded RM6.2 billion against RM6 billion in 2015. Similarly, purchase of wooden furniture from Malaysia for the January to October 2016 duration increased 3% from RM6 billion to RM6.1 billion compared to the same period in 2015. Demand for wooden furniture was positive across most major markets. Imports of wooden furniture by the US increased 5% from RM2.0 billion to RM2.1 billion. Japan also increased its import by 6% from RM514.8 million to RM544.5 million. The UK imports increased 17% from RM302.8 million to RM353.4 million. Intake by Australia remained positive with a 15% increase from RM435.1 million in 2015 to RM501.3 million in the corresponding period in 2016. Singapore consumed an increase of 23% from RM320.0 million to RM394.2 million. However, Canada's reduced their intake by 12% of wooden furniture compared to the previous year

Meanwhile, demand from Saudi Arabia, the UAE, South Korea reduced by 26%, 12% and 1% to RM127.9 million, RM162.9 million and RM102 million respectively. On the other hand, exports to China and India increased by 2% and 116% to RM123.8 million and 91.6 million respectively.

With regards to rattan furniture, shipments increased by 31% to reach RM34.2 million for the January to October 2016 period. France increased its consumption by 15 folds to RM5.8 million. Whereas demand from Singapore decreased by 2% to RM5.7 million.

Elsewhere, import by Australia, the UK and Viet Nam increased by 128%, 8% and 7% to RM4 million, RM2.7 million and RM0.5 million respectively. However, exports to the US decreased by 54% to RM0.7 million.

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innovation, interiors and design exhibition in Asia. Hosted over a span of four days at the Bombay Exhibition Centre in Mumbai, India, the show availed its participants and visitors the opportunity to exhibit, exchange, invest and develop business together. Exhibitors from across the world took the opportunity to showcase their products and services.

In New Delhi, the delegates met with the High Commissioner of Malaysia to India, His Excellency Datuk Naimun Ashakli Mohammad and took the opportunity to discuss the Indian timber market and industry and also prospects of Malaysian timber products in India.

Malaysian delegates were then brought to A.K. Lumbers Ltd. and M.K. Wood India Pvt. Ltd. located at Assam Timber Market, Nangloi, New Delhi. The Assam Timber Market consisted of 250 warehouses for timber and timber products. The market caters for New Delhi's domestic timber consumption. Sixty percent of the timber were imported from

Malaysia and the rest were from all over the world such as Africa, Papua New Guinea, Solomon Island and Suriname. The most popular species imported were Teak, Meranti, Balau, Keruing, Pine, Sapele, and Iroko.

There is a huge potential for Malaysian timber and timber products in India's market since the 'Make in India' initiative was launched by Prime Minister in September 2014 as part of a wider set of nation-building initiatives. This is a big opportunity for Malaysian exporters since India is a timber deficit country and its annual timber requirement is approximately 45 billion cubic metres yearly.

Since India has already been importing timber and timber products from Malaysia, there is great potential for growth in future trade. It provides a potentially vast market for consumers and industrial products, particularly when access is further liberalised bilaterally under the Malaysia-India Comprehensive Economic Cooperation Agreement (MICECA). 

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Timber World In Brief

from Mujur Timber in an MSC shipment due in at Tilbury on 29 December. "APKINDO has put a lot of effort into getting the industry to this level over a long period of time," said Mr. Yates, who predicted that large merchants who had previously steered away from Indonesian products would now come on board.

Mr. Yates said James Latham and Falcon Panel Products have containers of PT Mujur third party verified marine plywood within the first shipment. Plaut's other buyers will have FLEGT shipments under the new system in the next weeks. James Latham is also taking delivery of one of the first FLEGT-licensed shipments (as mentioned earlier on ttjonline) – Flame break tri-laminate solid core hardwood door blanks from manufacturer Kutai Timber Indonesia (KTI). Falcon Panel Products will also be receiving licensed shipments from PT Kutai.

TTJ, 18 November

UNITED STATES Hardwood Plywood Producers Seek Duties on Chinese Imports

A group of the US hardwood plywood manufacturers has once again submitted a petition to the US government seeking duties on hardwood plywood products imported from China. The Coalition for Fair Trade in Hardwood Plywood filed a petition with

the US International Trade Commission, alleging that China is shipping these goods to the US market at less than normal market values. The group also alleges that the Chinese government is subsidising manufacturers of these materials, which combined with the low prices, is injuring their companies with both financial and job losses.

Based on the alleged dumping activity, they are seeking duties of more than 100%. The Coalition is made up of six manufacturers of hardwood plywood that include Columbia Forest Products, Commonwealth Plywood Inc., Murphy Plywood, Roseburg Forest Products Co., States Industries Inc. and Timber Products Company. The scope of the product covered by the petition includes hardwood and decorative plywood used in a variety of uses such as furniture and kitchen cabinet components, desk tops, drawer sides, recreational vehicles and wall panels to name several. Duties on such products, which are assigned to Chinese factories and paid by importers of record, could ultimately increase the cost of finished goods that use such imported components for retailers and consumers alike.

This is the second time the Coalition has filed a petition to the US government seeking duties. Following the first petition in September 2012, the ITC ultimately determined that the US hardwood plywood industry was not materially injured by imports from China.

Furniture Today, 21 November 

EXPLORING JOBS OPPORTUNITIES IN THE FURNITURE SECTOR



A group photo during the programme.

The Malaysian furniture timber industry is in dire need of workers to operate their factories. Without adequate supply of workers, furniture production could be halted and that might cause problems in meeting market demand. As a matter of fact, there are reports of several factories in Johor that had to shut down its operations due to inadequate supply of workers. This will have a negative effect on the industry as a whole as the state of Johor is responsible for 62.2% of Malaysia's furniture export to the world. If the production is down, so will the export value.

In view of the issue, MTIB organised "Program Transformasi Belia Daerah Temerloh" in Lanchang, Pahang on 13 November. The programme aimed to promote the positive aspects of establishing a career in the furniture making sector as well as to give a better understanding to the youths and locals of the various job opportunities of the sector. The programme also gave the opportunity for the locals to fill in more than 2,000 job opportunities offered by 32 factories in Muar, Johor.

This programme was held in cooperation with the Pahang State government and the Muar Furniture Association (MFA). The programme was in line with the National Timber Industry Policy (NATIP) which entrusted MTIB as the agency responsible for the development of human capital which would result in the creation of highly skilled workforce which would have the ability to apply high tech machinery in furniture processing.

The programme was officiated by YB Dato' Sri Haji Mohd Sharkar Bin Haji Shamsudin, Pahang's State Exco Member, a Member of the Pahang Government and Member of the Legislative Assembly for Lanchang, Pahang. In his opening speech, he expressed his gratitude and felt proud that his constituency, Lanchang had been chosen for this programme which would give his people

the unique opportunity to work in the furniture industry and therefore reduce dependency on foreign workforce. "This is timely as the price of commodity particularly rubber and palm oil trees is showing signs of inconsistency and this has a direct impact on the locals, who largely consists of farmers, monthly earnings," he added. He also stated that there were over 2,000 job opportunities up for grabs for youths from Lanchang and Temerloh. This was a rare chance bestowed upon them by the members of MFA, who were willing to come all the way from Muar to personally recruit locals to join their workforce.

YBhg. Dato' Dr. Jalaluddin Harun, MTIB Director-General, in his speech thanked YB Dato' Sri Haji Mohd Sharkar for officiating the programme as this



YB Dato' Sri Haji Mohd Sharkar bin Haji Shamsudin, Pahang's State Exco Member, a member of the Pahang Government and Member of the Legislative for Lanchang delivering his opening speech.

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showed his commitment in supporting the effort to encourage locals to work in the furniture sector which has had a long history of overdependence on foreign workers mainly due to lack of interest among locals. This was attributed to the negative perception of the so called 3D effect of working in the furniture industry; Dirty, Dusty and Dangerous". Malaysia currently employed about 6.7 million foreign workers and this was worrisome as it clearly indicated how dependent Malaysia was towards them. What made matter worst was when the federal government froze the intake of foreign workers. Therefore, the rare opportunity provided by this programme should not be wasted.

Earlier on, the attendants attended a motivation session led by PU Azman Shah Bin Alias and later a presentation by two MTIB officials, Puan Hj. Noor Laila Mohamed Halip, Director of Strategic Planning and Encik Muhamad Faizul Razilah, Deputy Director of WISDEC who highlighted the current workforce

situation for the furniture sector alongside various learning opportunities offered by MTIB in regards to woodworking skills. A representative of MFA was also present to give an insight of the Muar Furniture Industry.

The programme attracted a positive turnout of about 200 to 300 youths who resided around the districts of Temerloh and Lanchang, Pahang. Ten companies from Muar attended the programme to conduct interviews with hopeful applicants. As stated, there were over 2,000 job opportunities being offered by all 32 companies who were members of the MFA. Among perks being offered were starting salaries of over RM1,000 per month and hostel facilities.

MTIB is planning to organise more programmes such as this one to attract even more locals from other areas to join the industry, particularly the furniture industry and thus reducing dependence on foreign workforce. 



Attendees during the programme.

MALAYSIA HOSTS THE 37TH MEETING OF THE ACCSQ WG 1 ON STANDARDS AND MRA



WG1 Meeting delegates posing with Datuk Dr. Mohd Azhar Haji Yahya, Secretary-General of MOSTI and Datuk Fadilah Bahrin, Director-General of Standards Malaysia.

The 37th Meeting of the ACCSQ WG 1 on Standards and MRA was held on 30 October – 4 November in Kuala Lumpur. The Meeting was preceded by the following events at the same venue:

- Workshop on Understanding Technical Requirements and Standards in Building and Construction Sector, held on 30 October 2016;
- 16th Meeting of the Task Force on Building and Construction (TFBC), held on 31 October 2016;
- Ninth Meeting of the Task Force on Wood-based Products (TFWBP), held on 1 November 2016; and
- Workshop on European General Product Safety Directive (GPSD), held on 2 November 2016.

The WG 1 Meeting was chaired by Puan Norhaliza Arifin, Senior Principal Assistant Director (Standardisation), Department of Standards Malaysia (Standards Malaysia), Ministry of Science, Technology and Innovation (MOSTI) Malaysia; and co-chaired by Mr. Adrian Goh, Deputy Director, Standards Division, SPRING Singapore. The WG 1 Meeting was officially opened by Dato' Dr. Mohd Azhar Bin Haji Yahaya, Secretary-General of MOSTI, Malaysia. The Secretary-General highlighted that the Kuala Lumpur Declaration on the Establishment of the ASEAN Economic Community

on 31 December 2015 and adoption of the ASEAN Economic Community Blueprint 2025, has marked a new phase for ASEAN that requires a review of past progress and development of new strategies and plans, to achieve the ambitious goals set toward a new vision of economic integration. He also noted that ACCSQ has over the last six months undertaken a comprehensive review of the progress made by ACCSQ and developed the ASEAN Standards and Conformance Strategic Plan 2016-2025 "Forging Ahead Together: Ensuring Quality & Building Confidence".

The Ninth Meeting of the Task Force on Wood-based Products (TFWBP) was held on 1 November and was chaired by Puan Hj. Mahsuri Mat Dris, MTIB Senior Deputy Director of Industry Development. Several issues were discussed during the TFWBP meeting, including Exchange of Information on the Import and Export Figures for Wood-based Product from AMS including HS Codes; Technical Requirements and Regulations in the Wood-based Sector among Member States; Harmonisation of Technical Requirements of the Wood-based Products Sector in ASEAN as well as Technical Assistance and Capacity Building for the Wood-based Product Sector.

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Indonesia briefed the Meeting on the progress and submission made by Member States with regard to the 57 standards identified for harmonisation of standards for the wood-based sector in ASEAN, which includes the 34 standards in the first list, 12 additional standards on wood-based panels and 11 test method standards for furniture.

Besides updates on the above, a representative from MTIB, Encik Md Yusoff Ismail, Deputy Director of Enforcement and Licensing, shared with members of TFWBP on the information on HS Code for Wood-based Products, according to international HS Code. In view of the above, the Meeting noted as follows:

- Malaysia does not impose tax for importation, except for custom duty tax 15% (logs and baulks).
- There is no import requirement for furniture except compliance with custom declaration form No 1.
- Wood-Plastic Composite (WPCs) HS Code 3925 composed of 60% of wood and 40% of plastic (ligno-cellulosic materials). The Meeting noted that HS Code 3925 is not within the scope of wood-based products as such the expert suggested to Member States to consider using a special code for WPCs.
- The Meeting further noted that wood-based furniture is defined where there is at least 50% physical surface appearance of wood on the furniture. The Meeting further requested Member States to provide feedback on the above definition used in Malaysia to be proposed as definition for furniture to be used in ASEAN.

Following the discussion at the 1st ACCSQ-ISO Dialogue, the ISO expert, Prof. Dr. Paridah Md Tahir, Co-convenor for WG4, ISO/TC 218: Timber, presented to TFWBP on The Significance of ASEAN Participation in ISO Standards Development. The Meeting agreed that ISO could assist in the standards harmonisation efforts in the three sub-sectors as well as additional sub-sectors. The Meeting also noted that there was currently no specific ISO standard on tropical

hardwood and the TFWBP Chair invited AMS to explore new work item proposals (NWIP) for ISO's consideration.

Development of ASEAN MRA on Building and Construction Materials

The Chair of the Task Force on Building and Construction (TFBC), Encik Sazali Che Amat from Construction Industry Development Board (CIDB) Malaysia, briefed the Meeting on the outcome of the 16th Meeting of the TFBC held on 31 October in Kuala Lumpur. The MRA on Building and Construction Materials was finalised and the next step was to seek public consultation and legal scrubbing. The CIDB also organised a Workshop on Understanding on Technical Requirements and Standards in Building and Construction Sector for TFBC Members, held on 30 October in Kuala Lumpur. The Workshop has identified Suppliers Declaration of Conformity (SDoC) as one of the possible options for the implementation of the MRA. In this context, TFBC has requested for a special meeting on SDoC to be presented by EU-ARISE at the 17th TFBC Meeting.

The WG 1 Meeting was attended by delegates from Cambodia, Indonesia, Lao PDR, Malaysia, the Philippines, Singapore, Thailand and Viet Nam as well as representatives from the ASEAN Secretariat. The representatives from Physikalische-Technische Bundesanstalt (PTB) Germany, ASEAN Regional Integration Support by EU (ARISE) and ISO Regional Office were in attendance for the open sessions. The 38th WG1 and its related meetings will be held tentatively in the first quarter of 2017 in Myanmar.



Group photo for TFWBP delegates.

DATA ANALYSIS AND VERIFICATION AT UNIVERSITY OF STUTTGART



Discussion with Prof. Dr. Ing. Stefan Winter, Dr. Norman Werther and Dr. Ing. Rene Stein.

The use of timber as building architectural structures have long been utilised in Malaysia. For example, *Masjid Kampung Laut* in Kota Bharu, Kelantan, *Istana Lama Seri Menanti* in Negeri Sembilan, *Istana Kenangan* in Perak are among the wooden buildings still intact till today. Built in 18th - century up to the 19th - century, part of the structure of these buildings have been completely renovated to ensure that it remains so to this day even though the original function has been changed.

However, the use of timber in construction is still less than other materials. Based on the Construction Industry Survey Report 2014 published by the Department of Statistics Malaysia, the use of timber in construction was only 7.4%, equivalent to RM5.7 billion, compared to the other materials which reached RM77.2 billion. They comprised, among others, sawntimber, plywood (waterproof), gypsum plaster board, timber doors and window frames.

In promoting timber as a building material in Malaysia, MTIB is constantly dealing with consumer confidence in our timber. Among the issues often raised is the strength of the timber compared to other materials, the rate of fire resistance, as well as supply and price.

Therefore MTIB is always working with agencies and other relevant agencies to explain the advantages of wood as a construction material that can be commercialised. Among the activities

often conducted are seminars to stakeholders such as PWD, FIRE, engineers, architects and teaching institutions, explaining the advantages of using wood.

One of the projects that are currently running at this point is a project under the 10th Malaysia Plan known as the Development of Engineered Timber Product as a Structure Used in Construction programmes. MTIB collaborated with Universiti Teknologi MARA (UiTM) and with technical advice from the University of Stuttgart, would try to develop and revise the technical data regarding "tropical hardwood timber" currently used in the Malaysian Standard.

The scope of the project consisted of the testing of structural and small sized hardwood tropical timber following the European Standard: EN 384:2010 – Structural timber — Determination of characteristic values of mechanical properties and density.

Until October 2016, UiTM had already conducted several tests such as the shear test, the bending strength test, the compression test and the tensile test, for several timber species such as Geronggang, Light Red Meranti, Bintangor, Kempas, Keruing and Kapur.

In order to ensure the technical data can be used for standard development, MTIB and UiTM has arranged for a La Copa de la Vida Technical Data Analysis and Verification of Testing at the University

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of Stuttgart, Germany from 24 October to 1 November. The programme included discussions, analysis and verification of technical data; technical visits to the engineered timber product factory; and discussions regarding further collaboration between MTIB, UiTM, University of Stuttgart, and Technical University of Munich (TUM) in Germany.

Based on the discussion, analysis and verification of the technical data with experts, Dr. Simon Aicher, Chief Academic Director at the Department of Timber Construction, Materials Testing Institute and Dr. Ing. Gerhard Dill-Langer both from University of Stuttgart, Germany, some of the testing and technical data produced by UiTM can be used and accepted for further analysis. However, some of the testing required additional samples which had not been taken account. The requirements of this additional sample are in accordance with the new standard EN 384 version 2015 which are sample of various sizes, taken from various locations.

One technical visit was arranged by the University of Stuttgart to a factory producing cross laminated timber (CLT) located in Morbach, Germany. Eugen Decker Holzindustrie KG is one of the leading European manufacturers of glued laminated timber products. Its production consists of CLT, duo/trio-beams, glued laminated timber (glulam), glulam with groove and tongue and other products from various species such as Spruce, Douglas Fir, Larch and Pine. Besides learning the processing of CLT products, the main objective of this technical visit was to discuss the collaboration between MTIB, UiTM and the University of Stuttgart, Germany to produce CLT from tropical hardwood by using the company's equipment. As one of the factories were certified with a CE Marking (European Conformity), and other certification programmes, the collaboration between all parties to produce CLT products from hardwood tropical timber can ensure that the process and the product can be manufactured following the accepted international standard and its requirements.

The last component of this mission was a discussion regarding collaborative programmes between MTIB, UiTM and TUM. The discussion was conducted by Prof. Dr. Ing. Stefan Winter, Chair of Timber Structures and Building Construction, Institute of Building Materials and Structures (MPA) together



Technical visit to Eugen Decker Holzindustrie KG.

with Dr. Norman Werther and Dr. Ing. Rene Stein. He presented the history of TUM together with R&D activities carried out by MPA TUM.

TUM is divided into 14 departments consisting of, among others, architecture, chemistry, mathematics, civil geo and environmental engineering. The university has already been awarded with 13 Nobel Prizes and has established more than 1,000 collaborative projects with the industry. Its R&D activities consist of research activities and actual projects. He also presented a completed project and an on-going project such as one that involved tall timber facades and the re-drafting of fire regulations. The group then visited the laboratory for timber and timber product testing located at MPA TUM.

Prof. Dr. Zakiah Ahmad from UiTM also presented her projects, some completed, some still on-going with MTIB, and other agencies, such as determining charring rate for glued laminated timber for hardwood tropical timber, spanning table for glued laminated timber from Malaysian tropical timber.

At the end of the session, TUM, UiTM with support by MTIB will determine the areas of collaboration which can be run simultaneously, such as fire testing of timber structure, product, revision of Malaysian Standard with a new set of data through collaboration on testing and promotion activity on the use of timber and its advantages among construction industry in Malaysia especially fire department.

The delegates who participated in the programme were Encik Muhammad Shaiful Nordin (MTIB), Prof. Dr. Zakiah Ahmad (UiTM) and Dr. Marina Yusoff (UiTM).

52nd SESSION OF INTERNATIONAL TROPICAL TIMBER COUNCIL

The 52nd International Tropical Timber Council (ITTC) meeting was held on 7-12 November in Yokohama, Japan. The session was officially opened by Ms Jennifer Cronje, Council Chair who encouraged the Council to continue to make decisions to help build a more accountable, efficient and effective organisation for the future of tropical forests.

Ambassador Koichi Aiboshi, Assistant Vice-Minister for Global Issues in Japan's Ministry of Foreign Affairs, also speaking at the Council's opening session, said that, should the Council fail to restore trust in ITTO, donors would have difficulty obtaining the support of their taxpayers to contribute to it. Nevertheless, he said, Japan is resolved to make the utmost efforts to find the necessary solutions. Also present during the opening session of the council was Honourable Ngole Philip Ngwese, Minister of Forestry and Wildlife, Cameroon.

Dr. Steven Johnson, ITTO Officer-in-Charge, said that ITTO needed a new Executive Director who is seen both within the Organisation and internationally to command the support and respect of the entire membership. The new Executive Director, he said, would have the opportunity to transform both the Organisation as it recovers from the financial crisis, and the Secretariat, where several key posts remain vacant.

During the Session, the Council finally elected Gerhard Dieterle as ITTO's new Executive Director by consensus on 12 November 2016. Dr. Dieterle won the position from a strong field of six candidates and after deliberations on the matter at two previous Council sessions. Dr. Dieterle, a citizen of Germany, has 35 years of experience in national and international forest policies, environmental and development policies, sustainable forest

management, landscape management and conservation. He will take up the position in the first half of 2017.

The Council adopted several decisions, many of which were aimed at improving the transparency, governance and administration of the Organisation. These included amendments to the staff regulations and rules, revision of the ITTO financial rules and procedures, further measures regarding the financial impairment, guidelines for addressing ITTO's financial shortfall, and standards of conduct for the Executive Director. The Council also decided to establish an ad hoc working group to examine options for rotation in the appointment of the Organisation's Executive Director.

The ITTC also discussed the progress report of the ITTO Fellowship Programme and the 2015 ITTO Annual Report as well as approved the reports of the Committees, i.e., Committee on Finance and Administration, Committee on Reforestation and Forest Management, Committee on Economics, Statistics and Markets (CEM), and Committee on Forest Industry.

The 2016 Annual Market Discussion, organised by the Trade Advisory Group, was held on the theme "Free Trade Agreement Challenges and Opportunities for Tropical Timber Trade". Speakers from Mexico, Nigeria, Thailand, Peru, the EU and the US gave their presentations related to their respective countries' commitment and involvement in FTAs.

The 53rd Session of the International Tropical Timber Council and Sessions of the Associated Committees will be held from 27 November to 2 December 2017 in Lima, Peru. MTIB was represented by Encik Mohd Kheiruddin Mohd Rani, Director of Trade Development.



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Ministry of Natural Resources and Environmental Conservation
Malaysia

WORKSHOP ON BAMBOO GAZEBO



The workshop participants with the bamboo gazebo they produced.

The gazebo has a long history and remains very popular as an outdoor space, typically in the garden or backyard providing its owner a peaceful corner to relax in as well as to host. Gazebos were originally made of wood both due its aesthetic appeal as well as availability. Beside wood there are also gazebos made of metal, concrete and recently, bamboo. Bamboo gazebos have become increasingly popular throughout the world due to the numerous advantages bamboo has over other types of materials. In an effort to further develop of bamboo industry in Malaysia, MTIB recently organised a workshop on bamboo gazebos at Bamboo Jungle Adventures Sdn. Bhd., Sg Siput, Perak from 21 to 25 November.

The objective of this workshop was to disseminate knowledge and information as well as to create awareness among the industry on the potential of the bamboo industry in Malaysia. Beside that, the workshop also aimed to provide on understanding on basic bamboo gazebo designing and manufacturing techniques, bamboo treatments and marketing aspects of bamboo products in Malaysia.

According to Ir. Tuan Hj Mazlan Othman, Managing Director of Bamboo Jungle Adventures Sdn. Bhd., to most people, wood is the most beautiful of all available materials because it blends with nature unlike metal which is perceived as cold although a metal

gazebo can be very beautiful as well. However, bamboo gazebos are not interior neither to wood or metal in any aspect. In fact, bamboo has several advantages over the other two materials which also explains why so many people prefer bamboo over metal and even wood because bamboo has greater tensile strength (or resistance to being pulled apart) than steel, and it withstands compression better than concrete. However, untreated bamboo will swell from water absorption, significantly lowering its effectiveness.

A total of 15 participants comprising individuals, government officials and members of the private sector attended the workshop. 



A group photo after the programme.

ISO/PC 287: CHAIN OF CUSTODY OF WOOD AND WOOD-BASED PRODUCTS MEETING



Attendees during the meeting.

Forest resources contribute to the overall economy in various ways such as employment, trade and investment as well as values. The revenues are generated through the processing and marketing of forest products. Hence, the optimisation of natural resources, conservation of forest productivity and reduction of environmental impact can be achieved through the sustainable management of forests particularly in terms of the traceability of the production chain. In this context, standards in the field of forest management would contribute as an alternative to the market in terms of economic feasibility and profitable results. The committee of ISO/PC 287: Chain of Custody of Wood and Wood-based Products is responsible for the development and the standardisation for a chain of custody (CoC) of wood and wood-based products and lignified materials other than wood (such as bamboo, cork). The chain of custody relies on a control system to track and handle wood and wood-based products as well as lignified materials other than wood throughout a supply chain including transportation, receipt, production, sale, resale and declaration.

The Fourth Meeting of the ISO/PC 287 was held in Beijing, China from 21-25 November and was hosted by the Chinese Academy of Forest. The objectives of this meeting was to further deliberate on the ISO/CD 38200 document, the Chain of Custody of wood and wood-based products as well as to amend and consider collated comments from participating (P) member countries from the previous meeting held in Sweden.

The meeting was chaired by Mr. Jorge Emanuel Reis Cajazeira, Corporate Director, Suzano Pulp and Paper, Brazil. The meeting was attended by 27 delegates from 11 countries namely Brazil, Canada, China, Denmark, Finland, France, Germany, Malaysia,

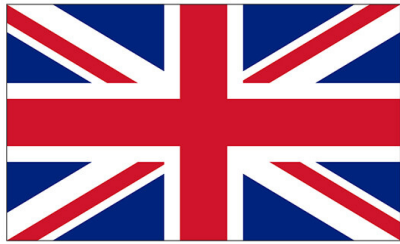
Netherlands, Sweden and United Kingdom. Representatives from liaison organisations such as European Environmental Citizens' Organisation for Standardisation (ECOS), Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) were in attendance for the discussion sessions. The meeting was officially opened by Ms. Tian Yaling, Deputy Director-General, Science and Technology Centre, State Forestry Administration (SFA).

The convenor of ISO/PC 287/WG 1, Prof. Dr. Michael presented the agenda of the meeting and gave an overview of the critical issues and tasks for the revision of ISO/CD 38200. In addition, several issues were discussed during the meeting including the establishment of Project Committee ISO/PC 308 Chain of Custody and the ISO standards development procedure. The ISO/PC 287 was established to ensure the scope of ISO/PC 308 will not duplicate or be in contradiction with the work carried out by the committee. Therefore, this committee requested that wood and wood-based products are excluded from the scope of ISO/PC 308 in order to prevent overlapping of the work programmes. The meeting also agreed to submit the revised ISO/DIS 38200 documents to ISO secretariat (ISO/CS) for Draft International Standards (DIS) ballot by 31 January 2017.

Apart from the meeting, the delegation also had the opportunity to visit Badaling Forest Experience Center, located in Qinglong Gorge Scenic Area, Badaling National Forest Park. It is the first forest experience center built in Beijing which provides facilities, demonstrative and education activities on forest experience to visitors. Badaling National Forest Park is located amongst the Juyongguan and Badaling Great Walls, covering an area of 44,000 mu. Its highest peak is 1,238 meters above sea level. Badaling National Forest Park boasts 539 varieties of plants and 158 varieties of animals, with forest coverage of 96%. Badaling National Forest Park is the first ecological public welfare forest area in China that is certified by FSC.

Malaysia was represented by three delegates comprising Puan Nor Shahira Mat Nasir from MTIB, Puan Pang Suet Kum from Malaysian Wood Industries Association and Cik Sabrina Mawasi from Malaysian Timber Certification Council. The next meeting will be held tentatively at the beginning of September 2017 in Berlin, Germany.

UNITED KINGDOM – IMPACT OF “BREXIT” TO THE TIMBER INDUSTRY



Introduction

The United Kingdom, consisting of Great Britain (England, Wales, and Scotland) and Northern Ireland, is twice the size of New York State. England, in the southeast part of the British Isles, is separated from Scotland on the north. To the west along the border of Wales, land of steep hills and valleys are the Cambrian Mountains, while the Cotswold, a range of hills in Gloucestershire, and extend into the surrounding shires. The United Kingdom is a constitutional monarchy and parliamentary democracy, with a queen and a parliament that has two houses namely the House of Lords and the House of Commons. The executive power of the Crown is exercised by the cabinet, headed by the Prime Minister.

Economy

The UK economic growth held up better than expected following the 'Brexit' vote, particularly as regards to consumer spending and services. In 2016, the overall UK population is 65,110,000 people, an increase of more than 500,000 people from the previous year. Therefore, it is estimated that the economic growth of the country to be around 2% in 2016. However, it is projected that the growth to slow to around 1.2% in 2017 due to the drag on investment from increased political and economic uncertainty following the 'Brexit' vote. The main reason for the slowdown will be a decline in business investment, driven in particular by uncertainty about the UK's future trading relationships with the EU in the longer term.

The 'Brexit' votes poses clear risks to Britain's trading position with the EU, but there are also opportunities arising from the UK's strength in tradable services and its relatively strong performance in exporting to non-EU countries since 2007. In the meanwhile, consumer spending growth is projected to drop to around 2% in 2017. This reflects the impact of a weaker pound in pushing up import prices and squeezing the real spending power of households, as well as expected slower jobs growth. Service sector growth will slow but should remain positive in 2017, but construction will suffer from lower



investment levels.

Forest Resources

The UK has no natural forest, but has about 3.15 million hectares of woodland area of which, 1.4 million hectares (45%) is in Scotland, 1.3 million hectares (41%) is in England, 0.3 million hectares (10%) is in Wales and 0.1 million hectares (4%) is in Northern Ireland.

From the total of UK woodland area, 0.87 million hectares is owned or managed by the Forestry Commission (in England and Scotland), Natural Resources Wales (in Wales) or the Forest Service (in Northern Ireland). Total certified woodland area in the UK is 1.38 million hectares or 44%. Ten thousand hectares of new woodland were created in the UK in the year 2014 to 2015, mostly with broadleaved species. Eighteen thousand hectares of woodland were restocked mostly with conifers.

Timber Production

According to the FAO latest forest statistics, the UK produced quantity of logs around 8.6 million m³, a decrease of 8% from 2014. Apart from logs production, the country produces 3.5 million m³ of sawntimber, 2.3 million m³ of particleboard and 756 thousand m³ of fibreboard.

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United Kingdom: Production of Timber and Timber Products, 2011-2015(Volume: '000 m³)

Product/Year	2011	2012	2013	2014	2015
Fibreboard	759	788	756	749	756
Logs	8,787	8,788	9,243	9,361	8,629
Particleboard	2,625	2,215	2,276	2,319	2,324
Sawntimber	3,279	3,409	3,581	3,764	3,493

Source: FAO

Malaysia : Export of Timber and Timber Products to the United Kingdom

The UK has always been a significant trade partner in timber with Malaysia. In 2015, export of Malaysian timber and timber products to the UK registered an

increase of 6% to RM807.3 million from RM760.7 million in 2014. The UK ranked ninth with 3.6% of Malaysia's total market share. Wooden furniture was the main product exported with a total value of RM374.5 million, followed by plywood at RM156.8 million and BJC at RM164.3 million.

Malaysia: Export of Timber and Timber Products to the United Kingdom, 2011-2015

(Value: RM)

Product	2011	2012	2013	2014	2015
Sawntimber	57,501,973	71,211,112	56,368,319	61,115,691	51,273,357
Plywood	153,110,302	152,588,402	165,732,609	186,547,137	156,780,208
Veneer	0	79,977	0	88,401	0
Particleboard	260,920	0	0	0	0
Fibreboard	11,666,373	12,641,286	6,256,429	7,471,932	6,458,325
Mouldings	18,188,701	23,124,296	24,712,157	30,390,396	38,690,138
Wooden Furniture	355,443,091	377,565,757	270,148,544	322,241,453	374,512,864
Rattan Furniture	1,718,917	1,172,727	1,202,059	2,146,116	3,149,887
BJC	113,952,020	101,818,529	114,451,939	139,193,535	164,318,266
Wooden Frame	2,929,519	1,556,158	2,208,757	1,590,069	1,178,125
Others	6,199,290	7,538,685	7,484,266	9,941,694	10,965,485
TOTAL	720,971,106	749,296,929	648,565,079	760,726,424	807,326,655

Source: MTIB and DOSM

Malaysia : Import of Timber and Timber Products from the United Kingdom

In 2015, import of Malaysian timber and timber products from the UK registered an increase of

143% to RM12.0 million from RM4.9 million in 2013. Sawntimber was the main product imported with a total value of RM7.9 million followed by wooden furniture at RM2.8 million and veneer at RM521 thousand.

Malaysia: Import of Timber and Timber Products from the United Kingdom, 2011 -2015

(Value: RM)

Product	2011	2012	2013	2014	2015
Sawntimber	212,547	405,227	215,856	925,035	7,926,208
Plywood	0	6,767	13,409	0	0
Veneer	34,584	148,330	93,103	258,073	521,446
Particleboard	0	503,517	94,503	43,454	220,217
Fibreboard	5,040	0	0	13,995	0
Mouldings	139,279	140,785	0	228,667	0
Wooden Furniture	1,293,471	2,880,272	1,059,114	2,047,022	2,806,665
Rattan Furniture	166,273	823,374	185,534	100,875	200,902
BJC	487,240	402,865	43,120	21,809	36,010
Wooden Frame	22,065	8,162	10,733	0	7,560
Others	3,184,569	1,646,007	1,615,153	1,303,731	299,637
TOTAL	5,545,068	6,965,306	3,330,525	4,942,661	12,018,645

Source: MTIB and DOSM

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United Kingdom's Import of Timber and Timber Products

The UK's import of timber and timber products in 2015 increased marginally to USD11.5 billion over the previous corresponding period. The UK import

mainly furniture, sawntimber, BJC and plywood. Import of furniture and sawntimber totalled USD4.6 billion and USD2.0 billion. Similarly, import of BJC and plywood improved 5% to USD963.1 million and 2% to USD705.3 million respectively.

United Kingdom: Import of Timber and Timber Products, 2011-2015

(Value : USD'000)

Product	2011	2012	2013	2014	2015
Logs	113,545	78,959	86,370	70,654	72,479
Sawntimber	1,772,305	1,643,221	1,846,667	2,345,807	2,007,246
Veneer	59,270	45,141	55,739	55,287	46,759
Mouldings	250,660	227,392	250,803	258,706	237,919
Particleboard/Chipboard	248,120	168,043	226,055	288,587	278,266
Fibreboard	405,842	361,614	393,399	464,625	420,466
Plywood	740,354	616,039	672,395	688,326	705,255
BJC	810,491	746,480	800,852	919,495	963,073
Furniture	4,151,311	3,781,067	3,984,237	4,547,372	4,616,378
Others	944,796	1,001,432	1,433,176	1,891,433	2,185,390
TOTAL	9,496,694	8,669,388	9,749,693	11,530,292	11,533,231

Source: International Trade Centre

United Kingdom's Export of Timber and Timber Products

The UK's export of timber and timber products in 2015 decreased 12% to USD1.5 billion over the previous corresponding period. UK export mainly

furniture, BJC, particleboard and sawntimber. Export of furniture and BJC totalled USD967.7 million and USD73.5 million. In addition, export of particleboard totalled USD47.9 million followed by sawntimber at USD67.7 million.

United Kingdom: Export of Timber and Timber Products, 2011-2015

(Value: USD'000)

Product	2011	2012	2013	2014	2015
Logs	39,069	37,229	55,315	43,684	32,983
Sawntimber	67,345	50,964	56,639	70,444	67,745
Veneer	12,248	11,617	8,669	9,969	7,211
Mouldings	24,537	21,274	22,517	26,324	26,021
Particleboard/Chipboard	92,691	91,799	73,962	73,855	47,869
Fibreboard	61,696	64,555	52,593	46,714	29,847
Plywood	38,981	29,032	30,456	41,600	31,801
BJC	66,730	58,618	63,408	79,050	73,466
Furniture	928,681	869,539	937,515	1,074,220	967,699
Others	184,390	172,168	191,126	215,299	195,723
TOTAL	1,516,368	1,406,795	1,492,200	1,681,159	1,480,365

Source: International Trade Centre

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Import Tariff

The UK's import duty on timber and timber products ranges from 0 – 10%. Details are as follows:

Hs Code	Product	Duty (%)
4401	Fuel Wood	0
4402	Wood Charcoal	0
4403	Logs	0
4404	Hoop Wood	0
4405	Wood Wool and Wood Flour	0
4406	Sleepers	0
4407	Sawntimber	0 – 2.5
4408	Veneer	0 – 6
4409	Mouldings	0
4410	Particleboard	7
4411	Fibreboard	7
4412	Plywood	6 – 10
4413	Densified Wood	0
4414	Wooden Frames	0 – 2.5
4415	Packing Cases	3 – 4
4416	Cask, Barrels, Vats and Tubs	0
4417	Tools Bodies and Handle	0
4418	BJC	0 – 3
4419	Tableware and Kitchenware	0
4420	Wood Marquetry	0 – 4
4421	Other Articles of Wood	0 – 4
9104-9403	Wooden Furniture	0 – 5.6

Source: WTO

Challenges, Opportunities and Prospects

The UK's decision to leave the EU by a narrow majority in a referendum on 23 June 2016 is already being felt in currency markets and stock exchanges around the world. The country plays an important role in the EU and ranks top three countries in the continents. The UK is also the EU's largest importer of timber from tropical countries by significant margin.

In 2015, the UK accounted around 25% of the total value of timber-based products imported into the EU from tropical countries. In addition, the country import value of tropical timber products increased by 32% from €720 million in 2011 to €960 million in 2015.



The UK construction industry has been heavily reliant on migrant workers from Europe for decades, therefore, the Government need to ensure the new system of immigration provides the construction sector with enough skilled workers.

The expected economic slowdown in the UK as a result of the uncertainty after the referendum is therefore likely to have a disproportionately large impact on the EU's imports of tropical timber and timber products. A large part of the recent growth in UK import of tropical timber products has been in the form of furniture from Viet Nam, Indonesia and Malaysia. There is also uncertain policy implications for the timber sector associated with Brexit. UK technical standards for the vast majority of building products are now set at EU level under the terms of the EU Construction Products Regulation.

However, the UK's exit would open the door to gradual divergence of the country and EU standards for construction and other products. It is therefore, provide opportunities for Malaysian timber exporters with products complying with either standards to achieve greater market access into the UK construction sector.

Furthermore, in order for the Malaysian furniture industry to sustain its position in the UK market, the Malaysian manufacturers need to maintain and enhance their presence in the UK market through participation in major timber, furniture and construction fairs and exhibitions such as Birmingham Fair, Ecobuild London, Timber Expo and many more. In addition, the Malaysian furniture industry were urged to create excitement and creativity in terms of design, innovation, materials used, colours, finishing as well as improving quality and standard of their products.

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MTIB's Statistics
International Trade Centre
ITTO TTM Report: 16-30 June 2016
Forest Trends Information Brief
UK Economic Outlook




Standing on Excellence



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

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Shaping the Timber Industry of Malaysia

Spot the difference

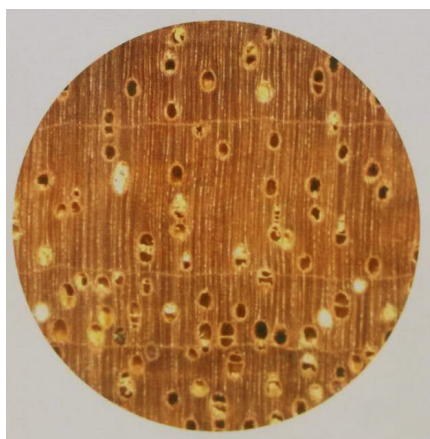
They look similar, are made from the same type of hardwood and have similar price tags. The only difference is that one came from a rainforest and the other from a plantation.

Every year, millions of trees are felled to fulfill the demands of the timber industry. Problems arise when these trees are not replaced as fast as they are taken, causing a multitude of environmental problems.

MTIB is fully aware of the need for renewable resources. One solution is forest plantation, where trees are planted specifically for commercial purposes. Not only does it provide a steady supply of timber, it also works to the advantage of our environment.

We care about the environment as much as we care about the timber industry, which is why it is important for us to come up with solutions that benefit both – because beautiful furniture doesn't have to come with a high environmental price tag.

TAUN – SUITABLE FOR OUTDOOR FURNITURE



Microscopic view of Taun



Taun's bark

Introduction

Taun is a wood species originating mainly from Southeast Asian tropical forests. Raw Taun wood is pink to reddish brown, its sapwood is not very distinct from its heart wood. Taun wood is moderately durable. It can be for interior use only - as solid wooden floor. Taun is similar in appearance to another wood species from Southeast Asia - Merbau, but it is not as strong as Merbau. It also weighs lighter than the real Merbau. In the China market, Taun is referred to as "Small Merbau" and is one of the most economical imported wood for solid wood flooring.

Taun comprises several members of the *Pometia* species occurring in low-lying coastal and riverine areas of Sri Lanka and South-East Asia, Papua New Guinea, the Solomon Islands and Samoa. Although the species can attain heights of up to 25 metres, an irregular bole and elliptical cross-section results in relatively short log lengths. Taun is also known as Malugai (Philippines), Sibuan (Sarawak and Sabah, Malaysia), Truong (Viet Nam), Aia Fai, Mala, Ula, Ako Dawa (Solomon Islands), Tava (Western Samoa), Ahabu, Matoa (Papua New Guinea), Malugay, Akwa, *Pometia Tomentosa*, *Pometia Tomentosa*, *Pometia* spp.

The grain of Taun timber is straight, with occasional interlocking, and of moderately coarse texture. Taun is a moderately durable hardwood, with an above ground life expectancy of between 15 and 40 years. Its in-ground life expectancy is considerably shorter, at between five and 15 years. Taun sapwood is susceptible to lyctid borer attacks and is very difficult to impregnate with preservative. Taun is not termite-resistant.

Uses of Taun in construction include general house framing, cladding, fascia boards, internal flooring, and plywood. Taun's properties also lend themselves



Wood colour and texture

to decorative applications such as lining, paneling, joinery, cabinetwork, outdoor furniture, carving, turnery and veneers. It is also used for boat building and cooorage.

Moderately hard (rated 3 on a 6-class scale) in relation to indentation and ease of working with hand tools. The timber saws and turns easily with only a moderate blunting effect on cutting edges. It is readily bored and holds nails and screws well, can be satisfactorily bonded using standard gluing procedures, takes paints and stains well, and can be polished to a smooth, high finish. While Taun is reasonably easy to work with, sanding dust may be an irritant to mucous membranes.

Properties

MECHANICAL PROPERTIES		
	Unseasoned	Seasoned
Modulus of Rupture :-	67 Mpa	106 Mpa
Modulus of Elasticity	11 Gpa	14 Gpa
Maximum Crushing Strength	31 Mpa	60 Mpa
Impact	14 J/cm	14 J/cm
Hardness	4.2 kN	6.5 kN

Table 1: Mechanical Properties of Taun

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DURABILITY PROPERTIES	
In-Ground:	Moderate; (5 - 15 yrs)
Above ground:	Reasonably High; (15 - 40 yrs)
Marine Borer Resistance:	Low; (0 - 20 yrs, usually < 5)
Lyctid Borer Susceptibility:	Susceptible
Termite Resistance:	Not Resistant

Table 2: Durability Properties of Taun

FIRE PROPERTIES	
Fire Properties Group Number:	Slightly combustible
Group Number - Other:	3 if used on MDF or particleboard ≥12mm; veneer thickness 0.6-0.85mm
Average Specific Extinction Area:	<250 m ² /kg
Bushfire Resistance:	BAL 12.5 and 19 – Door and window joinery only

Table 3: Fire Properties of Taun



Taun's cross section



Solid wood flooring from Taun

Characteristics

Taun works easily with most machine and hand tools, but properties may vary with site and form. Timber saws cleanly, producing fair to excellent surfaces. Peeling properties are variable. Good quality stock is suitable for face veneer in plywood. The species glues, screws and nails well, takes nice polish, paints and stains satisfactorily. Shrinkage and density variable, steam-bending properties are generally good, moisture movement low to medium. The heartwood is impermeable, the sapwood is moderately resistant to impregnation. The species is susceptible to pinhole borer and marine borer attacks, as well as brown-stain.

References:

<http://www.woodsolutions.com.au/Wood-Species/taun>
<http://www.hardwood-timberfloors.com/products-taun/359/355.html>
<http://et97.com/subview/117304/117304.htm>
http://agora.com.au/Taun_Technical_info.pdf

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Briefing on Regulations of Export and Import of Timber Products organised by MTIB on 1-2 November 2016 in Penang



Workshop on Gaharu Carving organised by MTIB on 28-30 November 2016 at Rumah Melaka.



YBhg. Dato' Dr. Jalaluddin Harun, MTIB Director-General (centre) and Encik Mohd Sujak Hasbollah, TANGGAM Designer being interviewed by the host of Selamat Pagi Malaysia, TV1, aired live on 30 November 2016. Topic discussed was "MTIB Moves Forward, Colouring the National Furniture Industry".



MTIB's Strategic Planning Personnel Retreat held on 17-19 November 2016 in Ampang, Selangor.