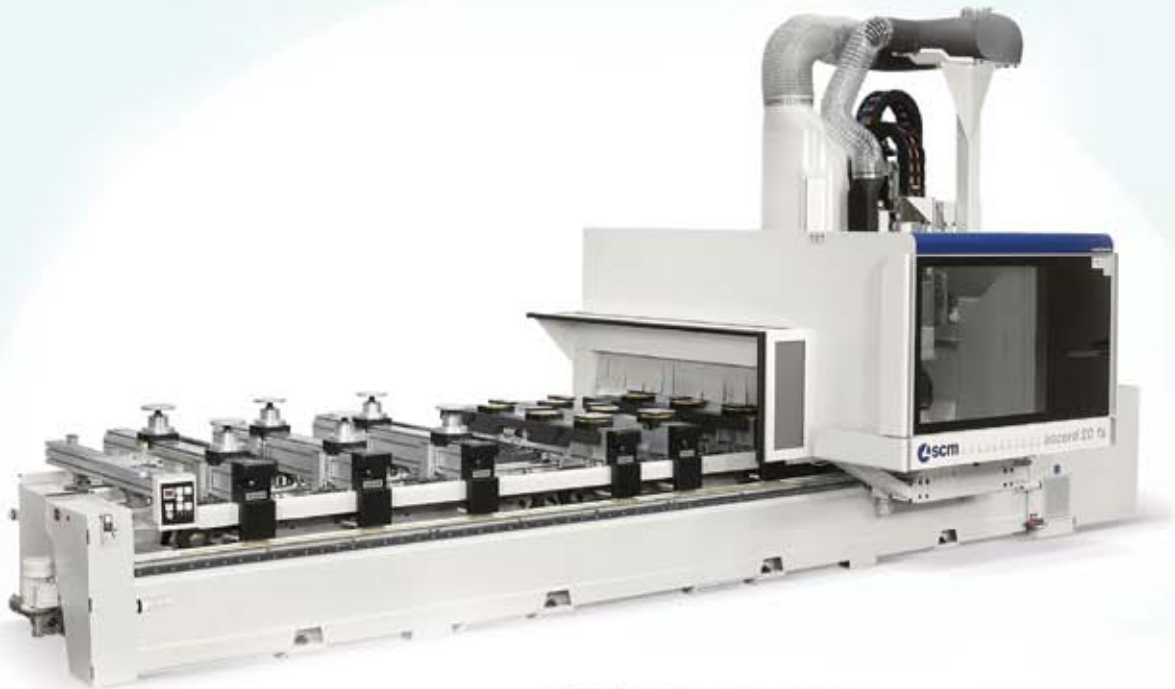




MASKAYU



**EXPLORING MACHINERY
TECHNOLOGY IN ITALY**

**STANDARDS FOR A BETTER
FUTURE**



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

Printer

Gemilang Press Sdn Bhd
No. 16, Jalan S.B. Jaya 12,
Taman Industri S.B. Jaya,
47000 Sungai Buloh, Selangor
Tel : 603 - 6151 2285
Fax : 603 - 6150 2285
E-mail : gpress06@gmail.com
Website : www.gemilangpress.com



Cover : MTIB officials in Italy, enhancing knowledge on hi-tech machines developed by SCM Group. Details on page 3.



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EXPLORING MACHINERY TECHNOLOGY IN ITALY

Malaysia is a dynamic country which is constantly evolving. As Malaysia transforms itself into an emerging multi-sector economy spurred by high technology, knowledge-based and capital intensive industries, the timber industry is also evolving likewise. In order to further explore global technological advances, MTIB organised a working visit to Italy from 2 to 7 February.

The visit aimed to enhance knowledge of the hi-tech machines developed by SCM Group of companies (SCM) especially the edging, panel saw and wide belt sander machines. SCM Group, based in Rimini, Italy produces different types of woodworking machineries under different job scopes. SCM Group comprises Stefani, DMC, Superfici and Morbidelli. SCM specialises in panel saws and CNCs; Stefani, edge banders; DMC, sanding machines; Superfici, finishing processes; and Morbidelli, spindle moulders.

The group were shown the intricate aspects of assembling the various types of machines to produce solid and panel wood products. They were given information on the machines' operation, from the beginning of the production process until the products are ready to be distributed and they observed the installation process of the machines. The group also learnt about the safety aspects of the various machines. SCM then showed the various types of simple woodworking machines suitable for Malaysian entrepreneurs.

SCM Group also arranged visits to five timber and furniture factories which used their machines. The following are the observations:

- The automated mechanical system has reduced the number of workers. It has also reduced production time.
- The machine's effectiveness has reduced disability defects (zero defect). Its effectiveness has also increased the handling system by 40%.
- The Italian manufacturers produce high quality products through excellent and well-maintained finishing lines. The eco-friendly UV finishing line and water-based technology are widely used.
- The dust collecting system is centralised to ensure a dust free and constantly clean environment.

The trip was led by Puan Hj. Zaibi Yakin, MTIB Director of Bumiputera Empowerment. The other members from MTIB were Puan Hj. Noor Laila Mohamed Halip, Director of Strategic Planning and Corporate Affairs; Tuan Hj Mahpar Atan, Director of Industry Development; Encik Mohd Asmawi Mohd Afandi and Encik Muhammad Najib Ramli.



A group photo at SCM Group HQ in Rimini, Italy.



Briefing on machineries at SCM foundry (edging).



Briefing on machineries at SCM foundry (panel saw).



TIMBER WORLD IN BRIEF

AUSTRIA

Built World's Tallest Timber Building in Vienna

Property investor Günter Kerbler announced the construction of the world's tallest timber-framed building in Vienna. In the new Seestadt Aspern in the Austrian capital, a 24-storey building with a height of 84 metres will be built for about EUR65 million (USD72.82 million). It will comprise 19,500 m² of floor space for small businesses, including restaurants, gyms, beauty salons and a hotel.

Work on the project titled HoHo is scheduled to begin in autumn 2015 and completion is two years later. The wood hybrid building is planned by Vienna architects Rüdiger Lainer + Partner ZT, while RWT+ZT of Vienna is in charge of structural design. More than 75% of the building will be made of timber.

Jakarta Post, 11 February

BRAZIL

Wood Panels Production Increased

Wood panel production totalled 668,000 m³ in December 2014, up 0.8%, with domestic sales down 7.3% at 524,000 m³, and exports up 30.4% to 30,000 m³. Production in 2014 reach 8 million m³, up 1.1%, with domestic sales down 2.2% at 7.2 million m³, and exports up 20.6% to 421,000 m³.

Valor Economico, 10 February

CANADA

British Colombia (BC) Lumber Exports to China Fell

British Colombia softwood lumber shipments to China fell 5% last year, marking the first annual decrease in nearly a decade. More than 7.5 million m³ of lumber valued at USD1.4 billion was shipped to China in 2014, according to the province's statistics agency, compared to 7.9 million m³ worth USD1.39 billion in 2013. China has been an increasingly important customer for Canadian wood for about a decade, picking up some of the slack as exports to the US waned. Globally, BC lumber exports totalled 25.8 million m³ worth USD5.75 billion last year.

Meanwhile, US exports grew for the fourth consecutive year in 2014, increasing 6.4% to 14.5 million m³. The shipped lumber was valued at more than USD3 billion, the most since 2007. About 56 % of B.C. lumber exports go to the US.

The Canadian Press, 10 February

CANADA

Cameroon Leads Tropical Sawn Wood Shipments

The value of Canadian tropical sawn hardwood imports declined slightly in November to USD1.8 million. Year-to-date imports were 14% higher than at the same time in 2013. Canadian imports from Brazil were up from October (USD113,932), but year-to-date imports were down a quarter from November 2013. Sawn wood imports from Africa remained high compared to 2013. With the exception of Balsa imports from

Ecuador, Africa is the largest source of tropical imports. Imports from Congo (Brazzaville) reached a record USD375,864 in November. Cameroon, Congo (Zaire) and Ghana also shipped significantly more sawn wood to Canada than in 2013.

ITTO, 1-15 February

CHINA

Total Timber Imports Increased

In 2014, total timber imports in China increased 11.22% to 76.85 m³ as compared to 2013. The import of softwoods and redwoods showed a slight decline, but the import of most tree wood species increased. During the year, the country's imports of log grew by 13.36% to 51.19 million m³. Imports from New Zealand and Canada increased by 1.97% and 11.7% to 11.73 million m³ and 3.04 million m³ respectively. The imports of Russia rose 10.9% to 102.60 million m³ while imports from the US hit 6.10 million m³, up by 8.66%.

China imported 25.66 million m³ of sawntimber, increased by 7.17% or 1.72 million m³. Of the major sawntimber importing nations, Russia topped the other nations at 7.90 million m³, up by 12.47%; while the imports of the US grew 8.41% to 2.8 million m³. In contrast, imports of Canada fell 3.32% to 6.63 million m³.

Chinatimber, 5 February

High Labour Cost Effectuated Henan Furniture Exports

High labour costs hinder furniture exports in Henan. The value of furniture and part exports from manufacturers in the Henan province in 2014 fell 37% to RMB1.75 billion. Analysts blamed rising labour costs for undermining competitiveness. Lower labour costs were the foundation of the competitive advantages of manufacturers in Henan province but competitiveness has been eroded by rising costs. The wages for workers in the furniture industry in Henan province were around RMB6,000 to RMB 7,000 per month in 2014, up RMB1,000 to RMB1,500 per month from 2012.

ITTO, 1-15 February

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DENMARK **Recession in the Construction Industry**

A recent report by the employers' organisation of the Danish Construction Association (Dansk Byggeri) indicates that the Danish construction industry is going through a recession. The business cycle indicator from Statistics Denmark (Danmarks Statistik) based on the expected number of incoming orders confirms this trend. The total construction area for commercial buildings planned for 2015 is below 1.9 million m², which is the lowest figure since 1959. In 2014, 11,500 housing units were constructed. In 2015, an estimated 12,500 will be constructed, and in 2016, the estimation is at 14,000. Lars Storr-Hansen, CEO of Dansk Byggeri, claims that there is a need for about 35,000 new housing units annually. Construction of new housing units is mainly limited to major cities namely Copenhagen and Aarhus. Positive factors for the construction industry include low interest rates and declining oil prices. Investments in major infrastructure projects remain high. The number of employees in the construction industry is currently at about 145,000.

Berlingske , 3 February

INDONESIA **Timber Exports to EU May Reach USD1 Billion in 2015**

In 2015, timber exports from Indonesia to the EU will likely reach a total of USD1 billion (EUR884.13 million). This comes as the number of timber producers that implement the local timber legality verification system (SVLK) to tap higher EU demand for timber, increases. Arif Havas Oegroseno, Indonesian Ambassador to Luxembourg, Belgium and the EU, said Indonesia is hopeful about reaching the USD 1 billion mark in 2015. In 2014, timber and timber products shipments to the EU totalled at USD690 million, up by 27% from the previous year. According to Havas, the EU's agreement in 2014 saw that the SVLK wood-auditing system had led to a significant growth in exports of timber to EU countries. In an agreement ratified in 2014, Indonesia's timber has been recognised by the EU as being legally harvested and complying with the timber rules of the EU.

Jakarta Post, 11 February

JAPAN **Imported Wood Products Demand Projection for 2015**

The Japan Lumber Importers Association and related divisions came up with a demand forecast of major import wood products for 2015. The total volume of logs and other wood products is 10,310,000 m³, 3.7% less than 2014, which is the same volume as in 2009 when demand dropped due by the Lehman shock. The reasons were that housing starts of this year will be less than in 2014 and climbing cost of imported products by the weak yen at about 120 yen for the dollar.

The general view is that demand for building materials will decrease so that import will be curtailed. Log volumes are expected to stay unchanged but lumber volume will drop compared to 2014 because the import of lumber in the first half of 2014 was heavy in anticipation of active demand before the consumption tax increase. This is why the decrease of North American, European and Russian lumber is rather large.

ITTO, 1-15 February

KENYA **Lifts Ban on Timber Harvesting**

Kenya will lift the ban on timber harvest which was imposed in order to curb the unsustainable exploitation of forest resources. The lift will be effective from 10 February 2015. The decision followed an audit conducted by stakeholders of the forestry industry. The official said that in order to develop and grow the timber industry, allocation of forest plantation material would be restricted to those who have demonstrated capacity for investments.

Xinhua, February

NEW ZEALAND **Approvals of Home Constructions in 2014 rise 16% to 24,680**

The number of approvals for home construction during 2014 in New Zealand rose 16% year-on-year to total 24,680 new houses, said Statistics New Zealand. Of the combined value of construction work approved in the cited year, there was a 21% increase to reach NZD14.60 billion (USD10.70 billion), whereby non-residential work accounted for NZD5.1 billion while residential work accounted for NZD9.5 billion. The number of house-building approvals consented in Canterbury increased 27% to 7,308 consents, while in Auckland, the number rose 20% to 7,595 consents and in Waikato, 5.5% to 2,369 consents.

New Zealand Herald, 30 January

RUSSIA **Furniture Imports Hit USD3.198 Billion**

According to the Federal Customs Service, in 2014 Russia imported 728,400 tonnes of furniture worth USD3.20 billion (EUR2.82 billion). Imports from non-CIS countries amounted to USD2.712 billion while supplies from CIS-countries totalled USD486.60 million.

Press releases, 25 February, Federal Customs Service

JANUARY 2015

SHIPPING NEWS



Shipping Still in Choppy Waters

Despite a spurt in general rates increases (GRIs), the outlook for the shipping industry remained challenging as overcapacity was generally still a looming issue for all three major segments of the sector. Shipping is the cheapest way to export goods and is currently carrying more than 90% of the world's imports and exports as opposed to land and air transportation.

Malaysia, at the heart of the Asia specifically the Straits of Malacca, remained an important maritime highway that is in the middle of major shipping trade routes namely Asia-Europe networks. For the container shipping industry, those mostly carrying consumer items, the challenge to stay afloat still hinged on the ability of demand to absorb the excess capacity largely due to the race of ship building pre-global economic crisis that started in late 2008.

Maersk Line, the biggest container shipping company in the world is one of a handful companies that is making decent profit in this choppy water environment. According to the Maersk Line Cluster Manager for Malaysia, Singapore and Brunei Mr. Dan Lauritzen, the outlook remained challenging as capacity continued to outgrow demand and the current supply-demand gap was expected to remain constant for the near term. The freight rates generally would continue to be on a downward trend due to continued overcapacity.

Meanwhile, a logistics practitioner said that normally the GRIs was passed to the importers or exporters of goods and ultimately it would be reflected in the shelf price of the goods. They were not too concerned with the sporadic shipping rate increase as they were still generally lower compared to the pre-global economic crisis in 2008 where the shipping industry was in a long bull-run period that prompted the players in a rat race to build ships that somewhat resulted in the overcapacity issue.

Encik Ruben Emir Gnanalingam, CEO of Westports Holdings Bhd., pointed out that shipping lines' increase and decrease rates were based on seasons and market forces. There was generally no direct impact to port operators as they were their vendors; their customers were the ones who generally affected.

Source: The Star, 24 January

Netherlands: Groningen Seaports Sees 40% Increase in Transshipment

The transshipment level at the Port of Delfzijl and Eemshaven increased year-on-year by 40% to 10 million tonnes in 2014. Parent company Groningen Seaports is expected to have recorded a net profit of EUR2 million (USD2.32 million) which would be up from EUR600,000 recorded in 2013.

Source: Transport Online, 8 January

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, January 2015

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change Jan 2015/ Dec 2014
	m ³	% Change Jan 2015/ Dec 2014	m ³	% Change Jan 2015/ Dec 2014	m ³	% Change Jan 2015/ Dec 2014	m ³	% Change Jan 2015/ Dec 2014	m ³	% Change Jan 2015/ Dec 2014		
Sawntimber	54,959	2	6,246	-19	1,890	11	314	18	2,197	199	65,606	2
MDF	32,040	12	516	7	11,903	14	11,564	4	23,930	10	79,953	10
Mouldings	13,361	4	168	-48	1,671	-30	503	-41	1,927	-9	17,630	-5
Dressed Timber	-	0	196	308	1,250	58	202	-9	181	13	1,829	-46
Plywood	4,769	-43	-	0	10	-33	52	18	5,080	-55	9,911	-50
Veneer	90	-19	16	433	8	100	-	0	161	-24	275	-15
Particleboard	31,318	-16	478	57	207	431	246	148	-	0	32,249	-14
TOTAL	136,537	-5	7,620	-15	16,939	10	12,881	2	33,476	-8	207,453	-4

Source : MTIB

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Russia: Sea Port Handle 619 Million Tonne of Freight

According to the Association of Commercial Sea Ports, Russian ports handled 618.80 million tonnes of cargo in 2014, up 4.9% compared with 2013. Dry cargo turnover rose 12.5% to 283.30 million tonnes and liquid cargo turnover increased 0.9% to 330.50 million tonnes. The ports' aggregate handling capacity increased by 22.50 million tonnes in 2014.

Source: Port News, 16 January

Canada: Port of Montreal to Undergo Expansion to Accommodate Increased Exports

In Canada, the Port of Montreal would be undergoing a CAD132 million (EUR94.38 million, USD108.97 million) expansion, which would include deepening of mooring posts to cater to larger vessels, increasing the capacity of the port for container-handling and facilitating truck circulation. Ottawa would be pouring in CAD43.70 million (EUR31.25 million, USD36.08 million) in the project. The rest of the money would be contributed by the port. The expansion decision was made after the signing of a free-trade deal between the European Union and Canada which has led to a possibility of increase in exports. The project is likely to create 2,500 jobs. The renovations are expected to be finished by 2018.

Source: Canadian Business, 20 January

Sri Lanka: Government Reviewed Colombo Port City Project of USD1.5 Billion

The government of Sri Lanka was reviewing the Colombo Port City project that was launched in September 2014 during the visit of President Xi Jinping of China. The USD1.50 billion (EUR1.35 billion) projects aimed to construct a modern city on a plot of 233 hectare sea-reclaimed land between Galle Face Green and Colombo South Port.

A Memorandum of Understanding (MoU) was signed by China Communication Construction Co (CCCC) and the Sri Lanka Ports Authority with construction to be conducted by China Harbour Engineering Co (CHEC). The project agreement has raised concerns as 20 hectares of land in a high security zone would be given on an outright basis to a China-based company. At the moment, the environment's impact assessment and the feasibility study have not been seen by the government. According to Ranil Wickremesinghe, the Prime Minister of Sri Lanka, a decision on the project was to be made in two weeks time.

Source: Colombo Page, 24 January

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, January 2015



Total = 207,453 m³



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JANUARY 2015

Total export of Malaysian timber and timber products in January 2015 decreased 5% in value to RM1.8 billion from the previous month. However, cumulative export for January 2015 increased 5% over the previous corresponding period.

Sawntimber

Export of sawntimber in January 2015 decreased 13% in volume and 7% in value to 158,649 m³ with a value of RM218.5 million as compared to the previous month. Declining intake from major market in the EU and Middle East contributed to the negative performance of sawntimber export.

Export of sawntimber to the EU for the month decreased 9% to 13,492 m³ from 14,862 m³ in the previous month. Slowed economic recovery in the Euro zone affected the construction industries in major countries in the region. Export to the UK and Belgium declined 39% and 18% to 1,676 m³ and 1,383 m³ respectively from the previous month. Similarly, export to Germany decreased 48% to 803 m³ from 1,547 m³ recorded in the previous month. On the other hand, export to the Netherlands and France improved 1% and 59% to 7,231 m³ and 1,220 m³ respectively.

Total exports to West Asia decreased 34% to 29,041 m³ from 44,254 m³ recorded in the previous month due to reduced purchases from major markets in the region. Export of sawntimber to the UAE and Yemen decreased 7% to 7,183 m³ and 36% to 11,654 m³ respectively. Similarly, export to Saudi Arabia and Oman declined 48% and 39% to 3,034 m³ and 3,226 m³ respectively. In the meanwhile, Qatar improved purchases of sawntimber by 10% to 1,349 m³ from 1,231 m³ in the previous month.

Buying from ASEAN increased 5% to 64,783 m³ from 61,893 m³ registered in the previous month. Export of sawntimber to Thailand, major buyer of sawntimber from Malaysia increased 9% to 29,551 m³ from 27,171 m³ in the previous month. However, export to Singapore and Viet Nam declined 48% and 27% to 11,384 m³ and 1,187 m³ respectively.

In the meanwhile, shipments to East Asia decrease 19% to 29,878 m³ with export to China and Taiwan reduced 31% and 22% to 8,793 m³ and 11,149 m³ respectively. However, export of sawntimber to Japan and South Korea increased 12% and 10% to 6,191 m³ and 3,171 m³ respectively.

Elsewhere, exports to the US decrease 50% to 824 m³ while intake by Australia increased 50% to 1,583 m³. Demand from South Africa increased 11% to 7,357 m³ from 6,612 m³ in the previous month.

The average FOB price of sawntimber increased 6% to RM1,377 per m³ from RM1,301 per m³ in the previous month. Price of Dark Red Meranti increased 5% to RM2,382 per m³ from RM2,261 per m³ in the previous month. Price of Dark Red Meranti to the Netherlands increased 5% to RM2,888 per m³ from RM2,755 per m³ in the previous month. Keruing was traded at RM1,585 per m³, a decrease of 1% from RM1,596 per m³ in the previous month.

Plywood

Total export of plywood in January decreased 32% in volume and 28% in value to 219,145 m³ valued at RM382.5 million as compared to the previous month.

Total exports to the EU decreased by 47% to 8,032 m³. Likewise, shipments to Denmark, France, the Netherlands and UK decrease 62%, 63%, 58% and 51% to 129 m³, 298 m³, 599 m³ and 5,655 m³ respectively. However, Belgium, Germany and Ireland increased their intake by 73%, 187% and 16% to 821 m³, 43 m³ and 316 m³ respectively whilst Italy resumed its intake to 59 m³.

Exports to ASEAN region decrease as Brunei, Singapore and Thailand intake of plywood decrease by 8%, 21% and 36% to 887 m³, 2,931 m³ and 4,553 m³ respectively whilst Indonesia did not make any purchases. In East Asia, exports to China, Hong Kong, Japan, South Korea and Taiwan decreased by 49%, 29%, 21%, 32% and 22% to 1,395 m³, 3,180 m³, 106,467 m³, 24,311 m³ and 19,313 m³ respectively.

Overall, exports to West Asia decreased by 50% as compared to the previous month. Shipments to Saudi Arabia, the UAE and Yemen decreased 13% and 56% to 5,362 m³, 2,475 m³ and 13,304 m³ respectively. However, Bahrain, Kuwait and Qatar increased their intake by 589%, 146% and 105% to 599 m³, 532 m³ and 90 m³ respectively.

The FOB price of plywood increased by 5% to RM1,745 per m³ from RM1,665 per m³ in the previous month.

Veneer

Exports of veneer for January 2015 showed a decreased of 36% in volume and 31% in value to 12,865 m³ at RM18.7 million compared to the previous month. Exports to Singapore, China and Taiwan decreased by 4%, 70% and 42% to 23 m³, 285 m³ and 6,519 m³ respectively whilst Canada and UK did not make any purchases. Meanwhile, Indonesia and Australia increased its intake by 21% and 15% to 17 m³ and 187 m³ respectively, whilst Sri Lanka resumed its intake.

The FOB price of veneer increased to RM1,451 per m³ from RM1,364 per m³, an increased of 6% from the previous month.

Medium Density Fibreboard (MDF)

Malaysia's exports of MDF for January 2015 increased 15% in volume and 14% in value. Export totalled 96,847 m³ at RM104.4 million.

Exports to East Asia registered a decrease of 11% to 14,163 m³ from 15,904 m³ in the previous month. Exports to China (including Hong Kong) grew by 162% to 348 m³ followed by Taiwan at 25% increased to 1,808 m³. Meanwhile exports to South Korea recorded a negative growth with a decrease of 3% to 661 m³ followed by Japan drop 17% to 11,346 m³.

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JANUARY 2015

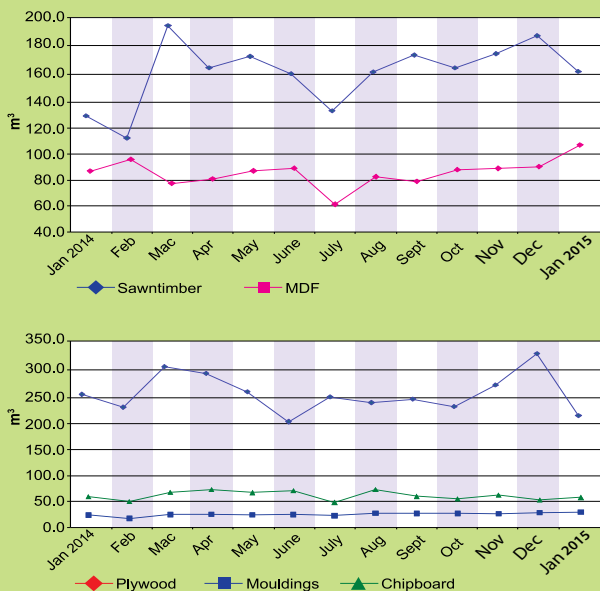
Meanwhile exports to West Asia for the month increased 35% to 46,005 m³ from 34,138 m³ in the previous month. Export to Lebanon recorded a positive growth of 2,710% to 4,187 m³ followed by the UAE at 60% increased to 13,253 m³ and Kuwait at 41% increased to 4,821 m³. Export to Bahrain, Oman, Syria and Saudi Arabia also recorded positive growth by 31% to 630 m³, 25% to 1,687 m³, 22% to 4,709 m³ and 7% to 7,221 m³ simultaneously. However, export to Iran and Jordan dropped by 1% to 6,861 m³ and 83% to 226 m³.

Furthermore, export to South Asia also recorded positive growth by 6%. Export to India increased by 71% to 1,050 m³, followed by Bangladesh grew by 61% to 1,486 m³ and Sri Lanka by 5% to 2,101 m³. Only export to Pakistan declined 10% to 4,963 m³.

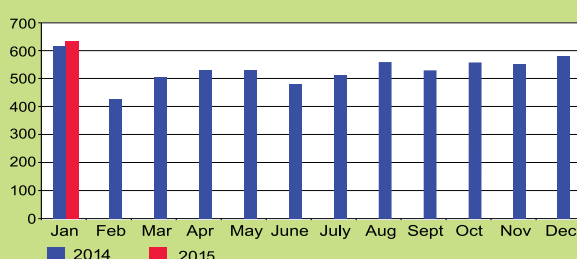
Elsewhere, exports to Australia increased by 23% to 2,537 m³ and South Africa increased 21% to 424 m³. However export to the USA fell 8% to 1,694 m³ and export to the UK down by 67% to 242 m³.

In ASEAN, total export for the month of January increased by 8% to 18,255 m³ from 16,969 m³ in the previous month. Exports to Singapore increased by 100% to 54 m³, Indonesia at 21% to 3,666 m³, Viet Nam at 11% to 11,739 m³ and Philippines at 0.4% to 2,796 m³.

Export of Selected Products from Malaysia
(January 2014 - January 2015) / Volume ('000m³)



Malaysia: Export of Wooden Furniture
(January 2014 - January 2015) / Value (RM Million)



Source : Department of Statistics, Malaysia

Mouldings

Exports of mouldings for the month increased by 3% in volume and 5% in value to 24,908 m³ and RM68.4 million respectively. Similarly, cumulative exports increased by 21% in volume and 16% in value as compared to the previous corresponding period in 2014.

Exports to the EU for the month recorded at 8,359 m³, an increase of 6% compared to the previous month. Shipments to Belgium, Germany, the Netherlands and Italy increased by 50%, 13%, 8% and 63% to 919 m³, 1,320 m³, 4,175 m³ and 148 m³ respectively. However, shipments to the UK decreased by 21% to 791 m³.

Exports to the ASEAN region decreased as Viet Nam and Singapore intake of mouldings decreased by 28% and 20% to 144 m³ and 1,366 m³ respectively whilst Indonesia did not make any purchases.

Meanwhile, exports to Taiwan, Hong Kong and China increased 5%, 38% and 30% to 1,152 m³, 393 m³ and 1,666 m³. However, exports to Japan and South Korea decreased 7% and 19% to 2,416 m³ and 1,638 m³ respectively.

Elsewhere, export to Australia and Canada increased by 27% and 83% to 3,925 m³ and 75 m³ respectively. However, the US reduced its intake by 3% to 2,663 m³. FOB unit value increased 2% from RM2,696 per m³ in the previous month to RM2,747 per m³ in January 2015.

Builders Joinery and Carpentry (BJC)

BJC exports in January 2015 decreased 5% to RM81.8 million as compared to RM85.7 million in the corresponding period last year. The EU intake of BJC in January decreased 11% to RM22.6 million. Similarly, export to France, Denmark, Germany, Italy and Sweden decreased by 35%, 49%, 60%, 68% and 99% to RM2.0 million, RM1.1 million, RM0.60 million, RM0.77 million and RM0.14 million respectively whilst the Netherlands and Turkey did not make any purchases. Whereas, exports to the UK and Belgium increased by 14% and 30% to RM14.0 million and RM4.4 million respectively over the previous corresponding period.

In Asia, exports to Singapore, Thailand, Japan, India, South Korea and the UAE decreased 17%, 35%, 12%, 5%, 39% and 71% valued at RM8.8 million, RM2.0 million, RM6.8 million, RM5.0 million, RM0.24 million and RM0.44 million respectively whilst Iran did not make any purchase. However, exports to Viet Nam, Pakistan and Taiwan grew 179%, 32% and 11% to RM4.0 million, RM4.4 million and RM1.8 million respectively.

Exports to Australia, the US and South Africa and Maldives increased by 7%, 14%, 53% and 67% to RM12.3 million, RM5.8 million, RM1.6 million and RM0.34 million respectively.

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Logs

Since the middle of December, the eastern coast of Peninsular Malaysia has experienced a heavy monsoon rains which have caused severe flooding and landslides. This situation has affected the logging activities for the month. Due to slower activities and limited supply in the market, the prices for some log species charted an upward trend.

Log prices for the species of Chengal stood firm at RM4,000 per tonne. Meanwhile, Balau logs prices chalking up by 4% compared to the previous month to RM2,760 per tonne whilst Merbau remained at RM2,500 per tonne. Similarly, the prices of Keruing and Kapur maintained at RM1,150 per tonne and RM1,700 per tonne respectively. Price of Kempas, however, rose significantly by 19% to RM1,410 per tonne over last month's level. Prices of Dark Red Meranti and Yellow Meranti continued to be traded at RM1,350 per tonne and RM1,130 per tonne respectively. On the other hand, White Meranti and Mersawa logs prices improved by 3% to RM1,020 per tonne and RM1,223 per tonne respectively. Price of Mixed Heavy Hardwood increased by 2% to RM1,003 per tonne over the previous month while price of Mixed Light Hardwood remained at RM665 per tonne.

Sawntimber

The average sawntimber prices has picked up for some species due to declining supply in the domestic market. However, demand from the overseas markets was still weak due to current market condition.

The sawntimber prices of Chengal maintained at RM6,638 per m³. Likewise, the prices of Red Balau and Merbau sawntimber remained at RM2,966 per m³ and RM3,460 per m³ respectively. On the other hand, price of Balau sawntimber grew by 7% to RM3,390 per m³ over last month's level. Similarly, prices of Kempas and Tualang improved by 13% and 5% to RM2,189 per m³ and RM2,366 per m³ respectively compared to the previous month.

Prices for Red Meranti, White Meranti and Mersawa sawntimber increased slightly by 6%, 4% and 5% to RM1,850 per m³, RM2,119 per m³ and RM1,589 per m³ respectively. Sawntimber prices of Mixed Heavy Hardwood charted an upward price by 6% to RM1,306 per m³ whilst prices of Mixed Light Hardwood remained at RM777 per m³.

Plywood

The supply of plywood to the domestic market remained adequate for the month under review. Thus, prices of plywood consistently stood at last month's level. Plywood of 4mm, 6mm, 9mm and 12mm of thicknesses were stably traded at RM14.60, RM22.00, RM34.50 and RM41.50 per piece respectively.

Medium Density Fibreboard (MDF)

Domestic supply of MDF remained suffice where prices were reported to hover at last month's level. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses continuously stood at RM12.10, RM15.80, RM21.70 and RM28.10 per piece respectively.

Intra-Malaysia Trade * - January 2015

In January, sawntimber shipments from Sabah to Peninsular Malaysia declined sharply by 43% in volume to 538 m³ worth at RM0.7 million. However, shipments of plywood recorded a positive growth by 12% to 10,451 m³ valued at RM16.6 million compared to the previous month.

Rainy season and flood which hampered the logging and transportation activities in Sarawak, affected the export of sawntimber from the state to Peninsular Malaysia. Export of sawntimber from Sarawak to Peninsular Malaysia dropped significantly by 60% in volume to 535 m³ and 58% in value to RM383,000. Similarly, export of plywood fell by 19% to 9,665 m³ worth at RM12.1 million. Conversely, export of veneer rose 9% to 6,263 m³ valued at RM7.4 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in January 2015.

INTRA-MALAYSIA TRADE – JANUARY 2015

From	Products	DECEMBER 2014		JANUARY 2015		% Change in Volume Jan 2015 / Dec 2014	% Change in Value Jan 2015 / Dec 2014
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	950	974	538	744	-43	-24
	Plywood	9,303	14,740	10,451	16,560	8	12
	Veneer	35	54	0	0	-100	-100
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,322	904	535	383	-60	-58
	Plywood	11,915	14,899	9,665	12,091	-19	-19
	Veneer	5,720	6,925	6,263	7,439	9	7

Source : Department of Statistics, Malaysia

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JANUARY 2015

***AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA
JANUARY 2015 (VALUE IN RM)**

SPECIES	LOGS/tonne	SAWNTIMBER/m ³		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	4,000	6,638	2,966	8,828
Balau	2,760	3,390	3,107	3,351
Red Balau	2,500	2,966	1,977	3,178
Merbau	2,500	3,460	2,825	2,790
Mixed Heavy Hardwood	1,003	1,306	1,112	918
MEDIUM HARDWOOD				
Keruing	1,150	1,483	1,045	2,203
Kempas	1,410	2,189	1,942	1,921
Kapur	1,700	2,472	727	2,472
Mengkulang	1,100	1,412	925	1,575
Tualang	1,213	2,366	2,331	2,331
LIGHT HARDWOOD				
Dark Red Meranti	1,350	2,189	1,448	2,062
Red Meranti	1,333	1,850	1,271	2,542
Yellow Meranti	1,130	1,412	1,095	1,448
White Meranti	1,020	2,119	2,145	1,695
Mersawa	1,223	1,589	1,095	1,554
Nyato	900	777	565	1,201
Sepetir	850	1,095	918	1,095
Jelutong	1,035	1,661	1,201	1,801
Mixed Light Hardwood	665	777	678	657
MALAYSIAN RUBBERWOOD				
<i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m ³		
	140	1" X 1"	2" X 2"	3" X 3"
		706	1,045	1,151
				4" X 4"
				1,201
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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TIMBER ROUND-UP

Furniture

Exports of wooden and rattan furniture for the first month of 2015 rose 2% compared to the previous year. Total shipments recorded at RM621.0 million against RM606.3 million in 2014.

Purchase of wooden furniture from Malaysia for January 2015 increased 3% from RM603.5 million to RM618.5 million compared to January 2014. There has been mix performance across most major markets.

Imports of wooden furniture by the US drop slightly by 1% from RM201.1 million to RM200.0 million. Meanwhile, Japan increased its consumption by 2% from RM63.3 million to RM64.4 million.

Australia's imports dropped 4.0% from RM42.4 million to RM40.8 million. Intake by Singapore slightly increased by 1.0% to RM37.0 million in 2015.

The UK increased its intake by 15% from RM28.8 million to RM33.0 million in 2015. The UAE has a slight increase of intake of 3.0% to reach RM23.5 in 2015, compared to RM22.9 million in 2014.

Canada improved its intake by 12% to reach RM21.7 million whilst Saudi Arabia's import has decreased by 19% to RM12.4 million. India had increased its intake by 11% to reach RM11.1 million. South Korea had an increased of 4.0% to reach RM10.6 million.

Germany also increased its wooden furniture consumption by 12% with a purchase totalling RM8.9 million in 2015 from RM8.0 million in 2014. Russia's consumption of furniture decreased 17% from RM9.8 million to RM8.2 million.

Rattan furniture shipments had a decrease of 12% to RM2.5 million in 2015 from RM2.8 million in 2014. The UK is the top importer with an intake of RM678,000, despite a decrease of 10.0%.

Singapore's consumption also reduced by 65%, charting RM289,000. Poland had also purchased RM221,000 of Malaysian rattan furniture while Viet Nam and China had resumed their intake. 

RUSSIA**Construction Timber Industrial Complex to be Built in Asino**

In Asino, a town in Russia, a construction timber industrial complex is to be built. It will consist of 10 forestry processing enterprises for various types of timber. The complex will focus on producing products made of Birch. Funded by China-based state-owned AVIC Forestry, a total of USD5 billion (EUR4.41 billion) will be invested on the complex. The construction will be carried out by subsidiary of AVIC Forestry in Russia, Russia-China Investment Co. It is to be completed in 2023. A veneer production plant with an annual production capacity of 115,000 m³ has started production. The complex will include plants manufacturing furniture, particle board, medium-density fibreboard, laminated board, plywood, veneer and sawmill.

Wood168, 23 February

SOUTH KOREA**KFS to Expand Afforestation Area, Plans Youth Employment**

The Korea Forest Service (KFS) aims to expand the afforestation area in 13 countries from 314,000 hectares in 2013 to 1 million hectares by 2050. The expansion is expected to help South Korea become more self-sufficient in wood resources by increasing its sufficiency to 50% from 18%.

Additionally, the government-run afforestation agency plans to improve its safety and training programmes to provide employment for youths. Also being planned by the agency are forming partnerships with Southeast Asian countries and supporting investments of South Korea-based SMEs in the regional forestry sector.

The Korea Herald, 6 February

THAILAND**Help Factories that Use Wood Pellets**

The Thai government will provide financial assistance to factories that agree to switch their power generating machines that use liquefied petroleum gas and bunker oil to wood pellets. This is according to Deputy Energy Permanent Secretary, Twarath Sutabutr. He said the move will help boost wood pellet consumption in the country. Between 30% and 50% of the costs to switch the machinery will be covered by the government, while the factories will need to cover the rest of the cost. Twarath added that the new renewable energy source provides an additional option that lowers agricultural product waste and greenhouse gases.

Jakarta Post, 11 February

UNITED KINGDOM**Floor Coverings Market Grows in Value by 2%**

A report by AMA Research shows that in 2014 the value of the floor coverings market in the UK rose by 2% to GBP1.80 billion (USD2.74 billion). This has been attributed to an upturn in the economy, to a rise in business confidence, to the recovering housing market, and to higher levels of investment. The market was also boosted by the floods of 2013 and 2014, which boosted demand. The floor covering product mix is still dominated by carpet, which in 2014 accounted for more than 50% of the market in value terms. Wood accounted for approximately 15%, putting it in second place, followed by tiles, vinyl and other floor coverings. The report forecasts that over the next few years the total floor coverings market will record annual growth of between 2% and 3%. It expects competition to remain high and forecasts that margins will remain under pressure.

DIY Week, 9 February

UNITED STATES**Furniture Imports Stable, Shifts in Market Shares**

Furniture imports were stable, but there were shifts in market shares. Wooden furniture imports were unchanged from October to November 2014. Total imports were worth USD1.28 billion in November. Year-to-date imports were 8% higher than at the same time in 2013. While overall import levels were unchanged, the import shares of several major suppliers declined in November. China, Canada, Malaysia and Mexico all exported less furniture to the US in November.

Imports from Viet Nam and Indonesia as well as imports from Europe, increased. Brazil and several European countries (Italy, France, Germany, Denmark and Lithuania) significantly grew their shipments to the US in November. Imports from Poland declined in November. China's share in total US wooden furniture imports was 46.4% in November, down from 47.5% in October. Viet Nam's import share grew from 18.1% in October to 18.8% in November. Furniture imports from China were worth USD594.2 million, down 3% from October. Viet Nam's wooden furniture shipments to the US increased by 4% to USD240.8 million. The US imported USD101.6 million worth of furniture from Canada in November.

ITTO, 1-15 February



RCEP SWG-ROO NEGOTIATION



RCEP FTA Meeting in progress.

The Seventh Regional Comprehensive Economic Partnership (RCEP) and Related Working Groups, Sub-Working Groups and Informal Meetings were held from 9 to 13 February in Bangkok, Thailand. RCEP is a proposed free trade agreement (FTA) between the 10 member states of the Association of Southeast Asian Nations (ASEAN) and the six states with which ASEAN has existing FTAs (Australia, China, India, Japan, South Korea and New Zealand).

RCEP is ASEAN led and aims to achieve a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement among RCEP members. RCEP aims to bring together the 16 countries into a huge cohesive economic partnership with emphasis on promoting inclusive and equitable growth. It further aims to streamline and integrate the ASEAN+1 FTAs into a single and more coherent trade and investment architecture in the region. RCEP will cover Trade in Goods, Trade in Services, Investment, Economic and Technical Cooperation Intellectual Property, Competition, Dispute Settlement, and Other Issues agreed by RCEP parties.

MTIB participated in The Fifth Meeting of the RCEP Sub Working Group on Rules of Origin (SWG-ROO) which was held on 6-11 February. Representatives from all ASEAN Member States, except Myanmar, ASEAN FTA Partners (AFPs) and ASEAN Secretariat attended the meeting. The meeting was chaired by Ms. Suchaya Chinwongse, Director of Rules of Origin Division, the Customs Department of Thailand and was facilitated by Mr. Yasuhisa Suzuki, Senior Coordinator, Economic Partnership Division, Economic Affairs Bureau, Ministry of Foreign Affairs of Japan.

The Fifth Meeting of the RCEP SWG-ROO was held in plenary. The meeting discussed the follow-up to the decisions of the Rules of Origin (ROO) and its operational certification procedures (OCP), PSR negotiations, work plan of the sub-working group on ROO, and requests and offers for Early Harvest Initiatives under RCEP Economic and Technical Cooperation. The upcoming Sixth RCEP SWG-ROO meeting will be held in parallel with RCEP TNC which is scheduled to be convened on 8-13 June 2015 in Kyoto, Japan.

In conjunction with the RCEP negotiations and related meetings and with the aim of enhancing negotiators' knowledge on non-tariff measures (NTMs) among the RCEP member countries, a half day seminar on NTMs was also held. Among the papers presented were 'Industry, NTMs and Free Trade Agreements' presented by Ms. Louise McGrath of The Australian Industry Group, 'Non-Tariff Measures-Korean Companies are Encountering in the Global Market' presented by Mr. Minsok Chu, Director of Korea International Trade Association (KITA) and 'Joint Session with the Business Associations/Industry Groups on NTMs' presented by Mr. Hidehiro Okayama of the Japan Chamber of Commerce and Industry.

A side discussion with Mr. Jirawat Tangkijngamwong, Chairman of the Thai Timber Association (TTA) cum current Chairman of ASEAN Forest Products Industry Council (AFPIC) and Mr. Supoj Sonchaiwanich, Director of TTA was also held with MTIB representatives. During the discussion, TTA gave updates on the current developments of Thailand's sawntimber domestic market.

The Malaysian delegation to the RCEP SWG-ROO meeting was led by Encik Muthafa Yusof, Strategic Trade Controller of the Ministry of International Trade and Industry. MTIB was represented by Cik Hj. Robiyah Hj. Husin, Senior Deputy Director of Trade Development.



Malaysia delegation.

TIMBER ENGINEERING AND STRUCTURAL TESTING AT MPA, UNIVERSITY OF STUTTGART



Visit to HESS Timber Limitless, glulam manufacturer.

Timber has been used throughout the history of mankind and has a very wide range of applications as a building and construction material. Through the modernisation of technology as well as efforts to minimise cost, construction systems such as timber, steel and concrete, are being used for the construction of building materials. Some basic principles need to be considered for the application of these materials such as strength, stability, durability as well as the economic point of view. With regards to the application of timber as a structural material, designers have learned to design timber structures based on engineering principles. With the introduction of various standard procedures and codes of practice, designers can be well assured that their design will attain a certain level of safety and strength requirements.

Over the years the designs have evolved and more difficult structural designs have been introduced and to some extent proven to be too complex and difficult to apply. This proved to be the main factor that limited the use of timber as a structural material. This problem however was overcome with the introduction of “engineered timber” products such as glued laminated timber (glulam), cross laminated timber (CLT) and laminated veneer lumber (LVL). In developed countries, engineered timber products have been widely used for more than 50 years.

In Malaysia, these structural engineered timber products have gained popularity not only in terms of usage and application but in research and development areas as well. Due to its wide range of applications such as in engineered multi-storey projects, large trusses and glulam beams and arches, MTIB has taken steps to explore ways to encourage the use and commercialisation of engineered timber products as load bearing structures culminating in the construction of the first completed glulam building in Johor Bahru. In order to strengthen the data for structural hardwood timber, MTIB in collaboration with Universiti Teknologi MARA (UiTM) is carrying out an engineered timber product (ETP) development programme to obtain relevant testing data of hardwood timber used as a structural component in the construction industry.

This is in line with the National Timber Industry Policy (NATIP) aspiration to achieve RM53 billion export revenue in 2020 and 60% of export earnings to be derived from value-added products. Hence, the application of engineered timber products at both domestic and international markets is one of the areas which shows great potential in achieving the target.

As part of the requirements under the ETP project, MTIB organised an Internship Programme on structural timber testing on 3-13 February at Materials Testing Institute University of Stuttgart (MPA Stuttgart). As a technical service institution, the MPA is perfect partner for the industry, being the sole provider of certain customised services and having been successful in materials testing and research in all fields of mechanical and civil engineering. Furthermore, MPA has technical experts who have participated in several national and international bodies that contribute to the preparation of technical guidelines and international standards.

The programme aimed to provide the delegates with the knowledge and better understanding of load bearing tests for hardwood timber such as tensile, compression, bending and shear strengths as well as fire test in accordance with European Standards and Eurocode. In addition, for experts engaged in standards development activities, data acquired could be used for the design of timber structure and as reference for architects and engineers when applying engineered timbers in construction.

The group were also exposed to the testing facilities for fire and structural timber available at the centre which is very crucial in obtaining approval from local authorities such as the fire and rescue department. From the test on Keruing timber, it was proven that Keruing falls under B category (no general flash-over during the 20 minutes of the test) compared to C category for softwood timber (no general flash-over during the first 10 minutes of the test) meanwhile or smoke testing result, Keruing is categorised as S1 meaning that the structural element may emit a very limited amount of combustion gases.

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Keruing timber is currently used as a glulam component for Malaysian Pavilion at EXPO Milano 2015 as well as for Galeri Glulam Johor Bahru.

The programme was led by Dr. Simon Aicher, Chief Academic Director at the Department of Timber Construction, MPA University of Stuttgart. He is a civil engineer and has worked at MPA for more than 25 years with an emphasis on timber structures. He has been actively involved in the development of standards, including Eurocodes and ISO Standards for timber and certification of timber products according to European Standards (CE Marking). A discussion was held to discuss and stipulate regional standards used in gathering data for timber structures design such as limit states and modification factors. During the discussion, Dr. Simon also shared on the procedure and specifications of preparing specimens to determine physical and mechanical properties of structural timber particularly used for ETP project and standard development.

Besides the attachment at MPA, the delegates visited the three largest factories in Stuttgart which are HESS Timber Limitless, Stephan Holz and Klenk Holz AG. HESS Timber Limitless and Stephan Holz produce glulam and CLT products for structural application while Klenk Holz AG produce sawntimber from timber species like Spruce, Pine and Douglas Fir. These species are very popular in European market. HESS Timber and Stephan Holz, located in Kleinheubach, are the leading manufacturers of glued laminated timber in Germany and Europe.

These companies offer a unique service range with high-end technology and innovative structural engineered timber products. There, the delegates had the opportunity to explore high-technology productions of glulam beams, hybrid glulams, curved glulam beams as well as CLT products.

In summary, engineered timber products are benefiting from a general trend towards sustainable construction and in particular timber buildings. Energy regulations and environmental consciousness offer the possibility of increasing the volume of timber used in construction, despite the current weak market scenario in Europe in particular in housing starts.

The delegates who participated in the programme were Prof. Dr. Zakiah Ahmad (UiTM), Encik Muhammad Shaiful Nordin (MTIB), Puan Norshahira Mat Nasir (MTIB) as well as two representatives from Woodsfield Timber Industries Sdn. Bhd., a pioneer glulam manufacturer in Malaysia.



Observing fire testing at University of Stuttgart.

Malaysian Wood

Standing on Excellence



Multiple Uses, Variable Styles

Incomparable
Malaysian Wood.
Choice for those
with exclusive
preference.
Pushing the
Frontier of
imagination and
creativity.
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Malaysian Timber Industry Board
(Ministry of Plantation Industries and Commodities)

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

FOREST PLANTATION AUDITING PROCEDURE

As part of its efforts to enhance knowledge and skill for the technical committee in the Forest Plantation Development Programme, MTIB organised a workshop on Forest Plantation Auditing Procedure from 16-18 February in Gambang, Pahang. The workshop was designed to provide a platform to brainstorm on auditing issues in the Forest Plantation Development Programme. The workshop strongly emphasised on producing a finalised technical report for the drawdown committee. It was supervised by the MTIB technical committee and Forest Plantation Development Sdn. Bhd. (FPDSB).

Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General in her opening speech said unplanned deforestation is becoming a major problem in the world. Malaysia now faces shortfalls in timber production from its native forest. Under the National Timber Policy (NATIP), the annual export of the timber industry is targeted to reach RM53 billion by 2020 but since 1990, total log production showed a declining trend. The situation must be addressed urgently through the implementation of appropriate policy measures. One of the solutions in overcoming the shortfalls in timber supply domestically is through the establishment of forest plantations.

An area of 375,000 hectares of forest plantations is targeted to be developed over a period of 15 years from 2007 at an annual average size of 25,000 hectares per year. Until December 2014, a total of 126,591 hectares of forest plantation have been approved with 60% of the total area cultivated with rubber trees and the remainder, with other species.

According to Puan Hj. Norchahaya, commercial forest plantations will maintain a sustainable supply of timber and at the same time the natural forests can be reserved for non-timber benefits such as water catchments areas, ecotourism and recreation, biodiversity and germplasm conservation. The Forest Plantation Development Programme has been identified as a viable and sustainable method to extract high-value commercial timber without damaging the surrounding virgin forests and depleting their trees.

The three-day workshop was conducted by a technical committee from Forest Plantation Division and the MTIB Legal Unit. Many issues were raised and discussed during this workshop, such as auditing and monitoring procedure and the establishment of Permanent Sample Plots (PSP). The auditing and monitoring process is an important means to assess the project development. It involves a few factors such as an estimate of the planted area, species established and planting density. This verification process is important for the disbursement of the soft loan under the Forest Plantation Development Programme.

Meanwhile, PSP are permanent sample plots that provide an estimated data of changes in the plantation stock, volume, rate of growth and mortality. PSP is established in areas where these trees are at least three years old through clearly demarcated boundaries. The boundaries need to be marked accurately and with precision. In addition, PSP can also be used to study techniques of forest plantation management. Assessment and monitoring for PSP will be carried out until the tree reaches 15 years of age or until harvested.

The workshop was attended by 25 officials from MTIB and FPDSB.



Participants during the workshop.



Presentation by one of the speakers.



A group photo of facilitators and participants.

PEB4U – ROADSHOW TO PROMOTE PROGRAMMES FOR SME IN 2015

In an effort to update the SMEs on the various programmes outlined by MTIB in 2015 as well as to foster good relationship with them, MTIB organised PEB4U, a briefing meant to disseminate the programmes to the SMEs. Among the programmes identified are :

- Business Coaching
- e-TimberValley
- Incentives Provided by the Government Including Information on GST
- Raw Material Support Programme for Micro SME

PEB4U roadshows were held at the following regions:

- 10 February : Kuala Lumpur
- 12 February : Alor Setar, Kedah
- 15 February : Johor Bahru, Johor
- 24 February : Kota Bharu, Kelantan
- 26 February : Kuala Terengganu, Terengganu

A total of 231 participants attended the roadshows. Various enquiries and proposals were presented and discussed during the roadshows. Apart from the briefing given by MTIB officers, representatives from Association of Malaysia Bumiputera Timber and Furniture Entrepreneurs (PEKA) and Malaysian Bumiputera Furniture Industrialists Association (PETRA) were also present to give their updates on their associations' activities and performance. The participants in general suggested that the roadshows be held continuously as it is an avenue for them to gauge and update the latest information and programmes as well as to interact with MTIB officers.

Puan Hj. Zaibi Yakin, MTIB Director of Bumiputera Economic Empowerment chaired the briefing session during the roadshows.



Panel of speakers at the event held in Kuala Lumpur.



Participants attending the talk in Alor Setar, Kedah.



PEB4U roadshows held in Johor Bahru (left) and Kuala Terengganu (right).

STANDARDS FOR A BETTER FUTURE

Introduction

The history of standardisation in Malaysia began as early as in 1966 with the formation of the then Standards Institution of Malaysia (SIM) and the adoption and publication of the first ever Malaysia Standards (MS) in 1969. Initially, the rate of the development of Malaysian Standards (MS) was slow with just a limited number of Malaysian Standards being produced annually. However, this has changed significantly in the last 10 years where an annual average of 400-450 Malaysian Standards have been produced by the respective Standards Writing Organisations (SWO). This includes MTIB as one of the SWOs for timber and timber products, having been appointed by SIRIM Berhad on 25 May 1999.

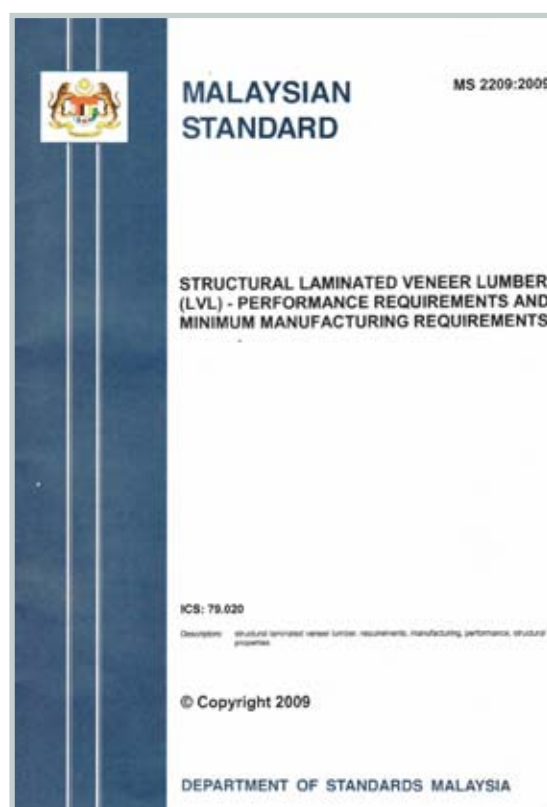
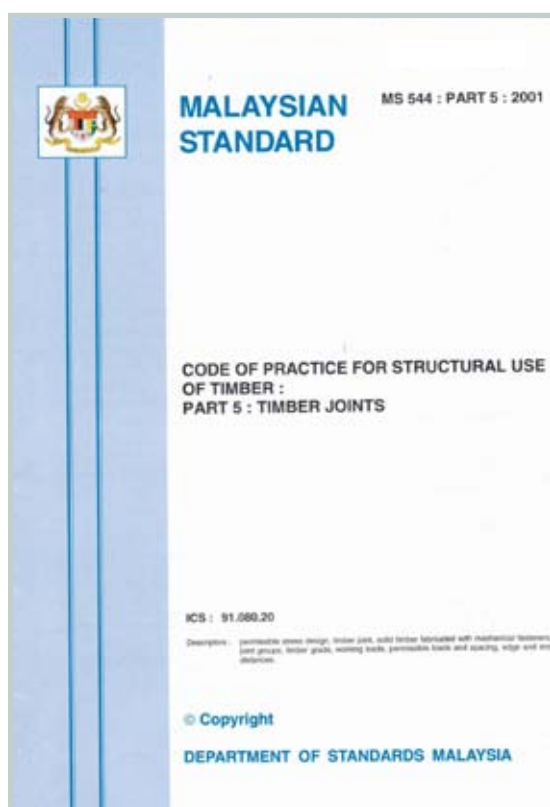
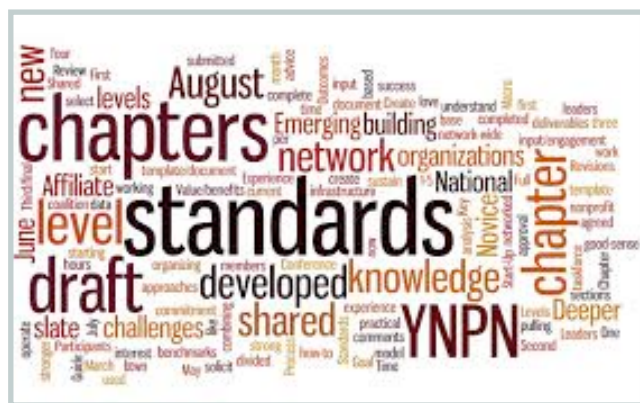
Standards are Voluntary

Malaysian Standards are voluntary documents that can be used for various purposes and are also widely used voluntarily by several government agencies and industries for many other purposes such as procurement, improvement of internal processes, control of production quality as well as a marketing tool for acceptance of products. Mandatory implementation of Malaysian Standards could be made through the reference in technical regulations by government regulators to support their regulatory roles for protecting the safety and health of consumers. This process appears to be one of the most common usages of the respective MS.

Use of Standards

The use of standards as the tool to help propel economic growth further has gained greater importance under the Economic Transformation Programme (ETP). Under the ETP, standards which are included under Competition, Standards and Liberalisation (CSL) play a part of the Government's Strategic Reform Initiatives (SRIs) and have been highlighted as one of the enablers for the National Key Economic Areas (NKEAs).

Standards infuse every part in our lives, from the food we eat and appliances we use to the car we drive and the toys our children play with. It is undeniable that standards touch our everyday lives as standards ensure that the appliances, devise and tools we use are compatible and work together effectively. Standards provide consumer assurance that the products and services they are using are safe, reliable and will do the job that they are intended for.



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Way Forward for Standardisation Activities

Recognising the critical roles play by standards, STANDARDS MALAYSIA has identified a new strategy which is to appoint more standards development agencies to ensure that the MS produced is more effective and reliable and widely used in the market. In relation to this, STANDARDS MALAYSIA has recognised MTIB as one of the more active SWOs among the 24 Standards Writing Organisation (SWOs) in developing Malaysian Standard (MS) related to the timber industry. Therefore, STANDARDS MALAYSIA appointed MTIB to be a Standards Development Agency (SDA) on 1 September 2013.

As SWO, MTIB has developed a total of 38 Malaysian Standards (MS) related to timber, timber products and timber structures. In developing standards, as required as SDA, MTIB has established the Industrial Standardisation Committee (ISC) structure to monitor, coordinate and be responsible for overseeing standardisation activities. The next level which is responsible for undertaking all the processes for the development of standards are the Technical Committees (TCs). Currently there were three TCs namely; TC on Timber, TC on Timber Structure and TC on Wood-based Panels. These TCs may establish working groups for the purpose of deliberating on specified standards development projects as and when required. Members in the TCs as well as working groups are appointed based on their areas of expertise which comprise representatives from the industry, stakeholders such as the Public Works Department (JKR), Construction Industry Development Board (CIDB), research institutions as well as relevant higher learning institutions.

Standards to Protect Health and Safety

Would you dare to use your furniture if the pieces do not meet safety and health standards? Have you ever thought about how dangerous formaldehyde is? Most of us are fully aware of the potential danger caused by formaldehyde. Formaldehyde is a high volume toxic chemical commonly found inside our house. It is the adhesive resin that holds composites wood (such as particleboard, plywood and medium density fibreboard) together. In the home, it is found in furniture and cabinets, the building material itself, paper goods, upholstery fabrics and even cosmetics.

MTIB has developed the relevant standards to ensure that furniture, plywood, particleboard are all safe for users and they will not get infected or affect consumers. This is the role of MS; for example MS 1787: Part 15:2005 – Determination of Formaldehyde Emission by Desiccator Method. This MS specifies a method for determining the quantity of free formaldehyde emitted from wood-based panels in order to ensure that the products to be used are in compliance with the stipulated standards.



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TIMBER VERIFICATION SERVICES

Timber has always been a preferred material in homes and other buildings as it creates warmth and coziness, and also highlighting elegance. While it is widely used in developed countries, Malaysian consumers tend to avoid timber based on perceived quality and maintenance problems.

Defects such as splitting, delamination, decay and insect attacks can be easily avoided if the right quality and correct specification of timber is selected and used from the outset.

The Malaysian Timber Industry Board (MTIB) offers timber verification services that can assist you to ensure the timber you choose is of the right quality and correct specification for its intended usage and application. The services include timber grading, identification of species, determination of moisture content, determination of preservatives and other services.

You can be rest assured that your products meet quality standards and hence extend the lifespan with minimal maintenance cost if it is verified to specification.



Services

1. Timber Grading
2. Identification of Species
3. Determination of Moisture Content
4. Determination of Preservative

For more information and enquiries:



MTIB

Malaysian Timber Industry Board
(Ministry of Plantation Industries and Commodities)
Level 13-17, Menara PGRM,
No.8, Jalan Pudu Ulu, Cheras,
P.O.Box 10887, 50728
Kuala Lumpur,
Malaysia.
www.mtib.gov.my

Tel : +603 9282 2235
Fax : +603 9200 3769
Email : verifikasi@mtib.gov.my



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The products of this industry include buildings and structures such as roof trusses, bridges and roads, all of which are meant to be long-lasting and stable, reliant on accurate, durable and strong construction. Standards play a major role by providing the codes of practice - correct specifications and testing guidelines for use in construction especially involving the materials that are the fundamentals for reliable construction. Therefore compliance to standards should be mandated if it involves human safety, health and life as long been practiced by the developed countries.

MTIB is helping the stakeholders especially the authority such as JKR, CIDB and Ministry of Housing and Local Authorities (KPKT) by developing standards for timber to ensure that the products we use are meet the criteria and requirements in the relevant MS documents. MTIB is in the process of revising the Malaysian Standards (MS) related to the series of MS 544 to align with global trends and market's interest. The standards include MS 544, Part 1-Part 12: Code of Practice for Structural Use of Timber. A majority of these standards are being used by several authorities in their technical specifications or Bill of Quantities in particular timber to be used as load bearing structures as per requirement by local authorities in Malaysia.

CONCLUSION

Standards play an important role in minimising human error during the building and construction processes in particular if it involves life and safety. In this context, more Standards for timber to be used as load bearing structures need to be developed by MTIB in such a way that they are aligned with the requirements imposed by the importing countries and global market. This is to ensure that Malaysian timber products comply with international quality requirements in order to remain competitive in the global market and to widen its market access.



Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General (third from right) posing with the speakers.



Seminar on Malaysian Standards in progress.



Malaysian Wood

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Lukisan Seribu Makna, Kayu Eratkan Semua

A Picture Paints a Thousand Words. Wood Binds Them All

www.mtib.gov.my

Jelutong Dyers s.p.a.



This building will change the way you look at wood

Think all wooden buildings are made the same way? Think again.

Certainly not the extraordinary Galeri Glulam, Malaysian Timber Industry Board (MTIB)'s iconic building in Johor Bahru. What sets it apart from the rest is that it's made from Glue Laminated Timber (Glulam), which has been tested and proven to be more flexible, durable and fire-resistant. The Galeri Glulam is also listed in The Malaysia Book of Records as the first building completed using Glulam in the country.

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

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

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

For more information, contact:

Malaysian Timber Industry Board (MTIB)

(Ministry of Plantation Industries and Commodities)

Level 13 - 17, Menara PGRM, No. 8, Jalan Pudu Ulu, 56100 Cheras, Kuala Lumpur, Malaysia.

Tel: +603-9282 2235 Fax: +603-9285 1477/1744

E-mail: info@mtib.gov.my URL: www.mtib.gov.my

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COMING EVENTS - AUGUST 2015

DATE	EVENT	VENUE	ORGANISER
6-8	LUXEHOME SHANGHAI 2015 International Homeware and Home Deco Fair	Shanghai New International Expo Centre, Shanghai, China	Reed Huabo Exhibition Co., Ltd. Tel : + 86 755 3333 1166 Fax : + 86 755 3333 1168 E-mail : info@reedhuabo.com
6-10	DECOREX JOBURG 2015 Decoration, Office Design, Furniture, Home Exhibitions	Gallagher Convention Centre, Midrand, South Africa	Thebe Reed Exhibitions Tel : + 27 (11) 549 8300 Fax : + 27 (11) 549 8500 E-mail : info@thebereed.co.za
12-15	ARCHIDEX 2015 Malaysia Architecture Furniture Interior Design and Building Exhibition	Kuala Lumpur Convention Centre (KLCC), Kuala Lumpur, Malaysia	CIS Network Sdn. Bhd. Tel : + 603 7982 4668 Fax : + 603 7982 1648 E-mail : info@cisnetwork.com
18 - 20	WINEXPO 2015 International Specialised Exhibition of Door, Window and Furniture	Permanent Ground For Tabriz International Exhibition Centre, Tehran, Iran	Informa Australia Tel : +613 - 8672 1200 Fax : +613 8672 1320 E-mail : mail@informa.com
20-23	ART BALTIMORE 2015 Furniture, Decoration, Home and Office Design and Colector Hobby	Baltimore Convention Centre, USA	Palm Beach Show Group Tel : + 1 (561) 822 5440 Fax : + 1 (561) 837 6651 E-mail : info@palmbeachshowgroup.com
20-23	JIHAN INTERNATIONAL FURNITURE FAIR 2015 International Furniture Fair	Jihan International Convention and Exhibition Centre, Shandong, China	Qingdao Jinnoc Exhibition Co. Ltd. Tel : + 86 0532 5555 2936 Fax : + 86 0532 5555 2960 E-mail : info@jinnoc.com
26-30	ZOM WETZIKON 2015 Zug Fair-Furniture, Home Decoration and Commercial Fair	Zug Messegelände Exhibition Centre, Zug, Switzerland	Wigra Gruppe Tel : + 41 (0) 1 487 43 00 Fax : + 41 (1) 1 487 43 43 E-mail : expo@wigra.com





THE CURRENT STATUS OF ECUADORIAN FORESTRY INDUSTRY

Country Overview

Ecuador is a representative democratic republic in northwestern South America, bordered by Colombia on the north, Peru on the east and south, and the Pacific Ocean to the west. Ecuador also includes the Galápagos Islands in the Pacific, about 1,000 km west of the mainland.

Spanning an area of 283,520 sqkm, what is now Ecuador was home to a variety of indigenous groups that were gradually incorporated into the Inca Empire during the 15th century. The territory was colonised by Spain during the 16th century, achieving independence in 1820 as part of Gran Colombia, from which it emerged as its own sovereign state in 1830. The legacy of both empires is reflected in Ecuador's ethnically diverse population, with most of its 15.2 million people comprised mostly mestizos followed by large minorities of European, Amerindian, and African descendants.

Economy

Ecuador has a relatively vigorous economy, which relies strongly on oil exploration and exports. In 2011, total GDP rose to around USD78 billion, most of which are associated with the oil and manufacturing sectors.

The economy of Ecuador is based mostly on exports of oil, bananas, shrimp, gold, other primary agricultural products and money transfers from nearly a million Ecuadorian emigrants employed abroad.

Despite its small area, Ecuador is the eighth most biodiverse country on Earth. Ecuador has almost 20,000 species of plants, over 1,500 species of birds, more than 840 species of reptiles and amphibians, and 341 species of mammals. Ecuador is also considered one of the world's "megadiverse" countries (Conservation International) and the Amazonian region in particular includes large tracts of intact natural forest of global conservation significance.

About 17% of the country's area is protected, forming a network of more than 20 national parks and reserves, one of the most important being the Galapagos Islands.

Forest Profile

Ecuador is a highly forested country, with an estimated 9.87 million hectares of forest cover from a total land area of 27.7 million hectares, of which 17% is primary production forest. The Ecuadorian government estimated in 2009 that the total forest area was 11.2 million hectares.

Forest area in Ecuador was last measured at 38.92 in 2011, according to the World Bank. The country is divided into three ecological zones: a fertile coastal plain in the west; high valleys in the mountainous centre; and forested plains in the east.



Most of the forests are found in the eastern, Amazon region. Tree species with commercial value include Balsa (*Ochroma lagopus*), *Cedrela fissilis* and *Virolla spp.*, while the alluvial plains contain a major concentration of palm species.

Ecuador has only 167,000 hectares of forest plantations, mainly of *Pinus spp.* and *Eucalyptus spp.* (roughly 75%). About 90% of these plantations are found in the mountains, while the remaining 10% are found in the coastal and Amazon regions which are composed of a greater diversity of species such as Balsa (*Ochroma pyramidale*), Teak (*Tectona spp.*), Melina (*Gmelina spp.*) and Laurel (*Cordia alliodora*). In the Amazon region, the most noteworthy element is the presence of trees among crops (agroforestry systems), the result either of planting or of the management of natural regeneration. Trees growing within agroforestry systems are a major source of wood products.

It should be noted that between 9.3 and 10.8% of the country is made up of unforested lands with forest potential, which could be covered with trees for either production or protection purposes.

Threat of Deforestation

The country has experienced major changes to its forest cover for many decades, mostly due to agricultural expansion and illegal logging. According to data from 2000, an estimated 198,000 hectares of forest were being lost every year, equivalent to an annual deforestation rate of 1.5%. Recent data from the Ministry of Environment of Ecuador, however, indicate that the national deforestation rate is significantly lower than the earlier figure and is closer to 61,765 hectares per year (equivalent to 0.6% per year). This figure, however, excludes deforestation in the humid north-western area of the country and alternative types of imagery are now being acquired to provide a more accurate figure for the national deforestation rate.

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Forest conversion to agriculture is the major driver of deforestation, followed by regional drivers including: agro-industry (oil palm), logging, mining and infrastructure development.

The implementation of the 2012 National Afforestation and Reforestation Plan (PNFR) is now underway throughout continental Ecuador. It aims to increase the total area of forestry plantations during a 20-year period by one million hectares; covering:

- Industrial and commercial forest plantations;
- Social forestry and agroforestry activities;
- Plantations to restore, conserve and protect natural resources; and
- Programmes to support the PNFR, especially those related to financing, training and forestry research.

With the implementation seen in roads infrastructure in Ecuador, market integration between the production zones and the main urban markets has improved. Sector policies have had strong influence on increasing the pressures of forests logging, especially in the Amazon region, due to oil and mining exploitation and the expansion of the road system by provincial, municipal and the central government, which have somehow fostered the arrival of colonist immigrants and promoted the conversion of forests to agricultural land. In addition, greater property fragmentation may have led to an increase in the logging of forests.

Forestry Industry

The forestry sector in Ecuador is mainly oriented towards the domestic market, although the briquette and plywood industry is intended for foreign market. Although the contribution in relative terms of native forests to timber domestic supply is not significant and tends to diminish over time, the supply of timber from native forests in absolute terms has increased gradually, though slowly. This is partly accounted for by the greater road integration in the Amazon, which facilitates access to native forest, together with the expansion of urban demand, which has also fostered consumption of timber from native forest.

The domestic timber market in Ecuador is quite vigorous, with multiple timber trade flows between production and consumption areas. Most timber authorisations have been granted to forest plantations, followed by those issued for native forests, farms in agroforestry systems and pioneer formations.

Apparently, small-scale artisanal production in the forestry sector in Ecuador is disappearing from the market due to competition from the industry for timber supplies from intermediaries (depots). Artisan producers prefer local networks – generally informal ones – from which they obtain timber for their work; however, furniture imports from Brazil and Chile, along with large scale timber industries, make domestic prices not competitive for them.

Officially, according to The State of the World's Forests report, 2014, there are 26,000 people employed in the forestry sector, making up 0.4% of the total labour force.



Ecuador is a highly forested country, with an estimated 9.87 million hectares of forest.



Ecuadorian timber products.

Informal employment numbered up to 73,000 (total including formal and informal sectors), which accounts for 1% of total labour force.

The development of commercial plantations is a central component of Ecuador forest policy. In January 2013, the Ecuadorian government launched a new Commercial Forestry Incentives Programme backed by State investment of USD300 million in the first five years of the Programme. The goal was to plant 20,000 hectares in 2013, and then 25,000 hectares per year for the next four years to achieve a total of 120,000 hectares. It gave priority to 17 tree species, both native and non-native, including Cypress, Eucalyptus, Jacaranda and Laurel.

The Ministry of Environment of Ecuador stated that, as of 2013, 75,000 people working in the forestry industry have now registered with the new governmental online system - Sistema de Administración Forestal (Forestry Administration System).

The Global Forest Resources Assessment, 2010 for Ecuador indicates that only 2% of the forests in Ecuador are production forests as a primary designated function. The other 98% is made up from conservation of biodiversity (49%), protection of soil and water (24%) and multiple use (21%) are stated as the primary designed function of forest, with just 4% designated as unknown/none.



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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.



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

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Kuala Lumpur, Malaysia

Tel: +603-9282 2235 Fax: +603-9285 1477/1744

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Ecuador Timber Trade

Ecuador has a wide range of both finished and semi-processed wood for exportation for a number of end users and applications. The major wood types are soft and hardwoods and tropical species such as Chanul, Colorado, Seique, Mascarey, Tangare, Fernán Sánchez, Jigua, Higuerón, Ceibo, Sande, Virola, Teak, and Guayacán or Ironwood from various species of Pine. These are all used for such end applications as peeled veneers for plywood production, cabinet-grade decorative veneers, plywood panels, cleated boards, particleboard (unveneered or faced with decorative wood laminates or melamine overlays), door frames, doors mouldings for construction and picture framing, parquet flooring, office and home furniture, kitchen cabinets and facings, wooden spoons for ice cream and tongue depressors.

In addition, Ecuador is also the largest exporter of Balsa wood supplying over 95% of demand to over 45 countries for model making and industrial use. Balsa, a native species to Ecuador, is now widely grown in plantations due to rapid growth rates of the trees and strong international demand (increasingly so for wind turbine blades for the wind energy industry). It is exported as kiln dried sawn and planed blanks, veneers and laminates.

According to the Ministry of Environment of Ecuador, about 65% of harvested wood is destined for the commercial wood-processing sector. The dominant consumers of wood fibre are (in descending order) plywood, particleboard manufacturers, Balsa processors and producers of chips and pallets. There is little domestic paper manufacturing capacity.

The State of the World's Forests 2014 data on Ecuador reports that USD563 million gross value-added for wood processing, compared with USD856 million for roundwood production. The forest sector in total contributed 2.3% of GDP

Ecuador Exports of Timber Products

The main importers are the United States, the European Union, India, China (mainly sawnwood), South Korea, Japan, and South American countries. The US has traditionally been Ecuador's main export market, mainly due to the trade in balsa; however, since 2009, Colombia and Peru have increasingly become more important in terms of trade exports, particularly in the particle board market.

Ecuador: Export of Major Timber and Timber Products, 2009 – 2013

(Value: USD '000)

Product	2009	2010	2011	2012	2013
Sawntimber	50,477	78,083	82,703	77,041	76,888
Particleboard	34,498	39,590	54,988	64,326	69,852
Plywood	28,405	30,932	25,321	35,020	32,609
Logs	14,502	13,964	14,035	21,242	27,219
Fibreboard	6,895	8,858	10,306	13,069	11,787
Logs	5	1	4,084	8,374	8,449
Builders Joinery and Carpentry	2,529	2,123	2,126	1,916	1,886
Mouldings	767	883	627	470	268
Veneer	7,003	7,663	7,857	4,246	390
Wooden Furniture	5,288	6,590	5,935	7,555	7,346
Other Products	10,227	23,554	25,591	4,917	2,065
TOTAL	160,596	212,241	233,573	238,176	238,759

Source: UN Comtrade

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The total export of major timber and timber products for Ecuador has been increasing from 2009 with USD238.8 billion recorded in 2013. The highest export in terms of value was sawntimber with a market share of 32.2% or USD7.3 million which was a slight decrease from the previous year.

Sawntimber's main market included USA (34%), China (16%) and Brazil (12%). Other notable exports included particleboard and plywood with a market share of 29.3% and 13.7%. Among plywood's main market are USA (86%), Mexico (5%) and Colombia (5%).

In 2014, the total import of major timber and timber products by Ecuador has increased about 12.4% to USD105.4 million. Import has steadily increased since 2009. The highest import in terms of value was fibreboard with a market share of 36.4% or USD38.4 million, an increase of 20.9% from USD31.8 million in 2013. Among fibreboard's main import partner are Chile (34%), China (23%) and Colombia (18%). Other notable import was wooden furniture with a market share of 28.6% or USD 30.1 million in 2013, an increase of 12.9% from 2013.

Ecuador: Import of Major Timber and Timber Products, 2009 – 2013

(Value: USD '000)

Product	2009	2010	2011	2012	2013
Fibreboard	16,829	26,776	31,087	31,757	38,396
Particleboard	2,016	3,401	8,655	6,131	14,983
Plywood	694	399	4,511	3,426	3,610
Builders Joinery and Carpentry	1,610	2,184	2,572	2,848	3,270
Veneer	1,565	1,694	3,247	3,691	3,175
Mouldings	1,074	1,151	1,469	1,794	2,570
Sawntimber	1,827	560	569	1,697	1,878
Wooden Furniture	12,668	16,392	20,208	26,671	30,106
Other Products	11,845	15,552	5,510	15,726	7,365
TOTAL	50,128	68,109	77,828	93,741	105,353

Source: UN Comtrade

Malaysia: Export of Major Timber and Timber Products to Ecuador, 2009-2014

(Value in RM)

Product	2009	2010	2011	2012	2013	2014
Wooden Furniture	2,456,171	1,611,672	2,623,793	3,968,975	6,573,737	5,016,328
Rattan Furniture	0	0	0	0	0	7,650
TOTAL	2,456,171	1,611,672	2,623,793	3,968,975	6,573,737	5,023,978

Source: MTIB and DOSM

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In 2014, Malaysia only exported RM5.0 million of timber and timber products to Ecuador. This only consisted of wooden and rattan furniture. The export of Malaysian wooden furniture to Ecuador had a steady increase since 2010, however the value had fallen 23.7% to RM5.0 million in 2014 compared to the previous year.

In 2014, Malaysia does not import any timber and timber products from Ecuador.

Import Duty

Currently, Malaysia does not have any free trade agreement with Ecuador. The import duty for major timber and timber products for most countries, including Malaysia are as follows:

HS CODE	Timber and Timber Products	Common External Tariff (%)
4403	Logs	5
4407	Sawntimber	10
4408	Veneer	5 - 10
4409	Mouldings	15
4410	Particleboard	15
4411	Fibreboard	15
4412	Plywood	15
4418	BJC	15
9401	Seats	25 - 30
9403	Other Furniture	15 - 30

Source: World Trade Organisation (WTO)

Prospects

As previously mentioned, Ecuador economy depends mainly on oil and dollar remittances from abroad. The oil sector is the main priority for foreign investment which is already high in the country (FDI stock represents 50% of GDP). Urban population is likely to increase up to 73%, thereby resulting in low and pressure. Forest projects for oil companies' environmental remediation plans are more likely to get funding in the future.

The customs unions with the Andean Community have expanded the market for Ecuador's forest products. The foreseen free trade area with MERCOSUR may give Ecuador an opportunity to increase its income, not necessarily through the exports of forest products but oil. Ecuador production of forest products is directed mainly for the domestic market and is likely to remain the same in the future. As for the whole region, Free Trade Area of the Americas (FTAA) represents an opportunity to increase trade and therefore income for this country.

As stated, in 2014, Malaysia exported wooden and rattan furniture to Ecuador. However, the amount of rattan being exported is very little as compared to wooden furniture. Therefore, Malaysian wooden furniture exporters should explore ways to enhance existing Malaysian wooden furniture to make it more appealing to the Ecuadorian market. Malaysian timber and timber product exporters as a general are encouraged to find ways to penetrate not just the Ecuadorian market, but to other Latin Americas countries as well by striking beneficial partnerships or joint ventures with companies or organisations from both countries.

References:

- World Trade Atlas
- Department of Statistics Malaysia
- MTIB's statistics
- <http://theredddesk.org/countries/ecuador>
- <http://rainforests.mongabay.com/20ecuador.htm>
- <http://www.tradingeconomics.com/>
- <http://www.forestlegality.org/risk-tool/country/ecuador>





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Timeless, Enduring

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SEPUL - SUITABLE FOR LIGHT CONSTRUCTION



Sepul logs.



Sepul tree.



Texture

Texture is fine and even with interlocked grain.

Cross section: There is a little clear difference between heartwood and sapwood. Heart is thirsty reddish wood color, sapwood ash red, with a width of 8cm. Growth rings are a little obvious and even.

Bark: Thickness is 0.5 - 0.8 cm, hard. It is easy to peel. The skin is dark brown with thin cracks and it flakes off. The endothelial is chestnut brown, often oozing black liquid paint; bast fibres are slightly developed, stone cells are developed.

Wood: It has straight texture, the structure is a little thin; soft texture, light to medium intensity. Shrinkage is great. It is easily processed and cut smooth; moderate performance adhesive and paints nails easily. Does not decay. Dries easily and easily cracks. Air-dry density is 0.52 - 0.75g/cm³.

Strength Properties

The timber falls into Strength Group D (Burgess, 1958).

Machining Properties

It is very difficult to saw and difficult to work. The planed surface produced is rough.

Nailing Property

The nailing property is rated as excellent.

Air Drying

The timber seasons fairly rapidly with only slight degradation in the form of cupping, bowing and twisting. Thick boards of 13 mm take approximately two months to air dry, while 38 mm thick boards take three to four months.

Sepul is the Standard Malaysian Name as well as the ASEAN Standard Name for the timber of Parishia spp. (Anacardiaceae). Vernacular names applied include Kedondong hijau (Peninsular Malaysia), Llayang-Layang (Sabah), Sepul (Peninsular Malaysia), Surian (Peninsular Malaysia) and Upi (Sarawak) with various epithets. Major species include P. insignis, P. maingayi and P. paucijuga. The sapwood is not well defined but is slightly lighter in colour than the heartwood, which is red-brown to light brown.

Also known as Red dhup (India), Balom tembaga, Kayu bengkarung and Kayu sepa (Indonesia), Pwe-baung (Myanmar), Bulabog and Malabog (Philippines), and Chan-ruchi and Ngokkhang (Thailand).

Density

The timber is soft, light to moderately heavy with a density of 545-755 kg/m³ air dry.

Natural Durability

The timber is non-durable, being susceptible to powder-post beetle attacks.

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Shrinkage

Shrinkage is very high, especially in the tangential direction. Radial shrinkage averages 2.1% while tangential shrinkage averages 5.5%.

Uses

The timber is suitable for light construction, general planking, pallets (expendable type), packing boxes and crates, toothpicks and plywood.

References:

- Burgess, H. J. 1958. *Strength Grouping of Malaysian Timbers*. Malayan Forest Service Trade Leaflet No. 25. MTIB and FRIM, Kuala Lumpur. 15 pp.
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- Wong, T. M. 1982. *A Dictionary of Malaysian Timbers*. Revised by Lim, S. C. & Chung, R. C. K. Malayan Forest Records No. 30. FRIM, Kuala Lumpur. 201 pp.
- <http://www.1timber.cn/news/detail/id/3560.html>

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Multiple Uses, Variable Styles

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



Malaysian Timber Industry Board

(Ministry of Plantation Industries and Commodities)

Level 13 - 17, Menara PGRM

No. 8, Jalan Pudu Ulu, Cheras

P.O. Box 10887, 50728 Kuala Lumpur.

Tel : 603 - 9282 2235 (12 lines)

Fax : 603 - 9285 1477/ 9200 3769

E-mail : info@mtib.gov.my

Website : www.mtib.gov.my

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From which publications have you received our information?

MTIB Moments



MTIB organised a Training on the ICT Network Safety System and Technical Supportive Services for IT Members on 8-10 February 2015 in Perak.

WISDEC organised a technical and industry visit to Sarawak from 10 to 13 February 2015. Seen here is the photo taken at the Sarawak Timber Industry Development Corporation (STIDC) office.



Dr. Jalaluddin Harun, MTIB Director-General (front row, fourth from right) and Dato' Kamariah Hussain, Chairman of PUSPANITA MTIB (on his right) posing with 2014/2015 committee members during the 25th AGM, held on 13 February 2015 at MTIB, Kuala Lumpur.

MTIB organised a course entitled 'Oh My English' for its personnel on 24-26 February 2015 at MTIB, Kuala Lumpur. Thirty-three participants attended the course.

