ISSN 0126-771X VOL 3 : MARCH 2014

MTIB

MASKAYU

INART'S SHOWROOM AND FACTORY LAUNCHED

GAHARU INDUSTRY DIALOGUE 2014

ISSN 0126-771X

Editorial Board

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

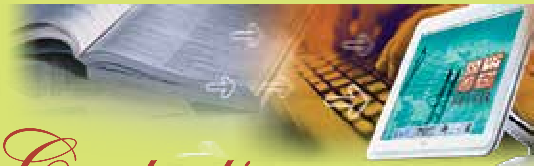
Printer
Abadi Ilmu Sdn. Bhd.
No. 6A & 6B, Jalan SS4D/14,
47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel : 03-7804 4588 / 7888 6158
Fax : 03-7804 4152
E-mail : abadiilmu@gmail.com
Website : www.abadiilmu.com

MIFF 2014

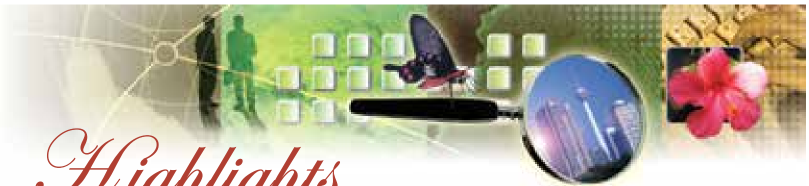
Cover: *Featuring a one-stop showroom concept, SJY Furniture (M) Sdn. Bhd. clinched the top prize for Best Presentation Award for the bare space category at MIFF 2014. This is a repeat performance for the company having won the same award in 2013. More about the awards on pages 16-17.*

QUALITY SYSTEM SIRIM UKAS QUALITY MANAGEMENT 074
MS ISO 9001 : 2008 REG. NO. AR3307

Read eMASKAYU at www.mtib.gov.my



Contents



Highlights

Regular Features

INART'S SHOWROOM AND FACTORY LAUNCHED

Dr. Jalaluddin Harun, MTIB Director-General (fourth from left); Mr. Andy Eorn, CEO of INART (on his left) posing with other invited guests after the official opening.

Established in 1996 in Korea, INART, a noted furniture design manufacturer, has expanded its operations in Malaysia. On 9 March, INART launched its second showroom and factory in Semenyih, Selangor. The Korean-Malaysia cooperation project saw INART's joint-venture with Frandy Design Sdn. Bhd., a Malaysian company. The first showroom and factory are located in Johor.

The opening ceremony was launched by Mr. Andy Eom, INART's CEO. In his speech, Mr. Eom expressed his gratitude to MTIB for honouring the event. According to Mr. Eom, INART specialises in naturalistic, toxin-free home furniture. Currently it has five retail stores, 25 departmental stores, 35 distributor stores and more than 100 handy shops under the SUP brand name. INART exports its natural wood furniture to countries which include the United States, Japan, Singapore, Taiwan, Russia, China, the UAE and Iraq. It is now capitalising on the growing popularity of the Korean culture overseas as an Asian Global Brand. With the opening of the second showroom, Mr Eom hoped that its business would flourish and look forward to further expanding in the future.

As the guest of honour at the opening of INART, Dr. Jalaluddin Harun, Director-General of MTIB voiced his pleasure at representing MTIB at the opening event. He noted that the trade relationship between Korea and Malaysia has been very strong all this while especially in the furniture industry. The export of Malaysian products to Korea is on an increasing trend. From January to November 2013, Korea was one of the top 10 export market for Malaysian timber and timber products at RM792 million and for wooden furniture, from January to November 2013, export to Korea was at about RM86.5 million.

He noted that INART was not only expanding in Korea but also globally and the Asian Global Brand tag will bring significant growth to Malaysia's furniture export. He looked forward to seeing more special furniture and handy shops launched and more partnership established, besides expanding markets to other countries. This would provide a wider variety of furniture manufactured in the country.

Attendees at the event.

Cont. on page 12

TIMBER WORLD IN BRIEF

BRAZIL
Recovery of Brazilian Pine Plywood Exports

In 2013, there was a 24% increase in Pine plywood exports, the first increase in five years. The main markets were Europe (71%) and North America (13%). Before the 2008/9 financial crisis the US was the main international market for pine plywood. According to the Brazilian Association of Mechanically Processed Timber Industry (ABIMCI), the increase in exports was the result of promotional efforts by the Pine plywood industry and the recent favorable exchange rate which also helped the recovery.

globalwood.org, 15 March

GERMAN
Sawn Softwood Exports Lowest Since 2004

Exports of German sawn softwood in 2013 fell to their lowest levels since 2004, according to new figures. The German Timber and Wood Industry Association's (DeSH) preliminary estimates for 2013 showed that exports fell to 6.3 million m^3, the lowest since 5.5 million m^3 was recorded in 2004 and well below the pre-recession peak of 9.3 million m^3 in 2007. German domestic sawn softwood consumption rose 328,000 million m^3 to 18 million m^3 and domestic sawmill production was up about 1% to 20.2.million m^3.

Sawn hardwood exports were up about 70,000 m^3 to 640,000 million m^3 in 2013, with sawn hardwood production rising about 117,000 million m^3 to 1 million m^3. Domestic consumption was 760,000 m^3. German sawmilling turnover was up slightly last year to €5.4 billion. Softwood sawmillers' profitability improved in 2013 but DeSH described the situation as still "tense". Limited availability of raw materials led to a further increase in roundwood prices, in contrast to competitor mills in Sweden where raw material costs fell. DeSH Chief Executive Lars Schmidt said forest owners' interpretation of the economy was too optimistic and threatened the viability of the entire industry cluster.

Germany's foreign softwood lumber markets, especially its neighbouring countries, bought significantly fewer products last year, with the only growth recorded in the Middle East and among Mediterranean countries. But a "noteworthy" rapid increase was recorded in exports to China. DeSH believes the recovery of the US timber market will lead to more Canadian volumes switching from Asia to the US, leaving opportunities for European timber producers to expand exports to Japan and China. Good domestic demand was recorded in 2013, particularly in urban areas and in renovation work. Germany remained the largest lumber producer in Europe in 2013.

Globalwood.com, 3 March

GLOBAL
Sawlog Prices Up

Sawlog prices trended upward throughout the world in the fourth quarter 2013 and the Global Sawlog Price Index (GSPI) rose to USD88.78 per m^3. This was the highest level in over two years and the third highest price on record since the inception of the Index in 1995. In the fourth quarter 2013, the GSPI was 5.4% higher year-over-year and 14% higher than the 10-year average. Many of the price increases around the world during 2013 were the result of improved lumber prices in a number of key markets in the second half of the year and a substantially higher trade of logs worldwide.

Global shipments of softwood logs were up by as much as 17% from 2012, totalling more than 80 million m^3, based on estimates by Wood Resources International. This was the highest shipment of logs since 2007 when global trade reached an estimated 86 million m^3. Of the 10 largest log-importing countries, China, Germany, Sweden, Finland and Canada increased import volumes the most year-over-year. It was only South Korea that reduced importation from 2012 to 2013.

On a regional basis, sawlog prices in the fourth quarter 2013 did go up the most in North America and Europe year-over-year because of tighter log supply, while log prices retracted somewhat in Latin America and Oceania (in US dollar terms). In local currencies, upward price movements the past year was the highest in the Western US, Western Canada, Japan, Latvia and Sweden, with fourth quarter 2013 prices being between 8-18% higher than in the fourth quarter 2012.

Most of the listed countries are major lumber exporters, and with improved consumption of lumber around the world in late 2013, demand for sawlogs increased so sawmills were forced to pay more for logs to be able to obtain sufficient supplies to feed their mills. This trend is likely to continue in 2014 with lumber markets improving in North America and Europe.

woodbusiness.ca, 24 March

INDIA
Timber and Plywood Wholesale Price Indices

In addition to data on the Wholesale Price Index for all commodities, the Office of the Economic Adviser to the Indian government also reports data on wholesale price movements for a variety of wood products. Despite the depressed housing market plywood prices changed little during 2013 whereas logs/ timber index has shown considerable volatility.

globalwood.org, 1 March

Cont. next page

Cont. from previous page

INDONESIA
Aiming for Long-Term Timber Export Growth in EU

There will likely be a significant jump in timber exports to the European Union following the ratification of an agreement signed to curb illegal timber trade. Deputy Trade Minister of Indonesia expected an increase in timber and timber product shipments to the EU by 5-7% during the initial phase, which could begin as soon as this year.

The shipment may increase gradually at a double-digit rate in the upcoming years. The modest growth of exports throughout this year would still be affected by ongoing economic recovery in the 28-member bloc.

The European parliament ratified the EU-Indonesia Forest Law Enforcement, Governance and Trade (FLEGT) voluntary partnership agreement signed in September last year. The agreement acknowledged that whole timber and timber products certified under the domestic timber legality verification system (SVLK) were legally harvested and complied with the EU's timber regulation, which became effective March last year. Indonesia, one of the world's biggest timber producers, is the first country to have such an agreement ratified by the European Parliament.

The Jakarta Post, 1 March

LITHUANIA
Timber Exports Increased in January

Exports of wood and wood products out of Lithuania increased in January, despite an overall drop in the country's international trade, according to figures published on 10 March 2014. Data released by Statistics Lithuania revealed exports were down by 15.1% compared to the previous month, with the overall figure hampered by a 34.4% decline in the volume of petroleum products sold outside the country.

When compared to January 2013, exports declined by 11.1%. It was petroleum products that weighed on the total, falling by 48.6% year on year. Despite the overall drop, transactions involving wood and articles of wood were up by 19.6% annually, with 81.8% of these products deemed to be of Lithuanian origin.

The country's key export partners in January were Russia, which accounted for 17.6% of the total, Latvia (10.4%) and Germany (8.8%). In terms of goods of Lithuanian origin, most were exported to Germany (11.9%), followed by the UK (11.3%) and Latvia (9.2%). HD FestForest provides forest management in Estonia, Latvia and Lithuania and is a subsidiary company of HedeDanmark.

hdfestforest.com, 10 March

MYANMAR
Logs Export Ban

Myanmar will ban the export of logs starting next week to reduce deforestation and boost its wood-based industry by exporting only value-added products. A statement from the state Myanmar Timber Enterprise said the Ministry of Environmental Conservation and Forestry will prohibit the export of logs starting 1 April.

According to the most recent available official data, Myanmar's forest cover shrank from 57.9% of its total land area in 1990 to 47.6% in 2005. The sale of Teak and hardwood logs has climbed since a nominally civilian government succeeded military rule in 2011 and liberalised the economy.

bangkokpost.com, 25 March

RUSSIA
Lumber Export Growth Not Compensating for Decline in Log Exports

Russia's increase in lumber exports has not yet compensated for the decline in log exports that followed the introduction of higher log export tariffs in 2007, according to Wood Resource Quarterly. The log export tax led to Russia's share of globally traded logs declining from 44% in 2006 to 15% in 2013. By 2013 only one-third of the log volume exported at the peak level six years ago was shipped to foreign markets. Russia has now fallen behind New Zealand and the US for log export volumes. The softwood log export tariffs were reduced to 13-15% after Russia joined the World Trade Organisation in 2012. Softwood lumber export values increased about USD300 million in 2006-2013, meaning the total value of exported logs and lumber was 27% lower last year than in 2006 (before the log tariff was introduced).

Ttjonline.com, 17 March

UNITED KINGDOM
Storms Affect Timber Markets

Clearance of the widespread damage caused by the storms and flooding in the UK has evidently already generated additional demand for softwood lumber and wood products on the markets there. The British Timber Packaging and Pallet Confederation (TIMCON) believes a noticeable upswing has already been registered in demand for construction-timber assortments and garden wood in the last few days. TIMCON expressed its concern that higher demand for lumber as a result of the storm and flood-damage clearance combined with upswing that had already occurred in demand during the course of the second half of 2013 will have far-reaching effects on the availability of softwood lumber for the British pallet and packaging industry.

EUWID.com, 5 March

FEBRUARY 2014

Westport Pre-tax Profit Rose to RM131.5 million

Westports Holdings Bhd.'s pre-tax profit for the fourth quarter ended 31 December 2013, rose to RM131.5 million from RM107.9 million in the same quarter of 2012. Revenue increased to RM502.63 million from RM477.24 million in 2012. For the financial year ended 31 December 2013 its pre-tax profit increased to RM517.01 million from RM434.67 million in the same period of 2012. Revenue increased to RM1.71 billion from RM1.49 billion previously. The higher revenue was mainly due to the increase in container throughput, which grew by eight per cent to 7.47 million TEUs.

Going forward, the port's container volume is expected to grow by 5-10% in 2014, mainly driven by both the transhipment business as well as the import and export segment. To support the growth, they are in the midst of constructing an additional container terminal (CT7), which is expected to be fully operational by year-end. Once CT7 is fully operation, the group's handling capacity is expected to increase from 9.5 million TEUs to approximately 11.0 million TEUs per annum.

Source: BERNAMA, 13 February

Northport Growing with New Wharf Expansion

Northport (M) Bhd.'s investments in a new wharf is set to bear fruit this year with the port operator expecting its throughput to increase to 3.4 million TEUs in 2014 from 2.89 million TEUs last year. According to Encik Abi Sofian Abdul Hamid, Chief Executive Officer of Northport (M) Bhd. the new wharf would be able to accommodate larger vessels and would help bring in new businesses. The new Wharf 8A, which commenced operations in December last year is able to berth vessels with deeper drafts of up to 17 metres. It is part of Northport's Container Terminal 4 which costs a total investment of nearly RM350 million. The addition of the wharf would help increase Northport's total throughput capacity to 5.6 million TEUs a year. Northport is seeing a 'mixed' outlook in the port business this year. Although the country's economy is projected to grow at more than five per cent this year, there has yet to be a strong recovery sign. They are hoping for a pick-up in the business after Chinese New Year and the outlook would be clearer after the first quarter.

The port operator saw a drop in throughput last year as one of its top-five clients exited the container line business amid global financial uncertainties. The port, traditionally stronger in intra-Asian shipments was still in the midst of upgrading its facilities last year to cope with the rising demand in transshipments.

Northport was awarded a new licence by the government to operate the port for another 30 years, beginning from

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, February 2014

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports m^3	% Change February 2014/ January 2014
	m^3	% Change February 2014/ January 2014	m^3	% Change February 2014/ January 2014	m^3	% Change February 2014/ January 2014	m^3	% Change February 2014/ January 2014	m^3	% Change February 2014/ January 2014		
Sawntimber	36,214	25	4,766	-43	1,643	70	240	208	7,741	846	50,604	29
MDF	18,255	1	290	-	7,552	-38	11,484	33	10,194	-22	47,775	-8
Mouldings	9,618	5	173	-17	1,211	-13	584	-20	1,525	-32	13,111	-5
Dressed Timber	1,220	-14	116	-27	898	1	85	16	414	-8	2,733	-9
Plywood	5,323	-19	-	-	-	-	48	-	9,797	60	15,168	19
Veneer	66	20	-	-	-	-	-	-	446	223	512	165
Particleboard	37,639	60	359	-46	102	-65	147	-78	-	-	38,247	52
TOTAL	**108,335**	**23**	**5,704**	**-39**	**11,406**	**-28**	**12,588**	**24**	**30,117**	**32**	**168,150**	**15**

Note : Indicates % change over the previous month
Source : MTIB

Cont. next page

Cont. from previous page

December 2013. It plans to invest RM3.7 billion in capital expenditure (capex) for the 30-year duration to upgrade and expand the port's infrastructure and facilities. It had also spent RM1.4 billion in capex for the past 27 years. The operator is one of two main container ports in Port Klang alongside Westports Malaysia Sdn. Bhd.

Port Klang is the world's 12th busiest container port and it is one of the main ports along the Straits of Malacca which links Asia with the Middle East and Europe that sees 40% of global trade passing through the waterway annually.

Source: BERNAMA, 9 February

MISC Net Profit Up Three-fold to RM2.1 billion

MISC Bhd.'s net profit for the year ended 31 December 2013, jumped almost three-fold to RM2.08 billion, largely from joint-venture projects and one-off gain on disposal of Gumusut Kakap FPS through finance lease. The revenue for the year, however, went down marginally by 0.8% to RM8.9 billion. The declined in group revenue was largely due to lower revenue in heavy engineering as projects in hand were nearing completion. Additionally, the petroleum business recorded lower revenue from smaller fleets of operating vessels and cold lay-up of a few vessels. The company, however, had a higher revenue in liquified natural gas and offshore businesses which mitigated the decline in group revenue.

Source: The Malaysian Reserve, 14 February

Shipping Industry Set to Emerge from Five-year Downturn

The shipping sector is poised to emerge from its longest downturn in three decades, buoyed by an end to years of overcapacity that have depressed freight charge since the end of the shipping boom in 2008. Dry cargo vessels are expected to see the strongest recovery, say owners and analysts, as growth in bulk commodity cargoes such as iron ore and coal outpaces supply of new tonnage for the first time in seven years. The recovery would bring some respite to shipping companies that have endured years of losses as freight charges failed to cover costs.

Global shipper TMT filed for bankruptcy protection in June, shortly after South Korea's STX Pan Ocean filed for court receivership, while Indonesian shipper Berlian Laju Tanker narrowly avoided bankruptcy. Mr. Ong Choo Kiat, President of U-Ming Marine Transport, one of Taiwan's largest listed shipping firms said, there would be potholes, here and there, as always, but the worst was over based on market fundamentals. Prices of new and secondhand vessels started to increase the previous year on expectations of a recovery, though experts warn some shippers would still only break even in 2014 and any recovery may fade after 2016 when overcapacity could again dampen freight rates.

The global dry bulk seaborne trade is forecast to grow by 5.8% in 2014 to 4.37 billion tonnes, according to Barclays Research, outpacing a 5.3% boost in the global merchant fleet to 753 million deadweight tonnes (dwt). It promises to be the first time growth in demand for shipping of iron ore, coal, grain and minor bulks such as fertiliser, logs and soya beans, exceeding dry bulk fleet growth since 2007. Barclays further added that, as the industry finally shook off a surge in new vessels orders in the wake of the boom. However, according to Mr. Jayendu Krishna, Senior Manager at shipping consultancy Drewry Maritime Research, ship owners who paid high charges for new tonnage at the peak of the market would still only break even this year.

Source : Daily Shipping Times,11 February

Two New Ports to be Commissioned by 2020

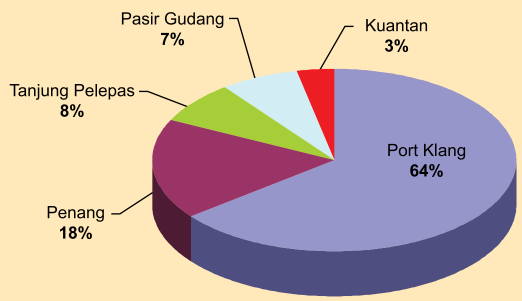
Two new ports in West Bengal and Andhra Pradesh would be commissioned by 2020, said Mr. Shri G K Vasan, Shipping Minister of India. The Government has decided to set up two new major ports, one each at Sagar in West Bengal and Dugarajapatnam in Nellore district of Andhra Pradesh. As per the feasibility report prepared the date of completion of the Phase-I of the project at Dugarajapatnam is 2018 and for Sagar 2019/2020. RITES (Rail India Technical and Economic Service) has prepared the feasibility reports for these projects.

The Cabinet Committee on Economic Affairs approved setting up the ports on 9 May 2013. Since then various steps have been taken for speedy execution of the port projects. Empowered Committee on Economic Affairs to resolve implementation related matters has been constituted, port limits for Dugarajapatnam has been notified. The transaction advisor for Sagar Port has been appointed while for Dugarajapatnam, has been identified. Application for land acquisition has been made and the process for obtaining environmental clearance has been initiated for the Dugarajapatnam port. There is no proposal pending for setting up a new major port at Chennai in Tamil Nadu.

Currently, there are 12 major ports in India namely, Mumbai, Jawaharlal Nehru Port Trust, Kolkata (with Haldia), Chennai, Visakhapatanam, Cochin, Paradip, New Mangalore, Marmagao, Ennore, Tuticorin and Kandla. The ports handle 75% of the total cargo traffic in the country.

Source: Daily Shipping Times,12 February

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, February 2014



Total = 168,150 m³

FEBRUARY 2014

Total export of timber and timber products from Peninsular Malaysia in February 2014 increased 26% in volume and 38% in value to 224,602 m³ valued at RM283.86 million over the previous month. However, cumulative export for the period of January to February decreased 4% in volume but increased 1% in value to 403,396 m³ with a value of RM492.75 billion respectively over the corresponding period.

Sawntimber

Export of sawntimber in February 2014 increased 31% in volume and 58% in value to 72,942 m³ with a value of RM118.7 million compared to the previous month. Cumulative export for January to February 2014 decreased 13% in volume and 9% in value to 128,397 m³ with a value of RM193.8 million over the previous corresponding period.

Exports to the EU for the month increased 197% to 13,362 m³ from 4,500 m³ recorded in the previous month as a result of increasing export from major markets in the region. Similarly, exports of sawntimber to the Netherlands and UK increased 184% and 169% to 5,221 m³ and 2,518 m³ respectively from the previous month. Exports to Germany and Belgium improved to 2,074 m³ and 1,575 m³ from 704 m³ and 387 m³ in the previous month. Raw material availability in almost all major production regions in the EU was poor, thus, resulting in increased import of raw materials from other countries for their domestic consumption. The situation contributed to the positive growth in the export of sawntimber to the region.

Total expor to West Asia decreased 9% to 9,242 m³ from 10,106 m³ in the previous month. Exports of sawntimber to the UAE and Oman decreased 34% to 3,006 m³ and 26% to 1,444 m³ respectively. Similarly, exports to Qatar declined 38% to 611 m³ from 993 m³ in the previous month. This was due to increased competition from lower priced sawntimber from China and Africa that affected the demand for Malaysian sawntimber. However, exports Saudi Arabia and Kuwait improved 56% and 46% to 1,891 m³ and 527 m³ respectively.

Buying from ASEAN decreased 12% to 26,025 m³ from 29,573 m³ registered in the previous month due to decreased demand from Thailand, a major importer of Malaysian sawntimber. Exports of sawntimber to Thailand and Singapore decreased 10% and 23% to 16,523 m³ and 7,961 m³ respectively. Slowdown in Thailand's economy growth weakened domestic demand and political disruptions worsened the economy thus affecting demand and prices of sawntimber from Malaysia.

At the same time, shipments to East Asia improved 198% to 13,254 m³ as a result of increasing demand from China and Japan. Export to China increased significantly to 10,325 m³ from 1,981 m³ in the previous month. The declining raw material supply forced China to source their supply from other countries in order to meet their domestic consumption. Similarly, exports to Japan and Taiwan increased 33% and 107% to 2,219 m³ and 428 m³ respectively. However, export of sawntimber to South Korea decreased 57% to 257 m³ from 598 m³ in the previous month.

Elsewhere, exports to the US increased marginally by 2% to 886 m³ while intake by Australia also increased 178% to 1,012 m³. Demand from South Africa also increased to 3,411 m³ from 1,005 m³ in the previous month.

The average FOB price of sawntimber increased 20% to RM1,628 per m³ from RM1,354 per m³ in the previous month. Price of Dark Red Meranti (DRM) decreased marginally to RM2,557 per m³ from RM2,531 per m³ in the previous month. Price of DRM to the Netherlands decreased 4% to RM2,717 per m³ from RM2,820 per m³ in the previous month. Keruing was traded at RM1,884 per m³, an increase of 18% from the previous month.

Plywood

Total export of plywood in February increased 23% in volume and 21% in value to 18,705 m³ valued at RM31.57 million respectively as compared to the previous month.

Total export to the EU increased by 13% to 10,809 m³. Similarly shipments to the UK increased 23% to 9,258 m³. However, Ireland and Netherlands reduced their intake by 91% and 55% to 43 m³ and 516 m³ respectively, whilst Denmark, Germany and Italy did not make any purchase in February 2014. However, Belgium and Germany resumed their intake in February 2014.

Exports to the ASEAN region also increased as Singapore's and Thailand's intake of plywood increased by 96% and 75% to 2,295 m³ and 1,233 m³ respectively, whereas, Indonesia and Brunei did not make any purchase in February 2014. On the other hand, in East Asia, Hong Kong increased its intake by 35% to 172 m³ whilst China resumed its intake in February 2014. However, Japan and South Korea did not make any purchase in February 2014.

Total export to West Asia increased by 51% to 1,066 m³ from 707 m³ in the previous month. Similarly exports to the UAE and Kuwait increased by 41% and 9% to 301 m³ and 537 m³ respectively, whilst Yemen resumed its import in February 2014. However, Bahrain, Saudi Arabia and Qatar did not make any purchase in February 2014.

Elsewhere, exports of plywood to South Africa, Australia and New Zealand decreased by 43%, 22% and 48% to 110 m³, 1,694 m³ and 11 m³ respectively. On the other hand, Mexico and Turkey resumed their intake in February 2014. However, Algeria, Tanzania, the US, Puerto Rico, the Netherlands Antilles and Norway did not make any purchase in February 2014.

The FOB price of plywood decreased to RM1,688 per m³ from RM1,713 per m³ in the previous month, a decrease of 1% from the previous month.

Veneer

Total export of veneer for February 2014 showed an increase of 90% in volume but a decrease of 33% in value to 514 m³ at RM832.73 million compared to the previous month respectively. Similarly, exports to India increased by 44% to 199 m³ as compared to the previous month. Furthermore, China, Singapore and Taiwan resumed their intake in February 2014. However, Australia and the US reduced their consignment by 5% and 24% to 40 m³ and 32 m³ respectively, whilst the UK did not make any purchase in February 2014.

The FOB price of veneer decreased to RM1,620 per m³ from RM4,589 per m³ in the previous month, a decrease of 65% from the previous month.

Medium Density Fibreboard (MDF)

Peninsular Malaysia's exports of MDF for February 2014 showed an increase of 16% in volume and 29% in value from the previous month. Export totalled at 76,995 m³ at RM72.1 million.

Cont. next page

FEBRUARY 2014

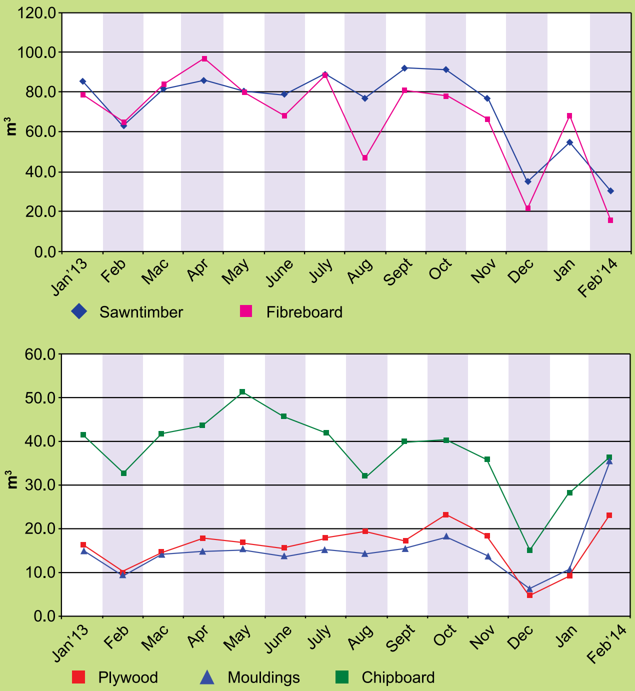
Cont. from previous page

Exports to East Asia registered an increase of 59% to 2,660 m³ from 1,673 m³ in the previous month. Exports to Taiwan grew by 775% to 980 m³ and exports to China (including Hong Kong) also grew by 514% to 725 m³. However, exports to Japan recorded negative growth with a decrease of 10% to 955 m³.

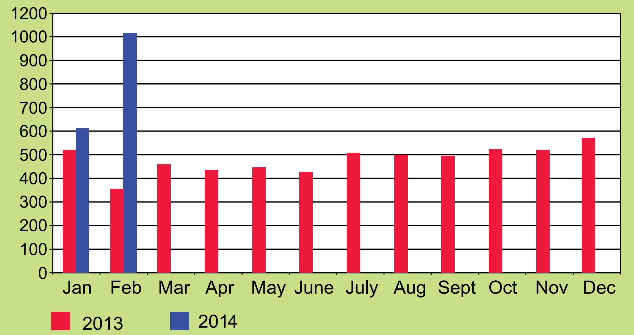
Meanwhile exports to West Asia in the February 2014 recorded a negative growth with a decrease of 15% in volume to 40,776 m³ from 48,039 m³ in the previous month. This was due to ongoing regional tension, together with a challenging (albeit slightly improving) external environment. Economic growth was slowing, fiscal buffers were depleting, unemployment was rising, and inflation was mounting in four of the region's most vulnerable economies-Iran, Lebanon, Jordan and Yemen.

Export to Oman recorded a massive increase of 1600% to 2,550 m³ followed by Kuwait at 7% to 4,524 m³. On the other hand, all destination exports to Middle East countries showed negative growth. Jordan, the UAE, Iran, Saudi Arabia and Bahrain dropped by 9% to 639 m³, 20% to 11,096 m³, 44% to 8,284 m³, 53% to 6,107 m³ and 96% to 21 m³ respectively from the previous month.

Export of Selected Products from Peninsular Malaysia
(January 2013 - February 2014) / Volume ('000 m³)



Malaysia: Export of Wooden Furniture
(January 2013 - February 2014) / Value (RM Million)



Furthermore, exports to South Asia recorded positive growth by 23%. Exports to Sri Lanka increased by 757% to 1,842 m³, followed by Bangladesh by 445% to 1,460 m³ and India by 167% to 1,258 m³. Only exports to Pakistan were down by 46% to 2,607 m³.

Exports to Australia showed a sharp increase of 2,662% to 2,099 m³. However, exports to South Africa and the US showed a marginal decrease of 9% to 679 m³ and 30% to 1,257 m³ respectively.

In ASEAN, total export to the ASEAN region for this month increased by 72% to 11,918 m³ from 6,951 m³ in the previous month. Exports to the Philippines increased by 629% to 605 m³; Indonesia, by 272% to 2,060 m³; and Viet Nam, by 55% to 8,962 m³. Only exports to Singapore registered negative growth by 57% to 46 m³.

Mouldings

Exports of mouldings for the month increased by 35% in volume and 34.8% in value to 14,252 m³ and RM40.54 million respectively. Similarly, cumulative exports increased by 2% in volume and 1% in value as compared to the previous corresponding period in 2013.

Exports to the EU for the month recorded at 6,545 m³, an increase of 117% compared to the previous month. Similarly, shipments to Germany, the Netherlands and the UK increased by 86%, 623% and 25% to 1,550 m³, 3,436 m³ and 509 m³ respectively. However, Belgium reduced its intake by 35% to 460 m³ whilst Italy did not make any purchase in February 2014.

Exports to the ASEAN region decreased as Singapore's intake of mouldings decreased by 5% to 1,001 m³. However, Viet Nam increased its intake by 327% to 94 m³ in February 2014. Indonesia did not make any purchase in February 2014.

On the other hand, exports to Japan and China decreased by 25% and 16% to 1,397 m³ and 316 m³ respectively. Meanwhile, exports to South Korea increased by 39% to 698 m³ whilst Taiwan and Hong Kong resumed their purchase in February 2014.

Elsewhere, exports to Australia and Canada increased by 13% and 114% to 2,001 m³ and 60 m³ respectively, whereas the US reduced its intake by 18% to 1,268 m³ in February 2014.

FOB unit value decreased 0.1% from RM2,849 per m³ in the previous month to RM2,845 per m³ in February 2014.

Builders Joinery and Carpentry (BJC)

Total BJC cumulative export from January to February 2014 increased slightly by 8% to RM157.16 million as compared to RM145.88 million in 2013. Similarly, demand by the UK, Denmark, the Netherlands and Sweden increased by 5%, 4%, 71% and 233% to RM21.84 million, RM4.08 million, RM0.22 million and RM4.24 million respectively. Exports to France, Belgium, Italy and Germany decreased by 15%, 16%, 42% and 30% to RM5.08 million, RM6.97 million, RM0.80 million and RM2.08 million respectively over the previous corresponding period. Turkey resumed its imports in February 2014 whilst Norway did not make any purchase.

In Asia, exports to Saudi Arabia, Japan, India, Pakistan, South Korea, Taiwan, Singapore and Thailand grew by 213%, 32%, 29%, 51%, 6%, 34%, 5% and 31% valued at RM1.44 million, RM14.52 million, RM11.1 million, RM5.58 million, RM0.57 million, RM2.77 million, RM17.82 million and RM6.26 million

Cont. on page 11

FEBRUARY 2014

Logs

Logging and milling operations for the month dampened considerably due to bad weather. Trading activities, however, stabled as the activities continued as usual in the market. Thus, the domestic prices of logs for most of the species maintained at last month's level.

Log prices for the species of Chengal stood firm at RM3,600 per tonne whilst prices of Merbau logs increased significantly by 5% to RM2,175 per tonne. Prices for Balau, remained firm at RM2,580 per tonne compared to previous month. Prices of the Kapur species also went down marginally by 9% to RM1,367 per tonne. Prices for Kempas, on the other hand, rose by 2% to RM1,327 per tonne while Keruing's price remained at RM1,058 per tonne. Dark Red Meranti was traded at RM1,429 per tonne. Prices of Mersawa and Yellow Meranti grew by 4% and 1% to be traded at RM1,357 per tonne and RM987 per tonne respectively. Prices of Mixed Heavy Hardwood were charted at RM930 per tonne, whilst Mixed Light Hardwood posted a 13% growth to be traded at RM615 per tonne over the previous month.

Sawntimber

Average sawntimber prices were also reported to be stable as there was no sudden change in demand from both domestic and overseas market in February.

Prices of Chengal and Red Balau sawntimber remained firm at RM6,638 per m^3 and RM2,966 per m^3 respectively. Balau price however, charted an increase of 25% to RM3,178 per m^3 whilst Merbau price maintained at RM3,731 per m^3 over the previous month. Similarly, Keruing and Kempas grew by 16% and 12% to be quoted at RM1,707 per m^3 and RM1,342 per m^3 respectively. For Red Meranti and Mersawa species, the prices dropped significantly by 2% and 0.3% to RM1,469 per m^3 and RM1,363 per m^3 respectively compared to last month's levels. Sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood stood at RM812 per m^3 and RM720 per m^3 respectively.

Plywood

The supply of plywood to the domestic market continued to cater to the need of local demand. Plywood prices of 12mm of thicknesses dropped slightly by 1.6% to RM41.80 per piece over the previous month. Meanwhile, plywood prices for the thicknesses of 4mm, 6mm and 9mm remained stable at RM14.60, RM22.00 and RM34.00 per piece respectively.

Medium Density Fibreboard (MDF)

Prices of MDF weakened for this month due to stagnant and slow demand from the domestic market. MDF of 6mm, 9mm and 12mm of thicknesses fell by 4% to 6% and were traded at RM19.50, RM26.00 and RM35.50 per piece respectively. Price for 4mm MDF, however, maintained at RM13.50 per piece.

Intra-Malaysia Trade * – February 2014

Shipments of sawntimber from Sabah to Peninsular Malaysia charted a downward trend by 46% in volume and 67% in value to 249 m^3 worth at RM280,000. Export of plywood also dropped by 27% to 6,507 m^3 valued at RM10.5 million. Meanwhile, shipments of veneer were recorded at 189 m^3 valued at RM282,000.

In Sarawak, export of sawntimber to Peninsular Malaysia improved from 431 m^3 to 1,485 m^3 in volume to RM1.4 million in value. However, export of plywood and veneer went down marginally by 6% and 54% to 9,352 m^3 and 2,688 m^3 worth at RM11.8 million and RM2.8 million respectively.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in February 2014

** Source: Department of Statistics, Malaysia*

INTRA-MALAYSIA TRADE – FEBRUARY 2014

From	Products	JANUARY 2014		FEBRUARY 2014		% Change in Volume Feb 2014/Jan 2014	% Change in Value Feb 2014/Jan 2014
		Volume (m^3)	Value (RM '000)	Volume (m^3)	Value (RM '000)		
SABAH	Logs	27	6	0	0	-100	-100
	Sawntimber	465	842	249	280	-46	-67
	Plywood	8,916	13,970	6,507	10,545	-27	-25
	Veneer	34	59	189	282	456	378
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	431	429	1,485	1,409	245	228
	Plywood	9,978	12,286	9,352	11,807	-6	-4
	Veneer	5,787	7,177	2,688	2,843	-54	-60

Source : Department of Statistics, Malaysia

Cont. next page

Cont. from previous page

FEBRUARY 2014

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA FEBRUARY 2014 (VALUE IN RM)

SPECIES	LOGS/tonne	SAWNTIMBER/m³		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	3,600	6,638	2,684	8,828
Balau	2,580	3,178	1,663	2,966
Red Balau	2,440	2,966	1,783	3,178
Merbau	2,175	3,731	2,507	3,390
Mixed Heavy Hardwood	930	812	749	918
MEDIUM HARDWOOD				
Keruing	1,058	1,707	953	1,645
Kempas	1,327	1,342	989	1,459
Kapur	1,367	2,366	982	2,472
Mengkulang	1,143	1,478	987	1,575
Tualang	1,320	2,225	1,995	2,225
LIGHT HARDWOOD				
Dark Red Meranti	1,429	2,094	1,342	2,204
Red Meranti	1,368	1,469	1,142	2,069
Yellow Meranti	987	1,617	1,095	1,324
White Meranti	983	1,448	565	1,695
Mersawa	1,357	1,363	1,143	2,684
Nyatoh	1,200	1,010	734	1,201
Sepetir	850	1,095	918	1,095
Jelutong	923	1,801	1,201	1,554
Mixed Light Hardwood	615	720	657	657

MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	LOGS/tonne	SAWNTIMBER/m³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	170	850	1,035	1,153	1,220

PLYWOOD 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	14.60	22.00	34.00	41.80
MDF 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	13.50	19.50	26.00	35.50

Note: Log prices ex-batau. Sawn timber, plywood, MDF and Malaysian Rubberwood (*Hevea brasiliensis*) prices ex-mill
* Prices are only indicative

Cont. from page 9

TIMBER ROUND-UP

respectively. However, exports to the UAE and Viet Nam decreased by 27% and 47% to RM1.94 million and RM2.43 million respectively.

Exports to Australia and the US increased by 1% and 52% to RM20.89 million and RM10.8 million respectively. However, Maldives and South Africa reduced their intake by 59% and 36% to RM0.41 million and RM1.82 million respectively.

Furniture

Exports of wooden and rattan furniture for the period under review in 2014 increased 15% compared to the corresponding period of 2013. Total shipments recorded RM1.035 billion against RM882.2 million in 2013.

Purchase of wooden furniture from Malaysia for the January to February 2014 duration increased 17% from RM876.8 million to RM1.030 billion compared to the same period in 2013. Demand for wooden furniture for February 2014 was positive across most major markets.

Imports of wooden furniture by the US increased by 16% from RM284.1 million to RM330.4 million. Japan also follow suit with an increase of 19% from RM98.7 million to RM117.1 million.

UK imports also increased by 9% from RM46.3 million to RM50.5 million. Intake by Australia increased by 20% from RM57.1 million in 2013 to RM68.7 million in the first two months of 2014.

Canada increased its intake of wooden furniture by 15% to reach RM42.7 million. The same applied to the UAE and India with an increase of 65% and 8% respectively to reach RM41.0 million and RM17.8 million respectively. Saudi Arabia wooden furniture intake increase to RM24.8 million.

Germany increased its wooden furniture consumption by 24% with a purchase of RM15.5 million in for the first two months of 2014 from RM12.5 million in 2013. Russia's also improved its consumption by 41% from RM11.3 million to RM16.0 million. The Philippines increased its intake of wooden furniture by 57% to RM 15.1 million.

Rattan furniture shipments remains largely the same at RM5.5 million for the January to February 2014 period.

Singapore emerged as the top importer with an increase in consumption by 40% to reach RM1.8 million in 2014 from RM1.3 million in 2013. The UK also saw a similar pattern with an increase of 80% to reach RM1.0 million in 2014.

GAHARU INDUSTRY DIALOGUE 2014

Agarwood or locally known as Gaharu is a valuable non-timber forest product. It has been used for hundreds of years for medicinal purposes and for perfume production. Today gaharu trade involves almost 18 countries and is worth millions of US dollars annually. However, the upsurge in demand has led to the exploitation of this natural resource. As a result in the Convention on International Trade of Endangered Species of Wild Flora and Fauna (CITES) has listed the gaharu-producing species, *Aquilaria* under Appendix II of CITES due to the threat posed by trade to the survivability of the species.

Opening remarks by Dr. Jalaluddin Harun, MTIB Director-General.

Q & A session.

In an effort to strengthen the gaharu industry in Malaysia, MTIB organised the Gaharu Industry Dialogue 2014 on 10 March at MTIB, Kuala Lumpur. The objectives of the dialogue were to provide a platform for the recent developments of the gaharu industry and current issues raised by the industry players. Besides that, the dialogue provided a platform for exchanging views between gaharu industry players and relevant government agencies regarding the way forward for the industry in Malaysia. The dialogue was one of the initiatives by MTIB in its efforts to enhance the gaharu industry to be one of the more competitive and viable industries in Malaysia as outlined in the National Karas and Gaharu Industry Development Action Plan 2011-2021.

Dr. Jalaluddin Harun, Director-General of MTIB officiated the dialogue. In his opening speech, he highlighted on the trade of gaharu which is governed under CITES regulation and the role of MTIB as a Management Authority to monitor and facilitate the trade of gaharu product. He said that the trade of gaharu is subject to quota and currently only 200,000 kg is allowed for export annually. He also stated that the value of gaharu products exported in 2013 increased to RM23.32 million from RM10 million in 2012.

The participants were briefed by MTIB officials on National Karas and Gaharu Industry Development Action Plan 2011-2021 by Encik Mohd Zamakhsyary Mustapa from Forest Plantation Division, Registration Procedure for Karas Plantation and Nurseries by Encik Mohammad Khair Puteh and Implementation of CITES for Agarwood Trade by Encik Almizi Ibrahim, both from Licensing and Enforcement Division. The dialogue session was chaired by Puan Hjh. Norchahaya Hashim, MTIB Deputy Director-General. A total of 70 participants comprising individuals and representatives from both the government and private sector attended the dialogue.

Cont. from page 3

The half-day launch was attended by officials from MTIB and Ministry of International Trade and Industry, representatives from the private sector and INART's representatives from Korea.

Dr. Jalaluddin Harun, MTIB Director-General (left) being briefed by Encik Francis Wong, CEO of Frandy Design Sdn. Bhd. on the products displayed at the showroom.

A section of products at the showroom.

COURTESY VISIT BY MALAYSIA PALLET ASSOCIATION TO MTIB

One for the album – MTIB officials and members of the Malaysia Pallet Association.

Members of the Malaysia Pallet Association (MPA) paid a courtesy visit to MTIB, Kuala Lumpur on 19 March. The objectives of the visit were to foster closer rapport between the association and MTIB for future growth.

The delegation was met by Dr. Jalaluddin Harun, Director-General of MTIB. In his welcoming speech, Dr. Jalaluddin spoke on the activities and programmes being lined up for implementation as well as the National Timber Policy (NATIP) vision to attain RM53 billion exports of timber and timber products by 2020.

Dato' Andrew Goh Boon Kim, President of Malaysia Pallet Association (MPA) explained the purpose of the visit was to gain a better understanding on MTIB and its functions. MTIB, being the lead agency in the timber industry, could provide the assistance to the association in enhancing the growth of the pallet industry in Malaysia.

He added that the association acts as a forum for members to communicate in relation to issues currently associated with the pallet industry. It also provides technical advisory services, training as well as communicates opinion and recommendations to the government and agencies, both domestic and international on matters associated with the industry.

The delegation was briefed on timber industry activities and viewed MTIB's corporate video. This was followed by a Q&A session.

Founded on 12 September 2012, as to date the MPA has a total of 18 members comprising among others Taik Sin Timber Industry Sdn. Bhd., Mah Sing Plastic Industries Sdn. Bhd., Kaizen Transpack services, Champform Sdn. Bhd., Up Rate Timber Industries Sdn. Bhd. and Impress Wood Sdn. Bhd.

Dr. Jalaluddin Harun, MTIB Director-General (centre) briefed the visitors on MTIB activities and programmes.

MTIB'S PARTICIPATION AT MIFF 2014 – A 20TH ANNIVERSARY

MALAYSIAN INTERNATIONAL MIFF FURNITURE FAIR 2014 KUALA LUMPUR MALAYSIA

YB Datuk Amar Douglas Uggah Embas, Minister of Plantation Industries and Commodities (centre) posing with other VIPs and MTIB Directors.

YBM (left) being briefed by one of the Bumiputera exhibitors at MIFF.

MTIB booth.

The Malaysian International Furniture Fair (MIFF) is an export-oriented furniture trade show held annually in Kuala Lumpur, Malaysia. Organised by UBM Malaysia, it is also a global leading trade show approved by UFI, The Global Association for Exhibition Industry. Since 1995, MIFF has nurtured invaluable partnerships between thousands of buyers and furniture makers across the globe.

Encik Mohd Ridzal Sheriff, Deputy Secretary-General (Trade), on behalf of YB Datuk Seri Mustapa Mohamed, Minister of International Trade and Industry, officially opened the show that ran for five days across two venues, the Putra World Trade Centre (PWTC) and the MATRADE Exhibition and Convention Centre (MECC) from 4 to 8 March.

Exhibitors from 13 countries and regions showcased their latest collections and products at this year's show which occupied 80,000 gross square metres. The 13 exhibiting countries for this year's show included Malaysia, China, Taiwan, Indonesia, India, Hong Kong, Singapore, Viet Nam, United Kingdom, United States of America, Spain, Iran and Korea. Exhibitors were also capitalising on MIFF's global reach as a gateway into Southeast Asia and from the emerging markets of Africa, Middle East, South America, East Europe and South Asia.

MIFF 2014 welcomed more international buyers and exhibitors to its 20th anniversary milestone celebration. MIFF 2014 highlighted the newly launched MIFF mobile app to improve the experience of visitors. Once the visitors download this app, they can have the list of the exhibitors with a brief company introduction and products at their fingertips. They can even meet and network with other visitors through the app.

MTIB's participation in MIFF 2014 was mainly to promote its Prototype Programme Furniture Design and Making (FDM) as well as modern custom made furniture and decorative panels. At the same time, MTIB continued to assist the development of Bumiputera furniture SMEs in venturing into the export market by sponsoring their participation in MIFF at Hall 2C. The six SME companies which were sponsored and coordinated by MTIB were Puncak Bumi Utama Sdn. Bhd., Smart Victory Sdn. Bhd., Excelfurn Sdn. Bhd., Ramaco Bena Sdn. Bhd., Three Plus One Trading Sdn. Bhd. and MYR Construction Sdn. Bhd. These companies had products which ranged from bedroom sets, garden and living room furniture to school and office furniture.

Some of the companies were first timers as they had never participated in any international furniture fair before. For these new exhibitors, the aim of their participation was to gain knowledge and exposure regarding marketing furniture in the global market. The feedback received was very encouraging and helped enhance their interest in continuing to participate in future furniture fairs.

For this year's fair, MTIB also showcased prototypes of furniture, especially designed for this exhibition, by local designers who had been selected to be part of the *TANGGAM BY MTIB* group. *TANGGAM BY MTIB* is an initiative by MTIB to nurture and promote outstanding local designers, to create a portfolio of exciting new designs from Malaysia to the International market. MIFF, is a vital way of distinguishing the label of *TANGGAM BY MTIB* to the industry. *TANGGAM BY MTIB* has introduced eight local designers who will be launching their new designs as chosen by the organisers of the International Furniture Fair, Milan, Italy in April 2014.

At MTIB's booth, two companies, Series Supplies (M) Sdn. Bhd. and Anggun Sofa & Interior, exhibited their products. MTIB also exhibited its publications for sale while taking the opportunity to explain and promote its services to visitors.

EXPORT FURNITURE EXHIBITION

ONE STOP HOME FURNISHING AT EFE 2014

Datuk Seri Nurmala Abd. Rahim, Secretary-General of MPIC (second from right) being briefed by Dr. Jalaluddin Harun, MTIB Director-General on the products displayed at MTIB booth.

Export Furniture Exhibition (EFE) 2014, a premier furniture fair in Malaysia took a distinctive and brand new look from past exhibitions as it marks a new chapter with its new premises at Kuala Lumpur Convention Centre (KLCC). The event, which was held from 5 to 8 March was organised by Malaysia Furniture Entrepreneur Association and EFE Expo Sdn. Bhd.

Datuk Seri Nurmala Abd. Rahim, Secretary-General of Ministry of Plantation Industries and Commodities (MPIC) on behalf of YB Datuk Amar Douglas Uggah Embas, Minister of MPIC in her opening remarks said that innovatively designed furniture products with high quality furnishing are important in complimenting furniture promotions and marketing to further expand and strengthen furniture export. In addition, the Malaysian furniture industry is also the most dynamic industry in the wood-based sector, contributing significantly in the export earnings of the country. Malaysia is currently the eighth largest furniture exporter in the world. In 2013, Malaysia's furniture export was valued at RM7.4 billion, a decrease of 8.1% compared to 2012. Furniture exports to the USA in 2013, which was the largest market, also recorded a decrease of 6.1% compared to 2012. This performance was nevertheless commendable, taking into account the slowdown in the global economy in 2013, especially in the USA and the Euro zone countries.

EFE 2014 attracted the participation of 105 exhibitors, both local and international, from countries such as China, India, Singapore, Indonesia and the USA. EFE 2014 was also reported to have successfully attracted more than 9,000 local and international visitors.

MTIB coordinated the participation of two garden furniture companies, in EFE 2014 namely AZ Classic Enterprise and Nobel Craft Heritage. The products displayed included a garden furniture set with a water fountain set, benches, and also decorative products. EFE 2014 provided an avenue for SME entrepreneurs to explore export markets and to meet new buyers as well as to gain market information and exposure.

Visitors at MTIB booth.

Noble Craft Heritage won third place for Best Product Design (Outdoor / Garden).

EXCELLENCE REDEFINED AT MIFF 2014 PRIZE PRESENTATION CEREMONY

MIFF 2014

Winners of the Furniture Excellence Award.

The MIFF Prize Presentation Ceremony was held on 6 March in Kuala Lumpur in conjunction with MIFF 2014. The event was organised by MIFF and UBM. The awards were presented by Mr. Mark Rozario, CEO of Agensi Innovasi Malaysia (AIM).

In his welcoming remarks, Mr. Rozario congratulated MIFF on reaching its 20th anniversary, noting that it was a significant milestone. He also noted that the furniture industry is an industry that thrives on creativity and design, the core elements of innovation. Designing furniture is more than just creating structures and fixtures that give aesthetic value and functionality to living space. It is much more than just artistic expression or a statement of individual style. It serves a bigger function and that is to improve life itself.

"With ever increasing premium on interior space – property getting more expensive, living or working space smaller – in addition to increasing levels of stress, and reduced recreational time, furniture's role has grown to making a home healthier, safer and comfortable, or workspace more conducive. In other words, furniture can make a home or office a 'happier' place to be in," added Mr. Rozario.

He stated that the awards would help to inspire and develop the creative talent that was needed to raise the level of the Malaysian furniture industry to compete at global level. He added that a culture of innovation must be embedded in the industry because it is highly export-oriented and a significant contributor to the national economy.

WINNERS OF FURNITURE EXCELLENCE AWARD

Award	Household Furniture Category	Prize
PLATINUM	RESOL GROUP	RM8,000 (Cash Rebate) + Trophy + Certificate + 1 Furniture Test at FRIM
GOLD	ACACIA HOME FURNISHING SDN. BHD.	RM5,000 (Cash Rebate) + Trophy + Certificate + 1 Furniture Test at FRIM
SILVER	SJY FURNITURE (M) SDN. BHD.	RM3,000 (Cash Rebate) + Trophy + Certificate + 1 Furniture Test at FRIM

Award	Office Furniture Category	Prize
PLATINUM	TAZ CORPORATION SDN. BHD.	RM8,000 (Cash Rebate) + Trophy + Certificate + 1 Furniture Test at FRIM
GOLD	BENITHEM SDN. BHD.	RM5,000 (Cash Rebate) + Trophy + Certificate + 1 Furniture Test at FRIM
SILVER	TAY HUAH FURNITURE CORP	RM3,000 (Cash Rebate) + Trophy + Certificate + 1 Furniture Test at FRIM

WINNERS OF BEST PRESENTATION AWARD

Award	Bare Space Booth	Prize
FIRST	SJY FURNITURE (M) SDN. BHD.	RM8,000 (Cash Rebate) + Trophy + Certificate
SECOND	BENITHEM SDN. BHD.	RM6,000 (Cash Rebate) + Trophy + Certificate
THIRD	TAZ CORPORATION SDN. BHD.	RM4,000 (Cash Rebate) + Trophy + Certificate

Award	Shell Scheme Booth	Prize
FIRST	SEOW BUCK SEN FURNITURE (M) SDN. BHD.	RM3,000 (Cash Rebate) + Trophy + Certificate
SECOND	HEVEAPAC SDN. BHD.	RM2,000 (Cash Rebate) + Trophy + Certificate
THIRD	ASIAN ESTEEM INDUSTRIAL SDN. BHD.	RM1,000 (Cash Rebate) + Trophy + Certificate

The awards honoured two categories which were Furniture Excellence and Best Presentation. The Furniture Excellence Award was presented to furniture manufacturers that met criteria such as material usage, marketability, concept, design impression, quality, ergonomics, safety, construction and sustainability. For Best Booth Presentation, the criteria used in the judging process were:

- visual impact – first impression, creativity and deco enhancement
- concept – themes and inspiring ideas
- functionality – product focus and space utilisation

MIFF 2014

Winners of the Best Presentation Award.

MIFF 2014 FURNITURE DESIGN COMPETITION

MIFF 2014 1

MIFF 2014 3

MIFF 2014 2

1. First Prize – XSR

2. Second Prize – 2.Gather

3. Third Prize – Pohon

MIFF 2014 also hosted the fifth rendition of the MIFF Design Competition, a platform designed exclusively by MIFF to engender more creative yet commercially attractive furniture concepts to sustain future generations of Malaysian manufacturers and the industry.

The design prototypes were from 10 finalists, selected from over 200 submissions. Gaining the most accolade in terms of design and marketability, the top prize was awarded to young industrial designer Francis Lye Aik Theng with XSR, a stylish light bar stool constructed from stainless steel, a mountain bike spring absorber and a thermoplastic seat.

"It was a good crossover; he used materials widely and wisely. The multiple materials provide a fresh approach to the furniture," said Mr. Phillip Yap, Chief Judge. Talking about the winning designs, the Chief Judge added: "We admire the purity of concept. By appreciating the talent through this platform, we hope that these young designers will continue to nurture their passion in the furniture industry. The industry welcomes them."

The second prize went to interior design student, Lee Hui Ying and in third place was Tengku Ahmad Danial Tengku Mustaffar, a freelance designer.

The theme "Living Furniture, Global Perspective" was announced as the theme for MIFF FDC 2015.

WINNERS OF MFDC 2014

Ranking	Designer Name	Design Name	Prototyped By	Prize
First	Francis Lye Aik Theng	XSR	Supreme Tropical Furniture Sdn. Bhd.	RM10,000 + Trophy + Certificate
Second	Lee Hui Ying	2.Gather	Fella Design Sdn. Bhd. and Ratten Decoration Marketing Sdn. Bhd.	RM5,000 + Trophy + Certificate
Third	Tengku Ahmad Danial Bin Tengku Mustaffar	Pohon	NSB Lighting Sdn. Bhd.	RM2,500 + Trophy + Certificate

Best Prototype Maker : Supreme Tropical Furniture Sdn. Bhd. (Design Name : Motion 7)

RETREAT ON THE REALISATION OF THE NATIONAL BAMBOO INDUSTRY

A two-day 'Retreat on the Realisation of the National Bamboo Industry' was held from 26 to 27 March at MTIB, Kuala Lumpur. It was jointly organised by MTIB and Global Innovation Entrepreneurship Foundation (GIEF).

The objective of this retreat was to enhance the development of the bamboo industry in line with the National Timber Industry Policy (NATIP) which has identified bamboo as having tremendous potential as a source of alternative raw material to supplement the need and supply of the domestic timber industry as they have proven to be suitable for the production of value-added products such as furniture and flooring.

Participants were briefed on the 10-Year Action Plan for the Development of the Bamboo Industry in Malaysia which has identified five strategies to be carried out in determining its significant impact on domestic and export earnings. The five strategies are as follows:

- Establishment of Bamboo Plantations and Preservation of Existing Natural Resource Management;
- Human Capital Development;
- Research and Development;
- Development of Downstream Activities and
- Marketing and Promotion

Dato' Ghazi Sheikh Ramli, Chairman of GIEF briefed on 'Innovative Challenges for Commercialisation and Societal Well-Being'. He also talked about opportunities in the bamboo industry especially in Malaysia. He noted that sectors in the local bamboo industry such as architecture, furniture, crafts, foods and interior design could be spearheaded towards greater expansion.

Dato' Ghazi Sheikh Ramli, Chairman of GIEF briefed participants on Innovation Challenges for Commercialisation and Societal Well-Being.

Encik Aldrich Richard from the Forestry Department of Peninsular Malaysia presented a paper on Extraction of Bamboo from the Forest. He noted that a Standard Operation Procedure on 'Silviculture, Extraction and Fibre Quality' will be developed. Puan Elena Jamil from Elena Jamil Architect presented their project using bamboo as building material for schools in the Philippines and Myanmar.

To inculcate bamboo as a commercial product, World Bamboo Day is celebrated in Malaysia annually. The event celebration was every year held in Malaysia since 2012 on 18 September which showcases applications of bamboo in food, clothing, housing, transport and entertainment. For this year's WBD celebration, MTIB will host the event in collaboration with GIEF, Forestry Department, UPM and Kedah State Government.

The retreat received encouraging response from 34 participants from institutions of higher learning as well as from the private sector related to the bamboo industry.

Speakers and participants of the programme.

SEVENTH MEETING OF AJCEP SUB-COMMITTEE

Encik S. Rajan, MTIB Director of Licensing and Enforcement (second from left) with other delegates.

The Seventh Meeting of the Sub-Committee on Economic Cooperation (SCEC) for the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) was held on 19-21 March in Nay Pyi Taw, Myanmar. The Meeting was jointly chaired by Mrs. Zenaida Villegas, Director of Project Development Service, Department of Agriculture, the Philippines and Mr. Hajime Matsumura, Deputy Director, Regional Policy Division, Asian and Oceanian Affairs Bureau, Ministry of Foreign Affairs, Japan.

The Meeting was attended by representatives from Lao PDR, Malaysia, Myanmar, and the Philippines, Thailand, Viet Nam and Japan as well as a staff member of the ASEAN Secretariat. Malaysia was represented by an official from MTIB.

Mr. Matsumura highlighted the vision statement of the ASEAN-Japan Friendship and Cooperation which was adopted by the Leaders during the ASEAN-Japan Commemorative Summit in December 2013, in particular the pillar on “Partners for Prosperity”. The Meeting noted the Leaders’ commitment to enhance economic partnership through strengthening cooperation in areas of mutual interest related to trade in goods, services and investment, capitalising on the AJCEP instrument and the implementation of the ASEAN-Japan 10-Year Strategic Economic Cooperation Roadmap.

The Meeting agreed to the proposal from Malaysia to insert an additional item under agenda item 4: Status of Approved Project Proposals; to update on the developments related to the *Project for Strengthening Capacity Building in ASEAN Member States to Conform to International Legality Requirements for Timber Trade*.

Malaysia made a presentation on the project, tracing its origin and its approval at the Fifth Meeting of the SCEC held in Tokyo in October 2012. As a result of further comments and observations from the Japan ASEAN Integration Fund (JAIF) Management Team (JMT) the project proposal was revised and re-submitted to the 16th ASOF Meeting in July 2013 to seek support from the ASEAN Member States (AMS).

Malaysia stated that due to the delay in the funding approval process, the approaches as suggested in the project proposal for the attainment of the desired objectives may have to be reviewed, considering that at least three of the seven AMS which indicated interest to participate have since then been negotiating with the European Union for the establishment of the legality verification system under the Voluntary Partnership Agreement (VPA). Malaysia also highlighted the fact that although the project proposal was initiated by Japan, there were additional comments made by Japan on the project proposal, including a request by JMT to list the related projects carried out by ASEAN and identify the gaps. This would require extensive study of related projects that had been carried out in this region. In this regard, Malaysia felt that the project, if agreed to be funded under JAIF, needs to be reviewed with the options to offer fresh approaches to achieve the targeted objectives. Japan informed that it will consult its related agencies and respond to Malaysia by end-April 2014.

The Meeting also informed the members of the project proposals that had been approved via ad-referendum by the SCEC and Joint Committee on 13 October 2013. The project proposals were as follows:

- Seminar on Applications of Chemical Fertiliser, Veterinary Drug and Pesticide in ASEAN Countries’ Agriculture Sector;
- Training Course on Capacity Building on Carbon Accounting System and Carbon Trading; and

Cont. next page

Cont. from previous page

- Training Course on Statistical Analysis and Questionnaire Development for Professional Development of Researchers in CLMV Countries.

The Meeting noted that some of the focal points and participants of the AMS were solely from the academia and agreed that there should be greater representation from related government agencies to ensure sustainability of the implementation.

The Meeting also highlighted the long delay in obtaining JAIF approval although the project proposals approved by the Joint Committee were exempted from the evaluation by the Project Appraisal Management and Project Appraisal Committee. The Meeting discussed the problems faced by the project proponents and a more effective use of JMT. The Meeting also explored ways to facilitate the approval process. Japan stated that it would discuss the matter with JMT and advised proponents to draft their project proposals carefully and communicate with the Japan Mission to ASEAN if they faced any problems in the approval process

Japan informed the Meeting that in September 2013, the AJCEP component of JAIF was extended indefinitely. Japan encouraged AMS to submit new project proposals to utilise the fund which has a balance of approximately USD8 million, after taking into account the budget of project proposals which had been submitted for JAIF approval.

Japan affirmed its commitment to the ASEAN integration process beyond 2015 and suggested the need to explore direction and priority areas of future economic cooperation. The Meeting noted Japan's proposal for medium-term programmes to implement the economic cooperation chapter in the AJCEP agreement and suggested priority areas, namely enhancement of utilisation of the AJCEP agreement; further promotion of the negotiation on the services and investment chapters of the AJCEP agreement; and support towards building the ASEAN Economic Community by 2015.

AMS suggested that the priority areas of services and investment chapters focus on technical assistance required for implementation since the negotiations were due to conclude soon. The Meeting agreed to further discuss the proposal at the next meeting.

The Eighth Meeting of the AJCEP SCEC would be held back-to-back with the 12th AJCEP Joint Committee Meeting which is tentatively scheduled in September 2014 in Japan.

MTIB was represented by Encik S. Rajan, Director of Licensing and Enforcement.

WOODSFIELD GLULAM MANUFACTURING SDN. BHD. – PIONEER IN GLULAM MANUFACTURING IN MALAYSIA

Introduction

Galeri Glulam MTIB stands out as a prominent feature of Johor Bahru's building landscape. MTIB was credited for making the bold decision to embark on this magnificent wooden structure made of glued-laminated timber (glulam) using entirely Malaysian hardwood timber. The construction of the building scored a few records in the Malaysian building history. It is the first prominent structure made of timber and the first glulam structure of this magnitude to be erected in Malaysia.

The company which made this task possible was Woodsfield Glulam Manufacturing Sdn. Bhd. (Woodsfield). Its parent company, Woodsfield Timber Industries Sdn. Bhd., was incidentally also embarking on its ambitious plan to establish a glulam manufacturing facility in Malaysia at around the same time as MTIB was planning to construct a prominent wooden structure to showcase the versatility of timber as a structural material.

Pioneering Glulam Manufacture

Prior to establishing Woodsfield, the parent company was supplying timber materials for the shipbuilding, oil and gas, heavy engineering and construction industries as well as the railway sector. However, over the years, the company experienced growing difficulties in getting large size timbers for its supplies. Hence, in 2008, the company began to look at the possibilities of introducing glulam into Malaysia. Glulam had been widely used in several developed countries for many decades as a structural component.

Glulam is manufactured by gluing together individual pieces of dimensioned timber to form a single large span beam. It could be used as structural beams with long span providing an advantage over traditional timber materials which are restricted by their length. It has become an indispensable engineered wood for building residential houses, gymnasium and others which require the use of structural materials with high performances in strength, fire resistance, and durability. It offers wide freedom for architectural design.

The company recognised the huge potential of glulam in transforming the building industry in Malaysia provided that it is promoted effectively to gain consumer confidence and backed by technology support. It was prepared to face these challenges as it had the resources and the necessary technology support services.

Being a very highly capital intensive operation, the company took on a bold step and started the Woodsfield Glulam Manufacturing Sdn. Bhd. in 2009. To support its R&D activities the company signed a Memorandum of Understanding (MoU) with Universiti Teknologi MARA. Its pioneering works was rewarded when the Malaysian Investment Development Authority (MIDA) awarded "Pioneer Status" to Woodsfield.

Stepping Stone Towards Progress

Woodsfield's first assignment was the construction of the Galeri Glulam MTIB in Johor Bahru. Despite the numerous challenges the project was successfully completed in 2011. It is the first building in the world constructed using tropical hardwood timbers as structural glulam beams. Since critical information on Malaysian timbers for glulam manufacturing was not available at that time, Woodsfield had to undertake intensive consultation and R&D initiatives parallel to the construction process. It was not an easy feat by any means as Woodsfield had to coordinate the construction and the R&D activities simultaneously while sticking to a tight construction schedule.

Recognition

These efforts did not go unnoticed as it won the "Innovasi" award in 2013 for its pioneering work in glulam manufacturing in Malaysia. Galeri Glulam has also been recognised and named in the Malaysia Book of Record in 2012 as the first Iconic Glulam Building completed in Malaysia.

Woodsfield takes prides in these achievements and is committed to continue to produce glulam structures of outstanding quality and performance. This commitment is further demonstrated when it completed its in-house project, building an "industrial warehouse" using heavy hardwood glulam technology in December 2013.

Woodsfield Glulam Manufacturing Sdn. Bhd. factory at Pasir Gudang, Johor.

Cont. next page

Cont. from previous page

Glulam in the Galeri Glulam Johor Bahru was supplied by Woodsfield Glulam Manufacturing Sdn. Bhd.

Glulam being used in the building construction.

Another example of glulam.

Prospects

Glulam technology is extensively used world-wide. However, many in Malaysia are still not fully aware of this material. It is still not used commercially in Malaysia as there are many challenges which need to be addressed such as issues of fire safety. These challenges, which in general are impediments to timber usage, have manifested in the form of strict and stringent requirements of approvals from insurance companies and prohibitive clauses in our Building By-Laws.

Woodsfield is confident that with encouragement and support from agencies such as MTIB, JKR, MIDA, and MTC it will be able to make greater impact on the use of glulam for structural components. It anticipates more timber structural buildings to dot the skylines of our cities. It also envisages promoting Malaysian timber to the next level and extending its reach beyond the shores of Malaysia.

The company is well poised to achieve ascendancy as it is well endowed with support infrastructure. It has its own wide ranging transportation vehicles such as long trailers and lorry cranes as well as heavy lifting equipment such as excavator, mobile crane, forklift, sky lift, and scissor lift. Woodsfield is confident that it has the means to transport and handle glulam products properly from factory to site.

The future looks indeed bright for Woodsfield as there has been increasing interest among architects, engineers and specifiers on glulam. There is enormous potential in bringing about a significant shift in the minds of specifiers and consumers on the use of structural timber and Woodsfield is proud to be in the forefront of this transformation.

PROMOTING CERTIFIED TIMBER IN DEVELOPMENT PROJECTS AND CREATING CREDIBLE SUPPLIERS (CTCS)

Timber is one of the oldest material used in the building industry. However, it has its drawbacks. Even though, it is one of the easiest building materials to evolve in terms of usage, its various possibilities to applications and sadly compromises due the competitive nature of the building industry. Some of these compromises largely took advantage of the timber biological nature in its defects and deficiencies. Some of these compromises in quality have led the public to believe that timber is often not durable and has fallible qualities. Hence over the years the use of timber in the building industry has declined. However no replacement has yet been found to replace timber in applications where warmth and aesthetic appeal are the main criteria.

CTCS is a programme designed by PEKA to promote the use of Certified Timber in the local building industry while at the same time creating Credible Suppliers for timber and timber products. With these two primary objectives it is hoped that most of the undesirable issues and myths about timber could be dispelled or largely mitigated in areas where quality assurance is predominant. In line with our National Timber Industry Policy (NATIP), the CTCS programme is also aimed at helping industry members consisting primarily of SMI and SME to access contract jobs directly with clients.

Besides promoting certified timber, CTCS strongly advocates programme assurance as it focuses on nine key areas known to have negative inference on timber reputation. They are;

- Supply of Certified Timber
- Quality Assurance
- Credible Suppliers
- Prescribed Installation Methods
- Timely Delivery
- Project Monitoring
- Skilled Workers and Adequate Tools
- QSHE Awareness
- Conforms to Quality Assessment System in Construction (QLASSIC) and GBI Standards (for timber products)

To provide the necessary emphasis the programme focuses on four main product categories that uses timber, namely;

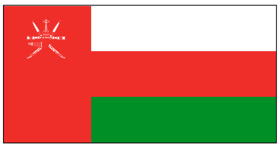
- Windows, Doors, Floorings and Decking
- Glulam
- Furniture
- Interior Fit Out

The operation of the CTCS programme is funded by Malaysian Timber Council and is fully supported by the Ministry of Plantation Industries and MTIB. The Ministry has also approved industry oriented training programmes where the trainees would have an opportunity to either be trained to become skilled technicians or be given skills to embark on an entrepreneurial career development specialising in the installation of timber and timber products.

To assist the Bumiputera SMI and SME, PEKA has also established a strong working relationship with CGC to help members finance projects through CTCS. To complement the programme, MTIB conducted a workshop on 10-12 February. The first workshop was held to create product specifications for door, window, flooring and decking. It was attended by professionals from the timber construction industry such as PAM, FRIM and PR1MA, as well as representatives from timber manufacturers, Door Master Sdn. Bhd. and SJ Prima Resources Sdn. Bhd.

Apart from developing the document, the workshop also discussed current technology and methodologies used in the timber industry from logging, manufacturing, delivering to installing the end product. Reference documents such as Malaysian Standards, technical guides, product brochures and other related industrial standards were referred to during the workshop. The product standard will be the simplified and a comprehensive version will be used by the specifiers in their procurement process.

Participants at the workshop.



OMAN – EMERGING TIMBER MARKET IN THE MIDDLE EAST

Oman officially called the Sultanate of Oman is an Arab state in southwest Asia on the southeast coast of the Arabian Peninsula. It has a strategically important geographical position at the mouth of the Persian Gulf. It is bordered by the United Arab Emirates to the northwest, Saudi Arabia to the west, and Yemen to the southwest and also shares marine borders with Iran and Pakistan. The coast is formed by the Arabian Sea on the southeast and the Gulf of Oman on the northeast. The Madha and Musandam exclaves are surrounded by the UAE on their land borders, with the Strait of Hormuz and Gulf of Oman forming Musandam's coastal boundaries.

Oman population is around 3.1 million of which 76.1% are Omani citizens and 23.9% expatriates with growth rate of 3.28%. Oman has diverse ethnicity, including Arabs, ethnic Balochis, Swahilis, Hindus and Mehri people. The largest non-Arab Omani community is Balochi people, who are of Iranian ancestral following the Sunni faith. At least 12 different languages are native to Omani citizens. Oman is an absolute monarchy of which the Sultan of Oman exercises ultimate authority, but its parliament has some legislative and oversight powers.

Oman is a member of the United Nations, Arab League and the Gulf Cooperation Council (GCC). In recent years, the Sultanate joined the Indian Ocean Rim Association for regional co-operation with the aim of improving trade links and investment between member countries. As a member of the GCC, Oman extends certain privileged rights to citizens and companies from other member countries and these are:

- General exemption from custom duty on imports of GCC origin
- Preference in government tenders for products originating in GCC
- GCC nationals are given equivalent status to Omani nationals establishing legal entities
- GCC nationals working in private sector in Oman are treated in par with the local nationals
- Ownership of land in certain area where GCC nationals enjoy advantages denied to other non-Omanis.

Economy and Shipping

Oman's economic performance improved significantly in 1999 due largely to the mid-year upturn in oil prices. The government is moving ahead with privatisation of its utilities, the development of a body of commercial law to facilitate foreign investment, and increased budgetary outlays. Oman liberalised its markets in an effort to accede to the World Trade Organisation (WTO) and gained membership in 2000.

Today, Port Sultan Qaboos in Muscat, the Salalah Port and the Port of Sohar are the premier sea ports which are operational in Oman. Port Sultan Qaboos was established in 1974 and has been vital for the development of Oman. It has recently added a passenger terminal and become a port of call for many luxury cruise liners. In the near future, Port Sultan Qaboos will continue to support lighter commercial operations, and the port's shipyard will be converted into docking space for cruise ships. Port of Sohar is expected to take on the bulk of Port Sultan Qaboos commercial business. In the few years since its inception, the Port has developed into one of the world's largest and most sophisticated container terminals.

The Port of Sohar, located just before the Strait of Hormuz, is within easy reach of the booming economies of the Gulf and the Indian subcontinent, with great connectivity to Abu Dhabi, Dubai, Al Ain and Muscat. The Port of Sohar has developed into a world-class port, capable of receiving ships with a draught of up to 18 metres. The Port of Sohar will be linked by the railway to the internal container depot being developed at Barka.

Duqm port, located in central-eastern Oman, is being developed as a new port. Duqm port is an integral part of the effort to turn Oman's central Al Wusta region into a major transport and industrial center.

In a bid to accelerate diversification and development of the economy, several free trade zones have been created, and these zones are regulated by the Ministry of Commerce and Industry which includes Salalah Free Zone, Knowledge Oasis Muscat (KOM), Al Mazunah Free Zone and Sohar Free Zone.

When Oman declined as an entreport for arms and slaves in the mid-19th century, much of its former prosperity was lost, and the economy turned almost exclusively to agriculture, camel and goat herding, fishing, and traditional handicrafts.

Today, oil fuels the economy and revenues from petroleum products have enabled Oman's dramatic development over the past 30 years. Even though Oman is not a member of the Organisation of Petroleum Exporting Countries (OPEC), it is an observing associate and regularly co-operates with OPEC in stabilising international oil prices.

Oman, compared to its neighbours, has modest oil reserves ranking at 25th globally, nonetheless in 2010 UNDP ranked Oman as the most improved nation during the preceding 40 years globally. Additionally, Oman is categorized as a high income economy and the 45th most peaceful country in the world.

Forest Resources

There is a wide range of crops, that is not only confined to food crops such as sorghum, wheat and barley, but extends to horticultural products, such as bananas, citrus, mangoes, jack fruit, and native forage plants such as: *Themeda quadrivalvis, Ziziphus spina-christi, Acacia tortilis, Grewia* spp. and *Anogeissus dhofarica,* irrigated forage (lucerne), vegetables (cucumis) *Solanum* spp, *Corchorus olitorius, Basella rubra, Allium, Nannorrhops* sp. *Cassia, Capparis* spp, *Ocimum forskolei* and perfume sources such as *Lavandula* spp, and *Boswellia sacra.* Many other genera grow on Dhofar Mountains, such as *Tamrindus, Olea* sp. and *Moringa oleifera.* The flora of Oman, is estimated at 1,208 genera 87 of them endemic.

Range, forest and woodland are natural reserves and suitable habitats for many mammals, birds and other types of wildlife. Mammals include Arabian deer, wolf, striped hyena, Arabian tiger, Nubian ibex, Musairah rabbit, Arabian Oryx and Arabian ibex. There are 451 species of bird, some resident and others passage migrants. This biodiversity is being adversely affected, through human interference, over-exploitation and degradation of resources, especially over-grazing, deforestation and overall ecosystem fragmentation. The scarcity of renewable resources, which are jeopardized and deteriorating and accelerating development programmes, indicates an urgent need for an action plan not limited to protecting biodiversity, but giving attention to rehabilitating threatened ecosystems, to maintain resources for sustainable development to assure livelihoods and to ensure social welfare for current and future generations.

Timber Production

According to the FAO latest forest statistics on Oman (2012), the country produced small quantity of logs around 41 thousand m^3 in 2012. Apart from logs production, other products data of production are not available. Details for log production are as below:

Oman: Production of Logs, 2008-2012

(Volume: m^3)

Products	2008	2009	2010	2011	2012
Logs	36,278	37,603	38,976	40,176	41,414

Source: FAO

Import of Timber and Timber Products

According to the United Nations latest statistics, Oman imports of timber and timber products increased 25% to USD384.7 million. Furniture was the main product imported valued at USD121 million followed by sawntimber USD104.5 million, plywood USD88.3 million and fibreboard USD18 million.

UAE is the major import partner for timber products while China is the major import partner for furniture products. Malaysia rank second and fourth for timber products (HS Code 44) and furniture products respectively.

Oman: Import of Timber Products, 2008-2012

(Value: USD'000)

Product	2008	2009	2010	2011	2012
Furniture and Parts	162,285	76,512	79,738	107,805	120,972
Sawntimber	73,581	57,190	75,537	74,449	104,535
Plywood	36,829	61,070	52,723	60,064	88,326
Fibreboard	7,316	5,868	9,063	10,345	17,968
Wood Packaging	8,478	8,656	6,738	10,866	13,688
Logs	19,741	18,335	10,936	14,175	10,423
BJC	3,973	5,551	6,541	11,760	8,145
Others	20,727	14,619	12,127	17,511	20,626
Total	332,930	247,801	253,403	306,975	384,683

Source: UN Stats

Export of Timber and Timber Products

Oman exports small value of timber and timber products. In 2012, exports increased 21% to almost USD27 million. Furniture was the main products exported valued USD19.1 million.

Oman: Export of Timber Products, 2008-2012

(Value: USD'000)

Product	2008	2009	2010	2011	2012
Furniture and Parts	27,939	22,193	18,493	19,447	19,097
Packaging	349	378	658	566	1,907
Mouldings	0	5	95	256	1,274
Fibreboard	0	0	0	0	1,042
BJC	143	187	113	747	803
Sawntimber	13	142	129	63	717
Plywood	1	119	72	316	608
Others	555	170	708	577	1,148
Total	**29,000**	**23,194**	**20,267**	**21,972**	**26,596**

Source: UN Stats

Malaysia's Export of Timber and Timber Products to Oman

In 2013, Malaysia's exports of timber and timber products to Oman decreased 15.3% to RM96.8 million over the previous year. Oman as a market ranked 29th with 0.5% of Malaysia's total market share. Sawntimber was the main exports with a total value of RM49.0 million and 37,000 m^3, followed by MDF at RM19.0 million in value and 24,000 m^3 and wooden furniture RM17.8 million.

Malaysia: Export of Timber and Timber Products to Oman, 2009-2013

(Value: RM)

Product	2008	2009	2010	2011	2012
Sawntimber	11,750,190	24,316,694	29,856,049	48,876,425	49,016,777
Veneer	0	0	0	0	0
Particleboard	1,852,153	2,187,059	1,794,602	2,287,397	2,074,000
MDF	11,134,418	14,200,381	18,194,944	24,776,098	19,014,567
Plywood	6,560,047	7,415,021	11,181,539	19,195,590	8,786,868
Wooden Frame	8,446	0	0	0	0
BJC	853,842	617,466	84,034	148,012	129,059
Wooden Furniture	12,210,083	15,348,233	16,434,196	18,275,490	17,790,301
Rattan Furniture	83,815	52,596	7,057	14,780	0
Others	459,621	316,623	99,260	756,294	0
Total	**44,912,615**	**64,454,073**	**77,651,681**	**114,330,086**	**96,811,572**

Source: Department of Statistics Malaysia and MTIB

Malaysia: Export of Timber and Timber Products to Oman, 2009-2013

(Volume: m^3)

Products	2009	2010	2011	2012	2013
Sawntimber	11,663	21,082	26,556	42,393	37,106
Veneer	0	0	0	0	0
Particleboard	2,171	2,962	2,181	2,577	2,451
MDF	12,632	16,912	21,636	26,232	24,326
Plywood	4,752	5,664	8,520	14,653	6,216
Total	**31,218**	**46,620**	**58,893**	**85,855**	**70,099**

Source: Department of Statistics Malaysia and MTIB

Import Tariffs

Oman's import duty on timber and timber products ranges from 0 – 5%. Details are as follows:

HS Code	Products	Duty (%)
4401	Fuel Wood	0-5
4402	Wood Charcoal	0
4403	Logs	5
4404	Hoop Wood	5
4405	Wood Wool and Wood Flour	5
4406	Sleepers	5
4407	Sawntimber	5
4408	Veneer	5
4409	Mouldings	5
4410	Chipboard/Particleboard	5
4411	Fibreboard	5
4412	Plywood	5
4413	Densified Wood	5
4414	Wooden Frame	5
4415	Packing Cases	5
4416	Casks, Barrels, Vats and Tubs	5
4417	Tool Bodies and Handle	5
4418	Builders Joinery and Carpentry	5
4419	Tableware and Kitchenware	5
4420	Wood Marquetry	5
4421	Other Articles of Wood	5
9401,9402,9403	Wooden Furniture	5

Source: WTO

Construction Project and Market Prospects

Currently the construction and projects market in Oman is in good health. The public sector is by far the largest procurer of construction services in the Sultanate of Oman. In the 2011 budget, the government announced Oman's eighth five-year plan, to run from 2011 to 2015. It envisages a total capital outlay of USD79 billion, of which the bulk is set to be invested in large construction projects across the country.

Major projects currently under construction or in advanced stages of engineering, design and/or planning include:

- Oman Convention and Exhibition Centre. This has a project cost of USD1 billion, and an estimated completion date of 2016.
- Oman's national rail network. The project cost of USD2.6 billion, and the estimated completion date is 2018.
- Duqm city, drydocks and refinery. The project cost is a total of USD20 billion; completion date of 2017.
- Batinah Expressway. The project cost is USD2.59 billion; completion date of 2016.
- Salalah Medical City. The project cost is USD1 billion; completion date of 2021.

As the country is not producing construction materials at a rate that meets this exponential demand growth, Oman will need to source goods from import markets to guarantee prices and construction for the vast range of real estate. With these positive construction industry development and strong economy, Oman is seen to be a growing and emerging market for Malaysia's timber exports. Thus, Malaysian exporters should take full advantage to further promote their timber products especially value-added products such as furniture, MDF and BJC, in addition to promoting building materials namely sawntimber and plywood.

References:

- *Encyclopedia of the nations*
- *Department of Statistics Malaysia*
- *WTO*
- *Oman Customs*
- *Doing Business in Qatar, p1-10*
- *Construction and Project in Oman; p1-2*

COMING EVENTS – SEPTEMBER 2014

DATE	EVENT	VENUE	ORGANISER
2-5	**KAZBUILD 2014** International Exhibition Construction and Interiors Windows, Doors	Atakent International Exhibition Centre, Kazakhstan	Iteca Tel : + 7 3272 583434 Fax : + 7 3272 583444 E-mail : astana@iteca.kz
2-5	**WOOD PRODUCTS TECHNOLOGY 2014** Woodworking Industries Machines	Swedish Exhibition and Congress Centre, Sweden	Svenska Masan Tel : + 46 31 708 800 Fax : + 46 31 160330 E-mail : infomaster@svenskamassan.se
4-5	**EKO-LAS 2014** Fair of Forestry Wood Industry and Environment Protection	Poznan Exhibition Centre, Poland	Poznan International Fair Tel : + 4861 869 2000 Fax : + 4861 869 2999 E-mail : info@mtp.pl
5-7	**FURNITURE SALOON 2014** Furniture International Specialised Exhibition	Sport and Concert Complex aft. K Demirchyan Armenia	Logos Expo Centre Tel : + 374 1023 5775 Fax : + 374 1022 9821 E-mail : expo@expo.am
5-9	**MEUBLE PARIS 2014** International Furniture Fair of Paris	Paris Nord Villepinte, France	Reed Expositions France Tel : + 33 (0) 147 565000 Fax : + 33 (0) 147 565100 E-mail : info@reedexpo.fr
10-13	**FMC CHINA 2014** Furniture Manufacturing and Display Exhibition	Shanghai World Expo Exhibition Centre, China	Shanghai UBM Sinoexpo Tel : + 86 512 6576 5333 Fax : + 86 512 6575 6666 E-mail : 8445210@99.com
10-14	**BIFF –SIM 2014** International Furniture Fair, Wooden Products, Furniture Fitting and Interior Decoration	Romexpo, Buchavest, Romania	Romexpo Tel : +40 (21) 224 3160 Fax : +40 (21) 224 0400 E-mail : romexpo@romexpo.org
10-14	**HABITARE 2014** Furniture, Interior Decoration and Design Fair	Helsinki Fair Centre, Finland	Suomen Messat Tel : +358 40 450 3250 Fax : +358 9 142 358 E-mail : info@finnexpo.fl
11-13	**TENDENCE PRAGUE 2014** International Trade fair of Furniture, Decoration and Interior	PVA Letnany- Parague Exhibition Centre Letnany, Czech Republic	Terinvest, s.r.o Tel : +420 221 992 148 Fax : +420724 612075 E-mail : obchod@terinvest.com
18-21	**SABAH INTERNATIONAL EXPO (SIE)** International Multisector Trade Invesment Exposition	Sutera Habour Resort, Kota Kinabalu, Sabah, Malaysia	SIE Secretariat Tel : +60 88 250 961 Fax : +60 88 252 918 E-mail : enquiry@sie.com.my
23-24	**BIOMASS PELLETS TRADE ASIA 2014** Congress Dedicated to Feed in Asia's Demand for Wood Pallets Biomass	Novotel Seoul Ambassador Gangnam, Seoul, South Korea	Centre for Management Technology Tel : +65 6345 7322 Fax : +65 6345 5928 E-mail : angelia@cmtsp.com.sg

KETAPANG – SUITABLE FOR DECORATIVE VENEER

Ketapang tree

Wood colour and texture

The tropical Almond (Terminalia catappa), *also known as the Indian or Malabar almond, is a deciduous tree in the Combretaceae family. It is of no relation to the Almond* (Prunus dulcis). *This tree originated in Malaysia and Southeast Asia, later becoming naturalised throughout the tropical and subtropical coastal forests of the world. In 1793, British Royal Navy officer Captain William Bligh introduced the tropical Almond, along with the breadfruit, to the West Indies. Today, tropical Almond trees are employed for ornamental and culinary purposes.*

Description

The tropical Almond tree can grow up to 80 feet tall. It bears thick, dark-green leaves the texture of fine leather. These leaves are roughly ovular in shape, coming to a decided point at the end. They are embedded with deep, pronounced light-green veins. Unlike most tropical trees, the leaves of the tropical Almond turn bright crimson during the winter months. Clusters of nuts develop at the terminal point of each branch. These nuts, which resemble Pecans, are about two inches in length. A thin layer of edible flesh surrounds the shell, which is spongy in texture. The shell's lack of brittleness makes it difficult to crack. Within each shell is a small, edible, creamy white kernel, which may be roasted or eaten raw. The kernel of the tropical Almond is similar in flavour to a true Almond and is considered a delicacy in China. It is also pressed to make a flavourful oil.

Growing Conditions

The tropical Almond tree is best suited to tropical and subtropical maritime climates. It should optimally receive between 40 and 140 inches of rain annually, with rainfall levels remaining fairly consistent throughout the year. Slightly more rain in the summer months is preferable. The tree thrives at low elevations, ideally between 3 and 1,310 feet above sea level. The tropical almond is considered to be a fairly fast growing tree, adding an average of five to seven feet to its height each year. Two nut harvests a year are typical. In the United States, the tropical almond can be found growing as an ornamental plant in South Florida.

Bark

The bark is gray to dark gray-brown and shallowly fissured. Continuous vertical fissuring and discontinuous horizontal cracks produce a grid appearance; the somewhat flaky bark peels off in curved or straight scales along these lines.

Ketapang trunk and bark

Leaves

The leaves are arranged in close spirals, often crowded toward the ends of the upturned branchlets. The leaf blade is simple, broadly obovate, 8–25(–38) x 5–14(–19) cm (3–10[– 15] x 2–6[–7] in), with (5–) 8–12 pairs of secondary veins. The leaf tip is rounded and blunt, gradually tapering to a narrowly subcordate base (the latter being a useful diagnostic feature). New leaves have a covering of soft, appressed, brown hairs. Mature leaves are mostly glabrous (shiny), leathery, and dark green, turning bright yellow then vivid to dark red before falling.

Ketapang leaves

Ketapang fruits

Fruits

Typically one to five fruits develop on the basal part of the flower spike. The fruit is a sessile, laterally compressed, ovoid to ovate, smooth-skinned drupe. During maturation, it changes color from green through yellow to bright red or dark purplish-red at full maturity. Fruit size varies considerably, e.g., 3.5–7 x 2–5.5 cm (1.4–2.8 x 0.8–2.2 in), with extremes in length from 2.5 to 10 cm (1–4 in). The kernel consists of two delicate and intricately entwined cotyledons enclosed in an inconspicuous cream-coloured, rarely red, testa.

Terminalia Catappa fruits seasoning

In the South Pacific tropical Almond growing at lower latitudes may produce fruit sporadically throughout the year, with heavier crops toward the end of the year on trees growing at higher latitudes. In New Guinea the productive period is between November and March, especially December–February.

WOOD TECHNICAL FACT SHEET

Preferred Scientific Name

Terminalia catappa L. (Indian Almond Wood)

Family

Combretaceae

Other Common Names

Ketapang (Peninsular Malaysia), Talisai (Sabah, Philippines), Badam (Andaman Islands).

Distribution

It is found in Indo-Malaysian region extending to the Philippines, common in coastal areas and is widely planted as an ornamental throughout the tropics, often becoming naturalised.

The Tree

Bole 40 to 60 ft, buttressed and slightly fluted; trunk diameters 2 to 3 ft.

General Characteristics

The heartwood is brick red to reddish brown, often marked with darker stripes; the sapwood is lighter and poorly defined. Texture is medium to somewhat coarse. Grain is interlocked and irregular, lustrous and without characteristic odour or taste.

Weight

Basic specific gravity (ovendry weight/green volume) is 0.45 to 0.58; air-dry density 35 to 45 pcf.

Drying and Shrinkage

It is reported to season rapidly with a moderate amount of warping and little or no checking (Puerto Rico); somewhat more refractory in India. No information on kiln schedule is available. Shrinkage green to ovendry: radial 4.5%; tangential 5.7%; volumetric 10.3%.

Working Properties

It saws and machines easily but torn and fuzzy grain is common in planing, shaping, and turning. It also sands to a fairly good surface.

Durability

The heartwood is classified as perishable and is very susceptible to dry-wood termite attack.

Preservation

Sapwood absorption of about 9 pcf of preservative oils is obtained using an open-tank treatment.

Uses

It is used for furniture and cabinetwork, general light construction, flooring, decorative veneer. The tree produces an edible seed.

References:

- *Addison, G.H., and M.R. Henderson. 1953. Notes on the planting of ornamental and shade trees in Malaya, with additional notes on palms and hedges. The Malayan Forester 16: 133–146. Benthall, A.P. 1946. Trees of Calcutta and its Neighbourhood. Thacker, Spink, Calcutta.*
- *Bolza, E. 1975. Properties and Uses of 175 Timber Species from Papua New Guinea and West Irian. Report 34. Division of Building Research, CSIRO, Australia.*
- *Bolza, E., and N.H. Kloot. 1972. The Mechanical Properties of 56 Fijian Timbers. Technical Paper 62. Division of Forest Products, CSIRO, Australia.*
- *Bourke, R.W. 1994. Edible Indigenous Nuts in Papua New Guinea. In: Stevens, Bourke, and Evans, op. cit. CAB International. 2003 (revised). Forestry Compendium Global Module. CAB International, Oxon, UK.*
- *Coode, M.J.E. 1973. Notes on Terminalia L. (Combretaceae) in Papuasia. Contributions from Herbarium Australiense 2: 1–33.*
- *Jensen, M. 1995. Trees Commonly Cultivated in Southeast Asia—An Illustrated Field Guide. FAO Regional Office for Asia and the Pacific (RAP), Bangkok, Thailand. Kadambi, K. 1954. Terminalia catappa Linn., its Silviculture and Management. Indian Forester 80 (11): 718–720.*
- *Smith, A.C. 1971. Studies of Pacific Island Plants XXIV. The Genus Terminalia (Combretaceae) in Fiji, Samoa and Tonga. Brittonia 23: 394–412.*
- *Wood, T.W.W. 1970. Wind Damage in the Forest of Western Samoa. The Malayan Forester 33 (1): 92–97.*

MTIB Moments

A courtesy visit by YB Datuk Peter Nansian Ngusie, Assistant Minister at the Ministry of Local Government and Community as well as the Ministry of Industrial Development and his entourage to MTIB, Kuala Lumpur on 6 March 2014.

A Course on OHS-MS in the Wood-based Industry organised by MTIB and National Institute of Occupational Safety and Health (NIOSH) was held on 8-9 March 2014 at WISDEC Sabah. Forty participants attended the programme.

Representatives from the Persatuan Penggiat Seni Ukir Kayu Malaysia (PENGUKIR) presenting a shirt with a logo of the association to Dr. Jalaluddin Harun, MTIB Director-General (centre) during their visit to MTIB HQ on 17 March 2014.

A Workshop on Enhancing Understanding of an Auditing on ISO/IEC 17065 Standard was held on 19-20 March 2014 at MTIB, Kuala Lumpur.

MTIB organised a Course on the Development of Rubber Plantation and Nursery on 24-26 March 2014 in Alor Setar, Kedah.

A Workshop on Karas Plantation was held on 25-26 March 2014 at MTIB. Seen here is a demonstration on the Karas planting technique held at FRIM, Kepong.