



MASKAYU



HELLO KOMODITI IN MELAKA

ACCOLADES FOR
YOUNG DESIGNERS AT
"TANGGAM BY MTIB"

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Cover: "Tanggam by MTIB" was showcased for the second time at i-Saloni in Milan, Italy. The work of the eight young designers are featured on pages 12-14.



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HELLO KOMODITI IN MELAKA



YAB Datuk Seri Ir. Hj. Idris Hj. Haron, Chief Minister of Melaka (third from right) during the official opening of Hello Komoditi in Melaka.



YAB Datuk Seri Ir. Hj. Idris Hj. Haron, Chief Minister of Melaka (centre) holding a book entitled 'Panduan Pengkelasan Produk Gaharu Malaysia' after the launching ceremony. He was flanked by YB Dato' Noriah Kasnon, Deputy Minister of MPIC (on his right) and Datuk Seri Nurmala Abd. Rahim, Secretary-General of MPIC (on his left).

In its effort to enhance public awareness on career opportunities to work in the commodities sector, Ministry of Plantation Industries and Commodities (MPIC) organised the *Hello Komoditi* Programme on 19 April in Melaka. The one-day programme was the first of the 2014 series, comprising seminars, exhibitions and a Meet-the-Client-Day. The event was graced by YAB Datuk Seri Ir. Hj. Idris bin Hj. Haron, Chief Minister of Melaka. Other honorary guests included YB Dato' Noriah Kasnon, Deputy Minister of MPIC; Datuk Wira Hj. Othman bin Muhamad, the Speaker of State Legislative Assembly; YB Datuk Seri Nurmala Abd. Rahim, Secretary-General of MPIC; as well as senior ministry officers and government officials.

The seminar for smallholders and students was attended by about 1,200 people. Four papers from four agencies under MPIC were presented during the seminar namely: Increasing Palm Productivity through Good Agricultural Practices, Development of Technology on Marginal Rubber Planting, Prospects on Karas Plantation and Gaharu, and Career and Skill Opportunities in the Commodities Sector.

The exhibition held during the event showcased the products and services of six agencies under MPIC namely MTIB, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, National Tobacco and Kenaf Board and Malaysian Pepper Board as well as several others government agencies and private companies.

The highlight of the programme was the launch of the MTIB publication entitled 'Panduan Pengkelasan Produk Gaharu

Malaysia'. The publication contains a comprehensive description of standard and price of gaharu. The gaharu by product are also categorised by aroma, block, classic, dust, extract and fragrance. 



At the press conference.



The VIPs visiting MTIB booth.



TIMBER WORLD IN BRIEF

AUSTRALIA

Construction of Apartment Dwellings Higher than Offices

In 2012/2013, construction of apartment dwellings reached AUD4.20 billion (EUR2.83 billion/USD3.88 billion) in Melbourne and AUD3 billion in Sydney. The Australian market is also seeing increased demand for housing with more cranes devoted to the construction of high-rise apartments than offices. Construction of office towers in Melbourne was at AUD1.40 billion while in Sydney, it was at AUD953 million in 2012/2013.

According to the Australian Construction Industry Forum, the crane count accords with the most recent forecasts on construction activity. In the last six months, cranes at work in the mainland capitals grew by 15% to 307, with cranes on residential developments accounted for 61% of all cranes on construction sites, up from 48%. Sydney and Melbourne also reported an increase of 42% and 33% respectively in the number of cranes used on multi-level residential projects.

Australian Financial Review, 2 April

CHINA

34.7% of Wooden Furniture in Guangzhou Failed to Meet Standards

The Administration for Industry and Commerce in China's Guangzhou city on 21 April 2014 announced that 34.7% of 98 inspected wooden furniture products failed to meet standards. Of the 34 substandard products, 13 wooden furniture was reported with excessive emission of formaldehyde. Aomax, Kangqi Shangcheng and Hongmei brands were listed on the substandard list. The inspection covered wooden furniture products from 57 manufacturers.

Dayoo.com, 22 April

CHINA/RUSSIA

Timber Exports through Suifenhe Checkpoint Up in the First Quarter 2014

In the first quarter of 2014, timber exports from Russia to China through a checkpoint in Suifenhe reached 990,000 m³, up 38% year on year, lumber supplies rose by 66% to 310,000 m³, exports of cellulose grew by 51% to 56,000 tonnes. Experts attribute this to a possible shortage of raw materials at China's woodworking enterprises, since the government has banned commercial felling of trees in the state forestry enterprises of the province from 1 April 2014.

Bumprom, 23 April

FINLAND

Export Outlook Good in Forest Industry, Apart from Paper

Pellervo Economic Research PTT estimates that the forest industry's export revenue will go up in Finland in 2014 and in 2015. The production and export of paper will decrease, while the export of sawn goods, pulp, and board will go up. The profitability of Finland's forest industry will increase slightly.

Paper machine shutdowns will continue, but the production of board will increase. In 2014, the production of paper will fall by 3-5% in Finland and in 2015, by 4-6%. Moreover, the average export price of paper will also decline in 2014, but in 2015, the average price may rise slightly if the supply falls in Europe. In 2014-2015, the export of pulp will still clearly increase.

On the sawn goods market, there are no significant signs of weakening. The export from Finland will rise by 3-4% in 2014 and even more in 2015. The production of sawn goods will increase by over 2% in 2014 and by up to 5% in 2015.

Pellervo Economic Research PTT, 3 April

GERMANY

Business Situation in Wood Sector Stable

According to the info business climate index, the situation in the German wood sector was stable in March 2014, while the furniture sector was not taken into account. There were big differences depending on the exact area of business though. The weakness in the wood wholesale market continued, while most other parts of the wood trade sector had normal order volumes. Compared to February 2014, output levels were stable for most areas of wood products manufacturing.

Holz-Zentralblatt, 10 April

Saxony to Re-plant 1,270 hectares of Forest

The German state operated forestry company for the state of Saxony, Sachsenforst, is to renovate around 1,270 hectares of forest in 2014 in order to plant tree varieties that are native to the region. A total of 4.4 million Red Beech, 1.1 million Oak and 1 million Silver Fir trees are to be planted with seeds to be sown in around 100 hectares of the forest area. In this way, the agricultural ministry for Saxony aims to prepare the forests for a climate change, which will bring higher temperatures and less rain in future.

Holz-Zentralblatt, 11 April

HONG KONG

Property Registration Declined

In January-March 2014, property registrations in Hong Kong have declined by 11.1% year-on-year to 13,973 cases, according to Midland Holdings. Registrations of second-hand housing units decreased 16% during the period at 7,800 cases while those of first-hand units exceeded 3,000 cases.

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In March 2014, the value of sales and purchase agreements signed increased by 12% month-on-month to HKD29.07 billion (EUR2.72 billion/USD3.75 billion). The number of agreements signed also increased by 4.6% to 4,169 cases. Among the deals signed those of first-hand units declined by 21.9% in value to HKD7.89 billion while the number of deals also dropped by 40.3% to 675 cases. For second-hand units, total value increased 10.2% to HKD11.64 billion while the number of units increased 19.8% to 2,211.

Wen Wei Po, 2 April

INDONESIA

People's Forest Plan Reassessed Due to Lack of Qualified Proposals

The Forestry Ministry of Indonesia is re-evaluating its People's Forest programme, which offers incentives for forest development projects, after it was found that most proposals received for the plan did not include proper business plans. According to Agus Rahmadi from the Ministry, many individual brokers have applied to join the programme to make profits from the incentives instead of undertaking proper businesses.

It was added that 110 proposals with appropriate business plans have been approved for People's Forest incentives to date and the projects have been granted loans worth IDR37.70 billion (EUR2.35 million, USD3.24 million) in total. In comparison, the number of applications received between October 2012 and April 2014 for the programme reached 2,930.

Jakarta Post, 22 April

INDIA

GDP Growth

India's GDP growth is expected to be 5.5% in 2014/2015, according to the Economic Outlook Survey released by the Federation of Indian Chambers of Commerce and Industry (FICCI). In the same survey, FICCI estimated India's services and agriculture sectors would see growths of 7% and 3.3% each respectively for the 2015 fiscal, while the industrial sector is expected to grow by 3.3%. Quarterly-wise, FICCI forecasts the country's GDP growth to be 5.2% in the first quarter of the 2015 fiscal, while in the fourth quarter of the fiscal it is expected to be around 5%.

The Hindu Business Line, 31 March

MYANMAR

Forests of More than 0.9 Million Acres Cut Down Yearly

The Ministry of Environmental Conservation and Forestry of Myanmar has said that deforestation of more than 0.9 million acres has been taking place in the country yearly. Myanmar is ranked as the eighth most deforested country worldwide. Hardwood and private Teak plantations have been permitted in Myanmar since 2006. However, only 46,180 acres of hardwood and 107,453 acres of teak have been planted in the last six years.

ElevenMyanmar, 22 April

NETHERLANDS

Stec Groep Warns of New Difficulties on Housing Market

One in three newly built houses in the Netherlands cost less than EUR200,000 (USD275,350.13) compared with one in seven newly built houses in 2008. According to the consultancy Stec Groep, this poses a problem because the availability of such houses will become too large which means that owners of such houses will be unable to make a profit on their houses when they decide to sell them in the future and move up in the market. This will bring the market to a halt, as is the case with the current households whose houses are worth less than what they were when purchased. The prices of the houses have been reduced by limiting mistakes in the construction, using less expensive material and making houses smaller. Councils are advised to investigate what types of houses will be needed in the near future and act according to that, despite the relatively high demand for low-cost houses.

Het Financieele Dagblad, 3 April

NORWAY

NOK179 Million Disbursed for Sustainable Forestry in 2013

In Norway, a total of NOK179 million (EUR21.62 million, USD29.87 million) was disbursed for commercial and environmental forestry in 2013, which is NOK20 million more than in 2012. Forestry planning with environmental registrations received NOK20 million. The contributions are paid out to forest owners who participate in municipal surveys in activities administered by the Norwegian Agricultural Authority (Statens landbruksforvaltning, SLF).

Nationen, 23 April

PHILIPPINES

Furniture Sector to Expand

Myrna Bituin, Furniture Sector Trustee of the Philippine Exporters Confederation predicts that in 2014, the furniture sector of the nation will grow by 10% due to higher local demand on the products. Of the total earnings of the furniture industry, 27% are export revenue while 73% derived from the local market. The higher local demand was due to a rise in real estate activities, especially in developing more condominiums, resorts, hotels and house units.

Asian Timber, 1 April

PHILIPPINES

Reforestation Programme Targets 200 Villages in Mindanao

Two hundred villages have been identified by the Mindanao Development Authority of the Philippines as initial sites for reforestation, with not less than 2 million seedlings to be planted particularly in areas prone to flood and typhoon. The reforestation effort is part of the authority's Nurturing Our Waters Program, which is under the National Greening

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MARCH 2014

SHIPPING NEWS



Tanjung Langsat Port Poised to See Double-digit Growth This Year

The Tanjung Langsat Port in Johor is poised to see a double-digit growth in 2014 driven by a healthy 47.7% growth in its total cargo throughput last year.

Encik Johari Shukri Jamil, CEO of Tanjung Langsat Port said the 11.60 million metric tonnes in total throughput achieved last year has elevated the port as the country's largest "private jetty" operator. The achievement was the direct result of ongoing business transformation to improve operational efficiency, coupled with the deepening of the navigation channel for both their dry and liquid jetties, which has certainly benefited the port. The port was on the right track to repeat its 2013 success. The port's throughput continued its upward trend to 11.60 million metric tonnes from 7.85 million metric tonnes in 2012. The oil and gas industry has always been a global industry and the port is expecting to see a steady growth this year. The outlook is positive and they are confident of achieving the throughput forecast of 15 million metric tonnes for 2014.

Source : BERNAMA, 5 March

Sime Darby Signs JV to Handle Port Infrastructure Works in China

Weifang Sime Darby Port Co. Ltd. has signed a shareholders' agreement with Weifang Port Co. Ltd. and Shandong Hi-speed Transport and Logistics Investment Co. Ltd. to form a joint venture (JV) company known as Weifang Port Services Co. Ltd. Weifang Sime Darby Port Co. Ltd. is a 99% owned indirect subsidiary of Sime Darby Bhd. In a filing to Bursa Malaysia, Sime

Darby said that the JV, with a registered capital of RMB1 billion (RM536 million) would handle the construction, management and maintenance of the sea channel, anchorage and other port infrastructure in the Weifang Central Port region. Barring any unforeseen circumstances, the proposed JV is expected to be completed by 30 June 2015.

Source : BERNAMA, 11 March

Northport Expects More Transshipment Revenue

Northport (M) Bhd. expects its transshipment business to contribute 55% of its revenue from 45% last year on the back of the recovery in global trade and improved seaport infrastructure. This would see Northport handling a higher transshipment containers capacity of about 1.45 million twenty foot equivalent units (TEUs) in 2014 from 1.3 million TEUs recorded in 2013.

At present, transshipment make up 45% of the port's business, while 55% of its trade relies on local or hinterland cargo, but the current ratio is expected to change. Revenue from transshipment containers contributed 24% of Northport's total container revenue while the remaining 76% earnings came from local container business.

According to CEO of Northport, Encik Abi Sofian Abdul Hamid, Northport is looking at a 10% growth for transshipment this year. The CT4 (fourth terminal) is one of the mechanisms. They also have the equipment and infrastructure ready for 2014. Transshipment cargoes are containers that land at local ports and are transferred to other ships before journeying to its final destination. Northport, a wholly-owned subsidiary of NCB Holdings Bhd., has been investing millions of ringgit to upgrade existing facilities to urge mother vessels to berth at its port.

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, March 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	46,624	0	7,791	63	1,708	4	169	-30	12,115	57	68,407	35
MDF	13,671	-25	581	-	11,339	50	11,881	3	14,874	46	52,346	10
Mouldings	12,011	25	491	184	1,917	58	504	-14	1,629	7	16,552	26
Dressed Timber	1,537	26	163	41	671	-25	213	151	716	73	3,300	21
Plywood	6,366	20	-	-	21	-	48	-	10,052	3	16,466	9
Veneer	193	192	-	-	-	-	-	-	343	-23	536	5
Particleboard	35,173	-7	477	33	94	-8	259	76	-	-	36,003	-6
TOTAL	115,575	7	9,503	67	15,750	38	13,074	4	39,729	32	193,631	15

Note : Indicates % change over the previous month

Source : MTIB

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Its fourth terminal, costing RM350 million, was opened for operations last February. It could now accommodate vessels weighing up to 200,000 displacement tonnes and up to 11,000 TEUs. The new wharf (8A), part of the fourth terminal that commenced operations last December was tipped to enhance Northport's total throughput capacity to 5.6 million TEUs annually. To support the new terminal, Northport acquired six quay cranes last year, costing RM170 million, bringing its total crane fleet for quay-side operations to 32 units. This improved loading and unloading operations and eventually reduced ship turnaround time at the harbour.

Northport is targeting its overall container throughput to grow by 5% or 3.4 million TEUs in 2014 that would boost its revenue by an additional RM23.5 million. Last year, with a slight decline, the port recorded 2.89 million TEUs, which contributed RM470 million revenue. The port handles break bulk cargo from iron, steel, timber, plywood, machinery to livestock, and dry bulk cargo such as grain, corn, coal, marine salt and fertiliser. All major shipping lines are calling at the port including two major alliance P3 network and G6 members such as APL, Hapag-Lloyd, Hyundai Merchant Marine, Mitsui OSK Lines, Nippon Yusen Kaisha and Orient Overseas Container Line are using its services. About 70 shipping lines call at the port and annually 5,000 vessels dock at its terminals.

Northport is one of the two main maritime gateways in Port Klang, while its close competitor Westport Malaysia Bhd. is the other operator. Port Klang is the 12th busiest port in the world.

Source : The Malaysian Reserve, 12 March

Shipping Industry Optimistic About Rebound in Freight Rates this Year

Shipping companies in India are expecting a sooner-than-expected rebound in the freight markets this year on the back of increasing demand for commodities, especially from China. The optimism is, however, tempered by fear that continued oversupply of ships and geopolitical risks, such as the current stand-off between Russia and Ukraine might tame demand and pull back rates. Cold weather across much of the West lifted global tanker rates (due to increased oil imports) in the last three months. Although both the tanker and dry bulk freight rates have retreated since the highs of December, the shipping industry which has been battling a tepid freight market over the last five years feels that the worst is over and the increased demand from China would help sustain the market.

The biggest worry for ship owners is that supply of new ships to the existing global fleet might continue to offset the blips and spikes in the freight market. Last year saw about 80 million dead weight tonnage of ships in the dry bulk category alone, growing six per cent over 2012. Crude and product tankers too grew about 2%.

Source: Daily Shipping Times, 6 March

Fast growing Asia Needs a Strong Unified Voice in World Shipping

According to Mr. Esben Poulsson, Honorary Secretary of Singapore Shipping Association (SSA), the need for Asia to have a proper voice in world shipping was an obvious one. It is the world's largest ship owning region and the biggest driver of global shipping trade. Achieving this voice in a meaningful and coherent way has been rather more difficult.

There were longstanding "associations of associations" such as the Federation of ASEAN Shipowners' Associations (FASA) and Asian Shipowners' Forum (ASF), but by and large these have been somewhat toothless with a need for consensus often neutering their message. This was not actually surprising as national agendas often interfere as do regional rivalries and a host of cultural factors.

Imagine trying to get the Greek, Norwegian and US shipping interests all on the same page and one might start to get some idea where the problems lie. As a result what has happened was it has been left to individual associations and then often individuals within them to try and drive an agenda for Asian shipping. Notable names in recent years which have been promoting the Asian voice would include the Hong Kong Shipowners' Association's, Mr. Arthur Bowring; former SSA President, Mr. SS Teo; more recently Mr. Gerardo Borromeo from the Philippines in his roles at Inter Manager and the International Chamber of Shipping (ICS) and now it would seem they are being joined by Poulsson at SSA and ICS.

Source: Daily Shipping Times, 27 March

Hong Kong Plans to Deepen Ports

The Hong Kong Government in an effort to prepare for and attract mega-container ships, planned to deepen ports in the region.

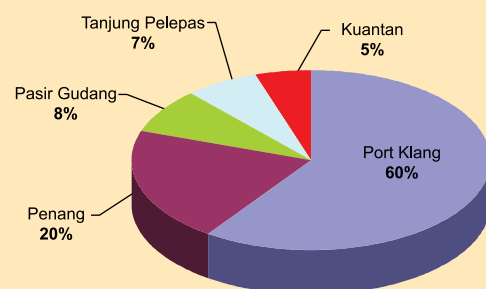
The Transport and Housing Department was working on the schedule with other departments according to Ms Jessie Chung, Chairman of the Hong Kong Terminal Operators Association. Ms Chung, who also oversees marketing of Kwai Tsing Container Port, the dominant terminal at Hong Kong handling 70% of total throughput said, the deepening projects would not start until 2015. The government would need to work with terminals to find a window time to dredge. Right now the terminal was very busy.

Kwai Tsing also planned to expand or modernise existing terminals to handle growing demand including the development of additional barge berths at three waterfront sites and integrating two existing barge berths into KTCP. Ms Chung expected the projects to boost KTCP's capacity by 4 million TEUs, equal to three or four terminals. It was much cheaper to add facilities to current terminals rather than to build new terminals from scratch. KTCP handled 17.1 million TEUs in 2013 and expected 2% growth this year and in 2015.

Hong Kong, the world's third-largest port on the JOC's ranking of Top 50 Global Container Ports, handled 23.1 million TEUs in 2012, down 5.2% from a year earlier. One of the world's most expensive ports to call, Hong Kong suffered another decline, to 22.3 million TEUs, in 2013.

Source: Daily Shipping Times, 28 March

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



Total = 193,631 m³

MARCH 2014

Total export of timber and timber products from Peninsular Malaysia in March 2014 increased 6.2% in volume and 11% in value to 238,551 m³ valued at RM315.19 million over the previous month. Cumulative export for the period of January to March decreased 2.8% in volume but increased 5.6% in value to 642,070 m³ with a value of RM804.13 million respectively over the corresponding period.

Sawntimber

Export of sawntimber in March 2014 increased by 39% in volume and 29% in value to 101,702 m³ with a value of RM153.1 million compared to the previous month. Cumulative export for the first quarter of 2014 decreased 0.1% in volume but increased 5% in value to 230,221 m³ totalling at RM347.2 million over the previous corresponding period.

Exports to the EU for the month increased by 12% to 14,909 m³ from 13,362 m³ recorded in the previous month. Demand for sawntimber picked up in Europe, causing the export of sawntimber to the Netherlands and Belgium to increase by 26% and 16% to 6,599 m³ and 1,829 m³ respectively from the previous month. Similarly, export to France rose 42% to 1,426 m³ from 1,003 m³ in the previous month. However, export to the UK and Germany registered a decrease of 20% and 18% to 2,004 m³ and 1,709 m³ respectively.

Total export to West Asia increased by 94% to 17,941 m³ from 9,242 m³ in the previous month. Export of sawntimber to the UAE and Saudi Arabia increased by 87% to 5,615 m³ and 66% to 3,139 m³ respectively. Similarly, export to Oman improved significantly to 4,202 m³ from 1,444 m³ recorded in the previous month. The extensive construction sector in the region enhanced demand of sawntimber from Malaysia. However, export to Bahrain declined by 50% to 302 m³ from 601 m³ in the previous month.

Buying from ASEAN increased by 40% to 23,995 m³ due to increasing demand from Thailand, a major importer of Malaysian sawntimber. Export of sawntimber to Thailand and Singapore increased by 45% and 39% to 23,995 m³ and 11,052 m³ respectively.

In the meanwhile, shipments to East Asia improved by 57% to 20,810 m³ as a result of increasing demand from China, South Korea and Taiwan. Export to China increased by 70% to 17,504 m³ from 10,325 m³ in the previous month. Similarly, export to South Korea and Taiwan increased by 194% and 6% to 756 m³ and 452 m³ respectively. However, export of sawntimber to Japan decreased by 11% to 1,985 m³ from 2,219 m³ in the previous month.

Elsewhere, exports to the US decreased by 11% to 793 m³ whilst intake by Australia increased 7% to 1,084 m³. Demand from South Africa decreased to 3,256 m³ from 3,411 m³ in the previous month.

The average FOB price of sawntimber decreased by 8% to RM1,506 per m³ from RM1,628 per m³ in the previous month. Price of Dark Red Meranti (DRM) decreased marginally to RM2,537 per m³ from RM 2,557 per m³ in the previous month. Price of DRM to the Netherlands decreased by 3% to RM2,629 per m³ from RM2,717 per m³ in the previous month. Keruing was traded at RM1,441 per m³, a decrease of 24% from the previous month.

Plywood

Total export of plywood in March increased by 2.6% in volume and 2.4% in value to 19,198 m³ valued at RM32.34 million respectively as compared to the previous month.

Total export to the EU increased by 13.5% to 12,271 m³. Similarly shipments to Belgium and France increased by 82.1% and 236.7% to 1,415 m³ and 724 m³ respectively. However, the Netherlands and the UK reduced their intake by 8.1% and 3.6% to 474 m³ and 8,922 m³ respectively, whilst Ireland did not make any purchase in March 2014. On the other hand, Denmark, Germany and Italy resumed their intake in March 2014.

Exports to the ASEAN region decreased as Singapore's and Thailand's intake of plywood decreased by 21.6% and 22.2% to 1,800 m³ and 959 m³ respectively, whereas, Indonesia and Brunei did not make any purchase by three fold. In East Asia, exports to Hong Kong decreased by 50.6% to 85 m³ whilst China, Japan and South Korea did not make any purchase in March 2014. However, Taiwan resumed its intake in March 2014.

Total export to West Asia increased by 61% to 1,716 m³ from 1,066 m³ in the previous month. Similarly export to the UAE increased by 398.7% to 1,501 m³. On the other hand, Kuwait reduced its import by 68% to 172 m³. Bahrain, Saudi Arabia, Qatar and Yemen did not make any purchase.

Elsewhere, exports of plywood to South Africa, New Zealand and Turkey increased by 97.3%, 990.9% and 19.9% to 217 m³, 120 m³ and 259 m³ respectively. On the other hand, Mexico maintained its intake at 42 m³ whilst Australia reduced its intake 16.1% to 1,421 m³ in March 2014. Algeria, Tanzania, US, Puerto Rico and Norway did not make any purchase in March 2014.

The FOB price of plywood decreased to RM1,685 per m³ from RM1,688 per m³ in the previous month, a decrease of 0.2% from the previous month.

Veneer

Total export of veneer for March 2014 showed an increase of 4.8% in volume and 47.1% in value to 539 m³ at RM1.22 million compared to the previous month respectively. Similarly, exports to Australia and the US increased by 5% and 62.5% to 42 m³ and 52 m³ respectively. Meanwhile, Singapore, Taiwan and India reduced their intake by 50.5%, 36.7% and 13.6% to 1 m³, 131 m³ and 172 m³ respectively. Viet Nam resumed its intake, whilst China and UK did not make any purchase in March 2014.

The FOB price of veneer decreased to RM2,272 per m³ from RM1,620 per m³ in the previous month, an increase of 40.3% from the previous month.

Medium Density Fibreboard (MDF)

Peninsular Malaysia's exports of MDF for March 2014 showed a decrease of 21% in volume and 20% in value from the previous month. Export totalled at 61,035 m³ at RM57.8 million.

Exports to East Asia registered a decrease of 25% to 1,991 m³ from 2,660 m³ in the previous month. Exports to Japan grew by 37% to 1,309 m³, however export to Taiwan decreased by 40% to 589 m³ followed by China (including Hong Kong) which shrank by 87% to 93 m³.

Meanwhile exports to West Asia in March 2014 market recorded negative growth with a decrease of 29% in volume to 28,918 m³ from 40,776 m³ in the previous month. This is due to ongoing regional tension, together with a challenging (albeit slightly improving) external environment. Economic growth is slowing, fiscal buffers are depleting, unemployment is rising, and inflation is mounting in four of the region's most

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vulnerable economies - Iran, Lebanon, Jordan and Yemen. Export to Bahrain recorded a massive increase of 1743% to 387 m³ followed by Saudi Arabia at 101% to 12,279 m³ and UAE at 6% to 11,709 m³. On the other hand, export to Oman, Kuwait and Jordan showed negative growth by 12% to 2,242 m³, 77% to 1,051 m³ and 83% to 106 m³ respectively from the previous month.

Furthermore, export to South Asia recorded positive growth by 25%. Export to Pakistan increased by 103% to 5,290 m³. However, export to Bangladesh slightly dropped by 0.1% to 1,458 followed by Sri Lanka which was down by 15% to 1,563 m³ and India, 49% to 636 m³.

Exports to the US showed an increase of 71% to 2,144 m³, to South Africa, an increase of 51% to 1,023 m³ and Australia, 4% to 2,181 m³. However, exports to the UK showed a marginal decrease of 89% to 102 m³.

Total export to the ASEAN region for this month increased by 18% to 14,076 m³ from 11,918 m³ in the previous month. Exports to Singapore increased by 309% to 188 m³, Indonesia increased by 120% to 4,524 m³ and export to the Philippines increased by 99% to 1,201 m³. However, export to Viet Nam registered negative growth by 14% to 7,679 m³.

Mouldings

Exports of mouldings for the month increased by 23.7% in volume and 25.7% in value to 17,634 m³ and RM50.97 million respectively. Similarly, the cumulative exports increased by 10.9% in volume and 10.9% in value to 42,440 m³ and RM121.59 million respectively as compared to the previous corresponding period in 2013.

Exports to the EU for the month recorded at 7,842 m³, an increase of 19.8% compared to the previous month. Similarly, shipments to Germany, Netherlands and UK increased by 12.9%, 30.9% and 28.1% to 1,750 m³, 4,499 m³ and 652 m³ respectively. However, Belgium reduced its intake by 37.6% to 287 m³ whilst Italy did not make any purchase.

Exports to the ASEAN region decreased as Viet Nam's and Singapore's intake of mouldings decreased by 52.1% and 9.5% to 45 m³ and 906 m³ respectively, whilst Indonesia did not make any purchase in March 2014.

On the other hand, exports to Japan, South Korea, Taiwan and Hong Kong increased by 39.7%, 29.7%, 17.2% and 122.2% to 1,950 m³, 905 m³, 34 m³ and 40 m³ respectively. Meanwhile, exports to China decreased by 37.7% to 197 m³.

Elsewhere, export to Australia, US and Canada increased by 30.14%, 67.3% and 41.7% to 2,604 m³, 2,121 m³ and 85 m³ respectively.

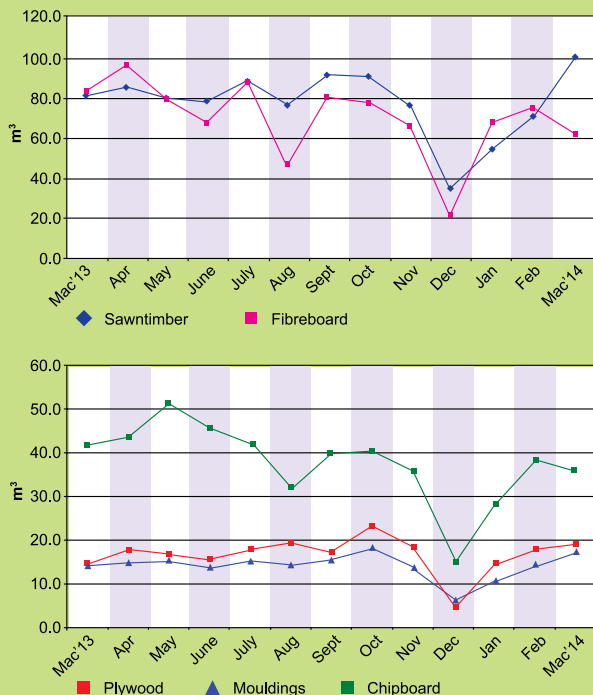
FOB unit value increased 1.6% from RM2,845 per m³ in the previous month to RM2,891 per m³ in March 2014.

Builders Joinery and Carpentry (BJC)

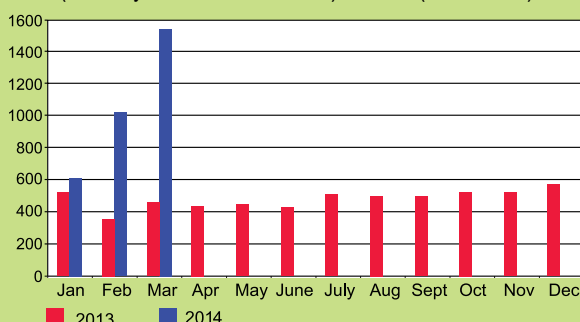
Total BJC cumulative export from January to March decreased by 10.2% to RM242.77 million as compared to RM230.60 million in the corresponding period last year. Similarly, demand by France, Belgium, Italy, Denmark and Germany decreased by 45.9%, 17.7%, 26.9%, 8.3% and 47.9% to RM5.73 million, RM10.49 million, RM1.24 million, RM5.20 million and RM2.95 million respectively. Whereas, exports to the UK, the Netherlands, Sweden and Turkey increased by 5.7%, 95.2%, 145.4% and 205.6% to RM33.31 million, RM0.25 million, RM4.59 million and RM0.61 million respectively over the previous corresponding period, whereas, Norway resumed its imports.

In Asia, exports to Saudi Arabia, Japan, India, Pakistan, Taiwan, Singapore and Thailand grew 224.7%, 23%, 15.8%, 119.8%, 36.2%, 6.7% and 20.2% valued at RM2.20 million, RM22.18 million, RM16.36 million, RM10.66 million, RM4.17 million, RM28.23 million and RM9.10 million respectively.

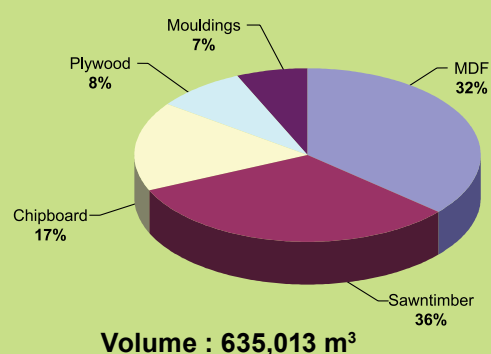
Export of Selected Products from Peninsular Malaysia
(March 2013 - March 2014) / Volume ('000 m³)



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



Export of Major Timber Products From Peninsular Malaysia
(January - March 2014))



MARCH 2014



Logs

Prices of logs continued to be stable and the supply remained available in the market. Most mills reported they had adequate log inventories.

Log price for Chengal stood firm at RM3,600 per tonne while Red Balau prices increased 3% to RM2,500 per tonne. Balau and Merbau prices were recorded unchanged from last month and traded at RM2,580 per tonne and RM2,175 per tonne respectively. Prices for Keruing and Kapur improved 11% to RM1,170 per tonne and 24% to RM1,700 per tonne respectively. Price of Kempas, however, declined 15% to RM1,131 per tonne. Dark Red Meranti and Yellow Meranti were traded at RM1,439 per tonne and RM1,000 per tonne. For Red Meranti and Nyatoh, the prices decreased by 6% and 25% to RM1,288 per tonne and RM900 per tonne respectively. Prices for Mixed Heavy Hardwood increased 5% to RM980 per tonne whilst Mixed Light Hardwood stabilised at RM615 per tonne.

Sawntimber

The average sawntimber prices were reported to be stable but lower prices were recorded for some Light Hardwood species as demand from both domestic and overseas market were still weak.

The prices of Chengal and Red Balau sawntimber continued to be traded at RM6,638 per m³ and RM2,966 per m³ respectively. Meanwhile, prices for Merbau increased by 2% to RM3,799 per m³. Prices of Kempas stood firm at last month's level to be quoted at RM1,342 per m³. Both Kapur and Tualang prices grew by 5% to RM2,472 per m³ and RM2,331 per m³ respectively. However, price of Keruing dropped by 1% to RM1,695 per m³ whilst price of Dark Red Meranti also declined by 1% as compared to the previous month to RM2,083 per m³. Similarly, price of Yellow Meranti and Nyatoh fell by 12% and 23% respectively to RM1,424 per m³ and RM777 per m³. Sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood remained at RM812 per m³ and RM720 per m³ respectively, as compared to the previous month.

Plywood

The supply of plywood to the domestic market continued to meet the needs of local demand. Plywood of 12mm of thicknesses dropped slightly to RM41.00 per piece as compared to 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 slow demand from the domestic market. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses averagely decreased by 7% to 10% to be traded at RM12.50, RM17.50, RM24.00 and RM32.50 per piece respectively.

Intra-Malaysia Trade * – March 2014

Shipments of sawntimber from Sabah to Peninsular Malaysia posted an increase of 29% to 321 m³, valued at RM358,000. Similarly, shipments of plywood improved by 48% in volume from 6,507 m³ to 9,650 m³ valued at RM15.8 million. Meanwhile, export of veneer declined due to the adequate inventories from previous month to be traded at 38 m³ worth at RM62,000.

Overall shipments of sawntimber from Sarawak to Peninsular Malaysia were reported to slow as compared to previous month. Shipments of sawntimber to Peninsular Malaysia fell by 49% in volume and 53% in value to 753 m³ worth at RM658,000. On the other hand, plywood export rose by 22% in volume to 11,441 m³ valued at RM14.4 million. Export of veneer also increased 37% in volume to 3,681 m³ worth at RM4.1 million.

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

* Source: Department of Statistics, Malaysia 

INTRA-MALAYSIA TRADE – MARCH 2014

From	Products	FEBRUARY 2014		MARCH 2014		% Change in Volume Mac 2014/Feb 2014	% Change in Value Mac 2014/Feb 2014
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	249	280	321	358	29	28
	Plywood	6,507	10,545	9,650	15,832	48	50
	Veneer	189	282	38	62	-80	-78
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,485	1,409	753	658	-49	-53
	Plywood	9,352	11,807	11,441	14,360	22	22
	Veneer	2,688	2,843	3,681	4,070	37	43

Source : Department of Statistics, Malaysia

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***AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA
MARCH 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	3,143	1,995	2,931	
Red Balau	2,500	2,966	1,977	3,178	
Merbau	2,175	3,799	2,507	2,895	
Mixed Heavy Hardwood	980	812	749	918	
MEDIUM HARDWOOD					
Keruing	1,170	1,695	812	2,203	
Kempas	1,131	1,342	671	1,695	
Kapur	1,700	2,472	727	2,472	
Mengkulang	1,143	1,483	1,285	1,575	
Tualang	1,240	2,331	2,225	2,225	
LIGHT HARDWOOD					
Dark Red Meranti	1,439	2,083	1,395	2,112	
Red Meranti	1,288	1,475	1,118	2,408	
Yellow Meranti	1,000	1,424	1,095	1,324	
White Meranti	983	1,448	565	1,695	
Mersawa	1,357	1,363	1,155	2,684	
Nyato	900	777	565	1,201	
Sepetir	850	1,095	918	1,095	
Jelutong	945	1,490	1,201	1,554	
Mixed Light Hardwood	615	720	572	657	
MALAYSIAN RUBBERWOOD <i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m³			
	160	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		852	1,045	1,172	1,229
PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm	
	14.60	22.00	34.00	41.00	
MDF 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm	
	12.50	17.50	24.00	32.50	

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

* Prices are only indicative

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TIMBER ROUND-UP

However, exports to the UAE, South Korea and Viet Nam decreased by 19.5%, 1.9% and 32.9% to RM3.94 million, RM0.94 million and RM4.39 million respectively.

Exports to Australia and the US increased by 9.4% and 37.3% to RM32.67 million and RM17.87 million respectively. However, Maldives and South Africa reduced their intake by 59% and 27.2% to RM0.54 million and RM2.67 million respectively.

Furniture

Exports of wooden and rattan furniture for the period under review in 2014 increased by 14.7% compared to the corresponding period of 2013. Total shipment recorded RM 1.542 billion against RM1.345 billion in 2013.

Purchase of wooden furniture from Malaysia for the January to Mac 2014 duration increased by 14.8% from RM1.337 million to RM1.534 billion compared to the same period in 2013. Demand for wooden furniture for March 2014 was positive across most major markets.

Imports of wooden furniture by the United States increased by 13.5% from RM430.4 million to RM488.7 million. Japan also follow suit with an increase of 13.8% from RM136.4 million to RM155.1 million.

The UK imports also increased by 16.1% from 67.4 million to RM78.3 million. Intake by Australia increased by 9.3% from RM93.2 million in 2013 to RM101.8 million in the first three months of 2014.

Canada upped its intake of wooden furniture by 19.1% to reach RM60.8 million. The UAE recorded a huge increase of 57.5% to reach RM62.6 million in 2014. India's intake slightly increased by 3.8% to reach RM27.7 million in 2014 while Saudi Arabia's wooden furniture intake increased to RM38.3 million.

Germany increased its wooden furniture consumption by 24.4% with a purchase of RM23.9 million in for the first three months of 2014 from RM19.2 million in 2013. Russia also improved its consumption by 20.8% from RM21.0 million to RM25.3 million. The Philippines increased its intake of wooden furniture by 66.5% to RM22.6 million.

Rattan furniture shipments increased by 6.1% to reach RM8.6 million for the January to Mac 2014 period.

Singapore emerged as the top importer as its demand slightly doubled to reach RM3.0 million in 2014. The UK also saw a similar pattern with an increase of 90.3% to reach RM1.6 million in 2014.

ACCOLADES FOR YOUNG DESIGNERS AT “TANGGAM BY MTIB”

The “Tanggam by MTIB” efforts have effectively demonstrated the invigorating and outstanding innovations of new designs from Malaysia. For the second consecutive year, MTIB as the proponent for “Tanggam”, was invited to participate in the 17th edition SaloneSatellite Showcase, held concurrently with the International Furniture Fair (i-Saloni), Milan from 8 to 13 April. This year SaloneSatellite fair managed to attract 650 young designers from 32 countries and five continents, 16 international design schools and four artisanal workshops. The theme for this year’s exhibition was “design, innovation and craftsmanship” which encouraged young designers to offer their ideas for an integration of artisanal tradition with new possibilities offered by modern industrial design and production.

With the objective of promoting the image of Malaysian furniture and catalysing the transition of this sector from Original Equipment Manufacturer (OEM) to Original Design Manufacturer (ODM), and eventually Own Brand Manufacturing (OBM), MTIB was allocated a fund under the 10th Malaysia Plan (Rolling Plan), to undertake a programme to enhance the quality of design of locally manufactured furniture. The programme is part of a comprehensive five-year plan for design enhancement of Malaysian furniture. Various strategic activities have been identified for the programme. The pioneering activity involves the development of marketable designs by locally nurtured Young Designers, and exhibiting as well as promoting these products in major fairs such as the Malaysian International Furniture Fair (MIFF) and the SaloneSatellite Showcase (SaloneSatellite), which has been acknowledged as the networking centre to merge the world’s most promising designers with exhibitors, world class furniture manufacturers and entrepreneurs participating in the i-Saloni.

Pursuant to this objective, MTIB initiated the organisation of the annual Malaysian MOBILI Furniture Design Competition (MOBILI) in May 2012. As a result of the first MOBILI, from a total of 11 finalists submitted by MTIB to the organiser of SaloneSatellite, COSMIT, which is also the organiser of i-Saloni, Milan at the end of 2012, five talented Young Malaysian designers have been selected to participate and showcase their prototypes under MTIB’s “Tanggam” booth during the 16th edition of SaloneSatellite, held from 9 to 14 April 2013. Malaysia’s inaugural participation received a favourable response, as throughout the six days of the exhibition, the “Tanggam” booth received 20,000 visitors of the 52,000

visitors recorded for the SaloneSatellite show. The prototypes also appeared on CNN TV, and in over 40 magazines and websites around the world, including prestigious publications such as Architects Journal-UK and Vanity Fair-Italy.

The second MOBILI competition was held in 2013. The competition has the long term objective of also grooming design talents for the future of the vibrant furniture industry in Malaysia. MOBILI 2013 was launched at Universiti Teknologi MARA, Shah Alam on 1 June 2013. Various road-shows to promote and disseminate information on this were carried-out at Universiti Sultan Zainal Abidin, Kuala Terengganu, WISDEC, Kota Kinabalu; and at the MARA Skills College; Rembau, Negeri Sembilan.

For MOBILI 2013, the selection process was conducted by a pool of local evaluators, comprising representatives from MTIB and selected working design professionals, who have a proven track record in furniture, product and interior design as well as architecture. From the submissions which had been forwarded to COSMIT, four additional Young Designers were selected to participate in SaloneSatellite Showcase 2014. For this year’s exhibition, together with these selected designers, the “Tanggam by MTIB” booth also showcased new prototypes developed by the five Young Malaysian Designers who were pioneer participants in 2013 and have been invited again to participate in this year’s exhibition. The invitation received from the organisers can be equated as a testimony of these designers’ accolades for Malaysia to be proud of.

Furniture prototypes produced by these designers for 2014 focused around five themes, specifically chosen for identity creation. These designers designed furniture ranging from a design which incorporates a folding mechanism, the creative combination of rattan with other materials in projecting modern designs, unique and artistic cabinets, furniture forms for various functions to contemporary furniture showing the combination of several materials. The “Tanggam by MTIB” booth received 15,000 visitors out of the more than 50,000 visitors recorded for the SaloneSatellite show 2014 and received numerous enquires from interested parties such as house designers, manufacturers and international designers. The magazine ArtsHub Australia had chosen “Tanggam” as one of seven hot young designers appearing in SaloneSatellite 2014. The details on “Tanggam by MTIB” designers participating in SaloneSatellite 2014 and their designs are as follows:

STRENGTHENING THE NATIONS CAPABILITIES ON DESIGN

No	Designer	Product Description	Product Picture
1	ADDY PUTRA MD ZULKIFLI	LE'OX Modular side cabinet / stool	

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No	Designer	Product Description	Product Picture
		CHERMIN Multi-function wall cabinet	
2	ABDULLAH AL RASHID	ARAH A handmade rattan coffee table	
		ARAH 2 Soul relaxing rocking chair	
3	SHAHRLUL ANUWAR	KONA TABLE Aesthetics meets practicality – contemporary coffee table inspired with traditional joining system. Flat pack	
		GELEK Spreading fun and joy through design	
		GOLEK Playful and interactive kids stool with lots to offer	
4	SHAHRLIL FAISAL	ISLA LED DESK LAMP Elegance and simplicity in a clean and minimal form of the LED desk lamp	
		MEZALLUNA Chic wooden chair for contemporary living space	
5	MOHD SUJAK	GENDDA Make it triple! Stool and coffee table	

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No	Designer	Product Description	Product Picture
		CHANNANG Minimal stool and storage for a small space	
		HAJA Beauty on a wall become stronger when it tall. Wall decoration and stool	
6	MUHAMMAD HAZMI	KINOKO MUSHROOM SINGLE Furniture consists of a stool and a coffee table designed for single person	
		KINOKO MUSHROOM COUPLE Furniture consists of two stools and a coffee table design for couples	
		NYIOR COFFEE TABLE Natural look design with an exclusive dovetail jointing	
7	STEPHEN TING	DUMAIN WOODEN STOOL-TOY Fun rocking and run-riding stool-toy for children	
8	SIM CHIA YI	HUGO A decorative art piece with lighting	

The work of producing these prototypes was carried-out in various locations, including WISDEC, Forest Research Institute Malaysia, Furniture Industry Technology Centre and Perabot Rotan Zakaria.



The designers took a moment with Dr. Jalaluddin Harun, MTIB Director-General.



A toddler has fun with her ride with Dumain during i-Saloni 2014.

Cont. from page 5

Program. Some PHP 100,000 (EUR1,619.38, USD2,241.15) is aimed to be raised by the Junior Chamber International through a fun run event on 1 June 2014 for the implementation of a mangrove planting project. Mangrove seedling nurseries will be set up in Zamboanga City's Mampanga and Davao Oriental's Baganga.

Business World, 23 April

RUSSIA/FINLAND **Timber Exports Total 10 Million m³**

According to Metla, in January-October Russia exported 10 million m³ of pulpwood to Finland, up 20% year on year. In 2012, imports from Russia accounted for about 60% of 10 million m³ of timber supplied to Finland. Lauri Hetemako, the Head of the European Forest Institute and professor at the University of Eastern Finland, said that exports of timber from Russia may grow in the long run due to the Russian ruble reduction.

Fontanka.ru, 2 April

RUSSIA **Companies Prepared for EU's New Timber Import Rules**

The EU has adopted regulations that impede imports of illegal timber. Importers of wood products are to confirm the legality of timber purchased. Many Russian companies have already prepared for the new regulations. In 2013, the certified forest area in the country increased by 8 million hectares to 39 million hectares, while 120-130 million hectares were rented. More than 100 logging and timber processing enterprises and 400 trade firms received international certificates entitling them to supply timber to the EU market and other countries. In Russia, many companies have conducted inspections of wood suppliers for several years. Stora Enso, Metsaliitto, UPM, IKEA are among such companies.

Rossiiskaya Gazeta Biznes, 1 April

SOUTH KOREA **Tariffs Worth USD8 billion Reduced through FTAs**

The average tariff rate charged on goods manufactured in South Korea by nations that import them dropped to 4.7% in 2013 from 5.3% in 2004, according to a report by the Korea International Trade Association (KITA). Therefore, tariffs totalling

USD8 billion (EUR5.81 billion) were reduced during the period through nine FTAs between South Korea and 46 nations.

The Chosun Ilbo, 31 March

SERBIA **China Shows Interest in Purchase of Furniture Factories**

It has been reported that the representatives of the Chinese Association of Furniture Producers expressed interest for the purchase of certain furniture factories in Serbia. Its representatives held talks with the Serbian Vice President and Minister of Trade, Rasim Ljajic. However, details of the project plan have not been disclosed. It is expected that deals will be realised in a fast manner.

Tanjug, 4 April

THAILAND **Regional Help Sought by Government to Curb Illegal Sale of Rare Wood**

The government of Thailand is seeking help from regional authorities across Southeast Asia to curb illegal logging at the Dong Phrayayen-Khao Yai Forest Complex in the country. Under the move launched as part of efforts to protect the World Heritage status of the site, the Department of National Parks, Wildlife and Plant Conservation (DNP) will raise the issue of illegal imports of Siamese rosewood and other species of Thai rare wood at the next ASEAN Wildlife Enforcement Network meeting. Besides that, the DNP has requested the assistance of the regional branches of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) to monitor the illegal sale of such wood in Asia particularly in China, Lao PDR, Cambodia and Viet Nam.

Bangkok Post, 21 April

TAIWAN **Manufacturing Output Growth Projection Revised by ITRI**

Taiwan's Industrial Technology Research Institute (ITRI) adjusted its manufacturing output growth forecast for April-June 2014 to 3.27% from 2.66% estimated earlier. For the whole of 2014, ITRI forecasts the manufacturing sector's output to increase to TWD17.73 trillion (EUR422.63 billion, USD584.54 billion) or by 3.1%, down from its earlier projection of 3.17% announced on 25 February 2014.

Taipei Times, 24 April





Malaysian Wood
Standing on Excellence

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

www.mtib.gov.my

WORKSHOP ON DESIGN OF PREFABRICATED ROOF TRUSSES

The National Timber Industry Policy (NATIP) which was launched in April 2009 is targeted to achieve an export value of RM53 billion of wood-based value-added products in 2020. One of the ways to achieve this target is through the use of innovative engineered timber products such as glued laminated timber (glulam), laminated veneer lumber (LVL), cross laminated timber (CLT) and I-Beam which is part of the Industrialised Building System (IBS) as well as the use of timber as prefabricated roof trusses in the domestic market.

Based on a statistics report by the Department of Statistics Malaysia, the use of timber and timber products as construction material in Malaysia in 2010 was only about 10%, compared to other construction materials such as steel, concrete, aluminium and PVC, at a value of RM4.08 billion which were composed mainly of sawntimber at RM2.46 billion (61.0%), plywood (water proof) at RM689 million (17.0%), timber door and window frames at RM464 million (11.5%), wall boards, soft boards and particleboards at RM126 million (3.1%) and other timber materials at RM333 million (8.2%). In addition, a total of RM86 million timber products were used as IBS timber frames (pre-fabricated timber, beams and columns) in 2010. The use of timber as roof trusses was still low as compared to other IBS materials like steel roof trusses due to reasons such as lack of ready design to be used by architects when designing timber roof trusses.

Recognising the role of timber in construction and as an initiative after a decision was made by the Terengganu state government to ban the use of cold form steel roof trusses, MTIB with the assistance of the Public Works Department (JKR) Headquarters organised a one-day Workshop on Design of Prefabricated Roof Trusses on 24 April in Kuala Lumpur. The seminar was officiated by Dato' Sr. Hj. Abdul Manaf bin Hj Hashim, JKR Deputy Director-General (Expert Sector). The workshop was attended by 100 participants, majority of which



Attendees at the workshop.

were architects and engineers from the JKR, system providers as well as roof trusses suppliers. A demonstration on Timber Verification Services was also conducted during the workshop.

Four papers were presented by experienced speakers: Introduction to Timber Roof Trusses by Assoc. Prof. Dr. Mohd. Arif Jamaludin (UiTM Shah Alam), Quality Assurance System for Prefabricated Timber Trusses by Dr. Tan Yu Eng (FRIM), Design of Timber Trusses According to Malaysian Standard by Encik Ng Wun Pin (Multinail Asia)/Ir. Fernandez Au (JKR) as well as Site Supervision by Ir. Waznah bt Abdul Aziz (JKR).

Several important issues were highlighted during the workshop such as lack of supervision by project officers, wrong quality of timber being used, timbers which did not follow the required specification and standards, lack of experience with timber in construction, lack of knowledge in timber compared to other construction materials, and lack of skilled workers and training programmes on timber for construction. As such there



Dr. Ir. Kamaluddin Abdul Rashid of JKR (at the rostrum) moderated in the Q&A session.

THE WAY FORWARD FOR JOHOR FURNITURE INDUSTRY

Small and Medium Enterprises (SME) play an important role in Malaysia's industrialisation programme. The Johor furniture industry, accounts for more than 40% of the manufacturing for export-oriented establishments. A comprehensive programme is necessary in order to expand the furniture industry which could contribute to the future growth and resilience of the timber industry.

Towards this end, Johor State Investment Centre (JSIC) convened a workshop entitled Strengthening Johor Furniture Industry on 16 April in Nusajaya, Johor. The workshop provides an interactive platform and an avenue for the Muar Furniture Association (MFA), Cahaya Jauhar Sdn. Bhd. (Developer of the Johor State New Administrative Centre) and representatives from relevant government agencies to discuss issues pertaining to implementing a best practice solution to enhance the image and sustainable growth of the Johor furniture industry. The workshop was realised with the support of relevant stakeholder, ie. MTIB, MIDA, MATRADE, Land District Office, and local authorities such as Muar Municipal Council and Tangkak Municipal Council. The presence of representatives from MFA and MTIB helped contribute to the success of the event.

As a preamble to the event, Dr. Badrul Hisham Kassim, Deputy Director of Johor State Economic Planning Unit and acting General Manager of JSIC highlighted the workshop objectives and the importance of furniture industry contribution to Johor and the Malaysian economy. The audience were then apprised on the latest development and challenges in the Johor furniture industry by MTIB, followed by Cahaya Jauhar and MFA. Among other proposed programs are land legalisation, relocation of industry mills, worker problem solution, enhancement of Bumiputera participation, skills upgrading through training programmes as well as fiscal and incentives support. Strong



Dr. Badrul Hisham Kassim, Deputy Director of Johor State Economic Planning Unit and acting General Manager of JSIC highlighted on the importance of furniture industry's contribution to Johor and the Malaysian economy as a preamble to the event.

networking and collaboration among furniture industry players with relevant government agencies is very much needed to enhance furniture industry growth.

Several issues and challenges were outlined during the workshop. Various solutions were explored, and based on the deliberations, three segments were proposed to be implemented, within short, medium and long-term plans. The three segments were:

- The Way Forward for Johor Timber Industry
- Relocation of Johor Furniture Industry and land legalisation exercise
- Enhancement of Bumiputera participation

Relevant action plans will be formulated to align with the respective segments. A total of 40 participants attended the programme.



Group discussions.

GST CLINIC IN BUTTERWORTH

The Goods and Service Tax (GST) implementation in Malaysia is part of the government's tax reform programme to enhance the effectiveness, capability and transparency of tax administration and management. MTIB organised a briefing on 20 December 2013 on the implementation of GST in Malaysia and its impact on the timber industry to ensure manufacturers, importers and exporters get the right information.

Due to overwhelming response, MTIB in collaboration with Royal Malaysian Customs Department (RMCD) organised another briefing on 16 April in Butterworth, Pulau Pinang. The briefing elaborated on the GST mechanism and included a clinic session on how to insert GST into the account system in the timber industry.

The talk entitled Introduction of GST and its Impact was presented by Tuan Chan Tek Kai, RMCD Seberang Perai Branch Senior Assistant Director II and he was assisted by Puan Ashranie Bt Zolkifli, RMCD Enforcement Officer. The imposition of GST was classified into three types of supply rates as follows;

i) Standard-rates Supplies

Standard-rates supplies are goods and services that are charged GST at standard rate (6%). GST is collected by the business and paid to the government. They can recover credit on their input; if their input tax is higher than their output tax, they can recover the difference.

ii) Zero-rated Supplies

Zero-rated supplies are taxable supplies that are subject to a zero rate. Businesses are eligible to claim input tax credit in acquiring these supplies, and charge GST at zero rates to the customer.

iii) Exempt Supplies

Exempt supplies are non-taxable supplies that are not subject to GST. Businesses are not eligible to claim input tax credit in acquiring these supplies, and cannot charge output tax to the consumer.

The briefing sessions drew a participation of more than 100 people from various sectors of the timber industry as well as representatives from MTIB.



Attendees at the briefing.



Tuan Chan Tek Kai, RMCD Seberang Perai Branch Senior Assistant Director II briefed participants on the Introduction of GST and its Impact.

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Dato' Sr. Hj. Abdul Manaf bin Hj. Hashim, JKR Deputy Director-General (second from left) viewing MTIB publications.

is limited use of timber in the construction sector especially for permanent structures such as roof trusses, beams and columns.

From the question and answer session which was chaired by Dr. Kamaluddin Rashid, Director of JKR, it could be concluded that several steps need to be taken to encourage the use of timber as construction material. This included training architects to design timber trusses as well as requirements on timber treatments as some Malaysian timber are very difficult to treat and cannot achieve the required Dry Salt Retention (DSR) and penetration. In this context, MTIB will take further action to tackle the issues holistically including having a follow-up discussion and programmes with JKR Headquarters, states and branches to explore several measures to encourage the use of timber in projects under the supervision of JKR.

MALAYSIAN TIMBER AND FURNITURE PRODUCTS BEING PROMOTED IN BRAZIL

In its effort to promote Malaysian timber and timber products to the emerging and growing global markets, particularly for its value-added products from Malaysian Rubberwood or Heaveawood, MTIB accepted the invitation from Mr. Heiko Rossman, co-founder and CEO of Natural Communication, to participate at the Seventh National Meeting of Natural Rubber in Sao Paulo, on 25 April and present a paper entitled "Rubberwood Furniture Industry in Malaysia". The bi-annual meeting, which was held in Sao Paulo, Brazil, was organised in parallel with Expobor, the largest fair for rubber technology, machinery and products in Latin America.

The meeting was organised by Natural Comunicação and São Paulo Association of Rubber Producers and Processors (Apabor) and was dedicated to the discussion of specific topics in the production and trading chain of natural rubber. The meeting gave an opportunity for MTIB to promote existing Malaysian Rubberwood processing technologies capabilities and qualities, and value-added Rubberwood products such as wooden furniture, MDF, particleboard, veneer and sawntimber.

The meeting was divided into two panels; Economy and Wood. The former focused on the economic side of the rubber industry while the latter touched more upon the utilisation of Rubberwood. Altogether six speakers presented their papers at the meeting. This included Dr. Hidde Smit, an independent rubber economist from the Netherlands; Mr. Humberto Spolador, an economist and professor at the University of Sao Paulo, Brazil; Mr. Alberto Meyer, the CEO of the National Association of Tyre Industry, Brazil; Cik Hjh. Robiyah Hj. Husin, Senior Deputy Director of Trade Development Division, MTIB, Malaysia; Mr. Jean-Francois Guillon, Managing Director, AfriRen, United Kingdom; and Mr. Heiko Rossman, CEO of Apabor.

Cik Hjh. Robiyah presented the third paper, "Rubberwood Furniture in Malaysia". During the presentation, meeting participants were given an insight into Malaysian Rubberwood



MTIB's presentation was very well received by the audience.

resources and its grading system, utilisation as well as its various different types of applications and processing from green logs into various value-added products ranging from woodchips, MDF, plywood, veneer, MDF and furniture. In addition, an overview of the current Rubberwood forest plantation and replanting programme undertaken by the Malaysian Government was also given. During the question and session, numerous inquiries were made. Amongst them were request for training on the processing, grading and utilisation of Rubberwood; purchase of timber latex clone species and Rubberwood seedlings; and purchase of Rubberwood sawntimber and furniture.

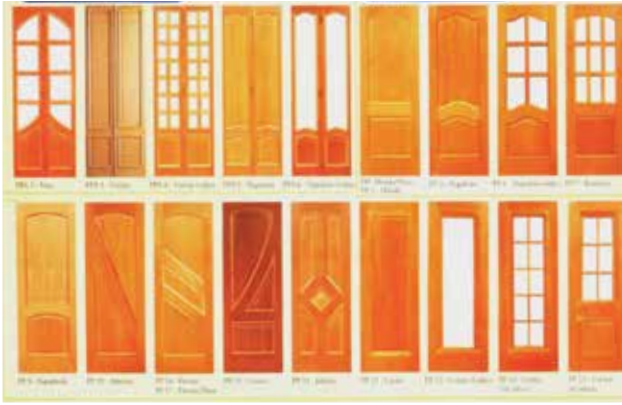
At the closing, Mr. Rossman thanked to all speakers and participants involved. The meeting was attended by about 350 participants. mainly from Brazil and Mexico.

Aside from attending the meeting, MTIB also carried out its inaugural one day timber promotion/networking programme on 24 April to meet and network with related Brazilian timber trade associations/buyers in addition to visiting two prominent retail outlets for furniture and DIY home centre in Sao Paulo. The programme was assisted by the Malaysian Trade Commissioner to Brazil, En. Yusram Yusup, based in Sao Paulo. During this



Furniture displayed at LAR Centre.

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Doors and window frames displayed at Leroy Merlin DIY Home Centre.



Meeting with Mr. Miguel Lujan Paletta, President of CAMARA Mercusor Chamber of Commerce.

programme, MTIB had a meeting with Mr. Miguel Lujan Paletta, President of CAMARA Mercusor Chamber of Commerce (CMCC) and gave a slide presentation entitled "The Malaysian Timber Industry and The Malaysia-Brazil Timber Trade" which outlined the current bilateral timber trade status between both countries. In addition, a presentation on the various value-added timber products including furniture was also given to incite interest to import Malaysian timber products into the Brazilian market particularly through Mercosur's large membership.

Mercosur, also known as the Common Market of the South, is a trade bloc agreement that exists between the following South American countries: Argentina, Brazil, Paraguay, Uruguay and Venezuela. CMCC's 8000 plus membership provided a unique opportunity for the Malaysian timber and timber product industry to explore and capitalise, thus promoting economic growth particularly through the enhancement of bilateral timber trade between Malaysia and MERCOSUR's member countries.

Ensuing the meeting with CMCC, MTIB had a networking lunch with Mr. Iderlon Azevedo, the advisor for the Governor of the State of Para, Brazil. The State of Pará represents about 30% of the Brazilian timber products exports and 70% of the exports from the Amazon region, which comprises nine States (Acre, Amapa, Amazonas, Maranhao, Mato grosso, Para, Rondonia, Roraima and Tocantins). According to Mr. Iderlon, the Governor of the State of Para, Brazil is interested to sign a Memorandum of Understanding with MTIB in areas such as technical expertise and training on Rubberwood processing and finding investors from Malaysia for timber industry related joint venture programmes in the state of Para. He also expressed his willingness to conduct in future a seminar in Malaysia on investment opportunities in the timber industry of the state of Para, Brazil to attract Malaysian investors.

MTIB also visited the LAR Centre, which is one of the largest middle to high-end furniture showrooms in Sao Paulo. The 45,000 sqm shopping centre gathers everything related to the house segment which includes basic construction material to the most sophisticated furniture lines, finishing, lighting and decoration. Among the prominent middle to high end furniture showrooms visited are Trend Casual (Living and bedroom furniture), Analuz (Home furniture) and Cia das Camas (bedroom furniture). Most of the furniture displayed at the centre were of medium to high quality range and were locally produced with some being imported from the European countries.

Brazilian furniture is of high quality in design, possibly due to the heavy influence and involvement of (ABIMAAD) the Brazilian High-end Furniture Manufacturers Association.

This was followed by a visit to DIY Home Building Leroy Merlin which specialises in sales of products and solutions and, in doing so, makes a unique commitment: to provide home improvement solutions tailored to each customer's specific needs. The products here are mostly locally manufactured with small imports from Germany, particularly flooring products and picture frames from China. Products such as doors, flooring are mainly produced in Curitiba, Parana and some in Sao Paulo, Brazil.

MTIB TIMBER VERIFICATION SERVICES GO ABROAD



Air dried Teak wood flooring being inspected by MTIB official together with the client and supplier.

MTIB being the lead agency for timber, has always played an important role in promoting the use of timber in the building construction industry. However, lack of understanding by many architects, builders, contractors and specifiers on the correct use of timber has become a major impediment to the initiative. To facilitate the use of good quality timber products with the right specification in any application, TVS services was introduced by MTIB in 2002. TVS provides services to assess critical timber properties related to quality such as timber grading, determination of moisture content, determination of species, preservative treatment of timber and other technical advice applicable to wood application.

The use of timber products such as to produce doors and door frames, windows and window frames, flooring and decking in domestic construction has become more prominent for the high-end market in single family houses. This is because timber has many positive properties compared to other building material in terms of strength, durability, versatility,

insulation and acoustics apart from its ecstatic values. This is why timber is considered an expensive material in the building industry nowadays.

To accommodate the demand for TVS services, on 21 April, two officials from MTIB, Encik Mohd Adawi Ton Omar, Deputy Director and Encik Jambari Surif, Chief Control Inspector from Industry Development, went to Bali, Indonesia to perform TVS services as requested by a client for a well-known architect firm in Malaysia. The task included determining timber species and wood moisture content validity as well as other technical advisory services on treatment and finishing of Teak wood (*Tectona grandis*) and Belian (*Eusideroxylonzwageri*) which to be used for flooring and decking in Malaysia. The 'reclaimed wood' as referred by the supplier has its own characteristics as a result of its previous application. Discussions on right moisture content, defects, applications (internal and external) and also appropriate methods of installation in relation to Malaysia's climate were also conducted. 



Briefing by the supplier on the preparation process of Teak wood and iron wood for flooring.



Inspection of timber size.

WORKSHOP ON FURNITURE DESIGN AND PLANNING

A workshop on design and planning in furniture manufacturing was organised from 22 to 24 April in Kuala Lumpur and was attended by 17 participants. The objective of the workshop was to enhance the design skills of the participants in furniture manufacturing as well as planning for showcasing the products.

During the workshop, participants were exposed to R&D activities where they were taught on design concept, technical drawing, bill of material and various steps and procedures in producing furniture. They were also taught on packing, costing and ways to promote furniture at exhibitions.



Participants posing for the camera.



Attentive participants at the workshop.

The speakers for the workshop were Encik Azrul Azrai and Encik Rahim Ismail. Encik Rahim elaborated on design and how it plays a prominent role in creating new and innovative products. He noted that designers conceptualise and evaluate ideas and turn them into tangible products. Participants were informed that the designs favoured by buyers from Europe are modern, contemporary, classic and white, and wood-base in colour. Australian buyers prefer mostly cushioned headboards and footboards while the US prefer plain panel headboards and footboards.

Encik Azrul spoke on the concept of 3D modelers which allows users to create and alter models via their 3D mesh. The common 3D modelers are AUTOCAD, AUTODESK INVENTOR, Rhino, 3Ds Max and Sketch Up. Towards the end of the workshop, participants were shown how to prepare export documentation : bill of lading, commercial invoices, packing lists and packing declarations. 

PRODUCT CERTIFICATION FOR PIONEERS RENEWED

MTIB has been officially recognised as an Accredited Certifying Body (ACB) for timber products in accordance to ISO/IEC Guide 65:2000 since 2012. The accreditation by Standard Malaysia has placed MTIB as the sixth organisation in Malaysia to gain the status and the scope of the product is plywood.

As an ACB, MTIB administers the Product Certification Scheme for plywood in Malaysia. The scheme provides third-party certification for plywood for domestic consumption and operates in an impartial, non-discriminatory and transparent manner. Three companies namely Besgrade Products Sdn. Bhd., Mentakab Veneer and Plywood Sdn. Bhd., and Sinora Sdn. Bhd. have been accorded certified company status, and listing them as pioneers in MTIB's timber product certification.

Having obtained a product certificate, the client or the certificate holder has the right to use the product certification mark on their products showing that the product has been certified. MTIB's certification mark is only to be used in reference to the scope of product included in the product certificate.

The three companies that have obtained the certification have successfully renewed their certification for the next cycle of two years commencing April 2014. They had undergone their auditing process and product testing. The results of audit and testing were then presented to a Certification Approval Panel which subsequently approved their certification. 

ZIBOOSA – BAMBOO TEXTILES ECO-FRIENDLY PRODUCTS

Introduction

Bamboo fabric is a natural textile made from the pulp of the bamboo. Bamboo fabric has been growing in popularity because it has many unique properties and is more sustainable than most textile fibres. Bamboo fabric is light and strong, has excellent wicking properties, and is to some extent antibacterial. The use of bamboo fibre for clothing was a 20th century development, pioneered by several Chinese corporations.



Bamboo trees

Bamboo fibre resembles cotton in its unspun form, a puffball of light, airy fibres. Many companies use extensive bleaching processes to turn bamboo fibre white, although companies producing organic bamboo fabric leave the bamboo fiber unbleached. To make bamboo fibre, bamboo is heavily pulped until it separates into thin component threads of fibre, which can be spun and dyed for weaving into cloth.

Bamboo fabric is very soft and can be worn directly next to the skin. Many people who experience allergic reactions to other natural fibres, such as wool or hemp, do not complain of this issue with bamboo. The fiber is naturally smooth and round without chemical treatment, meaning that there are no sharp spurs to irritate the skin.

Ziboosa – Bamboo Malaysia Sdn. Bhd.

Inspired by an Australian bamboo fabric industry, Bamboo Malaysia Sdn. Bhd. was registered in 2009 by Ghazi Ramli with the brand 'Bamboo Living' also known as 'bliv'. Their initial products comprised of towels and home accessories. In 2012, Bamboo Malaysia Sdn. Bhd. diversified their products range into clothing and rebranded to 'ziboosa™'. The company shifted focus to provide fashionable casual wear for youth and adults by offering eco-friendly products.

Located at Suite E-13-16, Level 13, Block E, Plaza Mount Kiara, No 2, Jalan Kiara, 50480 Kuala Lumpur. Ziboosa™ offers a range of products in clothing, home and gifts. This includes t-shirt, blouses, shirt, batik collection, towels, home decoration items, festive hampers, corporate gifts and such. Most of the raw bamboo fabrics used to produce their end products is imported from China.

The company operates mainly as an online business apart from participating in relevant events such as World Bamboo Day (WBD) and IGEM (eco products exhibition). The company has also collaborated and become partners with several other brands and organisations including Nukleus, Alana Ilham, Victor Khoo, EcoKhighits and Single Mothers Association (PITIWPS).



Bamboo fabric for T-shirts, socks and towels.

Bamboo was chosen as a natural eco material, as it helps promote a cleaner and healthier world while saving the Earth.

Why Bamboo Fabric?

Softness:

Bamboo fibre is exceptionally soft, it feels great against your skin. While the plant itself may not seem like it would make for soft clothing, the process of extracting bamboo cellulose and converting it into fibre results in a very smooth and silky yarn. This yarn is weaved into fabric used for bamboo clothing.

Moisture Wicking:

Bamboo fibre is very popular because of its moisture wicking properties. With almost twice the moisture transfer rate of cotton, it is an ideal fabric for clothing worn directly against the skin. The use of bamboo fibre in sportswear, yoga clothing and high performance active wear has also increased due to this unique property.

UV Protection:

Bamboo clothing is proven to have superior UV protecting qualities. While some studies have questioned the extent to which bamboo clothing is UV resistant, a recent study by Deakin University found bamboo fabric is 60% better than cotton at protecting the wearer from the sun's harmful UV rays.

Breathability and Insulating:

Because it is derived from plant fibres, bamboo clothing is significantly more breathable and a naturally insulating fibre than traditional fibres and synthetics. When woven into fabric, bamboo clothing helps to trap a small layer of air against the skin. This layer acts as insulation, natural temperature regulator helping to keep the wearer cool in the hot weather, and warm during winter.

Antibacterial:

Scientifically, based on a study that was done by the Japan Textile Inspection Association (JTIA); a quantitative test, method JISL 1902 was performed using 100% bamboo fabric. The bamboo fabric samples were washed industrially 50 times. The bamboo fabric samples were then laden with bacterial strain type staphylococcus IID 1677. After a 24-hr incubation period they did a count on the live bacteria remaining on the bamboo fabric samples. Their results showed that the samples retained a greater than 70% antibacterial efficiency rate, after 50 industrial washings.

ENHANCING OF TIMBER COMPANIES IMAGE THROUGH RISK PROFILING AND STAR RATING MODEL DATABASE

"The timber industry is regarded as a sunrise industry, which is characterised by a rapid emergence, high degree of innovation, coupled with abundant of resources. Ideally, over a period of years or decades, as an industry grows and matures, it may pass from the sunrise phase to maturity and, finally, the sunset stage. The timber industry should not then be resting on its laurels."



Meeting with BNM on 6 June 2011 to discuss on financial and insurance issues.

Overview

Being a complex industry with various sectors, the timber industry may explore opportunities to further develop and boost its performance. For instance, creating a factory discipline, which encompasses control of pace, timing and conduct of work, as well as the housekeeping management, may attract worker interest and may result in the increase of work effort and productivity per unit employee.

Effective housekeeping can eliminate some workplace hazards and help get a job done safely and properly. Poor housekeeping can frequently contribute to accidents by hiding hazards that cause injuries. If the sight of paper, debris, clutter and spills is accepted as normal, then other more serious health and safety hazards may be taken for granted.

Housekeeping is not just cleanliness. It includes keeping work areas neat and orderly, maintaining halls and floors free of slip and trip hazards, and removing of waste materials and other fire hazards from work areas. It also requires paying attention to important details such as the layout of the whole workplace, aisle marking, the adequacy of storage facilities, and maintenance. Good housekeeping is also a basic part of accident and fire prevention. Effective housekeeping is an ongoing operation: it is not a hit-and-miss cleanup done occasionally, and ultimately it renders assurance to the financing industry.

Initiatives by MTIB

Insurance coverage and financing support continue to be one of the critical factors to ensure a sustainable growth of any industry. Over the years, the timber industry has been perceived as a high risk industry which has led towards reluctance among insurance and financing providers to render its respective support. Towards this end, a Financial and Insurance Taskforce Committee was formed in 2011 to oversee industry-related issues, for instance, insurance and

financial issues, and to find appropriate measures to address them.

MTIB has been tasked with developing a viable strategy and action plan by working with stakeholders to help facilitate the growth of the timber industry. Inputs to develop a sound strategy have come from a range of industry participants and associations, government agencies, commercial banks and the insurance sector.

A workshop was held on 19-20 June 2013 to get all stakeholders to propose viable ideas, find new ways to keep the industry relevant and continue to support SMEs to attain a competitiveness edge. It also aimed to remove barriers and obstacles to take the performance of the industry players to the next level.

1. The Roadmap

A Roadmap on Insurance Coverage, Financial and Incentives for Timber Industry, 2013-2020 is the brainchild of this committee. The Roadmap is meant to uplift the timber industry image to create a conducive business environment for the development of the industry. It is a concerted effort collated from the financial and incentives providers, timber associations and the timber industry.

Four strategic pillars were formulated to cater to the issues and challenges faced by the timber sector as follows:

- Establishment of a Lead Agency
- Incentives and Special Funding Scheme
- Dissemination of Information
- Industry Excellence

2. Guideline on Fire Insurance for The Timber/Furniture Industry

In November 2012, a Guideline for the timber and furniture industry was developed. It outlines the minimum

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Financial Talk on 29 November 2012 in Sungai Buloh, Selangor (left) and on 12 December 2013 in Butterworth, Penang.



requirements as well as the best practices manual for the timber industry in getting insurance coverage from insurance providers. The Guideline came into effect in January 2013. This Guideline is a collaborative effort of MTIB and the General Insurance Association of Malaysia (PIAM), aimed at strengthening and building a conducive environment in the timber and furniture industry.

3. Risk Profiling and Star Rating Model Database

Based on the Guideline developed, MTIB and PIAM formulated a best practices manual for the timber industry in getting insurance coverage from insurance providers. A series of discussions were held among MTIB and PIAM to carry out a rating score formula based on the criteria set in the guideline.

A total of 18 items were categorised based on the Construction Classification. They are: Types of Construction, Year Built, Building Layout, Process, Housekeeping, Electrical Wiring, Spray Painting, Flammable Liquid Storage, Smoking Policy, Hot Work, Automatic Sprinkler System, Hydrant, Hose Reels, Portable Fire Extinguisher, Maintenance of Fire Extinguishing Appliances, Trained Private Fire Brigade, Losses (past three years) and Other Good Points. The company will be categorised based on their star rating and its improvement process will be monitored and audited by MTIB officials on site for data confirmation or evidence.

All timber companies are urged to use the timber online database for their insurance coverage and updating their company information.

The system is a user friendly platform and the applicants can easily upload their supporting documents in the form of image, Microsoft document or PDF format.

All timber companies are urged to use the Risk Profiling and Star Rating Model Database as a first step towards getting insurance coverage. This system is endorsed by Bank Negara Malaysia (BNM), insurance providers, timber associations and other relevant timber agencies and will come into effect, soonest by June 2014.

Conclusion

These efforts will enable timber and furniture companies to implement good management practices to improve on the insurability of their risks and is applicable to all timber and furniture companies involved in the manufacturing, storage and retail of timber products including furniture. The industry is advised to address the physical aspect of the risk only and acceptance of insurance cover is at the discretion of individual insurers and takaful operators, as long as good business practices are being implemented among the timber and furniture companies. Collaborative effort is very vital, for instance the involvement of agencies such as Fire and Rescue Department (Bomba). It is hoped that these efforts may act as a vehicle to further elevate the image of the timber industry.

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A workshop on Roadmap Insurance Coverage, Financing and Incentives for Timber Industry on 19-20 June 2012 in Kuala Lumpur.



A group discussion during a workshop on Roadmap Insurance Coverage, Financing and Incentives for Timber Industry held on 19-20 June 2012 in Kuala Lumpur.



GERMANY FURNITURE INDUSTRY – CHALLENGES AND PROSPECTS

Germany is a country located in Western and Central Europe. Its capital and largest city is Berlin but other large cities include Hamburg, Munich, Cologne and Frankfurt. It also shares borders with nine different countries including France, the Netherlands, Switzerland and Belgium. Germany has a varied topography with lowlands in the north, the Bavarian Alps in the south and uplands in the central part of the country. Germany is one of the most populous countries of the European Union and it has one of the largest economies in Europe. It is known for its history, high standard of living and cultural heritage.

Timber Industry

Germany ranks among the densely wooded countries in Europe. Around 11 million hectares corresponding to one third of the national territory are covered with forests. In regional terms, the proportion of woodland cover varies widely, ranging from 10% in Schleswig-Holstein to over 40% in Rhineland-Palatinate and Hesse, the most thickly wooded *Länder* (federal states).

The German timber and forestry industry is one of the world's market, technology and innovation leaders. Germany's tradition of building with, processing and refining wood dates back several hundred years. For example, Germany was the birthplace of glued laminated timber (glulam) construction. The principle of sustained forestry management also had its origins in Germany almost 300 years ago. Refined wood products, innovative construction methods and high-quality machinery and equipment for processing and finishing wood "made in Germany" are in high demand across the globe.

With 3.4 billion m³, Germany is home to the largest timber reserves in Europe. The most important timber tree types are Spruce, Pine, Beech and Oak. The annual potential for use is approximately 80 million m³. The majority of German forest areas have been certified according to leading international systems such as PEFC or FSC.

At 25 million m³ of sawn and planed timber, Germany's sawmill industry is the largest producer in the European economic area. Approximately 30% of German sawntimber production is exported worldwide, at an upward trend. Based on the presence of 150,000 companies, annual sales of approx. EUR170 billion and almost 1.2 million employees, the German timber and forestry industry cluster is a key global player.

Malaysia Export of Timber and Timber Products to Germany

In 2013, export of Malaysian timber and timber products recorded a decline of 29% to RM192.0 million from RM269.7 million in 2012. Although demand from Germany declining, products such as wooden furniture, mouldings and sawntimber remained as main products imported from Malaysia.



Export of wooden furniture totalled at RM66.1 million, decreased 21% from RM83.8 million recorded in 2012. Export of mouldings was down to RM55.9 million from RM100.4 million in the previous year. Most of the mouldings exported to Germany were of the decorative types. The recent trend is focused more towards semi-finished and finished timber mouldings.

In the meanwhile, export of sawntimber declined 10% from RM56.2 million to RM50.4 million in 2013. Dark Red Meranti and Merbau are the two main species exported to Germany. Export of BJC totalled RM13.6 million in 2013. Doors and door frames, window and window frames, parquet flooring and other related items are the main export items to Germany.

Malaysia Import of Timber and Timber Products from Germany

Import of timber and timber products from Germany were on an increasing trend from 2009 to 2013. Import of timber and timber products in 2013 totalled RM56.6 million, an increase of 13% from RM50 million in the previous year. Main products imported from Germany were sawntimber, wooden furniture and veneer.

Import of sawntimber from Germany increased 36% to RM30.5 million from RM22.5 million in the previous year. Similarly, import of wooden furniture rose 21% to RM10.1 million from the previous year. However, import of veneer declined 51% to RM2.3 million over the previous corresponding period.

Timber Production in Germany

Production of timber and timber products averaged around 70,000 m³ from the year 2008 to 2013. The production of

Malaysia: Export of Timber and Timber Products to Germany

(Value: RM '000)

Product	2009	2010	2011	2012	2013	% Change 2013/2012
Logs	1,173	248	472	194	0	-100.0
Sawntimber	74,852	68,750	66,685	56,169	50,438	-10.2
Plywood	5,203	5,349	4,452	9,451	3,987	-57.8
Veneer	4,335	49	147	229	72	-68.6
Mouldings	85,345	81,561	86,447	100,368	55,937	-44.3
Wooden Frame	204	576	148	0	0	0.0
BJC	27,786	25,662	16,035	17,536	13,646	-22.2
Wooden Furniture	96,035	101,948	71,892	83,765	66,060	-21.1
Rattan Furniture	425	317	250	686	40	-94.2
Other Products	3,592	7,052	4,209	1,310	1,853	41.5
Total	298,950	291,512	250,737	269,708	192,033	-28.8

Sources: MTIB and DOSM

Malaysia: Import of Timber and Timber Products from Germany

(Value: RM '000)

Product	2009	2010	2011	2012	2013	% Change 2013/2012
Logs	894	1,757	2,006	2,214	3,182	43.7
Sawntimber	4,490	10,246	14,855	22,469	30,452	35.5
Plywood	627	3,393	789	410	159	-61.2
Veneer	5,430	5,847	4,979	4,647	2,283	-50.9
Chipboard/ Particleboard	903	2,409	866	1,091	527	-51.7
Fibreboard	337	300	294	597	86	-85.6
BJC	23	390	124	23	30	30.4
Wooden Furniture	7,773	9,689	10,936	8,350	10,062	20.5
Rattan Furniture	30	215	405	1,089	295	-72.9
Other Products	7,160	6,112	9,009	9,098	9,556	5.0
Total	27,667	40,358	44,263	49,988	56,632	13.3

Sources: MTIB and DOSM

Germany: Production of Timber

(Volume : m³)

Product	2008	2009	2010	2011	2012
Industrial Roundwood	46,806	38,986	45,387	45,358	42,862
Sawnwood	19,187	20,781	22,059	22,628	21,030
Plywood	174	192	232	217	177
Veneer	392	166	183	186	126
Fibreboard	4,932	4,259	4,575	4,747	5,062

Source: FAO

industrial roundwood decreased from 46,806 m³ in 2008 and to 42,862 m³ in 2012. Production of sawnwood totalled to 22,628 m³ in 2011 and in 2012 production fell to 21,030 m³. Production of fibreboard increased from 4,717 m³ in 2011 to 5,062 m³ in 2012.

Import of Timber and Timber Products by Germany

Import of timber and timber products by Germany had been significant and average around USD6.7 billion from the year 2009 to 2013. In 2013, import of timber and timber products by

Germany: Import of Timber and Timber Products

(Value: USD '000)

Product	2009	2010	2011	2012	2013
Sawntimber	1,104,185	1,287,179	1,504,075	1,285,817	1,384,365
BJC	740,478	773,599	932,185	862,596	1,000,016
Plywood	588,188	745,046	931,072	810,014	841,791
Particleboard/ Chipboard	538,911	614,859	879,852	808,105	792,480
Logs	333,538	562,365	714,756	585,118	735,953
Fibreboard	335,697	412,392	461,046	419,415	436,193
Mouldings	233,518	270,931	323,611	290,658	262,579
Veneer	196,696	196,628	206,191	181,178	165,842
Wooden frames	64,258	68,181	75,280	76,472	76,213
Others Products	1,512,512	1,714,599	2,080,881	1,885,287	2,040,101
Total	5,647,981	6,645,779	8,108,949	7,204,660	7,735,533

Source: UN Comtrade

Germany increased 7% to USD7.7 billion compared to USD7.2 billion in 2012.

Even though Germany is a major producer of logs, the imports of logs is increasing from USD334 million towards USD736 million in 2013. This is to cater the demand by domestic processing industry. Most of the imports are from EU countries such as Czech Republic, Poland, Norway and Belgium. Imports of tropical logs were mainly from African countries such as Cameroon and Gabon.

Sawntimber imports which totalled USD1.1 billion in 2009 rose to USD1.4 billion in 2013. In 2013 import of sawntimber amounted to USD1.4 billion, an increase of 8% from USD 1.3 billion in the previous year. The major suppliers of sawntimber in 2013 were Sweden and Russia which took about 16% and 11% share of Germany's total sawntimber imports respectively.

Import of BJC by Germany rose significantly from USD740 million in 2009 to USD932 million in 2011 and further increased to USD1 billion in 2013. Major suppliers of BJC to Germany were Austria, Denmark and Poland. Similarly, imports of plywood by Germany were also on increasing trend. Import increased from USD588 million in 2009 to USD842 million in 2013.

Germany Furniture Industry – The Challenges

The furniture industry in Germany generates a total annual sales volume of 15 billion euro and over 100,000 employees are working in about 1,000 companies. Most of furniture producing company in Germany is medium sized and production is labour intensive as expenditure on salaries amount to 19% of total sales volume. Nonetheless, modern technology and skilled labor is used in every production step. The biggest part of the production is sold on the domestic market and 29% are exported mainly to other European states. Furniture imports rose considerably during the past years. Most of the imports come from Poland, China, Italy and Czech Republic.

Traditional lifestyles are increasingly disintegrating under the influence of globalisation, the aging of society, and the desire

for greater independence and individuality. In response to this situation, furniture manufacturers are continuously expanding their range of offerings. By providing an extremely diverse range of products, the companies are well-equipped to meet the demand for customised and unique pieces of furniture. Today's sofa buyers can choose between various seating heights, hundreds of different cover fabrics, various wood and metal legs, and lots more. Not only is there now a growing number of different styles, design are becoming vastly more important. In addition, furniture made of natural materials in combination with innovative design is one of the upcoming trends in Germany. There is a significant trend towards natural material although these materials are getting more expensive.

The international trade in furniture is steadily increasing because of ongoing globalisation and as a result of more national markets opening up. Trading networks are expanding worldwide, and the volume of furniture produced for export continues to rise. Today, Europe is the most important furniture market in the world. The production increase was highest in the Eastern European countries, Austria and the Netherlands. In the future, dynamic developments in the emerging markets will give an additional momentum to the furniture trade leading to even more rapid growth.

Conclusion

Germany is the most important furniture market in Europe. On average, Germans spend about 500 euro per year on decorating their homes, with 360 euro of this for new furniture. This puts Germany at the top of the worldwide list when it comes to purchases of furniture per capita. The future of furniture and interior design sector seems to be bright and the coming years will see tremendous growth in worldwide demand as well as the need for furniture that enables consumers to make their dream homes a reality.

References:

- Factsheet Furniture Industry Germany
- www.hdh-ev.de
- Timber Trade Journal
- MTIB's Statistics
- Department of Statistics Malaysia (DOSM)
- UN – Comtrade 

COMING EVENTS – OCTOBER 2014

DATE	EVENT	VENUE	ORGANISER
2-5	BALTIC FURNITURE 2014 International Furniture and Interior Design Fair	Riga International Exhibition Fair, Latvia	International Exhibition Company BT 1 Tel : + 371 67065000 Fax : + 371 67065001 E-mail : info@bt1.lv
4-12	INTERCASA 2014 International Furniture and Lighting Exhibition	Fiera International de Lisboa, Portugal	Fiera International de Lisboa Tel : + 351 218 921 000 Fax : + 351 2189 21555 E-mail : fil@aip.pt
5-7	IRISH FURNITURE AND HOME ACCESSORIES FAIR 2014 International Furniture and Home Accessories Fair	Royal Dublin Society Main Hall Complex, Ireland	Irish Services Ltd. Tel : + 353 (0) 1 288 8821 Fax : + 353 (0) 1 288 3127 E-mail : david@exhibitionsireland.com
7-12	AMBIENT LJUBLJANA – FURNITURE FAIR 2014 Slovene Furniture Fair with International Participation	Ljubljana Exhibition and Convention Centre, Slovenia	Gospodarsko razstavisce Tel : + 3861 300 2600 Fax : + 3861 1300 2649 E-mail : info@gr-sejem.si
9-12	INDEX FURNITURE 2014 International Trade Fair on Furniture	Bandra – Kurla Complex (MMRDA Grounds), Mumbai, India	Universal Expositions Ltd. Tel : + 91 22 2830 2870 Fax : + 91 22 8216 140 E-mail : marketing@ueindia.com
11-19	FURNITURE FESTIVAL 2014 Furniture Exhibition	Impact Exhibition and Convention Centre, Nonthaburi, Thailand	Union Pan Exhibitions Co., Ltd. Tel : + 66 (0) 2314 0855 Fax : + 66 (0) 2319 8337 E-mail : service@unionpan.com
15-19	AMBIENTA 2014 International Furniture, Interior Decoration and Supporting Industry Fair	Zagreb Fair Exhibition Centre, Croatia	Zagreb Fair Tel : + 285 (0) 16503 111 Tel : + 385 (0) 16550 619 E-mail : zagrel@zv.hr
15-19	MODDOM 2014 International Wxhibition for Furniture	Bratislava Exhibition Centre, Bratislava, Slovakia	Incheba Jsc Tel : + 421 26727 1111 Fax : + 4212 6241 1838 E-mail : incheba@incheba.sk
16-18	FURNITURE CLUB 2014 Furniture Industry International Exhibition	Crocus International Expo Centre (IEC), Moscow, Russia	Crocus Expo IEC Tel : + 7 (495) 727 2626 Fax : + 7 (499) 2480734 E-Mail : service@crocus-off.ru
20-22	INTRADE MALAYSIA 2014 Malaysia International Trade Exhibition	Matrade Exhibition and Convention Centre, Kuala Lumpur, Malaysia	Fairs and Events Management Sdn. Bhd. Tel : + 603 5636 1788 Fax : + 603 5637 2788 E-mail : jonathan@famsb.com





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Riesak Verica spp.

DAMAR MINYAK – SUITABLE FOR DECORATIVE PANELLING



Wood colour and texture



Damar Minyak tree



Damar Minyak is the Standard Malaysian Name for the timber *Agathis borneensis* Warburg, family of Araucariaceae. The botanical identity of Damar Minyak has undergone a number of taxonomic changes and the current applicable botanical name is *A. borneensis*. Damar Minyak is the only species of softwood that is available in commercial quantities in Malaysia. It is equivalent to the Kauri of Australia and New Zealand, although lighter in density. Other vernacular names used include Malayan Kauri (former Peninsular Malaysian trade name), Mengilan (Sabah) and Bindang (Sarawak). The trees of *A. Borneensis* are tall, monopodial and are without buttresses. The crown is relatively small, narrow and unevenly conical. The bole is typically dippled and is light brownish grey in colour. The trees are capable of achieving 50 m in height and 4 m in girth.

General Characteristics

Damar minyak is relatively soft and light with air-dry density ranging from 380 - 550 kg/m³ and averaging 440 kg/m³. The sapwood is not clearly differentiated from the heartwood which is light yellow when fresh and darkening to various shades of light golden brown on exposure. The timber is straight grained and the texture is fine and even. The timber exhibits a high lustre on all surfaces. The timber is non-durable under exposed conditions. However the timber is classified as extremely easy to treat. The timber is subject to dry-wood termite attacks and it is also rapidly destroyed by rotting fungi. However it is immune to powder-post beetles attack.

Wood Anatomy

The anatomy of Damar Minyak is typically that of a softwood. Growth rings are present but not sharply marked, indicated by layers of thicker walled tracheids formed during the later part of the growing season. Fibres and vessels are absent. Tracheids are present and are just visible with a lens. Wood parenchyma is in scanty patches, not visible even under lens. Rays are very fine, not visible to the naked eye.

Machining Properties

The green and air-dry material is easily cut on this resaw, but the cut surfaces are not quite clean, being somewhat fibrous. Planing can be easily done on a planing machine giving a reasonably smooth surface but a rather rough surface is obtained in boring, both with a three-winged straight-fluted auger and a twist drill. A better finish, though still rough, is obtained on the air-dry material using the same tools. Peeling is easy. The veneers produced are good however its liable to staining if not dried immediately.

Air Drying

The timber dries at an average rate with only slight seasoning defects. The green to air-dry shrinkage of Damar Minyak is small, radial shrinkage averages 1.2%, while tangential shrinkage averages 2.5%. The air seasoning characteristics of Damar Minyak is summarised in **Table 1**.

Table 1 : Air Seasoning Characteristics of Damar Minyak

Timber Name	Air-dry m.c. %	Shrinkage (%) Green to Air-dry		Time to Air-dry (months)		
		Radial	Tangential	12 mm (½ in)	25 mm (1 in)	40 mm (1½ in)
Damar Minyak	16.3	1.2	2.5	2	2½	5

Mechanical Properties

Standard mechanical tests were conducted on small clear specimens of both green and air-dry Damar Minyak. The results are given in **Table 2**. In the old method of strength grouping based on compressive strength parallel to grain (Burgess, 1956), Damar Minyak is placed in Strength Group 6, along with Jelutong (*Dyer costulata*) and Pulai (*Alstonia* spp.).

Uses

Damar Minyak has established an excellent reputation as a first class decorative timber. Its fine texture and natural lustre coupled with its ability to take on a high polish, makes it an ideal timber for interior finishing. The species is greatly sought after for decorative panelling of houses and offices. The species is also suitable for veneer and plywood production and a certain

Table 2 : Strength Properties of Damar Minyak

Modulus of Elasticity (megapascals)		Modulus of Rupture (megapascals)		Compression Parallel to Grain (megapascals)		Compression Perpendicular to Grain (megapascals)		Shearing Strength (megapascals)	
Green	Air-dry	Green	Air-dry	Green	Air-dry	Green	Air-dry	Green	Air-dry
10,500	12,000	43	65	22	34	-	-	7	7



Damar Minyak leaves



Uses of Damar Minyak

amount of this timber is sliced to produce decorative plywood. Other possible usage of the timber includes joinery, cabinet work, turnery, shelving and pattern making.

References :

- DSD T.M.Wong. 1981. *Malaysian Timbers - Damar Minyak*. Malaysian Forest Service Trade Leaflet No 43. Forestry Department Peninsular Malaysia and MTIB, Kuala Lumpur.
- <http://www.hobbithouseinc.com>



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MTIB Moments



MTIB mascot at MTIB booth during Hello Komoditi held on 19 April 2014 in Melaka.



Briefing on Plywood Standards Applied in the MTIB Certification Scheme on 21 April 2014 at MTIB, Kuala Lumpur.



A WISDEC official demonstrated the use of a machine to students of the Shah Alam Community College during their visit to WISDEC Banting on 21 April 2014.



Dr. Jalaluddin Harun, MTIB Director-General (right) being interviewed under the Biz Talk segment by BERNAMA TV crew on MTIB's participation in the i-Saloni 2014, Italy. It was recorded on 24 April 2014.



Dato' Chua Hock Gee, Managing Director of Plus Intervest Sdn. Bhd. (third from right) explained to YB Datuk Amar Douglas Uggah Embas, Minister of Plantation Industries and Commodities (centre) on the utilisation of oil palm trunk into plywood production and the residue can be used for cattle feed. The picture was taken during a visit to the factory in Bahau, Negeri Sembilan on 24 April 2014.