



MASKAYU



**WORLDSKILLS COMPETITION 2013:
MALAYSIAN ENTRY IN CABINET
MAKING CATEGORY**



**UPDATES ON TRANS PACIFIC
PARTNERSHIP AGREEMENT**

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Cover: Professionals and specifiers in the construction industry flocked to ARCHIDEX to see innovations on materials, products, systems and technologies. MTIB's participation is reported on page 19.

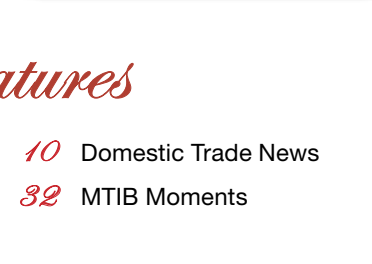


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WORLDSKILLS COMPETITION 2013: MALAYSIAN ENTRY IN CABINET MAKING CATEGORY



Dr. Jalaluddin Harun, MTIB Director-General (third from left) posing with candidates from Malaysia (third from right) and Canada (second from left). Also in the picture are Dato' Dr. Rohaizi from CIDB (second from right), Encik Mohamad Fu'ad Ishak of WISDEC (right) and Encik Halim Jahaya from Department of Skill Development (left).

WorldSkills is a skills competition, jobs and careers event held every two years. It is targeted at youths aged 17 to 22 years to demonstrate their excellence in skilled professions. The competition is promoted and managed by WorldSkills International (WSI), formerly known as the International Vocational Training Organisation (IVTO). As of September 2008, WorldSkills International has more than 50 member countries.

Governed by an international Board of Directors and administered by the WorldSkills Secretariat, WSI's mission is to promote, through the cooperative actions of Members, a world-wide awareness of the essential contribution of skills and high standards of competence towards economic and individual success. Through international competitions held every two years, WSI attempts to raise awareness to the opportunities that exist in skilled professions and encourage youths to explore career opportunities in trade and skilled professions.

Among its main objectives are:

- Promoting the exchange between young professionals from various regions of the world
- Exchanging of skills, experience and technological innovations
- Raising understanding in governments, the education sector and industries to the importance of skills training
- Raising awareness of youth and those who influence youths of the opportunities available in skilled professions

The young professionals who compete are selected by their

respective countries and may only participate once in the competition. They must be between the ages of 17 and 22 years in the year of competition. Certificates of Achievement and medals are awarded during the competition: gold, silver and bronze, as well as Certificates of Excellence (to competitors who achieve over 500 points).

The most recent competition, its 42nd edition, took place from 2 to 7 July in Leipzig, Germany. The celebration and showcase of skills brought together the finest young professionals in skilled trades and technologies from 53 member countries. Approximately 1,000 competitors in 46 skills, 950 experts, 200,000 visitors, 3,500 participation of conference and 3,500 accredited delegates participated in the largest international vocational education training event in the world. South Korea



Encik Zulkarnain Sudin, a Malaysian representative applying a final touch to his cabinet during the competition.

Cont. on page 13



TIMBER WORLD IN BRIEF

EUROPEAN UNION

Sustainable Tropical Timber Coalition to Start in November 2013

The EU is to start its Sustainable Tropical Timber Coalition (STTC) on 6 November 2013. The initiative aims to increase demand for certified tropical timber in important European markets by 30% within two years. It has been driven by Dutch organisation Initiatief Duurzame Handel, which also aims to increase demand for other sustainable products. It is aiming to find other members amongst government organisations and amongst companies. Members will sign up to an action plan and will receive assistance from the STTC.

Holz-Zentralblatt, 5 July

FAR EAST

Far East Timber Market: More Confidence

There is more confidence in the Far East timber trade and the prices of sawntimber and plywood have been raised. In Japan, there is more activity in house construction and the rebuilding of the areas affected by tsunami.

China imported over 4.5 million m³ of sawntimber in January-March 2013 which is 3% more than a year earlier. According to Chinese furniture exporters, the EU Timber Regulation is adding 5% to their costs. New manufacturing investments are moving away from China to Cambodia and Viet Nam as the wages go up in China because of urbanisation. In panel products, the Chinese government provides subsidised loans to manufacturers to update technology and improve products. European buyers are suffering from low consumption and they have some concerns over the EUTR. The imports of tropical hardwood are expected to decline in 2013.

TTJ Timber Trades Journal, 29 June

GERMANY

Furniture Industry May Improve in Fourth Quarter

The German living, kitchen and upholstered furniture industry associations VDDW, VDDK and VDP have said that they

are hoping for an improved fourth quarter of 2013. The Ifo business climate index and GfK consumer climate index have both been showing a positive trend since April and this tends to have an effect with a four to six month delay. In the first quarter of the year the kitchen furniture industry saw an 8.1% reduction in orders, while the upholstered furniture industry was down 4.1% and living furniture fell 2.9%. Kitchen unit orders were down 2.7%, while upholstered furniture orders were down 4.9%.

Holz-Zentralblatt, 21 June

Timber Construction Trades Confident About Growth

With orders providing work for ten weeks on average at the beginning of the year, the German timber construction trade expects a 2% increase in sales revenues to about EUR6.32 billion (USD8.22 billion) in 2013. In 2012 the sales grew 1.9% to EUR6.2 billion.

According to Bund Deutscher Zimmermeister, the Federation of German Master Carpenters, focus on timber construction is shifting from non-residential to residential construction, and there is a positive trend in the field of multi-storey wooden buildings. In mid-2012 there were 11,175 timber construction businesses in Germany, up 1.5% on a year earlier.

Euwid Holz, 28 June

INDONESIA

Timber Legality Verification System Fee to be Abolished by Government

In Indonesia, the government plans to abolish the Timber Legality Verification System (SLVK) fee. Also, the government will talk with timber producers to inspect the cost of SLVK. There is a possibility that timber products without SLVK certificate will not be able to be sold on the market because international buyers are concerned about environmental protection.

Bisnis Indonesia, 8 July

JAPAN

Revision of JAS Rule on Laminated Veneer Lumber (LVL)

The National LVL Association formed JAS revision committee four years ago as the Association feels that LVL use is limited

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if it is used only as structural post and beam. It hopes to develop the market of LVL as panels and that the revision would contribute towards developing new market areas for LVL.

In the revised rule, there will be two types of structural LVL. One is standard structural LVL of type A and the other is type B which allows use of orthogonal layers into LVL freely to some extent.

Tropical Timber Market Report, 1-15 July

Pan Pacific Developed Thermal Modified Timber

Pan Pacific Forest Product (Napier, New Zealand), a subsidiary of Oji Paper group, newly developed 'Thermal Modified Timber' (TMT). TMT is highly dried lumber recovered from pruned butt logs of Radiata Pine. Pan Pac installed a high temperature processing kiln as an experimental facility in February 2012 and has conducted test development. Then by March next year, it will install a German made high temperature kiln with the capacity of 80 m³ and start commercial production.

Radiata Pine lumber, which is dried by normal kiln to bring moisture content down to about 10%, is retreated by high temperature kiln, which brings temperature to 220-230 Celsius gradually in 36 hours. It is then left for three hours. The temperature is gradually reduced in 30 hours. Final moisture content will be 6-7%. TMT is said to be durable with high dimensional stability and preservative treatment is not necessary so it is ideal for exterior use like decking, window frame and siding board. It will be on the market next year with an annual production of 9,000 cbms.

Tropical Timber Market Report, 16-31 July

SWITZERLAND Innovation Award for Hybrid Timber Building

The Real Estate Award 2013 of immoinfo24 GmbH in the category Project Development was won by Bauart Architekten und Planer AG and Renggli AG for the multi-family home Swisswoodhouse. Swisswoodhouse is an industrially prefabricated multi-family home in hybrid timber construction. The flexible basic module of 22 sqm allows a variety of building solutions. The house is equipped with innovative building technology.

Press Release, 28 June

THAILAND Prize of Wooden Industry Launches New Fabricated Karaoke and Coffee Shops

Thai wooden flooring/products expert Prize of Wood Industry has introduced its prefabricated wooden house in the forms of coffee shops and karaoke outlets, which can be easily removed and reassembled when needed. The new launch has already secured its first order from Cafe Amazon, where a 30 sqm fabricated coffee shop worth THB780,000 (EUR19,069.60/USD25,015.57) will be built near Bangkok's Thai Chamber of Commerce University within 15 days.

Over the next three months, Prize of Wood Industry is expected to unveil its prefabricated wooden house in the two-storey versions, with a price tag of THB 34,000 per sqm. Earlier, the firm has already revealed 11 designs of fabricated houses in Bangkok with prices ranging from THB24,000 per sqm. For 2013, the firm aims to gain revenue of THB84 million by selling 120 units, with an average price tag of THB700,000 each.

Bangkok Post, 9 July

UNITED STATES Proposed Rules for Formaldehyde Emissions from Composite Wood Products

The US Environmental Protection Agency (EPA) published the proposed rules for formaldehyde emissions from composite wood products on 29 May. The rules apply to hardwood plywood, particleboard, MDF and finished products containing these materials. Both imported and domestically produced products must meet the standards. The proposed regulation consists of two rules:

The first rule sets the limit on how much formaldehyde can be released. It also includes testing requirements, product labelling, and documentation and recordkeeping requirements.

The second rule sets the third-party certification requirements for composite panel manufacturers. EPA recognised third-party certifiers will regularly audit manufacturers, and conduct and verify formaldehyde emission tests.

Tropical Timber Market Report, 1-15 July

JUNE 2013

SHIPPING NEWS



Container Ship Demand to Return with Globalisation

Demand growth in the container-shipping industry probably would not return to pre-crisis levels in the coming years as the pace of globalisation slows, said the head of Maersk Line's North European operations. Demand would probably increase at the same pace or no more than one and a half times the rate of the global economy, compared with growth rates in the past three times.

It is important to recognise that Maersk has been spoiled in the container industry for decades as they had seen growth helped by globalisation. Future increase would be much more in line with global trade as there are not many more companies that could containerise or outsource what they are doing. The capacity overhang may last the next couple of years and liners would then have to scrap old vessels as they purchase new ones.

The container shipping industry was in its fifth year of crisis suffering from slow global trade, an overcapacity of vessels and low freight rates. As new large container ships entered the market, the imbalance would probably continue with the fleet growing 7.5% in 2013 compared to demand growth of 4.5%, according to Drewry Maritime Equity Research.

On the other hand, the Head of Global Markets at Hapag-Lloyd AG also said that the "very high" demand growth rates were "a thing of the past" but still the global container transport business would continue to grow.

Source: Bloomberg, 5 June

Northport Eyes RM1 Billion Revenue Within Three Years

Northport (M) Bhd., the port operating subsidiary of NCB Holdings Bhd. targeted revenue of RM1 billion within the next three years mainly driven by the increase of the port terminal's capacity and a

better performance of its conventional cargo business segment.

Encik Abi Sofian Abdul Hamid, CEO of Northport said Northport was currently constructing a new terminal which was the fourth involving an investment of approximately RM300 million. The new terminal which was expected to be completed by July 2013 would increase the capacity of Northport by 10% to 5.5 million TEUs from 5 million TEUs now.

Northport's water depth was not suitable for the mega vessels travelling on the Asia-Europe and Asia-North America trade routes. Thus, through the new terminal Northport could receive such vessels while it churns more earnings for the company. The new terminal was also expected to have maximum depth to 17 metres, which would allow Northport to handle vessels up to 200,000 displacement tonnes and up to 11,000 TEUs.

For this year, Encik Abi Sofian said Northport aimed to achieve up to 30% of growth in revenue from the RM663.58 million registered last year. The growth target was achievable as the first-half performance had been encouraging especially for the conventional cargo segment. For the first five months of this year, the conventional cargo segment rose 29.4% or 4.22 million freight weight tonnes, whereby RO-RO (roll on-roll off) shipments such as vehicles and machinery contributed the most with 56,921 units. The conventional cargo operation was Northport's second most important earnings contributor. Last year, the division accounted for approximately 10% of the turnover.

Due to the encouraging performance, Northport is anticipating about 25-30% growth in revenue for 2013. The current performance of the conventional cargo operations has surpassed the container segment, but they still believe that the container business is their strength.

Encik Abi Sofian further added that the current container capacity utilisation rate of the port was reasonably high at about 61% although its ideal utilisation level is 70%. He said usually, the port operator undertakes capacity expansion when its utilisation level hits more than 65% so that it could meet the rising demand from its customers.

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, June 2013

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports m ³	% Change June 2013/ May 2013
	m ³	% Change June 2013/ May 2013	m ³	% Change June 2013/ May 2013	m ³	% Change June 2013/ May 2013	m ³	% Change June 2013/ May 2013	m ³	% Change June 2013/ May 2013		
Sawntimber	28,507	-4	109	-97	910	57	176	-2	10,203	59	39,905	-1
MDF	15,317	-28	-	-100	10,562	-7	11,560	29	34,721	63	72,160	14
Mouldings	6,740	-13	244	24	1,276	26	832	-31	3,847	84	12,939	5
Dressed Timber	1,632	8	44	-100	1,014	17	356	-44	852	84	3,898	11
Plywood	4,680	-24	-	-	-	-100	7	250	14,774	64	19,461	28
Veneer	32	-50	-	100	-	-	12	100	280	103	324	60
Particleboard	33,296	-19	-	-100	192	100	683	-80	-	-	34,171	-25
TOTAL	90,204	-16	397	-92	13,954	0	13,626	-6	64,677	64	182,858	2

Note : Indicates % change over the previous month

Source : MTIB

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Northport has a total annual container capacity of 5 million TEUs, with three container terminals namely CT1, CT2 and CT3 and one multi-purpose wharf. In total, it has 14 container berths (berth 8-21) stretching over a 2.7 km long quay line and a depth alongside of 11.5 metres to 15 metres. The berths are capable of accommodating large container vessels of up to 120,000 displacement tonnes, with a carrying capacity of up to 8,700 TEUs.

Last month, Northport took delivery of two new quay cranes for its container operations, part of six new ones purchased by the port at an investment of more than RM170 million to increase its terminal handling capacity.

Source : The Malay Mail, 10 June

Shipowners Seek Government Lifeline

The local shipping industry was in a bad shape with no sign of recovery from the slowdown since late 2008, said Encik Nordin Mat Yusoff, Chairman of Malaysian Shipowners Association (MASA). Without marked demand growth for shipping services, operators were also severely hit by rising excess capacity and poor yield. He also said the industry, comprising mainly shipping companies and operators serving the domestic trade between Peninsular Malaysia, Sabah and Sarawak as well as ports in the region, continues to suffer losses due to high operating costs. This has affected many of their member lines especially those which had invested in recent years in newer and bigger ships.

Shipowners were also facing problems in servicing loans taken to buy ships while the fluctuating ship prices had raised the banks' concerns as the ratio of asset value may no longer reflect the quantum of loan outstanding. Encik Nordin said the declining asset value had placed some of the shipping lines in a situation between "the devil and the deep blue sea". They find it hard to dispose of the asset on one hand and on the other hand, find it just as hard to service the loans.

MASA has appealed to the government for supportive mechanism to help affected owners. The government was looking into the matter positively and objectively. What they need was a sort of an interim financial support mechanism in the form of financial assistance or mortgage funds available at preferential terms to help qualified owners to tide over this difficult period. He also looking at financial assistance or mortgage funds, made available at preferential terms for qualified shipowners.

There were some governments helping their shipping sectors and the latest was the British government, which had committed more funds to support the development and growth of its national fleet. Governments of India, South Korea and China were also helping their respective shipping industries.

MASA believed that if left on its own the future of Malaysia's shipping industry would be affected. They have an array of new rules and regulations on green and environment issues, safety and security concerns and manning standards that had started to enter into force, and would continue to do so in the next two to three years. This would have a severe impact on vessel operation costs and viability of management of shipping companies.

Source : New Straits Times, 13 June

MISC Allocates USD500 Million for Vessel Renewal

Shipping firm MISC Bhd. had allocated a capital expenditure of USD500 million (RM1.5 billion) this year for vessel renewal and was riding on good growth of the global liquefied natural gas business.

Encik Yee Yang Chien, MISC Vice-President of Corporate Planning and Development said, MISC which was a subsidiary of national oil firm Petroliaam Nasional Bhd. made a profit in the recent quarter and it would continue to grow due to the robust LNG sector.

They would be renewing or buying new vessels in the next 12 months and hoping for the rest of the year to maintain a steady momentum.

The shipping heavyweight clawed its way out of the red with a net profit of RM300.42 million for the quarter ended March 2013, against a net loss of RM469.82 million a year ago.

Source : New Straits Times, 14 June

EU Seeks Monitoring of Ship Emissions to Spur Global Curbs

European Union regulators proposed monitoring greenhouse gases from ships starting in 2018 in a plan to encourage global curbs on maritime pollution tied to climate change. The draft law would oblige the owners of ships larger than 5,000 gross tonnes using EU ports to report annual discharges of carbon dioxide (CO₂), the main gas blamed for global warming. The European measurement was meant to be a "building block" for elusive worldwide emission curbs.

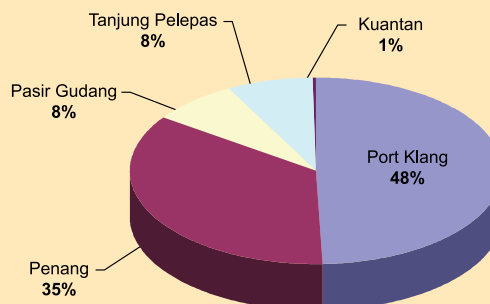
The proposal by the European Commission, the 27-nation EU's regulatory arm, takes place amid a decade-long deadlock in the International Maritime Organisation over agreeing a global framework to reduce ship emissions. In addition to supporting any United Nations system, the EU rules would encourage the maritime industry to cut CO₂ discharges by increasing transparency.

They recognised that shipping must contribute efforts to reduce greenhouse-gas emissions, preferably through global measures which were the most environmentally effective and make economic sense, said Mr. Siim Kallas, the EU Transport Commissioner. The draft legislation needs the support of EU governments and the European Parliament in a process that could take at least a year.

Global maritime transport accounts for 3% of international CO₂ discharges, and emissions from ships were expected to more than double by 2050, according to the commission. The proposed European system would cut pollution from the journeys covered by as much as 2% compared with a "business as usual" scenario and reduce net costs to ship owners by as much as 1.2 billion euros (USD1.6 billion) a year in 2030.

Source : Bloomberg, 29 June

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, June 2013



Total = 182,858 m³

JUNE 2013

Total export of timber and timber products from Peninsular Malaysia in June 2013 decreased 9.7% in volume and 10.5% in value to 222,852 m³ valued at RM252.48 million over the previous month. However, cumulative export for the period of January to June increased 1% in volume but dropped 1.2% in value to 1.39 million m³ with the value of RM1.6 billion respectively over the corresponding period.

Sawntimber

Export of sawntimber in June decreased 3% in volume and 4% in value to 78,335 m³ with a value of RM110.5 million over the previous month. Cumulative exports for the second quarter of the year showed a decrease of 4% in volume however increased 14% in value to 475,267 m³ worth RM679.5 million.

Exports to the EU for the month recorded an increase of 4% to 10,018 m³ due to improved purchases by France, Germany and the UK. The Netherlands and Belgium reduced buying by 43% and 21% to 1,848 m³ and 1,109 m³ respectively. Export to the UK improved significantly to 2,937 m³ from 1,019 m³ due to improved construction orders in the country for the second quarter of the year. Similarly, export to France and Germany increased 2% to 1,317 m³ and 27% to 2,126 m³ respectively.

Total exports to West Asia increased 11% to 11,967 m³. Likewise, export to the UAE and Oman grew more than two folds to 5,657 m³ and 1,276 m³ from 2,656 m³ and 539 m³ respectively. Likewise, export to Qatar increased 81% to 1,679 m³. Even though some of the country in the region affected by the political crisis, export of sawntimber to UAE and Qatar improved due to increased construction activities particularly in the development of new buildings, roads and other facilities. In the meanwhile, export to Saudi Arabia decreased 66% to 1,472 m³ from 4,309 m³ recorded in the previous month.

Buying from ASEAN declined 11% to 34,196 m³ compared to the previous corresponding period. Export of sawntimber to Thailand and Singapore fell 12% and 13% to 22,586 m³ and 10,307 m³ respectively.

Demand in East Asia recorded a negative growth where export decreased 8% to 12,085 m³. China and Japan reduced buying by 17% and 5% to 8,085 m³ and 1,972 m³, respectively.

Elsewhere, exports to the US decreased 6% to 1,170 m³; however, intake by Australia increased 20% to 1,165 m³. Import from South Africa fell 12% to 2,457 m³.

The average FOB prices of sawntimber decreased 1% to RM1,410 per m³ from RM1,421 per m³ in the previous month. Dark Red Meranti (DRM) was traded at RM2,471 per m³, declined 2% from the previous month. Prices of DRM to the Netherlands also decreased marginally to RM2,720 per m³ from RM2,725 per m³ in the previous month. Keruing was traded at RM1,554 per m³ while there was no trading for Redwood to the UAE for the month.

Plywood

Plywood exports in June 2013 were at 15,654 m³ and valued at RM24.85 million. Cumulative exports for the period January to June showed decreases of 7.9% and 9.9% in volume and value to 90,735 m³ valued at RM144.63 million respectively from the previous corresponding period.

Total exports to EU decreased by 18.3% to 9,334 m³. Similarly shipments to Belgium, Netherlands and the UK decreased 26.7%, 26.9% and 17.6% to 821 m³, 597 m³ and 7,030 m³ respectively due to prolong economic crisis resulted in decreasing construction activities. On the other hand, Germany

increased its intake 177% to 119 m³. Denmark resumed its import whilst France maintains its intake at 549 m³ in June 2013. However, Ireland and Italy did not make any purchase in June 2013.

Exports to ASEAN region increased as Singapore and Thailand intake of plywood increased by 36.4% and 72.2% to 1,963 m³ and 966 m³ respectively. However, Brunei and Indonesia did not make any purchase in June 2013. In East Asia, exports to Japan and Hong Kong increased by 100% and 626.2% to 542 m³ and 305 m³ respectively. However, China, Taiwan and South Korea did not make any purchase in June 2013.

Total exports to West Asia decreased by 49.6% to 212 m³ from 421 m³ in the previous month. This is due to the drop of intake by Saudi Arabia and Kuwait 67% and 75% to 40 m³ and 43 m³ respectively. However, UAE remained its intake at 43 m³ and Qatar resumed its intake in June 2013. Bahrain did not make any purchase in June 2013. This is due to the ongoing political instability in the Middle East region.

Elsewhere, exports to South Africa decreased by 48.5% to 280 m³. However, the US, Puerto Rico and Turkey resumed their intake in June 2013. Australia decreased its import by 34% to 986 m³ whereas; New Zealand increased its intake by 210.5% to 59 m³ in June 2013.

The FOB price of plywood decreased to RM1,588 per m³ from RM1,641 per m³ in the previous month, a decrease of 3.2% from the previous month.

Veneer

Total exports of veneer for June 2013 showed an increase of 5.1% in volume and 1.6% in value to 409 m³ at RM0.84 million compared to the previous month respectively. However, the cumulative exports from January to June decreased by 38.5% in volume and 26.8% in value to 1,903 m³ valued at RM4.06 million respectively from the corresponding period of last year.

Exports to Taiwan increased by 74.7% to 153 m³, whilst Australia resumed its intake in June 2013. However, Singapore and Canada reduced their intake by 100% and 29.4% to 1 m³ and 12 m³ respectively. The UK, China, Sri Lanka and Indonesia did not import any veneer in June 2013.

The FOB price of veneer decreased to RM2,061 per m³ from RM2,132 per m³ in the previous month, a decrease of 3.3% from the previous month.

Medium Density Fibreboard (MDF)

Peninsular Malaysia's exports of MDF for June 2013 showed a decline of 16% in volume and 21% in value from the previous month. Export totalled 67,587 m³ at RM56.8 million.

Exports to East Asia registered a decrease of 13% to 1,774 m³ from 2,046 m³ in the previous month. Exports to China (including Hong Kong) grew by 325% to 811 m³ and export to Japan increased by 0.6% to 288 m³. However, exports to Taiwan recorded a negative growth with a decrease of 55% to 288 m³ due to slow market because MDF manufacturers only accepting orders from established customers.

Exports to West Asia in June 2013 also recorded a negative growth with a decrease of 33% in volume to 30,606 m³ from 45,948 m³ in the previous month. Export to Bahrain recorded a positive growth of 112% to 6,224 m³ followed by Syria at 82% to 3,032 m³. Meanwhile export to UAE, Kuwait, Jordan, Saudi Arabia, Oman and Iran dropped by 7% to 12,169 m³, 37% to 2,606 m³, 41% to 765 m³, 42% to 6,905 m³, 62% to 599 m³ and 77% to 1,179 m³ respectively from the previous month. This was due to competition from several suppliers from

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Southeast Asia. Moreover, Iran which was big volume markets for Malaysian MDF earlier had resulted in over production by Malaysian mills, thus further dampening market price.

Elsewhere, exports to the UK and Australia showed a marginal increased by 95% to 339 m³, and 23% to 1,793 m³ respectively. However, export to South Africa and USA fell 32% to 247 m³ and 52% to 1,279 m³ respectively. Malaysian exporters must improve on delivery time and prices to remain competitive in the market where the demand is high at present.

In ASEAN, total export to ASEAN region for this month increased by 11% to 16,251 m³ from 14,609 m³ in the previous month. Exports to Singapore increased by 98% to 369 m³, Indonesia, Philippines and Viet Nam also registered positive growth by 37% to 7,019 m³, 3% to 875 m³ and 0.6% to 7,972 m³ respectively.

Mouldings

Exports of mouldings for the month decreased by 12.6% in volume and 13.3% in value to 13,362 m³ and RM37.59 million

respectively. Similarly, the cumulative exports from January to June decreased by 19.8% in volume and 18.4% in value over the previous corresponding period to 81,913 m³ with a value of RM243.53 million.

Exports to the EU for the month recorded at 5,700 m³, a decrease of 12.3% compared to the previous month, as well as, shipments to Belgium, Germany, Netherlands and UK decreased by 21.2%, 5.7%, 19.1% and 41.1% to 773 m³, 1,185 m³, 2,040 m³ and 408 m³ respectively.

Exports to the ASEAN region decreased as Viet Nam and Singapore intake of mouldings decreased by 59.1% and 11.9% to 72 m³ and 964 m³ respectively due to the unhurried construction activities in the countries. Indonesia did not make any import in June 2013.

On the other hand, exports to Japan and Hong Kong increased by 3.6% and 72.2% to 1,662 m³ and 62 m³ respectively. Meanwhile, exports to South Korea, Taiwan and China decreased by 4.4%, 4.5% and 20.8% to 745 m³, 63 m³ and 175 m³ respectively.

Elsewhere, export to Australia, the US and Canada decreased by 11.1%, 24.2% and 18.2% to 2,057 m³, 1,214 m³ and 36 m³ respectively. FOB unit value decreased 0.9% from RM2,838 per m³ in the previous month to RM2,813 per m³.

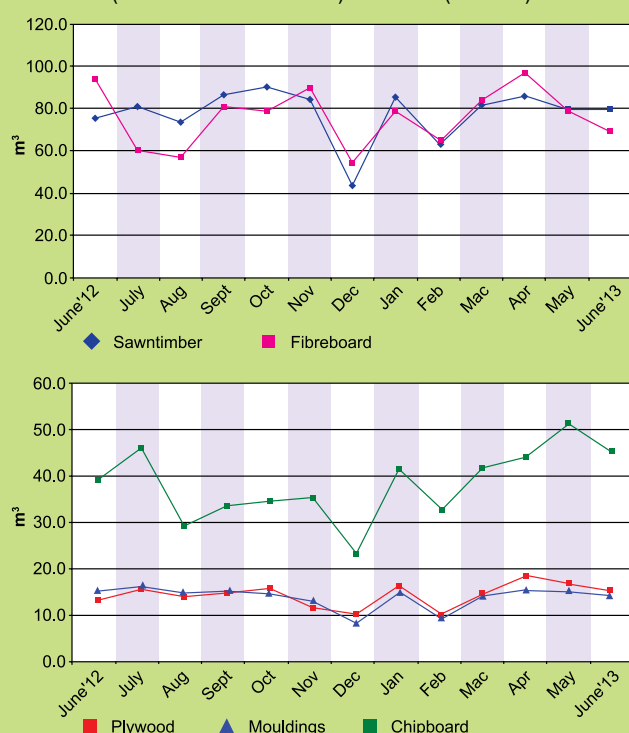
Builders Joinery and Carpentry (BJC)

Total BJC cumulative exports from January to June 2013 declined slightly to RM448.43 million as compared to RM489.39 million in 2012. Similarly, demand from the France, Belgium, Italy, Denmark, Netherlands, Sweden and Turkey decreased by 7.8%, 25.4%, 70%, 4.7%, 90%, 17.5% and 90.1% to RM19.48 million, RM22.2 million, RM2.84 million, RM13.12 million, RM0.24 million, RM5.31 million and RM0.56 million respectively. The decreases are due to the Euro zone prolong economic crisis. However, exports to UK, Norway, and Germany increased slightly 37.2%, 6.5% and 34.8% to RM62.37 million, RM3.52 million and RM9.94 million respectively over the previous corresponding period.

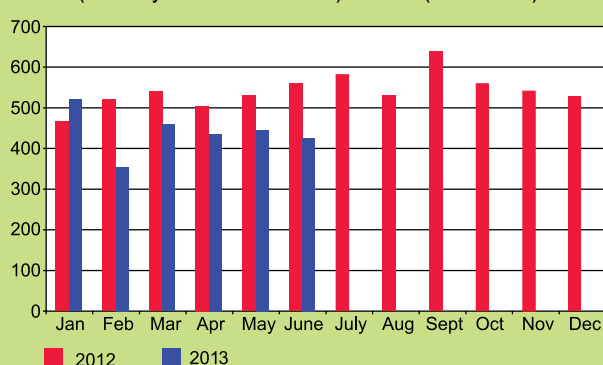
In Asia, exports to Iran, Singapore, Viet Nam and Taiwan grew 190.2%, 6.1%, 41.5%, and 24.5% valued at RM1.59 million, RM52.91 million, RM12.51 million, and RM6.69 million respectively. However, exports to Japan, India, UAE, Pakistan, South Korea and Thailand decreased 27.3%, 13.9%, 27.9%, 30.8%, 47.5% and 1.9% to RM41.01 million, RM27.74 million, RM7.09 million, RM9.36 million, RM1.97 million and RM14.52 million respectively.

Exports to the Australia and the US fell 6.2% and 26.5% to RM55.11 million and RM26.9 million respectively. Similarly, purchases by Maldives and South Africa decreased by 54%

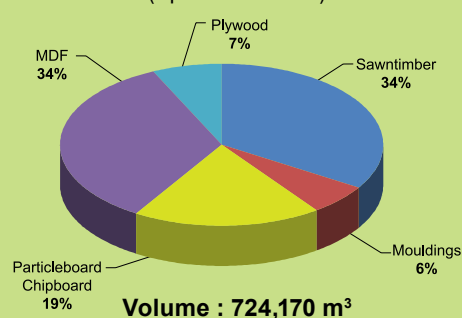
Export of Selected Products from Peninsular Malaysia
(June 2012 - June 2013) / Volume ('000 m³)



Malaysia: Export of Wooden Furniture
(January 2012 - June 2013) / Value (RM Million)



Export of Major Timber Products From Peninsular Malaysia
(April - June 2013)



Cont. on page 11

JUNE 2013



Logs

Prices of logs were reported to be weak but supply was still available especially the Medium Hardwood and Light Hardwood species. Most mills reported adequate log inventories and decided to maintain their current stock levels.

Log prices for Merbau increased by 6% to be traded at RM2,545 per tonne. However, prices of Red Balau dropped by 5% to RM2,540 per tonne as compared to the previous month. Meanwhile, Chengal logs stood firm at RM6,800 per tonne while Balau prices increased by 16% to RM2,820 per tonne. Prices for Keruing and Kempas fell 11% to RM1,370 per tonne and 3% to RM1,365 per tonne respectively. Likewise, Dark Red Meranti and Yellow Meranti were traded at RM1,380 per tonne and RM1,100 per tonne, an increase of 5% and 8% respectively compared to last month's level. However, prices for Jelutong increased by 13% to RM1,240 per tonne. Prices for Mixed Heavy Hardwood increased and was traded at RM1,006 per tonne while Mixed Light Hardwood fell to RM650 per tonne for the month.

Sawntimber

The sawntimber market, both local and overseas, was reported to be poor. Demand from importing market was still low due to the global economic slowdown.

Price of Chengal sawntimber remained at RM6,709 per m³. Balau was traded at RM3,178 per m³, registering a decline of 5% over the previous month. Likewise, Merbau prices decreased by 5% to RM3,804 per m³. Similarly, prices of Keruing and Kempas fell 3% and 39% over the previous month to be quoted at RM1,992 per m³ and RM1,645 per m³ respectively. Prices of Dark Red Meranti and Nyatoh stood firm at RM2,260 per m³ and RM777 per m³ while prices of Red Meranti grew slightly to RM1,762 per m³. Prices of Mersawa and Jelutong increased by 38% and 8% to RM3,058 per m³ and RM1,702 per m³ respectively. Sawntimber prices of Mixed Heavy Hardwood declined by 14% to RM971 per m³

whilst Mixed Light Hardwood prices improved by 3% to RM805 per m³ as compared to the previous month.

Plywood

Prices of plywood for all sizes reported to be decreased between 1-4%. Prices of plywood of 4mm and 6mm of thicknesses decreased 4% to RM14.50 per piece and RM23.00 per piece respectively. Similarly, prices of plywood with the thicknesses of 9mm and 12mm dropped by 3% and 1% to RM34.00 per piece and RM43.50 per piece respectively.

Medium Density Fibreboard (MDF)

Supply of MDF was reported to be sufficient to cater the demand of local market. Due to the weak demand from the domestic market especially from the furniture manufacturers, the MDF prices recorded at downward trend. MDF prices of 4mm and 6mm were traded at RM14.00 and RM21.00 per piece respectively. Meanwhile, prices for 9mm and 12mm of thicknesses decreased slightly at RM27.80 and RM37.20 per piece respectively.

Intra-Malaysia Trade * - June 2013

Shipments of sawntimber from Sabah to Peninsular Malaysia in June 2013, posted an increase of 2% to 1,169m³, valued at RM1.6 million. Similarly, shipments of veneer improved by 25% in volume from 63m³ to 79m³ valued at RM104,000. Meanwhile, export of plywood declined 13% in volume and 20% in value to 7,841 m³ valued at RM11.3 million. No export of logs was recorded for the month.

Shipment scenarios for the month of June recorded at lower path compared to previous month. Shipments of sawntimber to Peninsular Malaysia fell by 58% in volume and 54% in value to 661 m³ worth at RM605,000. Similarly, plywood export declined by 25% in volume to 8,756 m³ valued at RM10.5 million. Export of veneer also slightly declined in volume to 3,961 m³ but increase in value by 14% to RM4.6 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in June 2013.

* Source: Department of Statistics, Malaysia

INTRA-MALAYSIA TRADE - JUNE 2013

From	Products	MAY 2013		JUNE 2013		% Change in Volume June 2013/May 2013	% Change in Value June 2013/May 2013
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	1,147	1,572	1,169	1,635	2	4
	Plywood	8,986	14,172	7,841	11,309	-13	-20
	Veneer	63	87	79	104	25	20
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,563	1,321	661	605	-58	-54
	Plywood	11,667	16,191	8,756	10,518	-25	-35
	Veneer	4,009	4,074	3,961	4,638	-1	14

Source : Department of Statistics, Malaysia

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JUNE 2013

***AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA
JUNE 2013 (VALUE IN RM)**

SPECIES	LOGS/tonne	SAWNTIMBER/m³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	6,800	6,709	2,493	8,828	
Balau	2,820	3,178	2,041	2,966	
Red Balau	2,540	2,966	1,977	3,185	
Merbau	2,545	3,804	2,542	3,895	
Mixed Heavy Hardwood	1,006	971	1,095	1,130	
MEDIUM HARDWOOD					
Keruing	1,370	1,992	1,183	2,225	
Kempas	1,365	1,645	1,448	1,864	
Kapur	1,250	1,886	883	1,695	
Mengkulang	1,150	1,766	1,412	1,483	
Tualang	1,385	2,013	2,260	2,260	
LIGHT HARDWOOD					
Dark Red Meranti	1,380	2,260	1,359	2,119	
Red Meranti	1,525	1,762	1,321	2,401	
Yellow Meranti	1,100	1,370	1,073	1,819	
White Meranti	1,050	1,306	812	1,695	
Mersawa	1,275	3,058	1,688	2,648	
Nyato	900	777	565	1,201	
Sepetir	850	1,095	918	1,095	
Jelutong	1,240	1,702	1,201	1,554	
Mixed Light Hardwood	650	805	660	812	
MALAYSIAN RUBBERWOOD <i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m³			
	155	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		900	1,045	1,095	1,215
PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm	
	14.50	23.00	34.00	43.50	
MDF 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm	
	14.00	21.00	27.80	37.20	

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

* Prices are only indicative

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TIMBER ROUND-UP

and 21.9% to RM2.92 million and RM6.33 million respectively. Intake by South Africa decreased due to the slow growth in the construction and housing starts resulting in slow demand of BJC importation.

Furniture

Exports of wooden and rattan furniture for the period under review in 2013 decreased 15.2% compared to the corresponding period of 2012. Total shipments recorded RM2.26 billion against RM3.14 billion in 2012.

Purchase of wooden furniture from Malaysia for the January to June 2013 duration decreased 15.4% from RM3.13 billion to RM 2.65 billion compared to the same period in 2012. This is mainly due to major advanced economies are constrained by their slow pace of recovery and many emerging markets have also experienced some growth slowdown.

The US remains the top importer, though at a reduction of 14.0% from RM972.8 million to RM837.0 million despite its housing market turnaround. Japan reduced its consumption by 13.9% from RM244.2 million to RM210.3 million due to rising import cost caused by a weaker yen, which has been declining in the past six months.

The UK imports saw a decreased of 37.2% from RM202.3

million to RM127.1 million as it still reeling in the effects of the economic recession. Intake by Australia reduced by 5.2% from RM199.3 million in 2012 to RM189.0 million in the first six months of 2013.

Singapore recorded an import downwards of 8.6% from RM162.4 million to RM148.5 million. Canada's reduces its intake of wooden furniture by 30.6% to reach RM102.1 million. The same applied to UAE with a decrease of 6.4% to RM91.4 million. India's intake also decreased by 32.8% to RM49.6 million, Saudi Arabia slightly increased its import of wooden furniture by 2.4% into RM63.0 million.

Germany reduced its wooden furniture consumption by 36.1% with a purchase of RM33.2 million in for the first six months of 2013 from RM33.2 million in 2012. Russia's also reduced its consumption by 29.0% from RM60.0 million to RM42.6 million.

Rattan furniture shipments increased by 32.4% to RM13.4 million for the January to June of 2013 period compared to RM10.1 million in 2012.

Singapore increased its rattan furniture consumption by 37.5% to RM2.8 million in 2013. The UK increased its import by 34.9%, into RM1.1 million 2013. Meanwhile the US saw positive improvements with a consumption of RM3.5 million worth of rattan furniture.

UPDATES ON TRANS PACIFIC PARTNERSHIP AGREEMENTS



Dr. Jalaludin Harun, MTIB Director-General delivering his opening speech.

The 17th Round of the Trans Pacific Partnership Agreement (TPPA) was recently concluded in Kota Kinabalu, Sabah with Malaysia being represented by the Ministry of International Trade and Industry (MITI) and Ministry of Plantation Industries and Commodities (MPIC) alongside other government ministries and agencies. Realising the importance of how TPPA will affect Malaysia and its timber industry, MPIC, MTIB and MITI jointly organised a briefing session on the latest developments concerning TPPA negotiations to reveal its potential impact and implications for the benefit of the nation's timber industry and related associations and councils. The programme was held on 9 July at MTIB, Kuala Lumpur.

In addition to the TPPA updates, there was also a presentation on how Malaysian timber and furniture exporters could enjoy the benefit of Preferential Certificate of Origin (PCO) of all signed Free Trade Agreements (FTAs) by Malaysia through its Rules of Origin (ROO). The presentation gave a clearer understanding of PCO and ROO particularly in all FTAs.

The opening speech of the briefing session was delivered by Dr. Jalaluddin Harun, MTIB Director-General. He urged participants of the briefing session to fully understand the current TPPA negotiations and its implications upon signing as well as the PCO trade instruments and its ROO application under the various FTAs signed by Malaysia. He hoped that the session would assist Malaysian timber industrialists in moving forward to generate increased global market access and achieve the export target of RM53 billion by 2020 as aspired by the National Timber Industry Policy (NATIP).

The speakers, two from MITI and one from MPIC, gave their presentations during the briefing session. The speakers from MITI were Encik Isham Ishak, Director of Policy and Strategic Planning and Encik Aizul Kamil, Assistant Director for Trade

and Industry Support (ASEAN Facilitation Unit) whilst the speaker from MPIC was Puan Nazlinda Zamani, Principal Assistant Secretary for the Strategic Planning and International Division.

Encik Isham gave a briefing on the latest developments of ROO applications in the TPPA negotiations. He also gave a brief background on what normally occurred during discussions and negotiations of the TPPA and the framework of ROO. Since TPPA is a multi-lateral FTAs currently involving 11 countries which are Australia, Brunei, Chile, Canada, Malaysia, Mexico, New Zealand, Peru, Singapore, United States and Viet Nam the negotiation process is more complex and requires more time for all countries to reach a mutual consensus. In addition, of late, Malaysian NGOs have also voiced their increased concerns and worries of the TPPA negotiations, though they do not participate in the negotiations itself since it is a G2G arrangements. However, MITI assured the participants that the Malaysian industries were being consulted by all the relevant negotiators prior to the negotiations.

Issues that were being constantly raised by the Malaysian Parliamentarian and NGOs included the countries' sovereignty, the secrecy surrounding the negotiations, government procurement, Investor State Dispute Settlement, patent drugs versus generics and the absence of consultation and cost benefit analysis. According to him, despite the increasing pressure concerning the aforementioned issues, MITI has had and will always have the country's best interest at heart.

Puan Nazlinda gave a briefing on the latest developments of TPPA from the perspectives of Malaysian commodities under the purview of MPIC including timber and furniture products through the TPPA market access and ROO working groups. This is to protect Malaysia's commodities' interest in TPPA



Participants at the briefing.

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negotiations as well as to continue to provide better market access for commodities of interest within TPP member countries especially with countries that Malaysia does not have any FTA yet namely the United States, Canada, Mexico and Peru. In addition, she also said that besides TPPA negotiation, Malaysia was also currently negotiating the following FTAs: Malaysia-European Free Trade Area, Malaysia-Turkey and the Regional Comprehensive Economic Partnership Agreement.

Encik Aizul gave a briefing entitled, "Benefiting from FTAs through Rules of Origin and Preferential Certificate of Origin" and "Utilising Non-preferential Certificate of Origin to Increase Your Export Value". His presentation highlighted the general concepts of ROO which is to determine the country of origin of a product for the purpose of international trade and according to him it varies in different FTAs agreements. ROO ensures that only FTA partners will benefit from the tariff concessions or preferential treatment. He also explained methods to proof the origin of products which is to provide declaration forms to MITI and the Royal Malaysian Customs. PCO is a document to prove the origin status of a product and is presented as an



Cik Hjh. Robiyah Husin of MTIB (left) presenting a souvenir to Encik Isham Ishak from MITI.

import document to the customs of the importing country for a product to enjoy tariff concession.

The briefing was attended by over 60 participants comprising related government and private agencies, councils and organisations involved in the Malaysian timber trade. 

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led the medal count at WorldSkills Leipzig, winning 23 medals. Fifty-two Best of Nation medallions were awarded to the top competitor in each country.

Malaysia was one of the participating countries for the event. Through the Ministry of Human Resources, Malaysia sent 14 participants to the competition. The Malaysian contingent participated in 14 trades: electronic, IT network systems administration, fashion technology, electrical installations, plumbing and heating, welding, cooking, restaurant service, hairdressing, automobile technology, refrigeration and air conditioning, mechanical engineering design and cabinet making.

As MTIB had been appointed as Industry Lead Body (ILB) by the Department of Skills Development, Ministry of Human Resources in 2012, it has undertaken various training programmes and activities, in order to elevate the skills' level in the timber industry. The cabinet making category was represented by Encik Zulkarnain Sudin who had undergone intensive training at WISDEC Selangor. Malaysia also participated in two other categories such as joinery and information network cabling as expert observers. Malaysia won nine medallions of awards and one Best of Nation medal. Encik Zulkarnain Sudin from Institut Latihan Perindustrian, Kota Bharu managed to score 475 points.



From right to left: Encik Mohamad Fu'ad Ishak and Encik Amri Mustaffa (both from WISDEC) and Encik Zulkarnain Sudin with his finished product.

The Malaysian contingent was led by YB Dato' Ismail bin Abdul Mutallib, Deputy Minister of Human Resources. MTIB was led by Dr. Jalaluddin Harun, Director-General of MTIB. WISDEC officers namely Encik Amri Mustaffa, Encik Mohamad Fu'ad Ishak, and Encik Saifol Azri Mohamad also took part in this competition.

Dr. Jalaluddin congratulated and praised the participants for their hardwork and commitment during the competition. He urged future Malaysia competitors to aim for even higher success in the next 43rd WSC competition to be held in Brazil in 2015. 

DISCUSSION ON WORKERS WITH THE FURNITURE INDUSTRY



Group photo comprising officials from MTIB, MITI, MOHR and MFA committee members after the discussion.

Furniture industry players especially those, in Muar cited that acute shortage of foreign workers have affected the production and export of their furniture products. They are urging the government to take steps to resolve the issue of labour shortage which may impede the growth of furniture exports. In order to get a clearer perspective of their claims, MTIB, with the cooperation of Ministry of Trade and Industry

(MITI) as well as the Ministry of Human Resources (MOHR) initiated a working visit to Muar Furniture Association on 23 July.

A discussion on the problems faced such as shortage of labour, policies for intake of workers and shortage of raw materials, was held in the premise of the Muar Furniture Association (MFA). The delegation was then taken for a factory visit to Wild Industries Sdn. Bhd. and Perabut Chip Hong Sdn. Bhd. to see for themselves that many production processes had been affected due to the shortage of foreign workers. Amongst the issues raised by MFA were the difficulties faced by the industry players due to the stringent process of hiring foreign workers, foreign workers running away after working for a few months and lack of enforcement activities by the relevant agencies to monitor the workers. Encik Neo Che Kiat, President of MFA said furniture production is a labour intensive industry and it is difficult to retain the workers. He also pointed out that it is very difficult to hire local workers in the furniture-making industry. Meanwhile, MFA has conducted a brief survey comprising 153 furniture manufacturers in Muar, Batu Pahat, Johor Bahru and Kluang and these companies were found to need about 12,000 workers.



Encik Lim Ching Kiong, Executive Secretary of the Muar Furniture Association welcomed all members and moderated the discussion on issues faced by the Muar furniture industry.



Foreign workers operating in one of the furniture factories in Parit Jamil, Muar.

Puan Hj. Noor Laila Mohamed Halip, MTIB Director of Strategic Planning and Corporate Affairs urged MFA to call upon their members to register with MTIB so that the profile and the actual number of workers can be properly coordinated and accounted for. This will ensure that *Jawatankuasa Khas Pekerja Asing – MITI* (JAKPA-MITI) will give due consideration to MTIB's application when submitting the proposals by the furniture industries. Encik Asmawi Yusof from MITI advised MFA to inform their members to adhere to the procedures and guidelines when submitting applications sourcing for foreign labour. Puan Norlia anak Jawor from MOHR added that the government has taken note of the issues of securing foreign labour and urged all parties to work together to resolve the issues as the furniture industry players are not the only ones impacted by the shortage of foreign workers. 

16TH ASOF AND ITS RELATED MEETINGS



Malaysian delegates at the ASOF Meeting.

ASEAN Senior Officials on Forestry (ASOF) meets annually to formulate and implement regional cooperation activities in support of the following strategic thrusts: ensuring sustainable forest management and conservation of natural resources, strengthening ASEAN cooperation and joint approaches in addressing international and regional forestry issues, promotion of intra and extra ASEAN trade in forest products and private sector participation, increasing productivity and efficient utilisation of forest products; and capacity building and human resources development.

The 16th Meeting of the ASOF was held on 5-6 July in Brunei Darussalam. Tuan Haji Saidin Bin Salleh, Director of Forestry, Ministry of Industry and Primary Resources Brunei Darussalam, welcomed all delegates and expressed his appreciation for the honour accorded to Brunei to be the host of the 16th ASOF and its related Meetings. Yang Mulia Dayang Hajah Normah Suria Hayati Binti PJDSMDSU (Dr) Haji Mohd Jamil Al-Sufri, Permanent Secretary, Ministry Of Industry And Primary Resources Brunei Darussalam, on behalf of Brunei, as the host country of the ASOF Meeting in officiating the ASOF meeting, highlighted the richness of the ASEAN Region in natural resources as well as in flora and fauna resources. She noted in her speech that ASEAN forests are very rich and believed to be the oldest tropical rainforests in the world.

She added that altogether ASEAN has 213 million hectare forests represent diverse composition of tropical lowland, montane, coastal, mangrove, and peat forests, and ASEAN Member States (AMS) should strengthen law enforcement and networking initiatives among AMS to control illegal

forest activities to guarantee the integrity of ASEAN forest heritage that will eventually lead to higher productivity of forest goods and services. She encouraged greater inclusion of forestry stakeholders at different levels, as necessary, so that ASEAN forest policies and enforcement activities are broadly supported and acknowledged.

The 16th ASOF Meeting was held in plenary whereby several important issues were highlighted and deliberated during the meeting. The issues included progress in the implementation of policy framework related to ASEAN cooperation in forestry, roadmap for an ASEAN community (2009-2015), strategic plan of action (SPA) of ASEAN cooperation in forestry (2011-2015), joint consultation with the chairman of ASEAN on prevention of forest fire in the ASEAN region, sustainable forest management in ASEAN, ASEAN cooperation programmes and projects in forestry, joint ASEAN positions and approaches on regional and international forestry issues, ASEAN forest and environment issues, and ASEANROK cooperation in forestry.

During the meeting, Malaysia updated the meeting on the recent developments on the proposal of the Project for Strengthening Capacity Building in AMS to Conform to International Legality Requirements for Timber Trade. The Meeting took note of the importance of the project to strengthen AMS capacity building to conform to international legality requirements for timber trade. Brunei Darussalam, Cambodia, Philippines, Thailand, Viet Nam, Lao PDR and Myanmar supported the project proposal and agreed to participate in the project which is planned to be implemented in three phases.

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In conjunction with the ASOF meeting, the Fifth Meeting the ASEAN Experts Group on Forest Products Development (AEG-FPD) was earlier held on 2-3 July at the same venue. The meeting discussed the decision, progress, and follow up actions made during the last ASOF, SOM-AMAF, AMAF Meetings and the ASEAN Summit which included the Roadmap for an ASEAN Community (2009-2015), the ASEAN Economic Community (AEC), and the ASEAN Socio-Cultural Community (ASCC). During the meeting, updates on the Strategic Plan of Action (SPA) of the AEG-FPD based on the latest developments were discussed. Some of the issues updated under the SPA were Identification and Support of Project Proposals and Accelerate Possible Areas of Cooperation for Forest Products Development and Trade; Establishment of Networking among ASEAN Research and Trade Promotion Institutions to Facilitate Exchange of Information, Transfer of Technology, and Sharing of Expertise in Forest Products Development and Trade; Regional Knowledge Network on Forest Products Development; Promoting Quality Standards and Innovate the Diversification of Forest Products; Compilation of Information on Promotion, Transfer of Technologies and Innovations on Plantation Timber Species; Information sharing on common and non-tariff barriers by importing countries particularly the US, the EU, Japan and Australia; Compilation of the Non-Tariff Barriers faced by ASEAN Member States; Strengthening Cooperation in Human Resources Development in Forest Products Development; Compilation and Exchange of Information on Institutions Providing Capacity Building in each AMS on Forest Products Industry; Identification of Capacity Building Needs and Conduct of Capacity Building Activities for the AMS; Report on Regional Workshop on Bamboo Utilisation; Exchange of Information and Harmonise Technical Regulations to Facilitate Trade; Regional Workshop on Technical Regulatory Framework to Facilitate Trade of Forest Products; Support Aligning National Standards and Testing Protocols in line with Existing Internationally Recognised Standards; Development of National Standards among

others through the Adoption or Modification of ISO Standard; Exchange of Information on the Latest Edition of ISO and IEC Standards for Harmonisation/Alignment; and Documentation of Best Practices, Establish and Maintaining a Database for Forest Products Development Information System.

Ensuing to the AEG-FPD meeting, the 14th Seminar on Current International Issues Affecting Forestry and Forest Products: Forest & People and ASEAN Cooperation was also held on 4 July. The objectives of the seminar were to discuss issues and key dimensions that needed to be addressed through regional forestry cooperation towards a People-Centred ASEAN; to exchange lessons on how sustainable forest management (SFM) can effectively contribute to food security, livelihoods and poverty alleviation, climate change mitigation and adaptation; and to develop ideas and recommendations on enhancing the contribution of social forestry to ASEAN community building.

The AEG-FPD, the seminar and ASOF Meeting were attended by representatives from nine AMS comprising Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand and Viet Nam as well as the ASEAN Secretariat; and their respective Delegations. Representatives from the Korea Forest Cooperation Secretariat the ASEAN-Swiss Partnership on Social Forestry and Climate Change (ASFCC), and the ASEAN-German Programme on Response to Climate Change (GAP-CC) were also in attendance.

The Malaysian delegation was led by Puan Wan Asmah Wan Mohd, Under-Secretary, Ministry of Natural Resources and Environment. MTIB was represented by Encik S. Rajan, Director of Enforcement and Licensing; Tuan Hj. Mahpar Atan, Director of Industry Development; Cik Hjh. Robiyah Hj. Husin, Senior Deputy Director of Trade Development and Encik Mohd Afthar Amir, Senior Assistant Director of Trade Development.



Delegates of the AEG-FFD Meeting.

SECOND TASK FORCE ON WOOD-BASED PRODUCTS UNDER WG 1 (STANDARD AND MRA) CONVENES

The 30th meeting of the ASEAN Consultative Committee for Standards and Quality WG 1 on Standards and MRAs was held on 3-7 June in Bangkok, Thailand. The WG1 meeting was chaired by a new Chairman from Malaysia namely Encik Ridzwan Kassim, Senior Director of Policy and Standards Division from Department of Standards Malaysia, who took over the Chairmanship from Indonesia. The meeting discussed the outcome of the recent developments in the ASEAN economic integration efforts based on the decisions which were made by the ASEAN Economic Ministers (AEM), Senior Economic Officials Meeting (SEOM) as well as The ASEAN Consultative Committee for Standards and Quality (ACCSQ).

WG 1 was tasked to develop the guidelines for the procedures for the development and signing of MRAs to guide all Working Groups (WGs) and Product Working Groups (PWGs) in deciding on a realistic time frame for the development and finalisation on MRAs. This is to enable the economic integration towards the realisation of the ASEAN Economic Community (AEC) by 2015. There were several sectors involved under the WG 1: agro-based, automotive, cosmetic, electrical and electronic equipment, medical devices, rubber-based as well as wood-based products. Two Task Forces were established under WG 1, namely Task Force on Building and Construction (TFBC) and Task Force on Wood-based Products (TFWBP); both Task Forces are currently chaired by Malaysia.

The Second Meeting of the Task Force on Wood-based Products (TFWBP) was held on 4 June. The meeting was chaired by Puan Hj. Mahsuri Mat Dris, MTIB Senior Deputy Director of Industry Development. The meeting was attended by delegates from Brunei, Cambodia, Lao PDR, Singapore, Malaysia and Thailand as well as representatives from the ASEAN Secretariat. The meeting further discussed the matters arising from the first meeting of the TFWBP which was held on 15 October 2012 in Singapore as below:-

- Finalisation on the Term of References (ToR) of the Task Force on Wood-based Products
- Review on the Action Plan for the Task Force



Some of the Malaysian delegates.



Delegates of the Task Force on Wood-based Products.

The Second Meeting of TFWBP has agreed to include new products under its scope. The products were laminated veneer lumber, glued-laminated timber (glulam), cross laminated timber and oriented strand board, taking into consideration the new technology to be developed within the ASEAN Member states. The meeting also exchanged information on the existing technical requirements and regulations in wood-based sector among member states, as stated below:-

- Lao PDR informed that they have technical regulations for the types and sizes of wood-based products which are based on primary wood processing and semi-finishes products.
- Malaysia informed that there are 16 Malaysian Standards on Code of Practice for Structural Use of Timber which have been issued for domestic application. These standards are enforced for use by the Public Works Department. These standards are used on a voluntary basis by the industry.
- Brunei Darussalam said that they refer to the MS 544 series of Malaysian Standards on code of practice for use of timber.
- Singapore uses MS 360 as a reference for the preservative treatment for timber and plywood.

In addition, there was also a discussion on the harmonisation on wood-based products in ASEAN. The meeting was informed by the ASEAN Secretariat that there are 35 ISO Standards on wood-based products currently available which include 13 standards for wood-based panels, 10 standards for sawn timber and 12 standards for timber flooring.

The WG 1 meeting was attended by delegates from Brunei Darussalam, Thailand, Indonesia, Myanmar, Lao PDR, Cambodia, Malaysia, Singapore, Viet Nam and representatives from the ASEAN Secretariat. Malaysia was represented by officials from Standards Malaysia, MTIB, Construction Industry Development Board and Forest Research Institute Malaysia. MTIB was represented by Puan Hj. Mahsuri Mat Dris and Puan Syafinaz Abd Rashad from Industry Development.

INDUSTRIAL VISIT TO BAMBOO INDUSTRY IN WEST AND CENTRAL JAVA



Delegates at the Forest and Nature Conservation Research and Development (FORDA) in Bogor.

Bamboo plays an important role in the rural development of Indonesia. Bamboo is found in natural and plantation forests, and mostly in community forests in Java, Bali, Sumatera, Kalimantan, Sulawesi, Maluku, Irian Jaya, and Nusa Tenggara. In Indonesia, bamboo is one of the most important non-wood forest products and has long been recognised as a multi-purpose plant. Bamboo can be used as construction material for village houses, bridges as well as for furniture, household utensils and handicrafts. Bamboo is still being used as a symbol in marking village boundaries. It is also used to control soil erosion along riverbanks. The young bamboo shoots of certain species can be cooked and eaten as vegetable.

It is estimated that there are about 1,200–1,300 bamboo species found in the world. Indonesia alone has 143 species

with 60 species found in Java Island, whilst 16 species are found in another islands. Out of the 60 species, 16 have been selected as commercial species with 14 species being grown only at Bogor and Cibodas Botanical Gardens.

In order to obtain and exchange information on bamboo cultivation, Institute of Tropical and Forest Product (INTROP UPM) in collaboration with Forestry Research and Development Agency (FORDA) organised a familiarisation visit to the bamboo plantation and industry in West and Central Java, Indonesia from 4 to 14 June.

It was observed that the bamboo products were manufactured traditionally, as the raw materials were obtained from nearby bamboo forests which were grown naturally. In West Java, bamboo products produced were baskets, bamboo curtain/



Discussion with FORDA officials on the bamboo industry in Malaysia and Indonesia.



Bamboo nursery in Demak, Indonesia.

MTIB PARTICIPATES AT ARCHIDEX 2013

The 14th edition of the International Architecture, Interior Design & Building Exhibition (ARCHIDEX) was held from 19 to 22 June at Kuala Lumpur Convention Centre. ARCHIDEX was jointly organised by PAM (Malaysian Institute of Architects) and C.I.S Network Sdn. Bhd.

At ARCHIDEX, professionals and specifiers were updated on the latest and new emerging innovations and information, spanning from new contacts, new materials, products, systems, technologies and other features related to architecture, interior design and built sectors from across the world. ARCHIDEX 2013 attracted 470 exhibitors from countries which included Malaysia, Austria, Australia, Belgium, China, Germany, Hong Kong, Indonesia, South Korea and Thailand.

MTIB took the opportunity to participate at ARCHIDEX 2013 to promote Malaysian timber and timber products as well as biocomposite products. Five companies joined MTIB at this fair namely Tie Zek Multi Design, Istiq Noise Control Sdn. Bhd.,



Istiq Noise Control Sdn. Bhd. displayed their products under the MTIB banner.

Multi Duralite Sdn. Bhd., Greenwood Composite and Advance Building Concept Sdn. Bhd. The companies displayed products such as outdoor furniture, wood cement board, and wood plastic composite decking. A number of sales on the products displayed were also reported.

The four-day multi-sectoral trade fair created a significant amount of awareness and opportunities to the companies which participated in the event. ARCHIDEX 2013 was reported to have successfully attracted more than 9,000 local and international visitors. MTIB viewed ARCHIDEX as a good platform to enable Malaysian companies particularly from the timber industry to showcase their products to buyers and potential buyers. Following the positive responses received from the participants and visitors, MTIB will continue to participate ARCHIDEX next year. 



A representative from Tie Zek Multi Design (right) attending to visitors.

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Gigantochloa pseudourundinaceae – one of the commercial bamboo species in Indonesia.

blinds, bird cages and skewers. While in Central Java, the products produced were mainly for the fish market. These products were mainly for domestic market.

The delegates was also brought to a bamboo shoot plantation in Merangen, Demak to learn more about the harvesting and processing of bamboo shoot. They were briefed on bamboo tissue culture propagation and silviculture practices and were informed that it took about 100 trials to obtain the appropriate method of tissue culture before it was used commercially. As of now, this centre has produced 14 species of bamboo protocol which is ready to be commercialised. The group also went to Kebun Raya Bogor, one of the best gardens in the world in conducting research and conservation of tropical species, education and tourism.

The delegation members comprised officials from MTIB, INTROP and Forest Department Peninsular Malaysia. Cik Norhazaedawati Baharuddin and Encik Mohd Yusuf Mohd Yudin represented MTIB. 

CAPITAL AND CASH FLOW MANAGEMENT COURSE – TO MONITOR SMES' ACCOUNTS



Participants posing with the course facilitator.

Capital and cash flow management is one of the important factors in running a business. A systematic financial management system can help operators to determine the direction of the company and to monitor the daily performance of their business. In addition, operators can also ensure the smooth planning of their production cost of products and services. A systematic financial management could help in monitoring the financial position of the company and prevent business operators from overspending.

To assist the SMEs in managing their funds prudently, a course on Capital and Cash Flow Management was held in Langkawi, Kedah from 6 to 9 July. Fifteen participants attended the course. The first series of this course was held in Kuala Lumpur from 12 to 13 June comprising 20 participants. Encik Hasril Noordin, SME Expert Advisory Panel (SEAP) and appointed by SME Corp for business development and finance, was the trainer for the course.

The main objective of this course was to guide and brief the SMEs on the role of cash flow and working capital management. In addition, participants were also taught the following skills and techniques:

- The role and importance of cash flow and working capital
- Proper accounting system and cash flow management
- Financial statements required to investigate the performance and financial position of the business

- Components of working capital that gives a big influence on cash flow
- Simplified accounting record management
- Financial planning and forecasting using Microsoft Excel

The course was conducted through case-solving where each participant was required to provide their financial planning business including the preparation of the balance sheet, profit and loss statements and cash book based on their business experience. Another integral component of this course was a one-day course on using Microsoft Excel for accounting purposes, which was conducted by MTIB's IT officer. 



Explanation on capital and cash flow management during the course.

AUSTRALIAN ILLEGAL LOGGING PROHIBITION ACT (ILPA) 2012 INFORMATION SESSION

In its effort to enhance the relevant Malaysian public and private sector's awareness on the Australia's Illegal Logging Prohibition Act (ILPA) 2012, Australia's Department of Agriculture, Forestry and Fisheries (DAFF) organised an information session at the Australian High Commission in Kuala Lumpur on 4 July. This session was the second of three that was held in Malaysia, with the other two in Kuching, Sarawak and Kota Kinabalu, Sabah held on 7 June and 5 July respectively. DAFF also organised similar information sessions in its major timber trading partners namely Indonesia, Canada, New Zealand and Papua New Guinea.

The objective of the session was to function as an open platform between the Australian government and Malaysian participants to clarify any doubts and concerns relating to the implementation of Australian ILPA 2012, which had received its Royal Assent on 30 November 2012. During the session, two speakers from the International Forest Policy, Forestry Branch of DAFF, namely Mr. Ben Mitchell, the Director, and Ms. Alexandra Banks, the Senior Policy Officer presented details on the implementation of Australian ILPA 2012 and its related procedural matters as outlined in the Illegal Logging Prohibition Amendment Regulation 2013 (No.1) ILPAR. He explained that the ILPAR was the outcome of numerous workshops held with stakeholders prior to the information session.

In their presentation, they provided explanations on the list of 46 items regulated under ILPAR 2013 covering timber and timber products under the Harmonised System (HS) Codes of 44, 47, 48 and 94 and how they compared with the products regulated by the US under the Lacey Act and by the EU under the EUTR. According to them, the products represented more than 98% of Australia's trade in timber and timber products. The summary of the products were as follows:

HS Codes	Description	Number of items
44	Wood and wood products	12
47	Wood pulp	5
48	Paper and paper products	21
94	Furniture Prefabricated buildings	7 1
TOTAL		46

In addition, they elaborated on the due diligence requirements (DDR) for Australian importers or Malaysian exporters, the role of Malaysian suppliers in fulfilling the DDR, and the assistance that they can provide to their Australian importers to fulfil the DDR as well as details of the due diligence in particular the role of third party certification and Country Specific Guidelines (CSG).

Based on feedback obtained from previous stakeholder workshops which included its major timber trading partners and non-governmental organisations, DAFF provided the following three options to fulfill the due diligence principles to export timber to Australia: to follow pure due diligence principles, to follow the timber legality framework and to use the CSG. The CSG is a bilateral document (G2G) mutually drafted by the Australian government and its timber trading partner governments which enables the Australian government and its importers to recognise "what legality looks like" for timber and timber products from importing countries.

Malaysia's Country Specific Guidelines (MCSG) is to be developed by the Malaysian and Australian government, in line with the requirements set out in ILPAR 2012 (No.1). This G2G document is an alternative for Malaysian exporters to fulfil the DDR in case they are not able to fulfil the pure DDR or timber legality assurance system (TLAS). With MCSG, Australian importers of Malaysian timber and timber products will have a guide in determining whether the timber products that they are importing from Malaysia are legal. The Australian government expects all its timber trading partners CSGs' to be completed before November 2014. Both speakers welcomed further comments or questions on ILPA 2012 that the participants may have, requesting that they be forwarded to them on the DAFF website.

More than 20 participants attended the information session which included representatives of MPIC, MTIB, Malaysian Timber Council, Malaysian Timber Certification Council, local timber associations and foreign embassy officials of Australian timber trading partners in Kuala Lumpur. MTIB was represented by Encik Shamsul Azman Abdul Aziz and Puan T. Selvee from Trade Development as well as Encik Fadza Ishak from Licensing and Enforcement. 

TRADE FAIRS – AVENUE TO PROMOTE TIMBER PRODUCTS

Overview

A trade fair (trade show, trade exhibition or expo) is an exhibition organised particularly for companies in a specific industry to showcase and demonstrate their latest products, services, study activities of rivals and examine recent market trends and opportunities. In contrast to consumer fairs, only some trade fairs are open to the public, while others can only be attended by company representatives (members of the trade, e.g. professionals) and members of the press, therefore trade shows are classified as either “Public” or “Trade Only”. A few fairs are hybrids of the two. They are held on a continuing basis in virtually all markets and normally attract companies from around the globe. For example, in the US alone, there are currently more than 10,000 trade shows held every year, and several online directories have been established to help organisers, attendees, and marketers identify appropriate events.

In the 21st century, with the rapid industrialisation of Asia, trade shows and exhibitions are now commonplace throughout the continent, with China dominating the exhibitions industry in Asia, accounting for more than 55% of all space sold in the region in 2011.

Trade fairs often involve a considerable marketing investment by participating companies. Costs include space rental, design and construction of trade show displays, telecommunications and networking, travel, accommodations, and promotional literature and items to give to attendees. In addition, costs are incurred at the show for services such as electrical supply, booth cleaning, internet services, and material handling. Consequently, cities often promote trade shows as a means of economic development.

Benefits of Participating at Trade Fairs

Every business needs to successfully market their products and services. Marketing is a critical tool for attracting new customers and building lasting relationships. When done effectively, marketing can help companies to increase sales and establish its competitive advantage.

Today's customers are spoilt for choice. Marketing uses communication and advertising tactics to persuade customers that the brand, including the products and services, could fulfil and satisfy the current and future needs of the customers. Attending trade shows can be a worthy investment to both the firm and its employees in keeping up with current innovative



Tun Dr. Mahathir Mohamad, former Prime Minister of Malaysia (centre) being briefed by Encik Zulkepli Abd. Rani, Director of FIDEC on the fibre and biocomposite products during JEC Asia held from 26 to 28 June 2012, Singapore.

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Timber displayed at MIFF 2013 held at Putra World Trade Centre, Kuala Lumpur.



Visitors at Homefair held on 5-7 April 2013 at Persada Johor.

trends in the industry, educating employees on new trends in a fast-paced environment and taking the opportunity to network with peers across the country.

One of the main important benefits of attending trade shows is the ability to visit and speak with vendors in person. Having face to face time with exhibitors can be much more efficient than doing business over the phone or through e-mail, because vendors are readily available to discuss on the needs and provide on-site demos of their products as many trade shows focus specifically on one area.

Educating the employees is another reason to consider attending trade shows. Trade shows are not only a place to exhibit products, but to show people how to use these products. Trade shows provide a wealth of information to update employees on current trends that are driving the industry. Many trade shows also offer informational sessions such as seminars and briefings.

Another valuable benefit of trade shows is simply networking. Although we live in an internet age where people rely on computers and mobile devices to find solutions, consulting with someone over the internet is just not quite the same as consulting with them in person as we will more likely to forget them, and we do not always build a solid, lasting connection this way. Trade shows provide a meeting place for industry professionals across the country with whom we would not typically interact. Moreover, there can be a lot to gain from promoting products in person within a different environment.

Trade shows are generally targeted at an industry and people involved or interested in that industry. Exhibiting at a trade show can be a great way to advertise to a target market and create brand awareness. Exhibitions are open to a large and sometimes diverse range of audiences (usually the general public). This provides exhibitors with a perfect platform to promote their product or service to a broader group that may have little or no knowledge of their products and services.

Depending on the type of business and product, market testing can be carried out at trade shows and exhibitions to gain industry or general opinion about the offerings. Being involved in a trade show or exhibition can provide exhibitors with opportunities to branch out to business-to-business trading and create a customer database from the visitors who visit their display booth.

Malaysia is fast emerging as a destination for international conventions and exhibitions in this region. Its growing appeal to convention and exhibition organisers is not surprising in view of the country's easy accessibility from most parts of the world. Malaysia's modern infrastructure includes a wide range of well-equipped facilities, accommodation and settings to cater to all types of meetings and event requirements. Malaysia has, in fact, successfully hosted numerous major international events. Malaysia aims at being a top MICE (Meetings, Incentives, Conventions and Exhibitions) destination as well as developing Malaysia's growing reputation as one of the top tourist spots of the world.

MTIB's Participation at Trade Fairs

MTIB, in pursuing its objective to promote and market Malaysian timber and timber products, has participated in various trade fairs since its establishment in 1973. With the aspiration to promote Malaysian wood-based products to the world, MTIB has been participating in prominent local and international exhibitions, exhibiting existing wood-based products and promoting new products and materials. The main goal of the participation in the exhibitions/trade fairs is to help the industry to promote and sell Malaysian wood products and to enlighten visitors on the services offered by MTIB and the industry.

In the 1980s, MTIB participated in a number of international trade fairs which included Houtfair Rotterdam, Netherlands; ASEAN Trade Fair in Melbourne; and IHPA's International Forest Products exhibition in Hawaii. In 1987, MTIB coordinated

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YB Tan Sri Bernard Dompok, former Minister of Plantation Industries and Commodities (second from left); Dr. Jalaluddin Harun, MTIB Director-General (on his left) and other visitors were briefed on the functionality of the garden sets displayed during the Export Furniture Exhibition (EFE) held on 6-10 March 2013, MAEPS, Selangor.

the first-time participation of eight Malaysian furniture manufacturers at the International Furniture Fair in Tokyo. Other important fairs included Timber Build '86, London; Cologne Furniture Fair, Germany; High Point USA; INDEX Dubai; Interzum Cologne, Germany; ASEAN Furniture Fair; JEC Paris; JEC Asia, Singapore and I-Saloni, Italy. Subsequently, in March 1995, MTIB initiated the first Malaysian International Furniture Fair (MIFF) at Putra World Trade Centre, Kuala Lumpur which featured 152 exhibitors. The fair attracted more than 20,000 local and international trade visitors. Since then, MTIB has continued to participate at a number of trade fairs organised domestically and internationally with its comprehensive display of state-of-the-art timber products, unique exhibits and extensive services.

Active and continuous participation in exhibitions and trade fairs has helped MTIB and timber industry players to receive feedback, comments and constructive response while facilitating trade enquiry and business matchmaking between the manufacturers and users from all over the world, and subsequently conclude deals after definite negotiations.

In addition to trade shows, MTIB has also participated in numerous exhibitions at schools and higher education institutions to disseminate information and knowledge on the development of the timber industry. This effort helps in enhancing awareness and familiarisation of the public on the Malaysian timber industry.

Disclosures about the quality and the type of timber and timber products also help raise awareness and knowledge about the benefits and advantages of wood products as well as promote the proper use of wood to the public especially

the specifiers such as architect and engineers while educating the young generation. Other developments such as the latest industrial innovation and technology are also often displayed as part of the information sharing exercise. In recent activities, MTIB has displayed wood working machines such as the Robotic Weinig, and Computer Numerical Control (CNC) machine as well as new and R&D products such as oil palm trunk (OPT) wood products, glulam, gaharu distillers, IBS timber, wooden propeller and *larik*, a craft product from Rubberwood stump, and tannin from *Acacia mangium*.

Therefore, Malaysian timber related companies, particularly the SMEs, are invited to approach MTIB to take the opportunity to join us to participate in any future exhibitions and trade fairs. It is hoped that participating in these events would help the industry to expand their business to a wider market, be it domestically or internationally.



MTIB booth in Ecobuild India 2013.

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MTIB'S EXHIBITIONS/TRADE FAIRS (DOMESTIC) 2013

No.	Event	Date/Venue
1.	<i>Hello Komoditi</i>	2 February Selama, Perak 2 March Sandakan, Sabah 9 March Pagoh, Johor 23 March Pekan, Pahang 23-26 May Putrajaya 23 August Bintulu, Sarawak
2.	Malaysian International Furniture Fair (MIFF)	5-9 March PWTC, Kuala Lumpur
3.	Export Furniture Exhibition (EFE)	6-10 March MAEPS, Serdang, Selangor
4.	Eco Build Kuala Lumpur	26-28 March KLCC, Kuala Lumpur
5.	Homefair	5-7 April Persada Johor
6.	Home Decoration Exhibition (Homedec)	12-14 April Penang
7.	Homedec KL	2-5 May KLCC, Kuala Lumpur
8.	SME Annual Showcase (SMIDEX)	12-14 May KLCC, Kuala Lumpur
9.	Carved Furniture Sales Carnival (Northern Region)	1-10 June Sg. Petani, Kedah
10.	International Architecture, Interior Design and Building Exhibition (ARCHIDEX 2013)	19-22 June KLCC, Kuala Lumpur
11.	Floria Putrajaya	22-30 June Putrajaya
12.	Johor Timber Week	22-30 June Galeri Glulam Johor Bahru
13.	Furniture Sales Carnival	26 June – 1 July Rumah Melaka, Melaka
14.	Furniture Sales Carnival	1 July Rumah Melaka, Melaka
15.	Homedec JB	2-4 August Persada Johor Bahru
16.	Muslim World Biz	4-7 September MATRADE, Kuala Lumpur
17.	Home Decoration Exhibition (Homedec) Kota Kinabalu	Kota Kinabalu, Sabah
18.	Greenbuild Asia International Exhibition & Conference on Sustainable Building and Design Construction	16-18 September PWTC, Kuala Lumpur
19.	World Bamboo Day	13-21 September Kuala Lumpur

No.	Event	Date/Venue
20.	Exhibition in Conjunction with 35 th AMAF	23-29 September Sheraton Hotel, Kuala Lumpur
21.	International Greentech and Eco Product Malaysia Exhibition and Conference (IGEM)	10-13 October KLCC, Kuala Lumpur
22.	Malaysian International Commodity Conference and Showcase (MICCOS 2013)	24-27 October MAEPS, Serdang, Selangor
23.	Borneo International Trade Fair (BITF)	November Kota Kinabalu, Sabah
24.	MTIB/TESCO Greener Earth Programme	19 January Taman Rimba Kerinchi, Kuala Lumpur 24 Feb, 2 March, 9 March Majlis Daerah Bera, Pahang 28 April Universiti Pendidikan Sultan Idris, Perak 18 May Majlis Daerah Jempol, Negeri Sembilan 8 June Dungun, Terengganu September/October Universiti Putra Malaysia Universiti Malaysia Kelantan

MTIB'S EXHIBITIONS/TRADE FAIRS (INTERNATIONAL) 2013

No.	Event	Date/Venue
1.	Eco Build London	5-7 March London, United Kingdom
2.	JEC Paris	14-16 March Paris, France
3.	Eco Build Mumbai, India	16-18 April Mumbai, India
4.	Young Designers Showcase (Salone Satellite: i-Saloni)	9-14 April Italy
5.	Index KSA, Jeddah	November Jeddah, Saudi Arabia
6.	Deco Fair, Jeddah	November-December Jeddah, Saudi Arabia

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TIMBER INDUSTRY IN KUWAIT

Kuwait lies on the north-western shore of the Persian Gulf and is bordered by Saudi Arabia to the south and Iraq to the north. The country covers an area of 17,820 square kilometers and has a population of about 2.8 million.

Kuwait is a constitutional emirate with a parliamentary system of government. Kuwait City serves as the country's political and economic capital. The country has the world's fifth largest oil reserves and petroleum products now account for nearly 95% of export revenues and 80% of government income. Kuwait is the eleventh richest country in the world per capita and is the third-largest economy among the GCC nations, with an estimated nominal GDP of USD131.3 billion (2010). It was also the third-wealthiest as measured by GDP per capita and third most populous GCC member in 2010, accounting for an estimated 9% (or roughly 3.6 million people) of the 41 million people currently residing in that region.



Forest Resources

According to the FAO, Kuwait has 6.25 thousands ha of forest plantation with the annual planting rate estimated to be approximately 140 ha which include 5 ha of mangrove.

products while Malaysia ranks second for timber products and rank fourth for furniture imports. Italy and United States are the major exporters for furniture to Kuwait.

Import of Timber and Timber Products

In 2011, Kuwait imports of timber and timber products increased 8% to USD323.0 million. Furniture was the main product imported valued at USD188.2 million followed by sawntimber USD41.2 million and plywood USD38.9 million. China is the major import partner for timber and furniture

Export of Timber Products

Kuwait exports very small value of timber products. In 2011, exports decreased 48% to USD1.3 million. Furniture and parts were the main products exported valued at USD1.1 million, BJC valued at USD56,000 and articles of wood valued at USD42,000.

Kuwait: Import of Timber and Timber Products, 2007 - 2011
(Value: USD '000)

Products	2007	2008	2009	2010	2011
Furniture	206,939	225,228	141,870	161,316	188,172
Sawntimber	80,583	83,863	35,217	48,086	41,219
Plywood	75,389	59,403	37,413	34,527	38,908
Fibreboard	25,824	1,127	21,056	23,141	27,179
Builders Joinery and Carpentry (BJC)	16,262	24,163	9,990	13,538	8,925
Articles of Wood	4,601	5,082	3,960	4,051	4,839
Packaging	5,091	3,361	1,394	2,675	2,791
Wood Charcoal	9,771	9,787	2,982	3,204	2,679
Others	17,606	48,792	9,651	9,456	8,271
TOTAL	442,066	460,806	263,533	299,994	322,983

Source: UN Stats

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Kuwait: Export of Timber and Timber Products, 2007 - 2011
(Value: USD '000)

Products	2007	2008	2009	2010	2011
Other Furniture and Parts	12,837	12,230	1,190	1,828	1,142
Builders Joinery and Carpentry (BJC)	721	378	55	268	56
Articles of Wood	50	306	11	4	42
Wood Charcoal	92	181	26	54	32
Others	1,734	1,985	306	327	10
TOTAL	15,434	15,080	1,588	2,481	1,282

Source: UN Stats

Malaysia's Export of Timber and Timber Products to Kuwait

In 2012, timber and timber products exported to Kuwait increased 20% to RM108.2 million over the previous year. Kuwait ranked 30th with 0.54% of Malaysia's total market

share. Wooden furniture was the main exports of Malaysia with a total value of RM42.2 million followed by fibreboard at RM31.2 million and sawntimber RM26.8 million.

Malaysia: Export of Timber and Timber Products to Kuwait, 2008 - 2012
(FOB Value: RM)

Products	2008	2009	2010	2011	2012
Logs	24,934	-	-	-	-
Sawntimber	20,555,391	23,361,206	31,408,626	19,085,498	26,803,160
Mouldings	-	-	574,809	-	-
Fibreboard (MDF)	28,793,881	22,437,408	28,522,336	23,320,123	31,178,317
Plywood	14,052,814	10,707,235	7,306,023	3,555,577	6,684,992
Wooden Frame	28,083	17,355	-	-	-
BJC	389,093	614,401	3,665,436	2,792,583	902,399
Wooden Furniture	50,752,661	28,339,087	36,103,400	40,838,008	42,244,444
Rattan Furniture	322,203	95,217	-	-	-
Others	84.51	91.61	380,733	495,851	399,319
TOTAL	115,110,827	85,715,567	107,961,363	90,087,640	108,212,631

Source: DOSM, MTIB

Malaysia: Export of Timber and Timber Products to Kuwait, 2008 - 2012
(Volume: m³)

Products	2008	2009	2010	2011	2012
Logs	42	0	0	0	0
Sawntimber	14,156	16,660	20,688	14,600	14,300
Mouldings	22,819	22,268	29,343	22,367	30,227
Fibreboard (MDF)	9,248	7,495	5,511	2,773	5,391
TOTAL	46,265	46,423	55,639	39,740	49,918

Source: DOSM, MTIB

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Tariffs

Kuwait's import duty on its timber and timber products ranges from 0 – 5%. Listed below are the details:

Products	Import Duty (%)
Fuel Wood	0 – 5
Wood Charcoal	5
Hoop Wood	5
Wood Wool and Wood Flour	5
Sawntimber	5
Sleepers	5
Plywood, Blockboard and Other Panels Products	5
Mouldings	5
Household Utensils of Wood (HS 4414 – 4416)	5
BJC	5
Furniture	5
Other Wood Manufactures Items (HS 4419 – 4421)	5

Source: WTO

Prospects

In 2010, Kuwait's parliament approved a new development plan, and upon implementation, Kuwait's economy would showcase a positive growth supported by infrastructure projects. As promised by the government, the development

plan will help transform Kuwait into a major financial hub and trade centre by the year 2035. The initial plan is estimated to be completed by 2013/2014 with an estimated total cost of KWD37.0 billion (USD129.0 billion).

With a large, young and fast-growing population, as well as high government liquidity from oil revenue, Kuwait's real estate market has several key demand drivers, which have led it to become one of the country's most buoyant sectors in its early attempts to diversify away from oil and gas. The Kuwait government is also focusing most of its attention to residential segment from private housing.

As the country is not producing construction materials at a rate that meets this exponential demand growth, Kuwait will need to source goods from import markets to guarantee prices and construction for the vast range of real estate.

With these positive construction industry development and strong economy Kuwait is seen to be an emerging market for Malaysia's timber exports. Thus, Malaysian exporters should take full advantage to further promote their timber products especially value-added products such as furniture, MDF and BJC, in addition to promoting building materials namely sawntimber and plywood.

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

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

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

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



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

For more information, contact:

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Malaysian Wood
Standing on Excellence

COMING EVENTS – NOVEMBER 2013

DATE	EVENT	VENUE	ORGANISER
11-17	FURNITURE FAIR BELGRADE 2013 Furniture and Interior Decoration, Machine and Tool for Wood Processing	Belgrade Fair Grounds, Belgrade, Serbia	Belgrade Fair Tel : +381 11 361 8001 Fax : +381 11 655 625 E-mail : info@sajam.com.rs
12-14	SOFAB 2013 International Trade Fair for Components, Upholstery and Furniture	Poznan Congress Centre, Poznan, Poland	Poznan International Fair Tel : +48 61 869 2000 Fax : +48 61 869 2720 E-mail : info@mtp.pl
14-15	IHDD-INTERNATIONAL HOME DECO AND DESIGN	Shanghai Exhibition Centre (SEC), Shanghai, China	Reed Exhibitions China- Shanghai Tel : +86 21 2231 7007 Fax : +86 21 2231 7181 E-mail : ask_sh@reedexpo.com.cn
14-17	MIDDLE EAST FURNITURE AND DECORATION FAIR 2013	Tuyap Diyarbakir Exhibition Centre, Turkey	Tuyap Fair and Exhibition Organization Inc Tel : +90 (212) 867 1100 Fax : +90 (212) 886 93 99 E-mail : sales@tuyap.com.tr
15-18	CHINA (FUZHOU) FURNITURE AND BUILDING DECORATION FAIR 2013	Fuzhou Strait International Conference and Exhibition Centre, Fuzhou, China	China Foreign Trade Guangzhou Exhibition Corp. Tel : +86 20 8912 8183 Fax : +86 20 8912 8303 E-mail : marketing@fairwindow.com.cn
18-22	MEBEL 2013 International Exhibition of Furniture, Fittings and Upholstery	Krasnaya Presnya Fairgrounds Expo Centre, Moscow, Russia	ZAO Expocentr Tel : +7 (495) 255 37 23/33 Fax : +7 (495) 205 72 10 E-mail : centr@expocentr.ru
26-29	WOODEX RUSSIA 2013 International Specialised Trade Show for Timber Products	Crocus – Expo IEC Moscow, Russia	MVK – International Exhibition Company Tel: + 7(495) 995 05 95 Fax: +7 (495) 995 05 95 e-mail : info@mvk.ru
26-28	INTRADE MALAYSIA 2013 Malaysian International Trade Exhibition	MATRADE Exhibition and Convention Centre, Kuala Lumpur	Fair and Event Management Sdn. Bhd. Tel : +603 5636 1788 Fax : +603 5637 2788 E-mail : jonathan@femsb.com



KUNGKURAT – SUITABLE FOR PLYWOOD MANUFACTURING



Kungkurat tree and leaves.

Kungkurat is the Standard Malaysian Name, which is of Sarawakian origin, for the timber of *Elaeocarpus* spp. (*Elaeocarpaceae*). The ASEAN Standard Name for the timber, which is of Indonesian origin, is Jenitri. Vernacular names applied include empedu (Sarawak), kungkurad (Sabah), parius-parius (Sabah), perdoh (Sarawak), sanga (Sarawak) and sanga burong (Peninsular Malaysia). Medang (Peninsular Malaysia), with various epithets, has also been erroneously applied to some of these species. Major species include *E. apiculatus*, *E. floribundus*, *E. palembanicus*, *E. obtusus*, *E. griffithii*, *E. petiolatus*, *E. polystachys*, *E. robustus*, *E. angustifolius* and *E. stipularis*. The sapwood of the timber is not differentiated from the heartwood, which is light yellowish white to pink-brown and mauve in *E. floribundus*.

It is also known as Silver quandong and Tropical quandong (Australia); Rudrak (India); Bengkinang, Jenitri, Mendang and Mentanahan (Indonesia); Mai moun and Mai mun (Lao PDR); Thitpwe (Myanmar); Papua New Guinea quandong (Papua New Guinea); Hunggo and Kalomala (Philippines); Ma mum (Thailand); and Chang chang (Viet Nam).

Standard Name : Kungkurat, Tamang, Sengkurat

Botanical Name : *Elaeocarpus atrescens*
(Heavy species)
Elaeocarpus longibarbus

Family : *Elaeocarpus*

Distribution : Peninsular Malaysia, Sumatera, West Java and Borneo (Kalimantan, Sabah and Sarawak)

Classification : Medium Hardwood

Description : Mid-canopy tree up to 40 m tall and 70 cm long dbh. Stipules dropped early. Leaves alternate and are simple, penni-veined, and long toothed. Flowers ca. 11 mm in diameter, are white yellow, with fimbriate petal margins, placed in racemes. Fruits ca. 22 mm long and are in green, fleshy drupes.

Ecology

: Located in undisturbed mixed dipterocarp and sub-montane forest up to 1,600 m altitude. Found along riversides, hillsides and ridges, usually on sandy to clayey soils. In secondary forest, it is usually present as an apredisturbance tree.

Natural Durability

: The timber is moderately durable.

Density

: The timber is soft to moderately hard and light to moderately heavy with a density of 465-785 kg/m³ air dry.

Preservative Treatment

: It is difficult to treat with preservatives.

Texture

: Texture is moderately fine and even, with straight to shallowly interlocked grain.

Strength Properties

: The timber falls in Strength Group D (Burgess, 1958) or SG 6 (MS 544: Part 2:2001).

Machining

: It is easy to resaw and cross-cut. Planing is easy and the planed surface is moderately smooth.

Nailing Property : Nailing property is rated as good.

Air Drying

: The timber seasons fairly slowly with moderate insect attack and slight end-checking and surfce-checking as the main sources of defects. 13 mm thick boards take approximately three months to air dry, while 38 mm thick boards take 4.5 months.

Shrinkage

: Shrinkage is fairly low, with radial shrinkage averaging 0.8% and tangential shrinkage averaging 2.2%.

Uses

: The timber is suitable for general planking purposes, shuttering, packing boxes and crates, pallets, match splints and plywood.

References:

1. Burgess, H. J. 1958. *Strength Grouping of Malaysian Timbers*. Malayan Forest Service Trade Leaflet No. 25. MTIB and FRIM, Kuala Lumpur. 15 pp.
2. MS 544: Part 2:2001. *Code of Practice for the Structural Use of Timber: Permissible Stress Design of Solid Timber*.
3. Wong, T. M. 1982. *A Dictionary of Malaysian Timbers*. Revised by Lim, S.C. & Chung, R.C. K. Malayan Forest Records No. 30. FRIM, Kuala Lumpur. 201 pp.
4. www.usf.uni-kassel.de Tree Species List of Sabah.

MTIB Moments



Dr. Jalaluddin Harun, MTIB Director-General being interviewed by a reporter from RTM during the WSC held in Leipzig, Germany from 2 to 7 July 2013. He also stated that the effectiveness of skills training can be appraised by participating in the WSC.



Briefing to Heads of MTIB Regional/State Offices to update on rules and regulations. It was held on 4-7 July 2013 in Kota Bharu, Kelantan.



Dr. Jalaluddin Harun, MTIB Director-General (third from left) posing with Encik Nor Azman Shah Ali, first runner-up (third from right) and Encik Ng Wei Siang, second runner-up (second from left) in the Timber Architecture Photography Competition. Also in the picture are MTIB officials and it was taken on 19 July 2013 at MTIB, Kuala Lumpur.



Dr. Jalaluddin Harun, MTIB Director-General (right) presenting a Hari Raya hamper to one of the under-privileged children during a breaking of fast dinner. It was held on 19 July 2013 at MTIB, Kuala Lumpur.



Dr. Jalaluddin Harun, MTIB Director-General (front row, right) and other MTIB officials attending a Ramadhan Tazkirah held on 27 July 2013 in Kuala Terengganu, Terengganu.



MTIB officials from Kuala Lumpur led by Dr. Jalaluddin Harun, Director-General being briefed on the current status of the timber industry in Terengganu by Puan Hamidah Mansor, Assistant Head of MTIB Regional Office (Eastern) on 28 July 2013.