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MTIB

MASKAYU

TALK ON ENHANCING BUSINESS VALUES

WORKING VISIT TO THAILAND BY YB DEPUTY MINISTER OF MPIC

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Cover: *Products of Bumiputera SMEs were displayed during a gathering held on 27-28 November 2012. Pages 3 and 17 provide details of the event.*

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TALK ON ENHANCING BUSINESS VALUES

YB Dato' Hamzah Zainudin, Deputy Minister of Plantation Industries and Commodities officiating the event.

MTIB held an assembly for Bumiputera entrepreneurs from 27 to 28 November at the Maritime Centre, Putrajaya Lakeside. A number of events were held in conjunction with the gathering and among them were an Open Day on NATIP's Lab Thrust 7, a clinic for entrepreneurs and a luncheon talk with Tun Dr. Mahathir Mohamad, former Prime Minister of Malaysia. The objectives of the event were to obtain recognition and support from the government based on the ability of the entrepreneurs so that they will be able to enhance their dominance and sustainability in the timber industry, and to strengthen the business culture, ethics and networking among the entrepreneurs and enablers.

The event was officiated by YB Dato' Hamzah Zainudin, Deputy Minister of Plantation Industries and Commodities. He reiterated that NATIP's target is to achieve an export of RM53 billion by 2020 and exports of Bumiputera entrepreneurs are expected to reach RM5.3 billion. He urged the entrepreneurs to be more resilient and remain competitive. On product designs, he stated that the Design Roadmap initiated by MTIB would be ready for implementation soon. The Design Roadmap is a strategy for the government to encourage and sustain the growth of the timber industry.

During the event on 27 November, four prominent speakers were invited to deliver their papers. Dato' Seri Dr. Mohd Hilmi spoke on the ways to strengthen the business, to remain competitive and to sustain in the domestic and global markets, Datuk Dr. Mohd Ghazali delivered his paper on the development of the entrepreneurs while Dr. Hasan Mad spoke on the new economic model for entrepreneurs in the timber industry. The three speakers were from Majlis Perundingan Melayu. Dr. Zaharuddin Abd Rahman from Islamic International University presented his paper on doing business through Islamic ways.

A panel session was later held in the afternoon where Encik Silmi Abd Rahman, MATRADE, Encik Hairul Nizam Mohamad, Exim Bank and Encik Ian Davis@ Iskandar Abdullah, Arcradius Consulting Sdn. Bhd. were the panelists. Issues such as product designs, market promotions, grants and incentives were discussed at length. The session was chaired by Dr. Jalaluddin Harun, Director-General of MTIB.

A briefing on the outcome of the NATIP lab held on 16-17 July was conducted on the following day. Dr. Jalaluddin Harun and Puan Hjh. Zaibi Yakin, MTIB Director of Bumiputera Entrepreneurs presented the outcome and initiatives derived

Dr. Jalaluddin Harun, MTIB Director-General presenting the outcome and initiatives derived from the NATIP lab.

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TIMBER WORLD IN BRIEF

AUSTRIA
Slight Increase In Softwood Log Prices

Irrespective of what will probably be a 10% lower output of softwood lumber this year, forest owners in Austria were still registering consistently heavy demand for softwood sawlogs at the end of October. The majority of the sawmills are fully receptive at the moment and are still looking for additional volumes of logs. From what converters in the sawmilling industry are saying, however, the supply of Spruce/Fir logs is still not living up to the expectations. In some regions the present supply is not even sufficient to satisfy the local sawmilling industry's reduced demand. The imbalance in supply and demand led to another slight increase in softwood log prices in October.

EUWID News, 12 November

Asians Buy New Zealand's Forestry Land

More than 4,000 ha of land in Marlborough in New Zealand's South Island has been sold to Asian timber processors in the past two months. According to the Overseas Investment Office, which covers the sale of land to foreigners, South Korean company Sunchang Corp bought nearly 2,900 ha of forestry land and Malaysian-owned Timbergrow Ltd purchased nearly 1,400 ha. The latter already owns forestry land in the region. A local estate agent said there had been a lot of interest from offshore companies looking to secure log supply.

Timber Trade Journal Online, 16 November

Australia Passes Illegal Timber Law

After five years of negotiation and development, Australia's parliament this week passed the country's Illegal Logging Prohibition (ILP) bill, its equivalent of the EU Timber Regulation and America's Lacey Act. The law makes it an offence to import and process timber considered illegal in the country of origin, making both timber traders and manufacturers the possible target of prosecution.

For serious and serial offenders who "knowingly or recklessly import or process illegally logged timber products", the maximum penalty is up to five years in prison, with a fine of A$275,000 for a company and A$55,000 for an individual. The Australian government estimated that around 10%, or A$4 billion worth, of the country's timber imports would fall foul of the law.

Timber Trade Journal Online, 23 November

COLOMBIA
Bogota will Regulate Forestry Investments

Following discussions with the Revolutionary Armed Forces of Colombia (FARC), the Colombian Government has decided to regulate forestry investments in the country. The initiative will see the establishment of a number of regulations, which will better define the rights of foreign investors in the forestry sector. According to Jose Palma, Executive President of the Colombian Chilean Chamber of Commerce and Industry, this will encourage forestry investments.

El Mercurio (Chile), 22 November

FINLAND
Imports of Goods Heavier than Exports in 2011

According to Statistics Finland, Finland imported nearly 62 million tonnes of goods in 2011. A fifth of the weight of the imported goods was biotic, in particular agricultural and forestry products, refined wood products and food. The import volume of food (2.3 million tonnes) doubled in the past decade, and that of wood products grew even more. However, the majority of imported goods were abiotic, mainly energy minerals, oil products, chemicals, ores, and metals. The single largest product groups were crude oil (11.2 million tonnes), coal, gas, and iron ore.

In 2011, the export volume amounted to 45 million tonnes. The export volume of biotic products was nearly the same as that of abiotic products. In addition to wood and paper products, the highest volumes were seen in oil products, chemicals, base metals, and stone products. The export volumes in the forest industry were clearly lower than during the early years of the millennium.

Statistics Finland, 16 November

GERMANY
Particleboard Output Dipped Again

German particleboard production declined compared with both the first three months of the year and compared with the prior-year period between April and June 2012. Preliminary figures released by the German Federal Statistical Office indicated that manufacturing of raw particleboard was down 4.2% on the same stretch last year at 1.075mm^3. Output tumbled as much as 10.9% when compared with the first quarter's figure of 1.207 million m^3. The latest downturn meant that German raw particleboard production was only marginally higher than the weakest quarter of last year. Germany made 1.069 million m^3 between July and September 2011.

EUWID News, 25 October

INDONESIA
Forestry Exports Up by 22.81% in 2012 First Nine Months

In the first nine months of 2012, the exports of forestry products by Indonesia stood at 905.61 million m^3, a 22.81% hike from a year ago. Meanwhile, the Ministry said that the demand from the pulp industry, among others, led to the industrial planted forest area in Indonesia in the first nine months of 2012 to climb by 1.5% on-year to 9.82 million ha, with investment of IDR18.80 trillion (EUR1.52 billion, USD 1.95 billion). Output from the industrial planted forest areas in the nine-month period stood at 24.58 million m^3, up by 16.87% year-on-year.

Bisnis Indonesia, 20 November

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INDIA
Greenply Industries Posts 220% Growth in Net Profit to INR 320 million

Indian producer of decorative veneers and laminates, medium density fibreboard and plywood, Greenply Industries (Greenply) has registered 220% year-on-year in net profit to INR320 million in the quarter ended 30 September 2012 compared to INR100 million during the same period in 2011. The company's profit in sequential basis rose by 78% year-on-year during the period.

The Hindu Business Line, 30 October

IRELAND
Forestry Champions Exports

Ireland has repositioned itself as a major exporter of forestry products in response to a lagging domestic market, according to a trade association report. The 2012 Annual Review by the Irish Forestry and Forest Products Association (IFFPA) said the sector was worth €2.2 billion to the Irish economy and last year 77% of forest products made in Ireland were exported, with sales worth €286 million.

However, the IFFPA warned that the failure to reach government afforestation targets meant the industry may not have enough indigenous raw material in the coming years to meet demand. Last year 6,653 ha of new forest were planted, a fall of 20% on 2010. Current government targets are to increase forest cover from 10.6% in 2011 to 17% by 2030.

Ireland is now the largest exporter of MDF and the second largest exporter of chipboard and OSB to the UK. IFFPA director Marian Byron said: "Increased productivity may not translate into job creation unless government addresses a range of issues that are preventing the private sector from planting trees.

"The timber processing industry is a real Irish success story having turned itself from largely supplying the Irish construction sector to exporting 77% of what it produces to the UK, France and to new markets in Continental Europe.

"The industry has the capacity to capture more export markets if it has access to raw materials in the years ahead." The IFFPA said as well as investment in planting, it required investment in infrastructure, such as harvesting and forest roads.

Timber Trade Journal Online, 8 November

RUSSIA
Tariffs Fail to Curb Prices

Domestic log prices in western Russia did not decline long-term as the Russian government had hoped when it increased log export tariffs to 25%, according to Wood Resource Quarterly (WRQ). Domestic log prices fell initially because of the new rate in 2008, but from the start of 2009 to the third quarter this year the average softwood saw log price in ruble terms go up by 24%.

When Russia joined the World Trade Organisation last August the government was forced to reduce export taxes to 13% for spruce and 15% for pine logs, but despite this there has been no increase in the flow of logs to Finland, the major destination for Russian logs.

WRQ said steady demand by sawmills in Russia and tight supply had resulted in record high prices in contrast to most of Europe where prices had fallen.

Timber Trade Journal Online, 29 October

SAN FRANCISCO
Increased Construction Spending in the Developing Countries to Fuel Growth in Plywood Market

GIA announced the release of a comprehensive global report on plywood markets. Plywood consumption in the global market is projected to exceed 85 million cubic meters by 2018, owing to notable demand from emerging markets across Asia, Latin America and Europe. Consumption is largely dependent on the state of the construction industry, the growth in which currently remains sluggish in developed countries owing to the prevailing economic volatility. Improvement in the global economy is likely to sustain growth in the long-run.

San Jose, California (PRWEB), 19 November

UNITED KINGDOM
Prices for Timber Have Stabilised at a Low Level in the UK

In the UK, prices for British and imported softwood lumber had stabilised at a low level by the end of October. Owing to slack demand and an inflated supply, prices had been under pressure since July. Business is generally being shaped by purchases as needs dictate. The sales opportunities in southeast England are generally being assessed as better than in the Midlands and the northern regions. Views being given on development in the lumber business in the coming months are guarded at the moment. As a business research institute has forecasted a shrinking gross national product for this year, no sustained recovery is anticipated in the British lumber market for the time being.

EUWID News, 6 November

UNITED STATES
Cost of Timber Expected to Rise in Wake of Hurricane Sandy

In the wake of Super storm Sandy, consumers may see a spike in the cost of lumber, at least temporarily. The price of lumber is up as residents in the northeast evaluate the devastation caused by Sandy. According the Associated Press, lumber marked for a January delivery rose USD10 on Wednesday based on expectations that demand will also pick up following the need to rebuild and repair; a process that could take months.

According to the Home Builders Association of Youngstown, the average cost of a common building material known as oriented strand board runs between USD4 and USD7 during the winter months. At an area Home Depot the cost is currently USD11.47, up USD1 since Tuesday. At Lowe's the cost is USD10.49.

The reason, Clips believes, is because the lumber industry has been suffering for so many years, hit hard by the recession. And although a disaster may temporarily spike the cost, ultimately the housing demand just isn't there.

WFMJ.com, 6 November

OCTOBER 2012

Johor Port to be Top Three LME Port in Five Years

Johor Port aiming to be the top three ports handling London Metal Exchange (LME) which is the world's top non-ferrous metals market cargo under its five-year 2012-2016 development plan.

The multi-purpose port at Pasir Gudang is the southern commodities gateway for Malaysia, and one of 35 ports certified to handle LME cargo. To reach this standard, Johor Port must boost its LME cargo handling capacity to one million metric tonnes per year, said Encik Shahrull Allam Shah Abdul Halim, CEO of Johor Port. The port currently handles around 430,000 metric tonnes a year of LME cargo, making it seventh in terms of global rankings.

Capitalising on its lower costs, Johor Port wants to join the ranks of Rotterdam and Houston, which are currently the two ports that have the capacity to handle the volume. Under the plan, Johor Port has allocated between RM400 million to RMR500 million for capital expenditure and estimates that it would take eight to 12 months to boost capacity.

Encik Shahrull Allam Shah was quoted as saying there was a high demand among Johor Port's clients to increase the LME cargo handling capacity, but the issue was being able to create space to accommodate them. Among the solutions being considered was a space optimisation plan within the port to consolidate the existing storage facilities in multi-storey complexes and expanding the existing operational areas to other locations.

Source: Seatrade Asia Online, 4 October

Government Not Preventing Foreign Ships from Berthing in Sabah and Sarawak Ports

The government does not restrict foreign ships from berthing and unloading cargo and containers at Sabah and Sarawak ports as long as the process adheres to the existing shipping and maritime law. YB Datuk Abdul Rahim Bakri, Deputy Minister of Transport told the Dewan Rakyat today that claims that the government was preventing foreign merchant ships from bringing cargo and containers into the ports of Sabah and Sarawak were untrue and baseless as the same applies for ships bringing cargo and containers from Sabah and Sarawak ports to the peninsular.

Datuk Abdul Rahim explained that in 2009, the government had liberalised the unloading procedure whereby foreign merchant ships berthing in Malaysian ports including Klang Port could straight away unload their cargo and containers in the docks.

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, October 2012

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports m^3	% Change October 2012/ September 2012
	m^3	% Change October 2012/ September 2012	m^3	% Change October 2012/ September 2012	m^3	% Change October 2012/ September 2012	m^3	% Change October 2012/ September 2012	m^3	% Change October 2012/ September 2012		
Sawntimber	33,714	23	470	-87	851	-4	42	-79	5,462	-22	40,539	4
MDF	11,017	-40	868	26	9,456	24	1,544	-84	1,858	-99	24,743	-86
Mouldings	7,290	-4	258	12	1,100	-40	1,056	45	1,775	-39	11,479	-14
Dressed Timber	1,724	-64	56	-	555	-	664	-	413	-	3,412	-29
Plywood	4,198	-13	-	-	-	-	-	-	913	-	5,111	-71
Veneer	38	-28	-	-	-	-	-	-	7,157	-	7,195	2,936
Particleboard	23,202	-9	1,158	57	-	-	13,452	737	-	-	37,812	32
TOTAL	**81,183**	**-8**	**2,810**	**-46**	**11,962**	**6**	**16,758**	**36**	**17,578**	**-90**	**130,291**	**-54**

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

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However, cargo and containers to be brought from one port to another in Malaysia must use ships that were in this country and possess a valid Domestic Shipping Licence (DSL).

Source: Bernama, 18 October

Port of Tanjung Pelepas Wins Asia-Pacific Green Terminal Operator of the Year Award

The Port of Tanjung Pelepas (PTP) was named winner of the 2012 Frost & Sullivan Asia-Pacific "Green Terminal Operator of the Year" Award. The award was part of the Frost & Sullivan Annual Best Practices Awards which identify exemplary achievements within a multitude of industries and functional disciplines. Encik Azlan Shahrim, Deputy Chief Executive Officer of PTP received the award on behalf of PTP at the awards ceremony in Singapore. Commenting on the award, Encik Azlan said that it was indeed an honour to receive the award which was the result of the employees' collective effort. They have done a remarkable job to help PTP reduce environmental and energy footprints using sustainable business processes.

The Green Excellence Awards were awarded to companies that demonstrate significant progress in enhancing long-term sustainability and managing the environmental impact of their operations, resulting in measurable improvements in their overall environmental performance.

Encik Azlan also said that with more than 8,000 vessel calls and handling over 7.5 million TEUs last year and continuously increasing, the port's energy demands were considerable. PTP was ranked 17th globally in container throughput for handling 7.5 million TEUs last year. The port was a major global transshipment hub located on the Straits of Johor to the north of the Port of Singapore. The port, which saw its container traffic grew by 15% last year, would undergo significant expansion which included RM1.4 billion investment over the next three years for the construction of two new berths and installation of larger cranes and related equipment to accommodate 18,000 TEU capacity vessels.

Encik Azlan further added that reducing the amount of diesel fuel consumed and lowering CO_2 emissions continue to be PTP's high priority. Going forward, PTP would continue to help the environment by combating pollution and reducing waste. Beyond the major focus on fuel usage, the port was reducing inefficient energy used and recycling where possible and continuously investing in new equipment and implementing new techniques to make operational practices more planet-friendly.

Encik Manoj Menon, Partner and Asia-Pacific Managing Director, Frost & Sullivan said that it was a privilege to celebrate the commitment and success of the award recipients as their efforts to care for the environment. He also said the recipients were evaluated based on their social impact, overall market growth, penetration and overall industry impact.

Source : Bernama, 22 October

Penang Port to Beef Up Non-Containerised Cargo Segment

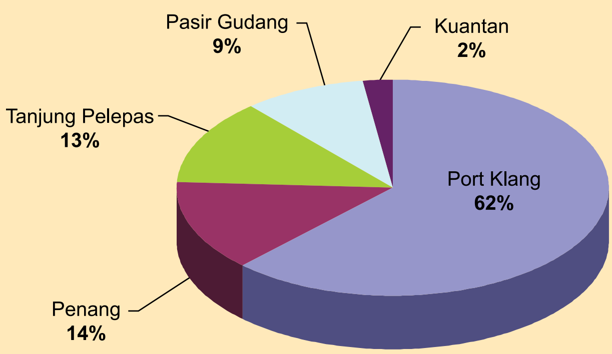
Penang Port Sdn. Bhd. (PPSB) was looking at increasing the contribution from non-containerised cargo segment to its revenue this year. Encik Obaid Mansor, Chief Operating Officer said that the handling for non-containerised cargo had improved to 8 million tonnes from January to September compared with 7.59 million tonnes in the previous corresponding period. The total tonnage of containerised and non-containerised cargo for the first nine months was 21.9 million tones compared with 21.6 million tonnes a year earlier. The contribution of non-containerised cargo to PPSB's revenue should increase to around 35% in 2012 from about 30% in 2011. Last year, PPSB registered an after tax profit of RM15.6 million on the back of RM328 million revenue. Non-containerised cargo comprises items such as palm oil, raw sugar, fertiliser, and scrap iron.

On containerised cargo, Encik Obaid said for the first nine months, the handling containerised cargo had fell by 2% to 867,650 TEUs compared with 886,607 TEUs previously. Compared with the projected figure for the nine months of 2012 which was 940,500 TEUs, the drop was 7.7% due to the slowdown in China and Europe. So far, PPSB have achieved 867,650 TEUs which means PPSB has to handle more than 300,000 TEUs in the fourth quarter. PPSB hoped to maintain the volume at 1.198 million TEUs.

On the implementation of new port tariffs, Encik Obaid said the government had yet to give approval. The Penang Port Consultative Committee, comprising trade organisations and freight forwarders had agreed with the proposal from PPSB to raise tariffs.

Source: The Star, 23 October

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, October 2012



Total = 130,291 m³

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Total export of timber and timber products from Peninsular Malaysia in October increased 2% in volume and 6% in value to 235,681 m^3 amounted RM291.9 million over the previous month. However, cumulative export for the period of January to October declined 5% in volume and 2% in value to 2.3 million m^3 with a value of RM2.7 billion against the previous corresponding period.

Sawntimber

Sawntimber exports for the month increased 5% in volume and 9% in value to 89,862 m^3 valued at RM123.3 million. Total exports for January to October increased 2% in volume and 1% in value to 823,088 m^3 with a value of RM1.0 million over the previous corresponding period.

Exports of sawntimber to the EU increased 33% to 13,169 m^3. The UK increased their purchases by more than two folds to 4,223 m^3. Similarly, France, Germany and Belgium also increased import by 129%, 15% and 14% to 1,273 m^3, 1,627 m^3 and 1,469 m^3 respectively. However, the Netherlands and Italy reduced their import by 4% and 32% to 3,515 m^3 and 634 m^3 respectively.

Demand in West Asia improved 13% to 11,554 m^3 due to increased import from the UAE. Export of sawntimber to the UAE increased 75% to 6,878 m^3. Likewise, Kuwait increased purchases by 47% to 812 m^3. Meanwhile, exports to Saudi Arabia, Bahrain and Qatar decreased 9%, 37% and 46% to 1,643 m^3, 467 m^3 and 422 m^3 respectively.

East Asia's intake increased 4% to 11,545 m^3 compared to the previous month. China, major market of sawntimber in the region increased purchases significantly from 1,798 m^3 in the previous month to 7,782 m^3. Similarly, sales to Japan and Taiwan also increased 185% and 153% to 2,237 and 1,002 m^3 respectively.

In ASEAN, export of sawntimber declined marginally from 44,002 m^3 to 43,691 m^3 due to reduced import from Thailand, major market of sawntimber in ASEAN. Export of sawntimber decreased 4% to 29,876 m^3. However, export to Singapore increased 6% to 11,958 m^3.

The US increased intake by 11% to 1,462 m^3 while shipment to Australia also increased 6% to 1,121 m^3 from the previous month. Similarly, export of sawntimber to South Africa increased 10% to 2,210 m^3.

Overall FOB prices of sawntimber for this month increased 5% to RM1,372 per m^3. Price of Keruing increased 16% to RM1,568 per m^3. Prices of Dark Red Meranti (DRM) to the Netherlands, on the other hand, decreased 10% to RM3,108 per m^3. Similarly, price of DRM decreased 5% to RM2,539 per m^3. There was no trading for Redwood to the UAE for the month.

Plywood

Plywood exports in October 2012 were at 15,815 m^3 and valued at RM25.5 million. Cumulative exports for the period January to October showed decreases of 10% and 5% in volume and value to 158,994 m^3 valued at RM262.5 million respectively from the previous corresponding period.

Total exports to EU increased by 6% to 10,249 m^3. Similarly shipments to Belgium, the Netherlands and UK increased 141%, 22% and 11% to 607 m^3, 1,200 m^3 and 7,826 m^3 respectively. However, exports to Denmark and France decreased by 58% and 67% to 212 m^3 and 255 m^3 respectively whereas Germany, Ireland and Italy unfortunately stopped their intakes.

Exports to ASEAN region increased as Singapore intakes of plywood increased by 22% to 2,076 m^3. However, Thailand reduced its intake by 33% to 785 m^3. Meanwhile Indonesia and Brunei did not make any purchase in October 2012. In East Asia, exports to Taiwan increased 100% to 82 m^3 from 41 m^3 while Japan resumed its purchase in October 2012. However, Hong Kong decreased its purchase by 51% to 42 m^3 whilst South Korea did not make any purchase in October 2012.

Total exports to West Asia increased by 184% to 615 m^3 from 217 m^3 in the previous month. Similarly, exports to UAE and Kuwait increased by 814% and 454% to 192 m^3 and 388 m^3 respectively. However, Bahrain, Saudi Arabia and Qatar did not make any purchase in October 2012. On the other hand, Yemen resumed its purchase in October 2012.

Elsewhere, exports to South Africa remained at 213 m^3 while Tanzania and Algeria did not make any purchase in October 2012. Australia increased its intake to 1,480 m^3 from 1,456 m^3 in the previous month whilst New Zealand reduced its intake marginally to 39 m^3 from 40 m^3 in the previous month. Turkey resumed its intake in October 2012.

The FOB price of plywood decreased to RM1,614 per m^3 from RM1,624 per m^3 in the previous month, a decrease of 1% from the previous month.

Veneer

Total exports of veneer for October 2012 showed an increase of 97% in volume and 48% in value to 441 m^3 at RM0.77 million compared to the previous month. However, the cumulative exports from January to October decreased by 9% in volume and 8% in value respectively to 4,648 m^3 valued at RM8.8 million from the previous corresponding period of last year.

Exports to Canada and Singapore increased by 20% and 100% to 6 m^3 and 2 m^3 respectively whilst Australia and Indonesia recommenced their imports in October 2012. Thailand intake remained at 35 m^3 in October 2012 whilst China, Taiwan, Sri Lanka and UK did not import any veneer in October 2012.

The FOB price of veneer decreased to RM1,744 per m^3 from RM2,135 per m^3 in the previous month, a decrease of 25% from the previous month.

Medium Density Fibreboard (MDF)

Peninsular Malaysia's exports of MDF for October 2012 decrease 3% in volume but increased 8% in value. Export totalled 78,227 m^3 at RM81.6 million.

Exports to East Asia registered an increase of 48% to 3,078 m^3 from 2,079 m^3 in the previous month. Exports to Taiwan grew by 65% to 1,877 m^3 whilst exports to China (including

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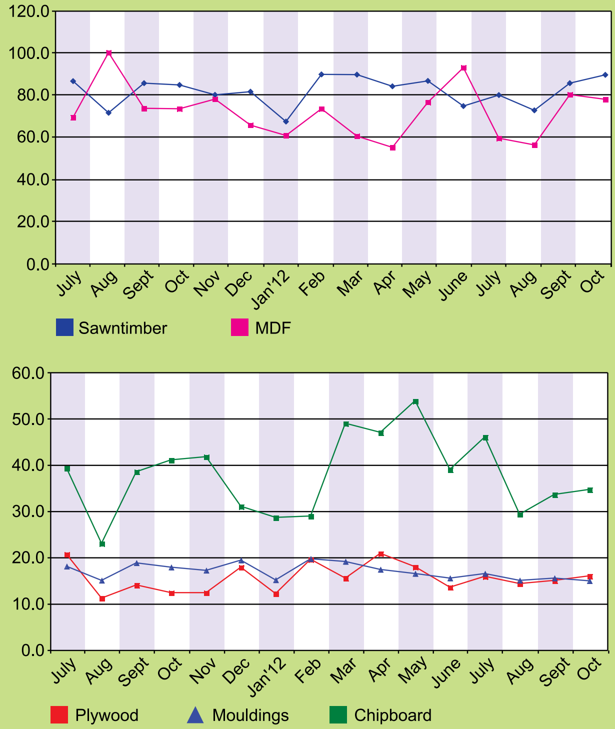
Hong Kong) and Japan recorded a negative growth with a decreased of 2% to 233 m³, and 4% to 654 m³ respectively.

Meanwhile exports to West Asia recorded a negative growth of 11% to 44,536 m³ from 49,808 m³ in the previous month. Export to Kuwait recorded a positive growth of 341% to 1,608 m³ followed by Bahrain at 52% increased to 619 m³ and Saudi Arabia at 25% increased to 6,636 m³. Meanwhile export to Iran, UAE, Oman and Jordan dropped by 1% to 19,537 m³, 19% to 10,551 m³, 19% to 2,185 m³ and 44% to 1,817 m³ respectively.

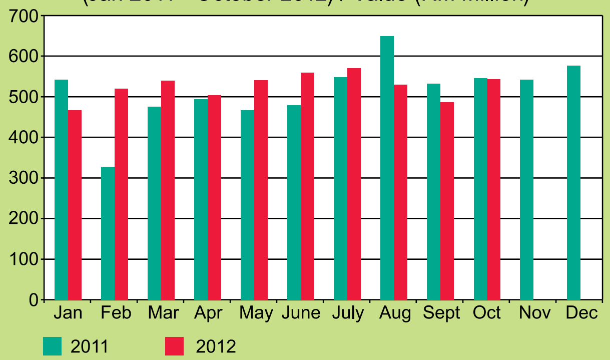
Elsewhere, exports to the South Africa and Australia increase by 57% to 1,221 m³ and 40% to 2,536 m³ respectively. Export to the US and UK however fell 1% to 1,970 m³ and 46% to 236 m³ respectively.

In ASEAN, total export to ASEAN region for the month of October increased by 18% to 15,804 m³ from 13,386 m³ in the previous month. Exports to Viet Nam increased by 66% to 97,177 m³ followed by Philippines increased by 22% to 2,494 m³ and Singapore increased by 7% to 1,034 m³. However, Indonesia registered a negative growth by 16% to 5,099 m³.

Export of Selected Products from Peninsular Malaysia
(July 2011 - October 2012) / Volume ('000 m³)



Malaysia: Export of Wooden Furniture
(Jan 2011 - October 2012) / Value (RM Million)



Mouldings

Exports of mouldings for the month decreased by 4% in volume and value to 14,790 m³ worth RM41.5 million. However, the cumulative exports from January to October decreased 2% in volume but increased 3% in value over the previous corresponding period to 163,345 m³ with a value of RM463 million.

Exports to the EU for the month recorded at 5,651 m³, a decrease of 18% compared to the previous month. Likewise, consignments to Belgium, Germany and Netherlands decreased 12%, 6% and 33% to 610 m³, 1,367 m³ and 2,380 m³ respectively. On the other hand, purchase by UK increased by 24% to 436 m³. Italy did not make any purchase in October 2012.

Exports to the ASEAN region increased as Singapore intakes of mouldings improved by 36% to 1,532 m³ whilst Viet Nam recommenced its buying in October 2012. However, Indonesia did not make any purchase in October 2012.

In the meantime, exports to Japan, South Korea, Hong Kong and China decreased 8%, 2%, 48% and 46% to 1,726 m³, 686 m³, 63 m³ and 106 m³ respectively. Taiwan resumed its intake in October 2012.

On the other hand, exports to the Australia increased 17% to 2,637 m³; however exports to the US and Canada decreased 4% and 70% to 1,295 m³ and 29 m³ respectively.

FOB unit value decreased 0.4% from RM2,817 per m³ in the previous month to RM2,805 per m³.

Builders Joinery and Carpentry (BJC)

Total BJC cumulative exports from January to October 2012 declined slightly to RM821.2 million as compared to RM832.0 million in the corresponding period 2011. Similarly, demand from the UK, France, Italy, Denmark, Netherlands, Norway, and Sweden decreased by 17%, 10%, 34%, 10%, 38%, 37%, and 14% to RM82 million, RM32.5 million, RM113.7 million, RM22.6 million, RM3 million, RM5.6 million, and RM13.7 million respectively. However, exports to Belgium, Germany and Turkey increased slightly to RM41.2 million, RM14.3 million and RM8 million respectively over the previous corresponding period.

Exports to the US and Australia fell 4% and 8% to RM57.9 million and RM96.5 million respectively. Similarly, intakes by Japan, UAE and South Africa decreased by 3%, 8% and 25.8% to RM89.6 million, RM21.2 million and RM14.3 million respectively. On the contrary, exports to Maldives increased 31% to RM9.9 million.

In Asia, exports to Singapore, India, Thailand, Pakistan and Viet Nam grew 31%, 21%, 12%, 7% and 21% valued at RM92.2 million, RM15.3 million, RM25.9 million, RM22.1 million and RM15.3 million respectively. Conversely, exports to South Korea decreased 45% to RM5.4 million.

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OCTOBER 2012

Logs

Moving forward into the fourth quarter of 2012, logging activities remained subdued due to the sluggish global market demand. Furthermore, the current monsoon season has made towing of logs quite difficult especially in Sarawak. Overall, log prices reported a downward trend of 0.2% to 16.3%.

Logs prices for the species of Chengal and Merbau decreased 0.3% and 11.5% respectively to RM6,800 per tonne and RM2,300 per tonne. Similarly, prices for Kempas and Kapur were respectively quoted at RM1,400 per tonne and RM2,000 per tonne, decreased by 6.7% and 9.1% compared to last month. Meanwhile, prices of Dark Red Meranti and Red Meranti were traded at RM1,360 per tonne and RM1,260 per tonne, a decrease of 8.1% and 6.7% over the previous month respectively. On the other hand, prices for Mixed Heavy Hardwood and Mixed Light Hardwood were charted at RM700 per tonne.

Sawntimber

Demand and supply for sawntimber were reported to be slow in October. Demand, as demonstrated by the stock in the European market, was low as importers were not confident in buying large amounts due to the prolonged Euro zone crisis. Hence, the average timber prices for most species continuously fetched lower prices as compared to the previous month.

The price for sawntimber of Chengal fetched RM8,105 per m^3, whilst Merbau was stable at RM4,235 per m^3. Similarly, the price of Kempas also decreased 7% to be traded at RM1,905 per m^3 compared to last month. Meanwhile, the price of Kapur maintained at last month's level which was quoted at RM1,975 per m^3. There was a slight dwindle of Dark Red Meranti and Red Meranti species as they were traded at RM2,225 per m^3 and RM1,695 per m^3, decreased 4.5% and 11.5% form last month. Prices for Mixed Heavy Hardwood and Mixed Light Hardwood remained at RM1,130 per m^3 and RM810 per m^3, respectively.

Plywood

Production of plywood slowed down during the month but supply of plywood remained sufficient to meet the local demand. Thus, plywood of 4mm, 6mm, 9mm and 12mm of thicknesses remained stable at RM16.00, RM25.00, RM35.00 and RM41.00 per piece.

Medium Density Fibreboard (MDF)

Supply of MDF in October was reported to be sufficient to cater to the local market. Prices remained stable at last month's level. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM14.50, RM21.50, RM28.50 and RM38.00 per piece respectively.

Intra-Malaysia Trade * - October 2012

Sabah resumed its export of logs to Peninsular Malaysia this month as proved by the shipments of 30 m^3 of logs, valued at RM0.72 million. Shipments of sawntimber increased by 64% in volume from 811 m^3 to 1,333 m^3 with a value of RM1.9 million. Meanwhile, shipments of plywood declined 4.0% to 10,514 m^3, worth RM15.6 million.

Exports of sawntimber from Sarawak to Peninsular Malaysia dropped 9% in volume from 1,983 m^3 to 1,814 m^3, worth RM1.6 million. Shipments of plywood also decreased in volume by 39% to 16,962 m^3, but grew in value by 24% to RM19.6 million. Exports of veneer were charted at 5,830 m^3, a rise of 26%, valued at RM5 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in October 2012.

** Source: Department of Statistics, Malaysia*

INTRA-MALAYSIA TRADE - OCTOBER 2012

From	Products	SEPTEMBER 2012		OCTOBER 2012		% change in volume OCT 2012/SEPT 2012	% change in value OCT 2012/SEPT 2012
		Volume (m^3)	Value (RM '000)	Volume (m^3)	Value (RM '000)		
SABAH	Logs	0	0	30	72	100	100
	Sawntimber	811	1,132	1,333	1,909	64	69
	Plywood	10,947	15,775	10,514	15,598	-4	-1
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,983	1,596	1,814	1,624	-9	2
	Plywood	27,888	15,741	16,962	19,588	-39	24
	Veneer	4,611	4,672	5,830	5,020	26	7

Source : Department of Statistics, Malaysia

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***AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA OCTOBER 2012 (VALUE IN RM)**

SPECIES	LOGS/tonne	SAWNTIMBER/m³		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	6,800	8,105	4,945	6,200
Balau	2,450	3,530	2,400	2,965
Red Balau	2,750	2,965	2,540	2,895
Merbau	2,300	4,235	2,120	3,355
Mixed Heavy Hardwood	700	1,130	955	1,130
MEDIUM HARDWOOD				
Keruing	1,700	2,260	1,270	2,260
Kempas	1,400	1,905	1,555	1,575
Kapur	2,000	1,975	1,060	1,975
Mengkulang	1,130	1,680	1,410	1,060
Tualang	1,420	1,695	920	2,260
LIGHT HARDWOOD				
Dark Red Meranti	1,360	2,225	1,410	1,330
Red Meranti	1,260	1,695	1,200	2,540
Yellow Meranti	1,130	1,695	1,095	2,435
White Meranti	990	1,520	2,260	1,695
Mersawa	1,510	3,105	2,190	2,685
Nyatoh	1,350	1,060	495	1,200
Sepetir	1,000	1,270	1,060	1,270
Jelutong	1,040	1,485	1,200	1,625
Mixed Light Hardwood	700	810	740	920

MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	LOGS/tonne	SAWNTIMBER/m³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	160	1,000	1,115	1,170	1,235

PLYWOOD 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	16.00	25.00	35.00	41.00
MDF 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	14.50	21.50	28.50	38.00

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

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TIMBER ROUND-UP

Furniture

Exports of wooden and rattan furniture for the period under review in 2012 rose 7% compared to the corresponding period of 2011. Total shipments recorded RM5.5 billion against RM5.1 billion in 2011.

Purchase of wooden furniture from Malaysia for the January to October 2012 duration increased 7% from RM5.1 billion to RM5.5 billion compared to the same period in 2011.

Imports of wooden furniture by the US expanded 13% from RM1.5 billion to RM1.6 billion Japan reduced its consumption by 11% from RM650.5 million to RM581.0 million.

The UK imports saw a growth of 11% from RM281.1 million to RM311.4 million. Intake by Australia remained positive with a 7% increase from RM334.0 million in 2011 to RM355.8 million in the first 10 months of 2012.

Shipments to Singapore picked up 5% in 2012 to RM277.0 million. Canada's uptake of wooden furniture strengthened with an increase of 8% to reach RM239.0 million. UAE posted an increase of 5% with an intake of RM169.0 million.

India saw a decrease of 1% to RM129.0 million. Saudi Arabia managed to record an increase of 2% to RM103.0 million.

Germany boosted its wooden furniture consumption 22% with a purchase of RM73.0 million in for the first 10 months of 2012 from RM60.0 million in 2011. Russia's consumption of furniture increased two fold about 104% from RM54.0 million to RM110.0 million. Norway and Spain decrease their furniture consumption by 45% and 22% respectively.

Rattan furniture shipments slid to RM17.2 million for the January to October of 2012 period compared to RM18.3 million in 2011, a drop of 6%.

Main buyer Singapore absorbed RM3.5 million, thus reducing its buying by 30%. The UK cut back on its consumption by 48%, spiralling downwards from RM1.6 million in 2011 to RM823,000. Meanwhile both the US and Germany saw positive improvements to RM2.8 million and RM615,000 respectively. In addition, there was an increase of consumption of rattan furniture of 27% from RM1.0 million to RM1.3 million from China.

WORKING VISIT TO THAILAND BY YB DEPUTY MINISTER OF MPIC

Delegates at the Thailand Creative and Design Centre, Bangkok.

MTIB recently organised a working visit to Thailand to assess the advances of Thailand's furniture industry in promoting design elements and bamboo industries on 7–10 November and it was led by YB Dato' Hamzah Zainudin, Deputy Minister of Plantation Industries and Commodities. The cities visited were Bangkok and Chiangmai. The mission comprised 24 members including representatives from MPIC, MTIB, Malaysian Furniture Promotion Council, Ministry of Education, Terengganu Timber Industry Training Centre, Global Innovation and Entrepreneurship Foundation, and furniture as well as timber–based companies. The three-day programme comprised working visits and meetings with Office of Product Value Promotion (OPVP), Thailand Creative and Design Centre (TCDC), Crystal Design Centre (CDC) , Chiangmai Life Construction Co. Ltd., Panyden School and various furniture showrooms.

Thailand's furniture industry is one of the strongest in the region due to its production quality, innovative and modern styling, and flexibility in the various material used. Western style furniture imported from France during the reign of King Louis XVI emerged in Thailand over 200 years ago. The first pieces of western furniture made their way into the homes of Thailand's nobility and the country's wealthiest families, with citizens of lower rank and wealth settling for locally crafted replicas of the fine European pieces. The imported furniture influenced local craftsmen to become skilled in using Thailand's large supply of Teak wood to emulate the classical European designs. Along with the production of classic designs, styles began to reflect Thai and regional cultures while incorporating traditional materials readily available in Southeast Asia.

There are currently 2,458 manufacturers of furniture and furniture parts in Thailand. Most of them are among the 1,446 micro manufacturers (58.9%), followed by 758 small manufacturers (29.6%), 257 medium manufacturers (10.4%) and 27 large manufacturers (1.1%). Potential exporters are made up of medium and large factories, numbering 284 or 11.5% of the total manufacturers. Most of these manufacturers have obtained promotional privileges from the Board of Investment. Approximately 42.8% of furniture and parts plants are located in Bangkok and surrounding areas, while the remaining plants are spread over the Northeast (17.9%), North (15.8%), South (12.9%), East (5.6%) and Central region (5%). The major factors taken into consideration when selecting production location are the availability of transportation, marketplace and raw material source locations.

Delegates at the Office of Product Value Promotion (OPVP), Bangkok.

The export of furniture from Thailand is dominated by wooden products, which comprised over 45%, others 24% and furniture parts 18% of the total export figure in 2011. Metal furniture registered 7%. Exports registered USD1.17 billion in 2010 but slid to USD880.3 million in 2011 due to the global economic crisis.

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During the meeting with OPVP, a government agency under the Ministry of Commerce, Mr. M. L. Kathathong Thongyai, Director of OPVP told Malaysian delegates, that Thailand was focusing on creating design awareness and recognition in order to support and promote the Thai design industry and to elevate the design standards of Thai products for the international market. Among activities organised by OPVP in order to uplift design standards was through the introduction of the Design Excellence Award (DEmark), Thailand Trust Mark, OTOP (one Tambon (village) one products) and the nurturing of Thai designer talents.

TCDC is another agency under the Prime Minister's Department which is responsible for organising activities to promote the awareness of creativity. TCDC was established to serve as Thailand's primer learning resource centre for design and creativity, providing comprehensive knowledge of design related matters. TCDC aspires to trigger creative thinking in Thai society. From exhibitions, lectures and workshops to research facilities, TCDC offers activities and experiences that entertain as they educate and that foster imaginative thinking based on well-rounded knowledge. Its resource centre has more than 300,000 books and under TCDC is located Material Connexion as the leading global platform for material solutions and innovations. With offices in New York, Bangkok, Cologne, Daegu and Milan, Material Connexion's international network of material specialists provide a global, cross-industry perspective on materials, sustainable alternatives and their potential uses.

CDC is one of the largest and most comprehensive Design Centres in Asia showcasing architectural, interior, decorating and construction products. Almost every major furniture manufacture in Thailand has a permanent showroom at CDC. Privately owned, it is a one-stop shopping complex for customers, designers, architects, project owners, importers and exporters in sourcing new and innovative materials and in keeping up–to–date on new design trends. CDC is the first place to visit for any overseas buyer planning to source furniture and timber products from Thailand, manufactured by local and international companies. With restaurants and entertainment facilities, most buyers will spend at least a day touring the showrooms and selecting furniture for export.

At Chiengmai Life Construction and Panyaden School, the delegates were amazed at the architecture made from bamboo. The company promotes bamboo by encouraging people to wear it, weave it, eat it, play music with it, adorn gardens with it and use it to build bridges, floors, and houses. It embraces the versatility and strength of the bamboo plant and combines it with other natural materials like stone and earth to design practical architecture that is also appealing to the eye. When properly designed, the integration of bamboo with different organic materials adds the tensile strength needed in construction replacing the need for steel. The Panyaden School is an example of ecologically friendly architecture and as such it has received both local as well as international recognition. The classrooms were made from rammed earth which carries roofs completely made out of bamboo, cladding as well as the structural elements. Due to

YB Dato' Hamzah Zainudin, Deputy Minister of Plantation Industries and Commodities presenting a memento to Mr. Markus Roselieb from Chiangmai Life Construction.

the high thermal mass of rammed earth walls, temperature variations are moderated, thus eliminating the need for air conditioning.

The last stop for this working visit was the bamboo furniture showrooms. Besides China, Thailand and Indonesia are among countries more advanced in processing and manufacturing bamboo furniture made from pole bamboo as well as bamboo lamination, plywood and finishes with current colour trends. One of companies visited was Gerard Collection Co. Ltd., which will open Gerard Collection KL at Bukit Jelutong, Shah Alam next year. Compared with Thailand, the Malaysian bamboo furniture design is still in a traditional mode. Thus the visit has inspired the delegation on ways to modernise the Malaysia bamboo furniture.

Overall, the mission was a good platform for the various agencies in Malaysia responsible in developing the wood-based industries as well furniture to work closely to promote the Malaysian design identity and nurturing design thinking among talented young designers as well as Malaysian furniture manufactures. Under NATIP, furniture has been identified as a product which will be intensively promoted, whereby the export of furniture has been targeted to reach RM16 billion in 2020. This target is achievable, if concerted efforts are directed towards the speeding up of the development of quality designs in this sector. Apparently, the industry has not accepted the importance of design in the manufacturing of timber products for the sustainability of the industry and to be recognised as a producer and exporter of quality timber products. It is now necessary for the country to establish itself as a highly reputable exporter of high quality timber products, especially furniture with innovative designs, to the international market. With the recent greater emphasis being placed on the design aspects of timber products marketing, with respect to furniture in order to tap into the lucrative higher-end market, improvements on furniture designs have to be undertaken so as to meet the sophisticated overseas market requirements.

A COURSE ON WOOD IDENTIFICATION : IMPORTED TIMBER SPECIES

Dr. Jalaluddin Harun, MTIB Director-General (second from left) presenting a token of appreciation to Dr. Kwame Asumadu.

MTIB conducted a course on wood identification of imported African and European timber species from 1 to 3 October in Banting, Selangor. The main objective of the course was to provide a better understanding of wood identification methods for foreign species. During the opening remarks by Dr. Jalaluddin Harun, Director-General of MTIB, he stated that skills and experience in wood identifying are essential for MTIB officers. He also urged the participants to gain as much knowledge as it would be invaluable in their work.

Two speakers namely Dr. Andrew Akwasi Oteng Amoako, Principal Chief Scientist from Ghana and Dr. Kwame Asumadu, Chief Executive Officer from Australia, conducted the course. Both speakers are attached to Asumadu Private Limited Company based in Australia. Dr. Andrew Akwasi Oteng Amoako had worked with the Ghana Forestry Department for over 40 years and after his retirement, he was appointed as an advisor for the Ghana Forestry Department. Dr. Kwame Asumadu too has been involved in the global timber industry and has conducted various courses and programmes related to the timber and wood processing sector.

Both theoretical and practical approaches were applied to enhance the participants' knowledge and skills in understanding the wood anatomy for identification purposes. The topics were a general overview of the African timbers, the principles and methodology in identifying the timbers and the specific analysis to determine the right species. At the end of the course, participants had to sit for examination to test their knowledge on the imported timber species.

Participants attending the course.

The participants who got through the examination received certificate of achievement by MTIB and Asumadu Private Limited Company. The course provided the MTIB officers with a general overview and a better understanding of the principles in wood identification of foreign species. Sixty MTIB personnel comprising officers and quality control inspectors from MTIB offices in Peninsular Malaysia and Sabah attended the programme.

REVITALISING BAMBOO INDUSTRY IN MALAYSIA

Puan Hjh. Norchahaya Hashim, MTIB Deputy Director-General delivering her opening speech.

Attendees at the seminar.

In an effort to further develop the bamboo industry in Malaysia, MTIB on 26-27 November organised a seminar entitled Introduction to Bamboo Industry at MTIB, Kuala Lumpur. The objective of the seminar was to disseminate knowledge and information as well as to create awareness among the industry players on the importance of bamboo development as a potential plantation species. It also acted as a platform for knowledge and experience sharing between government agencies and industry players.

Puan Hjh. Norchahaya Hashim, Deputy Director-General of MTIB officiated the seminar. In her speech, she highlighted that Malaysia's total export of bamboo was RM250,000 for the last ten years cumulatively, while bamboo imports from China, Indonesia and Thailand were recorded to about RM2 million. According to the International Network for Bamboo and Rattan, the international bamboo industry could generate a revenue of USD11 billion per year. This value is expected to increase to USD18 billion in 2018.

In order to ensure the sustainable development of the bamboo industry, MTIB launched a 10-Year Action Plan for the Development of Bamboo Industry in Malaysia in October 2011. The Action Plan emphasised five main strategies covering areas towards contributing to export earnings as well as the domestic market. The five strategies are as follows establishment of bamboo plantations and preservation of existing natural resource management, human capital development, development of downstream activities, R&D and, marketing and promotion.

Papers presented during the seminar were :

- The Introduction of Bamboo by Cik Nur Afzan Mohd Anuar from Forestry Department of Peninsular Malaysia (FDPM)
- Bamboo Plantation Establishment by Tuan Hj. Abd. Razak Othman from Forest Research Institute Malaysia
- Forest Plantation Development Programme - Introduction of Bamboo as New Species by Tuan Hj. Kamaruzaman Othman from MTIB
- Bamboo – A Versatile Material by Prof. Dr. Paridah Md. Tahir from Universiti Putra Malaysia
- Experiences and Challenges in Bamboo Industry by Encik Mohd Ramadhan Abdul Hamid from Petarumba Resources Sdn. Bhd., Encik Adnan Osman from Tunas Budi Sdn. Bhd. and Encik Abdul Halim Ali from Perbadanan Kemajuan Kraftangan Malaysia
- Procedure on Extraction of Bamboo from Natural Forest by Encik Mohamed Zin Yusop from FDPM
- Policy and Procedure on Bamboo Exportation by Encik Md. Yusoff Ismail from MTIB

A field trip to Lanchang Edible Garden in Lanchang, Pahang was organised on the second day of the seminar. Participants were briefed by the bamboo plantation owner on the establishment and management of the bamboo plantation as well as bamboo shoot production. In addition, participants were given the opportunity to harvest bamboo shoots. The seminar was attended by more than 50 participants from government agencies and industry players.

NAMA SEMINAR HIGHLIGHTS INTERNATIONAL TRADE

Participants posing for the camera.

The National Seminar on Non-Agricultural Market Access (NAMA), which was organised by the Ministry of International Trade and Industry (MITI) in collaboration with the World Trade Organisation (WTO) was held in Kuala Lumpur from 8 to 11 October. The purpose of the seminar was to facilitate an understanding of the current issues being negotiated under NAMA as well as to equip the various related ministries and agencies officials with knowledge concerning the dynamics and scope of NAMA negotiations in ensuring that trade regulations and measures that had been put in place were acceptable to Malaysia.

The seminar was officiated by Encik Jayasiri Jayasena, MITI Senior Director of Multilateral Policy and Negotiations. He stated that NAMA was one of the areas being negotiated under the Doha Development Agenda (DDA). Trade in NAMA products accounts for more than 90% of the world merchandise exports. It also accounts for more than 50% of Malaysian track. This shows the importance of non-agricultural goods in the global track as well as for Malaysia.

Encik Jayasiri urged seminar participants to enhance their knowledge on sectorial negotiations and on the sectorial liberalisation in Malaysia. He added that Malaysia had made good use of its various multilateral relationships with other countries. He further added that participants should not only equip themselves with necessary information during the seminar but also spread the knowledge to their respective organisations.

The seminar was conducted by two speakers from WTO namely Mr. Jurgen Richtering, Chief Integrated Statistic Economic Research and Mr. Xiaobing Tang, Counsellor from the Market Access Division. Issues that were covered during the seminar included tariff reduction, formula cuts, flexibilities in commitments and non-tariff barriers as well as a special focus on Information Technology Agreement. Participants were also given on a demonstration on using the WTO integrated database which enabled them to access various online NAMA related statistics and information. For example, the participants were able to access non-tariff information barriers for all WTO members by logging into the integrated online database. Both the WTO speakers encouraged the participants to sign up for a WTO E-Learning course as it provides online training on matters related to international trade and WTO agreements to government officials from developing and least-developed WTO Members and Observers countries. The website also provides a comprehensive and detailed understanding of the different components of the multilateral trading system.

Seminar speakers from WTO namely Mr. Xiaobing Tang (left) and Mr. Jurgen Richtering (right).

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In addition, participants were also exposed to the transposition of HS (Harmonised System) 2007 to HS 2012 codes for Malaysia. Thirty-eight people attended the seminar which comprised representatives from various government institutions such as Department of Fisheries, Ministry of Health, Department of Islamic Development Malaysia, Road Transport Department, Ministry of Plantation Industries and Commodities, Ministry of Agriculture, Royal Malaysian Customs Department, Ministry of Natural Resources And Environment, Ministry of Domestic Trade and Consumer Affairs, Malaysian Industrial Development Authority, Federation of Malaysian Manufacturers, Department of Standards Malaysia, MITI and Department of Statistics Malaysia.

MTIB was represented by Cik Hjh. Robiyah Husin and Encik Shamsul Azman Abdul Aziz from Trade Development.

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Tun Dr. Mahathir Mohamad, former Prime Minister of Malaysia during the luncheon talk with Bumiputera entrepreneurs.

from the lab. Various issues and proposals were raised during the briefing.

During the luncheon talk with Tun Dr. Mahathir Mohamad, the former Prime Minister advised the entrepreneurs to be more prudent with their money and to acquire more knowledge in order to remain competitive. Tun Dr. Mahathir also urged them to emulate the working habits of successful companies or conglomerates and to diversify their business.

In order to keep abreast with the availability of grants and funding by the Ministries and government agencies as well as the financial institutions, a clinic for the entrepreneurs was set up. Enablers such as INSKEN (MITI), MIDA, MATRADE, Exim Bank, SME Corp, TERAJU, RHB Islamic Bank, Maybank, CIMB Bank and PUNB attended the clinic to offer their products and expert advice.

A total of 150 participants comprising entrepreneurs and representatives from Ministries and agencies attended the event while 200 participants comprising entrepreneurs, senior officials of the Ministries and agencies attended the luncheon talk.

TASK FORCE ON WOOD-BASED PRODUCTS UNDER ACCSQ CONVENES

The delegates smiling for the camera.

The 29th Meeting of the ASEAN Consultative Committee for Standards and Quality (ACCSQ) Working Group on Standards and Mutual Recognition Arrangements (WG1) and related meetings were hosted by SPRING Singapore from 15-19 October in Singapore. The objective of the WG1 was to assist ASEAN Member States in harmonisation of the standards and implementation of the Mutual Recognition Arrangements (MRA) in several sectors namely automotive, agro-based products, rubber-based products, health care (in cosmetics, medical device), wood-based products as well as electrical and electronics equipment sectors. This is to enable an economic integration towards the realisation of the ASEAN Economic Community (AEC) by 2015.

The welcoming remark for the WG1 meeting was delivered by Mr. Steven Tan, Chairman of SPRING Singapore. In his speech he talked about the achievement of the WG1 as well as the importance of intra-ASEAN and Extra-ASEAN Trade. He also urged ASEAN member states to seize new opportunities by having a common voice at international standards, such as ISO and IEC; integrating ASEAN efforts at international standards development works as well as leveraging on partners and regional bodies effectively. He further noted that in addition to an existing Task Force on Building and Construction under WG1, a new Task Force on Wood-based Products (TFWBP) had also been established to address the technical barriers in trade for wood-based products in the ASEAN Member States. At present about 35 wood-based product standards had been identified for harmonisation. That would help to promote transparency of wood-based products standards, technical regulations as well as conformity assessment procedures within ASEAN member states.

The first meeting of the TFWBP was held on 15 October. The meeting was chaired by Puan Hjh. Mahsuri Mat Dris, MTIB Senior Deputy Director of Industry Development and it was attended by delegates from Brunei Darussalam, Lao PDR, Malaysia, Myanmar, Singapore, Viet Nam and representatives from the ASEAN Secretariat. The meeting discussed background information and rationale for the re-activation of the discussions on the harmonisation of technical requirements for structural and non-structural use of timber under the standards and conformance area. The meeting also discussed the Objective, Scope and Structure, Terms of Reference as well as Action Plan for the Task Force. The agreed scope of products to be covered by the Task Force was as follows:

- Wood-based products for structural and non-structural use;
  - i. Sawntimber
  - ii. Wood-based panels (plywood, fibreboards, particleboards and biocomposite products)
  - iii. Builders, joinery and carpentry (BJC).

- Safety, health and performance requirements for furniture (wooden and rattan).

The WG1 Meeting reviewed the draft Terms of Reference (ToR) of the TFWBP and noted the reservation of some Member States with regards to the proposal from the TFWBP to explore the possible development of MRAs and the sunset clause. In this regard, the Meeting requested the Member States to carry out national consultations with the relevant agencies and provide their views on the proposed draft ToR of the TFWBP by 31 January 2013. The proposed draft ToR would be further discussed in the 30th ACCSQ WG1 Meeting, tentatively in May or June 2013. The meeting also requested the TFWBP to review the timelines for the activities proposed for implementation under the Action Plan to fulfill the objectives of the TFWBP.

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39TH ACCSQ MEETING, BANDUNG

One for the album-Malaysian delegates posing with Ms Shirley Ramesh from ASEAN Secretariat (fourth from left).

The ASEAN Consultative Committee for Standards and Quality (ACCSQ) is actively pursuing several steps towards the reduction of technical barriers to trade among the ASEAN member states. The steps include the harmonisation of standards within the region based on international standards and the harmonisation of technical regulations and accreditation and conformity assessment.

The 39th ACCSQ meeting was held in Bandung, Indonesia from 29 October to 1 November to further deliberate several progress made during the 38th ACCSQ Meeting which was held earlier in Brunei Darussalam. The meeting was chaired by Dr. Suzana Adenan, Head of Division, Authority of Building and Construction Industry (ABCi), Ministry of Development, Brunei Darussalam and co-chaired by Mr. Tran Van Vinh, Deputy Director General of Directorate for Standards, Metrology and Quality, Viet Nam. It was officially opened by Professor Dr. Bambang Prasetya, Chairman of the National Standardisation Agency of Indonesia. Professor Dr. Bambang extended his warm welcome and appreciation to all the delegates for their attendance at the 39th ACCSQ Meeting. He reiterated the commitment to realise the goals for an ASEAN single market and production base and urged the Member States to implement the agreed decisions as well as enhance inter-agency coordination, technical infrastructure and business sector participation.

The ASEAN Secretariat updated the meeting on the recent developments in the ASEAN integration initiatives and the relevant decisions made by ASEAN Leaders, AEM, AFTA Council and SEOM on issues related to trade facilitation and standards and conformance. The progress made by several Product Working Groups (PWGs) and the priority integration sectors under the purview of the ACCSQ was also thoroughly discussed during the meeting. From the Standards and Compliances Working Group, the meeting was also informed of the draft Terms of Reference of the Task Force on Wood-based Products which had been circulated to the Member States for comments by 31 January 2013. The ASEAN Secretariat, on behalf of the Chair of WG 2 briefed the meeting on the outcome of the 23rd WG 2 Meeting and its related event held on 21-23 May 2012 at the ASEAN Secretariat and the Special WG 2 Meeting on ASEAN Conformity Mark held on 11-12 September 2012 in Kuala Lumpur, Malaysia. The Chairman of WG3 had earlier presented a concept paper on Quantity Mark System (Mark) for Pre-packaged Products which would introduce a regional framework for a harmonised system in terms of making sure that the weight, volume, area and count of pre-packaged products are within the acceptable measurement range and the Mark once developed would be one of the manifestations of integrated ASEAN in the legal metrology sector. The concept paper has been prepared based on the existing quantity marking schemes in EU, China, Korea, the draft OIML IQ Mark System on Pre-packaged products, as well as the existing regulations of AMS.

The finalisation of the ASEAN Policy Guidelines on Standards and Conformance was discussed at length during the ACCSQ. The guidelines aimed at providing the guiding principles for the implementation of joint efforts of ASEAN Member States (AMS) in the areas of standards and conformance both in regulated and non-regulated sectors as one of the measures for accelerating economic integration towards the realisation of the ASEAN Economic Community (AEC) by 2015. It focused on the harmonisation of standards and the implementation of the relevant conformity assessment schemes as well as their adoption and use in technical regulations.

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Malaysian delegates during ACCSQ meeting.

The PTB presented their action plan and work programmes to assist ASEAN members states towards achieving the objectives of the projects which are funded by them. PTB proposed a project on improving Quality Infrastructure in ASEAN and is in the process of finalising the proposal whereby several arrangements are required before pursuing the project including the appointment of Project Manager as well as the signing of the Implementation Agreement. The ASEAN-US Work Plan (2012-2015) covers medical device, green building and construction, health supplements, green chemistry, food safety and standards and Safety for Electrical and Electronic Equipment (EEE)/Information Communication Technology (ICT) Products. The Meeting was also updated on Standards and Conformance activities in several ASEAN countries such as Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Viet Nam.

Apart from that, the ACCSQ also made good engagements with ASEAN's dialogue partners and other organisations on standards and conformance such as ASEAN-Australia/ New Zealand FTA Sub-committee on Standards, Technical Regulations and Conformity Assessment Procedures (AANZFTA SC-STRACAP); ACCSQ-AQSIQ (China) Cooperation; ACCSQ-EU Cooperation; ASEAN-Japan Close Economic Partnership Sub-committee on Standards, Technical Regulations and Conformity Assessment Procedures (AJCEP SC-STRACAP) and ACCSQ-PTB Cooperation as well as updates on developments in other relevant regional and international organisations on standards and conformance such as WTO TBT activities by Thailand; ISO activities by Philippines; IEC activities by IEC Representative as well as on APEC Activities.

The ACCSQ meeting was attended by representatives from all ASEAN member states except Myanmar, dialogue partners from the US and the PTB Germany. The seven-member delegation from Malaysia was led by Encik Ridzwan Kasim, Senior Director from Standards Malaysia (SM). MTIB was represented by Tuan Hj. Mahpar Atan and Puan Hjh. Mahsuri Mat Dris from Industry Development. The 40th ACCSQ meeting will be hosted by Malaysia in April 2013.

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Malaysia also presented the proposed joint cooperation in capacity building for technical support related to structural timber and standardisation activities of the wood-based sector for the benefit of the ASEAN Member states.

The integration of the building and construction sector in ASEAN was also discussed during a meeting of the Task Force on Building and Construction (TFBC) on 16 October. A representative from the Construction Industry Development Board (CIDB) Malaysia briefed the meeting on the development of the draft MRA for the building and construction sector. The finalisation of the draft MRA would be further discussed at the next TFBC meeting while awaiting for the ASEAN member states to consult their respective regulators. The TFBC agreed that the scope for timber use in construction would be covered by the Task Force on Wood-based Products.

Besides meetings, A *Physikalisch Technische Bundesanstalt* (PTB), Germany seminar was also held on 17 October. The four components to be carried out under the ASEAN-PTB Project for the Improvement of the Quality Infrastructure in ASEAN to support the activities of ACCSQ WG1 in the areas of Capacity building of CLM(V)s for adoption of standards and implementation that had been regionally agreed for harmonisation were analysis of national capacities and capabilities to adopt and implement standards that have been harmonised on the regional level for the Priority Integration Sectors; improvement of the capacities of PWG for harmonisation of standards for performance test methods and conformity assessment; creation of awareness in the PWG for elaborating standards for the technical details to comply with common regulations as well as training courses in selected Member States about adaptation of their capacities to harmonise standards through the national standards bodies.

With regards to cooperation with the US, the representatives from the US Department of Commerce updated the meeting on the proposed areas and mechanisms for implementation of activities for cooperation in the priority areas identified under the ASEAN-US cooperation in standards and conformance and recommendations for new areas which are mutually benefiting.

The WG1 Meeting was attended by delegates from Brunei Darussalam, Indonesia, Lao PDR, Malaysia, Singapore, Thailand, Viet Nam, representatives from the ASEAN Cosmetic Committee, Automotive Product Working Group, Joint Sectoral Committee on Electrical and Electronic Equipment and Medical Device Product Working Group (MDPWG) from Singapore and representatives from the ASEAN Secretariat. Malaysia was represented by five representatives comprising members from Standards Malaysia, SIRIM Berhad, CIDB, MTIB and FRIM. MTIB was represented by Puan Hjh. Mahsuri Mat Dris and Puan Kamariah Mohd. Nordin from Industry Development.

INTERNATIONAL CONFERENCE ON BIOMASS FOR BIOFUEL AND VALUE-ADDED PRODUCTS

The International Conference on Biomass for Bio-fuel and Value-added Products 2012 (ICBBVAP 2012) was held on 23-24 October in Kuala Lumpur with the theme Innovation Technologies Towards Commercialisation of Biomass Resources for Sustainable Development in Nation Building. Among the objectives of the conference were to highlight biomass applications for value-added products and renewable energy resources towards commercialisation and wealth generation for the nation, to highlight the roles of academia in leading developing and promoting green technology for sustainable development in nation building and to provide a platform for researchers regarding their finding technology, policies and services.

The conference was officiated by YB Dato' Seri Mohamed Khaled Nordin, Minister of Higher Education Malaysia. In his speech, Dato' Seri Mohamed Khaled stated that the Malaysian government has identified biomass as a highly strategic and potential economic driver for the country. According to the Innovation Agency of Malaysia 2011 Report on the National Biomass Strategy 2020, the biomass sector has the potential to create higher value-added economic activities that would contribute towards Malaysia's gross national income (GNI) and create high value jobs.

He added that, the timber-based industry in Malaysia is still looking for ways to maximise the utilisation of by-products such as sawdust, offcuts and stumps. Newer and non-conventinal resources such as Petai Belalang, kenaf, micro-algae and agro-wastes are also being identified for their potential contribution as a biomass resource. In a way, it has created opportunities for the industry, government agencies and academia to work together in R&D activities.

In fact, the 2013 budget continues to emphasise on R&D and towards driving the economic growth through the commercialisation of technology and innovations derived from R&D activities. As such, the government has allocated a sizeable amount of funding through various ministries and agencies. This was evident in the commissioning of the Green Technology Policy 2009, and the establishment of the Green Technology Financing Scheme in 2010 with a fund of RM1.5 billion for three years which ends 31 December 2012. To further boost the production and utilisation of green technology-based products, under the 2013 budget, the fund for GTFS will be increased by RM2 billion and the application period extended for another three years ending 31 December 2015.

The Fund enables companies which are producers and users of green technology to obtain soft loans, with the government subsidising 2% of the interest rate and providing a guarantee of 60% on the amount of financing. To-date, approximately RM800 million has been approved to 50 local companies.

The conference was divided into two session namely the plenary and parallel session. Three papers were presented in the plenary session and more then 50 papers were presented in the parallel breakout sessions.

The conference was attended by more than 150 participants from universities, NGOs, agencies, entrepreneurs, wood-based industries, personnel and researchers. MTIB was represented by Cik Zamzarina Ahmad, Cik Noor Intan Saffinaz dan Cik Juliwar Idrus.

TIMBER INDUSTRY IN EGYPT

Quick Facts

Capital	Cairo
Population	90 million; 82 million inside plus 8 million abroad (2012 est.)
Official Languages	Arabic
GDP/Capita	USD3,118
Currency	Egyptian Pound (EGP)

Country Overview

Egypt is a country situated mainly within North Africa, with its Sinai Peninsula forming a land bridge in Southwest Asia, making it a transcontinental state. Covering an area of about 1,010,000 square kilometre , Egypt is bordered by the Mediterranean Sea to the north, the Gaza Strip and Israel to the northeast, the Red Sea to the east, Sudan to the south and Libya to the west.

Egypt is one of the most populous countries in Africa and the Middle East, and the 15th most populated in the world. The great majority of its over 82 million people live near the banks of the Nile River, where the only arable land is found, in an area of about 40,000 square kilometre. The large regions of the Sahara Desert, which constitute most of Egypt's territory, are sparsely inhabited. About half of Egypt's residents live in urban areas, with most spread across the densely populated centres of greater Cairo, Alexandria and other major cities in the Nile Delta.

The economy of Egypt is one of the most diversified in the Middle East, with sectors such as tourism, agriculture, industry and services at almost equal production levels. Egypt has significant cultural, political, and military influence in the region, and is a major power in the Mediterranean, the Middle East and the Muslim world.

Forestry

The area under forest in Egypt is estimated at 2,500 ha, mostly planted with Casuarina, Eucalyptus, Cupressus, Pinus and Khaya trees planted by both the governmental and the private sectors for purposes of protecting soils, water-courses and farms from winds and storms.

The Egyptian government has directed its efforts for afforestation aiming at magnifying the afforestated (green) stretch through the use of treated sewage water in establishing forest-plantations (man-made forests), selecting some poplar and new varieties plus some fast growing timber trees, using new advanced techniques in irrigating and propagating timber trees such as drip-irrigation and modified surface irrigation and lastly by expansion in palnting tropical trees in Upper Egypt like Khaya, Teak and Neem.

Timber and Furniture Production

Very minor quantities of plywood, veneer, particleboard and fibreboard of low quality are produced and are used for low quality furniture and kitchens. There is no production of insulating boards in Egypt and particleboard production is based on sugar cane bagasse, not from wood.

However, Egypt produces large quantities of furniture. Furniture production continues to increase about 3% annually. A flourishing construction industry and the continued boom in the housing market, with more housing being built every year - increase in disposable income and continuous development in furniture shop space, all contribute to the healthy performance of the furniture industry in Egypt. Furniture exports as a percentage of all furniture manufactured represent less than 25% of the total production of furniture with softwood being used to some degree.

Wood Demand and Supply of Timber in Egypt

Egypt is a large importer and user of softwood. Since Egypt lacks a sawmilling industry, most of its needs of softwood are

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imported as lumber. Some logs are imported for the plywood and match industries. Redwood and white wood are the major types of softwood. This softwood consumption is split into 75% / 25%, as redwoods over whitewoods.

While about 32% of the redwood is used for the furniture industry, 20% is used for non-structural construction, 18% for structural construction, 15% for joinery and 15% for other uses. As for imported whitewood, 35% is used for concrete forming, 25% for scaffolding, 14% for packaging, 8% for furniture, 6% for joinery and 12% for other uses. In scaffolding, whitewood is used as poles as well as for planks. The poles are known in Egypt as “fillery”, whitewood which is used for concrete forming due to its relatively low weight and ability to absorb moisture from the concrete. Specialised packaging industries which use large amounts of wood, do not exist in Egypt.

Egypt’s Export of Timber and Timber Products

The total export of timber and timber products for Egypt showed an increase of 25% to USD327 million in 2011. Furniture encompassed 82% of Egypt export worldwide of USD266.9 million.

Egypt’s Import of Timber and Timber Products

The total import of timber and timber products for Egypt showed a slightly increase of 6% to USD1.44 billion in 2011. Sawntimber, plywood and furniture showed significant market share with 67.4% or USD971 million, 13.3% or USD192 million and 8.5% or USD123 million respectively.

Malaysia – Egypt Timber Trade

Malaysia’s export of timber and timber products to Egypt, the biggest market in the Northern Africa countries is quite significant. The Egypt market covers 0.9% of Malaysia’s exports of timber and timber products to the world market. It showed a sharp increase of 25.9% in 2011 compared to the previous year. The main products imported from Malaysia are plywood followed by wooden furniture and fibreboard.

Tariff Rates

Timber and timber products imported into Egypt are subject to import tariffs ranging from zero to 30%. There is no duty imposed on logs of beech and sawntimber. Plywood and fibreboard are subject to 10% tariff and wooden furniture is subject to 30% tariff.

Egypt : Export of Timber and Timber Products
(Value : USD ‘000)

Year	2008	2009	2010	2011
Product	**RM**	**RM**	**RM**	**RM**
Mouldings	1,159	1,660	5,052	14,881
Fibreboard	1,533	3,964	2,871	12,856
Wood Charcoal	8,263	6,743	7,709	9,386
Articles of Wood	16,233	12,030	7,400	5,813
Sawntimber	547	151	351	5,495
Fuel Wood	699	1,028	6,929	5,171
Builders Joinery and Carpentry	630	2,467	1,471	2,358
Particleboard	3,648	1,838	1,788	1,209
Packaging	625	2,588	1,222	790
Wood Marquetry	93	162	42	775
Plywood	575	363	1,348	769
Wooden Frames	697	463	422	298
Densified Wood	0	23	43	74
Tableware and Kitchenware	16	211	6	68
Veneer	250	177	84	54
Hoopwood	134	173	85	14
Logs	295	131	92	13
Tools, Broom Bodies and Handles	9	6	5	2
Railway Sleepers	0	0	14	0
Furniture and Furniture Parts	261,462	267,722	225,322	266,855
Total	**296,868**	**301,900**	**262,256**	**326,881**

Source: WTO

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Egypt : Import of Timber and Timber Products
(Value : USD '000)

Year	2008	2009	2010	2011
Product	**RM**	**RM**	**RM**	**RM**
Sawntimber	895,701	807,411	888,633	971,438
Plywood	109,669	113,135	155,024	191,927
Logs	71,246	84,708	43,471	47,446
Fibreboard	28,730	28,134	51,889	42,597
Veneer	27,772	24,383	32,079	36,034
Particleboard	4,162	3,506	5,227	7,400
Articles of Wood	7,793	5,044	4,292	7,387
Builders Joinery and Carpentry	6,761	3,493	7,673	5,701
Tools, Broom Bodies and Handles	657	1,319	4,736	2,375
Wood Marquetry	1,148	1,019	1,687	1,523
Packaging	2,682	1,004	1,269	1,089
Mouldings	1,350	901	1,939	1,061
Hoop Wood	426	2,173	621	534
Tableware and Kitchenware	338	333	464	504
Densified Wood	736	232	296	441
Wooden Frames	330	291	342	317
Railway Sleepers	1,445	2,701	2,962	240
Wood Charcoal	22	78	115	222
Fuel Wood	15	49	13	61
Wood Wool and Flour	71	0	0	3
Casks,Barrels,Vats and Tubs	31	0	0	0
Furniture and Furniture Parts	146,151	114,544	151,778	123,237
Total	**1,307,236**	**1,194,458**	**1,354,510**	**1,441,537**

Source: WTO

Malaysia : Export of Timber Products to Egypt
(Value : USD '000)

Year	2007	2008	2009	2010	2011
Product	**RM**	**RM**	**RM**	**RM**	**RM**
Plywood	137,074	167,880	150,412	107,126	167,155
Wooden Furniture	12,338	22,539	19,654	20,082	10,584
Fibreboard	1,046	1,662	10,584	18,383	7,175
Builders Joinery and Carpentry	209	348	265	696	833
Others	93	676	1,060	1,476	760
Sawntimber	315	196	39	417	305
Rattan Furniture	558	438	0	172	79
Mouldings	964	342	36	123	0
Particleboard	1,106	0	162	0	0
Total	**153,703**	**194,082**	**182,214**	**148,475**	**186,890**

Source: DOSM

Malaysia : Export of Timber Products to Egypt
(Volume : m^3)

Year	2007	2008	2009	2010	2011
Product	**RM**	**RM**	**RM**	**RM**	**RM**
Plywood	109,760	132,848	125,046	84,756	121,024
Fibreboard	793	1,600	14,487	25,478	9,008
Sawntimber	445	128	26	291	179
Mouldings	279	161	38	46	0
Particleboard	185	0	190	0	0
Total	**111,462**	**134,737**	**139,787**	**110,571**	**130,211**

Source: DOSM

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Egypt : Import Duty for Timber and Timber Products

MFN Applied Rate (%)	Product
5	Fuelwood
2	Wood in Chips or Particles
2	Sawdust and Wood Waste and Scrap
2	Wood Charcoal of Bamboo
5	Other Wood Charcoal
0	Logs of Beech
2	Other Logs
2	Hoopwood/Wooden Sticks
5	Wood Wool and Flour
5	Railway Sleepers
0	Sawntimber
5	Veneer
20	Mouldings
10	Particleboard, Fibreboard, Plywood, Veneer Panel and Blockboard
10	Densified Wood
30	Wooden Frames
20	Packing Cases
10	Casks, Barrels, Vats and Tubs
10	Tools, Tool Bodies and Handles
20	Builders Carpentry and Joinery
30	Tableware and Kitchenware
30	Statues and Other Ornaments of Wood
30	Wood Marquetry and Inlaid Wood
30	Clothes Hangers of Wood
2	Matche Splints and Sticks for Food
10	Other Article of Wood
5	Seats of a Kind Used for Aircraft
10	Seats of a Kind Used for Motor Vehicles
30	Swivel Seats with Variable Height Adjustment
30	Seats, other than Garden Seats or Camping Equipment
30	Seats of Bamboo or Rattan
30	Seats of Cane , Osier or Similar Material
30	Other Seats with Wooden Frame, Upholstered Purposes
10	Metal Frame (Chassis)
10	Parts for Seats of Wood or Other Materials.
5	Barbers' and Dentists' Furniture
5	Other Medical, Surgical and Veterinary Furniture
30	Metal Furniture
30	Wooden Furniture
30	Plastic Furniture
30	Rattan and Bamboo Furniture
30	Parts

Source : Egypt Customs

Prospects

Egypt's economic conditions have started to improve considerably after a period of stagnation from the adoption of a more liberal economic policy by the government. The International Monetary Fund has rated Egypt as one of the top countries in the world undertaking economic reforms. Some major economic reforms undertaken by the government include a dramatic slashing of customs and tariffs.

With a growing high population of nearly 82 million residents, the demand for housing is booming. The growing tourism industry has led to the development of new hotels and villas. Egypt estimates the demand for housing to be around 300,000 units a year and hotels under construction in Egypt by number of rooms in 2012 were 5,900. Therefore, this has led to the growth of the furniture industry directly and recent trend shows an increasing use of softwood in the furniture industry in Egypt.

Egypt is traditionally a big buyer of Malaysian plywood, except for 2011 due to the political upheaval. Malaysians should be able to anticipate the increase of Malaysian timber exports after the political upheaval e.g. can be a timber hub for East Asian timber products due to its geographical location, enabling Egypt to service the timber requirements in the other North African countries, especially landlocked African countries namely Chad, Nigeria and South Sudan.

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KEKABU - SUITABLE FOR DECORATIVE FURNITURE

Wood colour and texture.

Kekabu or Cotton Tree is the Standard Malaysian Name as well as the ASEAN Standard Name for the timber of Bombax *spp. (family* Bombacaceae*). Other vernacular names applied include Kekabu Hutan (Peninsular Malaysia), Kapok (Sabah) and Tambaluang (Sabah). The timber is also known as Didu and Semul (India); Randu alas (Indonesia); Ngui ban (Lao PDR); Didu, Letpan and Thinbaw (Myanmar); Bombax and Kapok (Papua New Guinea); Malabulak (Philippines); Ngew (Thailand); and P'lang (Viet Nam). Major species include* B. ceiba *and* B. valetonii *(Wong, 1982).*

In Malaysia, Kekabu or Kapok has been widely planted in Malaysia since 1950. It has played an important role as a fibre producing plant. The tree is used to produce pillows, mattresses and is also reported in medicinal uses such to prevent gonorrhea.

General Characteristics

The sapwood is whitish and is occasionally demarcated and differentiated from the heartwood, which is pale reddish-brown with a purplish tinge. The timber is soft and light with a density of 415-545 kg/m^3 air dry.

In some parts of the world, the tree is reported to attain heights of 30 to 40 metre, with a trunk diameter of 1.2 to 1.8 metre.

The grain is usually straight. Vessels are medium sized to large; few, solitary and in radial multiples of two to five or sometimes more occasionally in clusters. Texture is moderately coarse and even, with straight or slightly interlocked grain. Tyloses are absent while deposits are occasionally present and gum-like.

Timber Properties

Kekabu is easy to re-saw and cross cut. The timber is reported to be rather easy to work in machining operations but it requires sharp cutting edges for best results. Planing is good and the surfaced produces is moderately smooth.

Despite its good working properties, the timber exerts a slight blunting effect on cutting tools. Thus, it is advisable to process the timber of Kekabu, whenever practicable, in air-dry condition as it is then appreciably easier to work with.

Natural Durability

Based on the graveyard tests of untreated specimens under natural conditions conducted at the Forest Research Institute Malaysia (FRIM), the wood is classified as non-durable with an average service life of about 0.9 year (Mohd. Dahlan & Tam, 1985). When the timber was treated with creosote to an average absorption of 592 kg/m^3 (37 lb/ft^3) by the open-tank method and tested, it was found that there was no change after 12 years, indicating that treated Kekabu could be rendered extremely durable.

Preservative Treatment

The timber is extremely easy to treat with preservatives.

Defects

Logs of two species of the *Bombacaceae* were examined and found to be remarkably sound. No sign of "Spongy heart" was encountered and the only defects observed were occasional longhorn beetle attacks, the galleries being about 1.9 cm in diameter. The sapwood of all the species appears to be relatively immune to infection from blue-stain fungi, although when fresh it contains abundant starch (Desch, 1941). The timber is very susceptible to powder-post beetle attacks (Wong, 1976).

Trunk of Kekabu, bearing spikes to deter attacks by animals when young.

Table 1 : Machining Properties of Kekabu

Botanical Name	Test Condition	Sawing		Planing		Boring		Turning	
		Resawing	Cross Cutting	Ease of Planing	Quality of Finish	Ease of Boring	Quality of Finish	Ease of Turning	Quality of Finish
Bombax valetonii	Green	Easy	Easy	Easy	Moderately Smooth	Easy	Moderately Smooth	-	-
	Air-Dry	Easy	Easy	Easy	Smooth	Easy	Moderately Smooth	Easy	Moderately Smooth

The timber seasons fairly rapidly with negligible degrade except for fungal and insect attacks. Drying defects show a marked tendency to cup during drying. Collapse, honeycomb and cheks are also common.

Table 2 : Air-seasoning Characteristics of Kekabu

Species	Air-Dry Moisture Content (%)	Shringkage (%)				Time to Air-dry (month)	
		Green to Air-Dry		Green to Oven-Dry			
		Radial	Tangential	Radial	Tangential	15 mm	40 mm
Bombax valetonii	14.7	1.7	2.4	-	-	2 ½	3 ½

Shrinkage is average with radial shrinkage averaging 1.7% while tangential shrinkage averaging 2.4%.

Strength Properties

The timber falls into Strength Group D (Burgess, 1958). The strength properties of Kekabu are shown in the table below as found in Lee et al. (1979)

Uses

The timber is suitable for use as a low strength utility timber, packing boxes and crates and match boxes. However, the core material of the timber, which is reddish brown in colour, may be rather attractive and if it is properly processed, can be used for decorative furniture, paneling, mouldings, plywood, blockboard, cutting surfaces, hat racks, cigar boxes and other ornamental items.

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MTIB Moments

MTIB organised a Furniture Sales Carnival to promote products manufactured by Bumiputera entrepreneurs in the northern region. It was held from 9 to 18 November 2012 in Alor Setar, Kedah.

A Retreat for Strategic Planning and Corporate Affairs Division was held on 22-24 November 2012 in Shah Alam, Selangor.

Exchanging of MoU documents on the organisation of EFE 2013 by the representatives of MTIB, KLSFEA, MFA, MFEA and MFIC on 28 November 2012 in Putrajaya. Looking on are YB Dato' Hamzah Zainudin, Deputy Minister of Plantation Industries and Commodities (MPIC) and Datin Paduka Nurmala Abdul Rahim, Secretary-General of MPIC.

MTIB organised a Briefing on Financing for Wood-based Industry on 29 November 2012 in Sungai Buloh, Selangor.

A Pre-Retirement Course for MTIB personnel was organised on 29 November-2 December 2012 in Langkawi, Kedah.