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MTIB

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IMPAC CONVOCATION CEREMONY 2012

CAREER PATH CARNIVAL IN SABAH

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***Cover:** Human capital development in the commodity sector is greatly enhanced with the establishment of the Institute of Malaysian Plantation and Commodities (IMPAC) in 2010 with the aim to produce skilled workers. See page 3 for information on its functions and training programmes and its convocation ceremony.*

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Contents

Highlights

Regular Features

IMPAC CONVOCATION CEREMONY 2012

YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities with other guests of honour prior to officiating the event.

The Institute of Malaysian Plantation and Commodities (IMPAC) was established under the Ministry of Plantation Industries and Commodities (MPIC) in 2010 to incorporate and coordinate all courses and training undertaken by all agencies under MPIC. The institute aimed to produce skilled and semi-skilled workers and generate human capital in the commodities industries as the industries need a high capacity of manpower to cover various exercises in plantations, processing, training and R&D.

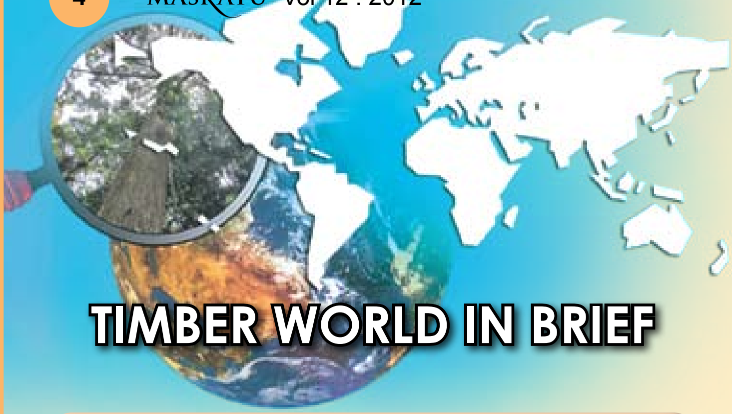
In 2011, commodities exports were recorded at RM141.2 billion compared to RM114.1 billion in 2010 which constituted 20.33% of total export earnings. To ensure that production and export values are established in the long run, training and capital development in producing skilled workers are critical. Today the commodities industries rely heavily on foreign workers in both the plantation and upstream processes. As such, government policies which are formulated to reduce reliability on the foreign worker are emphasised. IMPAC also offers various skills trainings to meet demand and reach the level of required competency and knowledge.

IMPAC, which includes all agencies, namely MTIB, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board and National Kenaf and Tobacco Board under MPIC, organised the IMPAC Grand Convocation to award students and industry participants with their certificates on 18 December in Seri Kembangan, Selangor. All MPIC agencies participated in the event which exhibited arrange of commodity products. This was the third such event organised by the IMPAC. The first and second IMPAC ceremonies were held in Kuching, Sarawak on 31 July 2012 and Kota Kinabalu, Sabah on 13 August 2012.

Participants from SMV Batu Pahat, Johor who have successfully completed their training programme in WISDEC on Timber Processing and Finishing Technology.

About 280 IMPAC training participants received their certificates from YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities. MTIB, through its youth training programmes namely Furniture Design and Making (FDM), Timber Processing and Finishing Technology (TPF), and Wood-based Industry Apprenticeship Scheme – Furniture, produced 35 graduates who were present to receive their IMPAC certificates from the Minister. All the courses were held at WISDEC Selangor in Banting.

The participants expressed their hopes that there would be more such courses and trainings to allow fellow workers from the industry to reach industries standard. IMPAC will thus continue to expand its role in commodities industrial training.



TIMBER WORLD IN BRIEF

AUSTRALIA
World's Tallest Timber Building in Melbourne

The world's tallest residential timber building has topped out in Melbourne with builders having recently lifted the last timber panel to complete the structure. Taking shape near the water's edge in Melbourne's Victoria Harbour, Forté is being built with Cross Laminated Timber (CLT), which has a structural strength akin to the traditionally used concrete and steel. CLT, which is already a proven success in Europe for more than a decade, is being used to build the 32-metre high-rise apartment building, which upon its completion will make it the tallest timber building in the world.

According to Lend Lease, the developers behind Forte, the project represents a new era for the construction industry as it incorporates a more efficient and environmentally-friendly construction process that has not been undertaken in Australia before. By using CLT, Forté will reduce CO_2 equivalent emissions by more than 1,400 tonnes when compared to concrete and steel – the equivalent of removing 345 cars from the roads.

Apptimber, December

AUSTRIA
Sawmills Under Price Pressure

Sawmills in Austria are under price pressure since 2002. The price of round wood has increased by 40% but the price of sawn wood has only increased by 20%. Friedrich Rumplmayr, Vice-Chair of the Sawmill Industry Association has called for forest owners to cut more wood to bring the prices of raw materials down. The sawmill industry processed 2.3 million m^3 of round wood in 2011, of which half was imported; raw materials costs are lower in Germany and Scandinavia. The Chair of the Association, Johannes Hanger, said that the difficult situation in the sawmill industry in the province of Upper Austria may lead to consolidation in the sector. In addition, demand has fallen in the industry's sales markets, particularly in southern Europe.

Oberösterreichische Nachrichten, 5 December

CANADA
Rise of 50% in Wood Products Sector Projected in 2013

The Industrial Outlook-Autumn 2012 of the Conference Board of Canada has projected an increase in the profits of the wood products manufacturing sector to CAD787 million (USD792.33 million) in 2013, a 50% rise, and to over CAD1 billion yearly starting in 2014 in Canada. The cited sector is also expected to earn pre-tax profits worth CAD381 million in 2012, the sector's third straight year in the black. Meanwhile, the addition of about 3,000 employees to payrolls is projected in 2012, whereas an 11% drop in exports to China in the January to August 2012 period has been reported due to weakening construction activity.

ForestTalk.com, 3 December

EUROPE
Laminated Flooring Reduces In Europe

The European flooring markets have not recovered in second half 2012. Several manufacturers believe demand fell again during the course of third quarter, the down fall trend has gathered pace in fourth quarter. After a relatively poor in September. Many companies confident business was better again in October. Receipts of orders fell again in November, however December is likely to turn out to be slower than in previous year. Most companies are currently rather sceptical about chances of more pronounced upswings in the first quarter of 2013. Various laminated manufacturers are therefore going to further reduce the output in the remaining weeks of this year in order to limit the built up stocks. These continued adjustments in output have recently also been manifesting themselves in reduced purchases of upstream products.

EUWID, 6 December

EUROPEAN UNION
Timber Regulation Guidance Launched

A free guidance standard to help businesses comply with the EU Timber Regulation has been produced ahead of the regulation coming into effect early next year. The standard, PAS 2021:2012 - Exercising due diligence in establishing the legal origin of timber and timber products – Guide to Regulation (EU) No 995/2010 is applicable to all organisations that trade in imported and domestically produced timber and timber products on the EU market. BSI and WWF-UK Global Forest & Trade Network (GFTN) launched the document to support industry efforts in the responsible sourcing of forest goods and sustainable forest management.

The EU Timber regulation will come into force on 3 March 2013 and will affect most British Woodworking Federation (BWF) members. It prohibits the placing on the EU market for the first time of illegally harvested timber products and requires those who place timber products on the EU market for the first time to exercise "due diligence". Once on the market, the timber and timber products may be sold on and/or transformed before they reach the final consumer, but supply chain has an obligation to keep records of their suppliers and customers. The new guidance includes information on how to develop and implement a due diligence system to minimise the risk of illegal timber in the supply chain, and notes good practices for responsible trade in timber and timber products, including communicating due diligence to interested parties.

BWF, 7 December

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GERMANY
Worst in Years for German Sawmills

Domestic sales in September dramatically slipped into the red zone for German sawmills. This is very unusual during high season. The circumstances turned a "mild loss" into a significant loss of total revenues. According to Association of the German Sawmill Industry (VDS) it's the worst September in years. In comparison to 2011, there was a slight increase in sales recorded between August and September 2011. This year the total turnover was less EUR10 million, sales in Germany down EUR20 million. However a plausible explanation for this decline has yet to be revealed. Typical for the season sales throughout the Euro zone have increased, though are still far below the previous figures from last year.

Destatis/IHB, 6 December

MIDDLE EAST/NORTH AFRICA
American Veneer, Lumber Exports Jump to USD66.95 Million

According to a report released by the American Hardwood Export Council (AHEC), in the January to September 2012 period, the total exports of American veneer and lumber to the Middle East and North Africa has jumped by 21% to USD66.95 million. The American hardwood lumber shipments value stood 24% higher in the period under review to USD48.87 million. The shipments volume of the American hardwood lumber has also increased by 20% to 70,270 m^3.

The United Arab Emirates has recorded the highest total shipments value of the American hardwood lumber at USD9.80 million in the January to September 2012 period. The value was 34% higher than in the January to September 2011 period. There was also strong demand for the American hardwood lumber in other countries in the region including Qatar, at USD1.6 million, shipments value to Lebanon at USD2.44 million, Jordan, at USD3.38 million, Egypt, at USD3.47 million and Saudi Arabia, at USD6.21 million. As for the American hardwood veneers direct shipments to the region, the total value has also increased by 16% to USD18.085 million in the nine months under review.

Trade Arabia, 5 December

RUSSIA
Woodwork Output Expected to Increase

According to FAO and Russia's government, the country will continue increasing production of sawn timber, wood, wood boards, pulp and paper until 2030. In case of favourable conditions, the output in the forestry sector may grow by 3.5-4 million m^3. Production growth requires more investments. In 2015, investments in the woodworking sector are supposed to stand at RUB52.28 billion (USD1.70 billion) compared to RUB32.37 billion in 2010. The figure is expected to triple by 2030. Whilst investments in the logging have to be boosted more than fivefold to RUB22.7 billion.

WhatWood, 4 December

UNITED KINGDOM
Plywood Sales Weak, OSB Prices Weak

In the UK, plywood sales activity has been slow in the last quarter of 2012. One of the reasons is the EU Timber Regulation coming into effect in March 2013 which has reduced the willingness to buy forward. Some buyers have switched to non-tropical plywood types. In the next five years, tropical hardwood plywood imported to the UK may be limited to specialist products. In the first nine months of 2012 China had a share of 56% of the hardwood plywood imports to the UK. Demand for Brazilian Elliottii Pine plywood has improved in Europe and prices into the UK have risen.

The prices of Finnish plywood are not expected to change much in early 2013. Spruce plywood exports to the UK have held up quite well but exports to Continental Europe have fallen in the second half of 2012. In the UK, demand for Finnish Birch plywood has weaker but spot deals on large volumes have reduced downward price pressure. Lead times for Finnish plywood are four to four to six weeks. More and more plywood buyers may turn to oriented strand board (OSB) because of the EUTR. In the UK, the demand for OSB is steady but the prices are low partly because of the cheap imports. UK imports of OSB decreased by 21% in the first nine months of 2012 and exports increased by 12% to 137,000 m^3.

TTJ Timber Trades Journal, 17 December

UNITED STATES
Higher Lumber Demand in the Third Quarter 12012

The improved housing market in the US the past four months has resulted in both higher lumber production in the US and increased importation of lumber. As a consequence lumber prices have gone up by over 30% from last year. However, sawlog price have remained unchanged so far this year. Housing starts in the US jumped to 894,000 units in October. This was 19% higher than in August, and as much as 42% more than in October of last year. Housing starts have been at their highest levels since 2008, and market analysts expect the next 12 months to be bumpy but still upward-trending.

As the result of improving housing market the lumber production has been higher throughout the continent, with an increase of 7.3% in August year-on-year in the US, and of 6.3% in Canada over the same period. The importation of lumber have also increased, softwood lumber imports in the third quarter 2012 were up 9% from the previous quarter, which was the highest quarterly import volume since the second quarter of 2010.

The higher lumber demand has pushed lumber prices substantially upward this fall. In November, Southern pine prices were 48% higher year-on-year, while Western hemlock prices were up 32% over the same period. However, sawlog prices still remain unchanged although the improved lumber market. Pine log prices across the US South have been practically unchanged for almost two years, and sawlog prices in the US Northwest have been surprisingly flat for more than a year. On the other hand, in early November, there was increased upward pressure on sawlogs prices in the West from Chinese log buyers that were more active in the market than earlier in the year.

Wood Resources International LLC, 3 December

NOVEMBER 2012

Samalaju Port Ready by 2016

Samalaju Industrial Port Sdn Bhd expects construction of phase one of the RM1.8 billion Samalaju Port to be completed by the first quarter of 2016. It will have an annual handling capacity of 18 million tonnes of cargo for industries operating in Samalaju Industrial Park (SIP) which is part of the Sarawak Corridor of Renewable Energy (SCORE).

Bintulu Port Sdn. Bhd. Chief Executive Officer (CEO), Datuk Mior Ahmad Baiti Mior Lub Ahmad said in the interim, the port plans to provide facilities for industries at SIP starting in the second quarter of next year with an annual handling capacity of four million tonnes of cargo. For future expansion, if the need arises, the port could handle a total of 30 million tonnes annually. Bintulu Port Holdings Bhd. has been given the task to build, own and operate the Samalaju Port on some 450 hectare of land set aside by the state government.

Source: Bintulu Port Sdn. Bhd., 2 November

Northport Plans Expansion

Northport (M) Bhd. one of the main maritime gateways in the country, believes that its port capacity-expansion plans would be the catalyst to ride over the expected headwinds that may hit the industry going forward. This is because as a seasoned player, the wholly-owned subsidiary of NCB Holdings Bhd. has survived and withstood quite a number of economic downturns in the past by equipping itself with risk management strategies that have kept its head above troubled waters. Apart from eliminating risks, the strategies provide for mitigation actions which enable Northport to bank on its port capacity expansion plans that have been carefully crafted to meet the future demand of sea trades that pass along the busy Straits of Malacca. Northport is also aware of its hinterland advantages to secure more cargo requiring efficient total logistics solutions. As businesses become more complex, especially those involving cross-border movements, such as supply chain, exposure to risks was also becoming multifaceted. Hence, risk management elements nowadays include capacity for emergency planning and response, incident management and crisis resolution, business-continuity planning and execution, and disaster recovery.

According to Northport Chief Executive Officer, Encik Abi Sofian Abdul Hamid, the port industry has to prepare itself way ahead of industry demands and developments. Ships are getting bigger and are calling at fewer ports. The dynamics of shipping trade is changing at a faster pace than ever before. Thus, they have to be ready to move in tandem with all these changes with optimal efficiency. In other words, they have to have available capacity and facilities when trades and the world economy pick up as it would take one to two years for a port to construct a new wharf.

Northport had currently commenced the construction of Wharf 8A which would form part of its Container Terminal 4, expected to be fully operational in July 2013. With the completion of Wharf 8A, Northport would be able to berth the biggest vessel afloat which in turn would improve connectivity.

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports m^3	% Change November 2012/ October 2012
	m^3	% Change November 2012/ October 2012	m^3	% Change November 2012/ October 2012	m^3	% Change November 2012/ October 2012	m^3	% Change November 2012/ October 2012	m^3	% Change November 2012/ October 2012		
Sawntimber	25,727	-24	4,019	755	779	-8	170	305	6,208	14	36,903	-9
MDF	11,907	8	482	-44	7,651	-19	13,270	759	35,784	1,826	69,094	179
Mouldings	5,726	-21	406	57	868	-21	870	-18	2,119	19	9,989	-13
Dressed Timber	1,324	-23	138	-	623	-	925	-	566	-	3,576	107
Plywood	4,922	17	-	-	21	-	-	-	5,086	-	10,029	96
Veneer	67	76	-	-	-	-	-	-	165	-	232	-97
Particleboard	23,352	1	1,250	8	-	-	1,351	-90	-	-	25,953	-31
TOTAL	**73,025**	**-10**	**6,295**	**124**	**9,942**	**-17**	**16,586**	**-1**	**49,928**	**184**	**155,776**	**20**

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

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The expansion would inject an additional container handling capacity of 600,000 TEUs (twenty-foot equivalent units). Beyond that, the port is also working to upgrade facitilies for its conventional cargo operations at Bulk Terminal and Southpoint. They are also upgrading Wharf 16 into a multi-purpose wharf, converting their container yard from straddle carrier mode into rubber-tyred gantry yard with the use of E-RTG as part of their green technology initiatives. Besides that, Northport is also investing in new equipment to support the efficiency of its operations. Among the equipment ordered were quay cranes, prime movers, rubber-tyred gantries and trailers. All these projects upon completion would increase their capacity. This would be further enhanced with process to improve workforce capability under the Rejuvenating Team Northport Programme.

Shipping lines, especially the bigger ones are also getting quite selective where port efficiency remains an important factor. Trade connectivity is another key element to keep moving forward. In fact, the current slump in a world economy and regional container trade are only a temporary glitch that Northport has to brace against.

Northport is well prepared to sail smoothly in the expected choppy waters ahead but is also equipping itself to take advantage of the upcoming economic growth.

Source: The Star, 12 November

BLPL Starts Two Dedicated Container Services

BLPL Singapore, a wholly-owned subsidiary of Transworld Group Singapore, one of East Asia's fastest growing shipping and logistics companies, has commenced two dedicated container vessel services. The first service would involve Singapore/Port Klang-Port of Yangon in Myanmar and second service involved Singapore/Port Klang-Kolkatta/Haldia/Paradip/Singapore/Port Klang-Port of Yangon, Myanmar. Using Singapore and Port Klang as transhipment hubs, the company would operate fixed day weekly services in and out of the Port of Yangon MIP terminal to facilitate and connect cargo from and to the Indian subcontinent, South Asia, the Far East, the Middle East and East Africa.

Concurrently, BLPL would also facilitate and connect cargo to and from the east coast of India via the Port of Kolkata/Haldia/Paradip, major gateway ports for the north east corridor of India and the land-locked countries like Nepal and Bhutan.

BLPL, which owns and operates a growing container fleet of 18,000 TEUs, would be able to cater to customers' various needs with its supply of reefer units (temperature controlled) and special containers that could carry odd-sized and project cargo.

BLPL Vice President, Mr. Anand Sitaraman said, established in one of the busiest ports in the world, BLPL had cultivated years of experience in shipping operations spanning from China, South-East Asia, the India subcontinent, the Middle East extending up to East Africa. With the launch of two dedicated container vessel services to Yangon and Kolkata, they were looking forward to participating and contributing to what would be the fastest growing trade routes in this region.

Source: The Star, 12 November

World's Largest Container Ship Makes Maiden Call at Westports

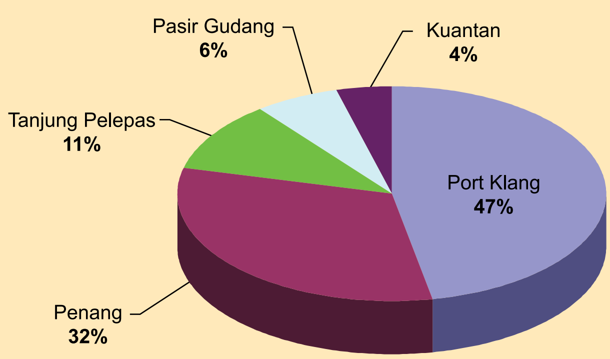
The world's largest containership to date, CMA CGM Marco Polo which is owned by French shipping giant CMA CGM group made its maiden call at Westports.The berthing of Marco Polo at Westports was viewed as yet another great effort to strengthen the business partnership between CMA CGM and Westports Malaysia Sdn Bhd, the operator of Malaysia's busiest port.

Westports Head of Marketing, Encik Vijaya Kumar said the berthing of the vessel reflects the capability of Westports. They have been expanding and improving their facility to cater to the fast increasing demand. There were not many ports in the world which could handle big vessels and with their continued investment they were able to handle the vessels.

Managing Director of CMA CGM Malaysia Sdn. Bhd., Mr. Simon P. Whitelaw said that the ship with only 27 crew members was the largest vessel to have arrived in Malaysia. Port Klang was an important port for them and its efficient workers and facility made it easier for them. He also said that the stopover in Port Klang was the only stop in South East Asia before the vessel headed to Europe. In line with the sustainable development policy of the group, CMA CGM Marco Polo was equipped with all the latest environmental technologies. The vessel, built by Daewoo Shipbuilding and Marine Engineering in South Korea was the largest with 16,000 TEUs owned by CMA CGM. It displays exceptional dimensions of 396 metres in length, 54 metres wide and a draft of 16 metres. Operated on the emblematic line of the group, French Asia Line (FAL 1), the vessel had called at Ningbo, Shanghai, Xiamen, Hong Kong, Chiwan and Yantian before arriving at Port Klang. After Port Klang, Marco Polo was expected to call at Tanger, Southampton, Hamburg, Bremerhaven, Rotterdam, Zeebrugge, Le Havre, Malta, Khor Al Fakkan, Jebel Ali and back to Ningbo.

Source: Westport, 19 November

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



Total = 155,776 m³

NOVEMBER 2012

Total export of timber and timber products from Peninsular Malaysia in November 2012 increased 0.1% in volume but decreased 5.5% in value to 235,893 m^3 valued at RM275.7 million over the previous month. Cumulative export for the period of January to November decreased 10.8% and 21.2% in volume and value to 2.3 million m^3 with a value of RM2.48 billion respectively over the corresponding period.

Sawntimber

Sawntimber exports for the month decreased 7% in volume and 2% in value to 83,800 m^3 valued at RM121.1 million. However, total export for January to November increased 2% in volume and value to 906,889 m^3 with a value of RM1.1 billion over the previous corresponding period.

Exports of sawntimber to the EU declined 42% to 7,695 m^3 as major markets in the region reduced purchases. Export to the Netherlands and Belgium decreased 28% to 2,522 m^3 and 26% to 1,085 m^3 respectively. Similarly, the UK and France decreased imports by 77% and 68% to 992 m^3 and 409 m^3 respectively. However, Germany and Italy increased purchases by 13% and 6% to 1,845 m^3 and 669 m^3 respectively.

Demand in West Asia decreased 7% to 10,787 m^3 due to reduced buying from the UAE, major importers of sanwtimber in the region. Exports of sawntimber to the UAE decreased 49% to 3,490 m^3. Likewise, Saudi Arabia decreased purchases by 25% to 1,225 m^3. At the same time, exports to Kuwait and Qatar decreased more than two fold to 2,428 m^3 from 812 m^3 and 1,682 m^3 from 422 m^3 respectively.

East Asia's intake increased 1% to 11,634 m^3 compared to the previous month. China, a major market of sawntimber in the region increased purchases by 3% to 7,980 m^3. Similarly, sales to South Korea increased from 329 m^3 in the previous month to 758 m^3. However, exports of sawntimber to Japan and Taiwan decreased 11% to 1,997 m^3 and 39% to 607 m^3 respectively.

In ASEAN, export of sawntimber declined 2% to 42,685 m^3. Export of sawntimber to Singapore decreased 9% to 10,849 m^3. However, export to Thailand and Viet Nam increased 2% to 30,526 m^3 and 18% to 487 m^3 respectively.

The US decreased intake by 3% to 1,425 m^3 while shipments to Australia also decreased 19% to 912 m^3 from the previous month. Similarly, export of sawntimber to South Africa declined 24% to 1,688 m^3.

Overall FOB prices of sawntimber for this month increased 1% to RM1,385 per m^3. Prices of Keruing increased 8% to RM1,697 per m^3. Prices of Dark Red Meranti (DRM) to the Netherlands, on the other hand, decreased 7% to RM2,886 per m^3. Meanwhile, prices of DRM increased marginally from RM2,539 to RM2,544 per m^3. There was no trading for Redwood to the UAE for the month.

Plywood

Plywood exports in November 2012 were at 11,736 m^3 and valued at RM18.6 million. Cumulative exports for the period January to November showed decreases of 9.1% and 5% in volume and value to 170,730 m^3 valued at RM281.1 million respectively from the previous corresponding period.

Total export to the EU decreased by 31% to 7,076 m^3. Similarly consignments to Belgium Netherlands and the UK decreased 79.2%, 53.7% and 26.5% to 126 m^3, 556 m^3 and 5,751 m^3 respectively. However, exports to Denmark increased by 102.4% to 429 m^3 whereas France, Germany and Italy did not import any plywood in November 2012. Ireland resumed its imports in November 2012.

Exports to the ASEAN region increased as Singapore's intake of plywood increased by 4.6% to 2,171 m^3. However, Thailand reduced its intake by 21.5% to 616 m^3. Meanwhile Indonesia and Brunei did not make any purchase in November 2012. In East Asia, exports to Taiwan and Japan increased by 47.6% and 156.6% to 121 m^3 and 313 m^3 respectively. Hong Kong's purchases remained at 42 m^3 whilst South Korea and China did not make any purchase in November 2012.

Total export to West Asia decreased by 94.1% to 36 m^3 from 615 m^3 in the previous month. Similarly, exports to the UAE decreased by 81.3% to 36 m^3. Bahrain, Saudi Arabia, Kuwait, Qatar and Yemen did not make any purchase in November 2012.

Elsewhere, exports to South Africa decreased by 16.9% to 177 m^3 while Tanzania and Algeria did not make any purchase in November 2012. Australia reduced its intake to 972 m^3 from 1,480 m^3 in the previous month whilst New Zealand increased its intake marginally to 59 m^3 from 39 m^3 in the previous month. Norway resumed its intake. Turkey did not make any purchase in November 2012.

The FOB price of plywood decreased to RM1,589 per m^3 from RM1,614 per m^3 in the previous month, a decrease of 1.5% from the previous month.

Veneer

Total exports of veneer for November 2012 showed a decrease of 52.6% in volume and 60.8% in value to 209 m^3 at RM0.3 million compared to the previous month. Similarly, the cumulative exports from January to November decreased by 14.4% in volume and 14% in value respectively to 4,857 m^3 valued at RM9.1 million from the previous corresponding period of last year.

Thailand intake remained at 35 m^3 in November 2012. Indonesia, China, Taiwan, Sri Lanka, UK and Australia did not import any veneer in November 2012.

The FOB price of veneer decreased to RM1,442 per m^3 from RM1,744 per m^3 in the previous month, a decrease of 17.3% from the previous month.

Medium Density Fibreboard (MDF)

Peninsular Malaysia's exports of MDF for November 2012 increased 14% in volume but decreased 5% in value. Export totalled 89,191 m^3 at RM78.0 million.

Exports to East Asia registered a decrease of 18% to 2,520 m^3 from 3,078 m^3 in the previous month. Exports to Japan grew by 80% to 1,180 m^3 whilst exports to Taiwan recorded a negative growth with a decrease of 49% to 958 m^3.

Meanwhile exports to West Asia for the month increased 18% to 52,325 m^3 from 44,536 m^3 in the previous month.

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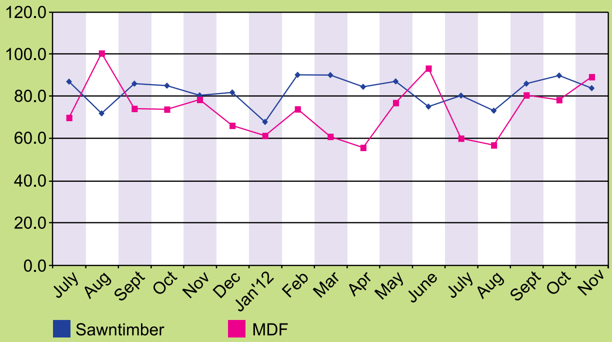
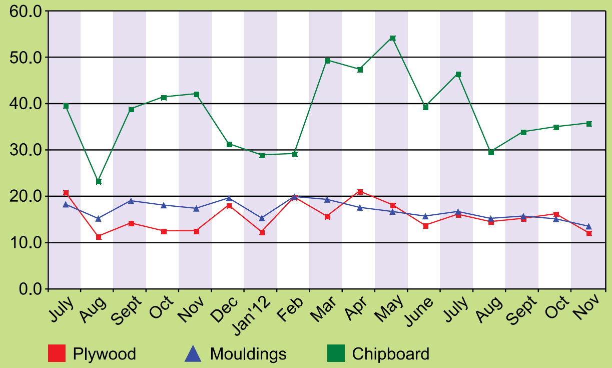
Export to Kuwait recorded a positive growth of 62% to 2,611 m^3 followed by the UAE at 31% increased to 13,779 m^3, Iran 29% to 25,100 m^3 and Saudi Arabia at 20% increased to 7,966 m^3. Meanwhile export to Oman, Jordan and Bahrain dropped by 21% to 1,719 m^3, 44% to 1,022 m^3, and 79% to 128 m^3 respectively.

Elsewhere, exports to the UK increased by 37% to 323 m^3. Exports to the US and Australia however fell 28% to 1,429 m^3 and 56% to 1,128 m^3 respectively.

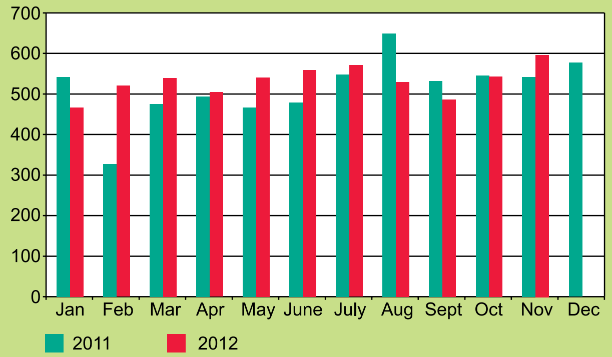
Total export to the ASEAN region for the month of November increased by 1.8%, to 16,093 m^3 from 15,804 m^3 in the previous month. Exports to Indonesia increased by 21% to 6,164 m^3 followed by Viet Nam with an increase of 17% to 8,374 m^3. However, the Philippines and Singapore registered negative growth by 49% to 1,285 m^3 and 74% to 270 m^3 respectively.

Export of Selected Products from Peninsular Malaysia
(July 2011 - November 2012) / Volume ('000 m^3)





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



Mouldings

Exports of mouldings for the month decreased by 11.1% in volume and 12.8% in value to 13,146 m^3 and RM36.2 million respectively. Cumulative exports from January to November decreased 4.1% in volume but increased 1% in value over the previous corresponding period to 176,791 m^3 with a value of RM499 million.

Exports to the EU for the month recorded at 11,838 m^3, an increase of 109.5% compared to the previous month. Likewise, shipments to Belgium improved by 19.2%, to 727 m^3. On the other hand, purchases by Germany, Netherlands and UK decreased by 8.1%, 31.4% and 19.5% to 1,256 m^3, 1,632 m^3 and 351 m^3 respectively. Italy did not make any purchase in November 2012.

Exports to the ASEAN region decreased as Singapore's intake of mouldings decreased by 29.8% to 1,075 m^3 whilst Viet Nam and Indonesia did not make any purchase in November 2012.

On the other hand, exports to Japan and South Korea increased by 23.6% and 31.8% to 2,133 m^3 and 904 m^3 respectively. However, exports to Taiwan, Hong Kong and China decreased by 17.7%, 71.4% and 25.5% to 51 m^3, 18 m^3 and 79 m^3 respectively.

Elsewhere, exports to the Australia decreased 2.2% to 2,578 m^3. Similarly, exports to the US and Canada decreased 21.2% and 55.2% to 1,021 m^3 and 13 m^3 respectively.

FOB unit value decreased 1.9% from RM2,805 per m^3 in the previous month to RM2,752 per m^3.

Builders Joinery and Carpentry (BJC)

Total BJC cumulative exports from January to November 2012 decreased slightly 0.5% to RM905 million as compared to RM910 million in the corresponding period 2011. Similarly, export to the EU declined 17.1% to RM253.2 million as compared to RM305.4 million in the corresponding period 2011.

Demand from the UK, France, Italy, Denmark, Netherlands, Norway and Sweden decreased by 13.5%, 13.5%, 34.6%, 12.2%, 41.6%, 34.1%, and 16.8% to RM91.7 million, RM33.8 million, RM14.1 million, RM23.6 million, RM3.3 million, RM6.2 million, and RM15 million respectively. On the other hand, export to Belgium, Germany, and Turkey registered an increased by 9.6%, 14.1% and 53.4% to RM43.4 million, RM15.7 million and RM8.2 million respectively.

In ASEAN, exports to Singapore, Thailand, and Viet Nam grew by 29.6%, 17.9% and 17% valued at RM101.6million, RM29.2 million and RM17.9 million respectively. Similarly in Asia, exports to Japan, India and Pakistan increased by 2.7%, 12.4% and 9.6% to RM101.7 million, RM55.2 million and RM24.97 million respectively. Conversely, South Korea's intake declined by 48.4% to RM5.6 million as compared to the corresponding period 2011.

Elsewhere, exports to Australia and US decreased by 4.9% and 7% to RM106.2 million and RM63.1 million respectively. Similarly, intake by UAE and South Africa decreased by 4.3% and 24.7% to RM23.4 million and RM15.9 million respectively. However, export to Maldives was RM10.7 million for the period of January to November 2012, an increased by 23.4% as compared to the corresponding period in 2011.

Cont. on page 11

NOVEMBER 2012

Logs

Demand of logs particularly for Mixed Heavy Hardwood and Mixed Light Hardwood showed an encouraging growth due to higher demand from the local sawmills. However, the demand for the other species of logs reported a downward trend.

Logs prices for the species of Merbau declined slightly by 4% to RM2,200 per tonne over the previous month. However, the prices of logs for Chengal and Balau remained unchange. Prices for Keruing, Kempas and Kapur were quoted at RM1,600 per tonne, RM1,300 per tonne and RM1,900 per tonne, dropped by 6%, 7% and 5% respectively as compared to last month. Similarly, prices of Yellow Meranti and Nyatoh fell by 3% and 4% respectively to be traded at RM1,100 per tonne and RM1,300 per tonne. Meanwhile, price of Dark Red Meranti remained at last month's level. There was a significant growth of prices for Mixed Heavy Hardwood and Mixed Light Hardwood as the prices recorded an increase of 40% and 14% to RM980 per tonne and RM800 per tonne respectively.

Sawntimber

Exports for the overseas market particularly to the Middle East country were reported to slow but still on-going even with the increasing freight charges to the region. Hence, the average sawntimber prices for most species were continuously fetched at lower prices compared to the previous month.

Price for sawntimber of Chengal and Merbau were both declined by 12% and 1% respectively to be traded at RM7,135 per m^3 and RM4,200 per m^3. However, price of Balau improved by 4% to RM3,670 per m^3 whilst Kapur remained firm at RM1,975 per m^3. On the other hand, prices of Keruing and Kempas fell by 3% each to RM2,190 per m^3 and RM1,410 per m^3 respectively. Similarly, prices of Yellow Meranti and Nyatoh decreased by 8% and 24% to RM1,555 per m^3 and RM 810 per m^3. Dark Red Meranti fetched a higher price to RM2,260 per m^3, improved by 2% over the last month. Sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood stood at RM1,130 per m^3 and RM810 per m^3 respectively.

Plywood

The supply of plywood reported to be sufficient to meet the local demand. However, demand from Japan was also reported to pick up in volume and prices were expected to rise. Prices of plywood of 4mm and 6mm of thicknesses remained firm at RM16.00 and RM25.00 per piece respectively. Meanwhile, prices of plywood with the thicknesses of 9mm and 12mm rose 1% and 4% to RM35.50 and RM42.50 per piece respectively.

Medium Density Fibreboard (MDF)

Supply of MDF in November was reported to be sufficient to cater the demand of the local market. 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 * - November 2012

There was a tremendous increase of logs exported from Sabah to Peninsular Malaysia due to the higher demand from the local construction activities. The shipments of logs charted an increase of 16,030% from 30 m^3 to 4,839 m^3 valued at RM2.74 million. Shipments of plywood also increased by 14% in volume to 12,016 m^3 valued at RM17 million. However, shipments of sawntimber declined by 20% to 1,070 m^3, worth at RM1.6 million.

Meanwhile, export of sawntimber from Sarawak to Peninsular Malaysia dropped 17% from 1,814 m3 to 1,507 m^3, valued at RM1.1 million. Similarly, shipments of veneer decreased in volume by 29% to 4,121 m^3 worth at RM4.2 million. Export of plywood, however, rose 2% to 17,271 m^3 valued at RM20.2 million.

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

** Source: Department of Statistics, Malaysia*

INTRA-MALAYSIA TRADE - NOVEMBER 2012

From	Products	OCTOBER 2012		NOVEMBER 2012		% change in volume NOV 2012/OCT 2012	% change in value NOV 2012/OCT 2012
		Volume (m^3)	Value (RM '000)	Volume (m^3)	Value (RM '000)		
SABAH	Logs	30	72	4,839	2,736	16,030	3,700
	Sawntimber	1,333	1,909	1,070	1,550	-20	-19
	Plywood	10,514	15,598	12,016	17,038	14	9
	Veneer	0	0	63	107	100	100
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,814	1,624	1,507	1,125	-17	-31
	Plywood	16,962	19,588	17,271	20,154	2	3
	Veneer	5,830	5,020	4,121	4,248	-29	-15

Source : Department of Statistics, Malaysia

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NOVEMBER 2012

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

SPECIES	LOGS/tonne	SAWNTIMBER/m³		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	6,800	7,135	3,530	7,275
Balau	2,450	3,670	2,400	2,965
Red Balau	2,750	2,965	2,120	3,180
Merbau	2,200	4,200	2,330	3,355
Mixed Heavy Hardwood	980	1,130	955	1,130
MEDIUM HARDWOOD				
Keruing	1,600	2,190	1,200	2,260
Kempas	1,300	1,410	1,555	1,575
Kapur	1,900	1,975	1,060	1,975
Mengkulang	1,150	1,555	1,410	1,485
Tualang	1,420	1,695	1,485	2,260
LIGHT HARDWOOD				
Dark Red Meranti	1,360	2,260	1,375	2,260
Red Meranti	1,300	1,695	1,200	2,540
Yellow Meranti	1,100	1,555	1,095	2,540
White Meranti	990	1,520	2,260	1,695
Mersawa	1,510	3,105	2,190	2,685
Nyatoh	1,300	810	600	1,200
Sepetir	900	1,200	990	1,200
Jelutong	1,040	1,485	1,200	1,625
Mixed Light Hardwood	800	810	740	845

	LOGS/tonne	SAWNTIMBER/m³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	150	1,000	1,115	1,170	1,235

PLYWOOD 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	16.00	25.00	35.50	42.50
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

Cont. from page 9

TIMBER ROUND-UP

Furniture

Exports of wooden and rattan furniture for the period under review in 2012 rose 6.6% compared to the corresponding period of 2011. Total shipment recorded RM6.0 billion against RM5.6 billion in 2011.

Purchase of wooden furniture from Malaysia for January to November 2012 duration increased 6.7% from RM5.6 billion to RM6.0 billion compared to the same period in 2011.

Imports of wooden furniture by the US expanded 12.4% from RM1.6 billion to RM1.8 billion. Japan decreased its consumption by 9.7% from RM712.5 million to RM643.1 million.

The UK's imports saw a growth of 9.6% from RM318.4 million to RM349.2 million. Intake by Australia remained positive with a 5.3% increase from RM377.6 million in 2011 to RM397.6 million in the first 11 months of 2012.

Shipments to Singapore picked up with 4.5% in 2012 to RM307.4 million. Canada's uptake of wooden furniture strengthened with an increase of 5.3% to reach RM257.8 million. UAE posted an increase of 3.8% with an intake of RM187.5 million. India saw a decrease of 3.4% to RM139.2 million. Saudi Arabia managed to record a modest increase of 1.4% to RM111.6 million.

Germany boosted its wooden furniture consumption by 18.3% with a purchase of RM65.2 million in for the first 11 months of 2012 from RM73.1 million in 2011. Russia's consumption of furniture increased by 93.7%, from RM61.7 million to RM119.4 million. Norway and Spain decrease their furniture consumption by 42.8% and 28.1% respectively.

Rattan furniture shipments decreased to RM19.0 million for the January to November of 2012 period compared to RM21.0 in 2011, a drop of 9.6%.

Main buyer Singapore absorbed RM3.9 million, thus decreasing its buying by 32.8%. The UK reduced its consumption by 38.4%, into RM978,000 in 2012 from RM1.6 million. Meanwhile the US saw positive improvements with an increase from RM15,000 into RM3.2 million. In addition, there was an increase of consumption of rattan furniture of 27.6% from RM1.2 million to RM1.5 million from China.

CAREER PATH CARNIVAL IN SABAH

YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities delivering his speech.

Puan Hjh. Norchahaya Hashim, MTIB Deputy Director-General (left) receiving a certificate of appreciation from YB Minister.

The Ministry of Plantation Industries and Commodities (MPIC) is committed towards developing the plantation and commodity sector to contribute towards nation growth. Various programmes have been implemented to stimulate the growth of the commodity sector to further contribute the nation's economy.

To ensure all the programmes reach the target group, MPIC conducted the *Hello Komoditi* event on 14 December in Penampang, Sabah. *Hello Komoditi* aimed to increase public knowledge and awareness on the importance of the commodities and hence, attract them into venturing into the plantation and commodity sectors. The programmes also targeted at youths to allow them the option of setting a career path in the commodity sector.

MPIC, together with its agencies namely MTIB, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board and Malaysian Pepper Board, set-up exhibition booths to disseminate relevant information on commodities such as new technologies and technical advisory, as well as how to build a career in the sector. MTIB's booth provided the public with a more extensive awareness of the functions of MTIB especially in developing the local wood industry in Sabah through skills training offered by WISDEC Sabah.

Hello Komoditi was officiated by YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodites. In his speech, Tan Sri Bernard said that it was important for the community to build close networking or linkages between the agencies to share knowledge. He also urged the visitors, especially the youths to seize the opportunity to take up trainings or entrepreneur programmes offered by MPIC agencies. He further invited them to visit the exhibition to gain an insight on the progress as well as business and employment opportunities in the commodity sector.

Various activities were conducted during the one-day event, comprising a seminar entitled Career Path in the Commodity Sector, exhibitions by MPIC agencies and the private sector as well as open interviews. In the career seminar, papers presented were:

YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities (third from right) with Puan Hjh. Norchahaya Hashim, MTIB Deputy Director-General (right) and MTIB officials.

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THE 48TH ITTC MEETING "FIRST MEETING TO ENTRY INTO FORCE OF THE ITTA 2006"

The 48th International Tropical Timber Council (ITTC) meeting was held on 5-10 November at its head quarters in Yokohama, Japan. Major items discussed during the meeting were the approval of a new strategic action plan, as well as approval of the first budget and biennial work programme under the terms of the new treaty; the International Tropical Timber Agreement 2006 (ITTA 2006). Issues such as strengthening ITTO's work on biodiversity conservation in tropical forests and reviewing developments in climate change negotiations of relevance to tropical forests were also featured in the Council's deliberations throughout the week. A review of implementation and effectiveness of five pilot thematic programmes launched in 2008 was also being deliberated during the meeting.

The opening of the Council was preceded by a special event to highlight the importance of tropical forests and commemorate the entry into force of the ITTA 2006. This event was attended by various dignitaries, members of the public and Council members, and featured a performance by a group of Japanese school children highlighting the importance of the many products and services derived from tropical forests. Mr. Emmanuel Ze Meka, ITTO Executive Director, in his opening statement to the Council, updated members on the Organisation's activities during 2012 and enumerated the challenges and opportunities facing ITTO as it begins implementing the ITTA 2006, amongst which is the need to "accelerate the implementation of SFM in ITTO tropical member countries, based on the experience accumulated by the Organisation over the past years." Mr. Ze Meka also presented a plan to streamline the ITTO Secretariat and called on members to "search for compromise to achieve a result consistent with their goal for a healthy and effective Organisation" when considering the first budget under the ITTA 2006.

Since the situation would result in extra demands on current producer members to support the Organisation's administrative costs, Mr. Ze Meka called on all member countries under the previous agreement to complete formalities to remain members. Current ITTO membership consisted of 38 consumers and 25 producers, accounting for about 90% of global trade in tropical timber and around 40% of all tropical forests.

The Council took several key decisions to facilitate its operations during the week, including approval of a new 2013-2018 Strategic Action Plan, adoption of new financial rules and procedures, establishment of new rules for the functions of the Committees that oversee ITTO's work, and adoption of procedures for implementing thematic programmes provided for under the ITTA 2006.

During the closing session, ITTC announced an additional funding of USD9 million towards the sustainable management and trade of tropical forest resources, including USD3.6 million for the implementation of activities from a new work programme for 2013-2014. Funding announced at the Session included USD6 million in new pledges as well as those made earlier in 2012.

Donors at this session were the governments of Japan, the European Union, Switzerland, the USA, Germany, the Netherlands, Australia, Finland, Korea and Sweden. Resources were also provided from ITTO's un-earmarked funds, Programme Support Fund and several private sector donors. Descriptions of all newly funded projects and activities will be published on ITTO's website.

The meeting also awarded 23 fellowships through the human resource development and related disciplines. The newest groups of fellowship recipients represent 15 different countries and include 10 female fellows.

The Malaysian delegation to the meeting was led by Encik M. Nagarajan, Deputy Secretary General of Ministry of Plantation Industries and Commodities (MPIC). A total of 13 members formed the delegation, comprising representatives from MPIC, Ministry of Natural Resources and Environment, and related agencies under both ministries. MTIB was represented by Encik Mohd Kheiruddin Mohd Rani, Director of Trade Development. MTIB

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- Career in Public Services by Encik Musa Sulaiman, Division Secretary from Federal Public Service Commissions
- An Effective Resume Preparation by Puan Dayang Salmah Jamil, Assistant Director from JobsMalaysia
- Career Opportunities in Plantation and Commodity Sectors by Puan Nik Noraini Nik Ya, Head of Corporate Communication Division, MPIC

More than 300 people attended the event which was the final *Hello Komoditi* event for the year 2012. MTIB

Participants during the seminar on career opportunities.

SEMINAR GAHARU 1MALAYSIA

Agarwood or locally known as Gaharu is an important non-timber forest product. It has been used for hundreds of years as medicine and base material to produce perfumes. Today the current trading scenario involves almost 18 countries with trade worth millions of US dollars annually. Indeed, due to the growth in the population and affluence of Gaharu-consuming markets, the demand for gaharu has risen significantly over the past 30 years. However, the increase in demand has led to the over-exploitation of our natural resources of gaharu. In addition, uncontrolled gaharu trade may even cause some gaharu-producing species to become extinct. The Convention on International Trade of Endangered Species of Wild Flora and Fauna (CITES) has therefore listed gaharu-producing species; *Aquilaria* under Appendix II of CITES due to threat posed by trade to the survivability of the species.

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

In an effort to further develop the Karas and gaharu industry in Malaysia, MTIB recently organised Seminar Gaharu 1Malaysia in Kuala Lumpur from 11 to 12 December. The seminar aimed to disseminate knowledge and information as well as to create awareness among the industry players on the importance of Karas as an economic-generating natural resource for the country. Besides that, the seminar also aimed to be a platform to provide an understanding of good silviculture techniques in Karas plantations management, the effective method of inoculation of the Karas tree, methods of gaharu oil extraction and related policies and legislations on gaharu. It was also a platform for government and the private agencies to exchange information and experiences in the Karas and gaharu industry in Malaysia.

YB Dato' Hamzah Zainudin, Deputy Minister of Plantation Industries and Commodities officiated at the seminar. In his opening speech, he highlighted on the trade of gaharu which is governed under CITES regulation and the role of MTIB as a management authority to monitor and facilitate the trade of gaharu product. He said that the trade of gaharu is subject to quota and currently only 200,000 kg is allowed for export annually. He also stated that the value of gaharu products exported in 2011 declined to RM11 million from RM16 million in 2010 due to the lack of quality gaharu from natural forest resources. As such, he stressed that it is very important for the industry to get a continuous supply of gaharu from the plantation sources in the near future.

YB Dato' Hamzah Zainudin (second from left) being briefed by Tuan Hj. Abdul Razak Ali from Biobenua Teknoloji Sdn. Bhd. on the formation of gaharu after the inoculation process.

A total of 12 papers were presented during the seminar covering the topics of seedling selection, plantation, harvesting and inoculation techniques, promotion and marketing as well as policy and regulation on trade of gaharu products. The papers were delivered by speakers from MTIB, Forestry Department of Peninsular Malaysia, Forest Research Institute of Malaysia, Universiti Putra Malaysia, Persatuan Gaharu Malaysia and from various private sectors.

A field visit was organised on the second day of the seminar and the participants visited the Karas plantation owned by Gaharu Technologies Sdn. Bhd. located at Simpang Pulai, Perak. The plantation is currently the biggest plantation registered under the CITES act 686 in Peninsular Malaysia. The company which was established in 2007 has a total of 75 hectares with about 200,000 trees of *Aquilaria sinensis*. With a well-maintained Karas plantation, the company is able to attract tourists from all over Malaysia as well as from abroad. The participants also visited its Karas tea factory to see how it is produced. Currently the company exports its Karas tea to Hong Kong and China.

A total of 145 participants comprising individuals and representatives from both the government and private sector attended the seminar.

EDUCATIONAL PROGRAMMES ATTRACTS STUDENTS FROM ABROAD

Puan Hjh. Noor Laila Mohamed Halip, MTIB Director of Strategic Planning and Corporate Affairs (right) presenting the prize to the winner of the treasure hunt.

MTIB organised an educational programme on timber industry on 6 and 7 November at Rumah Melaka, Bukit Katil. The programme in Melaka marked the last annual educational event for the year 2012. On 6 November, students from Nanyang Girl's High School, Singapore accompanied by students and teachers from Sekolah Menengah Sains Muzzafar Syah, Bukit Katil were briefed on the timber industry development and viewed a video on the timber industry which provided them with information on the whole spectrum of the sector. The involvement of students from other countries such as Singapore was a yearly affair for Sekolah Menengah Sains Muzzafar Shah as part of its collaboration programmes with international schools. The students were excited to know much more about the timber products and the industry.

On 7 November, another educational programme involving two schools namely Sekolah Menengah Kebangsaan Padang Temu, Melaka and Sekolah Menengah Bukit Katil was held. Launched by Puan Hjh. Noor Laila Mohamed Halip, MTIB Director of Strategic Planning and Corporate Affairs, the programme gave the students a better understanding and appreciation of Melaka's contribution towards the country's economy. Besides a briefing on the development of the timber industry, the students were also exposed to job opportunities in the timber industry.

The students were taught also the importance of trees for the community as they do not only increase the quality of life by bringing natural elements and wildlife habitats into urban settings but also creates a peaceful, aesthetically pleasing environment to the streets, parks, playgrounds and backyards. As such, a treasure hunt was organised at the Botanical Garden, Ayer Keroh. The outdoor activities also provided an opportunity for the students to learn about different types of timber. The programmes in Melaka were held with the assistance of Forestry Department of Melaka and Central Melaka District Education Office.

First time experience for many of the students on the canopy walk.

Briefing on the timber industry at Rumah Melaka.

DIALOGUE WITH INDUSTRY ON FLEGT-VPA

Malaysia and the EU are currently negotiating to conclude the Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA) to give assurance that Malaysia's timber exports to the EU are verified as being legal. Underpinning the VPA is the Timber Legality Assurance System (TLAS). The TLAS was developed based on existing laws and regulations governing, harvesting, mill processing, and trade of timber products. Within the context of the VPA, Malaysia and the EU have agreed that the legality of timber shall be based on six key principles i.e. right to harvest, forest operations, payment of statutory charges, other users' rights, mill operations and trade and customs.

Panel of speakers.

The TLAS for Peninsular Malaysia has been finalised and can be implemented pending the signing and consequent ratification of the VPA to assure legality of Malaysia's timber. In preparation for the implementation of the TLAS and the issuance of the FLEGT Licence, a comprehensive Work Plan has been prepared that include among others a Guideline to assist the industry on the application of the FLEGT Licence from MTIB. This Guideline provides a summary of procedures which must be complied by all timber products exporters to the EU.

As a means of disseminating information contained in the Guideline as well as to update the industry and other implementing agencies on the progress of negotiation on the VPA, MTIB has organised a series of dialogue sessions in several regions in Peninsular Malaysia. These dialogues have been extremely useful to MTIB in gauging the feedback from the industry on several aspects of the implementation. At the sessions, three presentations were made on the following topics:

i. Current Status of FLEGT Voluntary partnership Agreement

ii. Timber Legality Assurance System

iii. Guideline on Application for FLEGT VPA Licence

The papers were presented by Dato' Dr. Freezailah Che Yeom as FLEGT Malaysia Advisor, Puan Loke Sim Wah from the PROTEM Secretariat and Encik S. Rajan from MTIB.

Among the concerns raised by the industry were questions on requirements for registration of furniture companies which is linked to licensing with the Forest Department, status of companies and factories that operate in non-industrial areas, listing of palm wood in the TLAS tables, trial runs for issuing the MYTLAS Licence sources of Rubberwood from plantation forest, exports to the EU containing imported materials sourced from non-VPA countries, status of acceptance of the MYTLAS License and its promotion in the EU, and the treatment of timber from Sarawak.

Location and Date of the Dialogues

LOCATION	DATE
MTIB, Kuala Lumpur	31 Oct 2012
Seberang Prai, Penang	20 Nov 2012
Kuala Terengganu, Terengganu	22 Nov 2012
Galeri Glulam Johor Bahru, Johor	27 Nov 2012
MTIB, Kuala Lumpur	3 Dec 2012

Invitation was extended to all Ministries and agencies involved in the implementation of TLAS, including the Ministry of Plantation Industries and Commodities, Ministry of Natural Resources and Environment, Ministry of Finance, Ministry of Human Resources, Ministry of Agriculture and Agro-based Industries, Forestry Department Peninsular Malaysia, Royal Customs Department of Malaysia, Department of Environment, the Department of Human Resources, Department of Safety and Health and Department of Agriculture. All companies involved in exporting to the EU were also invited to attend the dialogues, including furniture exporting companies, builders joinery and carpentry as well as wooden frames manufacturers.

A total of 311 participants attended these dialogues comprising Ministries and agencies, as well as the industry.

ENHANCING SKILLS ON CONDUCTING EMISSION TESTS

Formaldehyde gas is emitted from wide range of natural and human-made products. Formaldehyde is an organic compound and can be toxic, allergenic and carcinogeniccause to human. The American Cancer Society and International Agency of research on cancer (IARC) has classified formaldehyde as one of the 20 chemicals that has potential to cause cancer that deserved more investigation. Formaldehyde has been significant effluent with human health problems either short or long term exposure to the gas. The World Health Organisation (WHO) has thus produced the minimum guideline for working place and dwelling concentrations. In fact, countries have developed guidelines and regulations to facilitate the quality of air emissions.

A practical session on conducting the experiment.

The California Air Resources Board (CARB) enacted legislation in 2007 to reduce formaldehyde emissions in composite wood products. The Air Toxic Control Measure (ATCM) includes hardwood plywood (HWPW), particleboard (PB) and medium density fibreboard (MDF), including thin MDF less than or equal to 8 mm. All testing for panels and finished goods must be carried out in accordance to ASTM E 1333 (Large Chamber Test Method). It also applies to finished goods made from wood composite that are sold, offered for sale, supplied, used, or manufactured for sale in California. In addition, finished products from wood such as door, window, furniture, counterpart, cabinet, shelving, mouldings and flooring are also subject to these rules.

According to CARB:

Phase 1 Emissions Standards:

By January 2009	Hardwood Plywood-Veneer Core	0.08 ppm
	Particleboard	0.18 ppm
	Medium Density Fibreboard	0.21 ppm
By July 2009	Hardwood Plywood-Composite Core	0.08 ppm

Phase 2 Emissions Standards:

By January 2010	Hardwood Plywood-Veneer Core	0.05 ppm
By January 2011	Particleboard	0.09 ppm
	Medium Density Fibreboard	0.11 ppm
By January 2012	Hardwood Plywood-Composite Core	0.05 ppm

Today, wood-based industry put high attention to these rules due to its establishment as "green product". The green concept was successful accepted worldwide and have very huge market potential in Europe, USA and Japan.

Realising the increasing concerned of the importing country with regards to formaldehyde emission, four FIDEC officials attended a training from 3 to 5 December at Mutu Agong Lestari, Jakarta, Indonesia. The objective was to have a better understanding in determining the formaldehyde emission properties of wood panel products making from production to final stage.

The introduction of "Reaction principle of formaldehyde determination" was carried out by Mrs. Dian Harini, Manager of Wood and Environment Laboratory. The section of "laboratory procedure, preparation and testing" was conducted by Mr. Ni 'matulloh, Senior Chemist from Laboratory Wood Product. The scopes of lab section covered areas of material preparation and preconditioning sample, testing procedure, preparation solution, standardisation of solution, preparation of curve, measurement and calculation of calibration curve solution, blank and sample measurement, analysis of air sample, calculation and reporting, respectively.

The participants ran the tests according to ASTM E 1333 standard for plywood, particleboard and MDF product. The training was attended by Encik Yeoh Beng Hoong, Cik Noor Intan Syaffinaz Anuar, Puan Norjihan Abd. Bakar and Encik Mohd. Radzi Buang.

EMBRACING NEW PATTERN OF WORLD TIMBER TRADE TOGETHER

Today's global timber and wood products trade is experiencing a series of profound changes whereby major timber producing and importing countries have been increasingly calling for prohibition or restriction on the export and import of illegally harvested timber or logs harvested from natural forests. Thus, it has become a worldwide consensus to import and use legally verified timber and wood products. The EU Timber Regulations will be implemented effective March 2013 whilst the Australian Illegal Logging Prohibition Act 2012 (Act 166) was passed by the Australian Parliament on 19 November. The Act was given Royal Assent on 28 November this year and the regulations will be tabled in the Australian Parliament by May/ June 2013. Although the Act is in force now, the regulated timber products will come into effect on 30 November 2014. In addition, some new developments have been made with the enforcement of the USA Lacey Act Amendment.

Paper presentation by Cik Hjh. Robiyah Hj. Husin of MTIB.

In tandem with the above related developments in the global timber trade, The China Timber and Wood Products Distribution Association (CTWPDA), a national association of the Chinese timber and wood industry, Taicang Municipality Government of Jiangsu Province, Jiangsu Taicang Port Administration Committee, Taichang Timber and Wood Products Distribution Association, Shanghai Furen Forest Products Wholesale Market and Shanghai Timber Trade Association jointly organised a two-day Second World Congress of Timber and Wood Products Trade in Taicang, China from 28 to 29 November. The Congress was also supported by the American Softwoods, American Hardwood Export Council, Canada Wood, European Timber Trade Federation, WWF China, Suifenhe Friendship Wood Industry Group Co. Ltd. and Shanghai Ouyang Haojie Wood Products Co. Ltd.

The main objective of the Congress was to provide a platform for timber–based business leaders and entrepreneurs from around the world to congregate and explore paths towards improved accountability, sustainability and profitability of the timber trade during these turbulent times of economic, environmental and policy changes. In addition, the Congress was also an excellent venue for global timber product suppliers and traders to further explore business opportunities and establish business relationships with China's largest timber importers and wood product producers via business matching sessions following the paper presentations and panel discussion sessions. 'World timber and wood products trade in China' was the theme for the panel discussion.

The Congress proper focused on the current developments of the international timber and wood products trade particularly on the timber supply situation of China's major suppliers – the USA, Canada, Russia, Malaysia, Chile, Uruguay, Brazil and the Scandinavian countries. Additional presentations included updates on the future outlook of Chinese and international timber markets, Russian timber export policy upon WTO accession, EU Timber Regulations, Chinese entrepreneurs' offshore investments in the Guyana timber industry as well as challenges and opportunities for green timber. Topics involving trade of timber and global wood building development trends and R&D were also highlighted by the 12 local and international speakers. The Malaysian presentation entitled "The Malaysian Timber Industry and Trade with China" was presented by Cik Hjh. Robiyah Hj. Husin, MTIB Senior Deputy Director of Trade Development.

In his welcoming address, CTWPDA President, Mr. Liu Nengwen highlighted the current developments in policy changes on timber industries worldwide related to the global timber trade. He noted that this would significantly influence and at the same time provide challenges and opportunities to the world's timber and wood products trade. Mr. Liu added that it was a big challenge to the global timber suppliers and exporters to harness opportunities available in the large Chinese market and vice versa.

China's huge market potential has already become an important player in the world timber and wood products trade. Statistics shows that China's total import and export of timber and wood products in 2011 reached USD64.2 billion, an increase of 64% since 2007 which was only USD39.15 billion, averaging 12.8% annually in the past five years. In line with the Chinese government's goals of doubling its GDP and

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BOGOR PLAYED HOST TO THE FIRST INTERNATIONAL PLANTATION CONFERENCE

The First International Plantation Conference themed "Capacity Building, Development and Sustainable Technology" was held from 19–21 December in Bogor, Indonesia. The conference, which was jointly organised by Bogor Agricultural University, Indonesia (IPB) and Universiti Teknologi MARA, Malaysia (UiTM) saw the participation from the academia, industries and research organisations. The objectives of the conference were to discuss and collate information on current and future direction of plantation education, to deliberate and share information on the current findings and technologies related to productivity and quality improvement, to provide direction for an organised research and development of the plantation and agricultural sector and to promote inter-disciplinary and inter-agency networking.

In his keynote address, Professor Fred T. Davies of Texas A&M University, USA, talked about Good Agricultural Practices (GAP) implementation for better environment and sustainable plantation. He noted some of the significant challenges affecting horticulture and agriculture such as globalisation, marketing, labour, environmental issues, urban encroachment, energy and water usage. According to him, over 200,000 ha/year of productive farmland is lost to urban encroachment in Indonesia. In addition, there is a lack of an integrated extension system with limited expertise for horticulture except for rice. He further added that in achieving GAPs, there is a need to pick the right niche markets and the best cultivars and species leading to the branding of horticultural crops in Indonesia.

In his opening remark, Dato' Prof. Dr. Nasuddin Othman, Dean, Faculty of Plantation and Agrotechnology, UiTM described the conference as a historic moment for the faculty as it was the first international conference organised since the faculty's inception in July 2010. He hoped the collaboration with IPB would strengthen their relationship and pave the way for the plantation academia to design a more comprehensive and relevant curriculum to meet the present day challenges in the plantation industry.

Dr. Ernan Rustiadi, Dean Faculty of Agriculture, IPB, who also spoke at the opening of the conference, expressed his hope that practitioners and researchers, academics and policy makers of the two countries and also other countries who are interested in plantation studies, could share the experiences and results of their research. He said the conference was an important event to enable a common vision towards remarkable outcomes for both countries as world-class tropical plantation producers.

More than 20 papers were presented during the conference, including several papers on forest plantation trees such as Early Findings on the Suitability of *Neolamarckia cadamba* as Forest Plantation Species: Relating the Silviculture, Ecological Requirements and Planting Materials Production; and Genotype by Environment Interactions in Modulus of Elasticity and Modus of Rupture in *Acacia mangium*.

Researchers and academia from some of the leading research organisations and universities in both countries such as FRIM, MARDI, Malaysian Rubber Board, UPM, UiTM and IPB presented their research findings at the conference.

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the average per capita income of rural and urban residents of the country until 2020 (base year 2010), it is expected that in the next decade, the demand for Chinese timber and wood products will increase rapidly, providing further business opportunities for timber traders both in China and abroad.

A field visit to Taicang Port and Shanghai Furen Forest Products Wholesale Market were also conducted to give congress participants especially international participants the insights of Taicang Port operations as one of China's most important timber transportation port with comprehensive facilities in handling containerised and bulk timber cargoes. Taicang Port established China's second Imported Timber Inspection and Quarantine District in 2008, which is the largest and most advanced technologically and comprehensive timber distribution centre in the Yangtze River Delta Economic Zone.

The visit to the Shanghai Furen Forest Wholesale Market showcased the effective and innovative marketing, distribution service and business model and strategies extended by the traders operating in the area. The Zunmu business culture, a concept which incorporates projects such as the Zunmuhui project that proposes a brand new concept of total eco-system for the wood industry in the business aimed at integrating production, learning, R&D and services in the business, tourism and culture complexities of the Chinese.

A total of 300 industry participants including 50 international participants attended the Congress which comprised representatives and officials of CTWPDA's 3,000 member companies and their foreign affiliate timber supplying organisations in China.

OIL PALM STEM PLYWOOD INTRODUCED AT BIOCOMP 2012

Dr. Loh Yueh Feng from MTIB presented the utilisation of OPS for plywood manufacture.

The 11th Pacific Rim Bio-Based Composites Symposium (BIOCOMP 2012) was held from 27 to 30 November in Shizuoka, Japan by the Wood Technological Association of Japan, Shizuoka University and Forestry and Forest Products Research Institute (FFPRI).

The theme for BIOCOMP 2012 was "Biocomposites for an Environmentally Symbiotic Society". Participants focused on the integral role of wood research and its foundation in environmental forest practices throughout the world that contribute to a better humanity. BIOCOMP 2012 is the premier forum for the presentation of basic and applied research; attendees were learned about new advances in the area of bio-based composites derived from wood and agricultural based fibres.

For the opening session of BIOCOMP 2012 Symposium, the Division of Wood-based Panel, Wood Technological Association of Japan co-organised a one-day workshop entitled " The 21st Wood-based Panel Workshop". The five invited speakers namely Dr. Guanben Du (China) , Mr. Kris Wijnendaele (Germany), Mr. Nicholas A. Lissem (Malaysia), Dr. Tatsuya Shibusawa (Japan) and Dr. Noburu Sekino (Japan) were invited. The speakers presented general information on wood composites and an overview of technology transfer activities within their respective countries. The workshop provided a forum to discuss critical issues for using wood products in the world today.

BIOCOMP 2012 also presented keynote lectures by Dr. Barry Goodell (USA), Mark Irle (France) and Shuichi Kawai (Japan), which covered the latest development and findings in the research field of wood-based panels. A total of 102 research papers were presented in the conference which comprised a paper entitled "Development of High Performance Oil Palm Stem Plywood" as a new wood-based panel by Dr. Loh Yueh Feng from MTIB. She introduced the potential in utilisation of oil palm stem (OPS) to manufacture plywood and the R&D works to enhance the properties of OPS plywood in term of mechanical strength, dimensional stability and durability against termites and fungi through resin treatment process.

The conference brought together about 200 participants which included leading international researchers, scientists, engineers, material processors from the industry, the academia and government agencies from 21 countries.

THE 9TH AEG – CITES MEETING

Meeting in progress.

The 9th Meeting of the ASEAN Experts Group on the Convention on International Trade in Endangered Species of Wild Fauna and Flora (9th AEG-CITES) was held on 6–8 November in Siem Reap, Cambodia. It was attended by delegates from ASEAN Member States (AMS) Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, the Philippines, Thailand, Singapore and Viet Nam. Mr. H.E. Uk Sokhonn, in his capacity as the Secretary of State of the Ministry of Agriculture Forestry and Fisheries as well as the Chief of CITES Management Authority of Cambodia, chaired the Meeting.

In his opening speech, Mr. Sokhonn highlighted the role of CITES which is to regulate international trade in wild fauna and flora as listed in its Appendices. As such, the trade should be legal, sustainable and traceable, and ensure that the survival of any of the species is not threatened. He also noted that there are a number of topics and issues of interest and concern to be tabled by ASEAN. Among these issues are those which refer to commercially exploited terrestrial and marine species and several working documents on other draft decisions and resolutions. The Chairman then called for more active participation and contribution in the discussions so that members can understand the issues from each other's perspectives and at the same time enhance their standing.

Mr. Sokhonn also hoped that during the coming 16th Meeting of the Conference of the Parties (CoP16) which will be held from 3 to 14 March 2013 in Bangkok, Thailand, common and coordinated positions would be shared by ASEAN in listing proposals and other relevant issues that may have significant impact on the conservation and sustainable trade of wild fauna and flora species in the region. He also urged for fair and well-balanced decisions to be reached for the benefit of both wildlife conservation and sustainable use of natural resources.

During the meeting, Malaysia presented country reports on CITES implementation in Malaysia, particularly on the consolidation efforts by the relevant Management Authority. Others activities and programmes reported were the registration of Agarwood (*Aquilaria* spp.), artificially propagated plants, capacity building and enforcement cases.

Encik Zahari Hamid from MTIB (third from left) posing with other delegates.

AMS also agreed to the common position of proposals of new resolutions regarding Agarwood Producing Taxa at upcoming CoP 16. The proposal was to amend the annotation to the listing of *Aquilaria* spp. and *Gyrinops* spp; the glossary of Agarwood products and related personal and household effects.

The Malaysian delegation comprised officials from MTIB, Ministry of Natural Resources and Environment, and Department of Wildlife and National Parks. MTIB was represented by Encik Zahari Hamid from Licensing and Enforcement.

EXPLORING SILVICULTURE TECHNIQUES OF FOREST PLANTATION

Field visit to see the land preparation before planting.

The need for forest plantation programmes has long been recognised as an important move towards increasing the supply of timber in Malaysia. However, commercial forest plantation development in this country is relatively new compared to countries such as Japan, New Zealand, Australia, South Africa, and South America where commercial forest plantation programmes have been successfully carried out. In its efforts to gain in-depth knowledge in silviculture techniques of forest plantation and to implement good management practices for the improvement of forest plantation in Malaysia, eight officials from MTIB, attended a three-week training in Japan from 21 October to 10 November.

The objectives of the training were to gain knowledge on forest management skills including planting and thinning techniques, fertiliser and pest control. The programme also aimed to enhance knowledge on silviculture practices in Japan in order to improve our forest plantation project to meet current requirements. The training was conducted by Japan International Cooperation Agency (JICA) under an Economic Partnership Programme (EPP). EPP is one of the projects under the Malaysia-Japan Economic Cooperation Agreement which provides courses to the development of human resources in various sectors.

The participants were briefed on several techniques in cultivating trees such as tissue culture method for afforestration trees and on how to produce the best quality of planting stock. Later, the participants visited Osakaringyo Co. Ltd., a nursery company which cultivates various kinds of plants through systematic cultivating methods. During the visit to Obihiro Municipal Council Tissue Culture Lab, the participants were briefed on how to handle tissue culture procedures and were given the opportunity to conduct an experiment in producing tissue culture seedlings themselves.

A total of 14 industrial visits were conducted throughout Obihiro, Tsukuba, Tokyo, Kyoto and Miyazaki. The sites visited included logging areas where participants were briefed on forest plantation management and later shown how to operate the harvesting machine. The harvesting machine simultaneously fells trees, removes branches and twigs, and cuts to length. The participants were also taught about the job safety procedures that had to be complied to when using the machinery to avoid mishaps. The participants were then given the opportunity to explore the planted forest and shown severe damaged trees caused by deer.

The delegates were also taken to a timber processing factory where laser was used to cut timber in various sizes. The participants also visited Nitto Laminated wood Co. Ltd., a factory in operation since 62 years ago. The factory produces laminated wood and consumes mostly Hinoki timber for flooring. It was observed that the common timber used in Japan's wood-based industry were Japanese Cedar, Japanese Cypress and Japanese Larch. Most of timbers are used to produce furniture and wood trusses, and in residential development. Other places visited were Matsukawa Experimental Forest, a nursery and a private-owned timber storage company. In Tsukuba, the delegates visited the Forestry and Forest Products Research Institute as well as the Forest Tree Breeding Centre, a R&D centre that engages in forest tree breeding by developing genetically superior varieties. Among their tasks were generating breeding processes through high-tech applications, as well as collecting, conserving and preserving genetic materials. In Kyoto, the delegates visited Bamboo Grove Garden and a bamboo product company, Takano Chikuko Co. Ltd.

Following the visit, additional training was held at Forest Research Institute Malaysia, Kepong on 17-21 December. The training emphasised on silviculture techniques in forest plantation of tree species in Malaysia, especially for species under the forest plantation programme. The participants were exposed to hands-on practical handling seed test and planting stock production.

MTIB was represented by eight officials from Forest Plantation Division. They were Tuan Hj. Kamaruzaman Othman, Director of Forest Plantation, Puan Suzana Abdul Rahim, Cik Norhazaedawati Baharuddin, Tuan Hj. Wan Abdul Munir Wan Tajul Ariffin, Puan Hairani Mohd Noh, Encik Mohd Ridzuan Samsury, Encik Mohd Harizar Mohd Nor and Encik Mohd Fakaruddien Mohd Aziz. Certificates were awarded by JICA in Tokyo to participants at the end of the training. MTIB participants were sponsored by JICA and Malaysian Public Service Department under its sponsorship award programme.

MAHA 2012 - "AGRICULTURAL TRANSFORMATION THROUGH INNOVATION"

The Malaysian Agriculture, Horticulture and Agrotourism International Show (MAHA International Show 2012), is the leading agricultural exhibition in Malaysia. Being the largest and most comprehensive agricultural event in the ASEAN region, it has also been listed as a global agro-exhibition. The government of Malaysia and the Ministry of Agriculture and Agro-based Industry hosted this significant event where mindsets go beyond boundaries to create new business opportunities. MAHA International 2012, themed "Agricultural Transformation through Innovation" is thus very much in line with the country's aspiration to transform agriculture into agribusiness to open new opportunities and new sources of wealth. The event was held on 23 November – 2 December at the Malaysian Agro-Exposition Park Serdang (MAEPS), Selangor.

Visitors at MTIB booth.

MAHA International Show 2012 exhibition at the Malaysian Agriculture Expo Park once again carved a name for itself in "The Malaysia Book of Records" when it drew more than 3.1 million visitors. The exhibition managed to attract 2,240 exhibitors and recorded RM24.115 million in sales transactions and RM157, 962 in business matching, compared to RM23.58 million and RM152.26 million respectively for last year.

Representing an important component of our national economic agenda under the Agriculture NKEA (National Key Economic Areas), the transformation of agriculture into agribusiness has been the key thrust in moving towards a modern, dynamic and competitive sector with greater economic contribution. The exhibits included biotechnology, latest innovations in agriculture, horticulture, agro-based and related products and services. The event also explored global trade opportunities and ways to expand business horizons.

Products from Rubberwood stumps.

MTIB participated in the exhibition under the Ministry of Plantation Industries and Commodities, promoting larik products, wood samples, outdoor furniture products, bamboo products and gaharu products namely Karaz coffee products, honey as well as karas tea. Numerous enquiries and orders were received on the *larik* products and outdoor furniture products. A number of sales on gaharu products were also reported. The companies which displayed and sold their products under MTIB were Jati Indah Mulia Enterprise, Maszma Marketing Sdn. Bhd., Karaz Synergy Sdn. Bhd., Nature Life Resources, BioBenua Teknoloji Sdn. Bhd. and Tunas Budi Sdn. Bhd.

BRIEFING ON ILB IN SABAH

Puan Lily Munirah from Department of Skills Development presenting her talk.

The Industry Lead Body (ILB) was established by the Department of Skill Development (DSD) to recognise industry-based skills and to develop the National Occupational Skills Standards (NOSS) through the National Dual Training Scheme Curriculum (SLDN). The ILB also serves to examine demand and supply, and technology in the work environment.

Having been appointed as the ILB in the timber industry by DSD, MTIB will play the role in accordance with DSD requirements consistent with the objectives of the National Vision Policy to transform Malaysia into a developed country by year 2020.

Therefore, MTIB through WISDEC has fostered greater collaboration with DSD in the training of human capital in the timber industry to reduce dependence on foreign labour. WISDEC has been recognised as an Accredited Training Provider under DSD and has been commissioned as a training centre for the implementation of programmes based on NOSS registered under the DSD.

Attentive participants during the briefing.

In this context, the involvement of the industry is a must in NOSS development and later it will be used as a guide for training providers in producing skilled workers. At this time, the timber industry has about 230,000 employees and each year the industry will need about 10,000 new employees. Employees will need systematic training according to their respective areas as required by the industry.

Therefore WISDEC has taken the initiative to encourage industry participation in the ILB project with a briefing and promotion of the ILB programme, organised on 6 November at WISDEC Sabah in Kota Kinabalu in collaboration with several agencies involved in the certification of skilled manpower in the context of enhancing skills and human capital development. The programme was designed to deliver industry-specific information about the procedures and methods to obtain appropriate certifications. Encik Mohd Firdaus Md. Mortar from WISDEC Selangor spoke on WISDEC's role as an ILB for the wood-based industry. Encik Roslan Salim from DSD talked about how the National Dual Training Programme (NDTS) was to be implemented while Encik Shamsul Nizam from CIAST talked about Information on DPIN. Puan Lily Munirah presented the procedures involved in getting recognition for prior achievements.

The programme was attended by 25 representatives from the wood-based industry, higher education institutes and MTIB.

WOOD–WOOL CEMENT BOARD – A NEW BUILDING MATERIAL FOR FORMWORK

A Workshop on Design and Construction of Reinforced Concrete Column Using Integrated Permanent Formwork from Wood-wool Cement Board was successfully conducted by MTIB and the Institute for Infrastructure Engineering and Sustainable Management, Universiti Technologi MARA (UiTM) on 28-30 November in Shah Alam, Selangor.

The workshop was an initiative to highlight the advantages of using wood-wool cement board (WWCB) as building material and to explain the design concepts of the product. WWCB comprised wood-wool and cement where the wood-wool is produced by shredding logs using a special shredding machine. Wood-wool is light and has a high aspect ratio which makes WWCB light and very easy to handle. WWCB has outstanding potential as housing and building components because it resists biological degradation and has excellent heat and noise insulation capabilities. The versatility of WWCB is illustrated by its wide range of applications worldwide which include roof decking, walling for all types of structures, acoustic ceilings, low cost housing and permanent column concrete.

The three-day workshop provided a platform of knowledge sharing between government bodies, agencies and the construction industry on Industrialised Building System (IBS). A series of lectures were delivered on the first day of the workshop to brief the participants on the implementation of IBS in the Malaysian construction industry which included experiences of using WWCB as construction material in construction projects as well as requirements in method and design concepts of WWCB-column based on design specifications. Research findings on the benefits of using wood-wool cement board as a permanent pillar box in the construction of reinforced concrete column was also explained.

Hands-on activities were carried out on the second day to provide opportunities for participants to experience the method of installing a wood-wool pillar box. A compression test was carried out to examine the compression strength between reinforced concrete column with wood-wool and conventional reinforced concrete column with plywood. Results clearly showed that the compression strength for wood-wool coated with reinforced concrete column was higher than the conventional one.

A site visit was held on the last day of the workshop. The visit was to two successful WWCB projects implemented at Surau Cherengin and Pusat Pertanian Yoko Farm in Janda Baik, Pahang. The workshop was attended by 77 participants comprising participants from MTIB, Forest Research Institute Malaysia, Public Works Department, Pusat Kontraktor Melayu Malaysia, Universiti Malaysia Pahang, Kolej Kemahiran Tinggi MARA Sri Gading, manufacturers, contractors, architects, consultants and researchers as well as students from UiTM.

Pillar box installation and compression test in the laboratory of the Faculty of Civil Engineering, UiTM.

COURSE ON SKETCH-UP IN CABINETRY MAKING

A group photo of the participants.

MTIB with WAIZ (M) Sdn. Bhd. as training provider, organised a course on Sketch-up in Cabinetry Productivity in Alor Setar, Kedah. The specially-tailored course was held from 4 to 6 December.

The hands-on course was the last in a series of four courses planned in 2012 to cater for entrepreneurs in the central, east, south and northern regions of Peninsular Malaysia. Participants were taught the practical aspects of downloading the software (sketch-up) from the internet. All participants have basic skills in using design software in wood-based technology, therefore the technology and skills imparted by the trainers were easily applied and adapted. They were also taught how to produce 3D shaped models, various cabinetry models and colours to enhance product appearance.

The course aimed to impart knowledge and skill in practical application of the sketch-up software. It was well received by the participants and they requested to be called again for the intermediate level course in the future.

An instructor from WAIZ (M) Sdn. Bhd. showing one of the participants on how to download the software (sketch-up) from the internet.

A total of 20 entrepreneurs attended the three-day course.

MALAGANGAI – SUITABLE FOR HEAVY CONSTRUCTION

Wood colour and texture.

Malagangai is the name for the timber with the botanical name of Eusideroxylon malagangai *which falls under the family* Lauraceae. *It grows in Sabah and Sarawak, mainly on the West Coast.*

General Description

Sapwood is yellowish and sharply defined from the heartwood, which is brown with a distinct reddish tinge. The grain is fairly straight and the texture is moderately fine and even. The vessels are with simple perforations, few in number and moderately large, solitary and in groups of two or three and evenly distributed. Tyloses are abundant. Wood parenchyma is conspicuous; apotracheal type occurs as narrow, occasional straight lines; paratracheal type is vasicentric to aliform, and sometimes confluent. The rays of this species are fine.

Tree stump

Mid-canopy tree is up to 36 m tall and 95 cm dbh. Stipules are absent. Leaves alternate, from simple, penni-veined, glabrous to slightly hairy below. Flowers are 2.6 mm diameter, white-yellow, placed in panicles. Fruits are 84 mm long, grey-green, stony drupes. The trees' leaves are dark green, simple, leathery, elliptical to ovate, 14–18 long (5.5–7.5 inches) and 5–11 cm wide (2–4 inches), and alternate, rarely whorled or opposite, without stipules and petiolate. The leaf blade is unlobed (unlobed or lobed in Sassafras) the margins entire and occasionally with domatia (crevices or hollows serving as lodging for mites) in the axils of the main lateral veins.

Malagangai leaves

Habitat

It lies in the laurel forest in tropical mountain cloud forests, and like most of their counterpart laurifolia in the world, they are vigorous species with a great ability to populate the habitat that is conducive. The natural habitat is rainforest which is cloud-covered for much of the year.

Density

The timber is moderately hard and strong with a density of 525-920 kg/m^3 air dry. The timber is classified under Heavy Hardwood in Malaysia.

Natural Durability

The timber is very durable.

Preservative Treatment

It is difficult to treat with preservatives.

Air Drying

The timber seasons fairly easily.

Physical Properties

Air-Dry Density		590 - 850 kg/m^3
Shrinkage	Radial	2.4 %
	Tangential	4.4 %
Seasoning	Seasons without great difficulty although shrinkage is high	
Recommended Kiln Schedule		n.a

Mechanical Properties

Strength Group		A
Static Bending	MOE	15,000 N/mm^2
	MOR	135 N/mm^2
Compression Strength	Perpendicular to Grain	n.a
	Parallel to Grain	69.00 N/mm^2
Shear Strength		14.00 N/mm^2

Texture

Texture is moderately fine and even, with fairly straight grain.

Physical and Strength Properties

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

Machining Properties

The timber is reportedly easy to saw.

Uses

Malagangai is easy to saw and plane. The timber is used for heavy construction, railway sleepers, mallets, boat building, posts, paddles, fences, pepper posts and shingles. It is a popular substitute for the more durable Belian.

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COURSE ON OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS 18001:2007

The Small and Medium Enterprise Corporation Malaysia (SME Corp), through its SME Competitiveness Rating for Enhancement (SCORE) Unit, organised a course on OHSAS 18001: 2007- Introduction on 5-6 December in Kuala Lumpur. SME Corp had appointed a trainer from SIRIM Training Services Sdn. Bhd. to conduct the two-day course. The objective of the course was to enhance understanding on the general concept of Occupational Health and Safety Management System (OHSAS) in various sectors of the industry, its overview and to understand the requirements of OHSAS.

The OHSAS 18001 standard was developed by the British Standards Institution as there was a lack of international standard to guide business process related to health and safety managements. Puan Noriha Mohamed from SIRIM Training Services Sdn. Bhd. noted that OHSAS 18001 is an international standard for health and safety in the workplace which helps companies to build quality procedures into their daily activities. She also stated that to meet the standard, companies need to implement certain procedures to ensure the health and safety risks of workers within their organisation.

These procedures include:

- Planning for potential hazards, and ensuring that these risks are assessed and taken care of.
- Outlining the implementation of the standard e.g. who is responsible for different actions, when will procedures take place, what resources or budget will be needed to successfully implement the OHSAS 18001 standard.
- Ensuring that all members of staff are trained and the standard is implemented.
- Considering emergencies within the standard and catering for them.
- Monitoring the standard to ensure that it is performing at the highest level.

The course was attended by 20 participants from government agencies and companies which are strategic partners of SME Corp such as North Corridor Economic Region, Telekom Malaysia, Technology Park Malaysia, SME Bank, Permodalan Usahawan National Berhad, Malaysia Productivity Corporation, Construction Industry Development Board as well as MTIB. MTIB was represented by Encik Mohd Asmawi Afandi, Encik Asfairul Abd Majid and Encik Fazuan Abu Bakar.