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TECHNICAL MISSION AND ENTREPRENEURS
DEVELOPMENT PROGRAMME TO THE PHILIPPINES

NEW MINISTER
OF PRIMARY
INDUSTRIES



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MALAYSIAN TIMBER INDUSTRY BOARD



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Cover : Details on Colloquium and Workshop on Human Capital Transformation in the Timber Industry 2018 is on page 21.

TECHNICAL MISSION AND ENTREPRENEURS DEVELOPMENT PROGRAMMES TO THE PHILIPPINES

news



MTIB delegates with H.E. Dato' Razlan Abdul Rashid, Ambassador of Malaysia in the Philippines. On his right is YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General.

Recognising the potential of business opportunities in the Philippines, MTIB organised a Technical Mission and Timber Entrepreneurs Development Programme to the Philippines from 1 to 4 July. The mission was led by YBhg, Dato' Dr. Jalaluddin Harun FASc, Director-General of MTIB and comprised a delegation of five industry players. The mission aimed to enhance trade of Malaysian timber and timber products to the Philippines, to promote Malaysian timber and timber products particularly high value-added products such as BJC, mouldings and furniture, to foster business networking between Malaysian and Philippines importers as well as to observe the latest market development and prospects for Malaysian timber and timber products in the Philippines.

In 2017, export of timber and timber products to the Philippines was valued at RM733.6 million, an increase of 46% from RM501.3 million in 2013. Sawntimber was the main product exported to the Philippines and it has been on an increasing trend from 2013 to

2017. In 2017, export of sawntimber to the Philippines was worth RM380.6 million compared to RM102.7 million in 2013. Other major products exported to the Philippines were wooden furniture and plywood. Export of wooden furniture and plywood recorded in 2017 was RM183.4 million and RM49.6 million, an increase of 193% and decrease of 79% from RM62.6 million and 239.9 million respectively in 2013. Meanwhile, in terms of import, in 2017, Malaysian import of timber and timber products from the Philippines was recorded at RM7.4 million, a decrease of 85% from RM50.4 million in 2013. Products imported from the Philippines in 2017 was rattan furniture valued RM4.5 million and wooden furniture worth RM2.2 million respectively.

In Manila, the delegation made a courtesy visit to the Ambassador of Malaysia in the Philippines, His Excellency (H.E) Dato' Razlan Abdul Rashid. Their discussion covered areas of cooperation that could be explored by both countries particularly in the timber industry. Among the proposed programme



INDONESIA

Government to Review Export Duties

To boost exports the government plans to develop several incentives and review export duties for several sectors including the timber sector. The aim is to make domestic production more competitive to support growth in exports in order to reduce the trade deficit.

In other moves, the Industry Minister, Airlangga Hartarto, will act on import duties to protect domestic manufacturers as he fears there could be a surge in imports of wood products from China because of the rise in US import duties.

The local media is reporting that the government is also preparing new incentives for small and medium enterprises especially in the furniture sector to increase the export competitiveness. One action will be to provide subsidies for Timber Legality Verification System certification.

ITTO, 1 - 5 July



MYAMMAR

Proposal for Plantation Logs Export

Zaw Min, Deputy Director General of the Forestry Department, has been quoted by the domestic press as saying the Forest Department has proposed allowing the export of logs from private plantation forests. Myanmar introduced a ban on natural forest log exports in April 2014.

Private forest plantations have been permitted to export since 2006 and has extend over about 80,000 hectares of which around half are teak and the balance are other hardwoods. Currently, thinning from plantations are utilised locally but these are of small diameter and domestic mills are better equipped to mill large natural forest logs.

ITTO, 1 - 5 July



VIET NAM

Forestry Posts Highest Trade Surplus

Forestry posted the highest trade surplus, at USD3.23 billion, amongst agricultural sectors in the first half of 2018, according to the Vietnam Administration of Forestry (VNForest). VNForest also reported that more than USD4.33 billion worth of forestry products were shipped abroad between January and June, up 12.7% year-on-year.

The country has set targets of USD9 billion in forestry exports, an increase of 6-6.5 % in forestry production value, and the forest coverage rate of 41.65% in 2018. Wood and forestry processing industry is developing strongly. Vietnamese wood products have been exported to over 100 countries and territories with major markets being the US, Europe, Japan, the Republic of Korea, and China.

Viet Nam's forestry sector has played an active role in negotiating with other countries, especially on timber origin, to remove obstacles from the trading of wood and wood products with such markets as Lao PDR, Cambodia, the EU, China, the Republic of Korea, and Australia.

vietnamplus.vn, 9 July



CHINA

US Imposed New Tariffs on Tropical Wood and Furniture Products

Many wood products and furniture items from China are on the latest list by the Trump administration that may be affected by a new 10% tariff. The entire list is worth USD200 billion in imports from China. The proposed action on imports from China is now open to public comments and a public hearing is scheduled for the end of August.

On 6 July the US government imposed a 25% tariff on a Chinese goods, including woodworking machinery.

Wood products and wooden furniture were not directly affected by those tariffs, but the latest proposed list for tariffs includes a wide range of wood products. Tropical sawn wood and veneer, tropical hardwood flooring and mouldings, tropical plywood, composite wood panels, various bamboo products, wooden seats, wooden furniture and furniture parts are on the list.

The stocks of publicly traded US home furnishings retailers immediately dropped on the news, according to the Woodworking Network. Two retail groups, the National Retail Federation and the Retail Industry Leaders Association, condemned the latest proposed tariffs on Chinese products.

ITTO, 1 - 5 July



EUROPEAN UNION (EU)

Overview of Wood Door and Window Market

Eurostat PRODCOM data reveals that the total value of wood doors supplied to the EU increased by 5% to €7.12 billion in 2017. Despite the increase, the value of wood doors supplied to the EU in 2017 was still more than 25% down on the level prevailing before the global financial crises.

Most new wood door installations in the EU comprise domestically manufactured products. The EU's domestic production increased 4.9% to €6.78 billion in 2017. There was significant variation in the performance of the wood door sector in EU countries in 2017.

Production in Germany, the largest wood door manufacturing country, was stable at €1.30 billion during the year while production in the UK continued to slide, by 2% to €840 million.

However, production increased sharply in Italy (12% to €910 million), France (5% to €640 million), Spain (14% to €540 million), Poland (10% to €510 million) and the Netherlands (30% to €250 million).

Wood door imports into the EU increased by just 0.3% to €341 million in 2017. Imports accounted for 4.8% of the total euro value of wood door supply to the EU, down from 5.0% the previous year.

Globalwoodmarketsinfo.com, 25 July



FRANCE

Wooden Tyres from Michelin

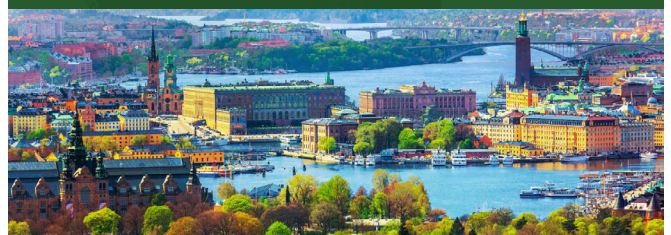
Wooden wheels are a thing of the past, but Michelin firmly believes they can make wooden tyres a reality in 2020. The French tyre company said in a report published this month of its plans to introduce wood into tyres, and it's all about moving away from oil.

Cyrille Roget, Michelin's worldwide director of scientific and innovation communication, said the plan is to create more sustainable tyres in the future, and experiments with wood waste have provided a solution.

The tyres maker will incorporate elastomers from wood chips to replace a tyre's oil content. Today, 80% of materials found in tyres come from oil. The percentage will drop to 20% by 2048, Michelin believes. And rubber will also be included, which Roget said is also sustainable.

In future, Michelin not only foresees tyres made from wood, but also a single set of tyres for a car's lifetime. The company believes one day that 3D printing will revolutionise the tyre process. Where today drivers must physically change tyres after the tread wears down, 3D printers could conceivably "recharge" tread. In layman terms, a 3D printer would print new tread when the tread eroded to an unsafe level. Mr. Roget even pictured a day when an electric car charging station also includes a 3D printer to "recharge" tyre tread. 3D-printed tyres are further down the line, perhaps 15 years at minimum, Mr. Roget said, but Michelin hopes to show its first tyres made from wood in less than two years.

timberbiz.com.au. source: motoring, 24 July



SWEDEN

Forest Industry Market is in Full Swing

Consumption of wood raw-material by the Swedish

forest industry increased in 2017 and early 2018, especially in the pulp sector, which struggled to supply their mills with wood fibre during the winter months. As a result, logs and wood chip importation rose and domestic prices for sawlogs and pulpwood increased, according to the Wood Resource Quarterly (WRQ). Softwood logs import were up over 25% during the first four months of 2018 as compared to the same period in 2017, and hardwood pulp logs import were up over 70% in the same period. There were also three rare shipments of Eucalyptus chips from Brazil and Uruguay to Swedish ports during the winter as supply of both domestic and imported hardwood logs had become tight.

Softwood logs import to Sweden increased for the second consecutive year in 2017 to 4.5 million m³, with Finland and Estonia expanding their market share the most. However, in the fourth quarter 2017, import volumes fell to their lowest levels in two years because of weather related struggles in sourcing logs around the Baltic Sea. When the weather improved in early 2018, shipments of softwood logs increased and first quarter 2018 import from Finland and Estonia were up 88% and 42% respectively, from the first quarter 2017.

The biggest changes in supply sourcing over the past five years include a dramatic decline in softwood logs being shipped from Latvia to Sweden and a steady increase in logs coming from Norway to pulp mills in Central Sweden. Logs import from Norway to Sweden have increased from 2 million m³ in 2013 to 2.5 million m³ in 2017 and accounted for 56% of Sweden's total logs import volume last year.

Average import prices for pulp logs from Norway have risen over 30% in the last year to reach USD60 per m³ in the first quarter 2018, a substantially steeper increase than that seen for domestic pulp logs price reports the WRQ. Domestic logs prices in Sweden have been on a steady upswing from the fourth quarter/16 to the first quarter 2018 with prices for sawlogs and pulp logs increasing by 16% and 19%, respectively.

woodandpanel.com, 31 July



UNITED KINGDOM

World's Lightest Plywood is Now Available

Said to be the world's lightest plywood Banova Plus is being sold exclusively by UK timber supplier Arnold Laver. The plywood features an innovative design that combines a balsa core with lightweight hardwood

surfaces, to create a product that typically weighs half as much as conventional plywood, while being just as strong and robust.

In addition, Banova Superflex is an extremely flexible variation of the product and features a textile layer that can be easily formed to create curved shapes. Banova is manufactured by German company 3A Composites GmbH, using FSC certified wood from responsible sources and features low emission values. Both Plus and Superflex are available in a variety of thicknesses from 9 mm to 50 mm.

wbpionline.com, 5 July



UNITED STATES

Tariffs and Demand Push up Lumber Prices

Late last year, the US imposed a tariff of about 20.8% on lumber shipped in from Canada, which US builders typically use in framing. Builders were already coping with higher prices because of increased demand, and the tariff added to their pain.

While the move supports US lumber producers, it's bad news for domestic builders, who get more than a quarter of their needs from north of the border. For house construction, the US simply does not have enough supply to meet demand, Bloomberg News reported.

Canadian rail delays also left piles of inventory stacked at sawmills this spring due to lack of transport capacity. Inventories are razor-thin, owing to the duties and transportation delays, as well as a seasonal uptick in demand.

Based on data supplied by the Home Builders Association of Fort Wayne, the cost for lumber specifically for framing has gone up from 26% to 39% over the last two years, depending on the type of home built. Total costs for all lumber used in home building rose 16% to 21% over the same period, depending on the home's construction.

Framing lumber, including installation costs, accounts for about 18% of the average home's selling price, according to the NAHB. Many builders have raised prices to keep profit margins stable, Bloomberg Intelligence analyst Drew Reading said, but their ability to pass on the added costs will be tested as mortgage rates start to rise.

fwbusiness.com, 20 July



UNITED STATES

Housing Starts Fall 12% in June

Total housing starts fell 12.3% in June to a seasonally adjusted annual rate of 1.17 million units, according to newly released data from the U.S. Department of Housing and Urban Development and the Commerce Department.

The June reading of 1.17 million is the number of housing unit's builders would begin if they kept this pace for the next 12 months. Within this overall number, single-family starts fell 9.1 % to 858,000 units. Meanwhile, the multifamily sector — which includes apartment buildings and condos, dropped 19.8% to 315,000.

Overall, permits — which are a sign of likely future housing production — dropped 2.2% to 1.27 million units in June, the lowest level of the year. Although single-family permits edged up 0.8% to 850,000, they remain at their second lowest reading of 2018. Multifamily permits fell 7.6% to 423,000.

woodbusiness.ca, 18 July



NEW ZEALAND

China Logs Demand Down

Prices for logs delivered to ports around New Zealand are relatively unchanged from June prices. However, some exporters have strategically changed some prices of various grades and lengths, but the overall average price remains unchanged.

There has been the usual seasonal slow-down in logs demand as the weather heats up in China and log stock have recently risen by an average of 50,000 m³ per week to a current level of 3.7 million m³. Some logs exporters are concerned that the falling stock market and the weakening Chinese currency is denting confidence in the Chinese construction industry, but other logs exporter are not so pessimistic on the Chinese logs market.

The domestic market is still relatively flat for structural sawn timber and there are a few mills around the country reducing production slightly by undertaking maintenance and others. Sales of clear-wood timber are still relatively strong, with stable domestic demand and very strong demand from export markets.

The PF Olsen Log Price Index remained at NZD132 for July. While prices for pruned logs decreased in a couple of regions around the country, this was balanced by an increase in sale prices for structural logs, as well as pulp logs in the central North Island. The index is currently NZD11 above the three-year average.

interest.co.nz, 9 July



GLOBAL

Wood-Based Panel Market To Reach USD 174 Billion By 2025

The global wood-based panel market size is expected to reach USD174.55 billion by 2025, registering a 7.7% compound annual growth rate (CAGR) during the forecast period, according to a new report by Grand View Research.

High demand as an insulating material for wall cladding, ceiling, roofing, and flooring applications is expected to boost market growth over the coming years, said the report "Wood-Based Panel Market Size, Share & Trends Analysis Report By Product (Plywood, MDF, Particleboard, Softboard, Hardboard), By Application (Furniture, Construction, Packaging), And Segment Forecasts, 2018 - 2025".

The global industry is dynamic and highly competitive in nature. Investments, divestments, and regional expansions are key strategies adopted by players to strengthen their presence in the market. On the down side, increasing raw material prices and lack of technological innovation are expected to be a key concern for industry players.

Innovations in the traditional woodworking industry to produce more sustainable products, such as MDF, particleboard, OSB, and HDF, which can be employed in specific application areas, are expected to boost market growth over the forecast period. Companies are investing in R&D activities to come up with environmentally-friendly manufacturing wood-based panels.

tradearabia.com., 5 July



Thailand: Foreign Investment in Laem Chabang Port Phase 3 Development Set at 75%

Source: Nation (The) - Thailand, 5 June

In Thailand, officials of Laem Chabang Port have carried out a feasibility study on having the level of foreign investment in the third phase development of the deep-sea port set at 75%, which is similar to that for the high-speed train project that connects the Suvarnabhumi, Don Meuang and U-Tapao airports. While the foreign investment ratio in Phase 3 of the development is increased to 75%, the ratio in Phase 1 and Phase 2 development will be maintained at 49%, said Montree Lergchumniel, managing director of Laem Chabang Port. He said the ratio of private investment for the third phase of the port's development might be permitted at THB95 billion (USD2.96 billion) to THB105 billion, following the second "market sounding" on the third phase development. The biddings for the Phase 3 development are separated into three contracts. The bidding is open to both local and international investors. The bidding will likely be held in December 2018 and construction will begin in February 2019. According to Montree, foreign investors from Europe, Japan and China are already interested in

the project. Following the completion of the third phase development of the Laem Chabang Port, the container throughput capacity of the port in handling shipments will rise from 11.1 million twenty-foot-equivalent units (TEUs) currently to 18.1 million TEUs.

Australia/China: Hyundai Merchant Marine (HMM) to Introduce Australia No1 Express (A1X) in August 2018

Source: Pulse - South Korea, 11 June

In August 2018, South Korea's Hyundai Merchant Marine (HMM) will introduce Australia No1 Express (A1X). HMM will partner with France's APL and Taiwan's Evergreen to run the new shipping liner on a route connecting China and Australia. The target date to launch HMM's first A1X ship, the Hyundai Supreme container, is on 17 August 2018 from Ningbo, China. There will be five 4,600 TEUs ships operating on the route. HMM will provide two of the vessels, while APL and Evergreen will contribute three. In addition to Ningbo, the route will cover Yantian and Shanghai in China as well as Brisbane, Sydney and Melbourne in Australia. Transforming HMM's branch in Australia into a subsidiary is also in the company's plans as an effort to strengthen its operations in the country.

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, June 2018

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change June 2018/ May 2018
	m ³	% Change June 2018/ May 2018	m ³	% Change June 2018/ May 2018	m ³	% Change June 2018/ May 2018	m ³	% Change June 2018/ May 2018	m ³	% Change June 2018/ May 2018		
Sawntimber	58,352	-11	4,293	-65	1,233	-12	818	-2	8,444	-8	73,140	-18
MDF	24,890	-7	225	-70	5,206	-21	4,355	33	17,512	50	52,188	6
Mouldings	10,455	-18	198	-15	1,543	9	726	-43	1,125	-5	14,047	-17
Plywood	5,568	6	451	-55	86	-81	352	-20	17,806	18	24,263	9
Veneer	272	-52	235	70	0	0	36	100	1,844	-55	2,387	-50
Particleboard	32,703	20	532	100	4,634	-6	2,464	135	5,977	-32	46,310	9
TOTAL	132,240	-4	5,934	-59	12,702	-14	8,751	28	52,708	5	212,335	-6

Source : MTIB



Spain: Port of Castellon Handles Record 674,386 Tonnes of Solid Bulk in May 2018

Source: Mundo (EI), 11 June

The Port of Castellon handled a record 674,386 tonnes of solid bulk traffic during May 2018, which represents a 28% growth compared to the same period in 2017. Other figures show that liquid bulk traffic rose 26.3% to 832,236 tonnes, whilst container traffic fell 5.1% to 22,783 TEUs. Figures for the first five months of the year show that solid bulk traffic grew 8.45% to 2,669,330 tonnes, whilst liquid bulk traffic went up 28.13% to 4,270,184 tonnes.

United Kingdom: Aberdeen Harbour Reports Profit and Turnover Growth

Source: The Times, 14 June

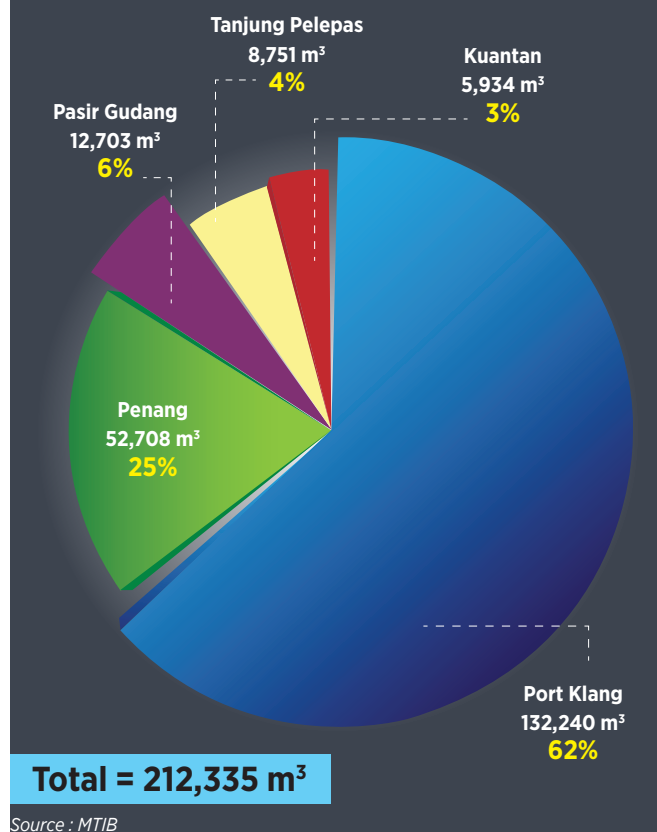
The latest annual report from Aberdeen Harbour Board revealed that Aberdeen Harbour recorded pre-tax profits of GBP27 million (EUR30.70 million/USD36.15 million) in 2017, up from profits of GBP18.6 million the previous year. The port's turnover stood at GBP32.6 million, up 2% on the year before. A GBP10.9 million gain on the sale of land contributed to the rise in pre-tax profits. The board noted that there was no change in operating profit at GBP15.8 million when excluding the gain from land sales. The accounts showed a 5% rise in vessels welcomed to 6,775, although cargo tonnage fell 3.9% to 3.8 million tonnes, while passenger numbers declined 3.8% to 145,970.

Poland: Transshipment Activity of Gdansk Container Terminal up by Almost 50%

Source: Rzeczpospolita, 15 June

Gdansk-based Deepwater Container Terminal (DCT) increased its transshipment activity by more than 47% in the first quarter of 2018, becoming the fastest-growing container terminal out of the 20 biggest container terminals in Europe. A total of 471,000 containers were handled by DCT during the first three months of 2018, up from 324,800 units handled in the same time of the previous year. In 2017, the number of containers handled by the terminal totalled 1.6 million, up from 1.3 million in 2016.

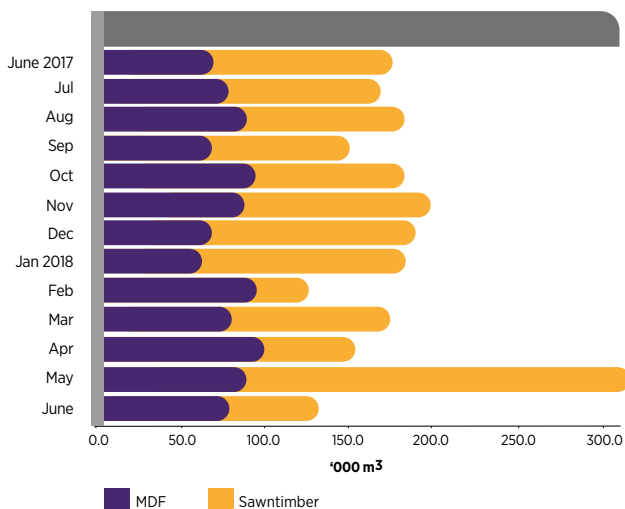
Timber Shipment through Ports in Peninsular Malaysia, June 2018



Malaysian Wood
Standing on Excellence

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

Malaysia : Export of Sawntimber and MDF (June 2017-June 2018/Volume ('000m³))



Total export of Malaysian timber and timber products in June 2018 increased slightly by 0.3% in value to RM1.7 billion from the previous month. Meanwhile, cumulative export for January to June 2018 declined 7% to RM10.7 billion over the previous corresponding period.

SAWNTIMBER

Export of sawntimber in June 2018 decreased 65% in volume and 15% in value to 129,591 m³ with a value of RM258.1 million as compared to the previous month. Cumulative export for the first half of 2018 also declined 15% in volume and 10% in value to 932,330 m³ totalling RM1.8 billion over the previous corresponding period.

Export of sawntimber to the EU for the month decreased 26% to 7,983 m³ from 10,803 m³ in the previous month. Export to the Netherlands and France decreased 47% to 2,777 m³ and 48% to 669 m³ respectively. However, export to the UK improve 3% to 1,094 m³ followed by Germany with 14% to 1,439 m³ and Belgium with 5% to 1,135 m³ from 1,085 m³ in the previous month.

Total exports to West Asia increased 23% to 27,285 m³ from 22,160 m³ recorded in the previous month resulting from improve demand from major market in the region. Export to Yemen increased 304% to 12,951 m³ from 3,208 m³ in the previous month. Similarly, export to Saudi Arabia increased 155% to 2,572 m³ followed by Bahrain with 67% to 1,668 m³ and Qatar with 122% to 1,245 m³. On the other hand, export to the UAE and Oman declined 39% to 5,661 m³ and 67% to 1,820 m³ respectively.

Buying from ASEAN decreased 47% to 33,076 m³ due to declining import from the Philippines and Thailand. Export to the Philippines decreased by 67% to 9,342 m³ from 27,903 m³ in the previous month. Likewise, export to Thailand, major buyer of sawntimber from Malaysia declined 36% to 16,695 m³ from 26,165 m³ in May 2018. Export to Singapore and Viet Nam also decreased 13% to 5,212 m³ and 14% to 1,625 m³ respectively.

Shipments to East Asia decreased 66% to 33,725 m³ from 99,376 m³ in the previous month resulting from declining purchases from China and Japan. Export of sawntimber to Japan decreased significantly to 3,500 m³ from 57,546 m³ in the previous month. Similarly, export to China decreased 11% to 20,022 m³ followed by South Korea with 71% to 3,835 m³. However, export to Taiwan increased 6% to 6,158 m³ from 5,790 m³ in the previous month.

Elsewhere, exports to the US decreased 14% to 1,557 m³ whilst intake by Australia increased 23% to 704 m³. Meanwhile, demand from South Africa decreased 9% to 4,052 m³ from 4,473 m³ in the previous month.

The average FOB price of sawntimber increased 145% to RM1,991 per m³ from RM808 per m³ in the previous month. Price of Dark Red Meranti decreased 8% to RM2,675 per m³ from RM2,911 per m³ in the previous month. Price of Dark Red Meranti to the Netherlands improved slightly to RM3,707 per m³ from RM3,697 per m³ in the previous month. Keruing was traded at RM2,743 per m³, an increase of 214% from RM2,911 per m³ in the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for June 2018 decreased 25% in volume and 16% in value compared to previous month. Export totaled 67,551 m³ at RM 85.6 million.

Exports to East Asia registered an increase of 13% to 15,756 m³ from 13,940 m³ in the previous month. Exports to Japan show positive growth by 19% to 12,781 m³ followed by China including Hong Kong at 1% to 1,444 m³. However, export to Taiwan and South Korea decreased by 18% to 893 m³ and 9% to 638 m³.

Meanwhile, exports to West Asia decreased 55% to 18,229 m³ from 40,412 m³ in the previous month. Export to Jordan recorded positive growth of 255% to 1,318 m³ followed by Kuwait at 82% to 4,434 m³, Qatar at 17% to 1,602 m³ and Saudi Arabia at 15% to 3,092 m³. However, Oman, Bahrain and the UAE recorded negative growth by 87% to 1,550 m³, 71% to 585 m³ and 54% to 7,048 m³. Iran, Lebanon and Syria did not make any purchase for the month of June.

Likewise, export to South Asia recorded positive growth by 19% to 10,631 m³. Export to India increased by 60% to 4,749 m³ followed by Pakistan at 52% to 5,078 m³. However, export to Sri Lanka and Bangladesh show a decrease of 82% to 294 m³ and 51% to 510 m³ respectively.

Elsewhere, exports to the UK, Mauritius, US and Australia increased by 479% to 440 m³, 123% to 192 m³, 42% to 1,014 m³ and 27% to 3,055 m³. However South Africa recorded negative growth of 25% to 337 m³.

In ASEAN, total export for the month of June decreased by 81% to 14,759 m³ from 79,344 m³ in the previous month. Export to Singapore, the Philippines, Indonesia and Viet

Nam recorded negative growth by 74% to 32 m³, 23% to 2,743 m³, 1% to 3,601 m³ and 1% to 8,191 m³.

The FOB price of MDF increased to RM1,267 per m³ from RM1,137 per m³, an increase of 11% from the previous month.

PLYWOOD

Export of plywood in June 2018 decreased in volume and value by 18% and 0.4% to 173,970 m³ at RM 374.3 million compared to the previous month.

EU countries have increased their intake of plywood by 17% to 10,024 m³. The UK, the major buyer of Malaysian plywood has increased its intake by 11% to 8,646 m³. The Netherlands also have increased its intake by 270% to 466 m³. Ireland and Denmark made their purchase for this month at 443 m³ and 214 m³ respectively. However, Belgium reduced its intake by 42% to 255 m³. Meanwhile France, Germany and Italy did not make any purchases for this month.

Exports to ASEAN and East Asia region recorded a decrease by 24% with 125,794 m³ compared to previous month. In East Asia region, Japan reduced its intake by 2% to 86,567 m³. South Korea and Taiwan also reduced their intake by 10% and 29% to 19,746 m³ and 7,115 m³ respectively. China and Hong Kong also reduced their imports of plywood by 55% and 4% to 1,331 m³ and 2,424 m³ respectively.

Malaysia's plywood trade with its ASEAN partners showed mixed trend this month. Exports to the Philippines, Singapore and Brunei have increased by 117%, 10% and 100% to 975 m³, 3,106 m³ and 471 m³ respectively. Thailand has decreased by 43% to 2,553 m³ meanwhile Indonesia does not make any purchase this month.

Exports to West Asia countries recorded an increase of 4% to 12,662 m³ as compared to the previous month. Exports to Yemen and Qatar have increased by 69% to 9,726 m³ and 179% to 469 m³ respectively. Meanwhile, exports to Bahrain, Saudi Arabia, the UAE and Kuwait have reduced by 8%, 47%, 37% and 75% to 256 m³, 964 m³, 781 m³ and 43 m³ respectively.

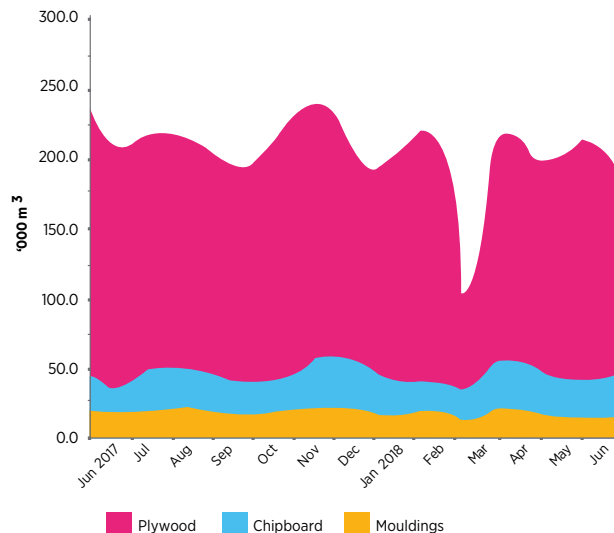
Export of plywood to the Americas region increased by 0.1% to 20,925 m³ as compared to the previous month. While the US reduced its intake of plywood by 2% to 19,101 m³, Mexico and Canada have increased its intake by 9% and 243% to 1,293 m³ and 531 m³ respectively. Moving to Oceania region, Australia has increased its intake by 13% to 2,562 m³, meanwhile New Zealand does not made any purchases this month.

Exports to African continent have increased by 31% to 347 m³ for this month. South Africa has increased its intake of plywood by 32% to 300 m³ while Mauritius and Algeria did not make any purchases.

The FOB price of plywood increased by 22% to RM 2,151 per m³ from RM1,769 per m³ in the previous month.

Malaysia : Export of Plywood, Chipboard and Mouldings

(June 2017-June 2018/Volume ('000m³)



MOULDINGS

Exports of mouldings for the month decreased by 5% in volume and 6% in value to 18,362 m³ and RM68.1 million respectively. However, cumulative exports for the first half of 2018 increased by 1% in volume and 4% in value to 120,138 m³ and RM431.4 million respectively as compared to the previous corresponding period in 2017.

Exports to the EU for the month recorded at 6,580 m³, a decrease of 19% compared to the previous month. The UK increased its purchased by 12% to 498 m³ compared to the previous month. Meanwhile, Germany, the Netherlands and Belgium decreased their intakes by 26%, 23% and 9% to 717 m³, 3,998 m³ and 539 m³ respectively. However, Italy did not make any purchases.

Exports to ASEAN region increased as Viet Nam and Singapore intake of mouldings increased by 42% and 2% to 222 m³ and 1,382 m³ respectively. Meanwhile, Indonesia did not make any purchases.

Meanwhile, South Korea, Taiwan and Japan increased their intake by 36%, 22% and 18% to 1,295 m³, 143 m³ and 1,911 m³ respectively. However, China and Hong Kong decreased their intakes by 31% and 12% to 421 m³ and 193 m³ respectively.

Elsewhere, export to Australia decreased by 7% to 2,651 m³ compared to the previous month. However, the US increased their purchases by 9% to 1,920 m³ compared to the previous month. However, Canada resumed its purchases.

FOB unit value decreased to RM3,711 per m³, a decrease of 1% compared to the previous month.

JUNE 2018

The supplies of logs were reported to be sufficiently available. The average domestic prices of logs continued to be firm for most of the species.

LOGS

Log prices for the species of Chengal, Balau and Red Balau stood firm at RM4,500 per tonne, RM3,000 per tonne and RM2,200 per tonne respectively. Similarly, prices of Keruing, Kempas and Kapur continued to be traded at RM1,250 per tonne, RM1,820 per tonne and RM1,700 per tonne respectively. Prices of Dark Red Meranti and Red Meranti were traded at RM2,100 per tonne and RM1,800 per tonne respectively. On the other hand, logs prices for Mixed Heavy Hardwood and Mixed Light Hardwood remained at RM973 per tonne and RM900 per tonne respectively.

PLYWOOD

The supply of plywood to the domestic market remained adequate for the month under review. The prices of plywood for 4 mm, 6 mm, 9 mm and 12 mm of thicknesses were continued to be traded at RM14.60, RM22.00, RM38.00 and RM48.00 per piece respectively.

Industry reported that the supply of MDF to the domestic market continued to be sufficient whilst the prices were quoted at last month's level. MDF of 4 mm, 6 mm, 9 mm and 12 mm of thicknesses were traded at RM13.50, RM17.15, RM23.30 and RM30.40 per piece respectively.

SAWNTIMBER

The average sawntimber prices for most species in the domestic market continues to firm such as the previous month.

The sawntimber prices of Chengal and Balau maintained at RM6,850 per m³ and RM3,178 per m³ respectively. Meanwhile, the price for Red Balau increased slightly by 2.4% to RM3,072 per m³ over the previous month. Prices for Keruing and Kempas were traded at RM1,130 per m³ and RM2,401 per m³ respectively. Similarly, prices for Dark Red Meranti and Red Meranti were traded at RM2,036 per m³ and RM2,013 per m³ respectively. On the other hand, sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood charted at RM989 per m³ and RM918 per m³ respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

INTRA-MALAYSIA TRADE - JUNE 2018

From	Product	MAY 2018		JUNE 2018		% Change In Volume June 2018 / May 2018	% Change In Value June 2018 / May 2018
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	67	23	0	0	-100	-100
	Sawntimber	134	201	139	335	4	67
	Plywood	4,092	8,810	6,415	13,454	57	53
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	333	521	1,850	3,043	456	484
	Plywood	3,406	4,725	3,595	4,628	6	-2
	Veneer	5,878	9,178	5,044	7,840	-14	-15

Source : Department of Statistics, Malaysia

The shipments of sawntimber from Sabah to Peninsular Malaysia increased slightly by 4% in volume from 134 m³ to 139 m³ recorded last month worth at RM335,000. Similarly, export of plywood increased sharply by 57% in volume to 6,415 m³ worth at RM13.4 million.

Trade of sawntimber from Sarawak to Peninsular Malaysia increased significantly in volume to 1,850 m³ from 333 m³ recorded last month with the

INTRA-MALAYSIA TRADE *

- JUNE 2018

worth at RM3 million. Similarly, shipment of plywood increased by 6% in volume to 3,595 m³ worth at RM4.6 million. Trade of veneer, however dropped by 14% in volume to 5,044 m³ worth at RM7.8 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in June 2018.

* Source: MTIB and Department of Statistics, Malaysia

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA JUNE 2018 (VALUE IN RM)

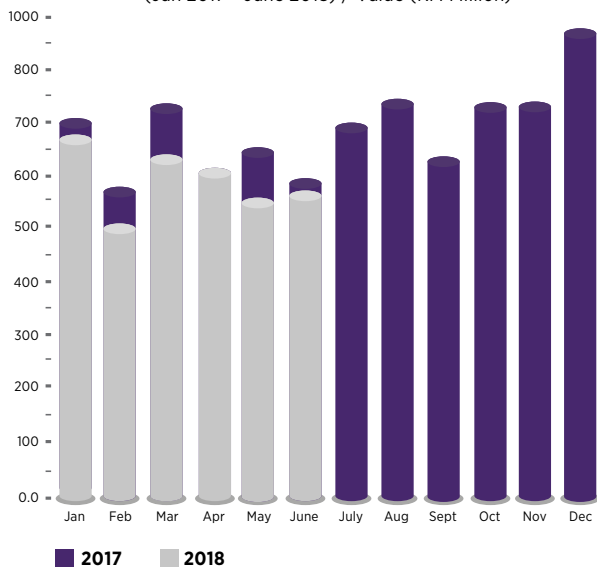
SPECIES	LOGS/tonne	SAWNTIMBER/m³			
	18" UP	GMS	STRIPS		SCANTLINGS
HEAVY HARDWOOD					
Chengal	4,500	6,850	5,403		7,486
Balau	3,000	3,178	2,684		2,743
Red Balau	2,200	3,072	2,613		3,355
Merbau	3,150	4,641	3,319		3,955
Mixed Heavy Hardwood	973	989	777		972
MEDIUM HARDWOOD					
Keruing	1,250	1,130	989		2,203
Kempas	1,820	2,401	2,295		2,331
Kapur	1,700	1,746	1,412		1,766
Mengkulang	1,350	2,189	996		2,126
Tualang	1,400	2,472	2,331		2,493
LIGHT HARDWOOD					
Dark Red Meranti	2,100	2,036	1,695		3,001
Red Meranti	1,800	2,013	1,660		2,119
Yellow Meranti	1,200	1,554	1,236		1,271
White Meranti	1,480	2,472	1,412		2,260
Mersawa	1,550	1,801	1,589		2,013
Nyatoh	1,300	1,518	1,059		1,130
Sepetir	1,370	1,695	918		1,554
Jelutong	1,100	1,780	1,215		1,730
Mixed Light Hardwood	900	918	742		1,130
MALAYSIAN RUBBERWOOD <i>Heavea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m³			
	190	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		1,130	1,369	1,530	1,768
PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm		12mm
	14.60	22.00	38.00		48.00
MDF 4' X 8' (RM per piece)	4mm	6mm	9mm		12mm
	13.50	17.15	23.30		30.40

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

* Prices are only indicative

Cont. from page 11

Malaysia : Export of Wooden Furniture (Jan 2017 - June 2018) / Value (RM Million)



Source : Department of Statistics, Malaysia

VENEER

Export of veneer for June 2018 increased by 19% in volume and 22% in value to 18,404 m³ at RM29.2 million as compared to the previous month. Exports to Taiwan and South Korea have increased by 211% and 6% to 6,745 m³ and 5,578 m³ respectively. Similarly, the Philippines has increased its intake by 39% to 1,123 m³ followed by Singapore 113% to 96 m³, Italy 100% to 80 m³, Viet Nam 100% to 55 m³ and Canada 100% to 6 m³. Contrarily, exports to China, India and Australia reduced by 37%, 69% and 13% to 3,219 m³, 148 m³ and 83 m³ respectively. On the other hand, Chile does not made any purchases this month.

The FOB price of veneer for June 2018 is at RM1,585 per m³, an increase of 2% from RM1,548 per m³ on the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports for the period of January to June 2018 decreased 15% to RM524.8 million as compared to RM616.1 million in the corresponding period last year. Export to the EU increased 7% to RM192.6 million. Export to the Netherlands, France, Denmark and Belgium increased by 208%, 66%, 44% and 15% to RM13.6 million, RM21.7 million, RM17.8 million and RM27.4 million respectively. Meanwhile, export to Sweden, Turkey, Germany, Italy and the UK decreased by 57%, 49%, 32%, 6% and 4% to RM2.3 million, RM1.3 million, RM11.9 million, RM3.9 million and RM79.6 million compared to the previous year.

In Asia, exports to Viet Nam grew 11% to RM21.9 million compared to the previous month. However, exports to Pakistan, Saudi Arabia, South Korea, India, Taiwan, the UAE, Thailand, Singapore and Japan decreased by 92%, 67%, 66%, 49%, 44%, 41%, 34%, 33% and 17% valued at

RM2.1 million, RM665.0 thousand, RM502.0 thousand, RM14.9 million, RM4.8 million, RM2.9 million, RM10.7 million, RM43.5 million and RM31.9 million respectively. However, Qatar and Bahrain did not make any purchases.

Exports to South Africa increase by 2% to RM 8.5 million compared to the previous month. Meanwhile, exports to Reunion Islands, Mauritius and Australia decreased by 98%, 40% and 7% to RM19.6 thousand, RM70.0 thousand and RM99.4 million respectively. Likewise, the US increased its intake by 1% to RM52.8 million from RM52.5 million in the previous corresponding period.

FURNITURE

Exports of wooden and rattan furniture for the period under review in 2018 decreased 8% compared to the corresponding period of 2017. Total shipment recorded RM3.6 billion against RM3.9 billion in 2017.

The US reduced its consumption by 11%, into RM1.3 billion in January to June 2018 from RM1.5 billion in the previous corresponding period. Demand from Canada decreased 13% to RM117.3 million from RM134.2 million previously. Australia also reduced its intake by 12% to RM256.9 million. In East Asia, China boosted its wooden furniture consumption by 38% with a purchase of RM109.6 million in 2018 from RM79.6 million in 2017. Meanwhile, Japan and South Korea reduced its consumption by 14% and 17% to RM249.0 million and RM49.0 million respectively. On the other hand, shipments to ASEAN region such as the Philippines improved by 30% to RM98.2 million. In contrast, Singapore reduced its intake by 2% to RM211.0 million.

Elsewhere, exports to the UAE and Saudi Arabia decreased by 23% and 16% to RM64.9 million and RM60.9 million respectively. Similarly, Kuwait and Bahrain also decreased their wooden furniture consumption by 3% and 40% to RM24.0 million and RM6.6 million respectively. In contrast, shipment to India recorded an increase of 6% to RM98.6 million.

In Europe, the UK and Belgium reduced its intake by 21% and 15% to RM184.3 million and RM17.6 million. France also have reduced their import by 5% to RM32.5 million respectively. However, export to South Africa increased 36% to RM33.5 million compared to the previous year.

Rattan furniture shipments in June 2018 recorded a negative growth with a decrease of 83.7% from RM13.5 million to RM2.3 million.

Export to Singapore, the UK and Australia decreased by 97%, 71% and 99% to RM50 thousand, RM142 thousand and RM16 thousand respectively. Similarly, other major countries did not make any purchase in June 2018. Elsewhere, exports to Belgium increased by 100% to RM44 thousand.

Cont. from page 3

was to hold a Malaysian Technical Cooperation Programme (MTCP) between MTIB and Bangsamoro Federal Business Council Ind. Philippines to discuss cooperation activities in the sector.

The delegation then proceeded to the Roundtable Discussion (RTD) with AlloyMTD Philippines Inc. (AlloyMTD). AlloyMTD a company which merges MTD (based in Malaysia) and Alloy (based in Philippines) which has a long established track record in civil engineering and construction, manufacturing, infrastructure concessions, energy, port operations, real estate & property development, and operations and maintenance (O&M). It is actively present in 13 countries which includes the UAE, the USA, the United Kingdom, Singapore, India, Thailand, Philippines and China. AlloyMTD has successfully completed the construction of the 36-kilometre South Luzon Expressway in the Philippines.

The RTD was chaired by Engr. Isaac S. David, President of AlloyMTD and also present was the management team of AlloyMTD. The discussion was graced by the YBhg. Dato' Dr. Jalaluddin, who highlighted the purpose of the mission which also promoted collaboration in the commodity sector between the Philippines and Malaysia.

During the RTD, AlloyMTD gave a presentation entitled "The Opportunities in Construction Industry in the Philippines" which provided information

regarding the National Government Administrative Centre (NGAC) project that will be developed in New Clark City, Tarlac, Philippines. The development of New Clark City is inspired by the development of Putrajaya, Malaysia's administrative centre. The Philippines government also intend to transfer its administrative centre from Manila City to New Clark City, Tarlac.

The ground-breaking ceremony of the NGAC project was held on 23 January 2018 and the overall development is expected to be completed within 10 years starting from 2018. Phase 1 of this project comprises the construction of 500 athletes' dormitory and stadium with a capacity of 20,000 people which is expected to be completed in August 2019. This development project also includes the construction of aquatic centres, government offices and 600 government housing units.

A Memorandum of Understanding (MoU) between Certified Timber & Credible Suppliers Global Sdn. Bhd. (CTCS) and AlloyMTD was signed during the roundtable discussion. Under the MoU, CTCS is responsible for coordinating works that include supply, delivery, installation and monitoring of products supplied by the vendors. The products involved are furniture and interior finishing equipment.

The delegation also visited CW Home Depot and



MoU signing ceremony between CTCS Global Sdn. Bhd. and AlloyMTD Philippines Inc. witnessed by H.E. Dato' Razlan Abdul Rashid.

Cont. from page 15

CLC Marketing Ventures. At CW Home Depot, the delegates were warmly greeted by Mr. Napoleon Co., President of CW Home Depot. The company was established in 2003 and is a joint venture between Cebu Overseas and Hardware Inc. and Westpoint Industrial Company Inc. Mr. Napoleon briefed the delegates on the operations of the company and its future development. He noted that the company emphasises on the Home Builders' Superstore, its D-I-Y section, the Home Interior Superstore, the Home Appliance Superstore and a roster of Specialty Stores. After the briefing session, the delegates were taken on a tour around the showroom.

The delegation then visited CLC Marketing Ventures (CLCMV) where they were welcomed by Mr. Charles Lester Ching, Chief Operating Officer and Mrs. Mira L. Villamayor, Vice President of CLCMV. The company was established since 1983 and is located in Quezon City. CLCMV emphasises on HOME SUITE (furniture for the home), Giant Carriers (infant furniture), Furnicorn (restaurant needs), Espacio (condominium requirements & accessories) and the Anthro Office Systems for modular partitions, desking systems

& office seatings. After the briefing session, the delegates were also taken to tour around the factory and the showrooms.

Overall, the mission had been successfully executed according to its objectives. The Philippines offers great potential to could be further explored by Malaysian timber entrepreneurs. Therefore, Malaysian timber and furniture exporters were urged to gain the competitive advantage in terms of price, design and quality to compete with other producers such as China and Viet Nam. In addition, Malaysian exporters are also encouraged to produce furniture that are conceptually "DIY" in order to enhance the market share of Malaysian furniture in the Philippines.

The Malaysian companies involved in the mission were Meranti Furniture Sdn. Bhd., Malpro Industri Sdn. Bhd., Regal Bonus (M) Sdn. Bhd., Signivest Respurces Sdn. Bhd. and DG Global Resources Sdn. Bhd. CTCS was represented by Encik Ahmad Shah Mohamad, Puan Nurul Aida Nazri and Puan Nadrahtul Aiman Sufian while MTIB was represented by Puan Rahilah Yusof from Trade Development.



The group at CW Home Depot.



NEW MINISTER

MINISTRY OF PRIMARY INDUSTRIES

YB Teresa Kok, is the incumbent Member of Parliament for Seputeh constituency from the Democratic Action Party (DAP), a component in the Pakatan Harapan (PH) coalition. She was nominated and served as the Minister of Primary Industries since 2 July 2018 after Pakatan Harapan won the Malaysian general election in 2018.

She obtained her first degree from Universiti Sains Malaysia, graduating in the School of Communication, and; a second degree from University Malaya in Political Science, and a master of Philosophy.

NEW DEPUTY MINISTER

MINISTRY OF PRIMARY INDUSTRIES

YB Shamsul Iskandar bin Md. Akin, is the current Member of Parliament for Hang Tuah Jaya; earlier Bukit Katil before 2018 delineation, in Malacca state. He is the Vice-President of the Parti Keadilan Rakyat (PKR).

For his primary education, he went to Sekolah Kebangsaan Kesang Tua. He received his secondary education at Sekolah Menengah Kebangsaan Agama Sultan Muhammad, Melaka before later completing his Upper Secondary at Sultan Alam Shah Islamic College (KISAS). He obtained his Law degree at International Islamic University Malaysia. In the university, he was the President of the ASEAN Law Students Association (ALSA) and also the Pro-tem Chairman of Malaysian Law Students Association (MALSA).

Following the victory of Pakatan Harapan in 14th General Election, he was appointed as a Member of Cabinet assuming the role of Deputy Minister of Primary Industries under the new government led by Prime Minister, Tun Dr. Mahathir Mohamad. At the international level, YB Shamsul Iskandar is also a Board Member of The Parliamentary Network on the World Bank & International Monetary Fund.



NEW SECRETARY-GENERAL

MINISTRY OF PRIMARY INDUSTRIES



YBhg. Datuk Zurinah Pawanteh has been appointed as the new Secretary-General of Ministry of Primary Industries (MPI). She succeeds YBhg. Datuk K. Yogeesvaran effective 1 July 2018.

Before assuming her current post, she was previously Deputy Secretary-General (Commodity Plantation Sector), MPI; Deputy Secretary-General (Strategic Planning and Management), MPI. She has served in MPI for five years since 2013.

Datuk Zurinah, holds a Master of Business Administration (MBA) from UiTM; Bachelor of Science, Texas Tech. University, USA; Advanced Diploma in Public Administration, INTAN. Based on her excellence in service, she has received several awards including the Panglima Mahkota Wilayah (PMW), 2018; Anugerah Perkhidmatan Cemerlang, 2003; Best Graduate Student Award (MBA) UiTM, 2006; and Pingat Ahli Mangku Negara (AMN), 2009.

NEW CHAIRMAN OF MTIB

YB Wong Tack has been appointed as the new Chairman of MTIB. He succeeds YB Anyi Ngau effective from 27 July 2018. YB Wong Tack completed his education in Bachelor of Environmental Planning, University of NSCAD, Nova Scotia, Canada. He is the current Member of Parliament for Bentong, Pahang.

Prior to his appointment as MTIB Chairman, he was Environmental Planning Consultant at Lura Consulting, Halifax, Nova Scotia, Canada; Managing Director of Marvellous Resources Sdn. Bhd., Sabah; Chairman of Himpunan Hijau - a grassroots movement championing environmental justice that has successfully mobilised millions of Malaysians from not only Malaysia but across the world.

YB Wong Tack has expertise for analysing and developing sustainable plans for land use according to geographical condition and location through environmental impact assessment with the consideration given to stakeholders (natural environment and its ecosystems, social, political and economic factors) to achieve a holistic framework for sustainable development.

MASKAYU congratulates YB Wong Tack on his appointment as the current Chairman and thanks YB Anyi Ngau for his leadership and guidance during his tenure as the preceding Chairman.



TECHNICAL MISSION EXPLORES AUSTRALIAN TIMBER MARKET

news



Discussion at SPS Corporation.

In an effort to boost Bumiputera participation in the furniture and timber export market, MTIB recently organised a Technical Mission and Timber Entrepreneur Development Programme to Melbourne, Australia from 17 to 23 July. The mission aimed at promoting Malaysian timber products to the Australian market as well as assessing the latest development in the Australian timber market to gauge the opportunities it offers for Malaysian timber products.

Australia is an important market for Malaysian timber products particularly furniture, builders carpentry and joinery (BJC) and mouldings. In 2017, Malaysia exported a total of RM1.16 billion worth of timber products to Australia of which 51% or RM588.6 million were accounted for by wooden furniture, 18% or RM205.1 million by BJC and 11% or RM124 million by mouldings. Malaysia also imports a significant amount of timber products from Australia. In 2017 the imports totalled RM208.2 million comprising mainly veneer at RM144 million (69%) and sawntimber at RM59.3 million (29 %).



The group at MATRADE, Melbourne.

Cont. from previous page

During the visit to MATRADE, the delegation was briefed by Puan Jamilah Ibrahim, Malaysian Trade Commissioner in Melbourne, on the Australian market outlook followed by Puan Hj. Noor Laila Mohamed Halip, MTIB Deputy Director-General (Development and Commercial) on an overview of the Malaysian furniture industry. Mr. David Mackay, Senior Director of Australia's Department of Agriculture and Water Resources then spoke on due diligence system in

regulating timber products into Australia. There was a lively discussion on the due diligence system where the delegates were informed of the rules pertaining to importation of timber products into Australia. The system also available in the Agriculture Ministry's website for reference.

Business matching sessions were also conducted during the mission in which the three participating Bumiputera companies namely NSF Manufacturing Sdn. Bhd, Meranti Furniture Sdn. Bhd. and HLM Wood Products Sdn. Bhd. held business discussions with their Australian counterparts comprising Australian importers of timber products. NSF Manufacturing Sdn. Bhd. and Meranti Furniture Sdn. Bhd. are manufacturers and exporters of furniture while HLM Wood Products Sdn. Bhd. manufactures and exports Malaysian mouldings mainly truck flooring. Among the companies visited were SPS Corporation and Porta Moulding, manufacturers and importers of mouldings, and JMH Furniture, a manufacturer and importer of furniture specialising in chairs and stools.



Discussion at Setia (Melbourne) Development Company Pty Ltd.

The delegates also held talks with Setia (Melbourne) Development Company Pty Ltd. and UEM Sunrise Developments, two Malaysian property developers investing in Australia. The delegates were apprised of the potential of the Australian property market and the opportunity it offers to Malaysian suppliers of timber products. With the right strategic approach and product offerings Malaysian suppliers could potentially benefit from the ongoing projects undertaken by the two companies in Australia.

Another interesting and beneficial activity during the mission was a visit to the Australian International Furniture Fair (AIFF) 2018 and Décor + Design (D+D). AIFF is Australia's largest trade only furniture event while D+D is Australia's Number One interiors event. Both events were co-located at the Melbourne Exhibition Centre and showcased the latest in furniture innovations and designs for the commercial, residential and retail industries. NOKTA furniture, a Malaysian brand range manufactured by NSF Manufacturing Sdn. Bhd and two other Bumiputera companies was also showcased at the event. The products were well-received by visitors at the show.



Posing at the AIFF 2018 and Decor + Design (D+D).

The success of the mission could potentially pave the way for more exports of Malaysian timber products to the Australian market particularly by Bumiputera companies who are still new to the export market business. The eight-member delegation was led by MTIB officials Puan Hj. Noor Laila Mohamed Halip as the Mission Leader and Tuan Hj. Kamaruzaman Othman as the Mission Manager.

COLLOQUIUM AND WORKSHOP ON HUMAN CAPITAL TRANSFORMATION IN THE TIMBER INDUSTRY 2018

news



Attendees during the event.

MTIB was appointed as Industry Lead Body (ILB) in the wood-based industry in 2012, by the Department of Skills Development (DSD), under the Ministry of Human Resources (KSM). As an ILB, MTIB will continue to develop skilled human resources for the wood-based sector. In addition, ILB is one of the mechanisms that supports the development of human capital, as stipulated in the National Timber Industry Policy (NATIP). In line with the development of skills and human resources in the wood-based industry, MTIB through WISDEC has continued to provide industry-oriented skills training for the industry. WISDEC also facilitates technology transfer and technical advice on furniture production technologies and value-added wood products.

To further enhance the development of human capital in the wood-based industry, Universiti Teknologi MARA (UiTM) with cooperation from MTIB, Universiti Putra Malaysia (UPM) and Politeknik Sultan Salahuddin Abdul Aziz Shah organised a Colloquium and Workshop on Human Capital Transformation in the Timber Industry on 10 July in Shah Alam, Selangor. The programme was officially opened by YBhg. Prof. Dr. Haji Mohamad Kamal Haji Harun, Deputy Vice-Chancellor (Academic and International), UiTM. YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General was invited to

deliver a keynote speech. In his speech, YBhg. Dato' Dr. Jalaluddin noted that the programme was part of the Strategic Plan of Human Capital Development in the Timber Industry (2018-2025).

The colloquium and workshop focused on the issues, challenges and way forward for human capital development in the timber industry under the Cluster of Higher Education Institutions. The topics presented in the workshop were as follows:

- The Wood-based Programme is Still a Relevant Programme in Malaysia, presented by Assoc. Prof. Dr. Mohd Ariff Jamaludin from UiTM, Shah Alam.
- Timber Sector in Malaysia: A Sunrise Industry by YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General.
- Career Path for Students in the Market with the Collaboration of the Furniture Industry by Encik Albert Khoo from Kuala Lumpur Selangor Furniture Industry Association (KLSFIA).

The workshop session was facilitated by Assoc. Prof. Dr. Mohd Ariff Jamaludin. There were 170 participants at the workshop comprising MTIB officers and representatives from government agencies, universities, both public and private skills training institutions, and the industry.



Discussion among participants.

SEMINAR ON INNOVATION AND STANDARDISATION OF BAMBOO INDUSTRY

news



Delegation members at Bamboo Winding Composite Research Centre in Deqing County.

Known as “the kingdom of bamboo”, China is indeed pioneering in terms of the variety of bamboo species, large forest bamboo acreage, the extensive production of bamboo products and its international trade. China is also a major player in bamboo technology development. It is reported to own over 8,000 bamboo related patents and 158 national and industrial standards, taking up 50% and 85% of the world’s bamboo standards respectively.

In recognition of China’s blooming bamboo industry as well as to disseminate information among INBAR member countries, International Network and Rattan (INBAR) and the International Centre for Bamboo and Rattan (ICBR) organised a seminar on Science and Technology Innovation and Standardisation of Bamboo Industries for the Belt and Road Countries from 5 to 25 July in Beijing, China.

The three week seminar was part of INBAR’s

commitment to South-South Cooperation. This seminar aimed to enhance the understanding of senior government officials from developing countries, and promote the sustainable development of bamboo industries and fair trade.

Sponsored by the Ministry of Commerce of China, the seminar was attended by over 40 government officials from eight countries; Malaysia, Colombia, Ghana, Lao PDR, Liberia, Nepal, Sri Lanka and Uzbekistan. The seminar focused on technological innovations of the industry and its standardisation. The topics discussed were an overview of bamboo resources, bamboo’s role in poverty eradication and increasing income, China standardisation system and its development, the development and standardisation of bamboo and rattan products, bamboo innovative construction and standardisation, ISO bamboo standardisation, and relevant custom codes and international trade informations.

WOODEN FURNITURE MARKET IN COLOMBIA

news

Introduction

Colombia is the third largest populated country in Latin America (48.7 million inhabitants) and 75% of its population is defined as urban. Recovering oil prices and infrastructure investment, along with improved private consumption growth, will help to lift GDP growth to 2.5% in 2018 and to an average of 3.3% in 2019-2022, with expansion driven mostly by domestic demand. GDP per capita in 2017 was estimated at USD14,418.

Market Trend

Despite its potential as a timber producer, Colombia has not developed its wooden furniture industry. With the exception of a few large-sized manufacturers, most of the industry is integrated by micro establishments. Although China has been decreasing its market share, it still dominates the wooden furniture import market in three categories; dining tables & other wooden furniture, upholstered wooden frame seats, and non-upholstered wood frame seats, while Brazil has displaced China as the dominant supplier of wooden bedroom furniture, whereas Italy has maintained its position as the top supplier of wooden kitchen furniture, and the US has displaced China as the main supplier of wooden office furniture.

Malaysia is competing in five of the six furniture categories:

- Dining Tables & Other Wood Furniture (ranked as the eighth largest supplier and holding 3.0% of import market share),
- Wooden Bedroom Furniture (ninth largest supplier and 1.8% of market share),
- Wooden Kitchen Furniture (third largest supplier and 15.5% of market share),
- Wooden Office Furniture (sixth largest supplier and 1.3% market share, and,
- Upholstered Wooden Frames (sixth largest supplier and 2.4% of market share).

The latest available figures for the period January-May 2018 indicate a recovery of Malaysian wooden furniture exports registering USD0.410 million, an increase of 18.8% compared to same period of last year. It is a significant increase considering that during the same period of 2018 the overall import market for wooden furniture in Colombia decreased by 30.9%.

According to some distributors contacted, the products with the highest potential are Ready-To-Assemble (RTA), wooden bedroom and home office furniture. Most attractive market segments are the low to medium high income consumers. Urban Colombians prefer contemporary design furniture. Although price is the main purchasing factor for the low and medium income segments, quality and design are very important. Retail specialised stores continue to be the main avenue to reach consumers. There are also some hypermarkets and home improvement stores such as Carrefour, Pricemart, Falabella, Muebles Jamar, Exito, Tugo, Sodimac, and INVAL which mainly distributes RTA home and office furniture.

In view of the market competition and cost pressure, an increasing number of medium and large sized Colombian companies are now sourcing furniture from Asia. Many of these Colombian companies employ the services of sourcing agents with offices in China or major distributors operating in Panama that handle merchandises coming from Asia. The appointing of a local agent is another option for foreign suppliers intending to develop a long term market presence and service customers more closely.

Market Access

- The import duty is calculated on the Malaysia plant value (invoice) of the product(s) plus the freight charges to the destination point and any other costs listed separately on the invoice and paid by the importer such as export packing. A

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In addition to the seminar, trips were organised to China Bamboo Towns in Anhui and Zhejiang Provinces, as well as an invitation to attend the International Seminar on Bamboo Standardisation in Beijing, China.

MTIB was represented by Puan Norhazaedawati Baharuddin from Fibre and Biocomposite Centre (FIDEC). 



Discussion among participants and company representative during the visit to Zhuyixuan Bamboo Carving and Handicraft in Anhui Province.



At the Jitai Machinery Company Limited in Anji County.



Bamboo-based products.

Timber News

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19% VAT is then assessed to the cumulative invoice value. VAT is recovered at the point of sale.

- Wooden furniture products from Malaysia enter Colombia will be accessed with MFN import duty as follows:

MFN Import Duty for Malaysia's Exports of Wooden Furniture

Products	HS Code	MFN Import Duty
Other Wooden Furniture	9403608080	15%
Wooden Dining Tables	9403608040	15%
Wooden Bedroom Furniture	940350	15%
Wooden Kitchen Furniture	940340	15%
Wooden Office Furniture	940330	15%
Upholstered seats with wooden frames	940161	15%
Other seats with wooden frames	940169	15%
Parts of wooden furniture	94039001	15%

For further information or any enquiry, please contact **MATRADE Miami** at miami@matrade.gov.my 

TIMBER TRADE: EXPLORING BUSINESS OPPORTUNITIES WITH PAKISTAN



Pakistan, officially the Islamic Republic of Pakistan is the sixth-most populous country with a population exceeding 200 million. Pakistan is the 33rd-largest country, spanning 881,913 square kilometres (340,509 square miles) with a 1,046-kilometre (650-mile) coastline along the Arabian Sea and Gulf of Oman in the south and is bordered by India to the east, Afghanistan to the west, Iran to the southwest, and China in the far northeast. It is separated narrowly from Tajikistan by Afghanistan's Wakhan Corridor in the northwest, and also shares a maritime border with Oman.

Economy Outlook

Pakistan has made great strides in improving its economic outcomes and reducing its macroeconomic vulnerability in the recent years. As a result economic growth has continued to gain traction, albeit at varying speeds across the sectors, founded on the Pakistan Government's commitment to higher growth and low inflation. The size of Pakistan's economy stood at USD313.13 billion at the end of June 2018, according to State Bank of Pakistan (SBP), the country's central bank, as a weaker currency took toll on gross domestic product (GDP) in dollar terms. Pakistan's GDP growth has gradually increased since 2012, and was 5.3% in 2017 and worth USD 304.95 billion, and the economy registered a 13-year high GDP growth rate of 5.8% in 2018. Pakistan is a developing country and is one of the Next Eleven, the eleven countries that have a potential to be among the world's large economies in the 21st century. This achievement is remarkable as it has been accomplished in the face of global head winds. This year's strong economic growth has been underpinned by supportive macroeconomic supply and demand policies, renewed confidence in the private sector and fiscal discipline.

The World Bank in its report has stated that Pakistan's economic growth supported by major infrastructure projects, greater inflow of foreign investment namely from the China-Pakistan Economic Corridor (CPEC) and low interest rates. CPEC, launched in 2015, is a planned network of

roads, railways and energy projects linking China's resource-rich Xinjiang Uyghur Autonomous Region with Pakistan's strategic Gwadar Port on the Arabian Sea. It is a major component of Beijing's broader Belt and Road Initiative. With a budget of USD62 billion, Pakistan believes CPEC investments will enable growth rates of over 6% of GDP by laying the groundwork for increased exports. In addition, the government of Pakistan has been able to get GSP Plus preferential tariffs scheme renewed from the EU for the next two years which will help boost exports, going forward.

Forest Management

Pakistan is home to some of the world's most unique forests, including Juniper, Deodar, Oak, Chilgoza Pine and Mangrove forests. The Pakistani forests include state-owned forests which covers 1.29 million hectare and communal forests & privately owned forests that covers 3.1 million hectare located primarily in the Khyber-Pakhtunkhwa (KPK) and Punjab. Major species found in the country's natural forests are Fir (*Abies*), Spruce (*Picea*), Deodar (*Cedrus deodara*), Blue Pine (*Pinus wallichiana*), Chir Pine (*Pinus roxburghii*), Chilgoza (*Pinus gerardiana*) and Juniper, as well as broad-leaved species like Oak (*Quercus*), Maple (*Acer*), Walnut (*Juglans regia*), Poplar (*Populus*) meanwhile in irrigated plantations, species such as Sheesham (*Dalbergia sissoo*), Mulberry (*Morus Alba*), Bakain (*Melia azadarach*) and Semal (*Bombax ceiba*) are grown for timber.

The forests of Pakistan are the main source of lumber, paper, fuelwood, latex, medicine as well as human and animal food. The forests also provide for ecotourism and wildlife conservation purposes.

Pakistan has a forest cover of 4.4 million hectares or 5% of its total land area. In 2017, forestry sector showed 14.5% growth, which exceeds its 3% annual target.

Pakistan : Forest and Land Area, 2012-2016

Year	2012	2013	2014	2015	2016
Forest Area Sq. km	16,440	16,010	15,580	15,150	14,720
Land Area Sq. km	770,880	770,880	770,880	770,880	770,880

Source: Atlas Pakistan

Pakistan is set to approve its first ever National Forest Policy which aims to protect and promote the wise use of national forests, protected areas, natural habitats and watersheds. These ecological zones have immense significance and their restoration can improve livelihoods and human welfare. The National Forest Policy has recently been approved by the Council of Common Interests and experts believe that once enacted into law, the policy will help establish a national forest monitoring mechanism, halt deforestation and assess the amount of carbon stored in trees.

Pakistan has taken various efforts to curb illegal logging and deforestation. There are four major Initiatives to protect its forests such as REDD+ initiative, Green Pakistan Programme, South Punjab Forest Company and Billion Tree Tsunami project. REDD+ initiative will be implemented in three phases – readiness, piloting and results-based payments. The third phase is set to begin in 2020, leading to result-based payments to forest communities for their efforts in protecting trees. Another measure taken is the launching of Green Pakistan Programme worth Rs3.7 billion on 9 February 2017 which aims to plant 100 million indigenous tree species to conserve and promote flora all across the country. Through Green Pakistan Programme, 100 million trees will be planted which will not only help improve the forest cover but also contribute to meeting the domestic demand for wood sustainably.

Recently, Government of Punjab has established South Punjab Forest Company (SPFC) to promote sustainable forest management through Public Private Partnership. The initiative is a unique example of combining forest conservation with sustainable economic development. Promoting sustainable forest management is part of United Nation's Sustainable Development Goals which Pakistan has committed to achieve. In addition

to accomplishing this goal, it is hoped that SPFC will help decrease foreign deficit by reducing the demand for imported wood by the local industry. The Khyber-Pakhtunkhwa government initiated a unique forestry programme called the Billion Trees Tsunami Afforestation Project to increase forest cover in the province. The project will reach its target of one billion trees in K-P by 2017 – earlier than the initial deadline of 2018. It has so far planted 750 million trees across the province and created job opportunities for 500,000 people. The initiative has also led to unprecedented natural regeneration in K-P's forests up to 2,300 plants per hectare. The project has been recognised as the fourth biggest initiative of afforestation/reforestation in the world and is the only provincial initiative to be recognised under the Bonn Challenge – a voluntary initiative to restore 150 million hectares of the world's deforested and degraded land by 2020 and 350 million hectares by 2030.

Timber Outlook in Pakistan

Pakistan has limited timber resources. It is estimated that Pakistan's per capita timber consumption is 0.08 m³ and per capita fuel wood consumption is 0.205 m³. Currently, total timber consumption is estimated at 59.22 million m³ for the population of 207.77 million in 2017. It is forecasted that timber consumption will be at 55.64 million m³ and 59.44 million m³ by 2020 and 2025 respectively. Major requirement of timber is being met from farmlands plantations (91.4%) followed by imports (5.22%) and state forests (3.34%). Prices for local timber have increased 100% within one decade (on average 10% annually) whereas imported timber prices have increased by 40% within two years (approximately 20% annually). This is due to the increase in global wood demand and timber prices and devaluation of Pakistani rupee.

The construction industry is the largest single user of roundwood in Pakistan, consuming about 30% of the total. Builders purchase logs or scant (squared timber) and convert them according to their needs. Pakistan has more than 8,000 sawmills, employing an average of four or five people and processing 2-5 m³ per day. The most common sawmills products are fruit boxes and crates, which are manufactured by units attached to the mills. Wood is considered a valuable resource and any solid waste is carefully re-sawn for manufacture of smaller products with leftovers finally sold as fuelwood. The annual raw material requirement for particle board and fibreboard was estimated by the Forestry Sector Master Plan (FSMP) at a constant 22,000 m³ per year. Although the construction industry has begun to use particleboard, the bulk is used by large

furniture makers. Due to limited current demand and manufacturers apprehensions about future demand, plants currently operate at an average of only 48% capacity although most have sufficient wood supply. Fibreboard industry in Pakistan is relatively small and may be used as a substitute for plywood, which costs four times more than fibreboard. Fibreboard plants, nevertheless, only operate at 23% of installed capacity and the fibreboard industry is stagnant.

Timber Production

According to the latest statistics from FAO, Pakistan produces about 3.94 million m³ of timber in 2016. Details of the production are as described in the table below:-

Pakistan : Production of Timber Products, 2012-2016

(Volume: m ³)					
Product	2012	2013	2014	2015	2016
Sawlogs and Veneer Logs	2,023,000	2,023,000	2,023,000	2,023,000	2,023,000
Sawntimber	1,381,000	1,381,000	1,381,000	1,381,000	1,381,000
Veneer	217,000	217,000	217,000	217,000	217,000
Plywood	174,000	174,000	174,000	174,000	174,000
Particleboard	76,000	76,000	76,000	76,000	76,000
MDF/HDF	67,000	67,000	67,000	67,000	67,000
Total	3,938,000	3,938,000	3,938,000	3,938,000	3,938,000

Source: FAO

Pakistan's Export of Timber and Timber Products

In 2017, Pakistan has exported about USD43.10 million worth of timber and timber products. It is a decrease of 8% from USD46.90 million in 2016. Fibreboard remains the major contributor to Pakistan exports at USD34.29 million followed by furniture and parts at USD4.14 million and plywood at USD1.45

million. Afghanistan is the major export market for Pakistan's timber and timber products with USD38.97 million in 2017. This is followed by Saudi Arabia (USD765,000), Australia (USD524,000), UAE (USD436,000) and USA with exported value of USD392,000.



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Pakistan : Export of Timber and Timber Products, 2013-2017

(Value: USD '000)

Code	Product	2013	2014	2015	2016	2017
4411	Fibreboard	36,340	41,235	35,190	35,194	34,285
4412	Plywood	4,387	5,504	4,288	1,763	1,450
4414	Wooden Frames	85	105	187	356	630
4420	Wood Marquetry	773	819	715	546	620
4419	Tableware and Kitchenware	680	1,305	1,346	932	593
4418	BJC	2,722	1,670	1,124	805	425
4421	Articles of Wood	2,047	1,688	1,265	838	408
4415	Packaging	4,673	958	1,388	808	216
4405	Wood Wool and Flour	1	0	0	22	89
4401	Fuel Wood	20	22	17	80	84
4410	Particleboard	795	401	173	151	60
4409	Mouldings	6	12	9	7	35
4417	Tools, Bodies and Handles	71	15	46	24	35
4413	Densified Wood	1	0	9	1	15
4408	Veneer	47	577	37	9	14
4406	Railway Sleepers	7	50	41	25	5
4402	Wood Charcoal	0	0	26	40	0
4403	Logs	0	0	0	26	0
4404	Hoopwood	22	0	87	26	0
4407	Sawntimber	5	6	3	28	0
4416	Casks and Barrels	0	0	2	2	0
9403	Furniture and Parts	6,666	7,507	6,622	5,218	4,139
TOTAL		59,348	61,874	52,575	46,901	43,103

Source: UN - Comtrade

Pakistan's Import of Timber and Timber Products

The country depended on imports from over 70 countries for local consumption. In 2017, Pakistan has imported about USD242.65 million worth of timber and timber products. Its top five major

suppliers are the USA, China, Malaysia, Canada and Germany. Sawntimber still remains the top timber products imported by Pakistan with a total value of USD93.25 million, followed by fibreboard (USD49.74 million), logs (USD38.72 million) and furniture & parts (USD28.51 million).



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Pakistan : Import of Timber and Timber Products, 2013-2017

(Value: USD '000)

Code	Product	2013	2014	2015	2016	2017
4407	Sawntimber	50,371	75,702	73,542	82,276	93,254
4411	Fibreboard	35,630	40,251	48,677	55,118	49,740
4403	Logs	11,473	14,800	24,519	37,122	38,715
4412	Plywood	2,811	3,286	5,934	7,516	9,475
4418	BJC	2,618	4,791	7,213	7,836	9,447
4408	Veneer	2,609	3,010	3,272	3,737	3,563
4421	Articles of Wood	989	1,639	1,757	2,289	3,342
4410	Particleboard	1,627	1,470	1,224	2,372	1,708
4420	Wood Marquetry	471	707	988	913	1,094
4404	Hoopwood	507	817	924	660	804
4419	Tableware and Kitchenware	225	400	484	538	770
4413	Densified Wood	284	299	244	453	642
4402	Wood Charcoal	119	220	309	449	555
4417	Tools, Bodies & Handles	19	53	74	131	258
4401	Fuel Wood	90	151	210	210	231
4415	Packaging	29	544	87	159	147
4409	Mouldings	59	88	44	45	111
4405	Wood Wool & Flour	31	0	27	200	107
4414	Wooden Frames	122	111	118	92	100
4416	Casks & Barrels	356	0	0	1	53
4406	Railway Sleepers	0	39	21	321	27
9403	Furniture & Parts	7,762	9,941	11,551	15,004	28,509
TOTAL		118,202	158,319	181,219	217,442	242,652

Source: UN-Comtrade

Malaysia's Export of Timber and Timber Products to Pakistan

Despite being one of one of the most geo-strategically important countries in the world, Pakistan has been faced with myriad challenges in political and economy. It has taken a toll in

Malaysia bilateral timber trade with Pakistan. In 2017, Malaysia exported RM 130.20 million worth of timber and timber products, a decrease of 23% over 2016. Fibreboard is the major product exported to Pakistan with RM63.99 million followed by BJC RM30.62 million and sawntimber RM29.52 million.



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Malaysia : Export of Timber and Timber Products to Pakistan, 2013-2017

(Value: RM FOB)

Product	2013	2014	2015	2016	2017
BJC	25,513,544	34,377,040	46,219,356	54,116,621	30,624,358
Chipboard/Particleboard	1,376,394	1,257,190	2,618,501	2,490,346	2,834,006
Fibreboard	37,852,596	50,276,939	78,227,731	67,729,031	63,998,436
Fuel Wood	-	56,378	136,854	163,920	155,840
Logs	-	313,906	163,107	169,516	192,565
Other Articles of Wood	-	-	-	41,264	-
Packing Cases	-	-	-	187,426	-
Plywood	450,384	861,031	881,206	823,298	953,174
Pulp	52,473	49,548	-	-	49,651
Rattan Furniture	21,956	6,000	-	138,655	-
Rattan Whole And Splits	-	-	-	29,579	217,733
Sawntimber	14,975,247	20,192,876	32,964,502	40,990,398	29,515,956
Sleepers	-	-	-	-	133,664
Wood Wool and Wood Flour	-	-	52,229	726,400	245,805
Wooden Furniture	964,514	589,931	2,169,171	1,556,597	1,276,536
Total	81,207,108	107,980,839	163,432,657	169,163,051	130,197,724

Source: DOSM/MT

Malaysia's Import of Timber and Timber Products from Pakistan

Pakistan market share of timber and timber products are quite small in Malaysian market and it shows a downward trend since 2013. In 2017, Malaysia imported timber and timber products from Pakistan valued at RM376 thousand, a decrease of

88% compared to 2016. Wooden furniture is the major product imported from Pakistan valued at RM246 thousand followed by wood marquetry RM79 thousand and other articles of wood RM50 thousand.

Malaysia : Import of Timber and Timber Products from Pakistan, 2013-2017

(Value: RM)

Product	2013	2014	2015	2016	2017
Other Articles Of Wood	52,391	75,403	51,210	-	50,599
Rattan Furniture	-	-	-	2,360,804	-
Sawntimber	-	-	-	258,734	-
Wood Charcoal	-	-	-	13,450	-
Wood Marquetry	136,025	149,199	111,106	147,587	79,236
Wood Wool & Wood Flour	-	7,183	-	-	-
Wooden Frame	5,684	-	-	-	-
Wooden Furniture	441,756	531,690	421,143	437,371	246,315
Total	635,856	763,475	583,459	3,217,946	376,150

Source: DOSM/MTIB

Import Tariff

Malaysia and Pakistan established the Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA) on 8 November 2007 and came into force on 1 January 2008. According to MPCEPA, Pakistan's import duty on timber and timber products ranges from 0% - 20%. Details are as below:-

Code	Product	MFN (%)	MPCEPA (%)
4401	Fuel Wood	3	0-2
4402	Wood Charcoal	3	0-2
4403	Logs	3	0-2
4404	Hoopwood	3	0-2
4405	Wood Wool and Flour	3	0-2
4406	Railway Sleepers	3	0-2
4407	Sawntimber	3	0-2
4408	Veneer	11	0-15
4408.9010	Wood Slate	3	0-5
4409	Mouldings	16	0-15
4410	Particleboard	16	0-15
4411	Fibreboard	11-16	0-15
4412	Plywood	20	0-20
4413	Densified Wood	3	2
4414	Wooden Frames	20	20
4415	Packaging	20	0-20
4416	Casks and Barrels	20	20
4417	Tools,Bodies and Handles	20	0-20
4418	BJC	20	0-20
4419	Tableware and Kitchenware	20	20
4420	Wood Marquetry	20	0-20
4421	Articles of Wood	20	0-20
9403	Furniture and Parts	20	0-20

Source: MITI & Pakistan Customs

the two countries such as construction materials for planned network of roads, railways and energy projects under the CPEC projects.

Being an open economy with no restrictions, Malaysian firms and contractors could take advantage of this environment and benefited by entering through joint ventures with Pakistan's counterpart. In this context, frequent exchange of trade delegation, regular exchange of trade information and organising of single country exhibition will be instrumental to enhance the trade between Malaysia and Pakistan. Furthermore, the manufacturing and construction sectors are amongst the major sectors contributing to Pakistan economy, thus it should be fully capitalised by Malaysian timber exporters through forging closer alliance and strategic partnerships with Pakistan timber and furniture importers and exporters in order to enhance Malaysian existing market share in Pakistan.

Malaysia should find ways to improve the export of timber and timber products to Pakistan such as participating in Pakistan timber and furniture trade shows and enhance business networks with their Pakistan counterparts. Malaysian exporters are thus strongly encouraged to take advantage of the good prospects of the market through maximising the opportunity offered with multiple transportation and railway projects under CPEC to increase Malaysian timber product and furniture market share in Pakistan.

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Prospects

Pakistan will continue to be a net importer of panel products such as BJC and fibreboard from Malaysia for its construction and manufacturing industry. There are considerable untapped potential to enhance the two-way commerce and broaden the narrow range of products being traded between

Courtesy visit to the office of Chief Minister of Melaka on 5 July 2018. YAB Tuan Hj. Adly bin Zahari, Chief Minister of Melaka (third from left) posing with YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (second from left) and MTIB officials.



YB Datuk Ahmad Yakob, Menteri Besar of Kelantan (second from left) viewing the timber samples at the MTIB booth during a fair held on 19 July 2018, Bandar Jeli, Kelantan. The fair was held in conjunction with the 47th International Forest Day Celebration (2018) at Kelantan State Level.



Sabah Economic Development Corporation (SEDCO) officials visiting MTIB, Kuala Lumpur on 26 July 2018.

Courtesy visit by MTIB officials to the office of YB Datuk Seri Panglima Wilfred Madius Tangau, Deputy Chief Minister of Sabah on 12 July 2018 in Kota Kinabalu, Sabah.



MTIB officials visiting Sabah Timber Industries Association's office on 12 July 2018 in Kota Kinabalu, Sabah.