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WOOD & LIFESTYLE FAIR (WLF) 2018

RECONNOITRE BUSINESS OPPORTUNITIES
WITH SOUTH KOREA



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MALAYSIAN TIMBER INDUSTRY BOARD



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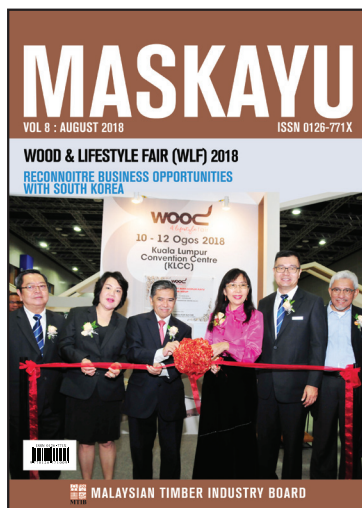
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YB Puan Teresa Kok,
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WLF 2018 at KLCC.
Details on pages 3
and 15.



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WOOD & LIFESTYLE FAIR (WLF) 2018

news



YB Puan Teresa Kok, Minister of Primary Industries signing on a plaque after officiating WLF 2018.

The Wood & Lifestyle Fair (WLF) 2018 was, for the first time, held in conjunction with the Malaysian Furniture & Furnishings Fair (MF3) at the Kuala Lumpur Convention Centre (KLCC), Kuala Lumpur from 10 to 12 August. It was also the first time that the organisers of both fairs namely MTIB for WLF and the Kuala Lumpur & Selangor Furniture Association (KSFA) for MF3 collaborated in a joint effort to take advantage of the synergistic effect of such collaboration. The third edition of the WLF was held at Hall 4 while the three other halls were occupied by MF3 exhibitors. With 24 participating companies occupying about 700 square metres of exhibition area, the WLF was able to draw a large crowd to the uniquely-styled wooden furniture showcase ranging from traditional to modern designed furniture. The range of furniture products showcased at the fair also highlighted the beauty, elegance and versatility of Malaysian timbers in furniture making.

Aimed to assist in the development of Small and Medium-sized Bumiputera Enterprises (SMEs), the WLF provided a platform for these furniture entrepreneurs to promote their products in the domestic market in order to pave the way for subsequent foray into the international market. In addition, the Fair was also an avenue for the SMEs to showcase their products to gain access to retail outlets and participate in premium contracts with Government-Linked Companies (GLCs), the corporate sector and residential developments. The collaboration with MF3 will further enhance the profile of WLF as a premier furniture fair for Bumiputera furniture companies in Malaysia.

YB Puan Teresa Kok, Minister of Primary Industries, who officiated at the MF3 opening ceremony, said in her speech, that the furniture industry was full of vitality, especially wooden furniture which contributed an export earning of RM8.1 billion in 2017.



CHINA

Manufacturers Adjust to New Environmental Protection Policy

According to the Chinese government's environmental policy called the "Three-Year Plan on Defending the Blue Sky", industrial enterprises in Beijing, Tianjin and Hebei Provinces will be required to present plans for 'green' production lines by the end of September 2018.

High-risk enterprises including foundries, home furnishing producers, wood-based panel producers, paper makers, and chemical plants in 28 cities will be required to stop production to undertake refurbishment between 1 October 2018 and 31 March 2019. Forest industry enterprises will be affected by this new policy of environmental protection and face huge challenges.

ITTO/Fordaq, 30 August



FRANCE

Building Sector Growth Boosts Wood Industry

According to Eric Toppan from the inter-professional organisation France Bois Forêt, the wood industry in France has been boosted by growth in the building sector, which represents about two thirds of the industry. Building starts rose 15% from March 2017 to March 2018 and the number of building permits issued grew 5% over the same period. The organisation estimates that 80% of new individual houses use between 4 and 5 square metres of wood.

The renovation market has also increased from 870,000 homes at February 2017 to 965,000 in the same period in 2018. Wood production in France has begun to bounce back from several difficult years, and lumber exports reached almost EUR140 million (USD160.21 million) in the first quarter 2018 (compared to EUR75 million in first quarter 2012), while imports to France rose 10% between March 2017 and March 2018.

BOIS mag, 1 August



FINLAND/MEXICO

Bilateral Forestry Cooperation to Continue

In Finland, Minister of Agriculture and Forestry Jari Leppä has signed an updated Memorandum of Understanding on Cooperation in Forestry between the National Forestry Commission of the United Mexican States (CONAFOR) and the Ministry of Agriculture and Forestry of Finland. Bilateral forestry cooperation between Mexico and Finland has continued for 50 years. The activities covered include forest management planning, forest inventories, organisation of private forest owners and preparation and implementation of a national forest programme for Mexico. A new programme is currently being prepared.

Press Release Ministry of Agriculture and Forestry, 24 August



GERMANY

Increase Buying on Furniture Online

According to the Furniture Industry Association (VDMA), 14% of furniture in Germany is bought online. Single people and people under the age of 30 are particularly keen on buying furniture online, according to a study by Kantar TNS. Previous studies have put the online figure at 8%, but have not included internet platforms such as Amazon and Ebay. Within five to 10 years, a quarter of furniture is expected to be bought online. Online-only retailers are responsible for two-thirds of online furniture purchases. The industry in general described its business situation as unsatisfactory, as sales were up only 1% in the first half to EUR9.10 billion /USD10.58 billion). A total of 32.6% of sales were abroad.

Frankfurter Allgemeine Zeitung, 28 August



JAPAN

Wood Exports Booming in Asia

Japan's wood exports have been booming on the back of robust demand from Asian countries such as China, the Philippines and South Korea. In 2017, exports reached 32.6 billion yen (USD293 million), up 37% from the previous year and the highest in 40 years. The Japanese forestry industry sees growing Asian markets as having much more untapped potential.

"The Chinese market needs high quality wood to accompany its economic growth. Japanese wood has advantages over that of competitors in North America, Europe and Oceania, both in terms of geographic proximity and quality," said Jiang Jian, director of a wood trading company in China's Jiangsu Province.

In 2017, Japanese wood exports totalled 32.6 billion yen, the second highest figure after 36.6 billion yen in 1977. Last year's figure was buoyed by Chinese demand, with exports to the country reaching 14.5 billion yen, 61% above the previous year. The figure has risen seven-fold in five years.

China uses Japanese wood for building and packing materials. Some wood is reexported to the US after it has been fashioned into fencing for private homes. The Japan Wood Products Export Association has built model houses in Dalian in Liaoning Province, and Dongguan in Guangdong Province, to promote Japanese architectural styles. "Japanese wood exports to China account for only 1% of China's wood imports, so there is still a lot more room," said Koji Fukushima, a Forestry Agency official.

Buisness Trend, 28 August



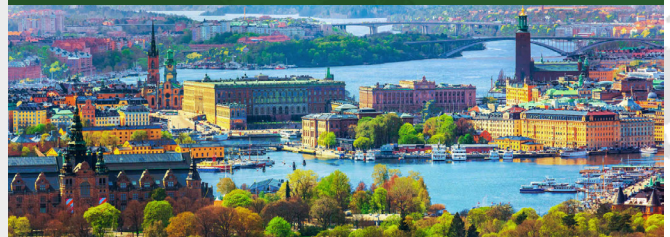
MYANMAR

Forest Plantations Have Been Set Up

The Myanmar's Ministry of Natural Resources and Environmental Conservation disclosed that more than

2.2 million acres of forest plantations have been set up until the existing 2017-2018 fiscal year. Commercial forest plantations constituted more than 1.2 million acres of the total. Mangrove forest, firewood and raw industrial crop plantations accounted for 6,480 acres, 450,000 acres and 170,000 acres respectively. Commercial Teak plantations stood at over 1.3 acres. Due to the ban on Teak extraction from natural forests, more than 30-year-old commercial Teak plantations are planned to be provided by the Forest Department.

Eleven Myanmar, 20 August



MYANMAR

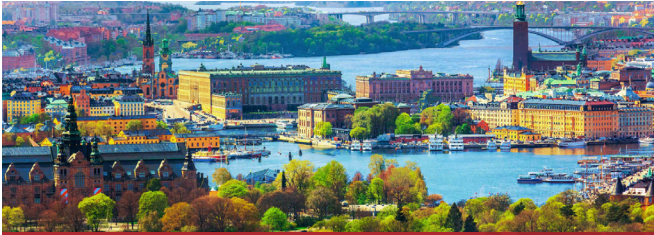
Launch of Third Party Certification System

According to the domestic media the Myanmar Forest Certification Committee (MFCC) launched its Third Party Certification System on 8 August 2018 Workshop in Yangon.

It was reported that there are four Certification Bodies, three local and one international, which will issue Legality Compliance Certificates under the Myanmar Timber Legality Assurance System (MTLAS). Barber Cho, Secretary of the MFCC, explained that the MTLAS Gap Assessment Project conducted in 2016-2017 with the assistance of the EU and FAO recommended that MFCC initiate a system of third party certification. The Ministry of Natural Resources and Environmental Conservation (MONREC) assigned the MFCC to implement this.

To proceed, the MFCC contracted international consultants to design the documentation tracking system and to conduct auditor training under an MFCC-PEFC supported project in order to strengthen the MTLAS. This effort was funded through a grant from the Prince Albert II of Monaco Foundation. Cho explained that the MFCC has worked hard to overcome the challenges to achieve its aim but the MFCC still has more to do to make the MTLAS credible and internationally recognised. Greater transparency is high on the agenda of the MFCC.

ITTO/Fordaq, 27 August



SWEDEN

Continued Strong Sales of Laminated Wood

Figures from The Swedish Wood Trade Association (Svenskt Trä) show that in the first half of 2018, new sales were recorded. The sold volumes increased by 2% from the estimated 85,000 m³ posted in 2017 and marked the continuation of several years of sales increases.

Johan Fröbel, Head of Technology and Distribution at Swedish Wood, commented that the growing demand for laminated wood and cross-laminated wood is the result of a paradigm shift in the industry, and the association expects continued intense business for Swedish manufacturers. Some of the benefits from the glue-laminated wood include the renewable and fire safety aspects, in addition to the material being easy to shape. Fröbel adds that the use of laminated wood allows for exciting architecture with reduced climate impact.

NTT Woodnet, 16 August



VIET NAM

Target USD20 Billion Wood Export for 2025

Revealing this target at the recent "Sustainable Development for Wood Exports" conference held in Saigon, Prime Minister Nguyen Xuan Phuc asked Ministries to help firms overcome difficulties and boost their performance.

According to the Viet Nam Timber and Forest Product Association, Viet Nam annually ships 8 million tonnes of wood chips, mainly to China and Japan. Viet Nam, the world's fifth biggest wood exporter, earned USD4.8 billion from exporting woodwork products in the first seven months of 2018, a year-on-year increase of 13.4%, according to the General Statistics Office.

The country is expected to record wood and woodwork

export turnover of USD9 billion in 2018 compared to USD8 billion in 2017. Its major export markets include the US, Japan, China and the European Union. Viet Nam's exports account for 6% of the global timber and wooden furniture market which is estimated at USD120 billion.

Globalwood.org_Euwood wood products and Panel, 10 August



UNITED STATES

Tariffs on Wide Range of Chinese Wood Products

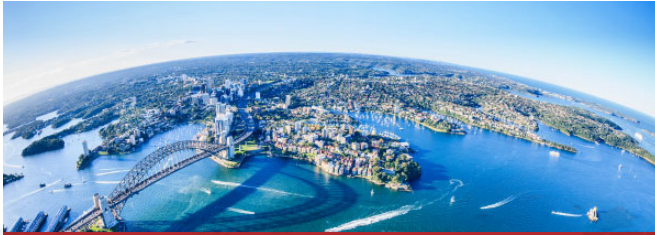
President Trump claimed that he will push for additional tariffs on USD200 billion in imports from China to go by early September 2018. The new tariffs will affect a wide range of imports of wood products from China. In line with previous statements from the Chinese government, this should start counter-duties on a wide range of logs, lumber and panels exported to China from the US.

China is by far the biggest client for US wood product exports. Hardwood lumber is especially dependent on the Chinese market with nearly 50% of all exports of US hardwood lumber going to China. The US sawmills will have a hard time finding other channels for these volumes and in particular for their red oak production. They will however benefit from higher availability of logs with the Chinese hardwood log trade set to be reduced considerably. From the point of view of Chinese importers the alternatives are not obvious either so it looks like the cost of tariffs will be split between US exporters and Chinese buyers. European hardwood exporters will no doubt leverage this evolution to increase their pricing.

The US is also the biggest client for Chinese wood products export. With 11.3 billion of wooden furniture exports to the US, this is by far the biggest category of wood products that will be affected by the new tariffs. About 40% of all wooden furniture exported by China go to the US.

Another big category that will be hit by these new tariffs is flooring. This new round of tariffs will expand the range of products affected by tariffs and is set to further benefit alternative producing countries. Woodworking machines exported to the US will also be punished by the new tariffs.

Fordaq, 31 August



GLOBAL

Flooring Market to Reach USD435.67 Billion by 2025

A report by US market research firm Crystal Market Research expects the global flooring market to grow at a CAGR of 6.36% to reach around USD435.67

billion (EUR380.71 billion) by the end of 2025 from nearly USD250.12 billion (EUR218.57 billion) in 2016. The growth will be driven by increasing demand for insulating materials, altering customer lifestyles and rising demand in the construction business.

The Asia Pacific region is expected to experience significant growth due to rising real-estate industry and developing infrastructure amenities. The European region is also expected to see considerable growth given ground-breaking construction solutions and the availability of easy installation techniques. Key players in the global flooring market include Armstrong, Shaw Floors, Gerflor, Mannington Mills and Mohawk.

Stock Market News/Marketplace, 14 August

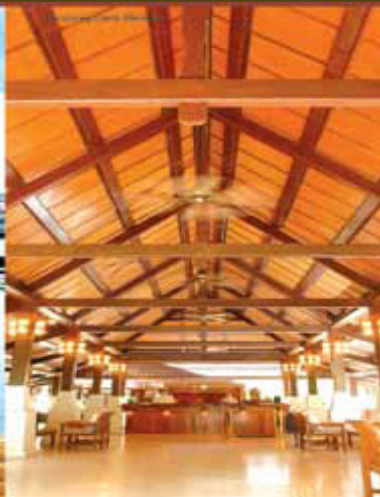
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From which publications have you received our information?



Malaysia: Port Klang Identified as Next Digital Free Trade Zone (DFTZ) location

Source: *Sunday (The)*, 11 July

Port Klang has been identified by the state government of Selangor as an ideal location for the next DFTZ. The second largest container port in ASEAN will see higher capacity of twenty-foot equivalent units (TEUs) and attract more global investments as a DFTZ. It would also provide an opportunity for local small and medium enterprises (SMEs) to export their products worldwide via e-commerce. This would raise its global ranking from the 12th largest container port at present to the 10th place.

Netherlands/Belgium: North Sea Port Has Seen Higher Transshipment Volumes in H1

Source: *Het Financieele Dagblad*, 3 July

The Belgian-Dutch port operator North Sea Port that operates the Port of Vlissingen in the Netherlands, Port of Terneuzen in the Netherlands and Port of Ghent in Belgium recorded year-on-year an 11% increase in transshipment volumes from the North

Sea to some 36 million tonnes in the first half of 2018. The inland shipping transshipment volumes increased by some 9% to 30 million tonnes.

Russia: Neva-Metal Reduces Transshipment of Goods in January-June 2018

Source: *Port News*, 9 July

In the first half of 2018, the cargo turnover of the stevedoring company Neva-Metal, a unit of Severstal, operating in the sea port of St. Petersburg, decreased by 4% year on year to 1.58 million tonnes. Container turnover amounted to approximately 34,000 million TEUs.

Viet Nam: Cargo Handled by Seaports Grew 17% in January - June 2018

Source: *Vietnam News*, 18 July

Between January and June 2018, the volume of cargo handled by seaports in Viet Nam grew by 17% year-on-year to 254.8 million tonnes. Some 8.7 million TEUs of freight containers were included in the total cargo, a rise of 28% from a year earlier, meeting 57% of the target for 2018. This was according to a report by the Viet Nam Maritime Administration (VMA). The

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change July 2018/ June 2018
	m ³	% Change July 2018/ June 2018	m ³	% Change July 2018/ June 2018	m ³	% Change July 2018/ June 2018	m ³	% Change July 2018/ June 2018	m ³	% Change July 2018/ June 2018		
Sawntimber	78,156	34	15,975	272	1,227	0	832	2	9,108	8	105,298	44
MDF	33,925	36	579	157	6,845	31	5,121	18	18,458	5	64,928	24
Mouldings	12,763	22	223	13	1,639	6	621	-14	1,623	44	16,869	20
Plywood	6,012	8	841	86	0	-100	335	-5	15,471	-13	22,659	-7
Veneer	269	-1	307	31	0	0	118	228	3,933	113	4,627	94
Particleboard	41,922	28	330	-38	3,764	-19	311	-87	7,101	19	53,428	15
TOTAL	173,047	31	18,255	208	13,475	6	7,338	-16	55,694	6	267,809	26

Source: MTIB



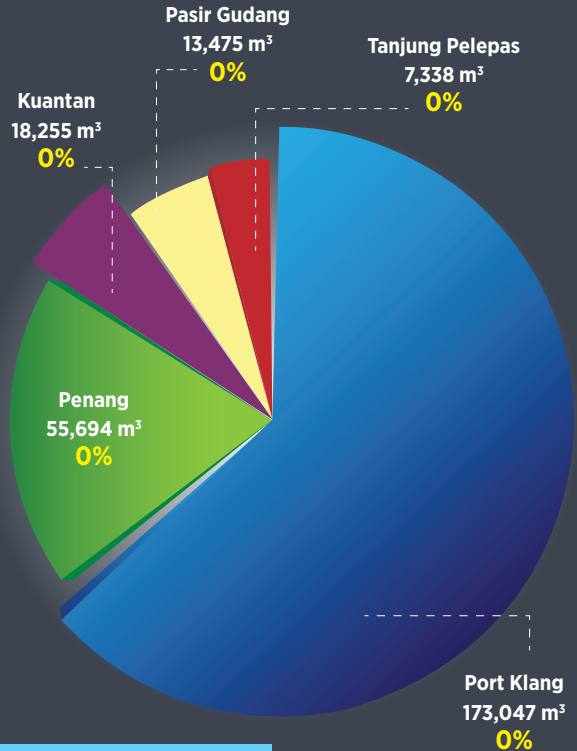
VMA said that 38 local container ships carried around 69.9 million tonnes of cargo during the period, up by 9% from a year ago.

United States : Port of Savannah Posts 20th Straight Month of Yearly Volume Growth

Source : Progressive Railroading, 23 July

According to the Georgia Ports Authority (GPA), the Port of Savannah reported a record 4.2 million TEUs in fiscal-year ended 30 June 2018, reflecting an 8.45% yearly increase and the 20th straight month of yearly volume growth. Additionally, in June 2018, the port processed 370,725 TEUs which is a yearly hike of 9.8%. 

Timber Shipment through Ports in Peninsular Malaysia, July 2018



Total = 267,809 m³

Source : MTIB



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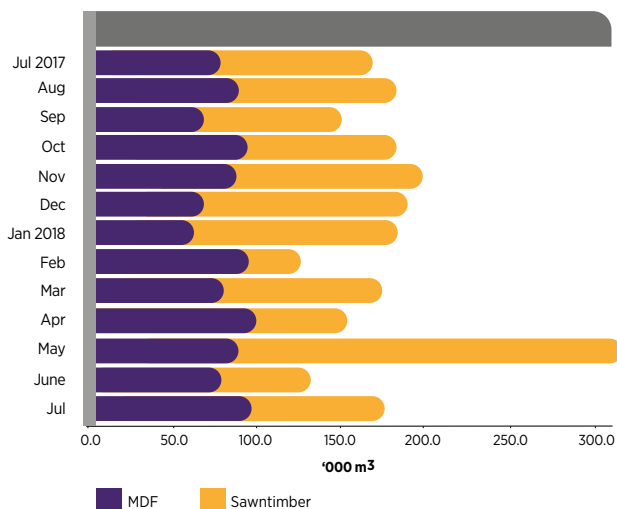
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Lukisan Seribu Makna, Kayu Eratkan Semua
A Picture Paints a Thousand Words. Wood Binds Them All

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



Total export of Malaysia timber and timber products in July 2018 increase 11% valued at RM1.9 billion over the previous month. Furthermore, cumulative export for the period of January to July 2018 decreased 6% valued at RM12.6 billion over the corresponding period.

SAWNTIMBER

Export of sawntimber in July 2018 increased 37% in volume and 21% in value to 178,114 m³ totalled RM313.1 million compared to the previous month. Cumulative export for the first seven months of 2018 decreased 13% in volume and 8% in value to 1.1 million m³ worth RM2.1 billion over the previous corresponding period.

Export of sawntimber to the EU for the month increased 7% to 8,577 m³ from 7,983 m³ in the previous month. Export to the Netherlands and Italy increased 26% to 3,511 m³ and 9% to 419 m³ respectively. In the meanwhile, purchases made by the UK declined 1% to 1,084 m³ followed by Germany with 4% to 1,379 m³ and France with 1% to 665 m³.

Total exports to West Asia decreased 20% to 21,810 m³ from 27,285 m³ recorded in the previous month due to declining demand from major market in the region. Export to Yemen decreased 69% to 3,984 m³ followed by Saudi Arabia 66% to 868 m³, Bahrain 41% to 982 m³, Qatar 50% to 626 m³ and Kuwait 30% to 442 m³. However, export to the UAE and Oman increased 76% to 9,944 m³ and 162% to 4,768 m³ respectively.

Buying from ASEAN increased 119% to 72,349 m³ from 33,076 m³ registered in the previous month. Export of sawntimber to Thailand, a major buyer of sawntimber from Malaysia improved 166% to 44,351 m³ from 16,695 m³ in the previous month. Similarly, export to the Philippines increased 106% to 19,250 m³ followed by Singapore 16% to 6,068 m³ and Viet Nam 52% to 2,466 m³.

Shipments to East Asia increased 2% to 34,245 m³ from 33,725 m³ in the previous month. Export to China

improved 4% to 20,912 m³ from 20,022 m³ in the previous month. Likewise, export to Taiwan increased 6% to 6,495 m³ followed by Japan 44% to 5,045 m³ and South Korea 66% to 1,323 m³.

Elsewhere, exports to the US and Australia decreased 2% to 1,522 m³ and 12% to 619 m³ respectively. Meanwhile, demand from South Africa increased 14% to 4,606 m³ from 4,052 m³ in the previous month.

The average FOB price of sawntimber decreased 12% to RM1,758 per m³ from RM 1,991 per m³ in the previous month. Price of Dark Red Meranti decreased slightly to RM2,656 per m³ from RM2,675 per m³ in the previous month. Price of Dark Red Meranti to the Netherlands declined 23% to RM2,852 per m³ from RM3,707 per m³ in the previous month. Keruing was traded at RM2,204 per m³, a decrease of 20% from RM2,743 per m³ in the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for July 2018 increased 40% in volume and 29% in value compared to previous month. Export totalled 94,751 m³ at RM110.0 million.

Exports to East Asia registered a decrease of 21% to 12,519 m³ from 15,756 m³ in the previous month. Exports to Japan show negative growth by 12% to 11,284 m³ followed by South Korea at 21% decreased to 502 m³. Furthermore, exports to Taiwan also recorded negative growth with a decrease of 62% to 344 m³ followed by China including Hong Kong decreased by 73% to 389 m³.

Meanwhile, exports to West Asia increased 87% to 34,018 m³ from 18,229 m³ in the previous month. Export to Bahrain recorded positive growth of 43% to 835 m³ followed by Kuwait at 68% to 7,458 m³ and the UAE at 106% to 14,511 m³. However, export to Saudi Arabia, Qatar and Jordan decreased by 35% to 1,997 m³, 51% to 780 m³ and 91% to 115 m³ respectively. Furthermore, Iran did not make any purchases whilst Syria and Lebanon resume its intake.

In addition, export to South Asia recorded positive growth by 55%. Export to India increased by 12% to 5,329 m³, followed by Pakistan with 13% to 5,747 m³, Bangladesh with 290% to 1,991 m³ and Sri Lanka with 3,429 m³ from 294 m³ in the previous month.

Elsewhere, exports to Australia and South Africa increase by 58% to 4,814 m³ and 138% to 801 m³ respectively. However, export to the US, Mauritius and UK showed negative growth by 3% to 989 m³, 49% to 98 m³ and 91% to 39 m³ respectively.

In ASEAN, total export increased by 4% to 15,283 m³ from 14,759 m³ in the previous month. Exports to the Philippines and Indonesia increased by 17% to 3,220 m³ and 26% to 4,527 m³ respectively. However, Viet Nam and Singapore decreased by 12% to 7,177 m³ and 56% to 14 m³ respectively.

The FOB price of MDF decreased to RM1,161 per m³ from RM1,267 per m³, a decreased of 8% from the previous month.

PLYWOOD

Export of plywood in July 2018 increased in volume and value by 3% and 6% to 178,559 m³ at RM397.3 million compared to the previous month.

The EU countries have reduced their intake of plywood by 8% to 9,265 m³. The UK, the major buyer of Malaysian plywood has decreased its intake by 14% to 7,470 m³. The Netherlands and Ireland also have reduced its intake by 73% and 23% to 127 m³ and 343 m³ respectively. In contrast, Belgium and France have increased its intake by 390% and 100% to 1,249 m³ and 76 m³ respectively. Meanwhile, Denmark, Italy and Germany did not make any purchases for this month.

Exports to ASEAN and East Asia region recorded an increase of 6% to 133,791 m³ compared to the previous month. In East Asia region, Japan increased its intake by 2% to 88,582 m³. Similarly, China, Hong Kong and Taiwan have increased their intake by 77%, 31% and 58% to 2,356 m³, 3,172 m³ and 11,209 m³ respectively. In contrast, South Korea has reduced its import of plywood to 4% by 18,961 m³ for this month.

Malaysia's plywood trade with its ASEAN partners showed mixed trend this month. Exports to the Brunei, Thailand and the Philippines have increased by 84%, 61% and 20% to 865 m³, 4,119 m³ and 1,173 m³ respectively. Export to Singapore has decreased by 11% to 2,758 m³ meanwhile Indonesia does not make any purchase this month.

Exports to West Asia countries recorded a decrease of 17% to 10,471 m³ as compared to the previous month. Exports to Bahrain and the UAE have increased by 78% and 24% to 455 m³ and 968 m³ respectively. Meanwhile, exports to Yemen, Saudi Arabia and Qatar have reduced by 49%, 18% and 46% to 5,013 m³, 789 m³ and 253 m³ respectively.

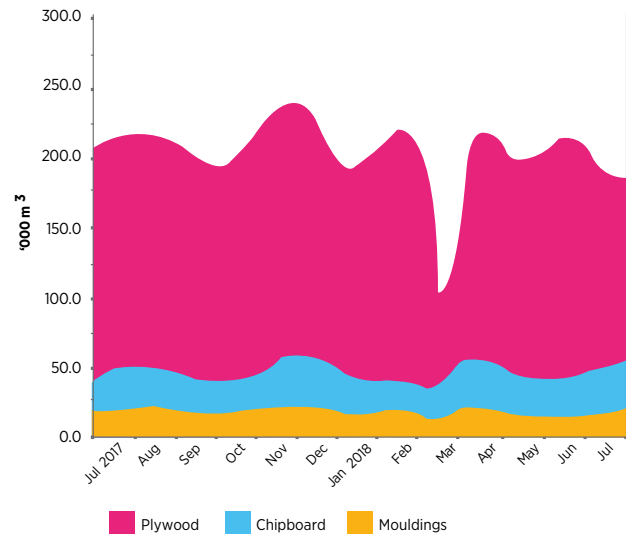
Export of plywood to the Americas region decreased by 10% to 18,865 m³ as compared to the previous month. The US has reduced its intake of plywood by 16% to 16,006 m³. Canada also has reduced its intake by 93% to 37 m³ meanwhile Mexico has increased its intake by 106% to 2,668 m³. Moving to Oceania region, both Australia and New Zealand have increased its intake by 22% and 100% to 3,112 m³ and 127 m³ respectively.

Exports to African continent have increased by 248% to 1,206 m³ for this month. South Africa has reduced its intake of plywood by 71% to 86 m³ while Mauritius increased its intake by 100% to 66 m³. Elsewhere, Turkey also does not made any purchase this month.

The FOB price of plywood has increased by 3% to RM2,225 per m³ from RM2,151 per m³ in the previous month.

Malaysia : Export of Plywood, Chipboard and Mouldings

(July 2017-July 2018/Volume ('000m³)



MOULDINGS

Exports of mouldings for the month increased by 10% in volume and 7% in value to 20,246 m³ and RM72.7 million respectively. However, cumulative exports for the period of January to July 2018 increased by 2% in volume and 4% in value to 140,384 m³ and RM504.0 million respectively as compared to the previous corresponding period in 2017.

Exports to the EU for the month recorded at 6,858 m³, an increase of 4% compared to the previous month. Germany and Belgium increased their purchases by 54% and 14% to 1,107 m³ and 615 m³ compared to the previous month. Meanwhile, the UK and Netherland decreased their intakes by 9% and 0.2% to 451 m³ and 3,990 m³ respectively. However, Italy resumed its purchases.

Exports to ASEAN region increased as Viet Nam and Singapore intake of mouldings increased by 148% and 19% to 551 m³ and 1,639 m³ respectively. Meanwhile, Indonesia resumed its purchases.

Meanwhile, China, Japan and Hong Kong increased their intake by 126%, 12% and 11% to 951 m³, 2,133 m³ and 214 m³ respectively. Taiwan and South Korea decreased their intake by 42% and 13% to 83 m³ and 1,133 m³ respectively.

Elsewhere, export to Australia increased by 3% to 2,734 m³ compared to the previous month. However, Canada and the US decreased their purchases by 43% and 6% to 26 m³ and 1,815 m³ respectively.

FOB unit value decreased 3% to RM3,590 per m³ compared to the previous month.

VENEER

Export of veneer for July 2018 decreased by 16% in volume and 11% in value to 15,504 m³ at RM25.9 million as compared to the previous month. Exports to China and the Philippines have increased by 47% and 14% to 4,742

JULY 2018

Price of logs continued to stable and the supply remained available in the market. Most mills reported that they have adequate log inventories for current usage.

LOGS

Log prices for the species of Chengal and Red Balau stood firm at RM4,500 per tonne and RM2,200 per tonne respectively. Meanwhile, prices of Balau and Kempas increased slightly by 6.7% and 2.7% to RM3,200 per tonne and RM1,870 per tonne over previous month. Prices of Keruing and Kapur were traded at RM1,250 per tonne and RM1,700 per tonne respectively. Price of Dark Red Meranti charted at RM2,100 per tonne whilst Red Meranti increased slightly by 2.8% to RM1,850 per tonne. On the other hand, logs prices for Mixed Heavy Hardwood dropped by 3.4% to RM940 per tonne whilst prices of Mixed Light Hardwood remained at RM900 per tonne.

PLYWOOD

The supply of plywood to the domestic market remained adequate for the month under review. Plywood of 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.

MEDIUM DENSITY FIBREBOARD (MDF)

SAWNTIMBER

The average sawntimber prices reported to remain firm with no significant changes in prices over the previous month

The sawntimber prices of Chengal and Red Balau maintained at RM6,850 per m³ and RM3,072 per m³ respectively. Meanwhile, price for Balau increased slightly by 6.7% to RM3,390 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 dropped by 1.4% to RM975 per m³, whilst Mixed Light Hardwood continued to chart at RM918 per m³ for this month.

INTRA-MALAYSIA TRADE - JULY 2018

From	Product	JUN 2018		JUL 2018		% Change In Volume Jul 2018 / Jun 2018	% Change In Value Jul 2018 / Jun 2018
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	2,250	138	100	100
	Sawntimber	139	335	359	516	158	54
	Plywood	6,415	13,454	4,023	8,336	-37	-38
	Veneer	0	0	21	81	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,850	3,043	754	1,020	-59	-66
	Plywood	3,595	4,628	3,606	4,764	0	3
	Veneer	5,044	7,840	4,934	7,179	-2	-8

Source : Department of Statistics, Malaysia

The shipments of logs from Sabah to Peninsular Malaysia increased significantly by 100% in volume to 2,250 m³ worth at RM138,000. Likewise, export of sawntimber increased sharply by 158% in volume to 359 m³ worth at RM516,000. However, plywood dropped by 37% to 4,023 m³ worth at RM8.3 million. Trade of veneer in volume to 21 m³ worth at RM81,000.

Trade of sawntimber from Sarawak to Peninsular

INTRA-MALAYSIA TRADE *

- JULY 2018

Malaysia decreased in volume to 754 m³ from 1,850 m³ recorded last month with the worth at RM1 million. Trade of plywood in volume to 3,606 m³ worth at RM4.8 million. Trade of veneer, however dropped slightly by 2% in volume to 4,934 m³ worth at RM7.2 million.

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

* Source: MTIB and Department of Statistics, Malaysia

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

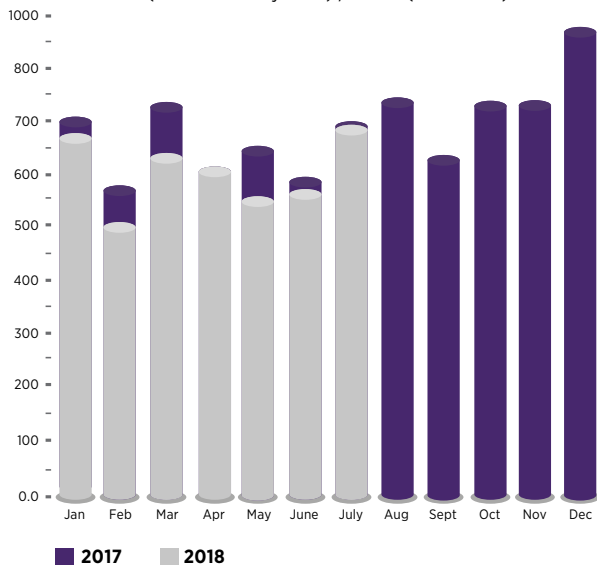
SPECIES	LOGS/tonne	SAWNTIMBER/m ³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	4,500	6,850	5,403		7,486
Balau	3,200	3,390	2,825		2,743
Red Balau	2,200	3,072	2,613		3,355
Merbau	3,150	4,641	3,319		3,955
Mixed Heavy Hardwood	940	975	777		958
MEDIUM HARDWOOD					
Keruing	1,250	1,130	989		2,203
Kempas	1,870	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	2,507	2,331		2,493
LIGHT HARDWOOD					
Dark Red Meranti	2,100	2,036	1,695		3,001
Red Meranti	1,850	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	1,836	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		1,095
MALAYSIAN RUBBERWOOD					
<i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m ³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	180	1,130	1,280	1,484	1,614
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

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



Source : Department of Statistics, Malaysia

m³ and 1,277 m³ respectively. Similarly, Australia and Viet Nam have increased its intake of plywood by 88% and 809% to 156 m³ and 500 m³ respectively.

Contrarily, South Korea and Taiwan have reduced its intake of veneer by 16% and 61% to 4,673 m³ and 2,621 m³ respectively. Exports to Singapore and India also have reduced by 37% and 55% to 61 m³ and 66 m³ respectively. On the other hand, Italy and Chile did not make any purchases this month.

The FOB price of veneer for July 2018 is at RM1,672 per m³, an increase of 6% from RM 1,585 per m³ in the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from January to July 2018 decreased 15% to RM611.5 million as compared to RM719.8 million in the corresponding period last year. Export to the EU increased 5% to RM217.7 million. Export to the Netherlands, France, Denmark and Belgium increased by 202%, 69%, 41% and 6% to RM15.8 million, RM25.4 million, RM19.1 million and RM32.1 million respectively. Meanwhile, export to Turkey, Sweden, Germany, Italy and UK decreased by 72%, 49%, 24%, 14% and 11% to RM1.4 million, RM2.8 million, RM14.7 million, RM4.4 million and RM87.2 million compared to the previous year.

In Asia, exports to Viet Nam grew 9% to RM26.0 million compared to the previous month. However, exports to Pakistan, South Korea, India, Taiwan and Saudi Arabia, decreased by 92%, 62%, 50%, 50%, 47% to RM2.3 million, RM571.7 thousand, RM17.2 million, RM5.6 million and RM1.1 million respectively. Meanwhile, exports to the UAE, Thailand, Singapore and Japan also decreased by 35%, 34%, 29% and 14% to RM3.7 million, RM12.9 million, RM52.7 million and RM38.9 million respectively. However, Qatar resumed its purchases meanwhile Bahrain did not

make any purchases.

Exports to South Africa increase by 8% to RM10.5 million compared to the previous month. Meanwhile, exports to Mauritius and Australia decrease by 40% and 9% to RM70 thousand and RM114.4 million respectively. However, exports to Reunion Island also decrease their intakes by 98% to RM19.6 thousand. Likewise, the US increased its intake by 4% to RM62.7 million from RM60.4 million in the previous corresponding period.

FURNITURE

Exports of wooden and rattan furniture for the period January to July in 2018 decreased 7% compared to the corresponding period of 2017. Total shipment recorded RM4.3 billion against RM4.6 billion in 2017.

The US reduced its consumption by 11%, to RM1.5 billion from RM1.7 billion recorded in the previous corresponding period. Similarly, demand from Canada decreased 10% to RM143.3 million and Australia also reduced its intake by 12% to RM300.8 million.

In East Asia, China boosted its wooden furniture consumption by 35% worth RM132.2 million in 2018 from RM97.7 million in 2017. Meanwhile, Japan and South Korea reduced its consumption by 15% and 17% to RM288.2 million and RM55.2 million respectively.

On the other hand, shipments to ASEAN region such as the Philippines improved by 25% to RM117.4 million. Singapore also increased their intake by 2% to RM254.7 million.

Elsewhere, exports to the UAE and Saudi Arabia decreased by 27% and 19% to RM76.0 million and RM70.2 million respectively. Similarly, Kuwait and Bahrain also decreased their wooden furniture consumption by 2% and 26% to RM27.1 million and RM10.2 million respectively. On the other hand, shipments to Qatar increased 65% to RM13.2 million compared to the previous corresponding period. Shipment to India also recorded an increase of 8% to RM121.9 million.

In Europe, the UK and Belgium reduced its intake by 20% and 13% to RM214.4 million and RM21.0 million respectively. Meanwhile, France increased their import by 6% to RM40.0 million. Similarly, export to South Africa increased 36% to RM40.3 million compared to the previous corresponding period.

Rattan furniture shipments in July 2018 recorded a negative growth with a decrease of 83% from RM13.7 million to RM2.4 million.

Export to Singapore, the UK and Australia decreased by 97%, 77% and 99% to RM50 thousand, RM142 thousand and RM16 thousand respectively. Meanwhile, Belgium increased by 100% to RM44 thousand compared to the previous corresponding period. Similarly, other major countries did not make any purchase in July 2018.

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She added that, while the government encouraged the furniture industry to expand overseas, they also need to pay attention to the demand in the domestic market where Malaysians were becoming more and more appreciative of locally manufactured furniture. She said that MF3, being a consumer fair, was indeed the right platform for buyers and sellers of Malaysian-made furniture to do business. She also hoped that MF3 and WLF would be able to attract an even larger crowd and achieve their target of

increased sales and contribute positively to the growth of the Malaysian furniture industry.

The exhibitors received encouraging sales and numerous enquiries were made on their products. Some 20,000 visitors attended the three-day fair which also included business talks by speakers from the industry. 



Products under living room and garden furniture.



Bedroom set manufactured by Puncak Bumi Utama Sdn. Bhd.



At the Temuan Abo Craft booth.

RECONNOITRE BUSINESS OPPORTUNITIES WITH SOUTH KOREA

news



A sample of glulam produced by Kyungmin Industrial Co. Ltd.

South Korea relies heavily on imported timber and timber products for its commercial and industrial use. An estimated 10% of its consumption on timber and timber products are produced domestically and the balance is supported by imported timber and timber products. There are also rising consumer interest in high quality products such as home furniture and Do-It-Yourself furniture. Recognising the potential of business opportunities in South Korea, MTIB has organised a Technical Mission and Timber Entrepreneurs Development Programme to South Korea from 26 to 31 August.

The mission was led by YBhg. Dato' Dr. Jalaluddin Harun FASc, Director-General of MTIB and comprised a delegation of 14 industry players. Encik Abu Bakar Yusof, Director of Lifestyle, Life Sciences & Medical Devices and Pharmaceutical, MATRADE also joined the mission. The mission aimed to enhance trade of Malaysian timber & timber products to South Korea market, to promote Malaysian timber & timber products particularly high value-added products such as furniture, BJC and mouldings, to foster



Group photo with Dr. Sijoon Lee, SVP, Business Planning Division, Donghwa Enterprise. YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (third from left) led the mission.

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business networking between Malaysian exporters and South Korean importers as well as to observe the latest market development and prospects for Malaysian timber and timber products in South Korea.

In 2017, Malaysian export of timber and timber products to South Korea worth RM1.26 billion, an increase of 44% from RM871.71 million in 2013. Plywood was the main product exported to South Korea. Export of plywood to South

Korea recorded at RM566.57 million with volume of 342,175 m³ in 2017. Export of plywood to South Korea also has been on increasing trend compared to the last five years with an increase of 20% from RM471.45 million in 2013. Other major products exported to South Korea were wooden furniture and veneer valued at RM112.18 million and RM117.02 million. On the supplying side, Malaysian imported RM5.72 million worth of timber and timber products from South Korea. Main products imported from South Korea in 2017 were fibreboard and packing cases, both recorded at RM3.69 million and RM0.97 million respectively.

The first leg of the mission started with a courtesy visit to Encik Shaharuddin Onn, Deputy Chief of Mission, Embassy of Malaysia in Seoul, where the delegation was briefed on the current overview of economy and socio-political of South Korea. Later, the delegation had a roundtable discussion with Korean Wood Association and Korean Wood Panel Association. Amongst the issues raised in the



The delegation was briefed about the on going of the plant operation by Mr. Chris Choi, Manager of Donghwa Enterprise (left) in the plant's control room.

meeting are the current status on the ban of logs export from Sabah and Sarawak, shortage of raw material supply and increasing trend on preferences of steel and aluminium compared to timber in home building & renovation and construction industries. One of the major challenges in South Korean timber-based industry is shortage of raw material supply especially for plywood and particleboard. Apart from sourcing raw materials from South East Asian countries, there is an increasing trend of sourcing sawntimber and plywood from Central and South America countries to fulfil their local demand of wood consumption. The roundtable also discussed briefly about the period of anti-dumping duties against Malaysian plywood that has been extended until May 2020.

The delegation also visited timber processing, fibreboard and furniture factories in Incheon and Gyeonggi-do districts, namely Hanssem Co. Ltd., Donghwa Enterprise, Aju Timber Co. Ltd. and Kyungmin Industrial Co. Ltd. Generally, the factories located in Incheon mostly focusing on wood-processing industry such as sawntimber and panel products such as fibreboard. The delegation also visited KOFURNMALL, one premium furniture outlet situated in Gyeonggi-do. The delegation had the opportunity to visit Korea International Furniture and Interior Fair (KOFURN) 2018 in KINTEX, Goyang where seven Malaysian furniture companies had participated in the exhibition. MTIB in collaboration with MATRADE Seoul arranged participation of Malaysia furniture companies and their participation was sponsored by ASEAN Korea Centre (AKC). KOFURN 2018 ensemble more than 350 exhibitors with multiple display of products such as wall &



Business matching session with Korean buyer.

TANGGAM – ASEAN MARKET THROUGH KOFURN 2018

news



Group photo with the Malaysian furniture company and MATRADE Representative, Encik Iszam (right).

Korea International Furniture & Interior Fair (KOFURN) is held annually at KINTEX Exhibition Centre to show the latest in furniture, interior and woodworking industry from 350 companies from 14 countries including ASEAN countries. TANGGAM participated in KOFURN for the first time this year. Held from 29 August to 2 September, the event attracted 10,000 visitors during its five-day run.

This event was organised by the Korean Federation of Furniture Industry Cooperative, Malaysia through the ASEAN Korean Centre (AKC) and MATRADE was invited to be part of the prestigious fair as the Malaysian Industry Representative at the Malaysian Pavilion. The ASEAN Korean Centre is an international organisation established in March 2009 to increase trade, accelerate investment flow, invigorate tourism and enrich cultural exchanges between ASEAN Member States and Korea.

AKC has sponsored 60 furniture and interior companies from ASEAN countries. Seven companies from Malaysia were chosen to take part in the fair to show their products for the ASEAN market including furniture and other interior products. Other ASEAN countries that took part in the fair were Indonesia, Myanmar, Singapore, Thailand, Philippines, and Viet Nam.

The TANGGAM label was represented by four design studios from TANGGAM designers. There were Notch Design LLP, Super Structure, B.O Design and Sujak Design Studio. Acting as a platform for interaction between designers and industry players, KOFURN 2018 provided the opportunity for them to showcase and market their products in the Korean market. Our designers, again, designed an experimental series, which reflected the Malaysian culture and heritage. The furniture featured Malaysia's diverse cultural background – featuring beautiful interpretations of Malaysian ethnicity in an eclectic approach.

The designs were depicted from traditional and modern sources such as, rattan weaving, Malaysian traditional desserts, and the Malaysian tropical wood itself. The idea was forwarded as part of MTIB's efforts in promoting not only Malaysia in general but also timber/wood value and expression. In the five days, the Korean market was captivated by the minimalist yet modern concept of furniture and household items. Bright colored furniture is also popular with Koreans. From observation, Korea has a very high purchasing power in terms of furniture and home products.



YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (left) visited Malaysian Pavillion and had some discussion with the company.

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At the end of the fair, the Malaysian Pavillion had gained a total potential sale amounting to RM1,567,000.00 and actual sale of RM117,800.00. About five distributors and agents requested to act as authorised distributors to Malaysian furniture. It was a good starting point for the Malaysian furniture industry to enter the Korean furniture market. During the fair, the organisers also arranged business meetings and trading between Korean furniture industry players and their Malaysian counterparts to facilitate trade development.

MTIB was represented by Puan Norazleen Othman and Encik Muhd Muzakkir Kamaruzaman from



Booth of Super Struxture, one of the TANGGAM Design product brand.

Industry Development and six designers from the TANGGAM label including Encik Ezran Zainal, Encik Mohd Sujak Hasbollah, Encik Lim Bo Qiang, Cik Viviam Lim Shi Wei, Cik Sim Chia Yi and Encik Nasaruddin Shah Morani.



Designer from Notch Design Ptl posing with their customers.

Timber News

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floor products, windows and doors products, indoor landscape architecture, floriculture decoration, interior related-products and others. The exhibition started from 26 August until 2 September.

Based on the observation from the visits to factories and furniture showroom, Korean timber-based industry mainly consists of sawn timber, chipboard, fibreboard and furniture manufacturers. The mills are equipped with high-tech automation and robotics machinery which has reduced their dependency for workers and increased their productivity up to 40%. As for furniture industry in South Korea, the Korean consumers generally favour minimalist, modern with light-coloured tone furniture. The delegation exchanged information with South Korean timber importers and suppliers whilst at the same time sought opportunities to promote Malaysian timber

and timber products and to enhance market access for Malaysian timber and timber products in South Korea.

Overall, the mission provides opportunities for Malaysian delegates to enhance trade, especially in the areas of raw material and furniture. The delegation also managed to establish networking with Korean buyers. The Malaysian companies involved in the mission were Cham Kam Yee & Sons Sdn. Bhd., Famous-Ed Sdn. Bhd., Kilang Papan Soon Lee Sdn. Bhd., Kilang Papan Lapis Soon Lee Sdn. Bhd., My Raintree Sdn. Bhd., Oversea Timber Suppliers Sdn. Bhd., Impressive Transforms Sdn. Bhd., PSB Decoration Sdn. Bhd., World Trend Garden Furniture Sdn. Bhd., SZ Bumi Enterprise and Regal Bonus (M) Sdn. Bhd. MTIB was also represented by Puan Norhaizurah Zulkarnain from Trade Development.

THE 6TH SUB-REGIONAL TRAINING WORKSHOP ON TIMBER LEGALITY ASSURANCE

news

The 6th Sub-Regional Training Workshop on Timber Legality Assurance (TLA) were jointly organised by the EU Delegation to Thailand, Ministry of Natural Resources and Environment (MoNRE) and the Royal Forest Department, Thailand, the ASEAN Secretariat, and the European Forest Institute (EFI) through the European Union Forest Law Enforcement Governance and Trade (EU FLEGT) Facility, held on 3 – 5 July in Chiang Mai, Thailand. The objectives of the workshop included exchanging information and updating of experiences on TLA efforts including regulations on imports, and increasing multi-stakeholder collaboration amongst ASEAN Member States (AMS) on forestry, governance and trade issues. It was also to contribute to the discussions on an ASEAN regional mutual recognition arrangement for AMS on timber legality.

Mr. Attapon Charoenchansa, the Deputy Director General of the Thai Royal Forest Department in his opening remarks welcomed all participants. He also hoped that the event would help Thailand in better understanding the VPA updates from other countries which might assist Thailand in its active stage of negotiation with the EU in FLEGT VPA.

Meanwhile, Mr. Michael Bucki, Climate Change and Environment Counsellor, the EU Delegation to Indonesia and Brunei Darussalam noted that FLEGT VPA is a good initiative to prevent illegal logging and to halt deforestation due to conversion of land illegally. He also informed the meeting that EU will be phasing out the use of palm oil in transport fuels from year 2030. This is due to a study made in 2015 which revealed that palm oil and soybean oil had the highest indirect greenhouse gas emissions because of the deforestation and the drainage of peatlands



Leaders from each ASEAN Member Country, invited guests and organisers of the event.

associated with their cultivation. This is part of the bloc's commitment to the Paris Agreement, which aims to keep global warming well below 2 degrees compared to pre-industrial levels.

The programme consisted of a two-day classroom session and half a day field trip on the third day. The workshop was firstly briefed by Dr. Alexander Hindrich from EU FLEGT/REDD Facility who spoke on



Interactive and fruitful sharing session.

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the topic 'Overview of Timber Legality Developments in Asia'. He highlighted that the EU FLEGT Action Plan is the oldest and most comprehensive approach to respond to illegal logging problems so far. FLEGT VPA negotiation focuses on 15 countries which stand as the main players in timber trade worldwide.

Dr. Hindrich also presented all the countries' development in the VPA negotiations: Indonesia has signed and been issued the first FLEGT Licence and was progressing on the right track; Viet Nam was preparing for signing of the VPA with their TLAS fully designed; Thailand was developing its national TLAS and actively conducting the stakeholder consultation process; Lao PDR was addressing on timber supply coming from converting its forest; Myanmar, with increased awareness of FLEGT, was having challenges on managing natural forests; Cambodia and the Philippines were still in the process of instilling awareness and engaging FLEGT efforts in regional dialogues within the country; while Malaysia was noted as having the most prolonged VPA negotiation, despite having TLAS ready for both the Peninsular and Sabah, with a very strong national timber certification scheme, the Malaysian Timber Certification Scheme (MTCS).

In the Updates of the FLEGT Action Plan and Related EU Policies session, Mr. Micheal Bucki stated that the EU was focusing on following up on evaluations conducted by the EU with regards to the Action Plan and strategising the next steps for the FLEGT Action Plan. He also spoke on the topic 'State of Play EU Timber Regulation' and shared experiences from Indonesia's FLEGT licensing.

Next, participants were informed about developments of the Thailand VPA and Reforms undertaken by the host country. The latest negotiation session with the EU had been in June 2017. Thailand has established its National Strategy with 6 thrusts. It has also undertaken legal reforms regarding its national Forest Policy, natural resources and environmental management and plan related to FLEGT VPA.

Ms. Caroline Hooper-Box from EU FLEGT/REDD Facilities then introduced the EFI EU FLEGT Facility Communication Tools which is the new comprehensive component in the EU FLEGT Facility website. The medium will be updated with new developments happening in FLEGT VPA surroundings and latest related stakeholder information via www.efiflegt.org, www.flegtmedia.org

org www.vpaunpacked.org, www.FLEGT.org and www.flegtlicence.org.

On the second day, participants were updated with Workplan for FLEG in ASEAN and other FLEG related processes which input given by the ASEAN Secretariat (ASEC). ASEC is promoting Sustainable Forest Management, enhancing trade facilitation, fostering competition and economic integration as stated in the ASEAN Economic Cooperation (AEC) Blueprint 2025. ASEC is also working on strengthening regional cooperation on sustainable forest management within AMS and interested non-governmental organisation partners. It was learned that ASEC will enhance partnership with developed country partners, the private sector and civil society organisations (CSO). The EU FLEGT Facility supported ASEC's Mutual Recognition Arrangement (MRA) by contracting the study on 'Feasibility of a Regional Mechanism for Mutual Recognition of Legality of Timber'. The gaps between AMS would be taken into account as differences in national systems' development amongst AMS in the study findings.

It was followed by a presentation by the SCO which expressed interest in having a Non-State Regional Working Group on FLEGT. The group would be a platform for members to provide updates on the FLEGT status in their countries and to build collective actions and strengthen the effective engagement of CSOs in the VPA process.

Later in this workshop, EFI presented the proposal for 'Regional Voluntary Code of Conduct on Imports for Forest and Timber Companies in ASEAN.' This code is to guide business practices and demonstrate corporate responsibility. Countries such as the United Kingdom, Australia, the United States, The Netherlands and France have already produced and adopted guidelines to ensure responsible practices, especially for imported timber. The proposal suggested that EFI work in collaboration with the ASEAN Furniture Product Industry Club (AFPIC), a part of ASEC, to bring forward the proposal for further deliberation at ASEAN level.

The session then continued with reports on different countries' progress on FLEGT VPA negotiations. Indonesia and Viet Nam were the active countries dealing with the EU, being in either post signing activities or in final stages of negotiation. Indonesia reported that although the whole timber industry

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Group photo.

was aware of the FLEGT-licenced timber, known as *Sistem Verifikasi Legalitas Kayu* (SVLK), they were still facing some challenges in implementing the system. Among the issues were lack of financial assistance and limited access to financial institutions, limited labour skills either at managerial or administrative level and limited data management. Meanwhile, Viet Nam was already implementing the control of imported timber through self-declarations and due diligence requirement of timber importers. Risk-based control of timber in Viet Nam is through the assessing timber species risks, risks related to geographic origins and the customs risk management system.

Lao PDR has conducted three pilot provinces for data collection and testing of TLAS with involvements of 7 ministries, with assistance of Pro-FLEGT GIZ since 2013. Its latest negotiation session was completed in June 2018 and has since developed the Roadmap of FLEGT VPA agreed by both Parties.

Meanwhile, Malaysia presented its development status although the latest negotiation had been held on September 2014. Implementation of the timber import legality requirement has been taking place since 2015 with some amendments until it was fully enforced on 1 July 2017. Pending the conclusion of FLEGT VPA, Peninsular Malaysia implemented TLAS beginning 1 February 2013 as MYTLAS, to help the industry meet the due diligence requirements to ensure the legality of the traded timber. As of 31 May 2018, a total of 60,448 MYTLAS licences had been issued by MTIB for the EU market.

As for Myanmar, it was still in the pre-negotiation phase, having been there since 2013. From 2015 to 2018, an Interim Task Force was formed consisting

of members from the government, CSO and the private sector. The focus was on conducting multi-stakeholder activities to raise awareness and capacity building for FLEGT stakeholders in Myanmar. Other than that, they also drafted the Negotiation Road Map and Multi Stakeholder Work plan for better planning and reference.

On the third day, the representative from the Chinese Academy of Forestry presented the 'Timber Legality Developments and Preliminary Findings from the Study on the Potential Recognition of Indonesian FLEGT Timber in China.' China has also developed a research concept of their China Timber Legality Verification Scheme (CTLVS) as a system to verify timber legality in China. The core element that will be used in the system is the Due Diligence System Requirement which applies to both domestic and international markets. Industry associations or certification bodies will verify the legality of the timber.

Since China has conducted the study on potential recognition of Indonesian FLEGT timber in their market, the results were amongst to the participants. The results showed that although China and Indonesia worked on an MOU on Combatting Illegal Logging and Associated Trade with Indonesia in 2002 and a Bilateral Coordination Mechanism (BCM) for FLEGT VPA, there was still an absence of bilateral working mechanisms between the countries. Since there was no policy basis on timber legality between the countries, it might be difficult to measure the acceptance. Furthermore, CTLVS was still being tested and there was no solid ground for China to compare with SVLK. As such, China proposed two options to work on the issue. They proposed short-term and long-term options for recognition of Indonesia's V-Legal Documents. Among others were that China's companies recognize V-legal in the Due diligence system and in the long run, to have country-specific instructions jointly published by Chinese and Indonesian governments identifying V-legal as proof of legality.

There was also a study of the identification and formulation of a regional ASEAN FLEGT Support Programme which would be conducted by an appointed consultant. The study was to enhance and consolidate on trade of legal and sustainable wood in the FLEGT framework in VPA and non-VPA countries in the Asian region.

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Group discussions were also conducted. The participants were divided into four major groups which pertained to SMEs; Timber imports and recognition; FLEGT and Forest Conversion; and Multi-stakeholder Dialogues. After each discussion, the results or findings presented to the participants, continuing with question and answer sessions for better understanding.

A field visit was organised on the last day of the workshop to the Mae Tha sub-district to allow the participants to experience traditional forest management in that community.

Each country was represented by government officials, the private sector and civil society organizations (CSO) to cover a broad aspect in the Voluntary Partnership Agreement (VPA). Sixty-nine participants from seven ASEAN Member States

(excluding Brunei, Philippines and Singapore) and representatives from EU Delegations in Indonesia and Brunei Darussalam, Thailand and Viet Nam, members of EFI FLEGT Facility, WWF, RECOFT and TEFSO attended the event.

Exchanging information between the VPA countries as undertaken during the workshop could benefit the AMS as it allowed for a better understanding of the latest developments in the region and should be continued in the future. Furthermore, AMS need to have better communication in existing timber legality and import requirements among each other as well as with key markets like China.

MTIB was represented by Puan Emie Syarina Norizan from Director-General's Office and Encik Ahmad Ikhsan Zainuddin from Licensing and Inspectorate.

WHAT IS TLAS?

Under the Malaysia-European Union Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (FLEGT VPA), Malaysia agreed to implement a Timber Legality Assurance System (TLAS) to verify that timber products for shipment to EU are legally produced. TLAS covers all applications of all existing relevant legislation in the forestry and timber sectors in Malaysia from upstream to downstream processes.

Definition of legality for Malaysia's TLAS is – *“Timber harvested by licensed person from approved areas and timber and timber products exported in accordance with the laws, regulations and procedures pertaining to forestry, timber industry and trade of Malaysia.”* Only timber products verified as such and that are issued with a FLEGT licence can be exported to the EU once the VPA is signed and the TLAS is operational.

THE AUSTRALIAN ILLEGAL LOGGING PROHIBITION ACT (AILPA)- AFFECTING FURNITURE IMPORT

news

Introduction

The Australian Illegal Logging Prohibition Act (AILPA) is now in force, after a soft start period since 2012. From 1 January 2018, importers of regulated timber products into Australia will face penalties as much as five years in jail and fines of up to \$150,000 for failing to comply with the Act.

The AILPA seeks to reduce harmful environmental as well as social and economic impacts of illegal logging by restricting the import and sale of illegally logged timber products such as furniture in Australia.

Law and Regulation

The Act:

- Makes it a criminal offence to knowingly, recklessly or intentionally import illegally logged timber and timber products into Australia, or to process domestically grown raw logs that have been illegally logged.
- Requires companies to assess and mitigate the risks of importing or processing illegal timber.

The aim of the Act is that only timber products with little or no risk of having been illegally logged are imported or processed, helping to ensure that Australia's sustainability managed forest industry is not undercut by cheap, illegally logged timber products.

The *Illegal Logging Prohibition Regulation 2012*, the *Illegal Logging Prohibition Amendment Regulation 2013* and associated regulations impose due diligence requirements on importers of most furniture and furnishings made from or containing wood.

Importers are required to undertake a Due Diligence process if their imported product is a regulated product listed in Schedule 1 of the *Illegal Logging Prohibition Regulation 2012*. The suppliers should provide all the required information about the products, failing which the importer would make an assessment of the risk that the product being supplied may contain illegally logged timber. If clear and objective evidence is not provided, the importer may be at risk of breaching the Act and may consider other risk mitigating options such as changing suppliers.

Observation

Malaysian suppliers of timber and timber-related products such as furniture and furnishings would do well

to take note of these developments as Australian buyers now have an added burden of compliance. The Australian Furnishing Association (AFA) has highlighted to MATRADE Melbourne the importance of working together with Australian buyers to ensure these requirements are fulfilled.

The association has represented to MATRADE that their members are keen on continuing to work closely with Malaysian furniture suppliers. This is further evidenced by their recent participation in the Professional Designer Programme (PDP) organised by the Malaysian Timber Industry Board (MTIB). The focus of the programme was designing for the Australian market, specifically, improving the quality of the product and maintaining adherence to standards and compliance that is critical for Australians.

While it is incumbent on the buyers and importers to adhere to the new regulations, our Malaysian furniture suppliers can make the process easier by understanding the requirements and providing the information they need to continue sourcing products from Malaysia. Malaysian suppliers may refer to <http://www.agriculture.gov.au/forestry/policies/illegal-logging/information-importers/guidance-for-importers> for explanatory information and guidance on the key elements of the illegal logging due diligence requirements.

The Agriculture Department also partnered with the industry organisations to prepare a Legality Compliance Toolkit to assist all affected parties to understand, implement and comply with the new requirements. Malaysian suppliers may refer to <http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/australias-forest-policies/illegal-logging/legality-compliance-toolkit.pdf>

Conclusion

With its implementation, Malaysia's furniture exporters are urged to adhere to the Australian Illegal Logging Prohibition Act (AILPA), as Australia is an important market.

For more information and enquiry, please contact MATRADE Melbourne at melbourne@matrade.gov.my

Disclaimer

While every effort has been taken to ensure that the contents of the article (MATRADE'S Insight) are accurate and current, MATRADE cannot be held responsible for any inclusion, omission or error and is not liable for any loss or dispute arising from the use of the information provided.

CHILE



Overview

Chile, officially the Republic of Chile, is a South American country with a long yet narrow strip of land that sits between the Pacific Ocean and the Andes mountains with a total area of 756,096 square kilometers (291,930 square miles), making it the 38th largest country by area. The 2018 population is estimated to be 18.20 million. Chile is one of South America's most stable and prosperous nations. It has been relatively free of the coups and arbitrary governments that have blighted the continent.

Economy

Chile has a market-oriented economy characterised by a high level of foreign trade and a reputation for strong financial institutions and sound policy that have given it the strongest sovereign bond rating in South America. Exports of goods and services account for approximately one-third of GDP, with commodities making up some 60% of total exports. Copper is Chile's top export and provides 20% of government revenue.

From 2003 through 2013, real growth averaged almost 5% per year, despite a slight contraction in 2009 that resulted from the global financial crisis. Growth slowed to an estimated 1.4% in 2017. A continued drop in copper prices prompted Chile to experience its third consecutive year of slow growth. Chile deepened its longstanding commitment to trade liberalization with the signing of a free trade agreement with the US, effective 1 January 2004. Chile has 26 trade agreements covering 60 countries including agreements with the EU, Mercosur, China, India, South Korea, and Mexico. In May 2010, Chile signed the Organisation for Economic Co-operation and Development (OECD) Convention, becoming the first South American country to join the OECD. In October 2015, Chile joined the Trans-Pacific Partnership trade agreement, which was finalised as the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) and the agreement was signed in March 2018. Chile's main export partners are the US, Japan, South Korea, the Netherlands, Brazil, Italy and Mexico whilst major import partners are

Argentina, the US, Brazil and China.

Forestry

Chile has extensive forests, estimated at some 16 million hectares of Chile's surface, 86% of which corresponds to natural forests and 14% to plantation. Chile's forest products sector has expanded through commercial planting, and the main planted species are Radiata Pine (64% of the plantations), the *Eucalyptus Globulus* and the *Eucaplyptus Nitens*. These three species covers 92% of the total planted surface.

Over the last 33 years, the annual plantation rate has exceeded 100 thousand hectares/year, far above the felling rate. The markets for Chilean wood are Japan, South Korea, the US, Taiwan, Belgium, Argentina and Germany. 2,075 thousand hectares of Chile's forests have been approved and certified, according to Programme for the Endorsement of Forest Certification (PEFC) or Forest Stewardship Council (FSC) sustainable forest management standards. These hectares correspond to approximately 75% of the country's plantations. Forty percent of all industrial wood is used in sawmills, with a similar percentage used for pulpwood. The rest is used to make boards, panels and other products.

Many of these products are exported. The Chilean forestry industry has established a highly successful worldwide marketing network, and is starting to make investments in processing facilities outside the country. With the 2001 plantation production

of roughly 25 million m³ of roundwood, and expectations for this to nearly double in the next two decades, Chile is positioned to be an even greater global supplier of forest products. At the same time, economic growth and the prosperity of the Chilean population positions it as a significantly growing importer of wood products. While to date this has been dominated by paper, there are growing opportunities for imports of solid wood products, especially for interior finishes of principal and recreational housing.

Chile's Export of Timber and Timber Products

Chile's export of timber and timber products in 2017 decreased 5% to USD2.2 billion over the previous corresponding period. Chile export mainly sawntimber, plywood and fibreboard. Export of sawntimber and plywood totalled USD802.5 million and USD310.7 million respectively. In addition, export of fibreboard totalled USD300.9 million followed by particleboard at USD80.2 million.

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

(Value: USD'000)

Product	2013	2014	2015	2016	2017
Sawntimber	812,430	989,618	822,881	821,837	802,475
Plywood	253,565	327,760	349,526	348,332	310,745
Fibreboard	345,413	348,787	324,027	313,460	300,998
Particleboard	77,917	80,081	66,065	71,279	80,228
Builders' Joinery and Carpentry	74,330	78,282	67,117	68,171	62,874
Furniture	63,757	55,411	45,154	38,774	39,022
Veneer	11,590	14,821	21,019	18,012	17,583
Others Products	637,072	663,522	604,187	639,217	646,253
Total	2,276,074	2,558,282	2,299,976	2,319,082	2,192,200

Source: International Trade Centre

Chile's Import of Timber and Timber Products

Chile's import of timber and timber products in 2017 worth USD1 billion, an increase of 3% over the previous corresponding period. Chile import mainly

furniture, BJC, particleboard and plywood. Import of furniture and BJC totalled USD753.5 million and USD48.2 million. In the meanwhile, import of particleboard totalled USD42.7 million followed by plywood with USD37.4 million and fibreboard with USD35.9 million.

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

(Value: USD'000)

Product	2013	2014	2015	2016	2017
Furniture	760,149	732,455	691,707	732,315	753,518
BJC	52,862	44,281	39,659	36,277	48,198
Particleboard	34,210	25,446	28,352	43,902	42,678
Plywood	51,112	46,803	40,600	34,838	37,404
Fibreboard	42,230	52,104	48,678	41,404	35,879
Sawntimber	10,084	9,265	11,117	12,550	12,328
Veneer	6,742	6,208	6,080	4,808	3,517
Mouldings	5,035	2,935	2,733	2,322	2,461
Logs	29	77	168	5	7
Other Products	80,863	78,030	85,942	63,153	69,550
Total	1,043,316	997,604	955,036	971,574	1,005,540

Source: FAO Statistics

Timber Production

According to the FAO 2017 forest statistics, Chile produced around 20.9 million m³ of logs followed by

8.3 million m³ of sawntimber, plywood 1.4 million m³, MDF 863 thousand m³, particleboard 502 thousand m³ and veneer 124 thousand m³.

Chile : Production of Timber, 2013-2017

(Volume:'000m³)

Product	2013	2014	2015	2016	2017
Logs	16,550	19,443	20,513	20,884	20,884
Sawntimber	7,356	7,859	8,208	8,309	8,309
Plywood	860	1,099	1,354	1,355	1,355
MDF	912	891	940	863	863
Particleboard	515	534	528	502	502
Veneer	53	86	139	124	124
Total	26,246	29,912	31,682	32,037	32,037

Source: FAO Statistics

Malaysia's Export of Timber and Timber Products to Chile

In 2017, export of Malaysian timber and timber products to Chile registered an increase of 8% to RM85.8 million from RM79.6 million in 2016. Chile ranked 31st with 0.37% of Malaysia's total market share. Amongst timber products, wooden furniture

constituted the largest portion. In 2017, wooden furniture made up of 99% of Malaysia's total exports of timber and timber products in terms of value to Chile. Other products exported were Builders' Joinery and Carpentry (BJC) with a total value of RM167 thousand followed by veneer with RM111 thousand.

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

(Value:RM)

Product	2013	2014	2015	2016	2017
Wooden Furniture	83,995,062	87,708,198	87,382,110	77,373,756	85,547,387
BJC	921,028	609,902	874,320	1,474,565	167,844
Veneer	0	0	184,423	711,136	110,798
Sawntimber	0	0	0	39,633	0
Plywood	0	73,522	673,491	0	0
Rattan	0	0	5,251	0	0
Mouldings	0	123,958	0	0	0
Other Products	65,416	0	0	0	0
Total	84,981,506	88,662,220	89,119,595	79,599,090	85,826,029

Source:DOSM/MTIB

Malaysia's Imports of Timber and Timber Products from Chile

In 2017, import of Malaysian timber and timber products from Chile registered a decrease of 78% to RM33.7 thousand from RM155.9 thousand in 2016.

Major product imported from Chile were wooden furniture with a total value of RM33.7 thousand.

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

(Value:RM)

Product	2013	2014	2015	2016	2017
BJC	5,823	0	0	0	0
Wooden Frame	0	0	306,797	0	0
Wooden Furniture	0	298,650	184,605	121,005	33,662
Other Products	0	132,392	0	34,930	0
Total	5,823	431,042	491,402	155,935	33,662

Source:DOSM/MTIB

Import Tariff

Chile's imposed 6% import duty on timber and timber products. Details are as follows:

HS Code	Product	MFN (%)	FTA Tariff Rate
4401	Fuelwood	6.0	0
4402	Wood Charcoal	6.0	0
4403	Logs	6.0	0
4404	Hoopwood, Split Poles	6.0	0
4405	Wood Wool	6.0	0
4406	Railway or Tramway Sleepers	6.0	0
4407	Sawntimber	6.0	0
4408	Veneer	6.0	0
4409	Mouldings	6.0	0
4410	Chipboard/Particleboard	6.0	0
4411	Fibreboard	6.0	0
4412	Plywood	6.0	0
4413	Densified Wood	6.0	0
4414	Wooden Frame	6.0	0
4415	Packing Cases	6.0	0
4416	Casks, Barrels, Vats and Tubs	6.0	0
4417	Tool Bodies and Handle	6.0	0
4418	Builders Joinery and Carpentry	6.0	0
4419	Tableware and Kitchenware	6.0	0
4420	Wood Marquetry	6.0	0
4421	Other Articles of Wood	6.0	0
9401-9406	Wooden Furniture	6.0	0

Prospects

In early 2017, Chile suffered the most devastating wildfires in the nation's history, which resulted in a significant loss to working forests that amounted to 8% of Chile's total forest area. The fires destroyed 15% of the total Radiata Pine planted area. While Chile declared a state of emergency and requested international assistance in the wake of the fires, the scorched areas could take up to 30 years to recover. With a domestic industry facing a shortage of timber due to 2017's wildfires and a current housing shortage, Chile will likely increase its imports of wood products in the near term.

Meanwhile, exporters looking for growth opportunities in Chile might have the most success with unique products such as Cross Laminated Timber Products (CLT). Over 90% of structural failures during earthquakes result from failed connections. CLT beams combined with tension cables have been used successfully in buildings located in seismic zones like Chile, reducing the need of rigid metal fasteners. Tension cables also oftentimes allow for the salvage of materials, which can then be repositioned and reused in the wake of an earthquake. This results in substantially lower repair costs and prevents additional demolition and materials costs.

Additional wood products that have export potential in the Chilean market include casks/barrels, wooden beams, windows, frames and doors. The current increasing trend of Chile's import of timber and timber products as well as positive growth in construction industry, it was provided market prospects for Malaysian exporters to further penetrate into the Chilean market. Therefore, Malaysian timber exporters need to make their presence, renew and enhance networking with Chile's timber and

furniture importers through participation in the relevant trade exhibitions as well as organising trade mission to the market. The Malaysian manufacturers exporters also need to leverage on Malaysia - Chile FTA to enhance malaysian market share of timber and timber products in Chile and South American market in general.

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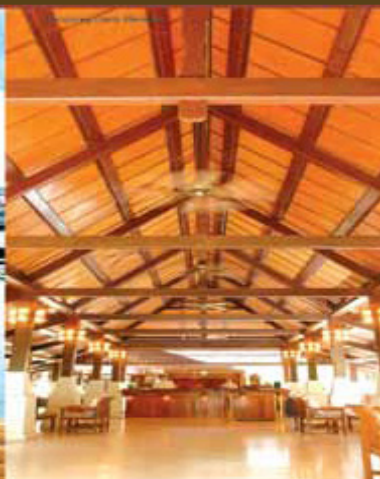
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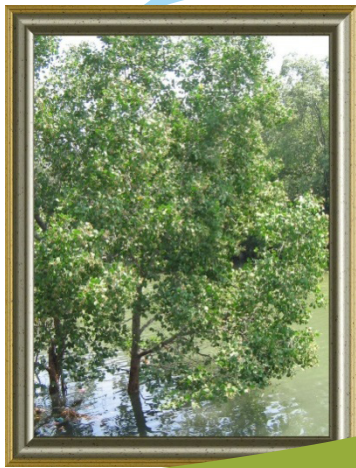
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Berembang tree

BEREMBANG

SUITABLE FOR BOATBUILDING

The Berembang tree is found in Malaysian forests as well as in other ASEAN countries. Its scientific name is *Sonneratia caseolaris*. It grows in tropical climates, stretching from Southeast Asia to South China and in the northern continent of Australia as well as the Pacific Islands. The young Berembang is very sour and is used as a seasoning ingredient.

Berembang is also known as: -

1. Pagapate (Papua New Guinea)
2. Pagatpat (Philippines)
3. Tapoo, Tamoo (Myanmar)
4. Lamphu (Thailand)
5. Baanchua (Viet Nam).

In Malaysia, this plant flourishes especially in the vicinity of the river and near the sea. The flowering tree has its own distinctive features as it is now a “magical” tourism product in Malaysia as many fireflies flock around it at night to suck the nectar in the flowers.



Berembang tree

Habitat

Planting is usually not needed because natural regeneration is so successful. In *Avicennia* and *Rhizophora*, direct seeding results in 90% survival. Flowering plants grow in mangrove swamps that germinate epigally. Estimated to range from tropical moist to rain through subtropical moist to rain forest life zones and an annual temperature of 20 to 27°C, and pH of 6.0 to 6.5.

Studies have found that the seeds of Berembang are quite difficult to germinate especially in shady areas. The tree is usually found in tidal river-banks and creeks with mud banks and is considered the most inland of the *Sonneratia* species.

Leaf seedlings are tapered lanceolate and measures at 12 cm x 2 cm but mature leaves are elliptic.

Feature

The trees grow up to are 5 m -15 m tall. The young branches hang down like those of the weeping willow (*Salix babylonica*) or Angsana (*Pterocarpus indicus*). The bark is slightly fissured, young stems and branches are smooth

waxy brown. Conical pneumatophores at first are greenish grey with flaky bark that may grow to 1.5 m -2 m tall at maturity. Many narrow roots may grow horizontally into the substrate at the base of the pneumatophore.

Leaves are nearly circular, oval or eye-shaped (5 cm -13 cm), narrow at the base, leathery and arranged opposite one another. The leaves have a ‘tidy’ appearance compared to those of Perepat (*Sonneratia alba*). Flowers are large (10 cm diameter) with petals narrow and dark red, and many long white stamens that are pink at the base, forming a powder-puff shape. Stiff cup-shaped calyx with sepals are broadly triangular and yellowish greenish on the inside. The flowers open late

in the evening and lasts for one night only. They smell of butter or sour milk. According to Giessen, the night-blooming flowers contain abundant nectar and are pollinated by bats and moths. At dawn, bees and nectar-feeding birds may visit. The fruit globular (7.5 cm) are leathery with calyx lobes flat, spreading out horizontally. Many buoyant seeds (1 cm) are embedded in fleshy pulp.

According to the NParks Flora and Fauna website, Berembang is the preferred local food plant for caterpillars of the moths *Indarbela quadrinotata*, *Lymantria lepcha*, *Suana concolor*, *Trabala irrorata*, and *Trabala vishnou*. Fireflies are also associated with this tree. The Atlas moth (*Attacus atlas*) has also been seen feeding on the tree.

Wood Identification

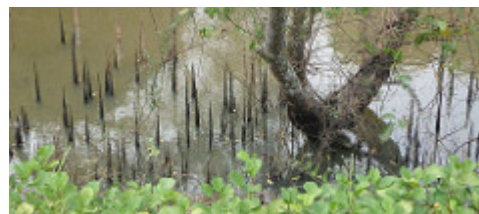
The wood is diffused and porous with occasional tangential diameters of vessel lumina 200 micras or more. Occasionally tyloses are common. There are also vestured pits and vessels per mm², five to 20. Vessels per mm² more than 20 (very abundant). Vessel-ray pits are reticulate and/or foraminate. Simple per Axial parenchyma, absent or extremely rare, non-visible with magnifying glass (8x), four to 10 rays per mm (medium). Rays of more than 10 per mm are abundant. Rays are also exclusively uniseriate. There are prismatic crystals in the ray cells. Body ray cells are procumbent with one row

of upright and/or square marginal cells (Cribs-III). Septate fibres are present. Fibres are with simple to minutely bordered pits. The wood has a salty fishy odour especially when fresh.

The heartwood is pale grey-brown to dark brown, clearly demarcated from the paler sapwood and is said to be very resistant to teredos. The grain is straight or slightly interlocked. The wood is typically fine in texture. The wood is moderately durable but should not be used in contact with the ground in the tropics. It is very difficult to treat with preservatives.

Wood Physical Properties

Its basic density or specific gravity is 0.72 (O.D weight/ Vol. Green - G/CM³). Air-dry density is 0.81 (Weight and volume at 12% mc - G/CM³). Total shrinkage tangential is 5.7 (saturated to 0% mc). Total shrinkage radial is 5.7 (saturated to 0% mc)



Drying Defects

Drying is moderately easy although some particular care is needed. The schedule of kiln dry proposed is as a reference in comparison to well-known species taking into account the general technological behaviour of this species.

Workability

Sawmilling of this species is reportedly fair. It has a moderate dulling effect on the saw-teeth. Wood processing is reported to be easy. It takes a high finish which polishing of this species is reportedly easy.

The heavy wood (800 kg/m³) is used for boatbuilding, construction, piles, and posts. Sour young fruits, used in or as vinegar, are widely used in Oriental chutneys and curries. Flowering trees are quite soft and often used for firewood. The swirling roots can be collected and dried to produce cork which contains 10% of the tannin material for sawn leather goods.

Uses

Its ripe fruits, said to taste like cheese, are eaten raw or cooked. A clear jelly can be prepared from the pectinaceous fruits. Pneumatophores cut up and used as corks or floats for fishing nets. The pulp is suitable for craft paper production. Flowers, in anthesis, contain abundant honey.

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YB Datuk Seri Shamsul Iskandar Md Akin, Deputy Minister of Primary Industries (second from left) posing with MTIB officials after officiating the "Sayangi Komoditi, Bual Bicara Latihan & Kerjaya" programme at SMK Selancar, Rompin, Pahang on 15 August 2018.



MTIB's Workshop on Kenaf Fibre Grading SOP for the Development of Kenaf-related Standards on 27-29 August 2018 in Kota Bharu, Kelantan.



VIPs posing with MTIB personnel who received Excellent Service Awards for 2017 during the event held on 2 August 2018 in Kuala Lumpur.



MTIB retirees and retirees-to-be with VIPs during MTIB's Excellence Day held on 2 August 2018 in Kuala Lumpur.



A course entitled Wood-Based Companies Productivity Rate Estimation, held on 29 August 2018 in Kuala Lumpur.



Attendees during the workshop on Kenaf Fibre Grading SOP for the Development of Kenaf-related Standards held on 27-29 August 2018 in Kota Bharu, Kelantan.