

MASKAYU

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**BAMBOO AS A DRIVER FOR ECONOMIC GROWTH –
NEW WEALTH CREATION FOR THE NATION**



**MPI DIALOGUE 2019 :
FORGING TOWARDS BETTER GROWTH IN TIMBER INDUSTRY**

ISSN 0126-771X



MALAYSIAN TIMBER INDUSTRY BOARD



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YB Puan Teresa Kok,
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as a Driver for Economic
Growth Beyond
Timber- New Wealth
Creation for the Nation
held in Kuala Lumpur.
More details on pages
3 and 15.

BAMBOO AS A DRIVER FOR ECONOMIC GROWTH – NEW WEALTH CREATION FOR THE NATION



Exchanging documents of MoU between MTIB and UMK witnessed by YB Puan Teresa Kok, Minister of Primary Industries (centre)

MTIB in collaboration with Universiti Malaysia Kelantan (UMK) organised the International Conference on Bamboo as a Driver for Economic Growth Forest Beyond Timber – New Wealth Creation for the Nation on 5 August in Kuala Lumpur. This conference aims to provide a venue for industry experts to exchange information and updates among industrial players (private and public) and policymakers on the economic potential of bamboo as a source of renewable energy in Malaysia.

The conference was officiated by YB Puan Teresa Kok, Minister of Primary Industries (MPI). In her speech, YB Puan Teresa highlighted that bamboo is seen as a source of renewable energy which is greener and cleaner. The depletion of fossil fuels and the need to protect the global environment against climate change are the main drivers to further cultivate bamboo on large scale-basis in reducing greenhouse emission. She added that MPI will undertake a holistic development of the bamboo eco-system from upstream to downstream and focus on high value-added and to expand the market. The bamboo community farming will be introduced which include in-situ processing facilities to create more value addition activities along the supply chain of the bamboo industry.

Meanwhile, in his welcoming speech Prof. TS Dr. Noor Azizi Ismail, Vice-Chancellor of UMK stated that the strategic partnership between relevant government agencies and private sectors in organising this conference should be encouraged to generate national success and to provide employment opportunities for university graduates while at the same time increase national income.

He added that UMK has expertise in the field of agriculture through the Faculty of Agro-based Industry and the field of product manufacturing through the Faculty of Biotechnology and Technology and the Faculty of Creative Technology and Heritage. Realising these potentials, UMK



Attendees during the conference.



INDIA

Uncertain Softwood Logs Market

Like most log traders in the world the Indian market is nervously observing the trade war between the US and China and its impact on log price and supply.

The output from sawmills in Kandla processing New Zealand Pine logs has hit low prices of RS440 to RS450 per cubic feet levels (from RS500+ levels about six weeks ago). This has on one hand created a lot of market activity and nervousness as log inventories of New Zealand logs in Kandla devalue (these were bought at (cost and freight) CFR USD144-150 levels), yet also created aggressive demand due to price viability with respect to other competing species at RS440 per cubic feet levels. This demand boost is particularly visible in the packaging materials market.

At the current CFR (cost and freight) price level, the Indian log market for New Zealand is more likely to adsorb five vessels per month from what has been the normal struggling four vessels per month. The largest price fall impact is in South African Patola pine which is now unviable at the last contracted price of 124 USD per metric tonne (P30 Grade/A30 Grade) compared to current New Zealand pine selling at USD124 per m³ for A Grade longs.

The Southern Yellow Pine from the US is now selling at USD105 per metric tonne for 10 " (25cm) and above small end diameters (SED).

The second ever vessel of logs to India from Uruguay arriving mid-August was initially priced at USD125 and then revised to USD121 and ultimately expected to be priced at USD110 or lower levels. The vessel has yet to have firm contracts and LCs and the 42,000 m³ volume of logs has not initiated any sales. It appears that the Singapore Trader and the Uruguayan supplier are both in Kandla trying to salvage the situation.

It is predicted that at USD110 levels the business would be unviable from Uruguay and may get discontinued. On a long-term basis, the pine logs from Uruguay should sell with a minimum negative differential of USD10 below New Zealand Pine logs. The log buyers of volume from the initial Uruguayan vessel in Kandla have formed an informal group to demand compensation from the suppliers due to poor quality, recovery loss and grading issues.

The South India log market has run out of New Zealand Pine logs and awaits a vessel arrival later this month in Tuticorin. The buyers are quite upset at this late arrival with an offer price of USD137 per m³ for A grade whilst sawmillers in Kandla are currently paying USD124-132 per m³ levels and selling their sawn timber to markets serviced by Tuticorin buyers.

nz.pfolsen.com. August



VIET NAM

Anti-Dumping Investigation On Imported Mdf Launched

According to the Trade Remedies Authority in the Ministry of Industry and Trade (MoIT), an anti-dumping investigation on MDF imported from Thailand and Malaysia was initiated in October last year, a first in Viet Nam's timber industry.

This investigation was the result of complaints from four Vietnamese MDF manufacturers on behalf of the domestic industry. The technical dossier claimed dumping and damage to local companies. The Vietnamese firms claimed that the price of imported MDF from Thailand and Malaysia was below production cost by between 18-50% which was damaging the domestic MDF industry.

The Trade Remedies Authority sent questionnaires to local companies and required a reply by mid-July, 2019 after which an assessment from the Ministry will be given. This is a first time that the Viet Nam's timber industry has raised a trade conflict to protect the local industry.

The Department of Customs reported that Viet Nam's wood products exports in the first six months of 2019 were worth USD4.82 billion, up 16.6% over the same period last year. Among the top five export markets were the US, Japan, China, South Korea and the EU. Exports to China and South Korea declined by 30% and 13% respectively. For the first six months of 2019, wood product imports were valued at USD1.233 billion, up 15% in comparison to the same period of 2018. Viet Nam had a trade value surplus of USD3.586 billion in wood products in the first six months of 2019.

Source: Panels furniture asia, 8 August

VIET NAM

Rubberwood a Major Raw Material

In Viet Nam Rubberwood has become an important raw material for Vietnamese wood product exporters. Over the past few years clearing of Rubberwood for replanting has yielded a volume of between 4.5 and 5 million m³ of roundwood and some 70% of this is utilised by manufacturers.

In 2017, exports of Rubberwood products were worth around USD1.7 billion accounting for almost 25% of Viet Nam's wood products exports. In the future this source of raw material will have sustainable forest management certificates and chain of custody (CoC) documents to satisfy demands for legality verification. The greater use of Rubberwood will sharply improve the supply of raw material for Vietnamese manufacturers.

ITTO MIS Report, 1-15 August



MYANMAR

Union Taxation Law Imposed for Sawntimber Import and Export

Union taxation law The Parliament recently passed the Union Taxation Law which set a tax of 10% on logs and sawnwood for export and 5% for import (export of logs from the natural forest is banned). Manufacturers have urged the government to reduce the tax on imports. While it is understood the Ministry of Natural Resources and Environmental Conservation is in favour of reducing tariffs on the importing wood as manufacturers have a hard time competing with products from neighbouring countries.

ITTO MIS Report, 1-15 August



CZECH

Prefab Wooden Houses: A Booming Business

The market with prefabricated wooden houses in the Czech Republic is experiencing a major boom, the

website ihned.cz reports. While ten years ago, there were around one thousand prefabricated wooden houses built in the country, last year it was nearly 3,000. Over the past year, the demand has grown by one fifth, said Martin Fojtiko of the company Bidli, which specialises in low-energy wooden buildings.

While the price of bricks keeps growing, the price of Spruce timber is at a record low, as a result of the bark beetle infestation, making wooden houses more accessible.

Compared to brick houses, prefabricated wooden houses are also considerably faster to build. The assembling of the prefabricated wooden blocks usually takes only about three months. However, providers are not able to meet the growing demand and clients have to wait at least half a year to place their order.

The biggest interest in wooden prefab houses is in the vicinity of large cities, including Prague, Brno and Ostrava, where prices of flats are often out of reach for most people. An average wooden house with an area 150 square meters costs around three million crowns, while in Prague, that it is price of a small one-room apartment.

Besides traditional family houses, Czechs are also increasingly interested in log cabins, which make up about 12% of all the overall production of wooden houses. According to real estate agents, there is also a growing interest in old wooden houses.

According to real-estate agents, most clients interested in purchasing wooden houses are people between the ages of 30 to 40, who are mainly interested in low-energy houses of up to three million crowns. The average life-span of a wooden house is currently around 50 years. After this period, the house usually needs to undergo some major renovation.

radio.cz/en, 1 August



UNITED KINGDOM

Survey Shows Timber Construction Specification Growth

A Södra Wood industry survey has shown a definite increase in the specification of timber as a construction material in the UK. The survey (hosted through Building and Building Design magazines) had 63% of respondents

saying they believe timber is growing in popularity.

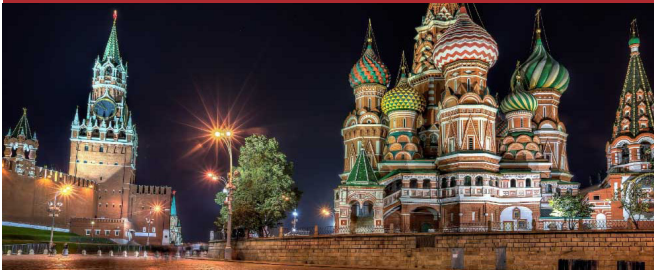
It generated insight from almost 350 architects, consultants, contractors and merchants. The objective was to ascertain whether the UK is beginning to recognise the merits of timber. Some 69% of those questioned said they already worked with timber construction and 68.75% of respondents felt timber could help meet government housebuilding and sustainability targets.

When asked to rank the benefits of timber in order of importance, sustainability took the lead, followed by the fact that it is a quick and efficient material to work with. Great aesthetics took third place, then versatility, cost-effectiveness and offsite capabilities.

“While timber’s popularity is clearly growing, there remains lots of opportunity for further development, especially in terms of timber’s offsite capabilities, and cost and time efficiencies,” said Jeremy English, Sales Director, Manufacturing, at Södra Wood. “The interesting thing about this survey is that it also shows that work still remains to be done to raise awareness around timber’s benefits.”

Nigel Buckley-Ryan, Sales Director, Merchants, at Södra Wood, said it was welcoming to see the UK construction industry becoming more conscious of timber’s excellent sustainability credentials.

TTJ online, 22 August



RUSSIA

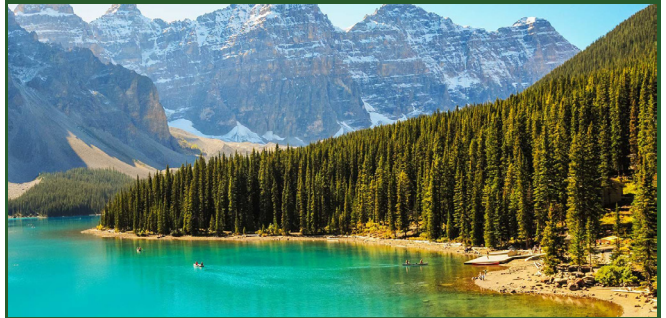
Government Officials Disagree on Ban on Timber Exports to China

Russia’s Environment Minister has warned of a ban on timber exports to China but the Trade Minister does not agree. Trade Minister Denis Manturov criticised Environment Minister Dmitriy Kobylkin’s remarks about a possible ban on Russian timber exports to China. The Environment Minister left the threat hanging in case China did not support Russia’s efforts to limit illegal deforestation along the shared border.

Reply by the Minister of Trade: “China is Russia’s main economic partner and we want to expand trade, and any restrictions on exports and imports, including log trade, would not be ideal in this context”, adding that the WTO

does not allow the unilateral exclusion of a country, and an embargo could lead to Chinese retaliation.

Fordaq, 23 August



CANADA

Government Pledges CAD 2 Million for Toronto Mass Timber Office Building

The Canadian government announced that it will be investing CAD2 million over three years in the construction of a four-storey mass timber office building in Toronto. The funding comes from Natural Resources Canada’s Green Construction through Wood (GCWood) programme, and will go to the Toronto and Region Conservation authority.

According to a government press release, the office will be built using glulam, or glue-laminated timber. Once construction is finished, it will be a net-zero energy-efficient building, producing at least as much energy as it consumes on an annual basis.

“We are very excited about this announcement. The design of the TRCA’s new head office is very innovative. It demonstrates applications for mass timber products and systems that are currently uncommon in the low-rise commercial sector. The educational value of this building is significant, and the example it sets will help drive advancement in sustainable wood construction and open the door to the increased use of wood in low-rise commercial buildings across Canada,” said Marianne Berube, Executive Director of Ontario Wood Works in a statement. 

MPI DIALOGUE 2019 : FORGING TOWARDS BETTER GROWTH IN TIMBER INDUSTRY



Dialogue session chaired by YB Puan Teresa Kok, Minister of Primary Industries (right).

Ministry of Primary Industries (MPI) in cooperation with MTIB, Malaysian Timber Council and Malaysian Timber Certification Council organised a dialogue session which also included representatives from related ministry and timber associations on 8 August at Putrajaya. The dialogue session highlighted the current issues faced by timber industry as well as harmonising current and upcoming programmes and activities for those three timber-related agencies.

YB Puan Teresa Kok, Minister of Primary Industries delivered a welcome speech to the participants. In her speech, she reiterated the importance of today's session and reminded that all programmes and activities conducted by agencies must benefit the whole Malaysian timber industry. She also mentioned that, this dialogue session is to collect information regarding problems, issues and challenges faced by timber industry.

The dialogue were mainly focusing on four main

pillars in timber industry which is value/export earning, sustainability in timber industry, shared prosperity in timber industry, and industry support and trade facilitation. The main issues that were highlighted by timber industry is on foreign workers requirement and raw material adequacy.

The outcome of this dialogue session would be consolidated and used as input in preparing the strategy paper for the 12th Malaysia Plan. YB Puan Teresa in her closing speech stated her appreciation towards the efforts shown by all participants and hoped that all discussions and decisions made would be properly executed by each agency for the sustainable development of the Malaysian timber industry.

The dialogue session was conducted by MPI along with MTIB. It was attended by over 100 participants comprised related timber agencies as well representatives of timber-based associations.



Group photo at the event.



Q & A session.



Malaysia: Two New Systems for Port Klang to Ease Container Lorry Congestion

Source: Edge Financial Daily (The)

The Port Klang Authority (PKA) will introduce two new systems (the Cargo move System and the Link haul system) which will enable freight forwarding companies to know in advance the arrival and exit times of their cargo, thus reducing traffic congestion caused by container lorries at the port.

Port Klang had recorded an increase in container handling at 6.6 million twenty-foot equivalent units (TEUs) for the first six months of this year compared to 4.9 million TEUs for the same period last year.

The government is targeting Port Klang through its two ports to handle 12.85 million TEUs and looking at the first five months. The increase was through government efforts in convincing international shipping companies to maintain their operations in the country.

Malaysia: Westport Q2 Net Profit Rises to RM166 Million

Source: Star (The) - Business

Westport Holdings Bhd. posted a stronger set of financial results in the second quarter ended 30 June 2019 as it net profit rose by 36.5% to RM166.31 million from RM121.81 million a year ago. Its revenue rose by 15.3% to RM454.45 million from RM394.03 million.

For the first half (H1), its net profit rose by 24.6% to RM306.22 million from RM245.61 million. Its revenue increased by 11.6% to RM869.64 million from RM779.12 million. The improvement of 17% over the previous corresponding period is partly helped by a lower base in the previous year. Transshipment containers increased to 3.54 million TEUs, whereas gateway volume grew to 1.73 million TEUs.

Westport was expecting to achieve much higher overall container throughput in 2019 despite very moderate industry's volume growth rate due to the company's exposure to the still-buoyant intra-Asia segment as well as the favorable domestic export-oriented sectors.

Shipments of Timber and Timber Products Through Ports in Peninsular Malaysia, July 2019

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change July 2019/ Jun 2019
	m ³	% Change July 2019/ Jun 2019	m ³	% Change July 2019/ Jun 2019	m ³	% Change July 2019/ Jun 2019	m ³	% Change July 2019/ Jun 2019	m ³	% Change July 2019/ Jun 2019		
Sawntimber	66,396	26	4,368	-48	1,976	75	404	6	9,578	106	82,723	23
MDF	338,513	1,416	0	-100	7,398	40	3,012	16	18,049	21	366,981	704
Mouldings	11,652	32	128	-20	1,761	46	540	-27	1,346	8	15,427	26
Plywood	4,443	11	0	-100	187	189	193	-38	13,514	64	18,337	43
Veneer	663	30	141	-39	118	100	0	-100	2,904	-11	3,827	-6
Particleboard	30,068	9	164	65	2,651	38	35	-50	2,301	76	35,218	14
TOTAL	451,736	289	4,802	-50	14,092	47	4,183	0	47,693	42	522,506	202

Source : MTIB



China: Asia-Europe Off 1.7% to USD676 Per TEUs, USWC Up 0.4% to USD1,659 Per FEUs

Source: Asian Shippers

Spot rates for shipping containers from Asia to northern Europe in the week ending Friday declined by a further 1.7% to USD676 per twenty-foot equivalent units (TEUs), while the Shanghai-Mediterranean rate fell 1.1% to USD697 per TEUs, according to the Shanghai Containerised Freight Index (SCFI). The SCFI posted a 0.4% increase in spot rates from Asia to the US west coast to USD1,659 per forty-foot equivalent units (FEUs), while for east coast ports, rates increased 3.6% to USD2,864 per FEUs.

United States: Tariffs Drag Down Long Beach Container Volumes by 10%

Source: Asian Shippers

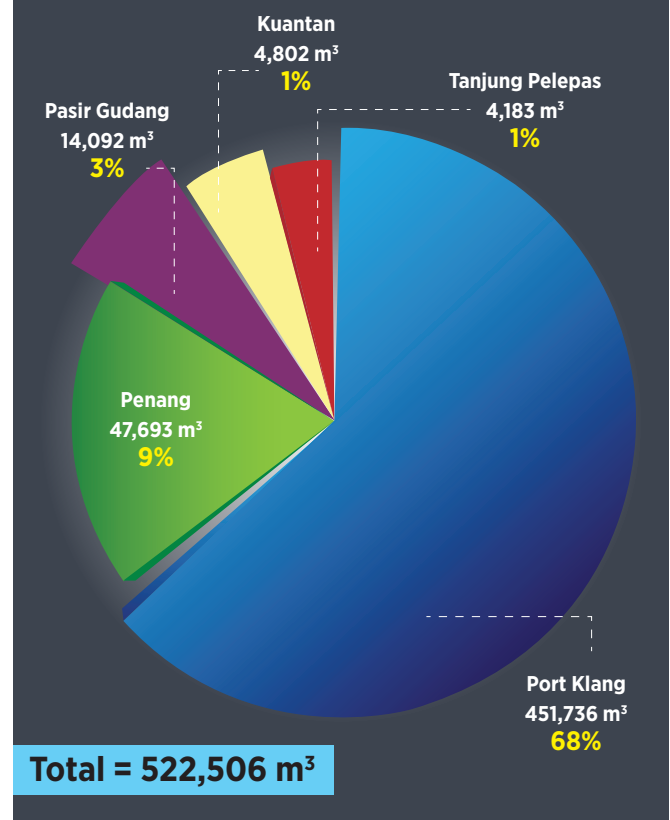
Container volumes fell by 10% year on year at the Port of Long Beach as the ongoing trade war affects the US West Coast hub. The port handled 677,167 TEUs in June with imports shrinking by 14% while exports fell by 1%. Empties loaded onto ships to fill with goods in Asia decreased by 9%.

Brazil: Movement in Paraná Ports Grows 15% in 2019

Source: Frota & Cia

The Ports of Paranaque and Antonina moved around 5.3 million tonnes of cargo in June. Thus, registering 15% more than the same month of 2018, when 4.6 million tonnes were handled. The public company Portus do Paraná, almost 68% of this total went to export. In this sense, the growth observed in grain movements was more prominent.

Timber Shipment through Ports in Peninsular Malaysia, July 2019



Resak Vatica spp.

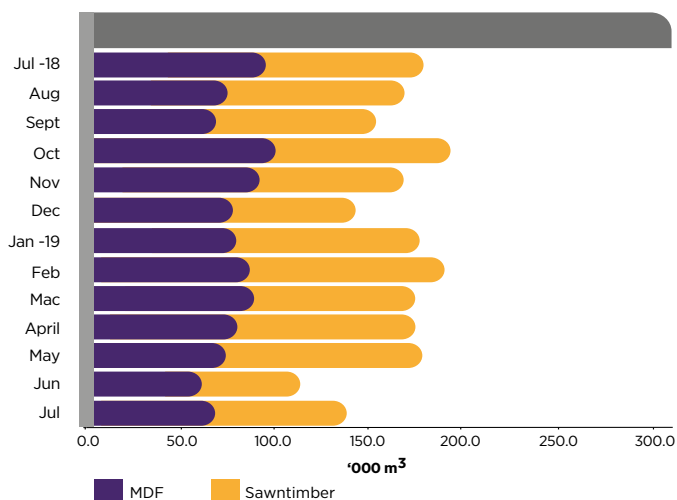
Malaysian Wood
Standing on Excellence

Tak Lapuk Dek Hujan, Tak Lekang Dek Panas
Timeless, Enduring

www.mtib.gov.my



Malaysia : Export of Sawntimber and MDF (July 2018-July 2019/Volume ('000m³)



Total export of Malaysian timber and timber products in July 2019 increased 36% valued at RM1.9 billion over the previous month. Similarly, cumulative export for the period of January to July 2019 slightly decreased 0.4% valued at RM12.5 billion over the previous corresponding period.

SAWNTIMBER

Total export of sawntimber in July 2019 both have increased in volume and value by 24% and 23% to 137,945 m³ with a value of RM259.6 million as compared to the previous month. Cumulative export for the period of January to July 2019 decreased 5% in volume and 4% in value to 1.0 million m³ totalling RM2.0 billion over the previous corresponding period.

Export of sawntimber to the EU for the month increased 7% to 7,958 m³ over the previous month as a result of high demand from major countries in the region. Export to France and the Netherlands increased 66% and 65% to 805 m³ and 3,374 m³ respectively. In meanwhile, export to Italy declined 80% to 97 m³ followed by the United Kingdom at 33% to 1,299 m³. Greece and Belgium also decreased 29% and 10% of their purchased this month to 201 m³ and 991 m³ respectively.

Total exports to West Asia increased 45% to 19,811 m³ from 13,630 m³ recorded in the previous month. Export to Qatar increased 163% to 1,028 m³ from 391 m³ recorded in the previous month followed by Bahrain with 67% to 699 m³ and Iraq with 49% to 2,404 m³. Similarly, the UAE and Oman also have increased its intake of sawntimber by 36% and 28% to 8,999 m³ and 2,162 m³ respectively. Meanwhile, Yemen has resumed its intake by 2,085 m³ for this month.

Buying from ASEAN increased by 36% to 41,428 m³ from 30,478 m³ registered in the previous month. Export of sawntimber to the Philippines increased 118% to 11,203 m³ followed by Singapore 66% to 8,397 m³ and Thailand 9%

to 20,302 m³. Contrarily, export to Indonesia decreased 27% to 210 m³ followed by Viet Nam 5% to 1,316 m³ compared to the previous month.

In the meanwhile, shipments to East Asia also increased 6% to 32,808 m³ from 30,957 m³ in the previous month. Export to Hong Kong increased by 226% to 457 m³ followed by Japan 51% to 5,886 m³ and South Korea 18% to 2,473 m³. Export to China increased 2% to 18,711 m³ from 18,333 m³ in the previous month. In the meanwhile, Taiwan reduced its intake of sawntimber by 18% to 5,281 m³ compared to 6,456 m³ in the previous month.

Elsewhere, exports to Australia increased 183% to 1,077 m³ followed by the US 29% to 1,596 m³. Demand from South Africa increased 32% to 4,030 m³ from 3,062 m³ in the previous month.

The average FOB price of sawntimber decreased slightly to RM1,882 per m³ from RM1,901 per m³ in the previous month. Meanwhile, price of Dark Red Meranti to the Netherlands decreased 7% to RM3,263 per m³ from RM3,513 per m³ in the previous month. Keruing was traded at RM2,341 per m³, a declined of 2% from RM2,377 per m³ in the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in July 2019 both have increased in volume and value by 14% and 18% to 68,720 m³ totalled RM90.7 million compared to the previous month. However, cumulative export for January to July 2019 recorded a decrease in volume by 12% to 520,906 m³ and in value by 6% worth RM639.1 million over the previous corresponding period.

In ASEAN, total export decreased by 4% to 11,169 m³ from 11,626 m³ in the previous month. Exports to Indonesia has reduced by 10% to 4,243 m³, followed by Viet Nam 18% to 3,220 m³ and the Philippines 8% to 2,580 m³. However, Singapore has increased its intake by 373% to 189 m³.

Exports to East Asia countries registered an increase of 29% to 14,950 m³ from 11,561 m³ in the previous month. Japan as the largest buyer in the region has increased its intake by 33% to 13,583 m³ followed by Taiwan 78% to 723 m³. Meanwhile, exports to China including Hong Kong and South Korea have decreased by 23% to 449 m³ and 43% to 195 m³ respectively.

However, export to South Asia countries recorded a decrease of 14% to 10,228 m³ from 11,952 m³ in the previous month. Exports to Pakistan has decreased by 13% to 3,330 m³ followed by India 13% to 4,262 m³ and Bangladesh 50% to 1,094 m³. However, export to Sri Lanka has increased by 53% to 1,542 m³ for this month.

On the other hand, export to West Asia region increased by 14% to 17,134 m³ from 15,096 m³ in the previous month. Export to Syria has increased by 100% to 4,274 m³, followed by Oman 14% to 1,598 m³ and Lebanon by 1,304 m³ from 82 m³ in the previous month. Similarly, exports to Bahrain and

Qatar have increased by 88% to 1,265 m³ and 247% to 1,113 m³ respectively. However, export to the UAE has reduced by 31% to 6,306 m³ followed by Saudi Arabia 37% to 580 m³, Kuwait by 71% to 643 m³ and Jordan 93% to 21 m³. Meanwhile, Iran doesn't make any purchase this month.

Elsewhere, exports to the USA and Australia have increased by 12% to 2,680 m³ and 8% to 2,590 m³ respectively. Similarly, Mauritius has increased its intake by 100% to 300 m³ from 150 m³ in the previous month. However, exports to South Africa and the UK have decreased by 41% to 589 m³ and 20% to 151 m³ respectively.

The FOB price of MDF has increased to RM1,319 per m³ from RM1,282 per m³, an increase of 3% from the previous month.

PLYWOOD

Export of plywood in July 2019 both have increased in volume and value by 113% and 125% to 157,627 m³ totalled RM322.6 million compared to the previous month. However, cumulative export for January to July 2019 showed a decrease in volume by 21% to 1.0 million m³ and in value by 20% worth RM2.1 billion over the previous corresponding period.

Total export of plywood to the EU countries have increased by 33% to 6,219 m³ for this month. The UK as the main buyer has increased its intake by 37% to 5,337 m³, followed by Denmark 12% to 373 m³ and Belgium 49% to 131 m³. Meanwhile, the Netherlands has resumed its intake by 250 m³ for this month. However, France, Germany, Ireland and Italy did not make any purchases this month.

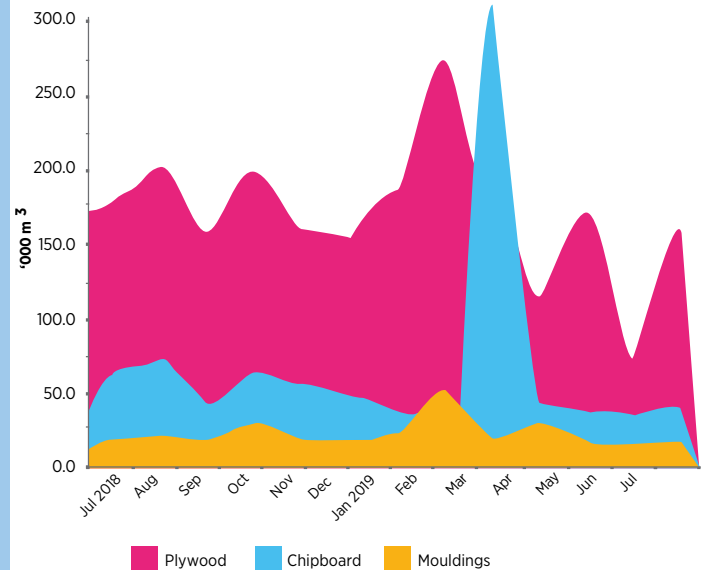
Exports to ASEAN and East Asia region recorded an increase of 154% to 119,635 m³ compared to the previous month. In East Asia region, Japan as the main importer of Malaysian plywood increased its intake by 248% to 79,123 m³. Similarly, export to South Korea has increased by 123% to 18,887 m³, followed by Taiwan 27% to 8,919 m³, Hong Kong 27% to 1,153 m³ and China 113% to 1,353 m³. Similarly, Malaysia's plywood trade with its ASEAN partners showed positive trend for this month. Exports to Thailand has increased by 36% to 6,335 m³, followed by Singapore 31% to 1,968 m³, the Philippines 41% to 851 m³ and Brunei 57% to 814 m³. Meanwhile, Indonesia does not make any purchase this month.

Export to West Asian region also recorded an increase of 24% to 5,028 m³ whereas the biggest buyer for this month, the UAE increased its intake by 113% to 2,140 m³. Similarly, exports to Saudi Arabia and Qatar have increased by 11% to 920 m³ and 325% to 170 m³ respectively. In contrast, Bahrain has reduced its buying by 52% to 240 m³ while Yemen and Kuwait did not make any purchases this month.

Export of plywood to the Americas region has increased by 34% to 18,426 m³ as compared to the previous month. Our main buyer in the Americas region, the US has increased its intake of plywood by 41% to 16,180 m³. Export to Canada also has increased by 78% to 283 m³ meanwhile Mexico reduced its intake by 8% to 1,963 m³.

Malaysia : Export of Plywood, Chipboard and Mouldings

(July 2018-July 2019/Volume ('000m³)



Moving to Oceania region, Australia recorded an increase in its intake of plywood by 75% to 3,393 m³ and New Zealand resumed its buying to 64 m³.

Export to South Africa has decreased by 43% to 107 m³ whilst Algeria and Mauritius didn't make any purchases this month. Similarly, Turkey does not make any purchase this month. The FOB price of plywood has increased by 6% to RM2,047 per m³ from RM1,936 per m³ in the previous month.

MOULDINGS

Exports of mouldings for the month increased by 11% in volume and 18% in value to 17,676 m³ and RM71.3 million respectively. However, cumulative exports for the period of January to July 2019 decreased by 0.4% in volume but increased 2% in value to 139,782 m³ and RM512.4 million respectively as compared to the previous corresponding period in 2018.

Exports to the EU for the month recorded at 5,792 m³, an increase of 0.1% compared to the previous month. The Netherlands and Belgium increased their purchases by 16% and 6% to 3,534 m³ and 391 m³ respectively. However, the UK and Germany decreased its purchases by 17% and 10% to 533 m³ and 579 m³ compared to the previous month. Meanwhile, Italy did not make any purchases.

Exports to ASEAN region increased as Singapore increased its purchases by 13% to 893 m³. However, export to Viet Nam decreased by 10% to 432 m³ compared to the previous month. Meanwhile, Indonesia did not make any purchases.

Meanwhile, Hong Kong and South Korea increased their intake by 93%, and 24% to 530 m³ and 1,285 m³ respectively. However, China, Japan and Taiwan decreased their intake by 87%, 29% and 13% to 57 m³, 1,501 m³ and 167 m³ compared to the previous month.

JULY 2019

LOGS

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.

Log prices for the species of Chengal, Balau and Red Balau stood firm at RM4,545 per tonne, RM3,200 per tonne and RM2,200 per tonne respectively. Similarly, the prices for Keruing and Kempas continued to be traded at RM1,450 per tonne and RM1,900 per tonne respectively. Meanwhile, the price for Kapur increased slightly by 0.6% to RM1,690 per tonne over the previous month. The prices for Dark Red Meranti and Red Meranti remained at RM2,080 per tonne and RM1,800 per tonne respectively. On the other hand, logs prices for Mixed Heavy Hardwood increased by 1.1% to RM1,011 per tonne whilst Mixed Light Hardwood remained at RM925 per tonne for this month.

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.

INTRA-MALAYSIA TRADE *

- JULY 2019

The shipments of logs from Sabah to Peninsular Malaysia for the month fell by 6% in volume from 1,470 m³ to 1,386 m³ worth at RM462,000. Meanwhile, trade of sawntimber increased tremendously by 168% in volume from 171 m³ to 458 m³ worth at

SAWNTIMBER

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

The sawntimber prices of Chengal maintained at RM6,850 per m³ whilst Balau increased slightly by 1.9% to RM3,453 per m³ respectively. The prices for Keruing, Kempas and Kapur stood at RM1,303 per m³, RM2,542 per m³ and RM1,751 per m³ respectively. Meanwhile, the prices for Tualang increased by 1.4% to RM2,507 per m³. The prices for Dark Red Meranti and Red Meranti remained at RM2,041 per m³ and RM2,013 per m³ respectively. On the other hand, sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood drop by 1.0% and 2.6% at RM1,013 per m³ and RM929 per m³ respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

Domestic supply of MDF remained stable as prices continued to chart at last month's level. MDF of 4 mm, 6 mm, 9 mm and 12 mm of thicknesses were sold at RM13.00, RM16.24, RM21.96 and RM28.64 per piece respectively.

RM953,000. Trade of plywood increased slightly by 6% in volume to 3,087 m³ worth at RM6.2 million.

Trade of sawntimber from Sarawak to Peninsular Malaysia increased by 14% in volume from 619 m³ to 703 m³ worth at RM1.0 million. Similarly, trade of plywood increased by 35% in volume to 3,287 m³ worth at RM3.9 million. Likewise, trade of veneer increased by 1% in volume to 2,664 m³ worth at RM3.9 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in July 2019.

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA RINGGIT MALAYSIA JULY 2019

SPECIES	LOGS/tonne	SAWNTIMBER/m³			
	18" UP	GMS	STRIPS		SCANTLINGS/m³
HEAVY HARDWOOD					
Chengal	4,545	6,850	5,438		7,451
Balau	3,200	3,453	3,143		2,860
Red Balau	2,200	2,966	2,684		3,284
Merbau	3,250	4,661	3,814		3,955
Mixed Heavy Hardwood	1,011	1,013	805		1,024
MEDIUM HARDWOOD					
Keruing	1,450	1,303	1,215		2,203
Kempas	1,900	2,542	2,436		2,719
Kapur	1,690	1,751	1,423		1,766
Mengkulang	1,300	2,048	1,081		2,126
Tualang	1,425	2,507	2,366		2,500
LIGHT HARDWOOD					
Dark Red Meranti	2,080	2,041	1,709		3,016
Red Meranti	1,800	2,013	1,730		2,189
Yellow Meranti	1,250	1,568	1,236		1,271
White Meranti	1,480	2,472	1,412		2,260
Mersawa	1,730	1,808	1,695		2,013
Nyatoh	1,325	1,624	1,186		1,271
Sepetir	1,350	1,706	1,003		1,730
Jelutong	1,100	1,780	1,215		1,801
Mixed Light Hardwood	925	929	731		968
MALAYSIAN RUBBERWOOD <i>Hevea brasiliensis</i>					
	LOGS/tonne	SAWNTIMBER/m³			
	158	1" X 1"	2"X2"	3"X 3"	4" X 4"
		1,028	1,146	1,295	1,483
PLYWOOD 4' X 8'	4 mm	6 mm	9 mm		12 mm
(RM per piece)	14.60	22.00	38.00		48.00
MDF 4' X 8'	4 mm	6 mm	9 mm		12 mm
(RM per piece)	13.00	16.24	21.96		28.64

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

* Prices are only indicative

INTRA-MALAYSIA TRADE - JULY 2019

From	Product	Jun 2019		July 2019		% Change in Value July 2019/Jun 2019	% Change in Volume July 2019/Jun 2019
		Vol (m ³)	Val (RM' 000)	Vol (m ³)	Val (RM' 000)		
SABAH	Logs	1,470	490	1,386	462	-6	-6
	Sawntimber	171	86	458	953	168	1,008
	Plywood	2,909	5,838	3,087	6,183	6	6
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	619	954	703	1,039	14	9
	Plywood	2,430	2,836	3,287	3,993	35	41
	Veneer	2,628	3,920	2,664	3,863	1	-1

Source :- Department Of Statistic, Malaysia

Cont. from page 11

Elsewhere, export to Australia and Canada increased by 31% and 12% to 2,719 m³ and 29 m³ respectively. Similarly, the US also increased its intakes by 106% to 2,675 m³ compared to 1,301 m³ in the previous month.

FOB unit value increased 6% to RM4,032 per m³ compared to RM3,792 per m³ in the previous month.

VENEER

Export of veneer for July 2019 increased by 43% in volume and 57% in value to 9,446 m³ at RM 13.7 million as compared to the previous month. Exports to Taiwan and China have increased by 33% and 26% to 3,588 m³ and 2,478 m³ respectively. Similarly, the Philippines and India also have increased its intake of veneer by 53% and 50% to 1,674 m³ and 578 m³ respectively.

In the meanwhile, South Korea and Canada also increased its intake of veneer by 661% and 100% to 236 m³ and 34 m³ respectively. Contrarily, exports to Australia have decreased by 3% to 88 m³. On the other hand, Singapore, Italy, Chile and Viet Nam didn't make any purchase this month.

The FOB price of veneer for July 2019 was at RM 1,454 per m³, an increase of 10% from RM 1,325 per m³ in the previous month.

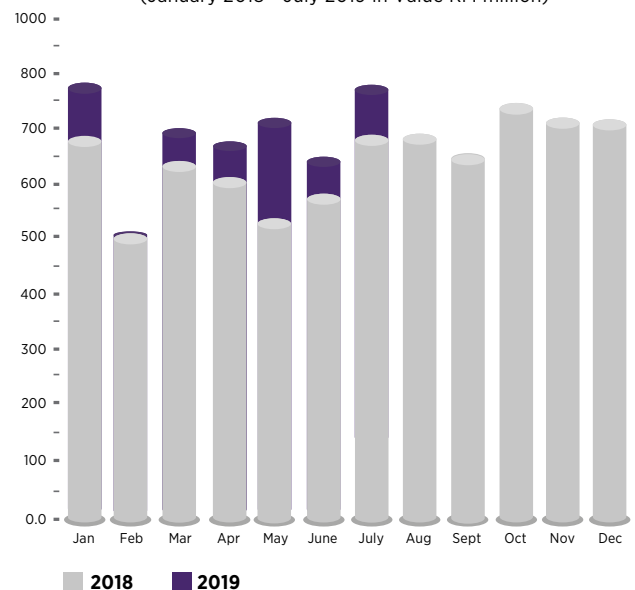
BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports for the period of January to July 2019 decreased 8% to RM564.3 million as compared to RM611.4 million in the corresponding period last year. Export to the EU decreased 21% to RM172.6 million. Export to Turkey, France, Denmark and Italy decreased by 95%, 45%, 34% and 29% to RM65.8 thousand, RM14.1 million, RM12.5 million and RM3.1 million respectively. Export to the UK, Belgium and the Netherlands also decreased by 23%, 21% and 8% to RM67.3 million, RM25.5 million and RM14.5 million respectively. Meanwhile, export to Sweden and Germany increase by 97% and 13% to RM5.5 million and RM16.5 million respectively.

In Asia, exports to Viet Nam, Pakistan, Singapore and Thailand decreased by 38%, 35%, 15% and 11% to RM16.1 million, RM1.5 million, RM44.8 million and RM11.4 million respectively. However, exports to South Korea, India and Taiwan increased by 75%, 33% and 23% to RM999.5 thousand, RM22.8 million and RM6.9 million respectively. Exports to the UAE, Saudi Arabia and Japan also increased by 22%, 18% and 1% to RM4.5 million, RM1.3 million and RM39.3 million respectively. Similarly, export to Qatar increased significantly to RM3.5 million from only RM6.6 thousand in the previous corresponding period. Meanwhile, Bahrain has resumed its intake by 68,904 m³ for this month.

Exports to Mauritius, the US, Australia and South Africa increased by 559%, 17%, 5% and 3% to RM461.5 thousand, RM73.2 million, RM120.2 million and RM10.9 million respectively. Meanwhile, Reunion Island did not make any purchases.

Malaysia : Export of Wooden Furniture
(January 2018 - July 2019 in Value RM million)



FURNITURE

Export of wooden and rattan furniture for the first seven months of 2019 increased 12% to RM4.8 billion from RM4.3 billion in the previous corresponding period.

Imports of wooden furniture by the US increased 28% to RM1.97 billion from RM1.6 billion in the previous corresponding period of 2018. Demand from Canada also increased 20% to RM172.3 million whilst export to Australia declined 12% to RM264.6 million. In Europe, shipment to the UK increased 38% to RM295.9 million followed by Belgium 39% to RM29.3 million, Poland 15% to RM21.7 million and Spain 1% to RM11.4 million. Meanwhile, export to France, Sweden and Russia decreased 7% to RM37.3 million, 8% to RM16.6 million and 18% to RM14.5 million respectively.

In East Asia, China reduced consumption by 13% to RM114.7 million from RM132.2 million in 2018. Export to South Korea also declined 5% to RM52.6 million whilst Japan increased import by 17% to RM336.9 million from RM288.2 million in 2018. Export to India improved 4% to RM126.2 million from RM121.9 million in the previous corresponding period.

In ASEAN region, export to Singapore increased 1% to RM258.4 million followed by the Philippines 10% to RM129.6 million compared to the previous corresponding period. Export to West Asia saw growth as the UAE increased intake by 14% to RM87.0 million followed by Saudi Arabia with 54% to RM108.0 million and Kuwait 6% to RM28.7 million.

Rattan furniture shipments for the period of January to July 2019 decreased 56% to RM1.0 million from RM2.4 million in the previous corresponding period. Export to Australia improved significantly to RM388.7 thousand from only RM15.5 thousand in the previous corresponding period. Meanwhile, export to Japan declined 79% to RM65.6 thousand followed by Singapore 1% to RM49.3 thousand. The US, American Samoa and China resumed purchases by RM352.6 thousand, RM65.6 thousand and RM5.2 thousand respectively.

intends to increase R&D for bamboo to a more comprehensive level. UMK aims at becoming a “teaching factory” that not only generates experts but also entrepreneurs who are able to initiate job opportunities and contribute to the country’s economic growth.

Two international speakers from India and South Korea as well as five local speakers were invited to present their papers at the conference. The first paper entitled “Bamboo as a Driver for Economic Growth in the Energy Sector” was presented by Dato’ Dr. Helmi Abdul Rahman from Universiti Teknologi MARA. He explained the potential of bamboo biomass energy as an alternative to fossil fuel. Biomass energy is principally the energy generated from organic stock that could be utilised either directly or indirectly.

Dr. Rizalman Mamat from the Universiti Malaysia Pahang explained on renewable energy from biomass in his paper entitled “Tropical Forest Bamboo as Potential Feedstock for Bioenergy and Solid Fuel Pellets”. Bamboo pellets are renewable and environment-friendly products made by crushing the bamboo into powder and pressing together for pellets milling into 6-12 mm length diameter. The high-quality bamboo pellets price ranges from USD50 – 80 per tonne.

Mr. Jindong Gong from A&M Co. Ltd., South Korea elaborated on bamboo bioenergy through his paper entitled “Bamboo Bioenergy Pellet Market Demand and Buyback Guarantee”. In South Korea, the supply for wood pellets comes from importation and local manufacturer. Among the country South Korea import its wood pellets include Viet Nam, Malaysia, Russia, Indonesia and Thailand. Local manufacturer on the other hand produced about 67,446 tonnes of wood pellets in 2017. The global wood pellet market has been estimated to be valued at USD20 billion by the end of 2023.

Prof. Dr. Fauzi Zakaria from Universiti Malaya shared with the participants on “Climate Change Mitigation”. Bamboo is a fast-growing grass plant that can provide a natural solution for several pressing development challenges such as restoring degraded lands, storing carbon, protecting biodiversity, provide a more sustainable, low-carbon solution for products and infrastructure.



YB Puan Teresa Kok, Minister of Primary Industries (second from left) being briefed on the bamboo products during the event.

Dr. M. Laksmi Prasa from Sujay Biotech, India presented a paper entitled “Bamboo as Planted Forest & Bamboo Biomass Yield and Feedstock Characteristics”. He shared on good agriculture practice on bamboo plantation using bio-fertilisers and bio-inoculants which are the eco-friendly ways of productivity enhancement. A small dose of nitrogenous, phosphorus and potassium fertiliser are applied to promote the development of the number of culms. The bio-inoculants like mycorrhizae, nitrogen-fixing bacteria are also applied to increase the biomass yield.

Encik Wong Jae Sen from Natgreen Resources Sdn. Bhd. presented a paper on “Bamboo Application Potential as Advanced Composite Material, Industrial Polymer-Petrochemical Replacement, Bamboo Fibres for Filter and Bamboo Textiles, Timber Wood Replacement and Structural Materials”. Bamboo has numerous usages and able to replace timber as an alternative source of raw materials. For instance, bamboo fibres can make advance composite material and textiles besides laminated flooring, wood pellets and interior decoration. It was quite an eye-opener for all participants on the various application of bamboo that can be tapped.

This conference was attended by more than 100 participants mostly comprised those from bamboo interest group as well as representatives from related government agencies. 

LAUNCHING OF THE INTERNATIONAL FURNITURE CITY @ SELANGOR (SIFC)

www.propwall.my/news



The gimmick of SIFC launching by YAB Tuan Amirudin bin Shari, Menteri Besar of Selangor.

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The exchange of the MoU documents between KSFA, B&G Capital Resources Group and MJD Land Sdn. Bhd. witnessed by Menteri Besar of Selangor.

On 19 August, the KL and Selangor Furniture Association (KSFA) launched the International Furniture City @ Selangor (SIFC) in Subang Jaya, Selangor. The event was officiated by YAB Tuan Amirudin bin Shari, Menteri Besar of Selangor. In his welcoming remarks, Dato' Eric Lee Kong Sim, President of KSFA thanked YAB Tuan Amirudin who was willing to spend valuable time for officiating and had approved KSFA to use the name International Furniture City @ Selangor (SIFC).

The SIFC project is a collaborative effort of KSFA, B&G Capital Resources Group and MJD Land Sdn. Bhd. A tripartite of Memorandum of Understanding (MoU) among KSFA, B&G Capital Resources Group and MJD Land Sdn. Bhd. was also signed. The MoU was signed by Dato' Eric Lee, President of KSFA; YBhg. Tan Sri Barry Goh, Chairman cum Executive Director of B&G Capital Resources Bhd. and Encik Sallehuddin Ahmad, Director of MJD Land. The event was witnessed by YAB Tuan Amirudin bin Shari, Menteri Besar of Selangor.

In his officiating speech, YAB Tuan Amirudin highlighted the importance of the development of SIFC which would create jobs for the furniture sector and further boost domestic sales and economic cycle. Whilst at the same time, SIFC would also address the issues of illegal factories, foreign labours, factory compliance, industrial facilities and Bumiputera participation.

"SIFC will be a viable plan as it aligns with the government's goal of achieving RM20 billion worth of furniture exports by 2025 and be a catalyst for an increase in contribution to the Gross Domestic Product," he added.

SIFC will be developed in two phases on a 700-acre land in Sungai Buaya, Serendah, Selangor. Its location is approximately 35 kilometres away from Kuala Lumpur via the North-South Expressway. The benefits of SIFC are as follows:

- To create more job opportunities for general workers and professionals;

- To reduce the issue of illegal factories in Selangor;
- To contribute to economic growth in export;
- To reduce imports while escalating local consumers by upgrading the quality of locally made furniture;
- To produce more local furniture designers by establishing a Design Institute; and
- To develop Bumiputera entrepreneurs to increase their participation in the furniture industry.

KSFA is currently focusing on selling the first phase of the SIFC development which comprises of 255 industrial lots on a 290-acre land. The development of SIFC will be a guarded community with security features such as anti-climb perimeter fencing, boom gate and 24-hour security patrolling service. The development will also boast a 66-feet wide internal road and lush greenery. There is also a provision within the development for workers dormitory to be built providing a standard, comfortable accommodation for the workers.

SIFC Management Sdn. Bhd., a subsidiary of KSFA, has been given the responsibility to develop and manage the land as well as to promote it among furniture players. KSFA is confident in securing 80% sales of Phase 1 from its members. KSFA estimated that it will take approximately one year to enter into Sale and Purchase Agreement with the buyers and to deliver the vacant possession of the land complete with infrastructure by fourth quarter of 2022 and KSFA conservatively estimates that the first phase of the development on a 290-acre piece of land can create approximately 8,000 to 9,000 jobs, with a gross development value of approximately RM1 billion, and an annual output of approximately RM3 billion.

KSFA hopes to have smooth progress on the SIFC development in order to nurture well-trained workers for the industry, to enhance the furniture market competitiveness and to promote the Malaysian furniture internationally.

Encik Mohd Kheiruddin Mohd Rani, MTIB Deputy Director-General (Development and Commercial) also attended the launching ceremony.

International Conference on Tropical Forest Science 2019



Official opening of the conference.

The International Conference on Tropical Forest Science 2019 (ICTFS 2019) was held from 9 to 11 July in Kota Kinabalu, Sabah organised by the Faculty of Science and Natural Resources, Universiti Malaysia Sabah. The ICTFS encompasses the role and importance of forestry in addressing 2030 Agenda for Sustainable Development. This conference aims to bring both local and international stakeholders to share knowledge and present the latest research findings on how forestry contributes to addressing the UN's 17 Sustainable Development Goals.

The ICTFS 2019 was organised to show the importance of forest as valuable resource for sustainability which was in line with the conference's theme "Forest for Sustainable Development Goals". Participants focused on sustainable management and production from natural resources,

food systems and nutrition from forest, forest and communities, increasing resilience of livelihoods, global warming, climate change, forest protection, forest law, REDD+ and so on. ICTFS 2019 is the strategic platform for the researchers, academicians, practitioners in relevant fields to share and exchange ideas based on the scopes highlighted which were; sustainable forest management, community and development, technology and industry, and forest biology and environmental sciences.

The three invited keynote speakers namely Prof. Dr. Naoto Kamata (Japan), Prof. Dr. Kyu-Suk Kang (South Korea), and Datuk Mashor Hj. Mohd Jaini from Sabah Forestry Department, Malaysia presented general information on forestry's sustainability, conservation and operational policy. Forty oral presentations including more than 40 expositions through posters were presented in ICTFS 2019.

The conference brought together about 100 participants from various countries, apart from Malaysia but also including Japan, Korea and Indonesia. MTIB was represented by Cik Farydatul Nazly Mohd Zin, Dr. Loh Yueh Feng, Puan Hazlinda Zainal Abidin and Puan Umami Ainul Hafizah Mohd Ismail Ali. 



One of the speakers presenting her paper during the conference.

WORLDSKILLS COMPETITION 2019: MALAYSIAN ENTRY IN CABINET MAKING AND JOINERY CATEGORY



Contestants from Malaysia posing with YB Dato' Mahfuz bin Omar, Deputy Minister of Human Resources.

WorldSkills is a skills competition, jobs and careers event held every two years. The competition was promoted and managed by WorldSkills International (WSI), formerly known as the International Vocational Training Organisation (IVTO). As of September 2008, WorldSkills International has more than 80 member countries. Governed by an international Board of Directors and administered by the WorldSkills Secretariat, WSI's mission is to promote, through the cooperative actions of Members, a world-wide awareness of the essential contribution of skills and high standards of competence towards economic and individual success. Through international competitions held every two years, WSI attempts to raise awareness on the opportunities that exist in skilled professions and encourage youths to explore career opportunities in trade and skilled professions.

Among its main objectives are:

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



Joinery contestant preparing his project.

The young professionals who competed are selected by their respective countries and may only participate in the competition once. It is targeted at youths aged 17 to 22 years to demonstrate their excellence in skilled professions.

Certificates of Achievement and medals were awarded during the competition: gold, silver and bronze, as well as Certificates of Excellence (to competitors who



Cabinet making contestant from Malaysia with his masterpiece during the competition.

achieve over 700 points). The most recent competition, its 45th edition, took place from 22 to 27 August in Kazan Expo International Exhibition Centre in Kazan, Russia. The celebration and showcase of skills brought together the finest young professionals in skilled trades and technologies from 63 countries and regions.

Approximately 1,354 competitors in 56 skills, 250,000 visitors, 3,500 participation of conference and 3,500 accredited delegates participated in the largest international vocational education training event in the world. China led the final medal table by total medal points, with 16 golds. Russia took 14 golds, while Korea seven. Seventy Best of Nation medallions were awarded to the top competitor in each country. Malaysia was one of the participating countries for the event. Through the Ministry of Human Resources, Malaysia sent 24 participants to the competition.

The Malaysian contingent participated in 22 trades: Bakery, Car Painting, Cloud Computing, Cooking, Electronics, Fashion Technology, Florist, IT Software Solution for Business, Jewellery, Pastry, Bricklaying, Electrical Installations, Mechanical Engineering Design (CADD), Painting and Decorating, Refrigeration and Air Conditioning, Wall and Floor Tiling, Welding, Drone Operating, Mobile Robotics Joinery, and Cabinet Making. Malaysia also participated in five other categories such as Carpentry, Information Network Cabling, Plastering and Drywall Systems, Landscape Gardening and Beauty Therapy as expert observers.

One Malaysian contestant won a bronze medal in the Drone Operating categories, while nine contestants won Medallion for Excellence in various categories. Encik Joerdan Jesselly James from Wood Industry Skills Development Centre (WISDEC) represented Malaysia in the cabinet making category, while Encik Muhammad Yusri Aiman bin Nasir from Akademi Binaan Malaysia (ABM) competed in the joinery trade. Prior to

the participation in the WSC 2019, both contestants had undergone intensive training at WISDEC, as well as in Australia, China and Taiwan. MTIB, through WISDEC, has been involved in the skills competition, either at national, ASEAN or international level. Since its appointment as Industry Lead Body (ILB) by the Department of Skills Development (JPK), Ministry of Human Resources in 2012, MTIB has undertaken training programmes and activities to elevate the level of human resource skills in the timber industry.

In the cabinet making trade, cabinet makers specialise in working with wood and other construction materials to fabricate useful and decorative items. They must master a combination of traditional and contemporary techniques using hand tools such as chisels and mallets and modern tools such as electronic and even computerised woodworking equipment. A cabinet maker should be able to:-

- identify various types of wood and composite materials;
- Safely operate hand and power tools;
- use woodworking machines and perform detailed milling ;
- perform material breakouts, case work assembly, gluing and laminating; and
- construct furniture and cabinets.

The joinery trade, on the other hand, involves the process of connecting or joining two or more pieces of wood together through the use of various forms of wood joints. In fine woodworking, common forms of joinery include dovetail joints, mortise and-tenon joints biscuit joints, lap joints and spline joints. Joiners should be able to construct doors, windows, stairs and other architectural objects. Joinery involves work both by hand and machine.

In conjunction with this competition, WSI also organised World Skills Conference 2019 on 23-24 August for industry leaders, policy-makers, education and training providers, and researchers. The WorldSkills Conference is a conference and events programme that brings leaders in education, government, business, and industry from around the globe together to share best practices and learn about global trends and issues found in Vocational Education and Training (VET), skills demand, skills of the future as well as skills excellence and development.

In the WSC 2019, the Malaysian contingent was led by YB Dato' Mahfuz bin Omar, Deputy Minister of Human Resources. The Deputy Minister congratulated and praised the Malaysian team for their hard work and commitment during the competition. He urged future Malaysia competitors to aim for even higher success in the next 46th WorldSkills Competition (WSC) which to be held in Shanghai, China in 2021.

The MTIB group was led by Encik Muhamad Faizul Razilah, Deputy Director of WISDEC who took part in WorldSkills Conference 2019 with Puan Norhasniza Mohd Rom. WISDEC officers who took part in this competition were Encik Amri Mustaffa (expert in cabinet making), Encik Saifol Azri Mohamad (expert in joinery), Encik Mohd Azizi Razali (expert in carpentry) and Encik Mohd Akmal Hassan (coach in cabinet making).

18th MEETING OF THE CONFERENCE OF PARTIES CITES



Conference in session.

The 18th Meeting of the Conference of the Parties of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES CoP18) commenced in Geneva, Switzerland from 17 to 28 August. The Conference of the Parties (CoP) is organised once every two year. Purpose of meeting was to review progress on wildlife trade issues, update international trade regulation for threatened species and strengthen the management of this trade.

Prior to CoP18, meeting of the 70th CITES Standing Committee (SC70) was held on 16 August. The committee deliberated to forward its decisions to CoP18 on the issues of "Introduction from the sea" of sea whales; Suspension of commercial trade in Siamese rosewood, including finished products, from Lao PDR, and Suspension of commercial trade in rosewood.

With the inclusion of these SC70 items, CoP18 had a total of 107 agenda items, 57 species listings proposals and 104 working documents, including proposals to add additional sharks, rays and timber species. A proposal on the establishment of a database for the storage and management of illegal trade data collected through CITES annual illegal trade reports will be concluded by CoP18 decisions. .

In her opening remarks, the CITES Secretary-General, Ms Ivonne Higuero, said that the CoP18 will discuss important decisions to assists Parties in achieving the sustainable management and conservation of marine species and trees, including through cooperation with a wide range of interested stakeholders. All Parties must also be supported in their efforts to conserve

and manage their wildlife resources in a sustainable manner.

The CoP18 meetings elected Mr. Thomas Jemmi from Switzerland as Chairman for the Plenary Meetings. The working programmes were divided into two sections headed by Mr. Rod Hay from New Zealand as Chair of Committee I and Mr. Craig Hoover from United States as Chair of Committee II.

Some agendas discussed in Committee I meetings related to animal species, funding for implementation, capacity building, illegal trade and quotas on hunting trophies. Some timber species discussed were on Mulanje cedar, North Indian rosewood, Rosewoods, Palisanders, Bubingas, Mulanje cedar and Mukula tree which were be added to Appendices.

CoP18 concludes and adopting a list of decisions advancing the conservation and sustainable use of wildlife across the globe. The Conference revised the trade rules for dozens of wildlife species that are threatened by unsustainable trade linked to overharvesting, overfishing or overhunting. These ranged from commercially valuable fish and trees to charismatic mammals such as giraffes to amphibians and reptiles sold as exotic pets.

CoP18 also established the CITES Big Cat Task Force with a mandate to improve enforcement, tackle illegal trade and promote collaboration on conserving tigers, lions, cheetahs, jaguars and leopards. CoP18 rejected proposals to permit some limited trade in ivory from



Participants from 169 Parties, observers and journalists during the conference.

African elephants. The Conference reviewed progress on the implementation of previous measures aimed at ensuring the conservation and sustainable management of already-listed species, such as European eels, sharks, rosewood, great apes and songbirds. These reviews often took advantage of new data and information on population trends, trade levels and national plans and actions.

Responding to high and increasing demand for African Teak from western Africa, CITES broadened the need for trade permits to include plywood and other forms. Malawi's national tree, the rare Mulanje Cedar, and the slow-growing Mukula tree (a type of Rosewood) of southern and eastern Africa, were also added to Appendix II. All Latin American species of Cedar were listed in Appendix II. The conference amended an earlier Appendix II listing of Rosewoods and related tree species to ensure that small finished items, including musical instruments, parts and accessories, could be carried across borders without the need for CITES permits.

In her closing remarks, the Secretary-General stated that the collaborative work on the CITES Strategic Vision will ensure CITES as a leader in transformative change into the future and that it aligns with the 2030 visions. Discussions with the Parties has strengthened

enforcement through International Consortium for Combating Wildlife Crime (ICWC).

The Malaysian delegations to CoP18 was led by Dato' Abdul Kadir Abu Hashim, Director-General, Department of Wildlife and National Parks Peninsular Malaysia (PERHILITAN) and assisted by Tuan Syed Edwan Anwar, Official Affairs, Malaysian Embassy in Geneva (as Alternate Head 1) and Encik Kamarul Ikram Abdul Halim, Principal Assistant Secretary in Ministry of Water, Land and Natural Resources KATS (as Alternate Head 2) and including Puan Rasyidah Zainal and Puan Kalpana Devi Rajantran (both Assistant Secretary Malaysian Embassy in Geneva).

Other members of the delegation are Encik Abdul Rahman Abdul Aziz (KATS), Puan Syarifah Khadiejah Syed Mohd Kamil (PERHILITAN), Puan Siti Nur Ain Mohd Isa (PERHILITAN), Encik Lawrence Kissol Jr (Department of Fisheries Sabah), Encik Md Yusoff Ismail (MTIB), Encik Oswald Braken Tisen and Encik Paschal Dagang (both from Sarawak Forestry Corporation).

CoP18 was attended by 169 member governments and the European Union (EU) and some 1,700 delegates, observers and journalists. CoP19 will be held in 2022 in Costa Rica. 





Malaysian Wood
Standing on Excellence

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

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THE 6th INTERNATIONAL TIMBER CONSTRUCTION SYMPOSIUM



MTIB officers posing with some of the participants.

The 6th International Timber Construction Symposium 2019 was collectively organised by the National Institute of Forest Science (NIFoS), Korea and the Korean Society of Wood Science and Technology (KSWST). The symposium was held on 21-22 August in Seoul, South Korea and focused on the theme 'Urban Wood Utilisation – Increase Usage of Wood in Urban Regeneration'. This symposium is an ideal platform for industry and stakeholders to attend because it consists of researchers, education scientists, technologies and industries representative who are experts in the timber industry. The aim of the symposium was to share information of best practices, system prospect regarding urban wood utilisation for promoting usage of wood and industry of timber construction.

On 21 August, there was an expert technical meeting which involved 20 experts from Malaysia, Finland, Japan, Canada and Korea. The purpose of the meeting was to discuss on the mid-rise buildings in Korea and wood construction vitalisation by urban wood utilisation. During this meeting, each representative from the five countries shared their expertise and knowledge on the implementation and utilisation of wood in construction at their home countries.

Six papers were presented on 22 August which were divided into two sections. Details were as follows:

Section 1: Trends and Prospects of Timber Construction

- Status and Prospects of Timber Construction in Korea by Prof. Dr. Shim Kugbo, Director of NIFoS - In Korea, there were two buildings which consists

of three and five storeys building using timber as a structure mainly from glulam and cross laminated timber (CLT). He also mentioned that the number of constructed wooden house in Korea has increased with average 10% every year starting from 2002 until 2016.

- Wood Construction – Regulatory Systems, Permit and Inspections by John Szarapa, Building Inspector at Township of Langley, Canada - He explained on the regulating wood construction, building code and fire code, permits and plan review and also inspections best and worst practices in Canada.
- Development of Standard for Timber Structures Using Tropical Hardwood for Sustainable Future through Timber Construction by Prof. Dr. Zakiah Ahmad, Universiti Teknologi MARA, Malaysia - She described that Malaysia has several standards related to timber structure and it is totally adopted from international standard but with some modification to suit with the local's timber requirements.
- She further explained on the level of construction using timber in Malaysia and now the government is promoting using timber in construction industry.

Section 2: Wood Building for Future Urban Wood Utilisation

- CLT Apt Action Plan: Public Rental Housing Construction for Single Household by Using Heavy



Symposium in session.



Q&A Session during the Symposium

Timber by Hana Kim from Seoul Social Standards, Korea.

- She described the scenario in Korea towards the use of wood in construction using CLT as raw material because it is lower in cost and promotes faster constructions. She added that there are some factors that may affect the development of construction in Korea such as the uncertainty of price between architects and contractors.

- Current State and Future of Wood Architecture Works Towards Urban Wood Utilisation by Nahoko Kuno from NANAHI Architect, Japan.

- Nahoko Kuno is a Japanese architect who practices wood in construction and has been involved in glulam and CLT production and many wooden buildings in Japan. She also collaborated with Korea for the production of plycore CLT

combination utilising Hinoki and Cedar wood species with plywood (Korean Larch plywood) as the core. She mentioned that there are five universities in Japan that offer wooden coaching courses.

- Twenty-five years for Finnish Wood Construction by Prof. Dr. Pekka Heikkinen from Aalto University, Finland.

- Aalto University is offering a wooden construction course such as hands-on session based on receiving financial funding from the Finnish Forest Industry with the help of Finnish Wood Research. It focused on R&D, architecture competitions, experimental buildings, promotion and several other projects in wood architecture in Finland.

MTIB also visited Juknokwon Bamboo Forest at Damyang-gun area. It is a bamboo recreation forest with an area of 310,238 m². There are two main species, namely *Phyllostachys pubescens* of Mazel ex Lehale or better known as Moso and *Pseudosasa japonica* species or known as Arrow. The bamboo species in this recreational forest are monopodial because they live in a temperate climate and differ from species in Malaysia which are from sympodial.

Apart from that, Puan Syafinaz Abd Rashad and Encik Mohd Fariz Ahmad also visited the NIFos centre to observe the three-storeys building made from glulam and CLT wall panel. Overall, it was an excellent opportunity to gather together, interact and exchange their findings and views during symposium session, and also enhance knowledge on the bamboo perspective in other countries.

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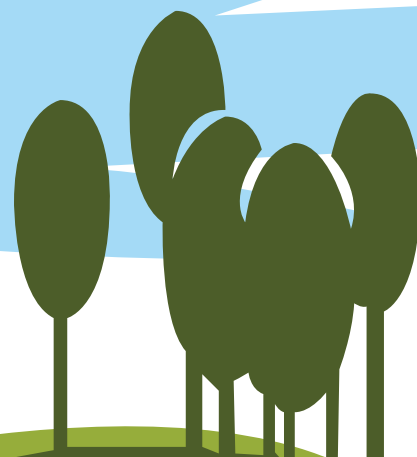
MELANTAI- SUITABLE FOR INTERIOR FINISHING

INTRODUCTION

Melantai is the standard Malaysian name for certain lightweight reddish and yellowish timbers of the *Shorea* species belongs to the family of *Dipterocarpaceae*. Vernacular names of the timber include Meranti Melantai (Peninsular Malaysia), Belantai (Kedah), Seraya Melantai (Sabah), Kawang with various epithets in Sabah, Engkabang for *S. macrophylla* in Sarawak and also known as Meranti Merah in Indonesia. Only one species of Melantai occurs in Peninsular Malaysia is *Shore macroptera*. The other species of Melantai which found in Sabah and Sarawak are *S. macrophylla*, *S. parvistipulata* spp. *parvistipulata*, *S. pilosa*, *S. pinanga* and *S. scaberrima*. Melantai trees are usually large and grow to 30 m to 45 m tall. The buttresses are usually not very high, and the bole are tall and swell-shaped. The barks are comparatively smooth but becomes shallowly, irregularly cracked and falling off in rather thin, flat scales when old.

General Characteristics

The timber is separated from the Red Merantis on the grounds that Melantai is usually lighter in density and tends to have a bright yellow tinge. The timber is classified as Light Hardwood with a density of 415-625 kg/m³ air dry. The sapwood is lighter in colour and not sharply defined but moderately distinct from the heartwood, which is yellow-pink when freshly cut, weathering to a light pink colour with a yellow tinge. Texture is moderately coarse but even with interlocked grain. Plain surface is very lustrous and with stripe figure on the radial surface.



Wood colour and texture.



Melantai Tree

Wood Anatomy

The growth ring are absent. The vessels are medium to moderately large with simple perforations. Most vessels are in solitary formation with the rest in radial or oblique pair or radial multiples of less than four in a series. The distribution of vessels are even but with a tendency to form short, oblique lines. The tyloses are sparse and no deposits are observed. The type of wood parenchyma is made up of both apotracheal and paratracheal. The apotracheal type appears as irregularly spaced bands containing vertical resin canals. Paratracheal type forms a narrow incomplete border to the vessels which is not readily distinct with a lens. The size of Rays is medium and visible to naked eye. They are conspicuous on the radial surface. The vertical intercellular canals are arranged in concentric series and usually filled with white resin.

Machining Properties

Melantai timber is easy to work in both green and air-dry conditions. The quality of finish is generally good with smooth surface. The nailing properties is good. The sawing and woodworking properties of Melantai has been investigated using the standard test procedures (Lee & Lopez, 1980). The results of the tests are shown in **Table 1**.

Table 1 : The Machining Properties of Melantai

Test Condition	Sawing		Planing		Boring	
	Resawing	Cross-cutting	Easy of Planing	Quality of Finish	Easy of Boring	Quality of Finish
Green	Easy	Easy	Easy	Smooth	Easy	Smooth
Air dry	Easy	Easy	Easy	Smooth	Easy	Moderately smooth

Melantai logs which contain minimum defects can be successfully processed for plywood production. The selected and matched veneer pieces are very flowery, decorative and has good finish, and is suitable for high quality decorative panels.

Seasoning

Melantai dries well and fairly fast without much defects. The average shrinkage value from green to air dry conditions is 0.9% and 2.6% for radial and tangential boards respectively. The approximate period for drying board of 13 mm thick take two months to air dry, while 38 mm thick boards take four months.

Kiln Schedule H as shown in **Table 2** is recommended for drying 25 mm thick boards of Melantai (Grewal, 1979b).

Table 2 : Kiln Drying Schedule (H) for Melantai

Moisture Content (%)	Dry-bulb Temperature (°C)	Dry-bulb Temperature (°C)	Relative Humidity (%)
Green	57.0	53.0	80
50	57.0	52.0	75
40	60.0	52.0	65
30	65.5	54.0	55
20	76.5	58.0	40

Mechanical Properties

Melantai has been classed under Strength Group C (Engku, 1988b) or SG 6 (MS 544:Part 2:2001).

Uses

The timber is suitable for interior finishing, mouldings, panelling, pallet (expendable type), furniture, plywood, joinery, cabinet making, tool handles (non-impact), planking, shelving and the manufacture of doors.

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Resak Vatica spp.

Malaysian Wood
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FRANCE: FURNITURE INDUSTRY

Overview

France, officially French Republic, French France or République Française, country of north western Europe. France is the largest European country in terms of land area after Russia and Ukraine. With an area of 551,000 square km, the country constitutes one fifth of the EU's total area. Bounded by the Atlantic Ocean and the Mediterranean Sea, the Alps and the Pyrenees, France has long provided a geographic, economic, and linguistic bridge joining northern and southern Europe. In the Alps near the Italian and Swiss borders is Western Europe's highest point, Mont Blanc (15,781 feet; 4,810 metres). The forest-covered Vosges Mountains are in the northeast, and the Pyrénées are along the Spanish border.

It is Europe's most important agricultural producer and one of the world's leading industrial powers. France is among the globe's oldest nations, the product of an alliance of duchies and principalities under a single ruler in the Middle Ages. Today, as in that era, central authority is vested in the state, even though a measure of autonomy has been granted to the country's region in recent decades. The French people look to the state as the primary guardian of liberty, and the state in turn provides a generous program of amenities for its citizens, from free education to health care and pension plans.



Economy

France's economic freedom score is 63.8, making its economy the 71st freest in the 2019 Index. Its overall score has decreased by 0.1 point, with a sharp drop in the score for judicial effectiveness exceeding improvements in fiscal health and government integrity. France is ranked 35th among 44 countries in the Europe region, and its overall score is below the regional average but above the world average.

Gross Domestic Product (GDP) of France grew 0.3% in the second quarter of 2019 compared to the previous quarter. This rate is the same than in the previous quarter. The year-on-year change in GDP was 1.4% more than 1.3% recorded in the first quarter of 2019. The GDP figure in the second quarter of 2019 was USD677.3 million. France's GDP expected to growth 0.4% in 2020.

The main policy challenges in France are to boost economic growth; lower high unemployment

(especially among youth); increase competitiveness; improve public finances; and mitigate foreign investors' negative views of the labour market. To do so, the government will have to rely on traditionally resilient French entrepreneurs and such institutional strengths as strong protection of property rights and a fairly efficient regulatory regime.

Forestry

Forests are a natural environment which has been anthropised for centuries in France, providing economic, environmental and social benefits. They are a major source of biodiversity, and have a protective effect on soil, water, air, and the climate. They are also the source of wood, a renewable raw material with multiple uses and a key resource of job creation and value-added.

The area of land under forest has increased markedly since the early 19th century; forest cover doubled

between 1830 and 2015. Forests now cover 16.7 million hectares in metropolitan France (30% of the area) and 8.3 million hectares in French overseas territories.

Forests are a major part of the landscapes. In France, they are primarily located in the Mediterranean basin, the Landes forest, the East of the country, and mountainous regions. 98% of forest in overseas

territory is found in Guiana. France is one of the only countries in Europe to have tropical forests.

Accounting for 10% of European forest cover, France has the fourth largest forest area in the EU behind Sweden, Finland and Spain. Taking stand volume into account, France ranks third with 2.5 billion m³ behind Germany (3.6 billion m³) and Sweden (2.9 billion m³).

Timber Production

According to the latest FAO forest statistics on France, the country produced around 30.2 million

m³ of major timber products in 2018. Details of production are as follows:

France: Production of Timber Products

(Volume : m ³)					
PRODUCT	2013	2014	2015	2016	2017
Sawlogs and Veneer Logs	16,621,705	16,251,749	16,633,000	16,699,253	17,141,012
Sawnwood	7,696,650	7,514,344	7,893,932	8,159,000	8,037,000
Plywood	245,000	245,800	250,000	254,000	260,000
Particleboard	3,777,000	3,630,000	3,627,000	3,395,000	3,485,000
Fibreboard	1,013,000	1,163,684	1,256,000	1,288,000	1,300,000
Total	29,353,355	28,805,577	29,659,932	22,452,153	30,223,012

Source: FAO Forest statistic

Export of Malaysian Timber and Timber Products to France

In 2018, export of Malaysian timber and timber products to France valued at RM168.2 million, an increase of 6% over the previous corresponding period. Major products exported to France are

wooden furniture, BJC, sawntimber and mouldings. Export of wooden furniture totalled RM64.0 million; an increase of 0.5% compared to RM63.7 million in 2017. Export of BJC valued at RM36.7 million followed by sawntimber at RM34.5 million and mouldings at RM30.8 million respectively.

Malaysia: Export of Timber and Timber Products to France, 2014-2018

(Value: FOB RM)					
PRODUCT	2014	2015	2016	2017	2018
Sawntimber	31,623,127	27,490,648	28,253,689	25,178,650	34,496,233
Plywood	4,638,069	4,492,986	4,134,930	3,483,999	643,468
Mouldings	18,578,777	17,250,782	27,227,721	35,020,480	30,827,864
Fibreboard	51,439	6,402	62,348	99,091	114,599
Wooden Frame	-	-	19,812	-	-
Builders Joinery and Carpentry	21,757,131	18,711,680	19,811,490	29,119,110	36,710,476
Wooden Furniture	58,291,702	72,941,590	62,931,168	63,734,608	64,034,624
Rattan Furniture	182,605	344,621	5,834,007	136,419	-
Other Products	344,133	711,020	1,183,152	1,639,910	1,406,003
Total	135,466,983	141,949,729	149,458,317	158,412,267	168,233,267

Source: DOSM/MTIB

Import of Malaysian Timber and Timber Products from France

Malaysian import of timber and timber products from France improved significantly from RM22.3 million in 2014 to RM36.5 million in 2018. Major products imported from France are sawntimber,

veneer dan wooden furniture. In 2018, import of sawntimber increased 6% to RM28.7 million compared to RM27.1 million in the previous year. Import of wooden furniture and particleboard also increased 161% to RM1.8 million and 32% to 1.3 million compared in 2017.

Malaysia: Import of Timber and Timber Products from France, 2014-2018

(Value: CIF RM)					
PRODUCT	2014	2015	2016	2017	2018
Sawntimber	14,591,873	15,287,802	21,506,937	27,062,982	28,663,111
Plywood	-	-	-	-	14,979
Veneer	667,283	3,215,733	2,681,367	7,095,141	3,922,774
Particleboard	1,881,261	2,861,216	1,186,317	968,748	1,279,546
Fibreboard	3,850,007	-	1,578,525	188,958	70,759
Wooden Frame	-	28,996	8,488	34,824	-
Builders Joinery and Carpentry	-	-	26,786	257,032	413,180
Wooden Furniture	799,470	873,623	1,092,536	676,164	1,767,265
Rattan Furniture	202,523	368,103	274,709	62,531	62,284
Other Products	277,944	594,778	339,455	558,211	300,647
Total	22,270,361	23,230,251	28,695,120	36,904,591	36,494,545

Source: DOSM/MTIB

France's Timber Import

France's import of timber and timber products in 2018 increased 9% to USD9.3 billion over the previous corresponding period. France import

mainly furniture, sawntimber, BJC, fibreboard and plywood. Import of sawntimber and mouldings increased 12% and 10% to USD999.8 million and USD274.3 million respectively. Likewise, import of plywood and furniture improved 10% to USD427.7 million and 9% to USD4.6 billion respectively.

France: Import of Timber and Timber Products, 2014-2018

(Value: USD'000)						
CODE	PRODUCT	2014	2015	2016	2017	2018
4401	Fuelwood	147,707	123,369	145,138	155,301	201,064
4402	Wood Charcoal	56,047	53,930	52,082	54,996	64,447
4403	Logs	169,150	130,472	131,017	137,580	147,761
4404	Hoopwood	32,095	30,182	30,591	30,603	29,860
4405	Wood Wool and Floor	4,975	4,154	3,863	4,096	3,775
4406	Railway Sleepers	16,770	16,806	19,385	11,574	19,246
4407	Sawntimber	1,004,764	817,364	833,348	894,154	999,816
4408	Veneer	113,615	106,684	122,488	126,382	131,357
4409	Mouldings	311,962	261,846	232,441	248,807	274,344
4410	Particleboard	313,074	260,245	279,436	306,016	304,089
4411	Fibreboard	459,359	361,353	379,684	418,678	456,871
4412	Plywood	346,621	306,134	334,632	390,368	427,735
4413	Densified Wood	19,996	21,352	18,440	20,581	28,191
4414	Wooden Frames	33,841	30,024	29,165	28,883	32,095
4415	Packing Cases	268,725	207,734	228,284	260,778	295,046

CODE	PRODUCT	2014	2015	2016	2017	2018
4416	Casks, Barrels and Vats	30,038	30,161	38,630	40,645	45,826
4417	Tools, Tool Bodies and Handles	22,358	19,136	19,337	21,575	25,718
4418	Builders' Joinery and Carpentry	576,143	491,561	497,161	543,655	599,667
4419	Tableware and Kitchenware	59,786	54,330	55,167	58,870	71,509
4420	Wood Marquetry	74,451	65,212	76,650	94,873	105,220
4421	Articles of Wood	364,215	322,821	337,524	369,232	403,646
9403	Furniture and Parts	4,175,020	3,735,799	3,879,142	4,222,359	4,607,160
	Total	8,600,712	7,450,669	7,743,605	8,440,006	9,274,443

Source: UN- Comtrade Statistics

France's Timber Export

France's export of timber and timber products in 2018 increased 7% to USD4.4 billion over the previous corresponding period. France major products exported were furniture with a total of USD1.4 billion, an increase of 5% from USD1.3 billion

in the previous corresponding period. Export of casks, barrels and vats and particleboard improved by 5% and 10% to USD509.5 million and USD416.7 million respectively. Similarly, export of sawntimber, logs and fibreboard increased to USD416.0 million, USD383.7 million and USD344.0 million respectively.

France: Export of Timber and Timber Products 2014-2018

(Value: USD'000)

CODE	PRODUCT	2014	2015	2016	2017	2018
9403	Furniture & Parts	1,304,670	1,169,674	1,230,713	1,290,188	1,361,594
4416	Casks, Barrels and Vats	463,594	403,445	405,823	486,621	509,519
4410	Particleboard	528,902	430,582	410,851	379,251	416,676
4407	Sawntimber	345,394	334,169	359,031	391,193	416,018
4403	Logs	372,680	319,214	293,866	341,880	383,714
4411	Fibreboard	339,245	312,871	317,844	328,561	343,986
4412	Plywood	178,079	176,872	170,143	178,810	193,181
4401	Fuelwood	118,853	119,482	111,352	123,551	141,775
4415	Packing Cases	141,362	108,681	110,473	115,272	132,015
4418	Builders' Joinery and Carpentry	117,003	101,365	108,847	111,186	112,509
4408	Veneer	69,735	66,058	75,593	80,326	99,017
4421	Articles of Wood	69,667	59,557	68,868	76,006	90,158
4409	Mouldings	54,975	50,787	54,547	57,851	51,288
4406	Railway Sleepers	33,613	33,590	38,260	38,283	44,296
4420	Wood Marquetry	23,265	22,544	33,507	30,483	32,193
4414	Wooden Frames	16,594	13,654	15,303	13,992	16,938
4404	Hoopwood	13,167	12,333	12,349	13,387	12,568
4419	Tableware and Kitchenware	9,297	7,604	8,025	8,489	11,288
4402	Wood Charcoal	13,208	10,740	10,941	7,553	6,748
4413	Densified Wood	2,107	1,806	1,696	4,958	5,840
4417	Tools, Tool Bodies and Handles	2,798	3,195	3,687	4,203	4,238
4405	Wood Wool and Flour	1,406	1,020	627	484	712
	Total	4,219,614	3,759,243	3,842,346	4,082,528	4,386,271

Source: UN- Comtrade Statistics

Import Tariffs

France's MFN import duty on timber and timber products ranges from 0 – 10%. Details are as follows:

Product	Code	MFN Tariff (%)
Fuelwood	4401	0
Wood Charcoal	4402	0
Logs	4403	0
Hoopwood	4404	0
Wood Wool and Floor	4405	0
Railway Sleepers	4406	0
Sawntimber	4407	0-2.5
Veneer	4408	0-6
Mouldings	4409	0
Particleboard	4410	7
Fibreboard	4411	7
Plywood	4412	6-10
Densified Wood	4413	0
Wooden Frames	4414	0-2.5
Packing Cases	4415	3-4
Casks, Barrels and vats	4416	0
Tools, Tool Bodies and Handles	4417	0
Builders' Joinery and Carpentry	4418	0-3
Tableware and Kitchenware	4419	0
Wood Marquetry	4420	0-4
Articles of Wood	4421	0-4
Furniture and Parts	9403	0-5.6

Source: European Union

Prospects

The Furniture market is mostly driven by consumer spending in general. Consumer spending takes various factors into account; such as per-capita income, household debt levels, and consumer expectations. The steady increase in disposable income and the consequent rise in living standards are responsible for the continuous growth of the market, apart from the constant demand for furniture. Furniture sales in France rose sharply in 2017 for the third year in a row, although the record level of 2011 has not yet been reached. This is reported by the association FNAEM that refers to the close connection with the booming housing market. After growth rates of 2.4 and 2.3 % in 2015 and 2016, the French furniture market has again achieved a stable growth of 2% in 2017. The market developments are closely linked to the housing and real estate markets. According to the association, every third furniture purchase was made by a household that has moved within the last 24 months.

The development of the overall economy and the political environment also have a strong influence on the furniture market. French consumers spend almost 30% of their budget on their homes and

making them the European that spent the most on their homes. French consumers were keen purchasers of durable goods and furniture particularly at the high end furniture. Kitchens are particularly benefiting from the improving housing market and a continuing trend in French households to pay more attention to kitchen equipment. According to an analysis by the market research company IPEA (Institut de prospective et d'études de l'ameublement), only 60% of households in France have fitted kitchens, much less than in other Western European countries (Germany: about 80%). This difference promises good growth rates for this segment for years to come.

In addition, according to a study by the market research firm Xerfi, the bedding segment is expected to grow steadily by 3.3% per year until 2019, supported by the housing market and higher disposable income. French consumers would also exchange their mattresses now more often. According to the trade, Frenchmen buy a new mattress every 14 years, whereas this happens in the US every eight years.

However, the competition is growing, above all due to the success of e-commerce. Online suppliers have launched massive advertising campaigns in France and has reached a market share of about 5 to 6%. All major retailers now operate a multichannel strategy, meaning that they try not only to sell in their furniture stores but also via their own online channels. At the same time the shops are upgraded by events, more advice or more frequently changing exhibitions. The growing number of internet and smartphone users has not only changed consumer behavior, but has also fundamentally changed the sales channels and retail landscape. The adoption of online shopping by consumers has made furniture one of the fastest growing markets in that regard.

Based on the outlook of the French furniture market, the Malaysian furniture player should take the opportunities and enhance the effort to develop better quality products, investing in product design diversity as well as intensity marketing and communication strategies in order to penetrate into the French market. Participation in the furniture trade shows and exhibition as well as trade missions help to assist and enhance business networking between Malaysian furniture exporters and French importers and buyers.

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International Trade Centre

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MTIB's Statistics

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16th MEETING OF APEC'S EXPERT GROUP ON ILLEGAL LOGGING AND ASSOCIATED TRADE



Meeting in progress.

The 16th Meeting of the APEC's Experts Group on Illegal Logging and Associated Trade (EGILAT 16) was held on 16 – 17 August in Puerto Varas, Chile. The Chairman, Dr. Putera Parthama welcomed 14 economies namely Australia, Canada, Chile, China, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Papua New Guinea, Peru, Chinese Taipei, Thailand and the United States to the meeting.

The meeting was inaugurated with a welcoming remark by Mr. Jorge Aichele, Regional Director of National Forest Corporation (CONAF). The meeting then proceeded with presentations from representatives of international public sector organisations namely; Organisation for Economic Co-operation and Development (OECD) which highlighted the work done on responsible business conduct in different sectors; World Resources Institute (WRI) on challenges in promoting trade of legal forest products; International Tropical Timber Organisation (ITTO) regarding ITTO's programmes to support trade in legally harvested products and Asia-Pacific Network for Sustainable Forest Management (APFNET) which explained the new changes contributing to illegal logging.

The meeting also engaged discussion with private sector organisation such as Global Timber Forum (GTF), International Wood Products Association (IWPA), Programme for the Endorsement of Forest Certification (PEFC) Chile, Chilean Wood Corporation (CORMA) and Forest Stewardship Council (FSC) Chile. The International Criminal Police Organisation (INTERPOL) also shared on international cooperation in combating forestry crimes.

In addition, Chile, Peru and Malaysia presented on recent developments in their domestic work to combat illegal logging and promote the trade of legal forest products. Chile shared information

about recent technology to combat illegal logging while Peru illustrated on multi-sectoral mechanisms to prevent and fight against illegal logging and its associated trade and Malaysia shared information on Compact Airborne Tactical and Surveillance System (CATS) in Sarawak.

The meeting noted two concept notes proposed by EGILAT economies. The United States provided updates on concept note entitled "Advancing the Trade and Distribution of Legally Harvested Forest Products in the APEC Region" that has been endorsed by members. The objective of this concept note is to identify the issues faced by private sector entities throughout timber supply chain in trading of legally harvested forest products. Chile introduced a new concept note on "Workshop to Increase Knowledge on Illegal Logging Criminal Aspects, and Related Criminal Activities" to be submitted in 2020.



Malaysian delegation posing for the camera.

The meeting also took note on the explanation made by the Chair and APEC Secretariat regarding the selection process of EGILAT Chair for 2020-2021. In view of that, EGILAT members expressed gratitude and appreciation to Dr. Putera, EGILAT Chair for the period of 2018-2019. Besides that, a half-day field trip was arranged for the delegates to visit the oldest national park in the country, Pérez Rosales National Park on 18 August.

Malaysia will host the next APEC meeting in 2020. EGILAT 17 tentatively will be held in Kuala Lumpur and subsequently EGILAT 18 in Melaka. Malaysia was represented by Encik Mad Zaidi Mohd Karli from Ministry of Primary Industries (Head of Delegation), representatives from Forestry Department of Peninsular Malaysia, Forest Department Sarawak, Sarawak Timber Association and Malaysian Timber Council. MTIB was represented by Cik Erien Noor Md Nasir from Trade Development.



YBhg. Dato' Dr. Tan Yew Chong, Secretary-General of Ministry of Primary Industries (MPI) posing with MPI and MTIB officials during his courtesy visit to WISDEC (left) and FIDEC (right) in Banting, Selangor on 26 August 2019.



Roadshow on Lean Programme held in Muar, Johor on 7 August 2019.



MTIB organised a course on Wood Identification specially for TNB personnel at WISDEC in Banting, Selangor on 5 August 2019.



Participants attended a course under the "Program Pembangunan Kemahiran Teknologi Epoxy Dalam Pembuatan Perabot" on 19-23 August 2019 at WISDEC Kota Kinabalu, Sabah.

Furniture manufactured by Teras Bumi displayed during Johor Wood & Lifestyle Fair held in Johor Bahru, Johor from 1 to 4 August 2019.

