



# MASKAYU



7<sup>th</sup> APEC EXPERT GROUP ON ILLEGAL  
LOGGING AND ASSOCIATED TRADE

LY FURNITURE SDN. BHD.—  
WOODEN BEDROOM  
FURNITURE EXPORTER

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## Publisher

LEMBAGA PERINDUSTRIAN KAYU MALAYSIA  
(MALAYSIAN TIMBER INDUSTRY BOARD)  
Level 13 - 17, Menara PGRM,  
8, Jalan Pudu Ulu, Cheras, P.O. Box 10887,  
50728 Kuala Lumpur, Malaysia  
Tel : 603-9282 2235  
Fax : 603-9200 3769 / 9283 9792  
E-mail : info@mtib.gov.my  
Website : www.mtib.gov.my

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Gemilang Press Sdn Bhd  
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Taman Industri S.B. Jaya,  
47000 Sungai Buloh, Selangor  
Tel : 603 - 6151 2285  
Fax : 603 - 6150 2285  
E-mail : gpress06@gmail.com  
Website : www.gemilangpress.com

LY Furniture Sdn. Bhd



**Cover :** LY Furniture Sdn. Bhd.'s mission is to become the number one Malaysian supplier of value-for-money bedroom furniture for their business associates and customers. More about the company on pages 14, 15 and 17.



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## 7<sup>th</sup> APEC EXPERT GROUP ON ILEGAL LOGGING AND ASSOCIATED TRADE

The Seventh Meeting of Asia-Pacific Economic Cooperation (APEC) Expert Group on Illegal Logging and Associated Trade (EGILAT) was held on 26 – 27 January in Pampanga, Philippines and was attended by delegates from 18 APEC economies with the exception of Thailand, Mexico and New Zealand. The EGILAT Chair, Mr. Xia Jun, chaired the meeting and the opening remarks were delivered by Mr. Dementrio L. Ignacio, Jr., Undersecretary for Field Operations, Department of Environment and Natural Resources, Philippines.

In his speech, Mr. Dementrio L. Ignacio deliberated on APEC 2015's priorities that is to ensure inclusive growth not only for benefits of economies but for the people that drive economic growth. This will be achieved through enhancing regional economic integration, the involvement of SMEs, human capital development and building sustainable and resilient communities.

Mr. Lu Zhiwei, Programme Director, APEC Secretariat informed the outcome of the 2014 Leaders' Declaration and Ministers' Statement on illegal logging and associated trade made during the 22nd APEC Leaders' Meeting on 11 November 2014 in Beijing, China. The Ministers' Statement reaffirmed their commitment to combat illegal logging and associated trades and to promote trade in legal wood products. He also deliberated on projects funded in 2014 and fund available for 2015 as well as the criteria and approval process for funding.

The meeting decided that the work on the Template of EGILAT Timber Legality Guidance will progress in parallel with the continued discussion on the APEC Policy Guidelines on Identifying the Scope of Illegal Logging and Associated Trade inter-sessionally. The APEC Secretariat will circulate the two draft documents again following the conclusion of EGILAT 7 and seek members' comments. Australia and the United States will incorporate the comments into the drafts and submit the updated version to the APEC Secretariat for circulation.

EGILAT will work to reach consensus on the two documents by EGILAT 8. Korea will revise its new concept note on APEC Database for SMEs Targeting "Legal Wood Only" Market (2015/SOM1/EGILAT/010) based on the comments received from the members inter-sessionally and present it to members at EGILAT 8.

The meeting also decided to hold a joint meeting with the Sub-Committee on Customs Procedures (SCCP) and Anti-Corruption and Transparency Working Group (ACTWG), aimed to increase law enforcement cooperation and information sharing related to combating illegal logging and associated trades.

With regards to Work Plan 2015, Canada and the APEC Secretariat will compile all the comments received from the members on the EGILAT Work Plan 2015 and circulate an update draft for members' approval right after the meeting in time of the submission to the SCE-COW meeting on 4 February 2015.

Other related issues discussed were to hold a workshop to share experiences and disseminate knowledge on new technologies and approaches designed to assist efforts to assure legal logging and associated trades as well as to increase member economies' capacity to address illegal logging and associated trades.

The Malaysian delegation was led by Encik Mad Zaidi Mohd Karli, Senior Under Secretary, Ministry of Plantation Industries and Commodities Malaysia. Other delegates from Malaysia comprised MTIB, Forest Department Sarawak, Sarawak Timber Industry Development Corporation and Sarawak Timber Association. MTIB was represented by Encik Mohd Kheiruddin Mohd Rani, Director of Trade Development.

The next EGILAT 8 meeting is tentatively to be held on 24 - 25 August 2015 in Cebu, Philippines. 

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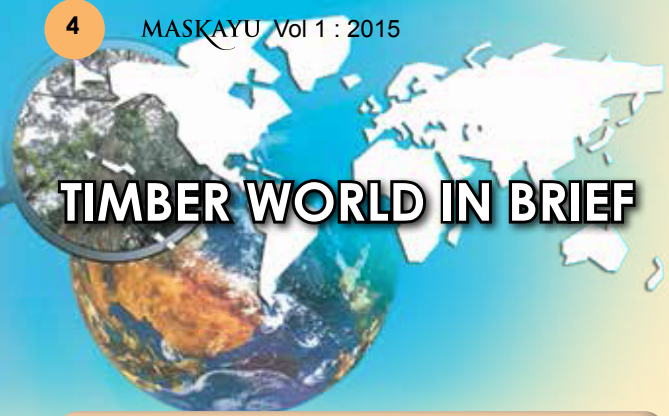
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Level 13-17, Menara PGRM No.8, Jalan Pudu Ulu, Cheras P.O. BOX 10887, 50728 KUALA LUMPUR  
Tel : 603 - 9282 2235 , Fax : 603 - 9285 1477 / 9200 3769, E-mail : [info@mtib.gov.my](mailto:info@mtib.gov.my), Website : [www.mtib.gov.my](http://www.mtib.gov.my)



## TIMBER WORLD IN BRIEF

### CANADA

#### SFI Introduces New Standards

Sustainable Forestry Initiative (SFI), the organisation that certifies forests covering more than a quarter billion acres/100 million hectares stretching from Canada's boreal forest to the south of US, has announced its new SFI 2015-2019 Standards and Rules. The new standards incorporate the latest scientific information, input gathered from 12 public workshops held across the US and Canada, and comments solicited from approximately 10,000 stakeholders. A key goal of SFI's new standards is to support better decision-making all along the supply chain – from corporations sourcing forest products, to landowners developing forest management plans, to consumers making purchase choices. The new SFI 2015-2019 Standards and Rules build on SFI's work over the past 20 years through a strengthened commitment to sustainability.

*Sustainable Forest Initiative, 12 January*

### CHILE

#### Forestry Exports Reach USD5.49 Billion

It is estimated that Chile's forestry exports reached a record USD6 billion (EUR4.96 billion) in 2014, higher than the USD5.90 billion seen in 2011 and 5% up from 2013. The exports had reached USD5.49 billion by November 2014, up 3.7% year-on-year. Although December exports usually do not exceed those in the preceding month, a recovery in bleached eucalyptus pulp prices may have made it possible to reach the USD6 billion figure. Although the price of bleached Pine pulp rose 9% to November 2014, Eucalyptus pulp saw prices fall 8.5% in the same period. China and the US bolstered demand for Chilean forestry exports in 2014. These three countries accounted for 44.4% of Chile's forestry exports, nearly 1% higher than at the end of 2013. Exports are expected to remain around USD6 billion in 2015. Although there has been a fall in bleached Eucalyptus pulp and raw Radiata Pine pulp purchases from China, it has been counteracted by higher demand for bleached Radiata Pine pulp and sawntimber. The US has seen an increase in purchases of most forestry products, while the outlook for Japan is not good, mainly for wood chips.

*El Mercurio (Chile), 2 January*

### EUROPEAN UNION

#### Delayed Recovery in European Construction

Future prospects for plywood market growth in Europe are likely to be dampened by a slow recovery in the European construction sector. 2014 is expected to be the first year of recovery in the European construction output. However growth this year is not expected to exceed 1%, rising to 2% in 2015 and 2% in the following two-year period.

Recovery has been gaining momentum in the UK and other northern European countries outside the Eurozone. Eastern European economies have also returned to robust growth after a sharp slowdown in 2012 - 2013. However in the Eurozone in Western Europe, Italy remains in recession while economic problems are also mounting in other countries. Output, wages and prices are stagnating and levels of unemployment are at record highs after four years of general austerity measures. Overall economic growth is expected to remain weak, particularly as the credit market is still very tight and the public accounts correction is still underway. Concerns over the risk of deflation in the Eurozone are also mounting.

*ITTO, 5 January*

### GERMANY

#### Sales of the Furniture Industry Up

According to the industry association, the German furniture industry generated sales of EUR16.30 billion (USD18.97 billion) in 2014, up 1.5%. In 2015, the industry association is expecting the furniture industry to grow by between 1% and 2%. The industry hopes also for a rise in domestic demand.

*Frankfurter Allgemeine Zeitung, 16 January*

### INDONESIA

#### Implementation of Mandatory Certification for HTI Firms

By the end of 2015, the implementation of the mandatory certification for Industrial Forest Plantation (HTI) in Indonesia will be increased to 25% following the plans of the Indonesian government to lower the high cost to obtain certification under the Timber Legality Verification System. The government is considering to lower the cost by around 30% to 40%. At present, the percentage of HTI companies that have yet to obtain certification stands at over 50%.

*Bisnis Indonesia, 6 January*

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## **PAPUA NEW GUINEA** **Log Export Development Levy**

The log export development levy worth PGK120 million (EUR38.87 million/USD46.14 million) is untouched. The fund was set up under the Forestry Act in January 2007 and is collected from round log exports at PGK8 per m3. However, the PNG Forest Authority and Bank South Pacific are currently looking into possible unauthorised drawdowns from the fund.

*The National (Papua New Guinea), 12 January*

## **PHILIPPINES** **Compliance Assistance on EUTR to be Offered by EU**

In an effort to allow the Philippine government to fulfil the new EU timber regulation (EUTR), compliance assistance will be given by the European Union (EU) to the country. Recently, support to help confront the issues of small and medium-sized furniture exporters to the EU pertaining to the regulation has been sought by the Philippine Exporters Confederation (PHILEXPORT). The EU has suggested executing a newly created contract to develop compliance guidelines for the timber industry. Assistance will also be offered by the EU to the awareness campaigns of the Department of Trade and Industry by holding workshops in the provinces.

*Manila Bulletin, 4 January*

## **ROMANIA** **Residential Permits Fall**

According to data from the Romanian national institute of statistics, INS, the country issued 2,715 permits for the construction of residential projects in November 2014 down 16.3% from October and down 5.6% from November 2013. 63.1% of the total was for projects in rural areas. For the first 11 months of 2014, 34,990 residential construction permits were issued, down 0.7% from the same period of 2013.

*SeeNews, 6 January*

## **SWEDEN** **Forest Industry Faces a Shift of Paradigm**

Maria Hollander, Managing Director of Paper Province, states in an op-ed that the forest industry faces a shift of paradigm. Whereas the demand for certain products is declining, there is a potential for new innovations for a bio-based national economy.

A strategy for bio-economics has already been developed in the EU, she writes, but emphasises that the industry needs to get better in service innovation in order to make it possible to change to such an economy.

*Nya Wermlands Tidningen, 8 January*

## **UNITED KINGDOM** **Strong UK Plywood Demand**

Rising plywood imports into the UK in 2014 are due both to higher levels of construction activities and to improvements in the supply side. UK importers report that Chinese Mixed Light Hardwood plywood has been readily available this year at stable prices. Orders in the last quarter of 2014 could be shipped from China within around four weeks. However quality consistency of Chinese plywood remains an issue for some UK buyers. Freight rate volatility has also been a problem again this year. Rates tend to rise at the start of each month and then decline sharply as shipping companies fail to fill available space.

While plywood imports into Germany were strong in the opening months of 2014, the market showed signs of weakness in the second half of the year. This was primarily due to the recent downturn in the Germany economy. Imports have also been hindered by the German customs decision to reclassify much of the plywood imported from China as laminated wood. Plywood attracts a duty of only 7% while laminated wood attracts a duty of 10%.

In the absence of reliable assurances that only products glued crosswise are supplied by Chinese suppliers, some German importers are switching back to alternative products including European Birch and softwood plywood.

*ITTO, 5 January*

## **UNITED STATES** **Lumber Markets to Continue Rebound**

The US lumber demand continued to strengthen in 2014 as home construction experienced modest but sustainable gains over 2013. While residential construction slowed late in 2014, residential repair and remodelling, the largest lumber market by volume, picked up the slack.

While residential construction slowed late in 2014, residential repair and remodelling, the largest lumber market by volume, picked up the slack.

R&R construction is expected to consume approximately 17.41 billion board feet of US production in 2014, and 2015 demand is forecast to increase to 17.93 billion board feet.

*Cont. page 13*

## DECEMBER 2014

## SHIPPING NEWS



### World's Largest Container Vessel Calls at Westports Malaysia

Westports Malaysia has added another feather to its cap as the world largest container vessel, MV CSCL Globe, made its maiden call at the terminal. The vessel belonging to China Shipping Container Lines (CSCL) is 400 metres long, 60 metres wide and bigger than four standard football fields

Encik Ruben Emir Gnanalingam, Chief Executive Officer said the maiden call came at a perfect time as the port recently completed its Container Terminal 7 (CT7), which increased terminal capacity to 11 million twenty-foot equivalent units (TEUs). Westport have the world's tallest ship-to-shore cranes in their CT7 to handle the 19,000 TEU breed mega-sized vessels. Besides being the world's largest container vessel, MV CSCL Globe marked another milestone for Westport in lifting the eight millionth TEUs container. MV CSCL Globe, currently being deployed on the AEX1 service connecting Asia to Europe is the first of five 19,100 TEUs container vessels. CSCL is expected to take delivery of four vessels in stages towards the year-end and in early 2015.

Source : Wesports Malaysia, 19 December

### Shipping Industry to See More M&As

The shipping industry is expected to see further merger and acquisition (M&A) activities in 2015, particularly with owners who are generally trampers in nature and with smaller fleets. According to the Managing Director, Asia Pacific & Oceania at SAL Heavy Lift Singapore Pte. Ltd., Mr. Justin Archard, said cargo volume increases in 2014 are seen by most owners as the start of growth, and pointed to better utilisation factors across multi-purpose vessel/project carrier fleets. Recent years have seen a marked increase in fleet size among the project carriers. When price and position are the key attributes to working spot markets, smaller fleets are particularly disadvantaged.

He further added that technical project work continuing as pure play heavy lift vessels extend their range of abilities, utilising their capacities and operating structures onshore to develop techniques in diversified markets. In 2015, the fleets that remain focused on core business, manage costs yet remain flexible, would ride out what would be the last of the difficult years.

### Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, December 2014

| Products       | Port Klang     |                                   | Kuantan        |                                   | Pasir Gudang   |                                   | Tanjung Pelepas |                                   | Penang         |                                   | Total all Ports<br>m <sup>3</sup> | % Change<br>Dec 2014/<br>Nov 2014 |
|----------------|----------------|-----------------------------------|----------------|-----------------------------------|----------------|-----------------------------------|-----------------|-----------------------------------|----------------|-----------------------------------|-----------------------------------|-----------------------------------|
|                | m <sup>3</sup> | % Change<br>Dec 2014/<br>Nov 2014 | m <sup>3</sup> | % Change<br>Dec 2014/<br>Nov 2014 | m <sup>3</sup> | % Change<br>Dec 2014/<br>Nov 2014 | m <sup>3</sup>  | % Change<br>Dec 2014/<br>Nov 2014 | m <sup>3</sup> | % Change<br>Dec 2014/<br>Nov 2014 |                                   |                                   |
| Sawntimber     | 53,821         | 24                                | 7,757          | 9                                 | 1,702          | -14                               | 266             | -18                               | 735            | -86                               | 64,281                            | 10                                |
| MDF            | 28,523         | 15                                | 482            | 15                                | 10,440         | -33                               | 11,161          | 37                                | 21,764         | -7                                | 72,370                            | 0                                 |
| Mouldings      | 12,872         | 10                                | 324            | -14                               | 2,376          | 26                                | 848             | 32                                | 2,116          | 21                                | 18,536                            | 13                                |
| Dressed Timber | 2,151          | 32                                | 48             | -58                               | 790            | 8                                 | 222             | 30                                | 160            | -52                               | 3,371                             | 13                                |
| Plywood        | 8,356          | 29                                | -              | -                                 | 15             | -29                               | 44              | -8                                | 11,244         | -11                               | 19,659                            | 2                                 |
| Veneer         | 111            | 11                                | 3              | 100                               | -              | 0                                 | -               | 0                                 | 211            | 70                                | 325                               | 45                                |
| Particleboard  | 37,137         | 19                                | 305            | -69                               | 39             | -84                               | 99              | 19                                | -              | 0                                 | 37,580                            | 16                                |
| <b>TOTAL</b>   | <b>142,971</b> | <b>20</b>                         | <b>8,919</b>   | <b>-1</b>                         | <b>15,362</b>  | <b>-25</b>                        | <b>12,640</b>   | <b>34</b>                         | <b>36,230</b>  | <b>-17</b>                        | <b>216,122</b>                    | <b>7</b>                          |

Note : Indicates % change over the previous month

Source : MTIB

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According to Mr. Archard, oversupply has been a considerable factor in this segment for some time. The year 2015 with its uncertainties is unlikely to be a catalyst for significant newbuild orders which is a good thing. As cargo volumes have trended upwards, the fall in the oil price has meant lower bunker costs for owners, bringing a welcome margin against current market freight rates. However, unwelcome is the pressure to return this to charterers in the form of lower freight rates and those in the chase for volumes are ready to negotiate with it.

Source : Bernama, 20 December

### Montevideo Port Handling Level Rise by 7%

The number of twenty-foot equivalent units (TEUs) handled at the Uruguayan port of Montevideo increased year-on-year by 7% during November 2014, mostly because of a 36.4% increase in containers in transit and a 2.1% rise for empty containers. Despite ongoing restrictions imposed by Argentina on port operations, growth at Montevideo port during November 2014 was linked to a rise in goods in transit coming from Paraguay.

On the other hand, exports and imports at Montevideo port fell year-on-year by 8.2% and 6.9%, respectively, in November 2014. During January-November 2014, overall handling levels at Montevideo port dipped by 6.8%, compared to the same period in 2013, with a 13.1% fall in container transit levels, followed by empty containers (-13.3%) and imports (-1.1%), whilst exports was the only segment registering growth in this period, at 12.4%. Overall handling at Montevideo port increased by 1.3% in November 2014, compared to the previous month.

Source : El Pais (Uruguay) online, 4 December

### Thailand: Higher Terminal Handling Rates to be Introduced

Beginning 1 January 2015, terminal handling rates will be increased at ports in Thailand. SITC, Hong Kong-based Orient Overseas Container Line (OOCL), Hanjin Shipping of South Korea, China Shipping, Wan Hai Lines, Yang Ming Line and Evergreen Line are the first seven Asian companies to raise their charges.

President of the Thai National Shippers' Council (TNSC), Nopporn Thepsittha, predicted that a similar move will be taken by Europe and US-based shipping companies.

Source : Bangkok Post, 10 December

DECEMBER 2014

### Russia : Astrakhan Port to be Able to Handle 2 Million Tonnes Turnover Per Year

The administration of the Astrakhan region (South) has announced the plans to increase the Astrakhan Port stevedoring company's freight turnover from the current 450,000 tonnes to 2 million tonnes per year by 2016. This will become possible after some upgrades are made. Works already completed as a part of the project include the construction of the first stage of a grain terminal with 73,000 tonnes capacity, the opening of a temporary storage warehouse for imported goods (17,100 tonnes capacity), and the renovation of berths. Astrakhan Port handles containers, coke, ballast stone, sawn wood, paper, metal, and grain. Some 99% of cargoes are bound for Iran.

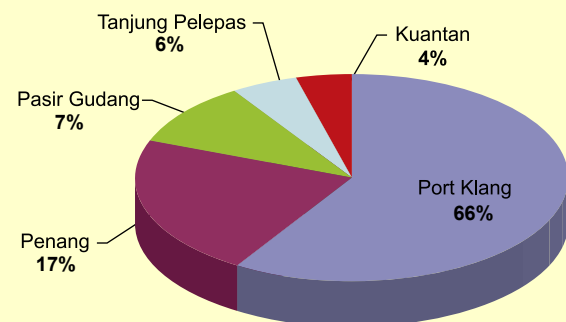
Source : PortNews, 17 December

### Global: Maersk Line Raises Container Freight Rates

Danish company Maersk Line will follow German competitor Hapag-Lloyd and raise container freight rates by 1 January. Maersk Line will raise the price of a twenty-foot equivalent units (TEUs) for transports between the Far East and the Mediterranean by USD400 (EUR329.11).

Source : www.borsen.dk, 29 December

### Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, December 2014



Total = 216,122 m<sup>3</sup>

## DECEMBER 2014

**T**otal export of Malaysian timber and timber products in December 2014 increased 11% in value to RM1.9 billion over the previous month. Cumulative export for the period of January to December also increased 5% to RM20.52 billion over the corresponding period.

### Sawntimber

Export of sawntimber in December 2014 increased 7% in volume and 8% in value to 181,278 m<sup>3</sup> valued at RM235.9 million from the previous month. Cumulative export for the period of January to December decreased 0.3% in volume however, increased 6% in value to 1.9 million m<sup>3</sup> totalling RM2.4 billion over the previous corresponding period.

Exports to the EU for the month increased 40% to 14,862 m<sup>3</sup> from 10,605 m<sup>3</sup> in the previous month due to improved purchases by major markets in the region. Export of sawntimber to the Netherlands and UK increased 38% and 99% to 7,146 m<sup>3</sup> and 2,767 m<sup>3</sup> respectively. Similarly, Germany and Belgium improved their purchases by 18% and 59% to 1,547 m<sup>3</sup> and 1,692 m<sup>3</sup> respectively.

Total exports to West Asia increased 35% to 44,254 m<sup>3</sup> from 32,751 m<sup>3</sup> recorded in the previous month as a result of improved purchases made by major markets in the region. Export of sawntimber to Yemen increased significantly to 18,056 m<sup>3</sup> compared to 5,766 m<sup>3</sup> in the previous month. In addition, export to Saudi Arabia, Kuwait and Bahrain increased 194%, 82% and 37% to 5,805 m<sup>3</sup>, 1,781 m<sup>3</sup> and 1,639 m<sup>3</sup> respectively. In the meanwhile, export to the UAE and Oman decreased 35% and 29% to 7,745 m<sup>3</sup> and 5,268 m<sup>3</sup> respectively.

Buying from ASEAN reduced 5% to 61,893 m<sup>3</sup> due to declining demand from Thailand, major market of sawntimber in the region. Export to Thailand decreased 25% to 27,171 m<sup>3</sup>. Export to Singapore and Viet Nam increased 113% and 58% to 21,761 m<sup>3</sup> and 1,626 m<sup>3</sup> respectively.

Shipments to East Asia decreased 10% to 36,664 m<sup>3</sup> from 40,747 m<sup>3</sup> in the previous month. Export to China and Japan declined 33% and 4% to 12,811 m<sup>3</sup> and 5,535 m<sup>3</sup> respectively. However, Taiwan, South Korea and Hong Kong increased purchases by 15%, 10% and 50% to 14,263 m<sup>3</sup>, 2,888 m<sup>3</sup> and 1,167 m<sup>3</sup> respectively.

Elsewhere, the US bought 1,657 m<sup>3</sup> worth of sawntimber, an increase of 11% from the previous month. Likewise, intake by South Africa increased 136% to 6,612 m<sup>3</sup> from 2,806 m<sup>3</sup> in the previous month. Export to Australia, on the other hand, declined 19% to 1,059 m<sup>3</sup>. The average FOB price of sawntimber increased 1% to RM1,301 per m<sup>3</sup> from RM1,290 per m<sup>3</sup> in the previous month. Price of Dark Red Meranti increased 7% to RM1,301 per m<sup>3</sup> from RM1,290 per m<sup>3</sup> in the previous month. Price of Dark Red Meranti increased 7% to RM2,261 per m<sup>3</sup> from RM2,124 per m<sup>3</sup> in the previous month. However, price of Dark Red Meranti to the Netherlands decreased 1% to RM2,755 per m<sup>3</sup> from RM2,795 per m<sup>3</sup> in the previous month. Keruing was traded at RM1,596 per m<sup>3</sup>, an increase of 9% from the previous month.

### Plywood

Total export of plywood in December increased 19% in volume and value to 320,085 m<sup>3</sup> valued at RM533.10 million as compared to the previous month.

Total exports to EU increased by 8% to 15,030 m<sup>3</sup>. Likewise, shipments to Belgium, Netherlands and UK increased by 439%, 75% and 3% to 474 m<sup>3</sup>, 1,436 m<sup>3</sup> and 11,607 m<sup>3</sup> respectively whilst France and Germany resumed their intake. However, Denmark and Ireland reduced their intake by 43% and 74% to 342 m<sup>3</sup> and 273 m<sup>3</sup> respectively whilst Italy did not make any purchases.

Overall, exports to West Asia increased by 80% as compared to the previous month. Similarly, shipments to Saudi Arabia and Yemen increased by 88% and 108% to 6,135 m<sup>3</sup> and 29,774 m<sup>3</sup> respectively.

However, Bahrain, UAE, Kuwait and Qatar reduced their intake by 60%, 6%, 28% and 80% to 87 m<sup>3</sup>, 5,603 m<sup>3</sup>, 216 m<sup>3</sup> and 44 m<sup>3</sup> respectively.

Elsewhere, exports of plywood to South Africa, US, Mexico and Canada increased by 69%, 1,281%, 206% and 642% to 273 m<sup>3</sup>, 12,923 m<sup>3</sup>, 7,409 m<sup>3</sup> and 586 m<sup>3</sup> respectively. However, Australia and New Zealand reduced their intake by 1% and 47% to 2,549 m<sup>3</sup> and 43 m<sup>3</sup> respectively, whilst Algeria, Tanzania, Mauritius, Norway and Turkey did not make any purchases.

The FOB price of plywood decreased by 0.2 % to RM1,665 per m<sup>3</sup> from RM1,668 per m<sup>3</sup> in the previous month.

### Veneer

Exports of veneer for December 2014 showed a decrease of 2% in volume and value to 19,945 m<sup>3</sup> at RM27.21 million as compared to the previous month. Exports to Singapore, Indonesia, China, Taiwan, Australia and Canada increased by 700%, 27%, 72%, 25%, 93% and 44% to 24 m<sup>3</sup>, 14 m<sup>3</sup>, 947 m<sup>3</sup>, 11,308 m<sup>3</sup>, 162 m<sup>3</sup> and 33 m<sup>3</sup> respectively. Meanwhile, South Korea reduced its intake by 21% to 6,311 m<sup>3</sup>, whilst Viet Nam, Sri Lanka and UK did not make any purchases.

The FOB price of veneer increased to RM1,364 per m<sup>3</sup> from RM1,311 per m<sup>3</sup>, an increase of 4% from the previous month.

### Medium Density Fibreboard (MDF)

Peninsular Malaysia's exports of MDF for December 2014 increase 1% in volume and 9% in value from the previous month. Export totalled 84,182 m<sup>3</sup> at RM91.5 million.

Exports to East Asia registered an increase of 37% to 15,904 m<sup>3</sup> from 11,647 m<sup>3</sup> in the previous month. Exports to Japan and Taiwan grew by 45% to 13,644 m<sup>3</sup> and 20% to 1,445 m<sup>3</sup> respectively. However, exports to China including Hong Kong recorded a negative growth with a decrease of 65% to 133 m<sup>3</sup>.

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Meanwhile exports to West Asia for the month decreased 14% to 34,138 m<sup>3</sup> from 39,477 m<sup>3</sup> in the previous month. Export to Jordan recorded a positive growth of 688% to 1,356 m<sup>3</sup> followed by Saudi Arabia and Lebanon at 100% increased to 6,724 m<sup>3</sup> and 149 m<sup>3</sup> respectively.

Export to Iran and Syria also recorded positive intake by 66% to 6,957 m<sup>3</sup> and 51% to 3,847 m<sup>3</sup> respectively. Meanwhile export to Kuwait, UAE, Bahrain and Oman dropped by 23% to 3,432 m<sup>3</sup>, 38% to 8,282 m<sup>3</sup>, 42% to 482 m<sup>3</sup> and 47% to 1,350 m<sup>3</sup> respectively.

Furthermore, export to South Asia recorded negative growth by 7%. All destinations export to South Asia decrease their import from Malaysia except Sri Lanka which increased by 42% to 2,011 m<sup>3</sup>. Elsewhere, Bangladesh recorded a decrease of 33% to 921 m<sup>3</sup> followed by India at 27% to 614 m<sup>3</sup> and Pakistan at 10% to 5,508 m<sup>3</sup>. This is due to the increase competition of lower price MDF from Sri Lanka.

Elsewhere, exports to UK, South Africa and US increased by 141% to 727 m<sup>3</sup>, 76% to 352 m<sup>3</sup> and 39% to 1,850 m<sup>3</sup> respectively. However, export to Australia fell 21% to 2,070 m<sup>3</sup>.

In ASEAN, total export to the region increased by 5% to 16,969 m<sup>3</sup> from 16,169 m<sup>3</sup> in the previous month. Exports to Philippines and Viet Nam increased 37% to 2,786 m<sup>3</sup> and 7% to 10,535 m<sup>3</sup> respectively. However, Indonesia showed negative intake by 22% to 3,028 m<sup>3</sup>.

## Mouldings

Exports of mouldings for the month decrease by 9% in volume and 10% in value to 24,143 m<sup>3</sup> and RM65.09 million respectively. Similarly, the cumulative exports increased by 14% in volume and 15% in value to 256,961 m<sup>3</sup> and RM711.24 million respectively as compared to the previous corresponding period in 2013.

Exports to the EU for the month recorded at 7,889 m<sup>3</sup>, an increase of 27% compared to the previous month. Shipments to Belgium, Netherlands and UK increased by 9%, 19%, and 135% to 611 m<sup>3</sup>, 3,871 m<sup>3</sup> and 995 m<sup>3</sup> respectively whilst Italy resumed its intake. However, shipments to Germany decreased by 4% to 1,166 m<sup>3</sup>.

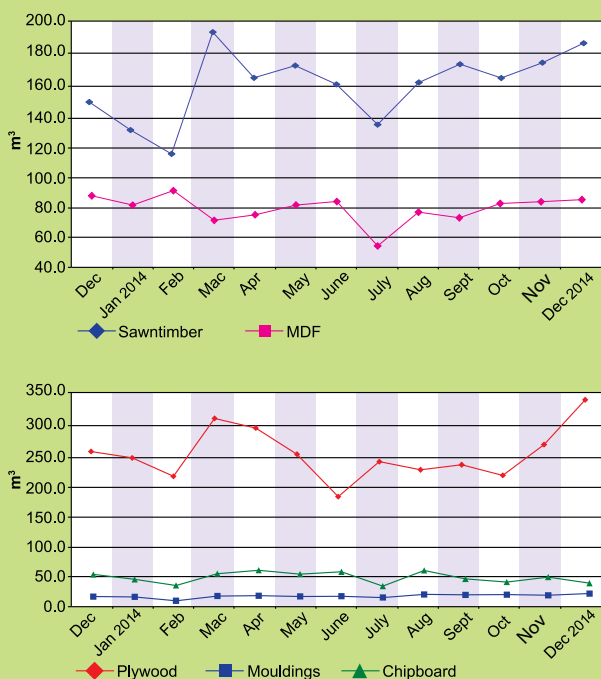
Exports to the ASEAN region increased as Viet Nam and Singapore intake of mouldings increased by 50% and 25% to 200 m<sup>3</sup> and 1,710 m<sup>3</sup> respectively whilst Indonesia did not make any purchases.

Meanwhile, exports to South Korea, Taiwan and China increased 6%, 9% and 68% to 2,014 m<sup>3</sup>, 1,094 m<sup>3</sup> and 1,283 m<sup>3</sup> respectively. However, exports to Japan and Hong Kong reduced by 13% and 15% to 2,609 m<sup>3</sup> and 284 m<sup>3</sup> respectively.

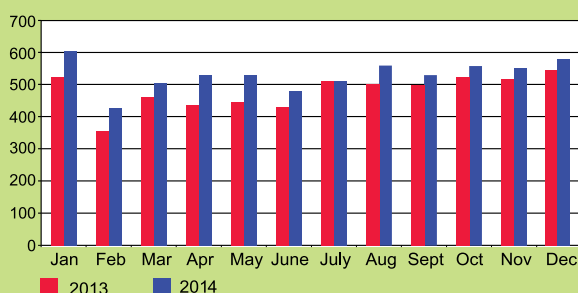
## Builders Joinery and Carpentry (BJC)

Total BJC cumulative exports from January to December increased 5% to RM1 billion as compared to RM949.60 million in the corresponding period last year. Cumulative import from January to December by EU decreased 0.1% to RM269.54 million.

**Export of Selected Products from Malaysia**  
(December 2013 - December 2014) / Volume ('000m<sup>3</sup>)

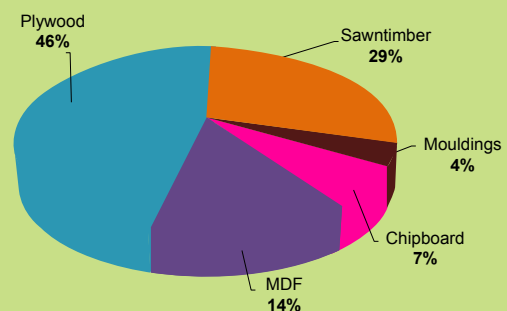


**Malaysia: Export of Wooden Furniture**  
(December 2013 - December 2014) / Value (RM Million)



Source : Department of Statistics, Malaysia

**Export of Major Timber Products from Malaysia**  
(October - December 2014)



Volume : 1,618,325 m<sup>3</sup>

Cont. page 11

## DECEMBER 2014



## Logs

Reaching the year end, the logging activities were affected by the heavy flood disaster that hits Peninsular Malaysia during the rainy season. The situation has disturbed the logging activities in the region particularly in the east coast.

The price of Chengal logs stood at RM4,000 per tonne, whilst prices for both Red Balau and Merbau charted at RM2,500 per tonne respectively. Similarly, prices for Keruing and Kapur remained at RM1,150 per tonne and RM1,700 per tonne respectively. Price of Kempas logs increased by 4% to RM1,183 per tonne over previous month. Log prices for Red Meranti and White Meranti however dropped by 5% and 9% to RM1,323 per tonne and RM993 per tonne respectively. Prices for Mixed Heavy Hardwood and Mixed Light Hardwood recorded at RM983 per tonne and RM665 per tonne respectively.

## Sawntimber

The average sawntimber prices started to increase for some species due to declining supply in the domestic market which affected by the rainy season. Demand from the importing countries however were still reported to weak by the industries due to unfavourable market condition.

Sawntimber prices of Chengal and Red Balau remained at RM6,638 per m<sup>3</sup> and RM2,966 per m<sup>3</sup> respectively. Prices of Balau sawntimber dropped by 9% to be quoted at RM3,178 per m<sup>3</sup> over previous month. Meanwhile, prices for both Keruing and Kapur continued to stable at RM1,483 per m<sup>3</sup> and RM2,472 per m<sup>3</sup> respectively. However, price of Kempas rose significantly by 31% to RM1,942 per m<sup>3</sup> compared to last month. Prices of Red Meranti, Mersawa and Jelutong sawntimber were also reported to increase by 30%, 8% and 11% to RM1,748 per m<sup>3</sup>, RM1,518 per m<sup>3</sup> and RM1,589 per m<sup>3</sup> respectively. Sawntimber prices of Mixed Heavy Hardwood jumped sharply by 40% to RM1,236 per m<sup>3</sup> while price for Mixed Light Hardwood remained at RM777 per m<sup>3</sup>.

## Plywood

The supply of plywood to the domestic market remains adequate for the month under review. Prices of plywood remained unchanged and stable at last month's level. Plywood of 4mm, 6mm, 9mm and 12mm of thicknesses were stably traded at RM14.60, RM22.00, RM34.50 and RM41.50 per piece respectively.

## Medium Density Fibreboard (MDF)

Domestic supply of MDF remained suffice while prices were still being quoted at last month's level. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were recorded at RM12.10, RM15.80, RM21.70 and RM28.10 per piece respectively.

## Intra-Malaysia Trade \*- December 2014

In comparison to the previous month, shipments of sawntimber from Sabah to Peninsular Malaysia reported to decrease further by 12% in volume and 46% in value to 950 m<sup>3</sup> worth at RM0.97 million. However, shipments of plywood improved by 8% to 9,303 m<sup>3</sup>, worth at RM14.7 million. Meanwhile, shipments of veneer posted at 35 m<sup>3</sup> valued at RM54,000.

On the other hand, export of sawntimber from Sarawak to Peninsular Malaysia reported to increase tremendously by triple digit to 1,322 m<sup>3</sup> valued at RM904,000 over the previous month. Likewise, shipment of plywood rose by 12% in both volume and value to 11,915 m<sup>3</sup> worth at RM14.9 million. Export of veneer also charted an upwards trend as it charted an increase by 19% to 5,720 m<sup>3</sup> valued at RM6.9 million.

*No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in December 2014.*

\* Source: Department of Statistics, Malaysia

## INTRA-MALAYSIA TRADE – DECEMBER 2014

| From    | Products   | NOVEMBER 2014            |                 | DECEMBER 2014            |                 | % Change in Volume<br>Dec 2014/Nov 2014 | % Change in Value<br>Dec 2014/Nov 2014 |
|---------|------------|--------------------------|-----------------|--------------------------|-----------------|-----------------------------------------|----------------------------------------|
|         |            | Volume (m <sup>3</sup> ) | Value (RM '000) | Volume (m <sup>3</sup> ) | Value (RM '000) |                                         |                                        |
| SABAH   | Logs       | 0                        | 0               | 0                        | 0               | 0                                       | 0                                      |
|         | Sawntimber | 1,081                    | 1,791           | 950                      | 974             | -12                                     | -46                                    |
|         | Plywood    | 8,614                    | 13,413          | 9,303                    | 14,740          | 8                                       | 10                                     |
|         | Veneer     | 35                       | 54              | 35                       | 54              | 0                                       | 0                                      |
| SARAWAK | Logs       | 0                        | 0               | 0                        | 0               | 0                                       | 0                                      |
|         | Sawntimber | 306                      | 307             | 1,322                    | 904             | 332                                     | 194                                    |
|         | Plywood    | 10,643                   | 13,326          | 11,915                   | 14,899          | 12                                      | 12                                     |
|         | Veneer     | 4,802                    | 5,613           | 5,720                    | 6,925           | 19                                      | 23                                     |

Source : Department of Statistics, Malaysia

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DECEMBER 2014

**\*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA  
DECEMBER 2014 (VALUE IN RM)**

| SPECIES                                  | LOGS/tonne | SAWNTIMBER/m <sup>3</sup> |         |            |         |
|------------------------------------------|------------|---------------------------|---------|------------|---------|
|                                          | 18" UP     | GMS                       | STRIPS  | SCANTLINGS |         |
| <b>HEAVY HARDWOOD</b>                    |            |                           |         |            |         |
| Chengal                                  | 4,000      | 6,638                     | 2,966   |            | 8,828   |
| Balau                                    | 2,653      | 3,178                     | 2,419   |            | 3,217   |
| Red Balau                                | 2,500      | 2,966                     | 1,977   |            | 3,178   |
| Merbau                                   | 2,500      | 3,460                     | 2,825   |            | 2,790   |
| Mixed Heavy Hardwood                     | 983        | 1,236                     | 1,059   |            | 918     |
| <b>MEDIUM HARDWOOD</b>                   |            |                           |         |            |         |
| Keruing                                  | 1,150      | 1,483                     | 1,045   |            | 2,203   |
| Kempas                                   | 1,183      | 1,942                     | 1,677   |            | 1,737   |
| Kapur                                    | 1,700      | 2,472                     | 727     |            | 2,472   |
| Mengkulang                               | 1,100      | 1,412                     | 925     |            | 1,575   |
| Tualang                                  | 1,255      | 2,260                     | 2,260   |            | 2,260   |
| <b>LIGHT HARDWOOD</b>                    |            |                           |         |            |         |
| Dark Red Meranti                         | 1,350      | 2,189                     | 1,448   |            | 2,062   |
| Red Meranti                              | 1,323      | 1,748                     | 1,215   |            | 2,500   |
| Yellow Meranti                           | 1,130      | 1,412                     | 1,095   |            | 1,448   |
| White Meranti                            | 993        | 2,034                     | 2,034   |            | 1,695   |
| Mersawa                                  | 1,193      | 1,518                     | 1,024   |            | 1,518   |
| Nyatoh                                   | 900        | 777                       | 565     |            | 1,201   |
| Sepetir                                  | 850        | 1,095                     | 918     |            | 1,095   |
| Jelutong                                 | 990        | 1,589                     | 1,130   |            | 1,766   |
| Mixed Light Hardwood                     | 665        | 777                       | 614     |            | 657     |
| <b>MALAYSIAN RUBBERWOOD</b>              |            |                           |         |            |         |
| <i>Hevea brasiliensis</i>                | LOGS/tonne | SAWNTIMBER/m <sup>3</sup> |         |            |         |
|                                          | 140        | 1" X 1"                   | 2" X 2" | 3" X 3"    | 4" X 4" |
|                                          |            | 706                       | 1,045   | 1,151      | 1,201   |
| <b>PLYWOOD 4' X 8'</b><br>(RM per piece) | 4mm        | 6mm                       | 9mm     | 12mm       |         |
|                                          | 14.60      | 22.00                     | 34.50   | 41.50      |         |
| <b>MDF 4' X 8'</b><br>(RM per piece)     | 4mm        | 6mm                       | 9mm     | 12mm       |         |
|                                          | 12.10      | 15.80                     | 21.70   | 28.10      |         |

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

\* Prices are only indicative

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## TIMBER ROUND-UP

Similarly, export to France, Denmark, Germany, Sweden, Spain, Italy and Norway decreased by 36%, 32%, 24%, 42%, 14%, 1% and 88% to RM21.76 million, RM17.56 million, RM10.36 million, RM8.04 million, RM6.41 million, RM4.94 million and RM0.52 million respectively.

Whereas, exports to UK, Belgium, Turkey and Netherlands increased by 22%, 10%, 110% and 60% to RM139.18 million, RM53.91 million, RM3.33 million and RM1.58 million respectively over the previous corresponding period.

In Asia, exports to Singapore, Thailand, India, Pakistan, Taiwan, Bahrain grew 6%, 6%, 11%, 35%, 26% and 56% valued at RM122.09 million, RM32.43 million, RM63.35 million, RM34.38 million, RM19.04 million and RM3.79 million respectively. However, exports to Japan, Viet Nam, UAE, South Korea and Iran decreased by 11%, 1%, 1%, 4% and 74% to RM85.19 million, RM27.45 million, RM10.66 million, RM3.32 million and RM0.59 million respectively.

Exports to Australia, US and Reunion Island increased by 6%, 38% and 45% to RM131.54 million, RM76.15 million and RM2.95 million respectively. However, South Africa, Russia and Maldives reduced their intake by 13%, 58% and 21% to RM12.49 million, RM5.98 million and RM6.11 million respectively.

## Furniture

Exports of wooden and rattan furniture in 2014

increased 10% compared to 2013. Total shipments recorded RM6.36 billion against RM5.77 billion in 2013.

Purchase of wooden furniture from Malaysia in 2014 increased 10% from RM5.74 billion to RM6.33 billion compared to 2013. Demand for wooden furniture for 2014 was positive across most major markets.

The top importer of Malaysian wooden furniture in 2014 was by the US which had increased its consumption by 9% from RM1.81 billion to RM1.98 billion. Though Japan's demand decreased slightly by 1% from RM571.3 million to RM565.4 million due to the decrease value in Yen against the US dollar, it is still the second highest importer.

Australia slightly increased its import to RM433.74 million in 2014. Singapore had a larger increased of intake of 23% from RM285.37 million to RM351.18 million. The UK follows suit with an increase import of 22% from RM264.43 million to RM321.95 million.

Rattan furniture shipments increased by 28% to reach RM35.15 million in 2014. Singapore remains as the top importer as its demand increased by 17% to RM8.63 million in 2014. India emerges as the highest increase of intake of Malaysian rattan furniture, with RM7.36 million being recorded in this year, leaped from RM398,000 in 2013. The US however had recorded a lost of 55% to RM2.26 million in 2014. The Philippine had imported RM2.25 million worth of rattan furniture, a jump from RM319,00 in 2013.



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Tel : +603-9282 2235 Fax : +603-9285 1477/1744 Email : [info@mtib.gov.my](mailto:info@mtib.gov.my) Website : [www.mtib.gov.my](http://www.mtib.gov.my)

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Lumber demand for new residential construction is forecast to increase from an estimated 10.98 billion board feet in 2014 to 13.61 billion board feet in 2015. Stable interest rates, an improving jobs picture, and continued slow economic growth will contribute to modest but sustainable gains in lumber demand for new home construction in 2015. Responding to increased demand, 2014 US lumber production increased an estimated 4% to 41.34 billion board feet, compared to 39.5 billion board feet in 2013. Lumber production in the West is expected to climb from 13.49 billion board feet in 2013 to 14.1 billion board feet for 2014. For 2015, it is predicted for lumber demand to rise by 8% to 44.87 billion board feet.

Western Wood Products Association, 2 January

### Lower US Hardwood Sawnwood Imports

Compared to a month earlier US imports of hardwood sawnwood fell by 8% in September to 99,254 m<sup>3</sup>, temperate hardwood imports were down 9%, while tropical imports declined by 8% from August. However, tropical imports at 21,520 m<sup>3</sup>, were up 7% year-to-date from September 2013. Sawnwood imports of most tropical species declined in September. Only imports of Balsa, Ipe and Cedro grew.

Balsa imports from Ecuador were 5,463m<sup>3</sup>, up 43% year-to-date from 2013. Ipe sawnwood imports increased by 19% from August to 2,754 m<sup>3</sup> (+12% year-to-date). Cedro imports were 1,532 m<sup>3</sup>, up 25% year-to-date from September 2013. Imports from Brazil declined in September despite higher Ipe shipments. Imports of Virola, Jatoba and other tropical sawnwood were lower than in August. Sawnwood imports from most other major suppliers also fell from August. Only Ghana increased shipments to 1,665 m<sup>3</sup> following lower volumes over the summer. The increase was largely in Cedro (933 m<sup>3</sup>), while Sapelli imports declined. Imports from Cameroon were down in September, both year-to-date and compared to the previous month. However, Sapelli sawnwood imports from Cameroon increased to 1,827 m<sup>3</sup>, while other species declined.

Malaysian shipments decreased by 11% month-over-month, but on a year-to-date basis they were 3% higher than in September 2013. Malaysia exported 1,357 m<sup>3</sup> of Keruing to the US in September.

Global Wood Trade Network, 12 January

### RUSSIA

#### New Requirements for Wood Transactions and Accounting

On 1 January 2015, Russia introduced new requirements for wood transactions and accounting. It imposed compulsory registration of felled timber in sticks and logs. Beginning 2015, forestry reports can be submitted electronically. The authorities have established penalties for transporting timber without an accompanying document in due form.

The penalty for a wood accounting violation will amount to RUB200,000 (EUR2,630.46/USD3,060.90) to RUB400,000 for legal entities and RUB25,000-35,000 for officials from mid-2015. A declaration defining norms for deals with wood and establishing penalties for late filing of data will enter into force in July 2015.

Bumprom, 14 January

### VIET NAM

#### Exports of Wood Products Grew

In 2014, exports of wood products in Viet Nam grew by 11% from a year ago to over USD6.20 billion (EUR5.24 billion), which remains below the Handicraft and Wood Industry Association of HCMC (HAWA)'s target. During the year, contribution from Japan and the US to the export revenue had risen, with wood product exports to Japan increasing 18%, while that to the US rose by 12.5%.

HAWA had targeted export revenue in the local wood industry to reach USD6.5 billion in 2014. Between January and November 2014, exports of wooden products by local companies totalled at about USD2.8 billion in value, which equals to 50% of the country's total export value during the 11 months. Meanwhile, imports of wooden products and materials totalled at USD2.2 billion in 2014, up by 34% from a year earlier. For 2015, wooden product exports will likely grow by 15%, as projected by HAWA.

Vietnamnet, 10 January



## LY FURNITURE SDN. BHD. - WOODEN BEDROOM FURNITURE EXPORTER

### Introduction

*LY Furniture Sdn. Bhd. (LY) is a major export-based wooden bedroom furniture manufacturer in Malaysia. Currently, LY has 16 factories with a total area of 1,546,000 square feet and employs about 1,200 employees in Batu Pahat, Johor. Its market covers countries around the world.*

### Mission

"To become the number one Malaysian supplier of value-for-money bedroom furniture for both our business associates and customers. Our products should offer value that exceeds their price so that not only our customers, but also retailers, can profit."

### Company History

From the very beginning, LY's founder, Encik Tan Kwee Chai has instilled the spirit of excellence, diligence and visionary into the company which have led to its success throughout the three decades. The name LY has been established in the wooden bedroom furniture industry in Malaysia. Encik Tan Kwee Chai, started this furniture design and manufacturing business in 1976; it was then known as Lian Yu Furniture Co. The business started with a small workshop with built-up area of 20,000 square feet and eight employees. Now, with 16 factories in Sri Gading Industrial Area Batu Pahat, Johor and over 20 years of export success, LY is one of the Malaysia's leading supplier of wooden bedroom furniture. LY's growth is partly due to its streamline production system and bulk purchases of raw materials. Two examples of this growth are the increase in revenue of 43% from 2009 to 2013 and the increase of number of factories from five in 2001 to 16 in 2013.



Factory of LY Furniture Sdn.Bhd



Model : Emily

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## Business Philosophy

In LY, they believe product quality is the company's life. 'Life' to a person means existence of oneself; to a business, it means the survival and development of an enterprise. LY perceives quality as the lifeline of their business. LY has a highly skilled engineering team and specialists who concentrate on re-engineering product construction, improving production efficiency and researching on various types of wood for our furniture to sustain our competitive price. Their production facilities cover the holistic aspect of manufacturing processes from kiln drying, veneer lamination to finishing spraying.

LY's success and strength are high volume manufacturing, quality products, product specialisation, prompt deliveries, outsourcing of some of the production procedures, bulk purchasing of materials, and competitive pricing. LY ships more than 400 containers of furniture every month. Its shipping procedure follows strictly to the American requirements to ensure high security and safety of product shipments. This helps to increase LY's production capacity and at the same time contributes to the growth of small and medium enterprise in Malaysia.

Since 2009, LY has invested more than RM40 million (USD13 million) to improve production facilities and machines. The Escalator Towline Finishing System, installed in 2010, is an impressive example of this advanced production technology. In addition, there are four American Design towline finishing system with a total gross length of 16,000 feet and one Overhead Conveyor Hanging Line with its 2,700 feet line. With the well-trained Quality Control team and personnel, they are able to monitor various stages of production to ensure that products meet customer expectations. The LY quality control team also monitor and evaluates the quality of all raw materials from suppliers.

## Recognition and Achievement

LY has a diversified customer base and the company's biggest market today is North America. At the same time, LY has an innovative marketing team in all export markets and it participates in major international trade fairs and exhibitions all over the world. Based on recognition and achievement, LY has earned a number of prestigious awards locally and internationally which are as follows;

- Asia Pacific International Honesty Enterprise – Keris Award 2002
- Enterprise 50 Award 2002 – third place
- Enterprise 50 Award 2003 – second place
- Global Top Enterprise Golden Rim Award 2003
- Golden Bull Award 2003 – second place
- Malaysia Timber Council Best Performing Company Award 2005
- Taiwan Model of Overseas Entrepreneurs Award 2006
- Asia Furniture Leadership Award 2009
- Malaysian Furniture Leadership Award 2009 – Corporate Social Responsibility Award
- MTIB 40th Anniversary Best Furniture Manufacturer Award 2013



LY Furniture Sdn.Bhd

Model : Rowena



*Shaping the Timber Industry of Malaysia*

## One Man's Waste, Another Man's Wealth

To many of us, rice husks, coconut trunks, oil palm fronds and empty fruit bunches are nothing but a pile of residue. But did you know that they can be turned into furniture and building materials?

For many years now, the demand for wood far exceeds the supply. The biggest challenge has always been fulfilling demand without sacrificing our beautiful forests. Little did we know, the things we often regard as junk could actually be a solution to this problem. Possessing excellent mechanical and physical properties, wood made from agricultural by-products is not only durable, but also highly customisable in terms of weight, structure and density.

We at MTIB are committed in finding solutions to make both you and Mother Nature happy. With MTIB, your wastes are not wasted.



**Malaysian Wood**  
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MTIB is committed towards enhancing the sustainable growth of the Malaysian timber industry through various initiatives and innovations.

For more information, contact:

**Malaysian Timber Industry Board (MTIB)**

Level 13-17, Menara PGRM, No. 8, Jalan Pudu Ulu, 50100 Cheras, Kuala Lumpur, Malaysia

Tel: +603-9282 2235 Fax: +603-9285 1477/1744 Email: [info@mtib.gov.my](mailto:info@mtib.gov.my)

URL: [www.mtib.gov.my](http://www.mtib.gov.my) [facebook.com/pages/Malaysian-Timber-Industry-Board](https://facebook.com/pages/Malaysian-Timber-Industry-Board)

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## Corporate Social Responsibility (CSR)

LY is also an ISO 9001: 2008 accredited company and manpower training is a high priority. This company engages qualified trainers to maximise the performance of employees. LY also emphasises on CSR. Over the years, LY and its founder Encik Tan Kwee Chai have been active in fund-raising for a number of schools and various community projects. LY also offer internship or apprenticeship training to students from local universities and vocational schools.

Furthermore, LY assists the local community by organising blood donation campaigns annually. In order to reduce carbon footprint, LY has actively participated in Tree Planting campaigns and it also strongly supports other environmental awareness projects.

As one big family, LY is involved in fund raising within the group to help staff members.

## Future Plan

For its future growth plan, LY has ventured into the kitchen cabinet market and expects to become a leading supplier of kitchen furniture worldwide. But this is just the beginning of the story, with the expansion into the worldwide kitchen furniture market, LY's growth is expected to accelerate in the coming years. From a small furniture workshop in 1976, LY is now clearly emerging as a leading global supplier of wooden furniture.

## For further information, please contact:

### LY FURNITURE SDN. BHD.

No. 15, Jalan Wawasan Utama,  
Kawasan Perindustrian Sri Gading,  
83300 Batu Pahat, Johor, Malaysia.

Tel : 607- 4558828, 4558778

Fax : 607- 4558853

Email: info@lyfurniture.com



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# SCRIMBER - A STRUCTURAL COMPOSITE LUMBER (SCL) FROM SUSTAINABLE FIBRE SOURCES

## Introduction

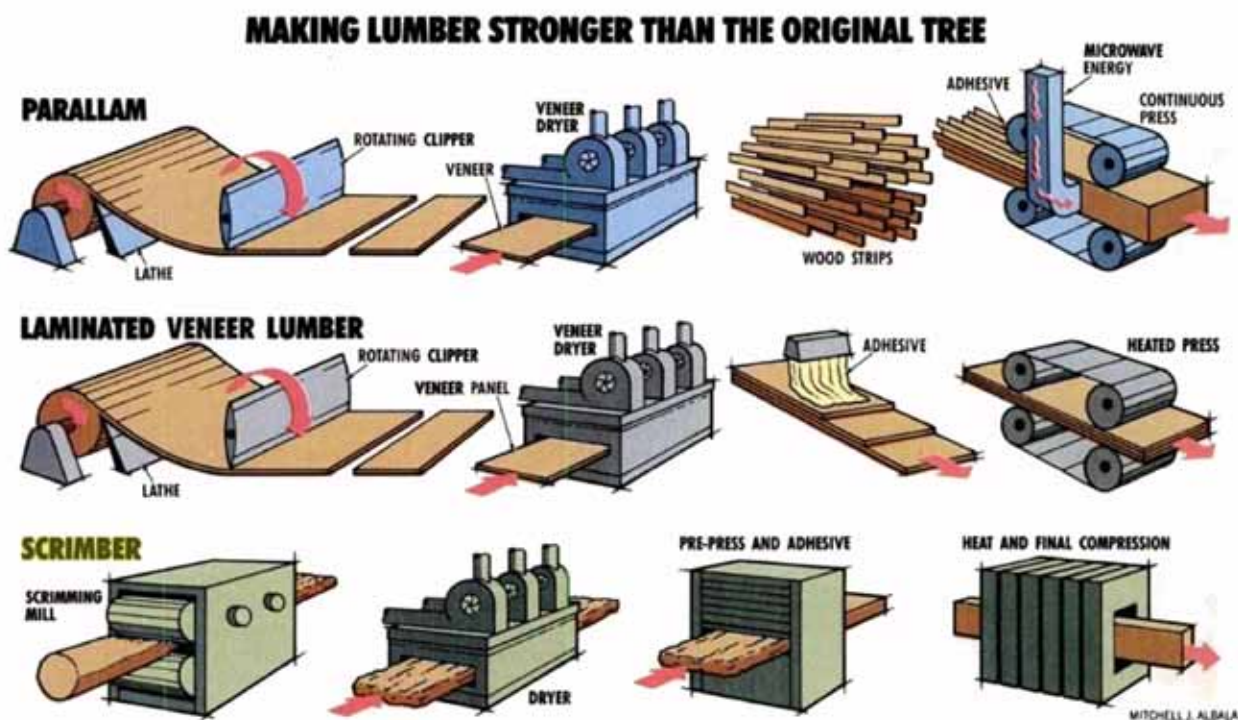
Structural Composite Lumber (SCL) is a group of engineered wood products with a highly predictable and uniform strength and stiffness properties. They are used for buildings and other structural application. The most common SCL currently available in the market include laminated veneer lumber (LVL), parallel strand lumber (PSL) and laminated strand lumber (LSL). LVL, PSL and LSL are created by layering dried and graded wood veneers, strands or flakes, respectively, with moisture resistant adhesive and pressed into blocks of material known as billets, which are subsequently re-sawn into specified sizes or as required by the end-users.

The proprietary scrimber making process begins with passing small logs, 3" to 8" in diameter, through a series of paired opposing interlocking toothed rollers which progressively reduced the logs into long strands or "scrim". Mats of the scrim are dried, coated with an adhesive, then heated and formed into billets in a steam heated press. As in the other SCL described above, scrimber billets are also cut to specification according to customer needs. Scrimber was considered a very promising product because the process was able to utilise more than 85% of the wood materials in small diameter logs compared with the 40% utilisation obtained by other available milling methods at that time.

## What is Scrimber?

Scrimber is another SCL that will come into market soon. It was invented in 1975 by CSIRO researcher John Coleman, who conceived the idea of "scrimming", which breaks down the structure of the wood only as far as necessary to allow it to be formed into a desired end-product, rather than destroying the natural alignment of wood fibres, and realigning them as more conventional processes do.

Popular Science May 1990



Schematic diagrams of engineered lumber manufacturing processes.

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## Commercialisation of Scrimber

When TimTek LLC bought the rights for “Scrimber” from the Australian CSIRO in 1999, the process was not commercially acceptable and needed more research. TimTek then collaborated with Mississippi State University to refine the scrimber manufacturing technology through a project to develop a commercial market for a high-strength engineered lumber made of small diameter trees thinned from Southern Yellow Pine (SYP) plantations. The traditional market for these juvenile SYP was for the pulp industry. However, at the beginning of the new millennium the pulp market started to weaken due to the introduction of a ‘paperless society’ and therefore the closure of several pulp mills in and around the state, making juvenile logs from the first thinning SYP abundantly available and cheap in Mississippi.

By 2003, the TimTek-MSU collaboration successfully perfected the scrimber making process able to produce SYP scrimbers with a stiffness (MOE) reaching 15,900 MPa (2.3E) at a targeted mean density of 705 kg/m<sup>3</sup>. In September 2005, TimTek filed US and Canadian patents for the refined process and was granted the patent rights (US 7537669) four years later. SYP scrimber passed the code of approval process with the APA - The Engineered Wood Association in Tacoma, Washington in 2006 that allows the product to carry a grade stamp for acceptance in the marketplace.

A lumber producing company in Mississippi, namely, Loblolly Industries LLC, signed a sub-licensing agreement with TimTek in summer 2005 that gave it the exclusive rights to build scrimber manufacturing plants in East of the Rockies in the US and Canada and trade the products under the name of ‘Scrimtec’. Loblolly further investigated the suitability of the TimTek technology for other tree species in Canada, which included the Trembling Aspen, White Birch, Black Spruce and Jack Pine. Typically, each of these species, except balsam fir, would produce scrimber with an MOE of between 12,400 MPa to 15,900 MPa (1.8E to 2.3E). Balsam Fir yielded an MOE of 11,700 MPa (1.7E). Loblolly is in the process of building a commercial Scrimtec manufacturing plant in Quebec, Canada, in anticipation of an improved US economy and the resultant increase in housing activity.



Mississippi State University : Dec 2003

*Tim Tek LLC Director, Mr Walter Jarck (far right) holding a SYP scrimber beam produced at the TimTek demonstration plant at the MSU campus.*

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## Scrimber R&D in Malaysia

Scrimber research and development in Malaysia began in January 2009 when Forest Research Institute Malaysia (FRIM) collaborated with TimTek LLC to develop scrimbers from oil palm trunk (OPT), coconut trunk, bamboo and juvenile (less than five years old) trees of *Acacia mangium* and Sesenduk. The scrimbers, which have been codenamed as "MYScrim", were deemed appropriate as raw material for various wood products such as furniture, floorings, doors and windows as well as building structural components. The mechanical test results show that the maximum MOE values were 9,500 MPa for MYScrim-OPT, 10,500 MPa (MYScrim-coconut), 11,700 MPa (MYScrim-acacia), 13,300 MPa (MYScrim-sesenduk) and 15,000 MPa (MYScrim - bambuseae) with densities ranging from 756 kg/m<sup>3</sup> to 830 kg/m<sup>3</sup>.

FRIM has focused its efforts on making MYScrim known to the Malaysian wood-based industry as well as to the public through mass-media, seminars, exhibitions, trade shows, invention fairs, industry dialogues and meetings. The authors hope that further promotion and marketing efforts for MYScrim will be continued by the more relevant agencies such as MTIB. Not only would a commercial TimTek scrimber plant offer high-paying jobs, it would also provide the needed lumber for our furniture and building industry.



MYscrim Flagship Project, FRIM, July 2009

Dr. Wan Tarmeze Wan Ariffin with a 20 feet scrimber beam made from crushed bamboo sticks developed in the TimTek-FRIM scrimber project.

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MYscrim Flagship Project, FRIM, Nov 2011



MYScrim scrimbers developed through FRIM-TimTek collaborative efforts.

MYscrim Flagship Project, FRIM, Oct 2010 2011



Display cabinet made from MYScrim-OPT.

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## ABOUT THE AUTHORS:

This article was written by Dr. Wan Tarmeze Wan Ariffin, a Senior Research Officer with the Forest Research Institute Malaysia and Walter Jarck, the Director of TimTek LLC who both have several scrimber related patents. In July 2007, Dr. Wan invented POPS Lumber (patent no. MY-144683), an engineered lumber made from clipped oil palm trunk veneers that nine months later earned him WIPO Best Inventor award at the Geneva Invention Exposition 2008. While leading the MYScrim project of FRIM, Dr. Wan patented MYScrim-bambuseae, the bamboo version of scrimber (MY-148038). Beside the US Pat 7537669, Walter Jarck holds at least two more scrimber related patents on preservative treatment of scrim materials (US Pat 7507360) and bast fibres separation methods (US Pat 8075735).

## MTIB TRAINING PROGRAMME 2015

**M**TIB will conduct the following courses in 2015 at the Wood Industry Skills Development Centre (WISDEC) in Banting, Selangor and Kota Kinabalu, Sabah. These courses are designed to assist in expediting technology transfer and to impart skills and knowledge to the wood-based industry in particular the downstream wood processing sectors. Besides these, MTIB offers customised courses according to the specific needs of the companies or agencies, upon request.

### VENUE: WISDEC SELANGOR

|        | No | Code   | Course Title                                            | Fee   | Date         |
|--------|----|--------|---------------------------------------------------------|-------|--------------|
| MARCH  | 1  | WR 302 | Identification of Malaysia Timber Species               | RM700 | 3-6 March    |
|        | 2  | WM 401 | Furniture Production Technology                         | RM525 | 24-26 March  |
| APRIL  | 3  | WM 403 | Low Cost Automation for Furniture Production            | RM350 | 6-7 April    |
|        | 4  | WM 405 | Quality Management in Furniture Industry                | RM350 | 20-21 April  |
| MAY    | 5  | WM 407 | Safety and Health in Wood - based Industry              | RM350 | 5-6 May      |
|        | 6  | WM 414 | Product Costing and Budgeting                           | RM350 | 19-20 May    |
| JUNE   | 7  | WM 414 | Total Quality Management in Timber Industry             | RM350 | 3-4 June     |
|        | 8  | WM 415 | Furniture Product Management                            | RM350 | 10-11 June   |
| JUL    | 9  | WC 410 | Furniture Making (Build-in Furniture)                   | RM700 | 27-30 July   |
| AUGUST | 10 | WM 417 | Factory Management in Wood-based Industry               | RM350 | 10-11 August |
|        | 11 | WM 411 | Interior Design (Furniture)                             | RM700 | 25-28 August |
| SEPT   | 12 | WM 403 | Technology and Operation of Woodworking Machine-CNC     | RM700 | 7-10 Sept    |
|        | 13 | WM 409 | Operation and Maintenance of Woodworking Machines       | RM525 | 21-23 Sept   |
| OCT    | 14 | WM 401 | Furniture Finishing                                     | RM700 | 5-8 Oct      |
|        | 15 | WM 402 | Wood Finishing - Spraying Technique for Product Quality | RM700 | 19-22 Oct    |

For WISDEC Selangor, please contact:

Encik Mohd Nor Zamri Mat Amin  
 Director  
 Wood Industry Skills Development Centre  
 Tel : 603-3149 2630/ 3149 2924  
 Fax : 603-3149 2122  
 E-mail : wisdec@mtib.gov.my 

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## VENUE: WISDEC SABAH

|       | No | Code   | Course Title                              | Fee   | Date        |
|-------|----|--------|-------------------------------------------|-------|-------------|
| MARCH | 1  | WM 412 | Furniture Production and Marketing        | RM250 | 7-8 March   |
| APR   | 2  | WP 302 | Wood Preservation                         | RM500 | 10-13 April |
| MAY   | 3  | WT 418 | CNC Machining Technology and Applications | RM375 | 16-18 May   |
|       | 4  | WP 302 | Maintenance of Woodworking Machines       | RM375 | 23-25 May   |
| JUNE  | 5  | WM 412 | Knife Grinding                            | RM375 | 20-22 June  |

For WISDEC Sabah, please contact:

Encik Mazree Iman@Suga  
 Head of MTIB Sabah  
 Tel : 6088-498 822  
 Fax : 6088-498 811/ 498 833  
 E-mai : wisdec@mtib.gov.my



Hands-on session at WISDEC Selangor (left) and WISDEC Sabah (right).



## FRANCE FURNITURE OUTLOOK

### Introduction

France is the largest European country in terms of land area after Russia and Ukraine. With an area of 551,000 square km, it's almost a fifth of the EU's total area. In the Alps near the Italian and Swiss borders is Western Europe's highest point, Mont Blanc (15,781 ft; 4,810 m). The forest-covered Vosges Mountains are in the northeast, and the Pyrénées are along the Spanish border.

### Forestry

France's forest is one of the richest and most extensive in Europe. It covers some 16 million hectares, almost one third of the country. France offers a variety of climates, topographies, soils, histories; its forest offers a variety of species, while the forest owners display a variety of socio-economic behaviours. These numerous factors, variously combined, result in a wide variety of woodlands that reflect the country's diversity.

Currently, wood standing volume in the forest accumulated to 2 billion m<sup>3</sup> and 128 different species. French forest covers increase by 88 million m<sup>3</sup> every year and made up of seven main species; three of these are broadleaf, namely Oak, Beech and Chestnut; and four are types of conifer: Maritime Pine, Scots Pine, Spruce and Fir. Foresters ensure these trees are maintained alongside the main species they cultivate in order to preserve biodiversity and thus to ensure the woodland's sustainability.

Broadleaf represent 2/3 of the total forested areas, conifers 1/3. In the lowlands and hills of the north of France, broadleaf account for 70% of the total forest area. In the south, while in the mountains, conifers dominate.

### Export of Malaysian Timber and Timber Products to France

In 2014, export of timber and timber products to France valued at RM132 million, a decrease of 12% over the previous corresponding period. Major products exported to France are wooden furniture, BJC, sawntimber and mouldings.

Export of wooden furniture to France totalled RM58.3 million; an increase of 13% compared to RM51.8 million in 2013. Export of BJC to France valued at RM21.6 million and accounted for 16% market share whilst export sawntimber and mouldings totalled RM28.6 million and RM18.5 million or 22% and 14% market share respectively.



### Import of Malaysian Timber and Timber Products from France

Import of timber and timber products from France improved significantly from RM6.5 million in 2010 to RM22.3 million in 2014. Major products imported from France are sawntimber, fibreboard and particleboard. In 2014, import of sawntimber decline 4% to RM14.6 million compared to RM15.2 million in the previous year. In the meanwhile, import of fibreboard and particleboard decreased 48% and 20% to RM3.9 million and RM1.9 million respectively.

### France's Timber Export

France's export of timber and timber products in 2014 increased 3% to USD5.6 billion over the previous corresponding period. France major products exported were furniture with a total of USD1.3 billion, a decrease of 2% from the previous corresponding period. However, export of logs and sawntimber improved by 7% and 15% to USD369.4 million and USD344.7 million respectively. Similarly, export of particleboard, fibreboard and plywood increased to totaled at USD525.4 million, USD335.5 million and USD176.2 million respectively.

### France's Timber Import

France's import of timber and timber products in 2014 increased 4% to USD12 billion over the previous corresponding period. France import mainly furniture, sawntimber, BJC, fibreboard and plywood. Import of sawntimber and mouldings increased 1% and 5% to USD1 million and USD312.7 million respectively. Likewise, import of plywood and furniture improved 12% to USD347.2 million and 4% to USD4.2 billion respectively.

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## Malaysia: Export of Timber Products to France, 2010-2014

| Product          | 2010               | 2011               | 2012               | 2013               | 2014               |
|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                  | RM                 | RM                 | RM                 | RM                 | RM                 |
| Wooden Furniture | 85,365,052         | 76,610,617         | 70,320,218         | 51,763,472         | 58,291,702         |
| BJC              | 45,347,231         | 41,870,344         | 36,258,635         | 34,048,070         | 21,757,131         |
| Sawntimber       | 34,952,541         | 37,602,240         | 24,667,455         | 32,902,089         | 28,638,492         |
| Mouldings        | 18,736,473         | 20,496,954         | 18,758,803         | 28,668,119         | 18,452,604         |
| Plywood          | 244,937            | 972,682            | 2,107,221          | 2,864,177          | 4,296,007          |
| Rattan Furniture | 517,309            | 186,234            | 234,774            | 19,500             | 182,605            |
| Fibreboard       | 132,721            | 0                  | 0                  | 0                  | 51,439             |
| Wooden Frames    | 211                | 666,037            | 550,853            | 0                  | 0                  |
| Others           | 911,386            | 828,576            | 724,183            | 93,183             | 332,162            |
| <b>TOTAL</b>     | <b>186,418,446</b> | <b>179,233,684</b> | <b>153,622,142</b> | <b>150,358,610</b> | <b>132,002,142</b> |

Source: Department of Statistics Malaysia (DOSM) and MTIB

## Malaysia: Import of Timber and Timber Products from France, 2010-2014

| Product          | 2010             | 2011              | 2012              | 2013              | 2014              |
|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
|                  | RM               | RM                | RM                | RM                | RM                |
| Sawntimber       | 2,051,853        | 13,364,720        | 11,700,362        | 15,152,253        | 14,591,873        |
| Fibreboard       | 0                | 1,641,157         | 2,375,737         | 2,609,378         | 3,850,007         |
| Particleboard    | 11,473           | 15,471            | 609,249           | 1,563,535         | 1,881,261         |
| Wooden Furniture | 1,182,898        | 879,156           | 534,804           | 777,380           | 799,470           |
| Veneer           | 571,164          | 183,554           | 636,368           | 259,310           | 667,823           |
| Logs             | 437,210          | 350,467           | 126,041           | 179,348           | 0                 |
| Rattan Furniture | 24,985           | 177,445           | 34,623            | 168,445           | 202,523           |
| Plywood          | 0                | 6,984             | 0                 | 0                 | 0                 |
| Mouldings        | 35,505           | 26,632            | 118,826           | 0                 | 0                 |
| BJC              | 821,992          | 100,255           | 0                 | 0                 | 0                 |
| Others           | 1,405,201        | 564,768           | 590,278           | 339,423           | 277,944           |
| <b>TOTAL</b>     | <b>6,542,281</b> | <b>17,310,609</b> | <b>16,726,288</b> | <b>21,049,072</b> | <b>22,270,901</b> |

Source: Department of Statistics Malaysia (DOSM) and MTIB

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Stylish French living room furniture.

### France: Export of Major Timber and Timber Products, 2010-2014

(Value: USD'000)

| Code | Product                    | 2010             | 2011             | 2012             | 2013             | 2014             |
|------|----------------------------|------------------|------------------|------------------|------------------|------------------|
| 4403 | Logs                       | 394,350          | 452,976          | 325,903          | 346,506          | 369,394          |
| 4407 | Sawntimber                 | 316,305          | 302,290          | 272,060          | 301,039          | 344,694          |
| 4408 | Veneer                     | 67,279           | 72,177           | 56,216           | 61,418           | 69,396           |
| 4409 | Mouldings                  | 61,014           | 65,761           | 60,468           | 56,698           | 54,904           |
| 4410 | Particleboard/Chipboard    | 437,076          | 546,741          | 499,035          | 489,392          | 525,448          |
| 4411 | Fibreboard                 | 270,791          | 305,891          | 297,835          | 302,958          | 335,505          |
| 4412 | Plywood                    | 169,416          | 182,619          | 159,138          | 166,390          | 176,214          |
| 4414 | Wooden Frames              | 13,717           | 13,128           | 12,574           | 14,394           | 16,462           |
| 4418 | BJC                        | 142,568          | 139,844          | 126,205          | 116,728          | 115,962          |
| 9401 | Seat and part thereof      | 1,151,272        | 1,312,251        | 1,225,043        | 1,386,859        | 1,392,758        |
| 9403 | Furniture and part thereof | 1,430,132        | 1,468,211        | 1,309,033        | 1,321,748        | 1,295,674        |
|      | Others                     | 801,514          | 867,636          | 834,649          | 886,806          | 892,023          |
|      | <b>TOTAL</b>               | <b>5,255,434</b> | <b>5,729,525</b> | <b>4,580,196</b> | <b>5,450,936</b> | <b>5,588,434</b> |

Source: International Trade Centre

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### France: Import of Major Timber and Timber Products, 2010-2014

(Value: USD'000)

| Code | Product                    | 2010              | 2011              | 2012              | 2013              | 2014              |
|------|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 4403 | Logs                       | 211,762           | 203,090           | 158,823           | 149,836           | 169,203           |
| 4407 | Sawntimber                 | 1,265,892         | 1,234,317         | 1,027,774         | 997,501           | 1,005,944         |
| 4408 | Veneer                     | 129,946           | 142,606           | 117,422           | 116,202           | 113,610           |
| 4409 | Mouldings                  | 280,207           | 334,815           | 292,776           | 296,712           | 312,683           |
| 4410 | Particleboard/Chipboard    | 272,958           | 305,272           | 298,586           | 309,056           | 313,934           |
| 4411 | Fibreboard                 | 469,569           | 530,549           | 494,717           | 487,081           | 456,694           |
| 4412 | Plywood                    | 336,301           | 351,630           | 311,725           | 310,217           | 347,186           |
| 4414 | Wooden Frames              | 40,252            | 38,313            | 39,397            | 33,405            | 33,797            |
| 4418 | BJC                        | 595,055           | 650,176           | 605,611           | 582,164           | 576,501           |
| 9403 | Furniture and part thereof | 4,330,088         | 4,471,999         | 4,261,255         | 3,984,391         | 4,158,567         |
| 9401 | Seat and part thereof      | 3,427,574         | 3,757,109         | 3,522,658         | 3,246,993         | 3,433,371         |
|      | Others                     | 1,030,669         | 1,084,034         | 990,667           | 1,007,191         | 1,097,324         |
|      | <b>TOTAL</b>               | <b>12,390,273</b> | <b>13,103,910</b> | <b>12,121,411</b> | <b>11,520,749</b> | <b>12,021,814</b> |

Source: International Trade Centre

## France Furniture Outlook

In 2013, France maintained its position as one of the largest furniture players at a world level with furniture production valued at USD9.4 billion, accounted for 2% market share of the world furniture production. CSIL ranks the country as the eight largest furniture producers in the world and the third in Europe after Italy and Germany. Main trading partners of France in terms of furniture export were Germany with 17% market shares followed by Switzerland and Belgium with 9% and 8% market shares respectively. In terms of furniture imports, main partners of France were China, Italy and Germany.

French consumers were spending 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.

French furniture makers use a large variety of wood species. Wood consumption is heavily concentrated on a few species led by Oak and followed by Cherry and Pine.

Tropical species are little use; however, Teak is increasingly being exploited for garden furniture. Furniture made of bamboo and rattan has a niche market and mostly is imported from the tropical producing countries.

With the rise in demand for contemporary designs, most of the furniture producers have shifted towards producing furniture with modern designs. There is an arising possibilities for art decoration and ethnic furniture in which it has acquired a market niche in the French furniture industry.

The overall domestic furniture industry in France has been facing continuous challenges because of the restructuring of the distribution sector and shifting consumer tastes. Meeting these challenges called for significant new investments in all parts of the production chain. There is an increase number of collaboration efforts between industry and the distribution sector towards development of differentiating marketing strategies.

### References:

- MTIB's statistics
- International Trade Centre
- World Furniture Outlook 2014/2015, CSIL
- International Wooden Furniture Markets, A Review (ITTO)
- <http://www.frenchtimber.com/my>



*Malaysian Wood*  
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## Spot the difference

They look similar, are made from the same type of hardwood and have similar price tags. The only difference is that one came from a rainforest and the other from a plantation.

Every year, millions of trees are felled to fulfill the demands of the timber industry. Problems arise when these trees are not replaced as fast as they are taken, causing a multitude of environmental problems.

MTIB is fully aware of the need for renewable resources. One solution is forest plantation, where trees are planted specifically for commercial purposes. Not only does it provide a steady supply of timber, it also works to the advantage of our environment.

We care about the environment as much as we care about the timber industry, which is why it is important for us to come up with solutions that benefit both – because beautiful furniture doesn't have to come with a high environmental price tag.



MTIB is committed towards enhancing the sustainable growth of the Malaysian timber industry through various initiatives and innovations.

For more information, contact:

**Malaysian Timber Industry Board (MTIB)**

Level 13-17, Menara PGRM, No. 8, Jalan Pudu Ulu, 56100 Cheras  
Kuala Lumpur, Malaysia

Tel: +603-9282 2235 Fax: +603-9285 1477/1744

Email: [info@mtib.gov.my](mailto:info@mtib.gov.my) URL: [www.mtib.gov.my](http://www.mtib.gov.my)

[facebook.com/pages/Malaysian-Timber-Industry-Board](https://facebook.com/pages/Malaysian-Timber-Industry-Board)

## COMING EVENTS - JULY 2015

| DATE  | EVENT                                                                                                               | VENUE                                                                         | ORGANISER                                                                                                                                  |
|-------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| 3-5   | <b>LUXURY CHINA 2015</b><br>international Exhibition of<br>Furniture, Home and Office<br>Design and Luxury Industry | Beijing Exhibition<br>Centre, China                                           | Zhenwei Exhibition Group<br>Tel : +86 991 2319149<br>Fax : +86 991 2321606<br>E-mail : yuna@zhenweiexpo.com                                |
| 8-10  | <b>TABLEWARE EXPO 2015</b><br>Decoration, Office Design,<br>Furniture, Home<br>Exhibitions                          | Tokyo International<br>Exhibition Centre<br>(Tokyo Big Sight),<br>Japan       | Reed Exhibitions Japan<br>Tel : +81 (0) 3 3349 8501<br>Fax : +81 (0) 3 3349 8599<br>E-mail : info@reedexpo.co.jp                           |
| 8-11  | <b>CDB 2015</b><br>China International<br>Building and Decoration<br>Fair                                           | China Import and<br>Export Fair Pazhou<br>Complex,<br>Guangzhou,<br>China     | China Foreign Trade Guangzhou<br>Exhibition Corp.<br>Tel : +86 20 8912 8183<br>Fax : +86 8912 8308<br>E-mail : marketing@fairwindow.com.cn |
| 10-12 | <b>BUILD AND RENOVATING<br/>EXPO 2015</b><br>Building and Home<br>Improvement Expo                                  | Melbourne Exhibition<br>and Convention<br>Centre,<br>Australia                | Informa Australia<br>Tel : +613 - 8672 1200<br>Fax : +613 8672 1320<br>E-mail : mail@informa.com                                           |
| 16-19 | <b>FURNITEX 2015</b><br>Furniture, Furnishing,<br>Wood Working Industries,<br>Artwork Design Exhibitions            | Melbourne Exhibition<br>and Convention<br>Centre,<br>Melbourne,<br>Australia. | Informa Australia<br>Tel : +613 - 8672 1200<br>Fax : +613 8672 1320<br>E-mail : mail@informa.com                                           |
| 26-29 | <b>FORMOBILE 2015</b><br>International Furniture<br>Industry Trade Show                                             | Parque Anhembi<br>Exhibition Centre,<br>Santana,<br>Sao Paulo,<br>Brazil      | BTS Informa<br>Tel : +55 11 3598 7800<br>Fax : +55 113598 7801<br>E-mail : flavio.lemos@btsmedia.biz                                       |



**Malaysian Wood**  
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**Pelbagai Guna, Aneka Gaya**  
*Multiple Uses, Variable Styles*

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## SENGKURAT - SUITABLE FOR PLYWOOD



Sengkurat tree

**S**engkurat is the standard Malaysian name, which is of Sarawakian origin, for the timber belonging to the species group *Elaeocarpus* spp in the family Elaeocarpaceae. The ASEAN Standard Name for the timber, which is of Indonesian origin, is JENITRI. Vernacular names applied include empedu (Sarawak), kungkurad (Sabah), parius-parius (Sabah), perdoh (Sarawak), sanga (Sarawak) and sanga burong (Peninsular Malaysia). Medang (Peninsular Malaysia), with various epithets, has also been erroneously applied to some of these species. Major species include *E. apiculatus*, *E. floribundus*, *E. palembanicus*, *E. obtusus*, *E. griffithii*, *E. petiolatus*, *E. polystachys*, *E. robustus*, *E. angustifolius* and *E. stipularis*.

### Ecology

In undisturbed mixed dipterocarp and sub-montane forests, this tree can be found up to 1600 m altitude. This species is commonly found along riversides, hillsides and ridges, usually on sandy to clayey soils. In secondary forests it is usually present as a pre-disturbance remnant tree.

### Texture

Texture is moderately fine and even, with straight to shallowly interlocked grain.

### Strength Properties

The timber falls under Strength Group D (Burgess, 1958) or SG 6 (MS 544: Part 2:2001).

### Preservative Treatment

It is one of the species which is difficult to treat with preservatives because Sengkurat contains resin.

### General Characteristics

The sapwood of this timber is not differentiated from the heartwood, which is light yellowish white to pink-brown and sometimes with a greenish tinge.

### Density

Sengkurat species is grouped under the soft timber to moderate hard, and light to moderate heavy category with a density of 465-785 kg/m<sup>3</sup> air dry.

### Natural Durability

This timber species is non durable.

### Machining Properties

Sengkurat has good machining properties such as being easy to re-saw and cross-cut. The planing process is easy and the planed surface is moderately smooth. The nailing property is rated as good.





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

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## Uses

Sengkurat is suitable for general planking purposes, shuttering, packing boxes and crates, pallets, match splints and plywood.



Sengkurat wood anatomy



Wood colour and texture

## Seasoning

The timber seasons fairly slowly with moderate insect attack, a slight end-checking and surface-checking as the main sources of defects. 13 mm thick boards take approximately three months to air dry, while 38 mm thick boards take 4.5 months. Radial shrinkage averages 0.8% and tangential shrinkage averages 2.2%.

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Chengal: *Neobalanocarpus heimii*

# Malaysian Wood

Standing on Excellence

**Di Tengah Rimba Kota  
Terserlah Keunggulan Kayu Malaysia**  
*In Concrete Jungle Malaysian Wood Stands Tall*

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## MTIB Moments



MTIB participated in the Maulidur Rasul procession under the banner of Ministry of Plantation Industries and Commodities. It was held on 3 January 2015 in Putrajaya.



Management and officers of MTIB at a Retreat session held on 8-10 January 2015 in Melaka.



Two FIDEC officers attended a programme on R&D for Sandwich Panel Sample for Aircraft Interior from 12 to 25 January 2015 at Tianjin Polytechnic University, China. Seen here is Cik Noor Intan Saffinaz Anuar (right) measuring a yarn for the weaving process.



Business Matching Programme between the "TANGGAM BY MTIB" designers with furniture manufacturers was held on 26-28 January 2015 at Galeri Glulam Johor Bahru.



A few MTIB officials attended PEFC Chain of Custody Auditor Training held from 27 to 28 January 2015 in Melaka. It was organised by Malaysian Timber Certification Council.



Dr. Jalaluddin Harun, MTIB Director-General (centre), being briefed on the timber products displayed at Rumah Melaka by Encik Mohammad Saifuddin Abdullah, MTIB Officer. Dr. Jalaluddin visited the premise on 30 January 2015.