ISSN 0126-771X VOL 7: JULY 2015

MTIB

MASKAYU

PROFESSIONAL DESIGNERS TO HELP BOOST FURNITURE EXPORT

COMPETITIVE BUILDING MATERIAL : DURALITE (M) SDN.BHD

ISSN 0126-771X
9 770126 771009

Editorial Board

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

Printer

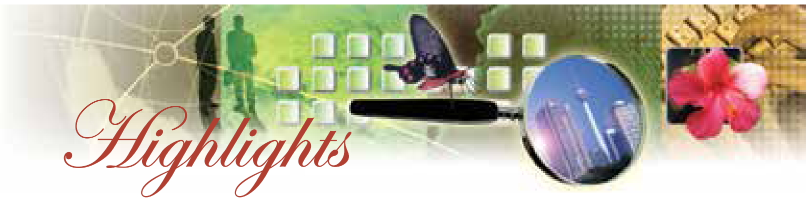
Gemilang Press Sdn Bhd
No. 16, Jalan S.B. Jaya 12,
Taman Industri S.B. Jaya,
47000 Sungai Buloh, Selangor
Tel : 603 - 6151 2285
Fax : 603 - 6150 2285
E-mail : gpress06@gmail.com
Website : www.gemilangpress.com

***Cover:** Duralite (M) Sdn. Bhd. is the only company that manufactures wood wool cement panel in Malaysia. Details on page 14-16.*

MS ISO 9001 : 2008 REG. NO. AR3307

Read eMASKAYU at www.mtib.gov.my

Contents



Highlights

Regular Features

PROFESSIONAL DESIGNERS TO HELP BOOST FURNITURE EXPORT

Dr. Jalaluddin Harun, MTIB Director-General (right) exchanging the MoA document with Puan Sarimah Hj. Mohamad Sabudin, CEO of MFPC.

Attendess at the event.

The Malaysian Furniture export value will increase in value as much as 100% come 2020 when Professional Designers are engaged with furniture Manufacturers through MTIB's Professional Designer Programme (PDP). PDP is a recent initiative and a joint programme with the Malaysian Furniture Promotion Council (MFPC) in integrating designs and designers into the current Malaysian furniture production.

Malaysia's current average furniture export value of RM8 billion annually will therefore be expected to increase to RM16 billion in the year 2020. This is also in response to the recent price drop of the other commodities in the world market and annual export due to the slowdown of world economy and consumer demand. Malaysia's wood-based industry is set to stay strong if not stronger and will continue to contribute in large to Malaysia's export income.

Four professional designers, three from Italy and one from Belgium will begin their one year mission in mentoring and assisting both our local TANGGAM Designers and Malaysian Pride recipients with the end result of producing 20 furniture prototypes which will be market-ready and of high selling value.

This programme will be a pilot project for 2015/2016 and will continue annually as part of the Ministry of Plantation Industries and Commodities' efforts in producing high-quality products with original designs.

TANGGAM is an initiative by MTIB in developing and nurturing young designers via a Design House. The TANGGAM Designers that are involved in this programme are; Mohd Shahrul Anuwar Md. Yusof, Mohd Sujak Hasbollah, Addy Putra Zulkifli, Mohd Hazmi Zakaria, Stephen Ting Eng Poh, Sim Chia Yi, Nasaruddin Shah Morani and Stephen Ng Hui Sien.

Malaysia Pride is a Quality Mark effort by MFPC in ensuring high quality and good design furniture by Malaysian furniture manufacturers. The Malaysian Pride recipients that are involved in this Programme are; Deep Furniture Sdn. Bhd., Zone Furniture Sdn. Bhd., Dynamic Furniture Industries (M) Sdn. Bhd., and Tawei Furniture Sdn. Bhd.

The Professional Designers were interviewed and shortlisted from the pool of European designers who have an impressive background and specialise in furniture design and production. The three Italian Designers are; Filippo Mambretti, Giorgio Biscaro and Monolo Bossi while Stefan Schoning is from Belgium.

There are three phases in the programme; the first phase was launched on 29 June in Kuala Lumpur with the signing of the Memorandum of Agreement between MTIB and MFPC.

PDP had been running from 29 June 2015 with a familiarisation programme and it will end on 12 March 2016 with a showcase of the 20 prototypes at an international furniture exhibition.

TIMBER WORLD IN BRIEF

AUSTRIA
Pellet Price Slightly Up in July

The price of ENplusA1 wood pellets in Austria continued the slight upward trend which began in June. Thus, in July the price inched up by 0.3% over the previous month and currently stands at EUR229.4/tonne. However, pellets are still -5.4% cheaper when compared to July 2014. Austrian wood pellets presently offer a price advantage of +37.8% as opposed to extra light heating oil and +44.7% as opposed to natural gas. Wood pellets in bags cost in July an average of EUR3.84 per 15 kg, sack (when ordered by the pellet), -3.8% lower compared to the previous year and +0.5% up from the previous month.

www.fordaq.com, 23 July

BRAZIL
Price Movements of Logs, Sawnwood and Plywood

Timber exports from mills in Mato Grosso increased 22% between January and May 2015 compared to the same period of 2014 according to the Ministry of Development, Industry and Foreign Trade (MDIC). The value of exports increased slightly (almost 4%) to USD38.4 million this year compared to the same period in 2014).Exports of tropical sawnwood increased 15% from USD4.8 million in 2014 to USD5.5 million this year. Exports of tropical timber 'in the rough' increased a massive 614% in 2015 over the first five months of 2014. Plywood exports increased 53% in terms of value from USD89,360 in the first five months of 2014 to USD136,849 this year.

www.fordaq.com, 28 July

CENTRAL/WEST AFRICA
Minor Price Changes but Focus is on Change in China

A few minor price movements were reported in the first week of July but most log and sawnwood prices remained unchanged due to moderate demand in the main markets. A major concern of West African exporters was the rapid collapse of stock values in China and the impact this could have on domestic consumption. A large volume of equities in China are in the hands of small investors many of whom have borrowed heavily to buy stocks.

Coming on top of the recent weakening in property prices in China, it is expected that this latest shock will undermine Chinese consumer confidence and that spending will decline. Analysts say it is too early to forecast if, how and when this situation will impact timber imports but it is likely there will be a period of adjustment until growth trends in the Chinese economy stabilise.

There has been no change in the level of production and the West and Central African producers continue to rein-in production through temporary mills closures and limiting output to orders in-hand. The consensus is that demand will not improve significantly in the short term.

FRANCE
Softwood Market is Getting Sluggish

The latest figures of the French construction sector does not look good. According to the French Ministry of Ecology, Sustainable Development and Energy, the number of the building permits decreased by 1.2% from March to May 2015. The reduction over a year came up to 6.1%. French construction sector professionals say they will be satisfied if housing starts reaches 300,000 units this year (from 465,000 in 2007).

In the latent crisis conditions, it's not surprising that the French softwood sawntimber market is deteriorating. Since the beginning of 2015, sawnwood prices went down by around 5%. "Within the standard sector of construction units produced from fir-spruce, we've lost 10 Euros/m³ since the beginning of the year", says the Rhône-Alpes-based sawmill representative. Other woodworking professionals observe the same tendency. Moreover they point at singnificant disparities between prices of different producers. In contrast, the packaging sector seems to come unscathed out of the battle.

As to roundwood, apart from maritime Pine whose market seems to remain stable in the South-West of the country, the majority of other coniferous species feel the negative effects of the slack board market.

The last auctions that recently took place confirmed the downward price trend starting from the end of winter. On 23 June 2015, at the Levier auction, the share of unsold goods came up to 19% having increased from 2% registered in September 2014. In accordance with the regions and the importance of the local buyers' network, the price for standing timber (Spruce) reduced by 5%-10% over a year.

www.fordaq.com, 9 July

GHANA
Latest Prices for Exported Wood Products

For the first quarter of 2015 there were thirteen categories of wood products shipped from 93 exporters. Products manufactured from around 40

Cont. next page

Cont. from previous page

different species were shipped to 38 countries of which shipments to India were significant. Shipments to Asian countries accounted for 62% of total export for the period. In contrast exports to Europe, Africa and the Middle East declined by 55%, 19% and 30% respectively.

According to the Timber Industry Development Board, air-dried sawnwood, billets and sliced veneer were the main drivers for increased revenues as all registered significant growth. Air and kiln-dried sawnwood exported to international markets and neighbouring countries together accounted for 59% of total export volumes in the first quarter of the 2015.

Plywood accounted for 12% of the total export volume. Exports of sawnwood and plywood earned EUR32 million, around 74% of total revenues for the quarter.

The export of wood products from Ghana to ECOWAS member countries in the first quarter totalled 10,876 m³ compared to 14,212 m³ recorded for the same period in 2014.

www.fordaq.com, 14 July

JAPAN
Housing Starts Rise for the Third Consecutive Month in May

Housing starts in Japan increased for the third straight month in May, according to data by Japan's Ministry of Land, Infrastructure, Transport and Tourism. Housing starts grew by 5.8% year-on-year in May, faster than the 0.4% April rise and higher than the 5.5% growth forecast by economists.

The number of annualised housing starts fell to 912,000 in May from 913,000 in April. It was expected to rise to 915,000. Construction orders received by 50 big contractors declined 7.4% year-on-year in May, following a 12.1% fall in April. This was the second consecutive decrease in orders.

www.fordaq.com, 1 July

Construction Sector Growth Accelerates

The rise in Japanese housing starts accelerated sharply in June and construction orders rebounded, according to the Japanese Ministry of Land, Infrastructure, Transport and Tourism. Housing starts recorded a double-digit growth of 16.3% in June, after increasing 5.8% in May. The annual growth was forecast to slow to 3%.

Annualised housing starts increased to 1.033 million in June from 0.912 million a month ago. The expected level was 0.913 million. Construction orders received by 50 big contractors climbed 15.4% year-on-year in June, the first increase in three months. Orders were down 7.4% in May.

www.fordaq.com, 1 July

MIDDLE EAST
Luxury Apartment Segment Driving Demand for High Value Veneers

Demand from Middle East buyers is holding up but price negotiations are getting tougher as buyers take advantage of market weakness in the EU and now China.

Buyers for Middle East markets continue to look for low cost species and at the same time are raising demands on specifications and quality. Much of the recent purchases, especially of high value veneers, appear destined for the luxury apartment segment of the housing market.

Construction companies in the Middle East report high order book volumes for luxury, new-build accommodation.

www.fordaq.com, 27 July

NEW ZEALAND
Log Prices Stable Due to Uncertainty of the Chinese Market

The price of New Zealand logs held steady from June to July. The average wharf gate price of A-grade logs stood at NZ$86 per tonne, according to AgriHQ's monthly survey of exporters, forest owners and sawmillers. The AgriHQ log price indicator, which measures average log prices weighted by grade, went down to NZ$89.17 from NZ$89.38 in June, led by declines in domestic log prices.

NZ's log exporters were hoping that prices would pick up after falling to a three-year low of NZ$83 per tonne in May, as Chinese sawmillers started to make inroads into log inventories at the country's ports. AgriHQ said, the outlook for demand in China, the country's largest market, remained uncertain.

Traditionally, Chinese demand is slower in the third quarter, as the country heads into the summer season. Log inventories at Chinese ports currently sit at about 3.8 million tonnes, down from more than 4 million tonnes earlier this year, but higher than a normal level of about 2 million tonnes.

Prices for New Zealand domestic logs were mixed. Structural log prices edged lower to NZ$106 a tonne from NZ$107 a tonne last month. While demand for structural wood remained strong due to a housing shortage, building activity slows during winter months and there are large volumes of lumber in the market. Meanwhile, pruned log prices increased to NZ$163 a tonne from NZ$161 a tonne last month amid tight supplies in the Central North Island, which saw North Island logs fetching a premium of NZ$165 a tonne compared to the South Island price of NZ$151 a tonne. The value of wood exports fell 16% to NZ$3.45 billion in the year through May, according to Statistics New Zealand.

www.fordaq.com, 22 July

Cont. page 12

JUNE 2015

Malaysia: Westports Malaysia Expected to Complete its CT8 Terminal by Mid-2017

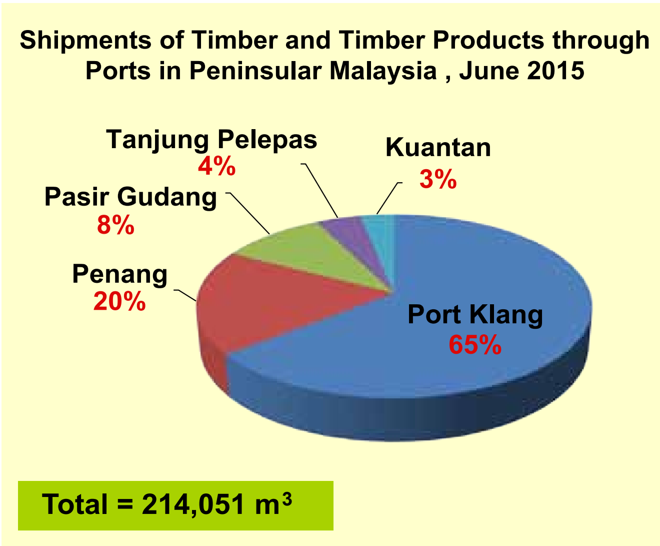
By the middle of 2017, Westports Malaysia will likely complete its Container Terminal 8 (CT8), expanding its cargo handling capacity from 11 million twenty-foot equivalent units (TEUs) to 13 million TEUs. According to Encik Ruben Emir Gnanalingam, Westports Malaysia's CEO, the CT8 will enable the company to handle large vessels, while top level productivity is retained. Encik Ruben said a new container gate was also being constructed by the company for local cargo and other back of terminal support facilities in line with the building of CT8.

Source: The Star, 5 June

Malaysia : Kuantan Port Consortium Secures Port Management Contract

IJM's unit Kuantan Port Consortium has secured a deal to manage and develop Kuantan Port in Malaysia's Pahang state. The deal starts from 1 June 2015 and runs for 30 years . Once the new deep-water terminal worth RM3 billion (EUR711.22 million/USD799.89 million) is built, the contract will be prolonged for another 30 years.

Source: The Star, 17 June



Shipments of Timber and Timber Products Through Ports in Peninsular Malaysia, June 2015

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m^3	% Change June 2015/ May 2015
	m^3	% Change June 2015/ May 2015	m^3	% Change June 2015/ May 2015	m^3	% Change June 2015/ May 2015	m^3	% Change June 2015/ May 2015	m^3	% Change June 2015/ May 2015		
Sawntimber	59,827	23	6,321	17	1,516	-7	499	342	5,888	-10	74,051	19
MDF	21,758	-8	193	-	12,796	-5	7,545	3	25,505	40	67,797	8
Mouldings	13,661	11	394	23	2,135	-34	736	36	1,902	11	18,828	4
Plywood	6,745	-6	-	-	-	100	71	-24	8,745	28	15,561	10
Veneer	371	28	-	-100	-	-100	22	-	455	81	848	56
Particleboard	36,050	16	488	182	382	-621	46	31	-	-	36,966	18
TOTAL	**138,412**	**12**	**7,396**	**25**	**16,829**	**-9**	**8,919**	**10**	**42,495**	**26**	**214,051**	**13**

Source : MTIB

Cont. next page

Cont. from previous page

Taiwan/Turkey: Arkas, Evergreen to Tie Up for Four Vessels West-East Med Service

Shipping companies Arkas Line (Arkas) of Turkey and Evergreen Line (Evergreen) of Taiwan will tie up to unveil the West-East Med Service to link the Western Mediterranean, Aegean Sea and Near East. The service is to have a 13-port rotation within a schedule of 28 days using three vessels from Arkas and one from Evergreen. Meanwhile, Evergreen plans to link Piraeus, Greece and Mersin, Turkey via Levant Service 2 in an exchange for slots with Emes Feedering of Arkas and it also intends to link Piraeus and Bari, Italy via a shuttle service.

Source: SteelGuru, 3 June

Russia: Bill on Free Port Vladivostok Approved by Government

The Russian government has approved the bill on Free Port Vladivostok. Vladivostok will receive the free port status for 70 years. Special legal and tax regimes will be introduced for investors and a free customs area will be established. PortNews reports that, according to the Primorsky region (Far East) administration, the establishment of the free port will result in a gross rating point (GRP) growth of up to RUB1.11 trillion (EUR17.78 billion/USD19.77 billion) by 2021 (up 1.7-fold compared to 2015) and to RUB2.16 trillion by 2034. Some 84,700 new jobs will be created by 2021 and 468,500 by 2034.

Source: RIA Novosti, 5 June

JUNE 2015

Total export of Malaysia's timber and timber products in June 2015 decreased 6% valued at RM1.7 billion over the previous month. Nevertheless, cumulative export for the period of January to June increased 1% valued at RM10.5 billion over the corresponding period.

Sawntimber

Export of sawntimber in June 2015 decreased 9% in volume and 7% in value to 149,403 m³ with a value of RM237.31 million compared to the previous month. However, cumulative export for the second quarter of 2015 increased 8% in volume and 14% in value to 1.0 million m³ totalled RM1.5 billion over the previous corresponding period.

Export of sawntimber to the EU decreased 15% to 11,712 m³ from 13,769 m³ recorded in the previous month. The Netherlands, the biggest buyer, recorded an intake of 5,344 m³, a reduction of 19% compared to 6,603 m³ in May. Belgium and Germany posted declines of 29% and 9% to 1,023 m³ and 1,681 m³ respectively. Similarly, sales to France dropped 46% to 590 m³ from 1,101 m³ the previous month. In contrast, exports to the UK increased 28% to 1,561 m³ from 1,223 m³ in the previous month.

Total exports to West Asia increased 2% to 18,214 m³ from 17,779 m³ in the previous month. Export of sawntimber to Oman and Bahrain increased 121% to 5,294 m³ and 98% to 934 m³ respectively. However, export to the UAE and Saudi Arabia decreased by 9% and 31% to 6,041 m³ and 3,803 m³ respectively. Similarly, purchases made by Kuwait and Qatar declined 26% and 79% to 897 m³ and 322 m³ respectively.

Buying from ASEAN decreased 18% to 56,554 m³ from 68,832 m³ in the previous month as a result of declining purchases from the Philippines. Export to the Philippines decreased 70% to 7,364 m³ from 24,831 m³ in the previous month. On the other hand, export to Thailand, a major importer of Malaysian sawntimber increased 11% to 37,303 m³ from 33,737 m³ in the previous month. Export to Singapore and Viet Nam improved 10% and 55% to 10,320 m³ and 1,345 m³ respectively.

Likewise, shipments to East Asia declined 3% to 37,522 m³ from 38,684 m³ in the previous month. Export to Japan and South Korea decreased 8% and 46% to 5,085 m³ and 2,393 m³ respectively. In the meanwhile, export to China, Taiwan and Hong Kong improved by 3%, 7% and 7% to 18,616 m³, 10,759 m³ and 649 m³ respectively.

Elsewhere, export to the US decreased 7% to 1,658 m³ and similarly intake by Australia declined by 17% to 1,022 m³. Demand from South Africa decreased 5% to 5,367 m³ from 5,679 m³ recorded in the previous month.

The average FOB price of sawntimber increased 19% to RM1,855 per m³ from RM1,560 per m³ in the previous month. Price of Dark Red Meranti (DRM) decreased 2% to RM1,460 per m³ from RM1,492 per m³ in the previous month. Price of DRM to the Netherlands decreased 1 to RM3,159 per m³ from RM3,186 per m³ in the previous month. Keruing was traded at RM1,654 per m³, a decrease of 1% from the previous month.

Plywood

Total export of plywood in June decreased 13% in volume and value to 170,805 m³ valued at RM307.80 million as compared to the previous month. Similarly, cumulative exports for the period January-June 2015 decreased by 18% in volume and 14% in value to 1,269,077 m³ and RM2.25 billion respectively as compared to the previous corresponding period in 2014.

Total exports to EU increased by 16% to 9,786 m³. Likewise, shipments to Belgium, Denmark, France, Ireland and UK increased by 131%, 346%, 42%, 118% and 6% to 611 m³, 557 m³, 298 m³, 766 m³ and 6,847 m³ respectively. However, Italy and Netherlands reduced their intake by 32% and 31% to 73 m³ and 591 m³ respectively whilst Germany did not make any purchases.

Exports to ASEAN region decreased as Brunei and Singapore intake of plywood decreased by 71% and 12% to 242 m³ and 3,361 m³ respectively whilst Indonesia did not make any purchases. However, Thailand increased its intake by 364% to 5,661 m³. In East Asia, exports to China, Hong Kong, Japan, South Korea and Taiwan decreased by 23%, 24%, 25%, 10% and 16% to 2,615 m³, 2,886 m³, 73,419 m³, 24,448 m³ and 14,441 m³ respectively.

Overall exports to West Asia decreased by 41% as compared to the previous month. Similarly, shipments to Bahrain, Saudi Arabia, UAE, Kuwait and Qatar decreased by 47%, 23%, 68%, 35% and 84% to 215 m³, 2,235 m³, 832 m³, 289 m³ and 133 m³ respectively whilst Yemen did not make any purchases.

Elsewhere, exports of plywood to South Africa, US, Canada and New Zealand decreased by 52%, 58%, 11% and 51% to 258 m³, 3,685 m³, 463 m³ and 21 m³ respectively. However, Mexico and Australia increased their intake by 1% and 26% to 3,788 m³ and 3,370 m³ whilst Algeria resumed its intake.

The FOB price of plywood increased by 3% to RM1,802 per m³ from RM1,753 per m³ in the previous month.

Veneer

Exports of veneer for June 2015 showed a decrease of 21% in volume and 20% in value to 15,092 m³ valued at RM 21.4 million as compared to the previous month. Exports to Singapore and China increased 333% and 195% to 13 m³ and 816 m³ respectively, whilst Canada and Sri Lanka resumed their intake. However, exports to Taiwan and Australia decreased by 6% to 7,524 m³ and 77% to 53 m³ respectively.

The FOB price of veneer increased to RM 1,421 per m³ from RM1,394 per m³ in the previous month, an increase of 2% from the previous month.

Medium Density Fibreboard (MDF)

Malaysia's exports of MDF for June 2015 showed a decrease of 19% in volume and 11% in value from the

Cont. next page

Cont. from previous page

previous month. Export totalled 76,877 m³ and valued at RM88.9 million.

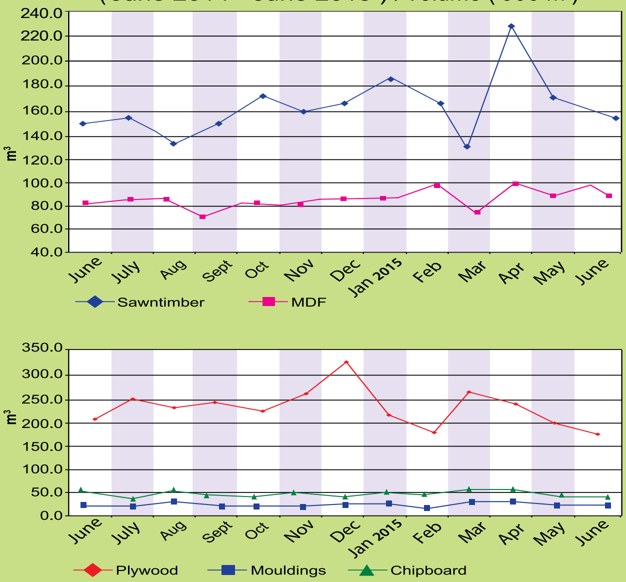
Exports to East Asia registered an increase of 5% to 12,752 m³ from 12,158 m³ in the previous month. Exports to China (including Hong Kong) increased by 560% to 198 m³ followed by Taiwan, an increase of 80% to 1,115 m³ and Japan increased by 0.4% to 11,362 m³. However, South Korea decreased by 61% to 77 m³.

Meanwhile exports to West Asia recorded a negative growth with a decrease of 14% in volume to 34,021 m³ from 39,724 m³ in the previous month. Export to Lebanon recorded an increase of 91% to 688 m³ followed by Saudi Arabia at 60% to 7,461 m³.

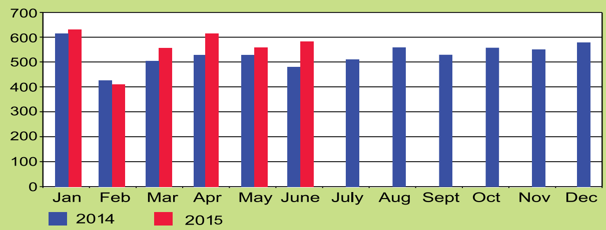
Import from the UAE also increased by 42% to 15,980 m³, followed by Kuwait, an increase of 17% to 4,005 m³. On the other hand, Iran, Oman, Bahrain and Jordan dropped by 37% to 3,117 m³, 43% to 1,329 m³, 81% to 209 m³ and 96% to 125 m³ respectively from the previous month.

Furthermore, export to South Asia recorded negative growth by 16% in volume to 12,029 m³ from 14,327 m³. Only export to India increased by 92% to 2,261 m³. Meanwhile, Bangladesh, 14,327 m³. Only export to India increased by 92% to 2,261 m³. Meanwhile, Bangladesh, Pakistan and Sri Lanka recorded negative growth decreased by 7% to 1,383 m³, 26% to 7,402 m³ and 41% to 983 m³ respectively.

Malaysia : Export of Major Timber Products
(June 2014 - June 2015) / Volume ('000 m³)



Malaysia: Export of Wooden Furniture
(January 2014 - June 2015) / Value (RM Million)



Source : Department of Statistics, Malaysia

JUNE 2015

Export to the UK showed an increase by 183% to 419 m³ and demand from Australia also increased by 33% to 2,444 m³. Exports to the US and South Africa also showed a marginal increased by 32% to 2,666 m³ and 4% to 505 m³ respectively.

In ASEAN, total export to the ASEAN region for this month showed a decrease of 26% to 10,534 m³ from 14,257 m³ in the previous month. Only export to Singapore increased by 6% to 350 m³. Nevertheless, export to the Philippines, Indonesia and Viet Nam down by 25% to 1,546 m³, 29% to 2,839 m³ and 30% to 5,475 m³ respectively.

Mouldings

Exports of mouldings for the month decreased by 7% in volume and 6% in value to 23,603 m³ and valued at RM72.47 million respectively. However, cumulative exports for the period of January-June 2015 increased by 11% in volume and 17% in value to 138,422 m³ and RM407.34 million respectively as compared to the previous corresponding period in 2014.

Exports to the EU for the month recorded at 7,939 m³, a decrease of 3% compared to the previous month. Shipments to Belgium and Germany decreased by 33% and 3% to 407 m³ and 1,553 m³ respectively whilst Italy did not make any purchases. However, shipments to Netherlands and the UK increased by 5% and 13% to 4,467 m³ and 887 m³ respectively.

Exports to the ASEAN region decreased as Singapore reduced its intake by 15% to 1,633 m³ whilst Indonesia did not make any purchases. However, Viet Nam resumed its intake.

Meanwhile, exports to Japan, Hong Kong and China increased by 19%, 157% and 14% to 2,826 m³, 354 m³ and 1,462 m³ respectively. However, South Korea and Taiwan reduced their intake by 31% and 63% to 1,364 m³ and 157 m³ respectively.

Elsewhere, export to Australia and the US decreased by 4% and 10% to 2,925 m³ and 3,018 m³ respectively. In the meantime, Canada increased its intake by 177% to 86 m³.

FOB unit value of mouldings increased 1% from RM3,040 per m³ in the previous month to RM3,070 per m³ in June 2015.

Builders Joinery and Carpentry (BJC)

Total BJC cumulative exports from January to June 2015 decreased 1% to RM492.13 million as compared to RM498.48 million in the corresponding period last year. Similarly, cumulative import from January to June by EU decreased 1% to RM137.22 million. Exports to Belgium, France, Denmark, Germany, Italy, Norway and Turkey decreased by 12%, 4%, 21%, 29%, 54%, 36% and 50% to RM23.66 million, RM10.49 million, RM8.13 million, RM3.81 million, RM1.12 million, RM0.21 million and RM0.97 million respectively whilst Netherlands did not make any purchases. However, export to the UK and Sweden increased by 14% and 18% to RM78.47 million and RM6.76 million respectively over the previous corresponding period.

Cont. page 11

JUNE 2015

Logs

Currently, prices of logs reported to be weak for the month under review. Most mills reported adequate logs supply and were maintaining their current stock levels.

Log prices for the species of Chengal and Balau stood firm at RM4,000 and RM2,820 per tonne respectively. Meanwhile, Merbau prices rose by 1.9% to RM2,650 per tonne compared to last month. Similarly, prices of Keruing and Kempas improved by 13.8% and 1.7% to RM1,400 per tonne and RM1,210 per tonne respectively. Prices of Dark Red Meranti remained at RM1,900 per tonne whilst Red Meranti and Mersawa logs increased by 0.6 % and 1.4% to RM1,760 per tonne and RM1,470 per tonne respectively. On the other hand, log prices for Mixed Heavy Hardwood dropped significantly by 15.3% to RM830 per tonne while Mixed Light Hardwood grew sharply by 33.7% to RM1,150 per tonne over the previous month.

Sawntimber

Due to the current market condition, sawntimber industry was facing a challenging market demand from both domestic and international.

The sawntimber prices of Chengal, Balau and Red Balau remained at RM6,638 per m³, RM2,825 per m³ and RM2,966 per m³ respectively. However, sawntimber prices of Keruing and Kempas were chalking up by 8.7% and 0.8% to RM1,766 per m³ and 1,780 per m³ as compared to last month. Similarly, Red Meranti and Mersawa prices improved by 2.3% and 2.4% to RM1,589 per m³ and RM1,483 per m³ respectively. Meanwhile, sawntimber prices of Mixed Heavy Hardwood fall sharply by 37.8% to RM812 per m³ whilst Mixed Light Hardwood charted an upward price by 2.1% to RM812 per m³.

Plywood

Industry also reported that more plywood was being imported from major producing country, thus affecting the local manufacturer. With the current low demand and supply locally, the prices of plywood continued to stable. Plywood prices of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM14.60, RM22.00, RM34.50 and RM41.50 per piece respectively.

Medium Density Fibreboard (MDF)

The supply of MDF was reported to suffice and meeting the needs of the local market demand. For the month under review, MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were continuously traded at RM12.10, RM15.80, RM21.70 and RM28.10 per piece respectively.

Intra-Malaysia Trade *- June 2015

Shipments of sawntimber and plywood from Sabah to Peninsular Malaysia grew significantly by 37% and 24% to 475 m³ and 10,549 m³ valued at RM1.04 million and RM19.08 million respectively. Similarly, shipments of veneer jumped by 12% in volume to 39 m³ worth at RM80,000 compared to the previous month.

Export of sawntimber from Sarawak to Peninsular Malaysia, however, declined sharply by 35% in volume to 440 m³ worth at RM412,000. Similarly, export of plywood and veneer also fell by 13% and 15% in volume to 7,588 m³ and 5,859 m³ with the value of RM10.58 million and RM8.38 million respectively.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in June 2015.

INTRA-MALAYSIA TRADE – JUNE 2015

From	Products	MAY 2015		JUNE 2015		% Change in Volume	% Change in Value
		Volume (m³)	Value (RM '000)	Volume (m³)	Value (RM '000)	JUNE 2015 / MAY 2015	JUNE 2015 / MAY 2015
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	346	654	475	1,038	37	59
	Plywood	8,484	15,073	10,549	19,080	24	27
	Veneer	35	59	39	80	12	35
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	678	491	440	412	-35	-16
	Plywood	8,736	11,716	7,588	10,580	-13	-10
	Veneer	6,874	9,182	5,859	8,380	-15	-9

Source : Department of Statistics, Malaysia

Cont. next page

Cont. from previous page

***AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA JUNE 2015 (VALUE IN RM)**

SPECIES	LOGS/tonne	SAWNTIMBER/m³		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	4,000	6,638	2,966	8,828
Balau	2,820	2,825	2,126	3,531
Red Balau	2,500	2,966	1,977	3,178
Merbau	2,650	3,778	3,143	2,772
Mixed Heavy Hardwood	830	812	784	742
MEDIUM HARDWOOD				
Keruing	1,400	1,766	1,271	2,203
Kempas	1,210	1,780	1,695	2,010
Kapur	1,700	2,248	752	2,331
Mengkulang	1,100	1,412	925	1,575
Tualang	1,310	2,260	1,377	2,295
LIGHT HARDWOOD				
Dark Red Meranti	1,900	2,190	1,601	2,754
Red Meranti	1,760	1,589	1,271	1,624
Yellow Meranti	1,150	1,400	1,165	1,400
White Meranti	1,040	2,119	1,521	1,695
Mersawa	1,470	1,483	989	1,412
Nyatoh	900	777	565	1,201
Sepetir	850	1,107	918	1,118
Jelutong	1,000	1,391	1,285	1,540
Mixed Light Hardwood	1,150	812	706	648

	LOGS/tonne	SAWNTIMBER/m³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	160	706	1,045	1,080	1,186

PLYWOOD 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	14.60	22.00	34.50	41.50
MDF 4' X 8' (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

Cont. from page 9

TIMBER ROUND-UP

In Asia, exports to Singapore, Viet Nam, Thailand, Pakistan, Taiwan, South Korea and Iran grew 1%, 64%, 2%, 2%, 16%, 39% and 126% valued at RM58.51million, RM16.53 million, RM16.98 million, RM18.26 million, RM9.33 million, RM1.31 million and RM0.30 million respectively. However, exports to Japan, India and UAE decreased 14%, 7% and 67% to RM34.33 million, RM30.23 million and RM2.01 million respectively.

Exports to Australia, the US, South Africa and Maldives increased by 10%, 3%, 43% and 148% to RM71.25 million, RM43.19 million, RM8.53 million and RM5.49 million respectively.

Furniture

Wooden and rattan furniture exports between January to June 2015 improved by 8% to RM3.35 billion compared to RM3.11 billion recorded in the previous corresponding period of last year.

Exports of wooden furniture from Malaysia increased by 8% from RM3.09 billion to RM3.33 billion compared to the same period in 2014. Economic recovery in the US, although seemed to be slow, has helped furniture exports to recover by 17% to RM1.14 billion from RM973.39 million recorded in the previous corresponding period.

Shipments to Australia grew by 28% to RM251.52 million while exports to the UK increased by 4% to RM175.59 million. Similarly, demand from Singapore increased by 6% to RM183.32 million. Imports by Canada increased by 3% from RM136.42 million in 2014 to RM140.02 million for the first six months of 2015. However, demand from the Netherlands remained sluggish recording at RM14.63 million, a decline of 6%. Imports by India recorded unchanged to RM58.1 million for the period of January to June 2015. Similarly, demand from Japan recorded a decline of 7% from RM238.02 million to RM220.80 million. Russia's also reduced its consumption by 58% from RM61.02 million to RM25.89 million.

In West Asia, the UAE continued to reduce its imports by 2% to RM115.87 million. However, exports to Saudi Arabia and Bahrain reported an increase of 46% and 5% to RM108.03 million and RM7.19 million respectively. In East Asia market, exports to South Korea climbed by 5% to RM60.64 million for the first six months of 2015 from RM57.50 million in 2014.

Meanwhile, rattan furniture exports decreased by 24% to RM15.69 million compared to RM20.68 million recorded in the previous corresponding period. Demand from the UK and Singapore weakened by 1% to RM1.89 million and 50% to RM2.50 million respectively. Exports to Thailand, India and China recorded a decrease of 28% to RM0.73 million, 32% to RM2.73 million and 81% to RM0.24 million respectively. However, intake from Australia, France and Viet Nam increased by 19% to RM0.99 million, 89% to RM0.34 million and 75% to RM0.19 million respectively. Similarly, the US also recorded a growth of 2% to RM0.99 million.

Cont. from page 5

UNITED STATES
Market for Green Building Materials to Expand

According to the new report from BCC Research, the US market for green building materials reached nearly USD40 billion and USD43.8 billion in 2013 and 2014 respectively. This market is expected to grow at a compound annual growth rate (CAGR) of 9.5% to nearly USD69 billion over the period 2014-2019.

More than 500 US companies are involved in the production of green building materials and the design and construction of green buildings. This number is likely to grow rapidly as more building owners and investors become aware of the potential of green building. BCC Research estimates the value of the US green building materials market at nearly USD43.8 billion in 2014 amid further growth in the US construction market as the housing market continues its recovery. By 2019, BCC Research expects that the market for green building materials will have grown to nearly USD69 billion, a compound annual (CAGR) of 9.5%.

The market for green building materials has seen rapid growth in recent years. As of 17 October 2014, more than 3.3 billion ft^2 of building space had been certified by the US Green Building Council's Leadership in Energy and Environmental Design Programmes. An article in the June 2006 issue of the Harvard Business Review accurately predicted that green construction would become a mainstream technology in the next five to 10 years following its publication. The article's author, went so far as to note that the ultimate impact of green building becoming mainstream will have as profound of an effect on commercial real estate as the invention of central air conditioning in the 1950s and 1960s or elevators in the 19th century.

www.fordaq.com, 27 July

Lumber Prices Begin Their Climb

The volatility in lumber prices can be traced back to changes in the demand and supply drivers. On the demand side, new home construction continues to present its unpredictable trend. After dipping 7.6% in quarter-over-quarter terms in the first quarter because of weather conditions, total US housing starts are expected to grow 13.4% quarter-over-quarter in the second quarter.

According to the Commerce Department, the US housing starts advanced 22.2% in April and contracted 11.1% in May in month-over-month terms. Despite the volatility, the trend is moving in the right direction, which will support lumber prices in the near term. Looking at the demand from overseas, one can note the exchange rate effects as well as dwindling demand from China and Japan. While the US exports to China and Japan fell sizably in the first three months of the year, Canada was able to increase its exports due to better exchange rate conditions.

Nevertheless, falling Chinese imports has been another demand factor that has helped pull down prices since the beginning of the year.

July spendmatters.com,7

VIET NAM
Forestry Sector Restructuring to Lift Wood Product Exports

Wood export firms have pegged their hopes on the outcome of the forestry restructuring plan to assure the recognition of a Vietnamese wood brand and to expand market share. With the sector's restructuring efforts which started two years ago, Viet Nam is expected to become a wooden product exporter to the world of legal timber with the assistance of the Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade, which is expected to be signed by the end of this year.

According to the Viet Nam Administration of Forestry, the department would create programmes to encourage wood processing firms to co-operate with forest planters to develop stable raw material areas for processing and exporting. In addition, specialised wood processing zones would be developed, coupled with the setting up of databases of forestry exports. Wood as raw material in Viet Nam has not met production demands to date, but its prices were more stable in comparison with imports and their origins, clearly marked. Further, many processing firms have increased their use of domestic wood as raw material. Meanwhile, Director of Cam Ha Company which exports 70% of its wood products to the EU, said that the company purchases some 50% of its timber from domestic sources each year.

The Viet Nam Administration of Forestry has forecast that Viet Nam would have a total area of 16.5 million hectares of forests by 2020, 50% of which would be for production, becoming an important source of raw material for wood processing. According to the Viet Nam Wood and Forestry Product Association, the sector is expecting to expand exports to markets, including India, the Middle East and South America. Further, the industry expects to reach an export turnover of USD7 billion this year. In the first half of this year, exports of wood products were reported at USD3.13 billion, representing a rise of 8% over the same period last year.

vietnamnews.vn, 15 July

Cont. next page

MEETING ON THE MECHANISM OF IMPORT LEGALITY UNDER FLEGT VPA

MTIB organised a meeting on the mechanism of import legality under FLEGT VPA on 8 July at MTIB, Kuala Lumpur. In the opening remark by Puan Hjh. Norchahaya Hashim, MTIB Deputy Director-General , highlighted the meeting objective which was to inform importers regarding legality import requirements and recommendations under the FLEGT VPA between Malaysia and European Union countries. Furthermore, the meeting aimed to provide the latest information on the FLEGT VPA negotiations progress. A total of 26 participants representing the importers, forwarding agents and timber associations, as well as MTIB officers including the FLEGT Malaysia Advisor and PROTEM Secretariat, attended the meeting.

Malaysia is in the final stage of negotiations with the EU under the FLEGT VPA to implement the Timber Legality Assurance System (TLAS) to verify the legality of timber products exported from Malaysia. TLAS was formulated based on the existing regulations governing timber harvesting, processing and trade. Requirements will also include verification on the importation of timber sources. At the Technical Working Group (TWG) meeting in Kuala Lumpur on 11 May 2014, Malaysia and EU agreed on Article 4 (3) of Legal Text on the importation of timber, as follows:

"The Licensing Authority shall not issue FLEGT licence for any timber products that are composed of or include, timber products imported into Malaysia from a third country unless the Licensing Authority is satisfied with the evidence provided that the timber products have been produced and exported pursuant to the laws of the third country concerned".

To meet this requirement, a new policy on the importation of timber has been agreed upon. The implementation of these requirements will involve only timber products which require import licenses from MTIB, ie for products logs / baulks and plywood (HS Code 4403 and 4412). Importers of logs or baulks and plywood are required to present a legality document for each entry of timber imports into Peninsular Malaysia. Documents of legality as agreed upon for adoption are as follows:

- FLEGT licences; or
- CITES permits; or
- Timber Certification (PEFC, MTCS); or
- Legality Certificate of Voluntary Scheme; or
- Legality Document issued by Agency/Body/related Association which is acknowledged; or
- Customs Declaration of producing country.

The current import procedures require documents such as Certificate of Origin (CoO), bill of lading, packing list, invoice and MTIB approval letter for import for application of import licenses. As additional requirement, the importers must submit to MTIB any one of the documents listed above (as supporting evidence), for approval of import licenses from MTIB. This regulation will be enforced on 1 January 2016. Prior to the enforcement, in October 2015, MTIB will carry out industry briefings in several locations (Johor Bahru, Batu Pahat, Port Kelang, Ipoh, Penang and Kuantan) to inform the industry regarding the regulations and their implementation. The industry will also be given enough time to prepare and to inform their overseas timber suppliers.

Importers of other timber products such as sawntimber, mouldings, sleepers, veneer, particleboard, fibreboard, wooden frame, joinery products and wooden furniture are also advised to get legality documents from producing countries especially for timber that will be further processed and re-exported to EU countries. MTIB will issue notification circulars regarding the enforcement of these rules very soon.

In conclusion, Malaysia shares global concern on illegal logging and intends to fully comply with the international trade rules on legal timber as outlined in the FLEGT VPA documentations.

COMPETITIVE BUILDING MATERIAL: DURALITE (M) SDN. BHD.

Introduction

Duralite (M) Sdn. Bhd. is the only company that manufactures wood wool cement panel in Malaysia. It was established 14 years ago. Since the establishment in 2001, it has manufactured and distributed building materials as the Industrial Building System (IBS) under the brand name of Duralite. Duralite (M) Sdn. Bhd. is as 100% Malaysian-owned company with Bumiputerstatus.

Mission

The company aims to not only produce and sell quality IBS building material but also to hold competitive prices, creating quality construction and affordable building solutions; thus fulfilling the company's vision to bring solutions to tomorrow's challenges today.

Company Product

Duralite is the wood wool cement board (WWCB), first discovered in the late 1920's. In the 1940's it was manufactured via mechanical process and today there are over 150 plants manufacturing it around the world.

Today the manufacturing process is automated and the material produced is very homogeneous and uniformed. The Duralite Panel produced in Malaysia uses the 50-years of European research and technology comprising entirely natural and non-toxic material.

It is an exceptionally versatile building material, made from wood fibres that are chemically impregnated and cleverly bonded under pressure with Portland cement to form a closely meshed building of immense strength.

It a light weight material with its combination properties of structural, thermal, fire resistant and acoustic properties thus making Duralite Panel a highly versatile construction building material.

It also termite and fungus resistant, easy to use, and is environmentally friendly which is an alternative to the conventional building system that is being used today. Being a light weigh IBS material, it's also fast to install thus allowing the user to reduce both structural and foundation costs.

Properties of Duralite Panel

- **Excellent Thermal Insulation:** One inch of Duralite Panel has the same insulating value as fourteen inches of brickwork. It keeps the heat and cool out and has a thermal conductivity 'K' value of 0.45.3 th/sq.ft/inc/- F.
- **Outstanding Acoustic Properties:** Duralite Panel does not transmit sound. It adsorbs sound and insulates against penetration. Tree inches of Duralite Panel provide an average noise transmission reduction of 48 decibels over the frequencies of 200-4,000 Hz.
- **Very High Resistance to Fire:** Duralite Panel does not burn. It only chars under extreme heat. Plastered three inch thick Duralite Panel slab has more than two hours of fire resistance.
- **Workability:** Highly flexible and easy to construct. Duralite Panel speeds construction and eliminates wet trades. It is easy to handle and easy to stack. It can also be nailed, plastered and sawed
- **Durable and Light Weight:** Due its lightweight nature, Duralite Panel makes considerable savings in piling works and superstructure cost. It does not require heavy machinery such as a crane to install it.

Technical Properties of Duralite Panel

Board thickness in mm		15	25	35	50	75	100	125	Nominator
Weight (DIN 1101)	<	8.5	11.5	14.5	19.5	28	36	43.1	kg/m²
Thermal conductivity		0.15	0.10	0.09	0.09	0.09	0.09	0.09	W/m°C
Heat transfer resistance	R	0.15	0.27	0.39	0.56	0.83	1.11	1.39	m² °C/W
Diffusion factor	μ	6	6	5	4	4	4	4	
Bending strength	>	2.5	1.8	1.5	1.3	1.0	1.0	1.0	N/mm²
Bending stress by 10% compression		0.20	0.20	0.15	0.15	0.15	0.15	0.15	N/mm²

Cont. next page

Cont. from previous page

Wood wool shaving machine.

Wood wool cement board mixing machine.

Ecological and health aspects of Duralite Panel are as follows:

- Panel made of natural material
- Ideal choice for buildings: comfortable for people sensitive to allergies
- Recommended for healthy living environments
- No harmful gases or vapours given off
- No toxic fume if burned
- Diffusion permeable
- No waste disposal problem
- Naturally resistant to fungus and insect
- Free of Formaldehyde
- Excellent Noise Barrier

Duralite Panel is an ideal choice for:

- Theatre, Studios, Concert Halls, Broadcasting System
- School, Auditoriums, Language Laboratories, Training Centres
- Mosque, Churches, Kindergardens
- Hospitals, Hotel, Convention Centre, Banquet Halls
- Office, Lobbies, Meeting Rooms
- Audio and Visual Rooms, Living Rooms
- Factories Stores, Control Rooms
- Health Clubs, and Gymnasiums

Duralite wood cement board.

Duralite Panel at site.

Cont. next page

Cont. from page 15

Under the Duralite Panel category, Durakustik Panel is the latest to be introduced to the market as to address acoustic solution. The thicknesses of the Durakustik Panel are 15 mm and 25 mm for sound proof. It is used for ceiling or feature wall at TV area, hotel lobby, auditorium, karaoke lounge and hall. Durakustik Panel is made from fine wood wool. To date, 50% of the companys' products have been exported to Kuwait, Qatar, Singapore, Philippines, South Korea, and Sri Lanka.

Future Plan

This company will produce a range of green construction material for the total building as follows:

- Pre-fab house using Duralite Panel including the roof-top.
- Composite fire proof door made of Duralite.

Further information, please contact:

Duralite (M) Sdn. Bhd.
A-3-10, Plaza 2A, The Plaza TTDI ,
Jalan Wan Kadir 3, Taman Tun Dr. Ismail,
60000 Kuala Lumpur

Tel : 603-7710 0085
Fax : 603-7710 1086
E-mail : duralite.sdn@gmail.com

Factory
Lot. P.T. 1564 & 1645, Kampung Mentara
Mukim Ketil,
Gua Musang,
Kelantan

Tel : 012-2863181
E-mail : duralitegreen@gmail.com

Reference:
- *Company Brochure*

A complete building using Duralite Panel at Kg Dusun Nyiur (left) and Pengasih Bentung (right).

MALAYSIAN TIMBER SEEKS SUBSTANTIAL CONCLUSION OF RCEP NEGOTIATIONS

Malaysian delegation at Seventh RECP FTA meeting in Bangkok, 2015.

Photo taken during Eighth RCEP meeting held in Kyoto, Japan (2015).

Overview

The Regional Comprehensive Economic Partnership (RCEP) is an FTA negotiation that has been developed among 16 countries: the 10 members of ASEAN (Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam) and the six countries with which ASEAN has existing Free Trade Agreements (FTAs) – Australia, China, India, Japan, Korea, and New Zealand. In relation to RCEP these six non-ASEAN countries are known as the ASEAN Free Trade Partners (AFPs).

The participants in the RCEP FTA negotiations have a total population of over 3 billion people and a trade share is estimated at around 27% of global trade (based on 2012 WTO figures), covering a GDP of around USD21 trillion (2013 IMF figures).

Background

RCEP negotiations were launched by the leaders of the 16 participating countries in the margins of the East Asia Summit on 20 November 2012. The leaders announced that RCEP would be "a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement establishing an open trade and investment environment in the region to facilitate the expansion of regional trade and investment and contribute to global economic growth and development".

The participants have developed Guiding Principles for the negotiations. These were approved by Economic Ministers on 30 August 2012 and endorsed by the leaders, providing a roadmap for negotiators.

RCEP is a significant step in the evolution of trade policy frameworks in East Asia over the past decade. RCEP's history reaches back some 10 years, starting as a study process for an FTA between ASEAN, China, Japan, and Korea (known as ASEAN+3). This was complemented in 2007 with a parallel study process for an ASEAN+6 FTA, which included the ASEAN+3 partners plus Australia, India, and New Zealand. Both these study processes concluded in 2011 following which ASEAN put forward the RCEP concept.

Following a preparatory process, the participating countries began formal negotiations in May 2013. RCEP will cover trade in goods and services, investment, economic and technical cooperation, intellectual property, competition, dispute settlement or legal and institutional issues, as well as other issues to be identified during the course of negotiation.

Negotiating History

Round 1

The First Round of RCEP negotiations was held from 9 to 13 May 2013 in Brunei Darussalam. Good progress was made towards meeting the target of concluding the negotiations by the end of 2015.

The Brunei meetings took place in a positive and constructive atmosphere. Three working groups were established: Goods, Services and Investment. Discussions included how to plan the way forward in these three areas. The parties also had an initial exchange of views in the other areas covered by the Guiding Principles.

Overall, the ground was prepared for further progress to be made at Round 2.

Round 2

Negotiations for the RCEP FTA continued to make good progress at Round 2, in Brisbane, Australia from 23 to 27 September 2013.

Discussions continued on the structure and elements of the

Cont. next page

with initial views exchanged on possible market access commitments in a range of areas of interest to the participants. In Goods, among other things, dedicated sessions were convened on Customs Procedures, Rules of Origin, and useful initial exchanges on the modalities for tariff negotiations and on non-tariff barriers to market access. Sub-Working Groups were established on Customs Procedures and Rules of Origin. Discussions occurred on elements to be covered in Investment.

There were also discussions on competition policies, intellectual properties, economic and technical cooperation and dispute settlement. Information was also presented on other issues that could be included in the RCEP FTA, on which further consideration will be needed. A seminar on Competition Policy was held with presentations by international speakers.

Round 3

The Third Round of RCEP negotiations was held in Kuala Lumpur on 20 – 24 January 2014. At the meeting the 16 participating countries continued technical work on trade in Goods and Services, and Investment.

On Trade in Goods, participating countries had a constructive discussion on the modalities for tariff negotiations, on non-tariff measures, Standards, Technical Regulations and Conformity Assessment Procedures (STRACAP), Sanitary and Phytosanitary Measures (SPS) as well as on Customs Procedures and Trade Facilitation (CPTF) and Rules of Origin (ROO).

On Trade in Services, participating countries discussed the structure and elements of the RCEP Services Chapter, areas of market access interests and a number of specific issues. On Investment, participating countries exchanged views on investment modalities and deliberated further on the elements for the RCEP Investment Chapter.

In order to advance negotiations on the broad range of issues four further working groups were established, on Intellectual Property, Competition, Economic and Technical Cooperation, and Dispute Settlement. Some participating countries made presentations on other issues that may be identified and mutually agreed upon in the course of negotiations for inclusion among the issues to be covered by RCEP.

Two seminars were held on the side-lines of the round. Malaysia and Japan presented on a broad range of Intellectual Property (IP) issues, including how IP supports trade and investment while Australia organised a seminar on the cross cutting areas of Services and Investment.

Round 4

The Fourth Round of RCEP negotiations took place in Nanning, China on 31 March – 4 April 2014. The participating countries continued intensive discussions on a range of issues to advance the negotiations.

The countries engaged on the development of Trade in Goods texts, intensified consideration of modalities to be used for tariff negotiations and continued discussions on non-tariff measures, Standards, Technical Regulations and Conformity Assessment Procedures (STRACAP), Sanitary and Phytosanitary Measures (SPS) as well as on Customs Procedures and Trade Facilitation (CPTF) and Rules of Origin (ROO).

On Trade in Services, participating countries deliberated on the elements of text, the scope of provisions, the approach to scheduling market access commitments, market access commitments, and a number of other specific issues. On Investment, participating countries engaged in discussions on text, and on elements including investment modalities.

At the Nanning meeting, the new working groups on Intellectual Property, Competition, and Economic and Technical Cooperation commenced their work. Other issues of particular interest to a number of RCEP participating countries were discussed. Experts met to discuss Dispute Settlement and broader legal and institutional issues. A formal working group were to be established to continue these discussions at the next meeting.

Round 5

The Fifth Round of RCEP negotiations were held in Singapore from 21 to 27 June 2014. Discussions to define the scope and parameters of the negotiation continued.

Negotiators worked on frameworks for shaping meaningful commitments in the core areas of Goods, Services and Investment.

Progress was made by working groups on the structure and elements for chapter text for Trade in Goods, Trade in Services, Investment, Intellectual Property, Competition, and Economic and Technical Cooperation. A Legal and Institutional Issues group met for the first time. Negotiators also discussed a range of other issues of particular interest to some RCEP participants for possible inclusion in the negotiations.

On Trade in Goods, some further convergence was achieved on key issues such as the modality for the tariff negotiations. Goods negotiators continued to discuss how RCEP might tackle non-tariff measures. Formal negotiations began in the areas of Standard, Technical Regulations and Conformity Assessment Procedures (STRACAP) and on Sanitary and Phytosanitary measures (SPS). Customs Procedures and Trade Facilitation (CPTF) and Rules of Origin (ROO) progressed technical work.

On Trade in Services, work also advanced in building understanding and finding a possible way forward on some key issues such as the structure and elements of the Services Chapter and scheduling of commitments.

On Investment, negotiators made progress especially with regard to the approach to the scheduling of commitments.

On Saturday 21 June there was an open forum attended by officials from some RCEP countries and academia on 21 June 2014. On 23 June 2014, the officials held sessions with the East Asia Business Council (EABC) and the Economic Research Institute for ASEAN and East Asia.

The Economic and Trade Ministers from RCEP participating countries met in Nay Pyi Taw, Myanmar on

Cont. next page

Cont. from previous page

27 August to assess the progress of the negotiations and provide guidance.

Round 6

The Sixth Round of RCEP negotiations took place on 1-5 December in New Delhi, India.

The round started with an opening speech from the Secretary of the Ministry of Commerce (and former Lead Negotiator), Rajeev Kher, followed by India's Minister of Commerce Ms Sitharaman (the first time a minister from any participating country addressed an RCEP meeting). Negotiators also met with representatives from the Indian business community.

There was solid progress in Economic and Technical Cooperation (ETC) and Intellectual Property. There was good progress in Competition and Technical Barriers to Trade (Standards, Technical Regulations and Conformity Assessment Procedures, STRACAP in RCEP parlance). Customs Procedures and Trade Facilitation had also advanced relatively rapidly. Services continued to focus on scheduling methodology. Investment made some progress with the completion of an initial read through of all text proposals. On Goods, negotiators continued to discuss ways forward towards agreeing on a modality for initial tariff offers.

Round 7

The Seventh Round of RCEP negotiations took place in Bangkok, Thailand on 9-13 February 2015. Further progress was made on the modalities for initial offers for tariff elimination in goods and the framework for scheduling in services. There was also good progress in most of the remaining areas of the negotiation, notably Competition.

Negotiators continued to work to seek to ensure that outcomes were meaningful. Investment made some progress, including discussion on a roadmap for progress in 2015.

Discussions on cross-cutting issues including small and medium enterprises (SMEs) and e-Commerce took place in the side-lines of the round. Joint sessions were also held on other issues like non-tariff measures, trade remedies and government procurement.

Round 8

The Eighth Round of RCEP negotiations took place in Kyoto, Japan on 5-13 June 2015. This round saw important, albeit slow, progress made in key areas, notably modalities for initial offers in goods and services. A Ministerial meeting took place on 13th July 2015 to address these issues. Investment made some progress with adiscussion of a roadmap for the tabling of initial offers and subsequent negotiations.

Intellectual Property made good process this round, while negotiations continued in Competition, Economic and Technical Cooperation and Legal and Institutional Issues. Business representatives from a number of participating countries spoke to negotiators at two separate sessions about the importance of Non-Tariff Measures (NTMs), Rules of Origin, and other trade facilitating measures for making RCEP a business-friendly and commercially meaningful agreement.

Round 9

The Ninth Round of RCEP negotiations took place in Nay Pyi Taw, Myanmar, on 1-7 August 2015. This round saw Lead Negotiators making an intensive effort to agree on the modalities for initial offers for tariff elimination for Trade in Goods.

In Services, negotiators began discussing the submitted initial offers for scheduling services commitments, and among other things agreed to submit requests before the next round. Preliminary discussions on the forward work plan for the newly established Sub-Working Groups on Financial Services and Telecommunications took place.

Negotiations continued in Intellectual Property, Competition, Economic and Technical Cooperation and Legal and Institutional Issues. The first formal meeting of the Working Group on Electronic Commerce was held at this round.

AMS submitted additional 71 subheadings in this round with a total of 535 subheadings. However, none of the subheadings were agreed upon during the meeting.

The upcoming Eighth RCEP SWG-ROO meeting will be held in parallel with 10th RCEP TNC which is scheduled to be convened on 8-16 October 2015 in Busan, Korea.

Conclusion

The signing of RCEP is targeted on the end of 2015 and the negotiations are meant to boost economic growth and equitable economic development, advance economic cooperation and broaden and deepen integration in the region.

Greater economic integration in the world is developing strongly. ASEAN cannot maintain its 'wait and see' stance. It needs to play an active role and shape its economic strategy and maintain its competitiveness in the global market.

The timber trade is integral to the Malaysian economy. Its growth is dependent upon products quality and standards. Therefore it is imperative that a well-thought out policy in dealing with timber trade is developed, thereby substantiating ASEAN's drive towards achieving the ASEAN Economic Community.

Moreover, ASEAN could gain adequate leverage in its RCEP negotiations with ASEAN Free Trade Partners if it chooses to liberalise and accelerate the timber trade with a proactive approach.

RCEP is a possible pathway to a free trade area of the Asia-Pacific, and a contribution to building momentum for global trade reform. RCEP is an ambitious FTA with complex negotiations as it involves multiple parties and sectors.

This building will change the way you look at wood

Think all wooden buildings are made the same way? Think again.

Certainly not the extraordinary **Galeri Glulam,** Malaysian Timber Industry Board (MTIB)'s iconic building in Johor Bahru. What sets it apart from the rest is that it's made from Glue Laminated Timber (GLULAM), which has been tested and proven to be more flexible, durable and fire-resistant. The Galeri Glulam is also listed in The Malaysia Book of Records as the first building completed using Glulam in the country.

The Galeri Glulam is primarily an exhibition centre showcasing various innovations relating to the timber industry and their applications, such as the application of structural timber-engineered products for specifiers and builders. It also serves as a centre to promote the use of locally-produced timber products in construction and homes, which include furniture, builders' carpentry and joinery, and mouldings. The gallery also functions as a convention centre and an exhibition hall, as well as provides an ideal space for seminars, courses and workshops.

Want to learn more about Glulam's unlimited potential, or simply admire the unconventional beauty of this innovative structure? Come pay us a visit. Someday, all wooden buildings will be made this way.

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 **URL:** www.mtib.gov.my
facebook.com/pages/Malaysian-Timber-Industry-Board

MTIB

Malaysian Wood
Standing on Excellence

BOOMING OPPORTUNITIES IN SMALL ISLAND OF MAURITIUS

Overview

Mauritius officially the Republic of Mauritius is an island nation in the Indian Ocean about 2,000 kilometres off the southeast coast of the African continent. The area of the country is 2,040 square kilometres.The capital and largest city is Port Louis.

The people of Mauritius are multiethnic and multicultural. Most Mauritians are multilingual; Mauritian Creole, English, French, and Asian languages, particularly languages from India and China are also use. The island's government is closely modelled on the Westminster parliamentary system and Mauritius is highly ranked for democracy and for economic and political freedom. The population in 2015 (estimate July 2015) stood at 1,339,827 people.

Economy

Since independence in 1968, Mauritius has undergone a remarkable economic transformation from a low-income, agriculturally based economy to a diversified, upper middle-income economy with growing industrial, financial, and tourist sectors. Mauritius has achieved steady growth over the last several decades, resulting in more equitable income distribution, increased life expectancy, lowered infant mortality, and a much-improved infrastructure. The economy rests on sugar, tourism, textiles and apparel, and financial services and is expanding into fish processing, information and communications technology, and hospitality and property development. Sugarcane is grown on about 90% of the cultivated land area and accounts for 15% of export earnings. The government's development strategy centers on creating vertical and horizontal clusters of development in these sectors.

Mauritius has attracted more than 32,000 offshore entities, many aimed at commerce in India, South Africa, and China. Investment in the banking sector alone has reached over USD1 billion. Mauritius' textile sector has taken advantage of the Africa Growth and Opportunity Act, with Mauritian exports to the US growing by 400% from 2001-2012. Mauritius' sound economic policies and prudent banking practices helped to mitigate negative effects of the global financial crisis in 2008-09. GDP grew in the 3-4% per year range in 2010-14, and the country continues to expand its trade and investment outreach around the globe.

Forest Resources

The total extent of forest cover in Mauritius is estimated at 47,159 hectares representing about 25% of the total land area. There are only two types of forest ownership: public and private. There are more forests on private lands with an estimated extent of 25,000 hectares as compared to about 22,159 hectares on state lands.

Approximately 14,723 hectares of land are covered with planted forests. The remaining are natural forests, most of which are badly degraded. Only around 2% of the land area of Mauritius is considered to be covered with good quality native forests. The forests of Mauritius are small in area but perform vital functions, the most important of them being soil and water conservation. Where water is scarce, all activities, be they agriculture, tourism or manufacturing, are seriously affected. The environmental function of forests far outweighs their direct economic function in small island developing state. The roles of forests in reducing soil erosion, carbon sequestration, conservation of biodiversity and genetic resources, recreation and ecotourism are now widely recognised and valued.

Consequently, conservation, protection and development of the remaining native forests through sustainable management are priority objectives of the overall national policy of Mauritius. In fact, the forests of Mauritius are now managed more for these environmental functions rather than for the production of timber.

Timber Production

According to the latest FAO forest statistics on Mauritius, the country produced around 10.2 thousand m³ of wood in 2014. Details of production are as follows:

Cont. next page

Mauritius: Production of Timber Products, 2010 - 2014

(Volume: m^3)

Product	2010	2011	2012	2013	2014
Logs	15,000	14,000	11,000	4,800	4,200
Sawntimber	2,090	1,920	2,000	2,000	2,000
Chips and Particles	1,500	1,000	800	600	1,000
Wood Fuel	9,000	6,600	5,100	3,000	3,000
TOTAL	**27,590**	**23,520**	**18,900**	**10,400**	**10,200**

Source: FAO

Mauritius Timber Industry

Mauritius timber industry is relatively small due to the very limited land for timber production. Its import of timber and timber products are only valued at USD84.5 million and USD5.6 million of export in 2014. The timber consumption was 76,000 m³ in 2013 according to their Ministry of Agro Industry and Food Security.

The wood-based industries in Mauritius are restricted to primary and secondary processing. The main activities in primary processing are sawmilling and wood chips production, while those in secondary processing are furniture, joinery and the ship models manufacturing industries. Trade liberalisation will lead to a gradual elimination of tariffs. The impact will be very limited on the price of imported timber as in Mauritius there is currently virtually no duty on imported timber. However, reduction in tariff on reconstituted wood and woodworking machines, equipments and tools will be very beneficial to low cost furniture manufacturing sector in the country. This reduction in tariff will also make the wooden furniture industry in Mauritius more competitive as it is facing increasing competition from the imported furniture sector.

Mauritius is also famous for its production of ship model. The ship model manufacturing industries which at present employ about 500 persons has a turnover of Rs1.3 millon. The production of ship model is mainly using local camphor wood and some also using imported Teak from Malaysia. This industry caters mostly for tourists. With the projected increase in tourist arrivals, there will be considerable expansion. The ship model's industry has the highest value added in its products. By the year 2020, it is expected to be the most profitable wood-based industry in Mauritius.

Mauritius's Import of Timber and Timber Products

According to the latest UN Comtrade statistics, Mauritius's import of timber and timber products decreased 4.0% to USD84.5 million. Furniture was the main product imported, valued at USD39.4 million followed by sawntimber (USD16.5 million) and plywood (USD10.2 million).the most profitable wood-based industry in Mauritius.

China is a major import partner for timber and timber products including furniture. Malaysia is ranked second after China as an import partner for timber and timber products for Mauritius with 25% of market share and third for furniture after China and France with 11.6% of market share.

Mauritius major imports of Malaysian sawntimber mainly Yellow Balau, Keruing, Kempas, Red Meranti and Nyatoh. There is competition from African species such as Wenge, Iroko, Kiaat and Sapele due to the high price of Malaysian timber.

Cross section of ship models on display in a shop in Mauritius.

Cont. next page

Cont. from previous page

Mauritius: Import of Timber and Timber Products, 2010 - 2014

(Value: USD '000)

Product	2010	2011	2012	2013	2014
Furniture	34,688	40,121	45,071	44,302	39,415
Sawntimber	21,194	19,031	18,950	15,469	16,468
Plywood	8,946	9,531	11,762	10,284	10,197
Logs	4,250	5,470	5,658	4,154	5,082
Fibreboard	4,800	4,957	4,690	4,449	4,122
BJC	3,855	3,094	3,709	4,078	3,003
Mouldings	707	654	1,363	1,788	1,382
Particleboard	781	1,108	1,109	803	1,347
Hoopwood	210	33	123	756	764
Articles of wood	695	653	670	656	757
Wood Marquetry	497	501	519	457	589
Packaging Materials of Wood	246	454	360	204	468
Tableware and Kitchenware	272	257	247	249	294
Casks and Barrels	119	77	107	17	179
Tools, Bodies and Handles	212	110	142	92	143
Wooden Frames	114	79	104	84	86
Wood Charcoal	104	95	121	60	81
Veneer	488	486	70	53	49
Fuel Wood	19	33	54	18	25
Densified Wood	117	63	20	32	17
Wood Wool; Wood Flour	6	0	13	0	0
Railway or Tramway Sleepers	0	22	23	0	0
TOTAL	**82,320**	**86,829**	**94,885**	**88,005**	**84,468**

Source: UN Contrade Stats

Mauritius's Export of Timber and Timber Products

Mauritius's exports of timber and timber products were valued at USD5.6 million. Furniture was the main product exported, valued at USD4.2 million.

Malaysia's Export of Timber and Timber Products to Mauritius

In 2014, Malaysia's exports of timber and timber products to Mauritius increased 9.1% to RM39.8 million over the previous year. Mauritius ranked 42nd with 0.2% of Malaysia's total market share. Sawntimber was the main product exported with a total value of RM18.5 million, followed by wooden furniture at RM10.2 million.

Cont. next page

Cont. from previous page

Mauritius: Import of Timber and Timber Products, 2010 - 2014

(Value: USD '000)

Product	2010	2011	2012	2013	2014
Furniture	1,668	2,188	3,215	3,565	4,229
Wood Marquetry	713	829	622	568	618
Packaging Materials of Wood	24	31	38	49	232
Sawntimber	121	284	185	223	159
Tools, Bodies and Handles	58	77	138	88	110
Articles of Wood	106	84	164	182	76
Particleboard and Chipboard	1	2	0	115	55
BJC	292	136	355	154	39
Plywood	9	19	20	25	32
Wooden Frames	4	14	29	10	16
Logs	10	55	49	15	7
Fuel Wood	0	0	0	12	6
Tableware and Kitchenware	20	4	17	1	5
Veneer	4	48	16	1	3
Fibreboard	12	7	5	114	2
Mouldings	15	40	1	295	1
Wood Charcoal	1	3	2	4	1
Hoopwood	3	0	22	0	0
Densified Wood	6	2	1	0	0
Casks and Barrels	0	0	26	0	0
TOTAL	**3,067**	**3,823**	**4,905**	**5,421**	**5,591**

Source: UN Contrade Stats

Malaysia: Export of Timber and Timber Products by Value to Mauritius, 2010-2014

(Value: RM)

Product	2010	2011	2012	2013	2014
Sawntimber	23,090,324	21,871,396	18,193,161	14,129,612	18,477,327
Wooden Furniture	15,213,497	12,096,749	10,584,845	9,822,778	10,176,894
Mouldings	3,857,086	3,426,460	5,477,571	4,814,490	4,571,962
Fibreboard	4,245,012	4,994,310	4,494,784	4,672,372	4,544,035
Plywood	806,370	697,870	254,285	941,099	953,889
Builders Joinery and Carpentry	1,456,227	598,953	495,614	399,774	525,841
Chipboard/Particleboard	355,747	324,074	162,775	209,551	191,721
Wooden Frame	152,157	120,590	115,578	68,276	120,961
Rattan Furniture	302,648	203,563	26,244	6,385	23,870
Logs	0	21,848	0	0	0
Other Products	588,661	613,609	1,246,729	1,437,998	240,184
TOTAL	**50,067,729**	**44,969,422**	**41,051,586**	**36,502,335**	**39,826,684**

Source: DOSM and MTIB

Cont. next page

Cont. from previous page

Malaysia: Export of Timber and Timber Products by Volume to Mauritius, 2010–2014

(Volume: m3)

Product	2010	2011	2012	2013	2014
Builders Joinery and Carpentry	303,854	192,964	200,349	200,301	167,537
Sawntimber	13,310	11,607	10,175	7,287	7,917
Wooden Frame	10,725	8,537	10,200	3,560	7,492
Fibreboard	3,727	4,549	3,939	4,083	3,885
Mouldings	1,950	1,757	2,650	2,114	1,825
Plywood	491	488	172	948	570
Chipboard/Particleboard	383	322	160	211	251
TOTAL	**334,440**	**220,224**	**227,645**	**218,504**	**189,477**

Source: DOSM and MTIB

Import Tariffs

Mauritius's import duty on timber and timber products ranges from 0 – 30%. Details are as follows:

Mauritius: Import Duty for Timber and Timber Products

HS Code	Product	Duty (%)
4401	Fuel Wood	0
4402	Wood Charcoal	0
4403	Logs	0
4404	Hoop Wood	0
4405	Wood Wool and Wood Flour	0
4406	Sleepers	0
4407	Sawntimber	0
4408	Veneer	0
4409	Mouldings	0
4410	Chipboard/Particleboard	0
4411	Fibreboard	0
4412	Plywood	0
4413	Densified Wood	0
4414	Wooden Frame	0
4415	Packing Cases	0
4416	Casks, Barrels, Vats and Tubs	0
4417	Tool Bodies and Handle	0
4418	Builders Joinery and Carpentry	0 - 15
4419	Tableware and Kitchenware	15
4420	Wood Marquetry	0 - 10
4421	Other Articles of Wood	0
9401, 9402, 9403	Wooden Furniture	0 - 30

Source : WTO

Prospects

According to government estimates, the real estate sector in Mauritius is the biggest driver of economic growth, providing large scale employment and contributing significantly to its GDP.

The planned construction boom, coupled with Mauritius' political stability, a booming luxury tourism market and sound infrastructure make the island a highly popular real estate investment destination.

Over the past decade the construction industry has become a pillar of the Mauritian economy. On its own, it contributes on average 6% of the GDP and employs around 55,000 persons. Increasing numbers of the famous sugar estates on the island are turning some of their agricultural land into shopping malls or residential developments for foreigners willing to spend USD500,000 or more on a property.

Tourism also plays an important role in Mauritius economic growth with contribution of 8.2% of its GDP. It provides employment directly and indirectly for about 50,000 people with total of 115 hotels; 13,000 rooms and 10,000 informal rooms.

These increasing trends of tourism infrastructure and construction activities offer great opportunities for Malaysian exporters to penetrate into Mauritius's building materials market and take full advantage to further promote Malaysian timber and timber products especially value-added products such as furniture, MDF and BJC, in addition to only promoting building materials namely plywood and sawntimber. Malaysian timber exporters need to take this chance and make their presence felt and enhance networking with Mauritius's timber and furniture importers while at the same time undertake market research on current Mauritius importers' market preferences and taste.

References:

- *Encyclopedia of the Nations*
- *MTIB Statistics*
- *Department of Statistics Malaysia*
- *Food and Agriculture Organisation (FAO Country Report)*
- *The New York Times*
- *WTO*
- *CIA Factbook*
- *International Trade Centre (ITC)*
- *Property Wire*

SEMPILOR – SUITABLE FOR DECORATIVE WORK

Wood colour and texture

Introduction

Sempilor is the Standard Malaysian Name for the timber of Dacrydium *spp.,* Falcatifolium Falciforme *and* Phyllocladus *spp.* (Podocarpaceae)*. The ASEAN Standard Name, which is of Indonesian origin, for the timber is Melur. Vernacular names applied include Ekor Kuda (Peninsular Malaysia) with various epithets, Jati Padang (Peninsular Malaysia) and Ru Bukit (Peninsular Malaysia) with various epithets. Major species include* Dacrydium Beccarii, D. Comosum, D. Elatum, D. Gibbsiae, Falcatifolium Falciforme and Phyllocladus Hypophyllus. *The sapwood is not differentiated from the heartwood, which is buff with a pinkish tinge or golden brown.*

Also known as Celery Pine, Huon Pine, Papua New Guinea celery-top Pine (Australia); Srol-kraham (Cambodia); Yaka (Fiji); Bejalin, Kayu Alau, Kayu Empire, Kayu Karongan and Melur (Indonesia); Taw-kyet-gale-pan (Myanmar); Red pine, Rimu, Silver Pine and Westland Pine (New Zealand); Celery Pine, Dacrydium and Papua New Guinea celery-top pine (Papua New Guinea); Binaton, Dalung, Galingkinga, Lokinai and Salumayag (Philippines); Dacrydium (Soloman Islands); Phayamakhampom, Samphanpi and Sonhangkarok (Thailand); and Hoang Dan (Viet Nam).

General Characteristics

The timber is a softwood with a density of 435 - 705 kg/m³ air dry. The sapwood is paler than heartwood color and is not always cleary differentiated. Texture is typically fine and the grain is typically, occasionally curly and wavy. Fine dark streaks impart an attractive figure to the wood. There is no distinctive odour or taste.

Wood Anatomy

Vessels are absent and tracheids are in radial rows. Wood parenchyma is indistinct with uniseriate and narrow rays. The timber is reported to saw without difficulty, but surfaces of material in the green condition may be woolly. The timber can be easily planed and cleaned and also can be polished and finished very easily.

Mechanical Properties

Strength properties of *Dacrydium* spp. which has been tested in green conditions are as follows:

Strength Properties for : ***Dacrydium spp.***

Strength Group	Category	Green	Dry	Unit
6	Bending Strength	9,710	15,395	psi
	Crushing Strength (Perp.)	710	1,240	psi
	Max. Crushing Strength	5,120	8,890	psi
	Static Bending (FSPL)	5,000	8,250	psi
	Stiffness	1,460	1,680	1,000 psi
	Hardness	-	1,220	lbs
	Shearing Strength	-	2,135	psi
	Toughness	-	90	In-lbs
	Specific Gravity	0.51	0.56	
	Weight	-	32	lbs/cu.ft.
	Density (Air-dry)	-	32	lbs/cu.ft.

The timber is reported to saw without difficulty, but surfaces of material in the green condition may be woolly. The timber can be easily planed and cleaned and also can be polished and finished very easily.

Cont. next page

Cont. from previous page

Air Drying and Shrinkage

The timber seasons well wothout degrade. Thicker board must be dried slowly to avoid surface-checking. Warping in the form of slight to moderate may occasionally occur, while fla-sawn board may cup to a slight even. Shrinkage is very high, with radial shrinkage at 2% and tangential shrinkage averaging at 4.7%.

Uses

The timber should be suitable for decorative work, if available in sufficent quantities. It can be used for panelling, mouldings, partitioning, pattern making, plywood, joinery, staircase (handrail), furniture, match boxes and splint as well as disposable chopsticks.

References:

- *Menon, P.K.B. 1986. Uses of Some Malaysian Timbers. Revised by Lim, S.C. Timber Trade Leaflet No. 31. MTIB and FRIM, Kuala Lumpur. 48 pp.*
- *Wong T.M. 1982. A Dictionary of Malaysian Timbers. Revised by Lim S.C. & Chung R.C.K. Malayan Forest Records No. 30. FRIM, Kuala Lumpur. 201 pp.*
- *FRIM Flora Database.*

MTIB Moments

Dr. Jalaluddin Harun, MTIB Director-General (right) presenting a Hari Raya gift to one of the underpriviledged children during the breaking of fast (iftar) organised by MTIB at its premise on 3 July 2015.

MTIB personnel with families, invited guests and underpriviledged children during iftar at MTIB, Kuala Lumpur on 3 July 2015.

Professional Designers Workshop attended by local designers was held at WISDEC Selangor in Banting on 6 July 2015.

MTIB organised a briefing on the MOBILI Furniture Design Competition on 28 July 2015 at MTIB, Kuala Lumpur.