



MASKAYU



**MALAYSIAN CONTESTANTS WIN
MEDALS IN CABINET MAKING AND
JOINERY AT WSC 2015**

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Cover: Malaysian contestants win medals in cabinet making and joinery at WSC held in Brazil. Details on pages 3 and 7.



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MALAYSIAN CONTESTANTS WIN MEDALS IN CABINET MAKING AND JOINERY AT WSC 2015



Dr. Jalaluddin Harun, MTIB Director-General (second from right), Datuk Dr. Pang Chau Leong, Director-General of Department of Skills Development (second from left) posing with MTIB officials at WSC.



A group photo of MTIB Director-General, JPK Director-General, MTIB and JPK officials.

The Malaysian contingent participated in the 43rd WorldSkills Competition (WSC), which was held in Sao Paulo, Brazil from 12–15 August. For the first time, a Malaysian contestant was successful in being ranked top three, having won the bronze medal in the hairdressing trade. Malaysian contestants also won 12 Medal of Excellence in various categories including cabinet making and joinery trade. The cabinet making trade was represented by Encik Musalman Kamal and the joinery trade was represented by Encik Lau King Hieng. MTIB through WISDEC has been involved in the skills competition since 10 years ago. To develop human capital in the timber industry, MTIB was appointed as Industry Lead Body (ILB) by Department of Skills Development (JPK), Ministry of Human Resources in 2012.

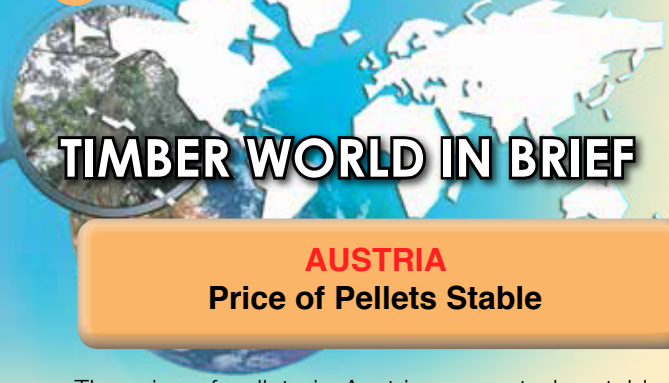


Contestant from Malaysia with his product under the Joinery Category.

As ILB, MTIB undertakes training programmes and activities, in order to elevate the level of skills of human resources in the timber industry. Prior to the participation in the WSC 2015, both contestants had undergone intensive training at WISDEC, as well as at the international level (New Zealand and Taiwan).

WorldSkills is a skills competition as well as a job and career event held in a member country every two years. It is a competition for youths from 17 to 22 years to demonstrate their abilities in skilled professions. The competition is promoted and managed by WorldSkills International (WSI), formerly known as the International Vocational Training Organisation (IVTO). Governed by an international Board of Directors and administered by the WorldSkills Secretariat, WSI's mission is to promote, through the cooperative actions of Members, a world-wide awareness of the essential contribution that skills and high standards of competence make to the achievement of economic success and individual achievement. Through international competitions held every two years, WSI attempts to raise awareness to the opportunities that exist in skilled professions with the intent of encouraging youths, parents and teachers to explore career opportunities in skilled trades, skilled professions and high technology. Among its main objectives are to:

- Promote the exchange between young professionals from various regions of the world
- Exchange skills, experience and technological innovations
- Raise the understanding in governments, education and industry to the importance of skills training; and
- Raise the awareness of youth and those who influence youth to the opportunities available in skilled professions



TIMBER WORLD IN BRIEF

AUSTRIA

Price of Pellets Stable

The price of pellets in Austria seems to be stable in August. One tonne of pellets has declined in value by an insignificant -0.1% as compared to July. The price currently stands at €229.2/tonnes for a purchase of 6 tonnes. As compared to August 2014, the price is still lower by -5.7%.

Wood pellets in bags cost an average of €3.85 per 15 kg sack (when ordered by the pallet), an increase of +0.1% as compared to July and a -3.8% decline over August 2014. Propeller Austria calculates a current average price advantage of pellets over fuel oil of about +30.8%. As opposed to natural gas, the price advantage is of +44.7%.

Fordaq, 25 August

BELARUS

Furniture Factories Produce Goods Worth USD281.50 Billion

According to the National Statistical Committee, in January-June 2015, enterprises of the country produced furniture worth Belarusian Ruble (BYR) 4.29 trillion (EUR256.34 million/USD281.53 million), down 3.6% year-on-year. In June 2015, furniture production totalled Belarusian Ruble (BYR)703 billion (-7.3% year-on-year; +6.1% month-on-month).

National Statistical Committee, 3 August

BRAZIL

Forest Products Exports Improved

In the first six months of 2015, revenue from exports of pulp, wood-based panels and paper totalled USD3.6 billion, about the same level as in the first half of 2014. The January to June trade balance for the sector stood at USD2.9 billion, a 6% increase compared to the same period in 2014.

The volume of pulp exports in the first half of 2015 totalled 5.5 million tonnes, a 7% rise year-on-year. Wood-based panel export volumes in the first six months of this year totalled 289,000 m³, a 48% rise over the same period in 2014. Paper exports reached 987,000 tonnes between January and June 2015, an almost 4% growth year-on-year.

ITTO TTM Report, 1-15 August

COSTA RICA

Timber Production Up

According to figures from the National Forestry Office (ONF), overall timber production in Costa Rica amounted to 1.01 million m³ in 2014, representing a year-on-year rise of 4.6%. ONF adds that 42.9% of timber was used for the production of pallets or packaging, whereas 23.2% was used in construction, around 20.5% was directed at exports of timber in bulk and sawntimber, some 11.1% was used for the production of furniture and the remaining 2.3% for other uses. The forestry industry generated a total of 14,500 direct jobs, which is 1.9% more than in 2013. Meanwhile, total exports amounted to USD75.50 million (EUR66.29 million), while imports reached USD80 million. According to ONF, around 77.6% of the timber processed in Costa Rica in 2014 came from plantations, while 20.4% came from land used for farming and 2% from forests.

La Nacion, 25 August

EUROPEAN UNION

Growth in EU Hardwood Plywood Imports Slackens

EU imports of hardwood plywood were 103.1 million m³ in the first five months of this year, 3.3% more than in the same period of 2014. However, import growth has slowed in 2015 compared to the 11.1% increase registered for 2014 as a whole.

The increase in EU hardwood plywood imports between January and May this year was due almost entirely to higher deliveries of mixed light hardwood (MLH) plywood from China. Hardwood plywood imports from China - now dominated by MLH products - increased 13.6% to 482,400 m³ in the first five months of 2015.

In contrast, imports of temperate hardwood plywood from Russia (-5.3% to 323,200 m³), Belarus (-5.3% to 39,500 m³), and the Ukraine (-5.3% to 39,300 m³) all declined in the first five months of 2015. Deliveries from Uruguay declined again in the first five months of 2015 (-17.5% to 10,900 m³) continuing the sharp downward trend registered in 2014.

Fordaq, 31 August

EUROPE

Chinese Plywood Readily Available

European importers report that Chinese plywood has been readily available during 2015 and that delivery times to Europe currently stand at around four to five weeks. The dominant issue for traders in the Euro zone is the

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rising cost of imports, especially since December 2014, due to the dramatic loss in value of the Euro against the US dollar. Against this background, Chinese producers lowered their prices by an average of USD5-10 per m³ earlier this year. Free on board (FOB) prices have now stabilised at this new level. However, cost, insurance and freight (CIF) prices for delivery of Chinese plywood to Europe have continued to fall due to an unexpected slump in freight rates in March/April after a slowdown in China's overall trade.

According to information from importers, freight costs per 40 feet container from China to Central Europe temporarily fell to less than USD500, before stabilising at around USD700 in July. By contrast, rates in July 2014 stood at more than USD1200 per 40 feet container. Shipping companies are currently pushing to increase prices to more than USD1000.

FINLAND

Forest Industry Exports and Imports

According to preliminary data by the Natural Resources Institute Finland, 0.85 million m³ of wood was imported to Finland in May 2015. In January-May 2015, wood imports totalled 3.8 million m³, down 10% from the corresponding period in 2014.

The value of imports of forest industry products totalled EUR0.110 billion in May 2015. The value of exports of forest industry products totalled EUR0.94 billion in May 2015 and EUR4.84 billion in January-May 2015. In May 2015, paper exports totalled EUR0.393 billion, paperboard exports EUR0.176 billion, sawn goods exports EUR0.139 billion and pulp exports EUR0.122 billion.

Press Release, Natural Resources Institute Finland, 12 August

GERMANY

Customs Dispute Disrupts Chinese Plywood Trade

German imports of hardwood plywood from China continue to be affected by a dispute between the German trade and customs officials. In the last three years, customs officials, particularly at the port of Bremerhaven, have been checking Chinese plywood to ensure that boards are cross-laminated rather than laid parallel to each other. According to German customs, boards should be reclassified as laminated veneer lumber (LVL) if not fully cross-laminated. This is frequently the case with lower-quality Chinese plywood manufactured using small veneer pieces for the cores. LVL incurs a higher rate of duty of 10% compared to 7% for plywood.

According to Europäischer Wirtschaftsdienst (EUWID), roughly 40% of Chinese hardwood plywood deliveries into Germany were reclassified in this way in 2012. German import merchants and the timber trade federation, The German Timber Trade Federation (GD Holz) have held talks with German customs to try to more clearly define which products should be

considered plywood and which, LVL.

According to GD Holz, these talks have been unproductive so far and customs continue to reclassify Chinese plywood. Several German importers have now filed lawsuits and results are still pending. At the same time, GD Holz reported that since 2014, several importers have been reimbursed for some instances of excessive duty paid. However, customs has not revealed why reimbursements were offered in some cases but not in others.

ITTO TTM Report, 1-15 August

INDONESIA

Reviving Economic Partnership Agreement with EU

Minister of Trade, Rachmat Gobel, said that the Indonesian government plans to open negotiations with the European Union on resumption of the Comprehensive Economic Partnership Agreement with the aim of improving market access for Indonesian products into the European Union. This was discussed when the British Prime Minister visited Indonesia. Trade between Indonesia and the United Kingdom in 2014 amounted to USD2.5 billion with Indonesia's exports valued at USD1.6 billion and imports valued at USD894 million.

TTM Report, 1-15 August

JAPAN

GDP Forecast Lowered

The Bank of Japan (BoJ) has lowered its forecast for GDP to a 1.7% year-on-year growth in the year to March 2016, down from 2% forecast at the beginning of the year as the latest figures show GDP growth was negative in the second quarter of the year. As a result of the slowing of the economy many in Japan are calling on the BoJ to come with further stimulus measures. But the BoJ signaled it has confidence the economy will turn around which is defying all current indicators.

TTM Report, 1-15 August

Construction Growth Slows Down

Housing starts in Japan slowed more than expected in July, according to data from Japan's Ministry of Land, Infrastructure, Transport and Tourism. Though they've increased by 7.4%, the growth is much lower from the double digit expansion of 16.3% seen in June. Economists had expected a growth of about 11%.

At the same time, the number of annualised housing starts declined to 914,000 from 1.03 million a month ago. Construction orders received by 50 big contractors dropped by an annual 4%, down from June's 15.4% rise.

Fordaq, 31 August

JULY 2015

SHIPPING NEWS



Indonesia: Pelindo I Starts Kuala Tanjung Port Project

In Indonesia, Pelindo I has started the Kuala Tanjung Port project since May 2015. Currently, the firm is developing a temporary jetty and trestles for the new port. The company targets to complete the first phase of the project in April 2017. After that, the container terminal would be completed in 2019 while an integrated urban zone would be developed between 2019 and 2021.

Source: Bisnis Indonesia, 10 July

Brazil: Port-to-port Cargo Transport Rules to be Revised

Brazil's government is getting ready to define new rules for the domestic port-to-port cargo transport. The issue is being discussed by a working group with members of the ministries of agriculture, transport, planning, navy and the treasury. Amongst the proposed strategies to boost this traffic, the secretariat of ports listed a possible 70% corporate tax reduction on these activities, as well as reductions in welfare contributions and other fiscal benefits. The entity is also suggesting resources from the maritime freight federal tax could be used to pay off welfare debts, whereas the ministry of agriculture is proposing to eliminate the tax altogether. The working

group also proposes the elimination of other taxes such as the ICMS on fuel, similarly to other countries. Measures to reduce bureaucracy regarding port-to-port cargo transport are also being discussed.

Source: O Estado de S. Paulo, 7 July

Russia: Sea Ports Handle 322.30 million Tonnes of Freight in H1 2015

According to the Ministry of Transport, the cargo turnover of Russian seaports has increased by 3.5% year on year to 322.30 million tonnes in the first six months of 2015. The port handled 183.60 million tonnes of liquid bulk cargo (+6%) and 138.70 million tonnes of dry cargo (-0.2%). Ports of the Arctic Basin handled 17 million tonnes of cargo (-0.6%), including 11.50 million tonnes of dry cargo (-7.1%) and 5.60 million tonnes of liquid cargo (+16%). Ports of the Baltic Basin increased their turnover by 2.3% to 113.60 million tonnes, liquid cargo turnover amounted to 71.40 million tonnes (+6%) and dry cargo turnover to 42.20 million tonnes (-3.1%). Ports of the Azov-Black Sea basin increased their turnover by 6.7% to 105.10 million tonnes, handling 36.80 million tonnes of dry cargo (+9%) and 68.30 million tonnes of liquid cargo (+6%). Cargo turnover of the Caspian Basin ports lowered by 7.3% to 3.60 million tonnes, including 1.90 million tonnes of liquid cargo (-18.3%) and 1.60 million tonnes of dry cargo (+11%). Ports of the Far Eastern Basin saw their turnover rise by 2.7% to 82.90 million tonnes, they handled 46.70 million tonnes of dry cargo (-2.5%) and 36.30 million tonnes of liquid cargo (+11%).

Source: PortNews, 10 July

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change July 2015/ June 2015
	m ³	% Change July 2015/ June 2015	m ³	% Change July 2015/ June 2015	m ³	% Change July 2015/ June 2015	m ³	% Change July 2015/ June 2015	m ³	% Change July 2015/ June 2015		
Sawntimber	45,753	-24	8,217	30	1,793	18	21	-96	4,543	-23	60,327	-19
MDF	27,777	28	482	150	8,998	-30	7,652	1	9,928	-61	54,837	-19
Mouldings	10,956	-20	336	-15	2,465	15	414	-44	1,710	-10	15,881	-16
Plywood	7,847	16	-	-	7	100	136	92	8,499	-3	16,489	6
Veneer	475	28	16	100	32	100	79	259	236	-48	838	-1
Particleboard	29,437	-18	174	-64	52	-86	478	70	-	-	29,741	-20
TOTAL	122,245	-12	9,225	25	13,347	-21	8,380	-6	24,916	-41	178,113	-17

Source : MTIB

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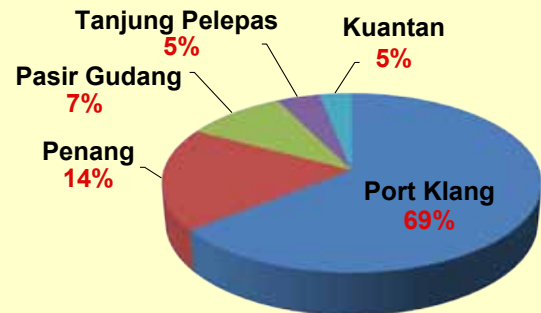
Turkey: TCB of Spain to Upgrade Nemrut Port Terminal

According to Spanish port terminal operator TCB, the company has invested EUR773,875 (USD860) in purchasing eight machines to upgrade its Turkish terminal at the Nemrut bay in Izmir (Turkey).

Source: La Vanguardia, 8 July

JULY 2015

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, July 2015



Total = 178,113 m³

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Contestants from various countries under the Joinery Category.

The young professionals who compete are selected by their respective countries, and may only participate once in the WorldSkills Competition. They must be between the ages of 17 and 22 years in the year of competition. Certificates of Achievement and medals (gold, silver and bronze) are awarded in the competition. Certificates of Excellence are given to competitors who achieve over 500 points. This year, the week-long celebration and showcase of skills brought together the finest young professionals in skilled trades and technologies from 59 member countries and regions. Approximately 1,200 competitors in 46 skills categories, 1,100 experts, 200,000 visitors, 3,500 conference participants and 3,500 accredited delegates attended this largest international vocational education training event in the world. The 44th WSC 2017 will be held in United Arab Emirates (UAE).

Malaysia was one of the participating countries for the event. Through the Ministry of Human Resources, Malaysia had sent 19 contestants to compete in the global arena. The Malaysian contingent participated in 19 trades such as Electronic, IT Network Systems Administration, Fashion Technology, Electrical Installations, Plumbing and Heating, Welding, Hairdressing, Automobile Technology, Refrigeration and Air Conditioning, Mechanical Engineering Design, Mechatronic, IT Software Solution for Business, Aircraft Maintenance, Painting and Decorating, Beauty Therapy, Plastic Die Engineering, Joinery and Cabinet Making.

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

- identify various types of wood and composite materials
- safely operate hand and power tools
- use woodworking machines and perform detailed milling
- perform material breakouts, case work assembly, gluing and laminating
- construct staircases, sashes, doors, mouldings, furniture and cabinets
- execute specialty work involving bends and curves

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

The Malaysian contingent was led by YB Dato' Ismail bin Abdul Mutallib, Deputy Human Resources Minister. MTIB was led by Dr. Jalaluddin Harun, Director-General. MTIB officers namely Encik Amri Mustaffa (expert of cabinet making), Encik Mohamad Fu'ad Ishak (interpreter of cabinet making), Encik Saifol Azri Mohamad (expert of joinery) and Encik Mohd Azizi Razali (interpreter of joinery) also took part in this competition. Dr. Jalaluddin Harun congratulated the Malaysian team for their hard work and commitment throughout the competition.

JULY 2015

Total export of Malaysian timber and timber products in July has shown an increase of 12.1% valued at RM1.87 billion, over the previous month. Likewise, cumulative export for the period of January to July increased 3.2% valued at RM12.3 billion over the corresponding period.

Sawntimber

Export of sawntimber in July 2015 increased 6% in volume and 4% in value to 158,533 m³ with a value of RM246.4 million compared to the previous month. Similarly, cumulative export for the first seven months of 2015 improved 8% in volume and 15% in value to 1.2 million m³ totalled RM1.7 billion over the previous corresponding period.

Export of sawntimber to the EU for the month increased 13% to 13,219 m³ from 11,712 m³ recorded in the previous month. Export to the Netherlands and Germany increased 48% and 9% to 7,912 m³ and 1,840 m³ in the previous month. Likewise, export to Belgium improved 5% to 1,073 m³ from 1,023 m³ in the previous month. In the meanwhile, export to the UK and France declined 33% to 1,045 m³ and 16% to 495 m³ respectively.

Total exports to West Asia declined marginally to 18,002 m³ from 18,214 m³ in the previous month. Export of sawntimber to Oman and Saudi Arabia decreased 13% to 4,628 m³ and 62% to 1,464 m³ respectively. However, export to the UAE increased 19% to 7,216 m³ followed by Kuwait at 40% to 1,254 m³ and Bahrain at 19% to 1,108 m³. The positive improvement is due to increasing construction activities in the region.

Buying from ASEAN increased 28% to 72,385 m³ from 56,554 m³ in the previous month. Export to the Philippines grew from 7,364 m³ in the previous month to 24,391 m³. On the other hand, export to Thailand, major importer of Malaysian sawntimber decreased 2% to 36,686 m³ from 37,303 m³ in the previous month. However, export to Singapore improved 3% to 10,584 m³ whilst shipments to Viet Nam decreased by 51% to 659 m³ from 1,345 m³ recorded in the previous month.

Shipments to East Asia declined 12% to 33,010 m³ from 37,522 m³ in the previous month. Export to China and Taiwan decreased 21% and 37% to 14,758 m³ and 6,803 m³ respectively. However, export to Japan, Hong Kong and South Korea improved by 3% to 5,218 m³, 9% to 707 m³ and 131% to 5,524 m³ respectively.

Elsewhere, export to the US decreased 60% to 667 m³ and similarly intake by Australia decline by 5% to 971 m³. Demand from South Africa decreased slightly to 5,356 m³ from 5,367 m³ recorded in the previous month.

The average FOB price of sawntimber decreased 16% to RM1,554 per m³ from RM1,855 per m³ in the previous month. Price of Dark Red Meranti (DRM) to the Netherlands decreased 25% to RM2,354 per m³ from RM3,159 per m³ in the previous month. Keruing was traded at RM1,494 per m³, a decrease of 10% from the previous month. However, price of DRM increased 11% to RM1,615 per m³ from RM1,460 per m³ in the previous month.

Plywood

Total export of plywood in July increased 25% in volume and 27% in value to 213,871 m³ valued at RM389.30 million as compared to the previous month. However, cumulative exports for the period January-July 2015 decreased by 21% in volume and 13% in value to 1,482,949 m³ and RM2.64 billion respectively as compared to the previous corresponding period in 2014.

Total exports to the EU increased slightly to 9,808 m³. Likewise, shipments to Denmark, the Netherlands and UK increased by 21%, 80% and 11% to 676 m³, 1,065 m³ and 7,582 m³ respectively whilst Germany resumed its intake. However, Belgium and Ireland reduced their intake by 79% and 76% to 131 m³ and 182 m³ respectively whilst France and Italy did not make any purchases.

Exports to ASEAN region decreased as Singapore and Thailand intake of plywood decreased by 9% and 18% to 3,044 m³ and 4,621 m³ respectively whilst Indonesia did not make any purchases. However, Brunei increased its intake by 148% to 599 m³. In East Asia, exports to China, Hong Kong, Japan and Taiwan increased by 162%, 56%, 39% and 28% to 6,861 m³, 4,504 m³, 102,287 m³ and 18,463 m³ respectively whilst South Korea reduced its intake by 20% to 19,539 m³.

Overall, exports to West Asia increased by 346% as compared to the previous month. Shipments to Bahrain, Saudi Arabia, the UAE and Qatar increased by 227%, 308%, 279% and 880% to 703 m³, 9,115 m³, 3,153 m³ and 1,304 m³ respectively whilst Yemen resumed its intake. However Kuwait reduced its intake by 48% to 149 m³.

Elsewhere, exports of plywood to South Africa, the US, Mexico and New Zealand increased by 99%, 63%, 4% and 471% to 513 m³, 6,011 m³, 3,943 m³ and 120 m³ respectively whilst Mauritius resumed its intake. However, Canada and Australia reduced their intake by 43% and 12% to 263 m³ and 2,982 m³ whilst Algeria did not make any purchases.

The FOB price of plywood increased by 1% to RM1,820 per m³ from RM1,802 per m³ in the previous month.

Veneer

Exports of veneer for July 2015 showed an increase of 52% in volume and 74% in value to 22,948 m³ at RM37.4 million as compared to the previous month. Exports to Singapore, Australia and South Korea increased by 123%, 292% and 122% to 29 m³, 208 m³ and 13,612 m³ respectively whilst Canada maintained its intake at 24 m³ and Indonesia and Mexico resumed their intake. Meanwhile, China, Taiwan and Viet Nam reduced their intake by 52%, 18% and 6% to 393 m³, 6,143 m³ and 68 m³ respectively whilst Sri Lanka did not make any purchases.

The FOB price of veneer increased to RM1,628 per m³ from RM1,421 per m³, an increase of 15% from the previous month.

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JULY 2015

Medium Density Fibreboard (MDF)

Malaysia's exports of MDF for July 2015 showed an increase of 6% in volume and 5% in value from the previous month. Export totalled 81,178 m³ and valued at RM92.8 million.

Exports to East Asia registered an increase of 43% to 18,247 m³ from 12,752 m³ in the previous month. Exports to Japan increased by 49% to 16,913 m³ followed by Taiwan, an increase of 6% to 1,185 m³. However, export to China (including Hong Kong) decreased by 25% to 149 m³.

Meanwhile exports to West Asia recorded a negative growth with a decrease of 20% in volume to 27,317 m³ from 34,021 m³ in the previous month. Export to Jordan recorded an increase of 1986% to 2,607 m³ followed by Bahrain at 707% to 1,687 m³ and Lebanon at 26% to 870 m³. On the other hand, export to Oman, Saudi Arabia, the UAE, Kuwait and Qatar dropped by 15% to 1,136 m³, 25% to 5,561 m³, 28% to 11,531 m³, 39% to 2,436 m³ and 84% to 1,489 m³ respectively over the previous month.

Export to South Asia recorded negative growth by 12% in volume to 10,634 m³ from 12,029 m³. Export to Sri Lanka increased by 26% to 1,240 m³ and export to India increase by 11% to 2,506 m³. Meanwhile,

Pakistan and Bangladesh recorded a negative growth by 14% to 6,335 m³ and 60% to 553 m³ respectively. Exports to Australia, the US and South Africa all show a negative growth by 11% to 2,182 m³, 31% to 1,837 m³ and 46% to 273 m³ respectively.

In ASEAN, total export to the ASEAN region for this month showed an increase of 37% to 14,417 m³ from 10,534 m³ in the previous month. Export to Singapore, Viet Nam, the Philippines and Indonesia increased by 65% to 579 m³, 55% to 8,470 m³, 36% to 2,107 m³ and 5% to 2,994 m³ respectively.

Mouldings

Exports of mouldings for the month decreased by 6.9% in volume and 1.7% in value to 21,979 m³ and RM71.2 million respectively. However, cumulative exports for the period of January-July 2015 still on the uptrend by 9.9% in volume and 18.8% in value to 160,400 m³ and RM478.6 million respectively as compared to the previous corresponding period in 2014.

Exports to the EU for the month recorded at 6,674 m³, a decrease of 16% compared to the previous month. Shipment to Belgium increased by 10% to 446 m³ compared to the previous month. However, shipments to Germany, the Netherlands and UK decreased by 3%, 31% and 13% to 1,501 m³, 3,085 m³ and 774 m³ respectively.

Exports to ASEAN region increased as Viet Nam intake of mouldings increased by 98% to 89 m³. However, Singapore reduced its intake by 11% to 1457 m³ and Indonesia did not make any purchases.

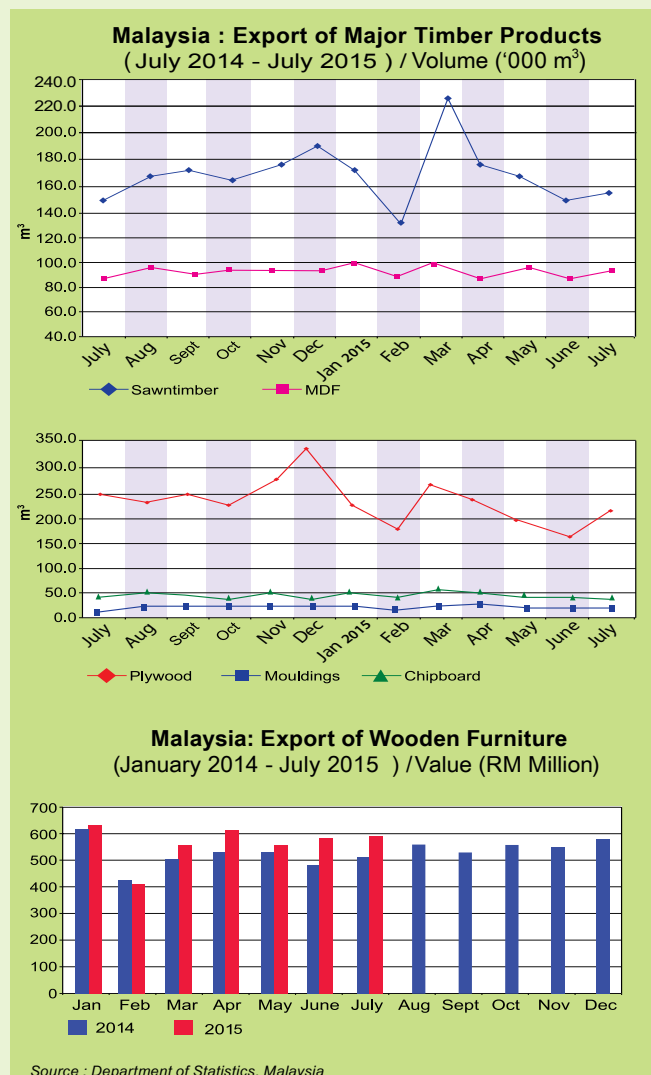
Meanwhile, exports to South Korea increased 69% to 2,304 m³ compared to the previous month. However, Japan, Taiwan, Hong Kong and China decreased by 9%, 90%, 23% and 67% to 2583 m³, 16 m³, 274 m³ and 477 m³ respectively. Elsewhere, export to the US and Canada decreased by 4% and 14% to 2,903 m³ and 74 m³ respectively whilst Australia increased its intake by 17% to 3,418 m³.

FOB unit value increased 6% from RM3,070 per m³ in the previous month to RM3,241 per m³ in July 2015.

Builders Joinery and Carpentry (BJC)

Total BJC cumulative exports from January to July 2015 increased 0.2% to RM586.2 million as compared to RM585.1 million in the corresponding period last year. Export to the EU increased 0.2% to RM163.4 million. Export to the UK, France and Sweden increased by 14%, 1% and 79% to RM92.7 million, RM11.5 million and RM10.6 million respectively. Export to Denmark, Germany, Italy, and Turkey decreased by 23%, 28%, 43% and 61% to RM9 million, RM4.5 million, RM1.7 million and RM1.1 million respectively. Similarly, export to Belgium and Norway decreased by 21% and 36% to RM27.8 million and RM211,000 respectively whilst the Netherlands did not make any purchases.

In Asia, exports to Japan, India, the UAE, South Korea, Saudi Arabia and Qatar decreased 12%, 2%, 64%, 49%, 23% and 48% valued at RM40.7 million, RM36.4 million, RM2.7 million, RM1.3 million, RM4.9 million and



JULY 2015



Logs

Favourable demand for some log species had improved the log prices trend for the month. Most mills also reported that they have adequate logs supply and in a mean time they have started to monitor their stock level due to the coming monsoon month.

Log prices for the species of Chengal, Balau and Merbau stood at RM4,000 per tonne, RM2,820 per tonne and RM2,650 per tonne respectively. Kempas prices, however, rose by 7.4% to RM1,300 per tonne whilst Keruing prices remained at RM1,400 per tonne. Dark Red Meranti and Red Meranti were traded at RM1,900 per tonne and RM1,760 per tonne respectively. Logs price for Mersawa increased by 2.0% to RM1,500 per tonne. On the other hand, log prices for both Mixed Heavy Hardwood and Mixed Light Hardwood were chalking up by 5.3% and 1.7% to RM874 per tonne and RM1,170 per tonne over the previous month.

Sawntimber

Industry representative reported that due to the current market condition, sawntimber industry has been facing a challenging market demand from both domestic and international market.

The sawntimber prices of Chengal, Balau and Red Balau sustained at RM6,638 per m³, RM2,825 per m³ and RM2,966 per m³ respectively. Similarly, sawntimber prices of Keruing maintained at RM1,766 per m³ whilst Kempas grew slightly by 3.2% to RM1,836 per m³ as compared to last month. The Red Meranti prices stood at RM1,589 per m³, however, Mersawa prices improved by 4.8% to RM1,554 per m³. Sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood were recorded to remain at last month's level.

Plywood

The export of plywood continues firm even limited logs supply reported due to illegal harvest control in Sarawak. The supply of plywood to the domestic market remained adequate whereby in general plywood prices in July were reported to hover at last month's level. 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)

Demand for MDF remained low although there was improving demand from key end-used such as construction and furniture industries in the international market. As for the local market demand, the supply reported to suffice and meeting the needs of the local market requirement. 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 *- July 2015

Shipments of logs from Sabah to Peninsular Malaysia resumed in July with the volume of 170 m³ worth at RM380,000. However, shipments of sawntimber and plywood declined sharply by 92% and 49% to 39 m³ and 5,431 m³ valued at RM146,000 and RM9.93 million respectively.

Export of sawntimber from Sarawak to Peninsular Malaysia, reported to grow by triple digit in volume to 1,397 m³ valued at RM1.58 million. Meanwhile, export of plywood fell by 11% in volume to 6,778 m³ worth at RM9.80 million compared to previous month. Shipment of veneer charted an improvement of 1.0% in volume to 5,912 m³ with the value of RM8.36 million.

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

INTRA-MALAYSIA TRADE – JULY 2015

From	Products	JUNE 2015		JULY 2015		% Change in Volume JULY 2015 / JUNE 2015	% Change in Value JULY 2015 / JUNE 2015
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	170	380	100	100
	Sawntimber	475	1,038	39	146	-92	-86
	Plywood	10,549	19,080	5,431	9,927	-49	-48
	Veneer	39	80	0	0	-100	-100
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	440	412	1,397	1,582	218	284
	Plywood	7,588	10,580	6,778	9,796	-11	-7
	Veneer	5,859	8,380	5,912	8,357	1	0

Source : Department of Statistics, Malaysia

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

SPECIES	LOGS/tonne	SAWNTIMBER/m ³		
	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	874	812	689	742
MEDIUM HARDWOOD				
Keruing	1,400	1,766	1,271	2,203
Kempas	1,300	1,836	1,730	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	1,500	1,554	1,024	1,412
Nyato	900	777	565	1,201
Sepetir	850	1,107	918	1,118
Jelutong	1,030	1,405	1,306	1,554
Mixed Light Hardwood	1,170	812	706	657
MALAYSIAN RUBBERWOOD				
<i>Hevea brasiliensis</i>	LOGS/tonne 160	SAWNTIMBER/m ³		
		1" X 1"	2" X 2"	3" X 3"
		706	1,045	1,081
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

RM2.1 million respectively. However, exports to Singapore, Pakistan, Viet Nam, Thailand, Taiwan and Iran grew 5%, 13%, 52%, 4%, 11% and 135% to RM71 million, RM21.8 million, RM18.6 million, RM19.2 million, RM10.8 million and RM651,000 respectively.

Exports to Australia, South Africa and Maldives increased by 10%, 54% and 105% to RM83.3 million, RM10.2 million and RM6.4 million respectively. Likewise, the US increased its intake by 6% to RM52.6 million from RM49.7 million in the previous corresponding period.

Furniture

Malaysia's exports of wooden and rattan furniture between January to July 2015 increased by 8% to RM3.9 billion as compared to RM3.6 billion recorded in the previous corresponding period of last year.

Purchase of wooden furniture from Malaysia for the January to July 2015 duration increased 9% from RM3.6 billion to RM3.9 billion compared to the same period in 2014. Demand for wooden furniture for July 2015 was positive across most major markets. Demand from the US remained firm as export rose 20% from RM1.1 billion to RM1.3 billion.

Imports by Australia improved by 23% from RM233.6 million to RM287.9 million in the first seven months of 2015. Similarly, Singapore increased its wooden furniture consumption by 7% from RM202.8 million to RM216.8

million. The UK follows suit with an increase import by 7% from RM189.2 million to RM202 million. Canada increased its intake of wooden furniture by 3% to reach RM169.4 million. However, export to Japan showed a decrease of 1% from RM279.4 million to RM277.9 million and imports by India weakened by 1% to RM69.9 million.

In West Asia, the UAE continued to reduce its imports by 4% to RM130.7 million in 2015. However, exports to Saudi Arabia improved by 43% to RM121.7 million. In East Asia market, exports to South Korea climbed by 5% to RM69.8 million for the first seven months of 2015 from RM66.4 million to RM69.8 million.

Meanwhile, exports of rattan furniture for the period declined by 26% to RM17.8 million. Demand by Singapore fell by 48% to RM2.9 million. Similarly, shipments to Thailand, China and India decreased by 32%, 84% and 46% to RM0.8 million, RM0.3 million and RM2.7 million respectively. However, exports to the UK, France, the US and Viet Nam improved by 18%, 89%, 11% and 65% to RM2.3 million, RM0.3 million, RM1.2 million and RM0.2 million respectively. Similarly, import by Belgium also increased by 16% to RM0.2 million.

NORWAY**Tough Business for Furniture Makers**

The Norwegian furniture manufacturing industry in the Sunnmøre district has seen a major downturn over the last 15 years with employment figures dropping from 450 to 50. Helland Møbler is the latest player to close down and choosing to relocate production to Estonia. Daily Manager, Joakim Helland concludes that the company will be unable to compete if it continues with Norwegian production and salaries.

Chair maker Sitwell on the other hand has seen strong growth since its decision to focus more on furniture tailored for the elderly, recording 13% turnover growth in 2014 to Norwegian Krone (NOK) 17.50 million (EUR1.94 million/USD2.14 million)

Dagens Næringsliv, 11 August

PHILIPPINES**Second Quarter 2015 GDP Up**

For the second quarter of 2015, the Philippines GDP increased 5.6% year-on-year compared with a 6.7% growth in the same period a year ago, according to the Philippine Statistics Authority. The first quarter 2015 GDP grew by a revised 5%. During the second quarter of 2015, the industry sector grew 6.1%, while the service sector rose 6.2%. Construction surged 14.6% but agriculture fell 0.5%. Exports increased by 3.7%.

Business World, 27 August

RUSSIA**Round Wood Exports Down**

According to the Federal Customs Service (FCS), in the first half of the year 2015 round wood exports amounted to 9.21 million m³ (-8.2% year-on-year) worth USD682.80 million (EUR625.03 million; -24.5%). Russia supplied 259,700 m³ worth USD12.20 million to the Commonwealth of Independent States (CIS) (-5.4%; -36.8%, respectively) and 8.946 million m³ of round wood worth USD670.60 million to non CIS countries (-8.3%; -24.2%).

Lesprom, 7 August

Reducing Duties on Exports of Wood and Wood Products

Prime Minister Dmitry Medvedev has signed a decree reducing export duties on a number of products, including wood and wood products. The decision applies to exports to countries outside the Customs Union.

Lesprom, 7 August, online

SOUTH KOREA**Economy in 2016 to Grow 3%**

It is anticipated that the economy of South Korea will grow 3% in 2016. In the first three months and second quarter of 2015, the gross domestic product (GDP) of the nation decreased below the 1% level. This is largely attributable to the Middle East Respiratory Syndrome (MERS) outbreak and a slip in exports. For the third and last three months of 2015, a 1% growth can be recorded respectively. For 2015, it is projected that the economy of the country will climb by at least 3%. South Korea is the fourth biggest economy in the region.

Yon hap News Agency, 26 August

SWEDEN**Decreasing Saw Log and Increasing Pulpwood Prices**

Swedish saw log prices decrease by 1% in the second quarter of 2015 compared to the prior quarter while pulpwood prices increased by 1%. According to the Swedish Forest Agency (Skogstyrelsen), saw log prices decreased in all Swedish regions: in the Northern Region by 25 and in the Central Region and in the Southern Region by 1 and 3% respectively.

Pulpwood prices rose by 1% in the Central Region while the pulpwood prices in the Northern Region and in the Southern Region were unchanged.

When comparing the second quarter of 2015 and the same quarter of 2014, saw log prices in Sweden had risen by 5% and pulpwood prices, by 2%.

Fordaq, 20 August

SWITZERLAND**Price of Wood Pellets Remains Stable**

The retail prices for wood pellets in Switzerland remained stable in August. The average price of pellet currently stands at CHF373.70/tonnes (EUR351.55), and thus only 0.1% below the previous month. Compared with August 2014, the average price fell by 6%. In Euro terms it is higher by 7.5%. Depending on the order quantity the price varied between CHF362.71/tonnes (EUR341.21) and CHF386.02/tonnes (EUR363.14).

Fordaq: 5 August

TURKEY**Export Down By 15.4%**

Turkey generated USD11.20 billion (EUR10.20 billion) from exports in July 2015, down by 15.4% compared to July 2014. Turkey had generated USD12.50 billion

exports revenue in July 2014. In the same term, imports fell by 8.5% down to USD18.25 billion. In July 2015, Turkey's foreign trade volume shrank by 11.2% down to USD29.50 billion values whereas the rate of exports meeting imports was 61.2%, down from 66.2% in July 2014.

Dünya Gazetesi, 3 August

UKRAINE Economy to Grow

The best case scenario of Ukraine's development in 2016 stipulates that its GDP will grow by 2%, the inflation will total 12% and the unemployment rate will amount to 10.4%. The scenario was presented in a decree issued by the Cabinet of Ministers on 5 August 2015. Under a worst-case scenario, the economy of Ukraine will contract by 0.3% in 2016, nominal GDP will amount to Ukrainian Hryvnia (UAH) 2.25 trillion (EUR96.98 billion/USD106.34 billion). This scenario stipulates that the inflation will amount to 14.7% in December 2016 in comparison with the previous year. The unemployment rate will total 10.8% in 2016.

The cabinet expects the economy growth to speed up and the inflation pace to slow down in the next three years. It also thinks that foreign trade deficit will grow to USD3.27 billion (EUR2.98 billion) by 2019 under the best-case scenario and to USD1.64 billion under the worst-case one. In 2017, GDP will grow by 3.5% under the best-case scenario and by 1% under the worst-case one. The inflation will amount to 8.1% or 10.3% respectively in December 2017 in comparison with the previous year.

Delo.ua, 10 August

VIET NAM Wood Industry Posts Increased

According to the General Department of Customs, the wood industry in Viet Nam grew 8.4% in total export value to USD3.70 billion (EUR3.36 billion) in January-July 2015. The growth was attributed to high demand from the world market, high quality of wooden products, and free trade deals. The three biggest export markets were Japan, China and the US, representing 66.3% of total export value. The wood industry is projecting USD7.2 billion in total export value for 2015.

Viet Nam News, 8 August

Malaysian Wood

Standing on Excellence



Multiple Uses, Variable Styles

Incomparable Malaysian Wood. Choice for those with exclusive preference. Pushing the frontier of imagination and creativity. Our Heritage, Our Pride.



Malaysian Timber Industry Board
(Ministry of Plantation Industries and Commodities)
Level 13 - 17, Menara PGRM
No. 8, Jalan Pudu Ulu, Cheras
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MALAYSIAN TECHNICAL COOPERATION PROGRAMME



Delegates at Rumah Melaka.



Delegates at Galeri Glulam Johor Bahru.

The Government of Malaysia organised a short term study visit entitled 'Myanmar's Familiarisation Visit on Timber Industry to Malaysia' from 18 to 30 August under the Malaysian Technical Cooperation Programme (MTCP). Fourteen participants from the Republic of the Union of Myanmar attended the programme conducted by MTIB. In line with the objective of MTCP which is to share Malaysia's development and expertise, the programme aimed to provide the participants with knowledge and a better understanding of the development of the timber industry in Malaysia. MTCP was established 35 years ago and its main objective was to share Malaysia's development experience with other developing countries within the framework of South-South Cooperation. Malaysia hopes that these experiences would be useful for other developing countries as part of their own development process with the primary belief is that the development of a country depends on the capabilities of its human resources.

Through MTCP, Malaysia has undertaken the commitment to assist other developing countries to develop their human capital by providing training and assistance in various key technical fields which are vital for economic and social development. This is the second programme organised by MTIB under MTCP. The first programme was held in 2014 for only six participants. To date, more than 28,000 participants have taken part in the various courses offered under MTCP and the number continues to grow every year.

Malaysia and Myanmar have bilateral ties and collaboration in the timber trade with the signing of a Memorandum of Understanding (MoU) on 28 March 2012 in Yangon, Myanmar. MTIB was represented by Dr. Jalaluddin Harun, MTIB Director-General while Myanmar Timber Merchants Association (MTMA) was represented by its Chairman, Mr. Sein Lwin. The exchange of documents was witnessed by YAB Dato' Sri Mohd Najib Tun Abdul Razak, Prime Minister of Malaysia. The main areas of collaboration between MTIB and MTMA are training, capacity building, marketing and trade facilitation, and exchange of formation and knowledge sharing. As part of the MoU signed between MTIB and MTMA, both parties agreed to

conduct a training and capacity building programme for the timber industry and related institutions and organisations in Myanmar. This 13-day programme included lectures and practical sessions at Wood Industry Skills Development Centre (WISDEC), visits and meetings with MTIB, Galeri Glulam, Rumah Melaka, Forest Plantation at Empangan Jus, Forest Research Institute Malaysia, and local timber industry such as LY Furniture Sdn. Bhd., Woodsfield Timber Industries Sdn. Bhd., Dynamic Furniture Industries (M) Sdn. Bhd. and Weng Meng Industries Sdn. Bhd.

Bilateral cooperation between Malaysia and Myanmar in the commodity and timber sectors continue to grow with a lot of opportunities for both countries to especially further strengthen the timber sector. Both countries are endowed with tropical forests which offer a steady supply of raw materials. While Malaysia and Myanmar share some similarities, the timber industry in both countries differs in terms of the level of development. Myanmar is a dominant supplier of primary processed timber, whereas Malaysia has established itself as one of the leading suppliers of downstream processed timber products. The collaboration between the two nations offers vast opportunities for the timber industry in both countries to undertake joint efforts, to improve their comparative advantages. The Malaysia-Myanmar cooperation will help fortify Malaysia's efforts to develop and enhance the timber industry to compete in the global economy. In addition, this bilateral cooperation will benefit trade and investments between Malaysia and Myanmar as well as ASEAN. 



The group at Woodsfield Timber Industries Sdn. Bhd.

CULTIVATING LEAN MINDSET AMONG MALAYSIAN TIMBER INDUSTRY



Participants attending the workshop.

MTIB, in collaboration with the Malaysian Productivity Corporation (MPC) organised a workshop on Lean Leadership Awareness from 10 to 11 August in Ayer Keroh, Melaka. This workshop is part of MTIB's Lean Management Programme 2015 which aims to increase awareness of the importance of having an efficient source of management through proper lean practices thus contributing to increase productivity and promoting higher profit through successful waste management.

Encik Rosmi Abdullah from MPC in his welcoming speech encouraged and welcomed those from the wood-based industry to implement lean management into their organisation. He also expressed his hopes that the lean culture would spread to the entire Malaysian timber industry. The next speaker was Puan Hj. Noor Laila Mohamed Halip, MTIB Director of Strategic Planning and Corporate Affairs who explained that the programme was in its second year. She then shared some success stories from previous participants.

The two-day workshop was facilitated by Ir. Riwayat Bin Mansor who has an extensive experience serving multi-national corporations for almost 30 years.



Ir. Riwayat Bin Mansor, the facilitator.

He is also one of MPC's Lean Champions which refer to individuals who possess a certification or professional certificate in the field of lean management such as lean six sigma green/black belt and TPM management.

Ir. Riwayat explained the background of lean management and talked about how to promote a more lean culture within respective organisations. He also demonstrated the performing value stream mapping (VSM) which is crucial into identifying any waste that a process may have. Other than that, he spoke on various lean tools and techniques that the participants can utilise in their workplace.

The workshop was attended by 37 participants from 14 wood-based companies. MTIB was represented by Encik Shamsul Azman Abdul Aziz, Encik Shah Badri Mohd Nor and Encik Rasfan Akram Akmal from Strategic Planning and Corporate Affairs; and Puan Norzila Amir Rudin from the Director-General Office.



Puan Hj. Noor Laila Mohamed Halip, MTIB Director of Strategic Planning and Corporate Affairs presenting her paper.

EGILAT 8 : ENHANCE COLLABORATION IN COMBATING ILLEGAL LOGGING AND ASSOCIATED TRADE



Joint Experts Group on Illegal Logging and Associated Trade (EGILAT) and the Sub-Committee on Customs and Procedures (SCCP) Meeting.



APEC Experts Group on Illegal Logging and Associated Trade.

Illegal logging and its associated trades are a significant problem facing the Asia-Pacific region. It is driven by a complex set of factors and has adverse economic, environmental and social impacts. Seeing as the Asia Pacific Economic Cooperation (APEC) economies own more than 50% of the world's forest, produce 60% of global forest products and account for 80% of global trade in forest products, the Experts Group on Illegal Logging and Associated Trade (EGILAT) was established.

Among the objectives for the establishment of EGILAT were to promote trade of legally harvested forest products, combat illegal logging and associated trades, and build capacity. EGILAT is also responsible for identifying appropriate measures to prohibit trade in illegally harvested forest products, promoting sustainable forest management, and working with relevant organisations such as customs, anti-corruption agencies and port authorities.

The Eighth Meeting of The APEC EGILAT (EGILAT-8) held on 22 - 26 in Cebu City, Philippines aimed to strengthen relations among APEC Economies in the area of information sharing, policy dialogues, enhanced capacity, cooperation and collaboration in areas of mutual concerns toward combating illegal logging and associated trades and promoting trade in legally-harvested forest. The meeting was conducted in several sessions. One of the sessions provided member economies with the opportunity to exchange information, views, experiences including developments of laws, regulations and new technologies designed to assist in efforts to combat illegal logging and associated trades. In this session Australia presented the implementation of two Australian illegal logging laws. The laws were *Illegal Logging Prohibition Act 2012 (the Act)* and *Illegal Logging Prohibition Regulation 2012 (the Regulation)* which commenced in November 2012 and 30 November 2014 respectively. Russia presented the New Russian Federal Law on Round Wood 415-FZ. The law prescribes the requirements to declare round wood sales and open source data base, marked individual logs of Oak, Ash and Elm and issuance of transportation documents. In the Capacity Building session, China updated the Training Workshop on Enhancing Forest Governance for Asia and Pacific in the context of Timber Legality Verification which is

hosted by China. The objective were to identify challenges of forest resource management, timber legality issues, and opportunities for information sharing and strengthening regional cooperation. Sixteen participants from 10 countries attended the workshop.

The other two sessions were the joint EGILAT and the Sub-Committee on Customs Procedures (SCCP) Meeting and joint EGILAT and the Anti-corruption and Transparency Working Group (ACTWG) Meeting. Both joint meetings aimed to enhance collaboration in combating illegal trade as well as reducing corruption risk in relation to illegal logging and associated trades.

Other matters presented during the EGILAT-8 Meeting was the APEC 2013-2017 Strategic Plan, EGILAT 2016 Work Plan and the Update on Timber Legality Guidance Template. The presentations were agreed upon by EGILAT members for further action.

The EGILAT-8 Meeting was attended by representatives from 21 economies. Delegates from Malaysia were Cik Kanagadevi Pachaippan (MPIC), Puan Dayang Nena Abang Bruce (STIDC), Encik Harry Yong (Forestry Department Peninsular Malaysia), Encik Wahab Ahmad (Sarawak Forestry Department), Puan Annie Ting (Sarawak Timber Association) and Tuan Hj. Zulkepli Abd Rani (MTIB).



Malaysia delegates.

TECHNICAL TRAINING IN FRAUNHOFER WKI, GERMANY



Hands-on technical training for mechanical testing.

The Fibre and Biocomposite Centre (FIDEC) is the testing unit for wood-based products under MTIB. On 3 November 2014, FIDEC was certified as an accredited testing laboratory under scope ISO 17025 by Standard Malaysia. To further improve and increase the competency of the laboratory and signatory personnel according to ISO/IEC 17025, a training programme was held in Fraunhofer Institute, Wilhelm-Klauditz-Institut (WKI), Braunschweig, Germany from 4 to 12 August.

The training programme was carried out in two parts: mechanical and chemical emission tests. The mechanical session was conducted by Mr. Mathias Belda, Quality Assessment Officer with the mechanical laboratory. The hands-on training focused on mechanical and physical tests such as internal bonding, static bending, surface soundness, thickness swelling, density, moisture content and shear, for wood-based panel products. The training also included a general overview on health and safety requirement and products standards as below:-

- EN 13986 – Wood-based panels in use for construction – Characteristics, evaluation of conformity and marking
- EN 300 – OSB - Specifications
- EN 312 – Particleboard - Specifications
- EN 622 – Fibreboard - Specifications
- EN 636 – Plywood - Specifications

The second part of the programme - Formaldehyde emission - was led by Miss Bettina Meyer, the quality assessment officer in the Formaldehyde Analysis Department. This was then followed by volatile organic compound (VOC) determination, which was led by Dr. Tobias Schripp from the Department of Material Analysis and Indoor Chemistry. This session focused on the technical aspect especially on the method and practices to reduce experimental error and to have a better understanding to determine the formaldehyde emission properties from wood panel products. The theoretical session, which also included the “overview and comparison of all chamber

methods used for formaldehyde determination for each standard”

The training covered areas of principle, sample preparation, sample preconditioning, sampling, testing procedures, evaluation, disadvantages and advantages of each standard used, sample measurement, analysis of air sample, calculation and reporting. The participants ran the tests according to British Standard in determining formaldehyde release such as :

- EN 717-1 : Chamber method
- EN 717- 2 : Gas analysis method
- EN 120 : Perforator Method

The training was attended by Dr. Loh Yueh Feng, Cik Noor Intan Saffinaz Anuar, Encik Mohd Radzi Buang, Dr. Yeoh Beng Hoong, Puan Norjihan A. Bakar and Encik Mohd Azuar Husin. 



Hands-on technical training for testing formaldehyde emission and volatile organic compound.

18th ASOF AND RELATED MEETINGS



ASEAN Senior Officials on Forestry (ASOF) meets annually to formulate and implement regional cooperation activities in support of the following strategic thrusts: ensuring sustainable forest management and conservation of natural resources; strengthening ASEAN cooperation and joint approaches in addressing international and regional forestry issues; promotion of intra and extra ASEAN trade in forest products and private sector participation; increasing productivity and efficient utilisation of forest products; and capacity building and human resources development.

The 18th Meeting of ASOF was held on 6-8 August in Yogyakarta, Indonesia. Mr. R. Sutarto, Head of Forestry and Agriculture Service of Special Territory of Yogyakarta, representing Governor of Yogyakarta welcomed all ASOF Leaders and their delegates to the city of Yogyakarta.

Dr. Henry Bastaman, Director-General of Research, Development and Innovative Agency, Ministry of Environment and Forestry of Indonesia also welcomed all ASOF Leaders to Yogyakarta and expressed his appreciation at being given the honour of hosting the 18th Meeting of the ASOF in Yogyakarta, Indonesia. He noted that sustainable forest management is one of ASEAN's key efforts in realising the ASEAN goal towards 2025.

Through the meeting, Dr. Henry Bastaman hoped ASEAN could develop a Strategic Plan of Action (SPA) for ASEAN cooperation in Forestry (2016-2025) that reflects the measures to address common concerns at the regional level and to ensure its alignment with ASEAN's member countries' (AMS) national strategic plans. He concluded his remarks by extending appreciation to all AMS who have shown the passion and commitment to make the ASEAN collaboration even stronger in the future.

The 18th ASOF Meeting was held in plenary and closed session. Several important issues were highlighted and deliberated during the meeting. The issues included progress in the implementation of policy framework related to ASEAN cooperation in forestry, roadmap for an ASEAN community (2009-2015), strategic plan of action (SPA) of ASEAN cooperation in forestry (2011-2015), joint consultation with the chairman of ASEAN on prevention of forest fire in the ASEAN region, sustainable forest management in ASEAN, ASEAN cooperation programmes and projects in forestry, joint ASEAN positions and approaches on regional and international forestry issues, ASEAN forest and environment issues, and ASEANROK cooperation in forestry.

The meeting agreed in principle to the five Strategic Thrusts for ASEAN Cooperation in Forestry, namely Promoting Sustainable Forest Management; Enhancing Trade Facilitation, Economic Integration and Market Access; Strengthening ASEAN's Joint Approaches on Regional and International Issues Affecting the Forestry Sector; Enhancing the Forestry Sector Resilience and Role in Climate Change; Institutional Strengthening and Human Resources Development.

In conjunction with the ASOF Meeting, the Seventh Meeting of the ASEAN Experts Group on Forest Products Development (AEG-FPD) was earlier held on 3-4 August at the same venue. The meeting discussed the decision, progress, and follow up actions made during the last ASOF, SOM-AMAF, AMAF Meetings and the ASEAN Summit which included the Roadmap for an ASEAN Community (2009-2015), the ASEAN Economic Community (AEC). Some of the issues updated were identification, support of project proposals and accelerating possible areas of cooperation for forest products development and trade; establishment of networking among ASEAN research and trade promotion institutions to facilitate exchange of information, transfer of technology, and sharing of expertise in forest products development and trade, compilation of information on promotion, transfer of technologies and innovations on plantation timber species; regional knowledge network on forest products development; promoting quality standards/diversification of forest products; common non-tariff barriers to trade in forest products; strengthening cooperation in HRD in forest products development and capacity building; bamboo utilisation; harmonisation of technical regulations to facilitate trade; aligning national standards and testing protocols in line with existing internationally recognised standards; development of national standards and standards harmonisation/alignment; and documentation of best practices/ database for forest products development information system. The Malaysian delegation was led by Cik Hjh. Robiyah Hj. Husin, MTIB Senior Deputy Director of Trade Development.

Ensuing to the AEG-FPD Meeting, the 16th Seminar on Current International Issues Affecting Forestry and Forest Products: Sustainable Forest Management and Climate Change Beyond 2015 was also held on 5 August. A total of eight papers were presented during the seminar. The topics were Forest and Climate Change by Dr. Grace Wong from CIFOR, Indonesia; Adaptive Species by Dr. Rina Laksmi Hendrati from FOERDIA, Indonesia; Bringing Regional and International Agenda by Mr. Tint Swe from ASEAN Social Forestry Network, Indonesia; Investing for Local Communities by Mr. Ronakorn Triraganon from The Centre For People and Forest (RECOTC), Thailand; Sustainable Forest Management and Climate Change in Cambodia by Mr. Hang Suntra from Forestry Department, Cambodia; Implementing FLEGT-NETT by Dr. Agus Justianto, from The Minister of Natural Resources Economic, Indonesia; Progressing FLEGT in Southeast Asia through ASEAN Cooperation in Forestry by Puan. Aimi Lee Abdullah, EU-FLEGT Facility, Malaysia; and ASEAN-ROK Forest Cooperation: Driving Towards a Greener Asia by Mr. Htain Lin from ASEAN-Korea Forest Cooperation Secretariat (AFoCo) Secretariat, Myanmar.

The AEG-FPD, the Seminar and the ASOF Meeting were attended by representatives from nine AMS comprising Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand and Viet Nam as well as the ASEAN Secretariat; and their respective

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delegations. Representatives from the Korea Forest Cooperation Secretariat, the ASEAN-Swiss Partnership on Social Forestry and Climate Change (ASFCC), and the ASEAN-German Programme on Response to Climate Change (GAP-CC) were also in attendance.

The Malaysian delegation to the 18th ASOF Meeting was led by Dr. Megat Sany Megat Ahmad Supian, Under-Secretary, Ministry of Natural Resources and Environment. MTIB was represented by Cik Hjh. Robiyah Hj. Husin, Senior Deputy Director of Trade Development.



Group photo session of the AEG-FPD.



ASOF meeting in session.

TORSION MACHINE TRAINING AT PENNSYLVANIA, USA



Representatives from MTIB, UiTM and Tinius Olsen at Tinius Olsen Testing Machine Co. Inc, Pennsylvania



Discussion on the installation of machine at site.

The timber industry is an important contributor to the market with an annual export value of approximately RM20 billion and RM13 billion for the domestic market. As such, MTIB is involved with several R&D activities to increase the use of timber especially in the construction industry. At present during international standardisation activities in particular at ISO/TC 165: Timber Structure, there is lack of testing data on Malaysian Hardwood in particular data on structural timber which are required in standards development at both national and international levels. Therefore International Standard Organisation (ISO) meeting has requested that Malaysia to provide relevant data to be added in several standards on timber structure to be used as reference by the markets and to ensure compliance to requirements in Eurocode 5.

In line with MTIB's role as a Standards Development Agency (SDA) and being the agency responsible for enhancing the use of structural timber in both domestic and international markets, MTIB, in collaboration with Universiti Teknologi MARA (UiTM) is carrying out an Engineered Timber Product (ETP) development programme. The programme aims to obtain relevant testing data of hardwood timber to be used as structural components in the construction industry and one of the scopes involved is the purchase of the "torsion machine" for shear testing.

To ensure the specification and the functions of the machine, MTIB together with representatives from UiTM organised a capacity building programme on the use of the torsion machine at Tinius Olsen Testing Machine Company, Horsham, Pennsylvania, USA. Tinius Olsen is the leading specialist manufacturer and supplier of materials testing machines. Their machine is designed for use in Research and Quality Control to measure material strength and performance.

The torsion machine is used to determine the ultimate torque load of a specimen, and specimen behavior under conditions of continuous or intermittent torque loading in both directions. The machine comprises

a variable speed drive loading system and a digital control and indicating system in a fixed section of the machine. The weighing head with its strain gage torque sensor is mounted on a movable section that can be positioned on rails to accommodate specimens of varying lengths. MTIB has purchased the 12,000 N.m capacity torsion machine. This machine can hold 76 mm diameter of samples of 1524 mm length.

The delegates were also trained how to use the machine software. The software is designed for data acquisition, data analysis, and also can be used for all types of machines manufactured by Tinius Olsen. The software helps to generate test reports. The software also has the ability to recall, re-plot and re-scale the test graph results. Besides that, the software is also suitable for all standards as long as the standard is stored in its system.

The programme was led by Mr. Floyd Day, Factory Sales Manager of Tinius Olsen and the delegates who participated in the programme were Prof Dr. Zakiah Ahmad (UiTM), Dr. Mohd Fadhil Arshad (UiTM), Encik Muhammad Shaiful Nordin (MTIB), Encik Abd Yazid Abd Hamid (MTIB) as well as a representative from the machine supplier.



A representative from Tinius Olsen (Centre), explaining on the operation of torsion machine.

SEVENTH RCEP SWG-ROO NEGOTIATION



Meeting in session.

The Ninth Regional Comprehensive Economic Partnership (RCEP) and Related Working Groups, Sub-Working Groups and Meetings were held from 1 to 7 August in Nay Pyi Taw, Myanmar. RCEP is a proposed free trade agreement (FTA) between the 10 member states of the Association of Southeast Asian Nations (ASEAN) and the six states with which ASEAN has existing FTAs (Australia, China, India, Japan, South Korea and New Zealand).

RCEP is ASEAN-led and aims to achieve a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement among its members. RCEP also aims to bring together the 16 countries into a huge cohesive economic partnership with emphasis to promote inclusive and equitable growth. It further targets to streamline and integrate the ASEAN+6 FTAs into a single and more coherent trade and investment architecture in the region. RCEP will cover trade in goods, trade in services, investment, economic and technical cooperation intellectual property, competition, dispute settlement, and other issues agreed by RCEP parties.

MTIB participated in The Seventh Meeting of the RCEP Sub Working Group on Rules of Origin (SWG-ROO) which was held on 2-4 August. Representatives from all ASEAN Member States (AMS), ASEAN FTA Partners (AFPs) and

ASEAN Secretariat attended the meeting. The meeting was chaired by Ms. Suchaya Chinwongse, Director of Rules of Origin Division, the Customs Department of Thailand and facilitated by Mr. Jae Mok Lee, Director, Ministry of Strategy and Finance of Korea. The meeting of the RCEP SWG-ROO was held in plenary. The meeting discussed the follow-ups to the decisions of the Seventh RCEP TNC and Seventh WGTIG, Structure, Elements and Text of the Rules of Origin (ROO) and its operational certification procedures (OCP), PSR negotiations, work plan of the sub-working group on ROO, full cumulation and Early Harvest Initiatives under RCEP Economic and Technical Cooperation. AMS submitted additional 71 subheadings in this round with a total of 535 subheadings. The upcoming Eighth RCEP SWG-ROO meeting will be held in parallel with the 10th RCEP TNC which is scheduled to convene on 8-16 October 2015 in Busan, Korea.

The Malaysian delegation to the RCEP SWG-ROO meeting was led by Encik Muthafa Yusof, Strategic Trade Controller of the Ministry of International Trade and Industry. Other representatives from Malaysia were Encik Pubadi A/L Govindasamy (Ministry of Plantation Industries and Commodities), Encik Shafizal Yusof (Malaysian Rubber Board), and Puan Nazlin Ismail (Malaysian Palm Oil Board). MTIB was represented by Encik Mohd Afthar Amir from Trade Development.



ARCHIDEX 2015 – EXHIBITION GOES GREEN



Bamboo Structure House from Design Principle Sdn. Bhd.



Bamboo furniture and bamboo kitchen cabinet.

The annual ARCHIDEX (International Architecture Interior Design and Building Exhibition Malaysia) was held at the Kuala Lumpur Convention Centre (KLCC), on 12-15 August. The co-organisers of the Event were the Malaysian Institute of Architects (Pertubuhan Akitek Malaysia, PAM) and C.I.S Network Sdn. Bhd. Since its introduction in 2000, ARCHIDEX has been Malaysia's most successful annual industry event for the architecture, interior design and building industries.

This year, ARCHIDEX 2015 attracted over 34,000 visitors from over 60 countries. There was also a 4% increase in the number of booths set up, with 1,300 booths taken up by 550 Malaysian and international companies. Besides Malaysia, other countries also participated in this year's exhibition and networking event. The countries included Austria, Australia, Belgium, France, Germany, Netherlands, Spain, Switzerland, Turkey, USA, China, Hong Kong, Indonesia, Japan, Korea, Singapore, Taiwan and Thailand.

The event this year marked the start of a unique green collaboration between ARCHIDEX and the Malaysian Association of Convention and Exhibition Organisers and Suppliers (MACEOS) which aims to support our industry partners to stage exhibitions and events with a consciousness and commitment towards the environment. This year's ARCHIDEX took into consideration green measures, which is reducing the usage of paper by implementing new technologies such as mobile applications or Quick Response (QR) codes, using recycled paper for

all printings, fixing energy-saving lights in booths to reduce the carbon footprint and re-using the exhibition construction materials for future events.

The four-day event was also packed with concurrent events and networking sessions through its conferences, forums, trade talks, daily presentations, discussions, meetings, award ceremonies, product launches, hosted cocktails and a gala dinner. The beauty of ARCHIDEX is the opportunity to network with traders across the globe and experience the power of face-to face business meetings instead of via e-mail or phone.

MTIB also participated at ARCHIDEX 2015, promoting Malaysian timber and timber products as well as bio-composite products. Nine companies joined MTIB at this fair namely Design Principle Sdn. Bhd., Pro Team Interior Sdn. Bhd., PFT Timber Sdn. Bhd., Door Master Enterprise, Inception Design and Trading Sdn. Bhd., Greenwood Composite Sdn. Bhd., Duralite (M) Sdn. Bhd. and Advance Building Concept Sdn. Bhd. and TANGGAM by MTIB. The companies displayed products such as bamboo furniture, outdoor furniture, timber flooring, doors, palmwood furniture, wood cement board and wood plastic composite decking. ARCHIDEX was an excellent platform to enable Malaysian companies particularly from the timber industry to showcase and introduce their products to a wider market.



WPC decking.



Products from TANGGAM by MTIB.

TECHNICAL MISSION TO BSNi ISO 2426-4: PALMWOOD PLYWOOD



Puan Syafinaz Abd Rashad from MTIB (third from left) briefed on the structure of ISO / TC 89 which covered the business plan and outcome of ISO 2426-4 at the international level.

Malaysia is now in the process of developing the ISO 2426-4, Plywood-Classification by Surface Appearance, Part 4: Palm Plywood. This ISO document is under the purview of SC3: Plywood ISO/TC 89: Wood-based Panels. It applies to palm-plywood, the surface veneer which is made from oil palm trunk. During the last ISO/TC 89 meeting in Torino, Italy, the committee agreed to this document as a New Work Item Proposal (NWIP) to the next stage as a Working Draft (WD). To fulfill the requirements, at least six countries must agree to participate in the development of the standard. As of the last meeting, only five countries have stated their willingness to participate in preparation of the preliminary draft of the project: Malaysia (Project Leader), France, Germany, China and Japan.

As Indonesia is the second largest global contributor of oil palm trunk, after Malaysia, and being a 'P' Member in the ISO/TC 89, MTIB has taken the effort to meet up with Badan Standardisasi Nasional Indonesia (BSNi) on 18-20 August to explain further and convince them to participate in the development of the ISO document.

Puan Syafinaz Abd Rashad, Head of Delegation, presented the structures of ISO/TC 89, covering the business plan and the outcome of ISO 2426-4 at the International level. She also explained the benefits of participating in the drafting process. Dr. Loh Yu Feng then presented an overview of the Malaysian oil palm trunk industry.

Indonesia informed MTIB that there would be a meeting on 20 August 2015 at the national level to discuss further and decide their stand on the project. Indonesia also agreed to join with Malaysia to participate in the drafting process.

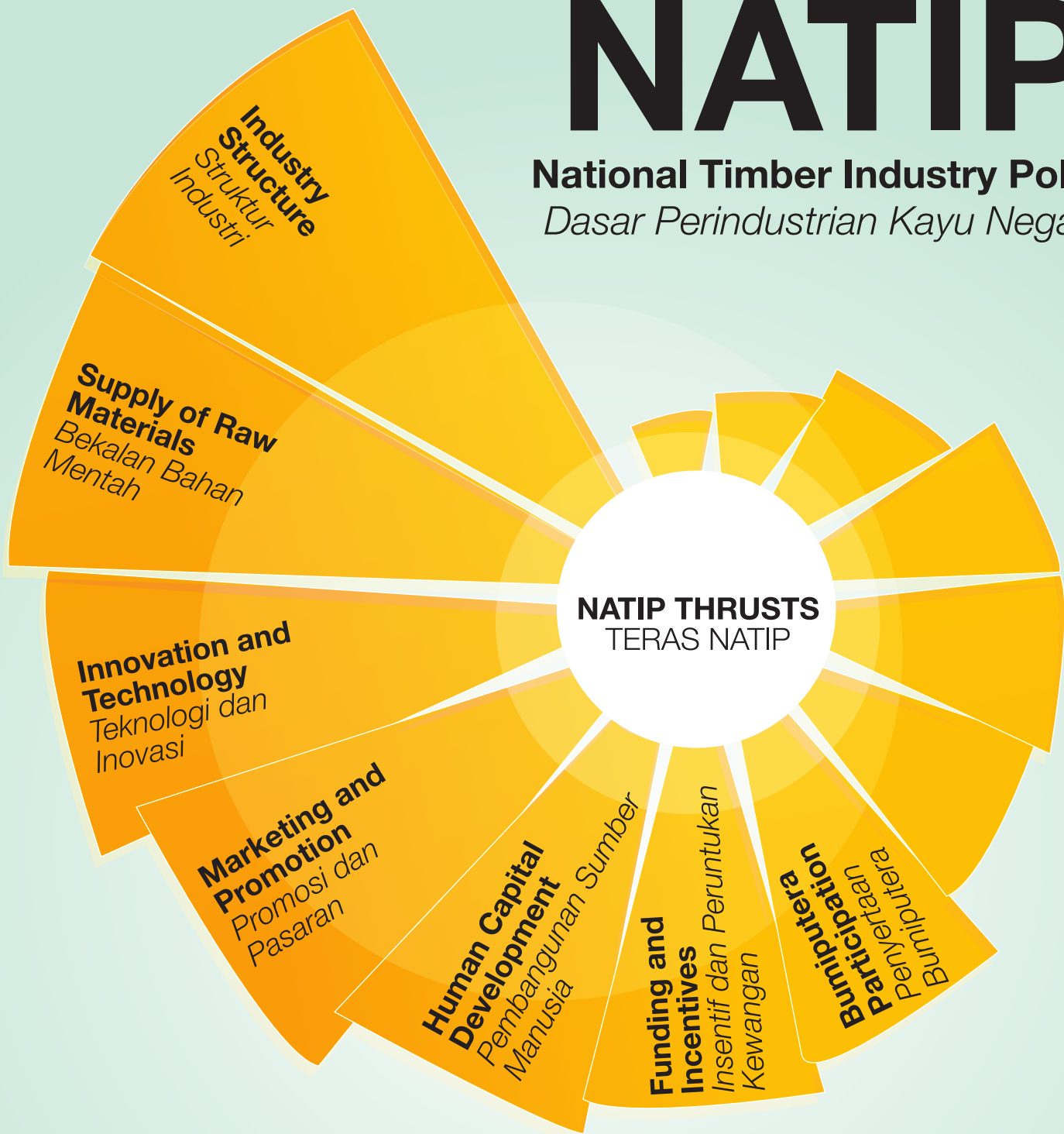
MTIB was represented by Puan Syafinaz Abd Rashad , Puan Nor Shahira Mat Nasir and Dr. Loh Yueh Feng while UPM was represented by Prof. Dr. Paridah Md Tahir. 



A group photo at the Badan Standardisasi Nasional Indonesia (BSNi).

NATIP

National Timber Industry Policy
Dasar Perindustrian Kayu Negara



NATIP Target *Sasaran NATIP*

Export target by 2020
Sasaran eksport 2020

RM53
Billion/Bilion

60%

Value-added
Nilai tambahan

40%

Commodity
Komoditi

6.4%

Annual export growth
Pertumbuhan eksport tahunan



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RUBBER TAPPING TECHNIQUES AND MATURED RUBBER PLANTATION MANAGEMENT



At the rubber plantation.

As part of its efforts to enhance rubber forest plantation owners' knowledge, MTIB once again organised a course on "Rubber Tapping Techniques and Matured Rubber Plantation Management" on 12 – 14 August in Ipoh, Perak.

The objective of the course was to enhance rubber tapping skills and knowledge of mature rubber forest plantation management. In addition, it also aimed to assist in providing ways to ensure good economic returns from latex and wood in the future.

Encik Saiful Bahri Salleh, MTIB Deputy Director of Forest Plantation, in his welcoming speech said unplanned rubber tapping and management of rubber plantation is becoming a problem in the rubber plantation industry. As such, besides giving soft loans to the rubber plantation industry, MTIB is also upgrading skills by organising training courses on a continuous basis. One such example was this course which focused on tapping technology using hands-on teaching methods.

Tapping is the process of cutting in the bark of the rubber tree to harvest the latex or the process of cutting the bark of rubber tree within a specified depth and along a specified or predefined path, to allow the latex to run down into a cup. A helical cut is made in the tree, approximately 4 ft or 150 cm from the ground, circling about half the tree. The suitable girth for a rubber tree to be tapped is 45 cm.



Hands-on session.

The course comprised presentations and practical sessions. Trainers from Kolej RISDA Melaka and Institut Kemahiran Pekebun Kecil (IKPK) Perak taught tapping techniques and also talked on management of rubber forest plantations. There were also Q & A sessions. The course was attended by 26 participants from the rubber plantation industry. At the end of the workshop, the participants presented their reports based on the exercise conducted on the rubber tapping techniques. 

PARAMOUNT PROPERTY'S CHENGAL HOUSE PAYS TRIBUTE TO MALAYSIAN WOODS



From left: Puan Chris Tay, Group COO of PCB, Puan Hjh. Mahsuri Bt Mat Dris, MTIB Senior Deputy Director of Industry Development, Dr Jalaluddin Harun, Director - General of MTIB; Encik Jeffrey Chew, Group CEO of PCB; Encik Beh Chun Chong, CEO of Paramount Property; Dato' Ricque Liew, Special Advisor to PCB; and Dato' Md Taib Abdul Hamid, Independent Non-Executive Director of PCB.



Chengal House by Paramount Property.

Sejati Residences, Paramount Property's high-end landed residential development in Cyberjaya, is a residential development that promotes spacious, expensive living built around the concept of "inviting the outdoors in". There are extensive landscaped grounds comprising a linear park with 1,200 trees, the Garden of Five Senses with an abundance of local herbs, an arboretum featuring trees native to Malaysia and an eight-kilometre jogging track.

At the heart of Sejati Residences, stands Chengal House. Chengal House is an 11,000-square feet clubhouse that lends stature and majesty to the entire development, while its well-equipped facilities make it a beacon for the residents of the 50-acre residential development.

More than just a clubhouse, Chengal House is an iconic tribute to the beauty, versatility and resilience of Malaysian hardwoods. Constructed from 200-year-old Chengal wood that was salvaged from a 70-year-old factory owned by Paramount Property, Chengal House is the first commercial property of its kind in Malaysia to be built using reclaimed Chengal timber.

In September this year, Chengal House received a special mention in the Green Construction Award at the Malaysian Construction Industry Excellence Awards 2015 in recognition of its green construction concepts and practices as well as environmental impact.

Paramount Property – an award-winning developer with a 35-year track record for building enduring addresses in the Klang Valley and Sungai Petani – also garnered the Best Project Award in the Small Project, Building Development category for pushing construction boundaries in the use of reclaimed Chengal.

200-year-old Discovery at a Shoe Factory

The above awards are the culmination of a journey that began in March 2013, when Paramount Property first discovered the significance of Chengal wood at an old shoe factory which it acquired. The 70-year-old shoe factory was found to be constructed extensively from Malaysian hardwoods – mainly Chengal and Balau, together with some Merbau and Kempas timbers.

To determine its age, a piece of the Chengal wood was sent to Universiti Putra Malaysia (UPM), and it subsequently underwent a carbon-dating process in the US. What resulted was a surprising revelation – the age of the wood was approximately 200 years old, making it one of the oldest Chengal wood finds in Malaysia today.

Realising its value, Paramount Property reused this precious timber to construct key parts of the Sejati Residences clubhouse, which was then aptly named Chengal House. And so, from its nondescript factory existence, the old Chengal wood was given a new lease on life.

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Chengal's superior strength and durability makes it useful in structural construction such as columns, beams and roof trusses.



Reusing wood from an old factory.

A Tripartite Collaboration for Wider Building a Malaysian Heritage Environmental Impact

Chengal House has opened up opportunities far beyond expectation.

In October 2014, Paramount Corporation Berhad (PCB) – the public-listed company that owns Paramount Property and also an education division named Paramount Education – partnered with MTIB and UPM to develop a broad-based programme that encompasses property construction, educational research, community engagement and timber promotion initiatives.

There are two areas in the tripartite partnership – property and education. In property, the design and construction of Chengal House provided the platform to explore innovative approaches in sustainable design and construction. Moving forward, the three partners are exploring the use and application of timber in construction, design, detailing as well as a structural material.

In education, Paramount Education's Sri KDU Secondary School has developed the Young Botanist Programme with input from UPM. This programme aims to educate students on Malaysia's rainforests, teaching them to be socially aware of the breadth and diversity of Malaysia's forests reserves.

PCB has also worked together with MTIB and UPM to set up a mini exhibition at Chengal House showcasing the story of Chengal House as a tribute to the diversity of Malaysian hardwoods as well as to promote responsible use of precious timber in this country.

MTIB will also be showcasing Chengal House as part of its efforts to tell the world of the versatility of Malaysia's wood resources and their superior strength, which makes them suitable for heavy and medium applications as well as decorative purposes such as furniture and carved items.

Speaking on the collaboration, PCB's Group Chief Executive Officer, Encik Jeffrey Chew said, "This collaboration is a clear demonstration of PCB's strength-through-synergy business strategy. More than just a building, Chengal House is a catalyst that will change the way Malaysians think about forests, timber and wood preservation. Together with our partners, we hope to make a small but meaningful contribution towards the continued growth and progress of Malaysia."

Chengal House has been crafted to showcase the beauty and texture of the 200-year-old wood. Its surface has a tactile and sensuous strength, while its hue and depth of wood grain is also delightful to the eye.

Chengal House features an open layout and double-volume ceilings to promote natural ventilation, further complementing the development concept of "inviting the outdoors in".

The superior strength of the timber makes it useful in the construction of structural parts such as roof trusses and columns. As a durable material, the reclaimed Chengal required minimal treatment to preserve its natural texture and the beauty of its solid grain profile.

Much care was taken when removing the wood from the old factory as well as during fabrication. The timber was carefully cut and custom-assembled to show off its natural grain and beauty. As the Chengal wood acquired from the factory was limited in size and length, a decision was made to join the wood using steel clamps to achieve the ceiling height of 27 feet. Each column was constructed from four pieces of wood with a steel bar sandwiched in the middle for added strength.

The design and construction of Chengal House pushed the boundaries of innovation, leading to the completion of an ecologically friendly building designed with the surrounding community in mind.

With reused Chengal as a unifying element, the result is an ecologically sustainable design that reconnects the community with the beauty of Malaysia's tropical rainforests. This is a testament to Paramount Property's promise of quality and value, and a firm commitment to respecting people and planet. 



UNITED KINGDOM – FURNITURE INDUSTRY OUTLOOK

Overview

The United Kingdom (UK) or Britain, is a sovereign state in Europe. It is located in the north-western coast of the European mainland; the country includes the island of Great Britain, the north-eastern part of the island of Ireland and many smaller islands. The UK is surrounded by the Atlantic Ocean, with the North Sea to its east, the English Channel to its south and the Celtic Sea to its south-southwest. The Irish Sea lies between Great Britain and Ireland. The UK has an area of 93,800 square miles (243,000 km²), making it the 80th-largest sovereign state in the world and the 11th-largest in Europe.

Economy

The UK economy has been recovering at a relatively strong rate since early 2013. In 2014 the economy grew by 2.6% as a whole, which was the fastest rate since 2007 and the strongest growth rate in the G7. However there was slight slowdown in late 2014 due to problems in the Euro zone and other geopolitical uncertainties related to the situation in Russia/Ukraine and the Middle East in particular.

The economic analysis expected GDP growth to average around 2.5% in 2015, supported by oil price falls before easing slightly to 2.3% in 2016. The UK growth has been driven primarily by the services sector over the past five years but manufacturing and construction have also been on an upward trend since early 2013. The slowdown in the Euro zone has been partly offset by stronger growth in the US since the second quarter of 2014 however, since the international risk has increased over the past nine months; the UK growth remains heavily dependent on domestic demand.

Forest Resources

The UK has no natural forest, but has about 3.15 million hectares of woodland area of which, 1.4 million hectares (45%) is in Scotland, 1.3 million hectares (41%) is in England, 0.3 million hectares (10%) is in Wales and 0.1 million hectares (4%) is in Northern Ireland.

From the total UK woodland area, 0.87 million hectares is owned or managed by the Forestry Commission (in England and Scotland), Natural Resources Wales (in Wales) or the Forest Service (in Northern Ireland). Total certified woodland area in the UK is 1.38 million hectares or 44%. Ten thousand hectares of new woodland were created in the UK in the year 2014 to 2015, mostly with broadleaved species. Eighteen thousand hectares of woodland were restocked mostly with conifers.



Malaysia's Export of Timber and Timber Products to the UK

The UK has always been a significant timber trade partner with Malaysia. In 2014, export of Malaysian timber and timber products to the UK registered an increase of 17% to RM760.7 million from RM648.6 million in 2013. The UK ranked ninth with 3.7% of Malaysia's total market share. Wooden furniture was the main product exported with a total value of RM322.2 million, followed by plywood at RM186.5 million and BJC at RM139.2 million.

Malaysia's Import of Timber and Timber Products from the UK

In 2014, import of Malaysian timber and timber products from the UK registered an increase of 48% to RM4.9 million from RM3.3 million in 2013. Wooden furniture was the main product imported with a total value of RM2.0 million, followed by sawntimber at RM925,000 and veneer at RM258,000.

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Malaysia : Export of Timber and Timber Products to the United Kingdom

(Value: RM)

Product	2010	2011	2012	2013	2014
Sawntimber	54,020,781	57,501,973	71,211,112	56,368,319	61,115,691
Plywood	224,147,032	153,110,302	152,588,402	165,732,609	186,547,137
Veneer	0	0	79,977	0	88,401
Particleboard	19,587	260,920	0	0	0
Fibreboard	7,264,753	11,666,373	12,641,286	6,256,429	7,471,932
Mouldings	19,846,224	18,188,701	23,124,296	24,712,157	30,390,396
Wooden Furniture	451,812,086	355,443,091	377,565,757	270,148,544	322,241,453
Rattan Furniture	6,263,823	1,718,917	1,172,727	1,202,059	2,146,116
BJC	131,778,482	113,952,020	101,818,529	114,451,939	139,193,535
Wooden Frame	1,886,818	2,929,519	1,556,158	2,208,757	1,590,069
Others	8,168,005	6,199,290	7,538,685	7,484,266	9,941,694
TOTAL	905,207,591	720,971,106	749,296,929	648,565,079	760,726,424

Source: MTIB and DOSM

Malaysia : Import of Timber and Timber Products from the United Kingdom

(Value: RM)

Product	2010	2011	2012	2013	2014
Sawntimber	675,126	212,547	405,227	215,856	925,035
Plywood	0	0	6,767	13,409	0
Veneer	1,243,663	34,584	148,330	93,103	43,454
Particleboard	0	0	503,517	94,503	258,073
Fibreboard	0	5,040	0	0	13,995
Mouldings	72,025	139,279	140,785	0	228,667
Wooden Furniture	2,216,141	1,293,471	2,880,272	1,059,114	2,047,022
Rattan Furniture	145,182	166,273	823,374	185,534	100,875
BJC	75,911	487,240	402,865	43,120	21,809
Wooden Frame	0	22,065	8,162	10,733	0
Others	1,422,311	3,184,569	1,646,007	1,615,153	1,303,731
TOTAL	5,850,359	5,545,068	6,965,306	3,330,525	4,942,661

Source: MTIB and DOSM

Timber Production

According to the FAO latest forest statistics, the UK produced around 9.4 million m³ of logs, an increase of 1% from 2013. Apart from log production, the country produced 3.8 million m³ of sawntimber, 2.3 million m³ of particleboard and 749,000 m³ of fibreboard.

UK'S Import of Timber and Timber Products

The UK's import of timber and timber products in 2014 increased 18% to USD11.5 billion over the previous corresponding period. The UK imported mainly furniture, sawntimber, BJC and plywood. Imports of furniture and sawntimber totalled USD8.2 billion and USD2.3 billion, an increase of 13% and 27% respectively. Similarly, imports of BJC and plywood improved 15% to USD919.5 million and 2% to USD688.3 million respectively.



Malaysian Wood
Standing on Excellence

Shaping the Timber Industry of Malaysia

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

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

For more information, contact:

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United Kingdom : Production of Timber and Timber Products, 2010-2014

(Volume : '000 m3)

Product/Year	2010	2011	2012	2013	2014
Fibreboard	776	759	788	756	749
Logs	8,337	8,787	8,788	9,243	9,361
Particleboard	2,594	2,625	2,215	2,276	2,319
Sawntimber	3,101	3,279	3,409	3,581	3,764

Source : FAO

United Kingdom : Import of Timber and Timber Products, 2010-2014

(Value : USD'000)

Product	2010	2011	2012	2013	2014
Logs	78,418	113,545	78,959	86,370	70,476
Sawntimber	1,903,136	1,772,305	1,643,221	1,846,667	2,345,986
Veneer	49,613	59,270	45,141	55,739	55,287
Mouldings	276,350	250,660	227,392	250,803	258,706
Particleboard/Chipboard	314,203	248,120	168,043	226,055	288,587
Fibreboard	352,804	405,842	361,614	393,399	464,625
Plywood	711,004	740,354	616,039	672,395	688,326
BJC	792,926	810,491	746,480	800,852	919,494
Furniture	7,312,683	7,369,860	6,894,705	7,256,244	8,189,641
Others	820,463	944,796	1,001,432	1,433,176	1,891,432
TOTAL	12,611,600	12,715,243	11,783,026	13,021,700	15,172,560

Source : International Trade Centre

UK'S Export of Timber and Timber Products

The UK's export of timber and timber products in 2014 increased 13% to USD1.7 billion over the previous corresponding period. The UK export mainly furniture, BJC, particleboard and sawntimber. Export of furniture and BJC totalled USD2.5 billion and USD79.1 million, an increase of 19% and 25% respectively. In addition, export of particleboard totalled USD73.9 million followed by sawntimber at USD70.4 million.

UK'S Furniture Outlook

The UK furniture and furnishing manufacturing is a substantial industry. It contributes £9.4 billion to the country's GDP and employs 115,000 people within 8,116 companies. In addition, the industry employs 134,000 in specialist furniture and furnishings retail and wholesale, 2,000 in repair, 13,000 in leasing and 43,000 registered specialist designers.

Furniture industry in the UK encompasses a diverse range of products and markets and is traditionally segmented into three sub-sectors. The sub-sectors are domestic, which serves the public mainly through retail outlets; contract furniture, which focuses on public areas such as hotels, schools, restaurants and residential; and office furniture.

The industry has a high proportion of micro and small to medium size businesses. In 2013, the UK's total production of furniture amounted to €6.2 billion. By segment, kitchen furniture accounted for 25% of the total production while upholstered and bedroom furniture accounted for 24% and 13% respectively.

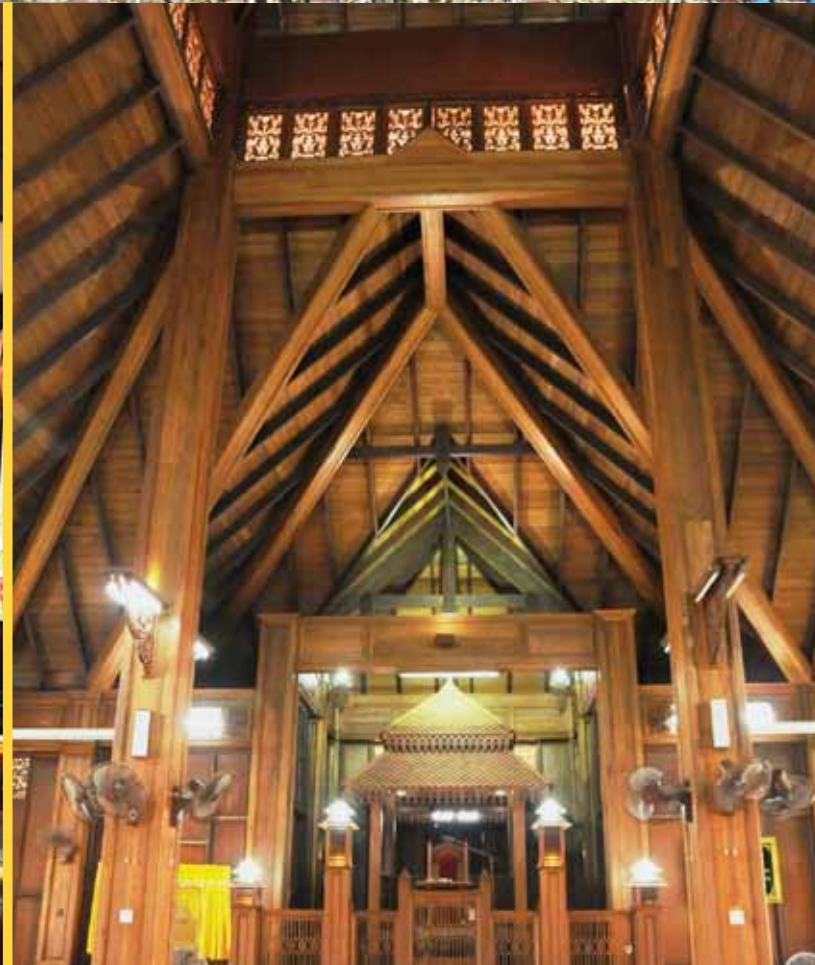
Demand for furniture has shown strong growth and local manufacturers have responded to the challenge of imports with greater efficiencies, leaner operations and a changing focus on core business. In general, UK furniture manufacturing is in a stronger state than it was ten years ago. To a large extent, much of the growth in demand has been driven by the three factors of a growing economy, increased government spending and a significant level of consumer borrowing.

Import Tariff

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



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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 – 2.5
4408	Veneer	0 – 6
4409	Mouldings	0
4410	Particleboard	7
4411	Fibreboard	7
4412	Plywood	6 – 10
4413	Densified Wood	0
4414	Wooden Frames	0 – 2.5
4415	Packing Cases	3 – 4
4416	Casks, Barrels, Vats and Tubs	0
4417	Tool Bodies and Handle	0
4418	Builders Joinery and Carpentry	0 – 3
4419	Tableware and Kitchenware	0
4420	Wood Marquetry	0 – 4
4421	Other Articles of Wood	0 – 4
9104-9403	Wooden Furniture	0 – 5.6

Source : WTO

Prospects

According to the forecast by the Department for Communities and Local Government of the UK, housing starts is expected to increase in the UK following the publication of the Prospectus for UK's Housing Zones which is part of the UK's £400 million Housing Zone Programme to create 20 housing zones across London, delivering more than 50,000 affordable new homes and over 100,000 associated jobs over the next ten years. As such, the outlook for the UK furniture industry is positive as consumers will tend to furnish their new homes or refurbish existing homes more frequently.

In order for the Malaysian furniture industry to sustain its position in the UK market, Malaysian manufacturers need to continuously create excitement and creativity in terms of design, innovation, materials used, colours, finishing as well as improve product quality and standard. In addition, local furniture manufacturers are urged to react quickly to market changes particularly in terms of design, product variety, and materials and price competitiveness in order to stay ahead of competitors from China, Viet Nam, Indonesia, Poland and Romania.

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- MTIB's Statistics
- International Trade Centre
- World Furniture Outlook 2014/2015, CSIL
- Report of UK Market Research for Furniture
- FIRA Competitiveness Report
- UK Economic Outlook
- <http://www.britishfurnitureconfederation.org.uk/> EN/-

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KELUMPANG BURUNG - SUITABLE FOR PLYWOOD



Wood colour and texture.



Canopy of Kelumpang Burung.

Introduction

Kelumpang Burung is the Standard Malaysian Name as well as the ASEAN Standard Name for the timber of *Sterculia* spp. (Sterculiaceae). Vernacular names applied include Kelumpang Burung (Peninsular Malaysia and Sabah) with various epithets and biris (Sarawak). It is named Kelumpang Burung as birds are seen frequently eating the fruit. Major species of the genus include *S. cordata*, *S. foetida*, *S. kunstleri*, *S. Macrophylla* and *S. parviflora*. The sapwood is lighter in colour than the heartwood, which is straw-coloured to light brown.

Sterculia parviflora is a deciduous tree growing up to 35 m tall. The bole can be 100 cm in diameter, with plank buttresses up to 3 m high and 2 m wide. The tree is harvested from the wild for local use of its timber. It is planted as an ornamental along the sides of roads.

Also known as Samrang and Samrong (Cambodia); Karar, Pinari and Udal (India); Kepuk and Pimping (Indonesia); Chong ban, Mai po heuang and Som hong (Lao PDR); Letkok shaw-byu (Myanmar); *Sterculia* (Papua New Guinea); Kelumpang (Philippines); Telumbu (Sri Lanka); and Po-khanun and Samrong (Thailand).

Edible Parts and Uses

The large seeds of many species in this genus are used for food. Usually cooked, they are rich in oil and have a flavour described by some as like peanuts. Birds are seen frequently eating the fruit of *Sterculia parviflora*.

Density

The timber is moderately hard and moderately heavy with a density of 560-640 kg/m³ air dry. It is classified under Light Hardwood in Malaysia.

Natural Durability

It is non-durable, being susceptible to both powder-post beetles and dry wood termites.

Texture

Texture is rather coarse and uneven due to the presence of large rays. Grain is straight to shallowly interlocked.



Chengal *Neobalanocarpus heimii*

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Terserlah Keunggulan Kayu Malaysia

In Concrete Jungle Malaysian Wood Stands Tall

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Machine Properties

The timber is reputed to be easy to saw and work.

Uses

The timber is suitable for temporary light construction, packing boxes and crates, plywood and shuttering.



Fruits and seeds of Kelumpang Burung.

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.
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- <http://www.frim.gov.my/sterculia-parviflora-vibrant-coloured-food-source-for-wildlife>
- Roxb. Ex G. Don. 2014. *Useful Tropical Plants Database*. IUCN Red List of Threatened Species. 





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MTIB Moments



MTIB's Hari Raya celebration held in conjunction with MTIB's Excellence Day on 6 August 2015 at its premise in Kuala Lumpur.



Invited guests posed with MTIB personnel who received Excellent Service Awards for 2014. The event was held on 6 August 2015 at MTIB, Kuala Lumpur.



Timber Preservation Course held from 15 to 18 August 2015 in Kota Kinabalu, Sabah. Seen here is Encik Siu Mee Kuong, Manager of Kilang Papan Hiong Tong Sdn. Bhd. briefing participants on the mechanism of timber preservation.



Government Procurement Management Reinforcement Programme held on 21-23 August 2015 in Lumut, Perak.



Workshop on Behaviour Management (Advance) held on 26-28 August 2015 at MTIB, Kuala Lumpur.



Under its CSR banner, MTIB sponsored 5,000 pieces of Utusan Malaysia newspapers in conjunction with Malaysia's 58th Independence Day. In the paper dated 26 August 2015, an article on the status of timber industry in Malaysia was featured.