



MASKAYU



**MTIB MEDIA TOUR TO MELAKA AND
JOHOR'S TIMBER INDUSTRY**

**TANGGAM EXPLORES DESIGN IN
AUSTRALIA**

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Cover: At ARCHIDEX 2014, myGlam's design bagged home one of the Best Design Awards through the Sculptural Structure. More story on the company on pages 21-23



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MTIB MEDIA TOUR TO MELAKA AND JOHOR'S TIMBER INDUSTRY



A group photo at Galeri Glulam Johor Bahru.



A representative from Pro Team Interior Sdn. Bhd. briefed the group on their products.

As the lead agency in the development of the timber industry, MTIB has organised various programmes and activities to promote and enhance its public image. One of the programmes were a three-day media tour to Melaka and Johor from 7 to 9 September. The objectives of the programme were to publicise and to promote industry achievements and MTIB's milestones in the development of the timber industry. It also aimed to foster and forge a close rapport between MTIB and its media representatives.

The first leg of the tour was a visit to Biobenua Teknologi Sdn. Bhd, based in Kuala Linggi, Melaka. This company plants, harvests and processes gaharu from Karas trees (*Acquilaria* spp). It also produces its own inoculants which are injected into the Karas trees. This results in the trees being 'stressed' and producing the highly treasured dark aromatic resin called gaharu. Gaharu is then extracted and processed into the famous fragrant gaharu oil. The natural fragrance of gaharu oil is highly sought after in the cosmetics, perfumery, aromatherapy (for anxiety, depression and stress treatment), medical and pharmaceutical industries. Apart from the processed oil, Karas leaves can be turned into Karas tea and coffee. In encouraging and aiding newcomers in the industry, the company produces its own inoculants called Black Gold Bio Booster and through their own R&D, the company founder, Datuk Hj. Abdul Razak Hj. Ali has introduced new techniques in injecting inoculants into Karas trees, which makes the trees highly 'stressed', consequently producing high-grade gaharu wood. The company also provides facilities for third-party processing.

The tour continued at Rumah Melaka, a joint-venture project with Melaka State Government on a five-acre land in Bukit Katil. Its aims are multi-fold: promoting timber use in the domestic market, showcasing timber products especially furniture produced by Bumiputera entrepreneurs, serving as the referral centre for the construction industry and acting as a tourist attraction. The Rumah Melaka is constructed in the style of a traditional Malay house completely with ornately tiled stairs.

The centre was built on approximately 1,500 m² with more than 300 tonnes of various local timber species such as Kekatong, Keranji, Merbau, Meranti Merah and Mersawa for its structure and interior design. The construction of Rumah Melaka was completed in 2010 at the cost of RM5 million, financed under Ninth Malaysia Plan. The centre was officiated by YAB Datuk Wira Ali Rustam, former Chief Minister of Melaka. Rumah Melaka delivers testimony to the viability of timber as building material and it functions as a venue-for-rent to host seminars and meetings for government and corporate bodies; a wedding hall; and product showcase. The tour then continued to Johor Bahru, Johor to visit MTIB's iconic timber building and local timber manufacturing companies.

On the second day, the group visited the iconic timber building, Galeri Glulam Johor Bahru (GGJB). The media representatives were briefed by Dr. Jalaluddin Harun, Director-General of MTIB. GGJB completed its three-year construction in 2012 and was officiated by YAB Tan Sri Muhyiddin Yassin, former Deputy Prime Minister of Malaysia on 22 May 2012. GGJB is recognised by the Malaysian Book of Records as the first commercial building constructed using glued-laminated timber (glulam). The building was constructed using local timber species whereas the quantity of timber used for structural members is 640 m³ and IBS score of 80%. Sited on a 4.9-acre of land, GGJB pioneered the application of glulam as the main structure while the other building components were made from local species such as Resak and Keruing for glulam portal frames, Kempas for timber purlins, Belian roof shingles, Kekatong wall claddings with Balau, Belian and Resak for timber fins.

After that, the tour visited Woodsfield Timber Industries Sdn. Bhd. in Pasir Gudang, Johor Bahru. The company was established more than a decade ago. It focuses on the manufacture and supply of timber materials for shipbuilding, oil and gas, heavy engineering, construction and transportation industries. The company ventured into engineered timber in 2009 and has been credited as the first to introduce the technology in Malaysia. Now, the company is spearheading the local production of cross-laminated



TIMBER WORLD IN BRIEF

AUSTRALIA

Decline in Residential Construction

According to a projection by BIS Shrapnel, residential construction in Australia will fall 3% from AUD61.90 billion (EUR39.69 billion/USD44.39 billion) to AUD60 billion in the coming year. Despite that, non-residential construction will rise by 7% from AUD30 billion to just over AUD32 billion. A BIS Shrapnel analyst further stated the net effect will be at 0% in building commencements for the current fiscal year as both residential and non-residential constructions cancel each other out.

The Australian, 4 September

CHINA

Construction of New Homes Drops

Between January and August 2015, construction of new homes in China fell by 16.8% to 951.82 million sqm when compared to the same period in 2014, according to the National Bureau of Statistics. Investment of properties reached a value of CNY6.11 trillion (EUR845.59 billion/USD958.50 billion), up by 3.5%, while investments made in the residential segment increased by 2.3% year-on-year. Commercial homes sales value hit CNY4.8 trillion, a growth of 15.3% during this period.

Xinhua News/Xinhua News Agency, 13 September

DENMARK

Government Plans to Abolish Several Environmental Goals

The Danish government plans to reduce expenses related to the environment, climate and transport in its upcoming budget proposal in September according to a document originating from the Danish Ministry of Finance. This includes reduced subsidies allocated to nature conservation programme Naturplan Danmark.

Furthermore, the Ministry of Finance wishes to cancel a number of previously stated goals. These include a 40% reduction in carbon dioxide emissions by 2020, 100% renewable energy by 2050, the phasing out of coal in power plants and 50% electricity from wind power by 2020. The proposed changes are equivalent to total savings of almost DKK340 million (EUR45.55 million/USD 51.10 million) in the 2016-2019 period.

Borsen, 1 September

EUROPEAN UNION

Turnaround in Tropical Log Imports

After roughly 10 years of almost uninterrupted decline, EU tropical log imports increased 22% to 82,679 m³ in the

first half of 2015. Much of this growth was due to an 84% increase in imports from Cameroon to 18,912 m³. The scale of the increase is partly due to the particularly low level of imports from Cameroon in the first half of 2014 when trade was seriously disrupted by logistical problems at Douala port.

There was also a surge in imports in the first half of 2015 from the Central African Republic (+241% to 10,152 m³) and Suriname (+621% to 2,212 m³). In the first half of 2015, EU tropical log imports from the Democratic Republic of the Congo (18,016 m³) and Republic of Congo (17,883 m³) were nearly stable compared to the previous year. Imports from Liberia were down 48% at 2851 m³ in the first half of 2015, with nearly all this volume arriving in the first three months of the year.

Although Myanmar implemented a log export ban from 31 March 2014, Eurostat statistics indicate the EU imported 649 m³ of logs from the country in the first six months of 2015, 78% less than the same period in 2014.

Fordaq, 18 September

GERMANY

Timber Industry Expects Minimal Growth

According to the German Timber Association, only minimal growth is expected in the German timber industry in 2015. This can be attributed to a slowdown in the German construction market as most companies are either directly or indirectly dependent on the construction industry. For the full year the industry expects turnover growth of up to 1%. In the first half of 2015 turnover stood at EUR16.60 billion (USD18.82 billion), up 1.2%.

Frankfurter Allgemeine Zeitung, 14 September

NETHERLANDS

Exceed Certified Import Target

Initiatives by Netherlands's Timber Trade Association (VVDH) to make certified timber the norm on the Dutch market is running ahead of plan, according to a report by Probos. In 2014, 88% of imports by VVDH members were FSC or PEFC certified, well ahead of the 85% target.

Certification covered 97% of softwood imports, 89% of panel products imports, and 56% of hardwood imports. VVDH members account for 60-70% of Dutch timber imports. They report twice a year on certified materials trade levels.

Fordaq, 15 September

SOUTH KOREA

Farm and Forestry Output Up

In South Korea, the total farm and forestry production rose by an annual 1.4% to KRW47.29 trillion (EUR35.84

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billion/USD40.08 billion) in 2014. Data from the Ministry of Agriculture, Food and Rural Affairs showed forestry production up 16.5% to KRW2.37 trillion, followed by 15.7% in livestock-related production to KRW18.87 trillion on a year-on-year basis with increases registered in barley and rice production. However, a significant decline in beans, fruits and vegetables was recorded in the year under review.

Korea Herald, 4 September

SWEDEN Furniture Sales Rise

Furniture sales on the Swedish market rose by 25.7% in current prices in July 2015 compared with July 2014. Sales of other home furnishing products rose by 15.2%. This is shown in figures from Statistics Sweden and HUI Research. The increase was partly attributed to the cold weather in July 2015.

Dagens Handel, 31 August

UNITED STATES Housing Starts Fall

Housing starts in the US dropped more than expected in August. Starts dropped 3% to a seasonally adjusted rate of 1.13 million-units, the US Commerce Department reported. Despite the fall, which reflected declines in groundbreaking on single and multifamily projects, starts remained above a one million-unit pace for the fifth straight month. Economists had forecast groundbreaking on new homes falling to a 1.17 million-unit pace last month.

Building permits increased 3.5% in August to a 1.17 million-unit pace. The increase in building permits reflected a rebound following the 15.5% drop seen in July, which pulled permits down well off the eight-year high of 1.337 million set in June.

USCensus/Fordaq, 18 September

UNITED KINGDOM Hardwood Trade Outlook Still Positive

In the UK, hardwood trade is described as steady at best but it may have lost some momentum. However, the outlook is still positive. The trade was in buying mood in 2014 but there has been some destocking in 2015. Dollar's strength against the Euro has caused European users to switch from American to European Oak. Prices of European Oak have increased by 8-10%. Sapele prices have been firm and order books are good. The UK spot prices, however, have fallen by 7-8% because of overstocking concerns. Iroko prices have risen by 4-5% as the global demand is good. There are different views about the demand for engineered hardwoods;

There are different views about the demand for engineered hardwoods; some say that buyers and end users in the UK are resistant. There has not been any significant change in the sales of certified timber. The EU Timber Regulation has been assimilated to companies' management systems

and they support stronger enforcement.

Timber Trades Journal, 18 September

VIET NAM Timber Exports Likely to Grow

Viet Nam expects a year-on-year growth of 10% in export of timber and timber products this year, said a Viet Nam Wood and Forestry Product Association official. Nguyen Ton Quyen, Deputy Chairman and General Secretary of the Association, said that the last quarter was working season of the wood industry and by now, wood processing enterprises have had numerous export contracts so the country could reach its wooden export target of USD7 billion.

This is good news for the wood industry after a few years of experiencing difficulties in production and business. The industry had gained 15-20% each year before 2010 but that came down to 10% a year since 2010 until now. However, the industry continued facing difficulties from changes in the exchange rate between the Vietnamese dong and the US dollar and barriers from free trade agreements.

It was estimated that based on the exchange rate of VND20,000 per 1 US dollar, the industry would require USD1 billion for imports by this year-end. However since the State Bank expanded the trading band for the inter-bank exchange rate from 2% to 3% last month the local wood enterprises would now need to pay more.

The local wooden firms also face certain problems with free trade agreements, including the certificate of origin of wooden material. For local firms, especially small and medium enterprises, that is a big problem as they have not paid much attention to the origin of the wooden material.

According to the General Department of Customs, Viet Nam gained a year-on-year increase of 9.4% in total export value of wood and wooden products to USD4.35 billion for the first eight months of this year. The four largest export markets of Vietnamese wooden products were the US, Japan, the EU and China.

VietnamNews, 22 September

GLOBAL FSC Certification Financially Profitable

A new study by the World Wide Fund for Nature (WWFN) shows that gaining a certification from the sustainable forest certificate organisation Forest Stewardship Council (FSC) is financially profitable for companies. The financial benefits in producing FSC-certified timber are greatest for small and medium-sized forest companies active in tropical environments. Such companies can earn on average an extra of USD1.80 (EUR1.61) per m³ of FSC-certified timber. Kim Carstensen, CEO at FSC, says that investing in sustainable tropical forests is instrumental for the future of the world's forests.

Svensk Papperstidning, 8 September

AUGUST 2015

SHIPPING NEWS



Malaysia: Revenue of Westports Holdings at RM 773 Million

Operational revenue of Malaysia based Westports Holdings rose by 6% to RM773 million (EUR184.17 million, USD202.28 million) in the first half of 2015 because container throughput expanded by 10% to 4.42 million twenty-foot equivalent units (TEUs). Net profit of the port operator enlarged by 5% to RM242 million due to lower fuel cost. Conventional throughput rose to 5.1 million tonnes due to larger number of dry bulk, cement and break bulk cargoes managed by the company. The firm expects container throughput will continue to expand in 2015 propelled by gateway-local throughput and transshipment operation.

Source: Business Times, 3 August

Malaysia: Sister-port Relationships Being Formed

In order to boost trade, logistics and tourism between China and Malaysia, sister-port relationships are being formed by the Port Klang Authority (PKA) and seven Chinese ports including Shanghai, Fuzhou, Ningbo, Dalian, Tianjin, Xiamen and Guangzhou. Letters of intent had been signed by PKA with most of the Chinese ports, of which agreements with Dalian and Ningbo ports have been formalised. Meanwhile, an agreement with Guangzhou port is expected to be finalised by August 2015, stated Tan Sri Kong Cho Ha, Chairman of PKA. By end-October 2015, agreements with other ports are expected to be completed.

Source: The Star, 1 August

Malaysia : Port Klang Container Tariff Will Increase

In Malaysia, the Transport Ministry has allowed for Port Klang container tariff to be increased in two stages. Each stage will involve a tariff increase of 15% on average. The first increase will take place on 1 September 2015. Another increase will be in effect from 1 September 2018, according to port operator Westports Holdings.

Source: Business Times – Malaysia, 7 August

Sri Lanka: Herbilan Shipping to Launch Feeder Service Using 1,158 TEU Vessel

Herbilan Shipping is to launch a USD4.50 million (EUR4.10 million) feeder service to connect Sri Lanka with Myanmar and India, with the service to begin from Colombo, Sri Lanka to Visakhapatnam, India for transshipment cargo in Gunthur, Nagpur, Raipur and Kolkata, India then to Yangon, Myanmar. The launch of the service is due on 1 September 2015 and by November 2015, the service will have a weekly fixed day schedule. The MV HERBILAN SUCCESS vessel has been chartered for the service and has a 1,158 TEUs capacity.

Source: Daily News-Sri Lanka, 3 August 2015

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change August 2015 /July 2015
	m ³	% Change August 2015 /July 2015	m ³	% Change August 2015 /July 2015	m ³	% Change August 2015 /July 2015	m ³	% Change August 2015 /July 2015	m ³	% Change August 2015 /July 2015		
Sawntimber	54,429	19	4,001	-51	1,557	-13	188	795	5,988	32	66,163	10
MDF	26,060	-6	226	-53	8,896	-1	5,907	-23	22,607	128	63,696	16
Mouldings	12,403	13	344	2	1,595	-35	468	13	1,447	-15	16,257	2
Plywood	7,694	-2	-	-	48	586	86	-37	9,972	17	17,800	8
Veneer	543	14	5	-69	174	444	0	-100	433	83	1,155	38
Particleboard	37,426	27	375	116	113	117	63	-19	0	-	37,977	28
TOTAL	138,555	13	4,951	-46	12,383	-7	6,712	-20	40,447	62	203,048	14

Source : MTIB

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AUGUST 2015

Finland: Raw Wood Passing Saimaa Channel Falling Steeply January-July 2015

According to the Finnish Transport Agency, raw wood was imported 209,000 tonnes through the Saimaa channel in January-July 2015. The equivalent figure during the corresponding period in the previous year was 379,000 tonnes. In total, imports through the channel fell from 501,000 tonnes to 315,000 tonnes. Through the channel, 262,000 tonnes of goods were exported compared with 274,000 tonnes in the previous year. The export of lumber fell by 32% and the export of paper and cardboard fell by 24%. According to the forest industry company, the company's traffic through the channel has been slightly less frequent than in 2014. The forest industry company Stora Enso says that the amount of wood coming from Russia has stayed the same.

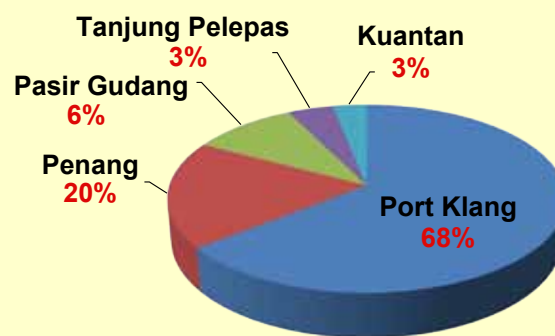
Source: Etela Saimaa, 6 August

Russia: Sakhalin Ports May Receive Free Port Status

On instructions from Prime Minister Dmitry Medvedev, the Ministry for Development of Russian Far East will consider the possibility of assigning the free port status to the Sakhalin (Far East) ports of Korsakov, Kholmsk and Nevelsk. According to local authorities, it will contribute to the growth of turnover and the creation of new manufacturing facilities. The administration of seaports of Sakhalin, the Kuril Islands and Kamchatka says that the capacity of Korsakov port amounted to 11.40 million tonnes per year, Kholmsk port to 3.80 million tonnes, and of Nevelsk port to 1.20 million tonnes. 

Source: Kommersant, 24 August

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



Total = 203,048 m³

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timber (CLT) and glulam through its subsidiary, Woodsfield Glulam Manufacturing Sdn. Bhd. Following the successful construction of GGJB, the company was entrusted with building a 300-metre boardwalk in Taman Negara and Malaysian Pavilion for Milano Expo 2015 in July. The day ends with a friendly bowling tournament, forging even closer rapport with MTIB and the media representatives.

The third and final day of the tour began with a visit to Smart Victory Sdn. Bhd., based in Taman Perindustrian Desa Cemerlang, Johor Bahru. Incepted in 2001, the company focuses on manufacturing and supplying school furniture for local and export markets. Recognising the oil palm trunk (OPT) as an alternative raw material for the timber industry, the company has ventured into producing furniture from OPT. Quality-built for maximum comfort and reliability, the company's products are tested, approved and endorsed by FRIM Furniture Testing Laboratory under the Furniture Industry Research Association (FIRA). To add to its credentials, the company has been accredited with ISO 9001:2000. The company's OPT products range from laminated batik and songket table tops to household

furniture. The company caters to customer specifications and designs and all its products carry a three-year warranty from manufacturing defects.

Lastly, the media representatives were brought to visit MTIB's Pusat Promosi Perabot in Taman Nusa Bestari, Skudai. The centre acts as a showroom for Bumiputera companies to promote their products. Currently it is being rented out to Pro Team Interior Sdn. Bhd. The company is showcasing bamboo home furnishings for the bedroom, living room, dining room and kitchen. The company also displays office furniture made from bamboo and bamboo parquet flooring. Pro Team Interior procures its raw material from local plantations, ensuring that it is a sustainable source and environment friendly. The company also receives contracts to manufacture and supply custom-made furniture for government agencies and private hospitals.

The media representatives were very happy to be part of the tour and they agreed that they had a better understanding of the industry after the tour. 

AUGUST 2015

Total export of Malaysian timber and timber products in August has shown a decrease of 3.4% valued at RM1.80 billion over the previous month. Nevertheless, cumulative export for the period of January to August increased 3.1% valued at RM14.13 billion over the corresponding period.

Sawntimber

Export of sawntimber in August 2015 increased 0.2% in volume and 13% in value to 158,900 m³ with a value of RM277.37 million compared to the previous month. Similarly, cumulative export for the first eight months of 2015 improved 6% in volume and 16% in value to 1.34 million m³ totalled RM2.0 billion over the previous corresponding period.

Export of sawntimber to the EU for the month improved marginally to 13,486 m³ from 13,219 m³ recorded in the previous month due to increasing demand by the UK. Export to the UK increased 98% to 2,067 m³ from 1,045 m³ recorded in the previous month. Similarly, export of sawntimber to France increased to 994 m³ from 495 m³ in the previous month. However, export to the Netherlands and Germany declined 5% and 35% to 7,550 m³ and 1,204 m³ respectively.

Total exports to West Asia improved 8% to 19,524 m³ from 18,002 m³ in the previous month as a result of increasing purchases made by Saudi Arabia, Bahrain and Kuwait. Export of sawntimber to Saudi Arabia improved 55% to 2,273 m³ followed by Bahrain by 97% to 2,186 m³ and Kuwait by 19% to 1,496 m³. In the meanwhile, export to the UAE and Oman decreased 17% to 5,986 m³ and 3% to 4,498 m³ respectively.

Buying from ASEAN declined 15% to 61,586 m³ from 72,385 m³ in the previous month. Export to Thailand and Philippines decreased 11% to 32,687 m³ and 28% to 17,657 m³ respectively. However, export to Singapore improved slightly to 10,597 m³ from 10,584 m³.

Shipments to East Asia increased 7% to 35,218 m³ from 33,010 m³ in the previous month. Export to China registered an increase of 11% to 16,334 m³ from 14,758 m³ in the previous month. Similarly, export to Japan and Taiwan increased 6% and 33% to 5,549 m³ and 9,015 m³ respectively. On the other hand, export to South Korea and Hong Kong declined by 31% to 3,787 m³ and 25% to 533 m³ respectively.

Elsewhere, export to the US increased 110% to 1,400 m³ and similarly intake by Australia improved by 48% to 1,437 m³. Demand from South Africa increased 30% to 6,981 m³ from 5,356 m³ recorded in the previous month.

The average FOB price of sawntimber increased 12% to RM1,746 per m³ from RM1,554 per m³ in the previous month. Price of Dark Red Meranti (DRM) increased 11% to RM2,840 per m³ from RM2,559 per m³ in the previous month. Price of DRM to the Netherlands increased 43% to RM3,373 per m³ from RM2,354 per m³ in the previous month. Keruing was traded at RM1,697 per m³, an increase of 14% from the previous month.

Plywood

Total export of plywood in August decreased 15% in volume and 13% in value to 181,054 m³ valued at RM338.24 million as compared to the previous month. Similarly, cumulative exports for the period January-August 2015 decreased by 22% in volume and 13% in value to 1,664,003 m³ and RM2.98 billion respectively as compared to the previous corresponding period in 2014.

Total exports to EU increased by 29% to 12,683 m³. Likewise, shipments to Belgium, Ireland, Netherlands and UK increased by 232%, 225%, 16% and 29% to 435 m³, 592 m³, 1,234 m³ and 9,785 m³ respectively whilst France resumed its intake. However, Denmark and Germany reduced their intake by 50% and 25% to 341 m³ and 129 m³ respectively whilst Italy did not make any purchases.

Exports to ASEAN region decreased as Brunei, Singapore, Thailand and Philippines intake of plywood decreased by 2%, 19%, 44% and 15% to 589 m³, 2,459 m³, 2,594 m³ and 5,269 m³ respectively whilst Indonesia did not make any purchases. In East Asia, exports to China, Hong Kong, Japan and Taiwan also decreased by 71%, 39%, 15% and 7% to 1,989 m³, 2,736 m³, 86,882 m³ and 17,229 m³ respectively. However South Korea increased its intake by 43% to 27,991 m³.

Overall, exports to West Asia decreased by 74% as compared to the previous month. Similarly, shipments to Bahrain, Saudi Arabia, UAE, Qatar and Yemen reduced by 78%, 88%, 42%, 30% and 85% to 157 m³, 1,109 m³, 1,814 m³, 910 m³ and 354 m³ respectively whilst Kuwait increased its intake by 262% to 540 m³.

Elsewhere, exports of plywood to South Africa, the US, Canada and New Zealand decreased by 54%, 25%, 84% and 47% to 235 m³, 4,479 m³, 43 m³ and 64 m³ respectively whilst Mauritius and Algeria did not make any purchases. However, Mexico and Australia increased their intake by 29% and 12% to 5,087 m³ and 3,336 m³.

The FOB price of plywood increased by 3% to RM1,868 per m³ from RM1,820 per m³ in the previous month.

Veneer

Exports of veneer for August 2015 showed a decrease of 19% in volume and 21% in value to 18,603 m³ at RM29.40 million as compared to the previous month. Exports to Singapore, Viet Nam, India, Taiwan, Australia and Canada increased by 145%, 160%, 1,272%, 8%, 62% and 33% to 71 m³, 177 m³, 439 m³, 6,639 m³, 337 m³ and 32 m³ respectively whilst Chile maintained its intake at 31 m³ and the Philippines resumed its intake. Meanwhile, China, South Korea and Italy reduced their intake by 51%, 27% and 65% to 193 m³, 9,939 m³ and 55 m³ respectively.

The FOB price of veneer reduced to RM1,580 per m³ from RM1,628 per m³, a decreased of 3% from the previous month.

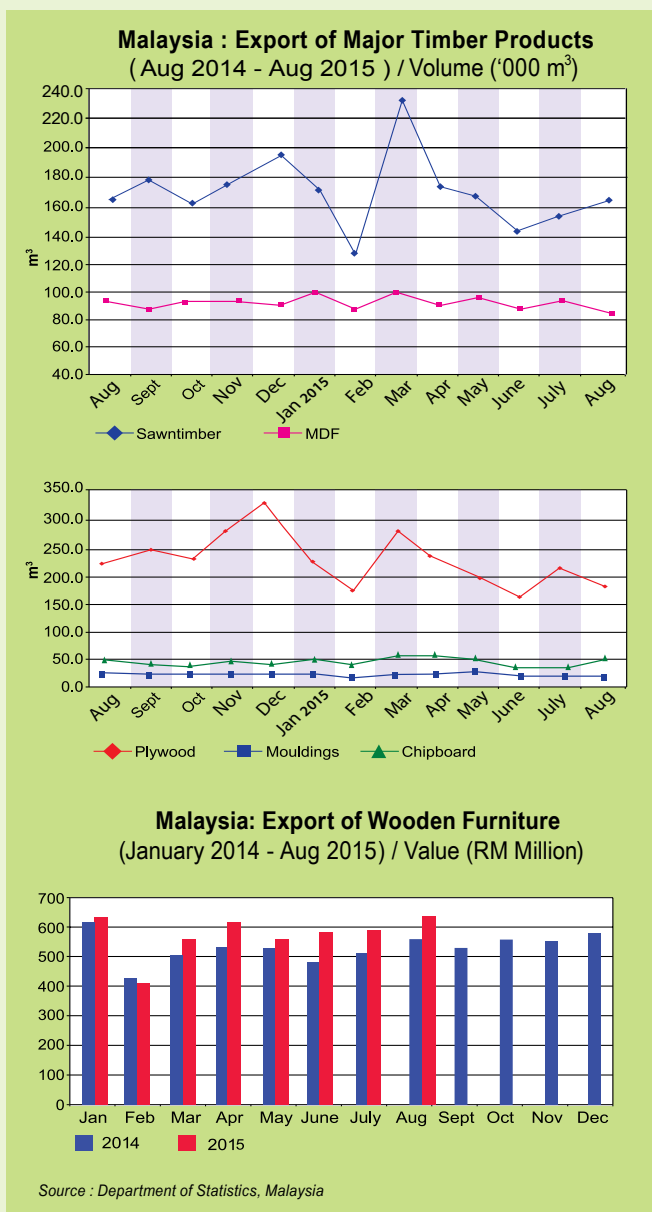
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Medium Density Fibreboard (MDF)

Malaysia's exports of MDF for August 2015 showed a decrease of 9% in volume and 7% in value from the previous month. Export totalled 74,159 m³ and valued at RM 86.30 million.

Exports to East Asia registered a decrease of 42% to 10,551 m³ from 18,247 m³ in the previous month. Exports to Taiwan decreased by 12% to 1,047 m³ followed by China (including Hong Kong), a decrease of 30% to 105 m³ and lastly export to Japan decreased by 44% to 9,399 m³.

Meanwhile exports to West Asia recorded a positive growth with an increase of 14% in volume to 31,208 m³ from 27,317 m³ in the previous month. Export to Iran recorded an increase of 100% to 3,773 m³ followed by Syria also at 100% to 1,111 m³, Kuwait at 91% to 4,649 m³, Qatar increased by 36% to 2,029 m³ and Saudi Arabia by 14% to 6,313 m³. On the other hand, the UAE, Oman, Bahrain, and Jordan dropped by 2% to 11,264 m³, 4% to 1,087 m³, 65% to 593 m³ and 87% to 346 m³ respectively from the previous month.



Furthermore, export to South Asia recorded positive growth by 23% in volume to 13,103 m³ from 10,634 m³. Export to Sri Lanka increased by 76% to 2,187 m³ and export to Pakistan and Bangladesh increase 23% to 7,777 m³ and 680 m³ respectively. Meanwhile, India recorded negative growth decreased by 2% to 2,459 m³.

Exports to the UK, Mauritius and Australia showed a positive growth by 100% to 228 m³, 99% to 555 m³ and 19% to 2,605 m³ respectively. However, demand from US and South Africa decreased by 33% to 1,227 m³ and 54% to 126 m³ respectively.

In ASEAN, total export to the ASEAN region for this month showed a decrease of 10% to 12,981 m³ from 14,417 m³ in the previous month. Only export to Viet Nam increased by 3% to 8,683 m³. Elsewhere, import from Singapore, Indonesia, the Philippines showed negative by 4% to 556 m³, 28% to 2,153 m³ and 32% to 1,440 m³ respectively.

Mouldings

Exports of mouldings for the month decreased by 0.9% in volume and increased by 4.9% in value to 21,788 m³ and RM74.74 million respectively. Similarly, cumulative exports for the period of January-August 2015 increased by 7.8% in volume and 18% in value to 182,188 m³ and RM553.22 million respectively as compared to the previous corresponding period in 2014.

Exports to the EU for the month recorded at 7,789 m³, an increase of 17% compared to the previous month. Shipment to Belgium, Germany and Netherlands increased by 71%, 12% and 15% to 762 m³, 1,680 m³ and 3,547 m³ respectively. However, exports to the UK recorded a negative growth with a decrease of 3% to 747 m³ compared to the previous month.

Exports to ASEAN region increased as Viet Nam intake of mouldings increased tremendously by 144% to 217 m³. However, Singapore reduced its intake by 9% to 1,323 m³ and Indonesia did not make any purchases.

Meanwhile, exports to Taiwan increased tremendously by 706% to 129 m³ compared to the previous month. Similarly, Hong Kong and China increased by 3% and 61% to 283 m³ and 767 m³ respectively. However, Japan and South Korea decreased by 23% and 39% to 1,977 m³ and 1,405 m³ respectively.

Elsewhere, export to Australia and Canada increased by 1% and 159% to 3,452 m³ and 192 m³ respectively. However, export to the US decreased by 8% to 2,669 m³ compared to the previous month.

FOB unit value increased 6% from RM3,241 per m³ in the previous month to RM3,431 per m³ in August 2015.

Builders Joinery and Carpentry (BJC)

Total BJC cumulative exports from January to August 2015 increased 0.7% to RM683.42 million as compared to RM678.97 million in the corresponding period last year. Export to the EU increased 1% to RM188.97 million. Export to the UK and Sweden increased by 14% and 89%

AUGUST 2015



Logs

Exporters to Japan reported weak demand of logs for the month due to depreciation of Yen. However the domestic prices of logs for most of the species sustained at the last month's level.

Log prices for the species of Chengal and Merbau stood firm at RM4,000 per tonne and RM2,650 per tonne respectively while prices of Balau logs increased by 6.4% to RM3,000 per tonne as compared to the previous month. Similarly Dark Red Meranti and Red Meranti logs were traded at RM1,900 per tonne and RM1,760 per tonne respectively. However logs prices for Mersawa increased slightly by 6.7% to RM1,600 per tonne compared to the previous month. On the other hand, log prices for Mixed Heavy Hardwood maintained at RM874 per tonne whilst Mixed Light Hardwood improved by 2.6% to RM1,200 per tonne. Most of the prices for medium hardwood logs for the month under review remained at last month's level except for Kempas which charted an increase of 3.1% to RM1,340 per tonne over the last month period.

Sawntimber

The average sawntimber prices were reported to be stable though demand from both domestic and international market continued to be uncertain.

The sawntimber prices of Chengal and Red Balau continued to be traded at RM6,638 per m³, and RM2,966 per m³ respectively. The prices of Balau however increased by 12.5% to RM3,178 per m³ compared to last month. Similarly, sawntimber prices of Kempas grew slightly by 1.9% to RM1,871 per m³ whilst Keruing's prices maintained at RM1,766 per m³. Sawntimber prices of Red Meranti chalked up by 13.3% to RM1,801 per m³. Meanwhile, Dark Red Meranti and Mersawa sawntimber prices remained at RM2,190 per m³ and RM1,554 per m³ respectively. Generally, sawntimber prices of Mixed Heavy Hardwood continued to be traded at RM812 per m³ whilst prices of Mixed Light

Hardwood sawntimber grew significantly by 13.0% to RM918 per m³ over the previous month.

Plywood

The supply of plywood for the usage of the domestic market continued to be able to cater the need of local demand. Prices of plywood however remained stable as per last month's level. Plywood 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)

Prices of MDF reported to stable this month while demand from the domestic market continued to remain average. For the month under review, MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM12.10, RM15.80, RM21.70 and RM28.10 per piece respectively.

Intra-Malaysia Trade *- August 2015

Shipments of sawntimber from Sabah to Peninsular Malaysia grew tremendously by four digits to 531 m³ valued at RM1.1 million. Similarly, shipment of plywood rose by 57% to 8,536 m³, worth RM15.5 million. However, shipments of logs declined sharply by 99% in volume from 170 m³ to only 1 m³.

On the other hand, export of sawntimber from Sarawak to Peninsular Malaysia for the month under review fell by 54% in volume to 636 m³ valued at RM621,000. Meanwhile, export of plywood grew by 54% to 10,456 m³ worth at RM14.2 million as compared to the previous month. Shipment of veneer however, dropped by 27% to 4,288 m³ with the value of RM6.4 million.

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

INTRA-MALAYSIA TRADE – AUGUST 2015

From	Products	JULY 2015		AUGUST 2015		% Change in Volume AUG 2015 / JULY 2015	% Change in Value AUG 2015 / JULY 2015
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	170	380	1	1	-99.4	-99.7
	Sawntimber	39	146	531	1,077	1,261.5	637.7
	Plywood	5,431	9,927	8,536	15,548	57.2	56.6
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,397	1,582	636	621	-54.5	-60.7
	Plywood	6,778	9,796	10,456	14,152	54.3	44.5
	Veneer	5,912	8,357	4,288	6,362	-27.5	-23.9

Source : Department of Statistics, Malaysia

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AUGUST 2015 (VALUE IN RM)

SPECIES	LOGS/tonne	SAWNTIMBER/m ³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	4,000	6,638	4,688	8,828	
Balau	3,000	3,178	2,244	3,531	
Red Balau	2,500	2,966	2,095	3,178	
Merbau	2,650	3,778	2,668	2,772	
Mixed Heavy Hardwood	874	812	574	742	
MEDIUM HARDWOOD					
Keruing	1,400	1,766	1,247	2,203	
Kempas	1,340	1,871	1,322	2,010	
Kapur	1,700	2,248	1,587	2,331	
Mengkulang	1,100	1,412	997	1,575	
Tualang	1,310	2,260	1,596	2,295	
LIGHT HARDWOOD					
Dark Red Meranti	1,900	2,190	1,547	2,754	
Red Meranti	1,760	1,801	1,272	1,836	
Yellow Meranti	1,150	1,400	989	1,400	
White Meranti	1,040	2,119	1,496	1,695	
Mersawa	1,600	1,554	1,097	1,412	
Nyato	900	777	549	1,201	
Sepetir	850	1,107	782	1,118	
Jelutong	1,030	1,405	992	1,554	
Mixed Light Hardwood	1,200	918	648	657	
MALAYSIAN RUBBERWOOD					
<i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m ³			
	140	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		706	1,045	1,081	1,186
PLYWOOD 4' X 8'					
(RM per piece)	4mm	6mm	9mm	12mm	
	14.60	22.00	34.50	41.50	
MDF 4' X 8'					
(RM per piece)	4mm	6mm	9mm	12mm	
	12.10	15.80	21.70	28.10	

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

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TIMBER ROUND-UP

to RM107.05 million and RM12.53 million. Export to Denmark, Germany, Italy, and Turkey decreased by 18%, 34%, 43% and 38% to RM10.62 million, RM5.02 million, RM1.88 million and RM1.84 million respectively. Similarly, export to Belgium, Netherlands and Norway decreased by 21%, 87% and 36% to RM31.36 million, RM0.13 million and RM0.21 million respectively.

In Asia, exports to Japan, India, Taiwan, the UAE, South Korea, Bahrain, Saudi Arabia and Qatar decreased 12%, 1%, 6%, 63%, 37%, 43%, 38% and 28% valued at RM45.53 million, RM42.65 million, RM11.67 million, RM3.30 million, RM1.72 million, RM1.39 million, RM5.26 million and RM3.04 million respectively. However, exports to Singapore, Pakistan, Viet Nam and Thailand increased by 5%, 12%, 39% and 5% to RM83.52 million, RM25.08 million, RM21.59 million and RM23.04 million respectively.

Exports to Australia, South Africa and Maldives increased by 10%, 51% and 139% to RM97.14 million, RM11.73 million and RM9.30 million respectively. Likewise, the US increased its intake by 6% to RM60.76 million from RM57.52 million in the previous corresponding period.

Furniture

Malaysia's exports of wooden and rattan furniture between January to August 2015 increased by 9% to RM4.58 billion as compared to RM4.19 billion recorded in the previous corresponding period of last year.

Purchase of wooden furniture from Malaysia for the January to August 2015 duration increased 9.5% from

RM4.16 billion to RM4.56 billion compared to the same period in 2014. Demand for wooden furniture for August 2015 was positive across most major markets. Demand from the US remained firm as export rose 21% from RM1.29 billion to RM1.57 billion. Imports by Australia improved by 21% from RM273.88 million to RM331.49 million in the first eight months of 2015.

Similarly, Singapore increased its wooden furniture consumption by 7% from RM234.63 million to RM251.82 million. The UK follows suit with an increase import by 8% from RM211.84 million to RM228.97 million. Canada increased its intake of wooden furniture by 6% to reach RM193.59 million. Export to Japan also recorded an increase of 3% to RM348.02 million from RM336.70 million.

In West Asia, the UAE continued to reduce its imports by 3% to RM147.29 million from RM152.25 million in 2015. However, exports to Saudi Arabia improved by 40% to RM137.18 million. In East Asia market, exports to South Korea climbed by 6% to RM79.76 million for the first eight months of 2015 from RM75.51 million.

Meanwhile, exports of rattan furniture for the period declined by 25% to RM21.56 million. Demand by Singapore fell by 25% to RM5.05 million. Shipments to Thailand, China and India decreased by 32%, 78% and 53% to RM0.85 million, RM0.44 million and RM2.84 million respectively. Similarly, export to the US decreased by 3% to RM1.39 million. However, exports to the UK, France, and Viet Nam improved by 24%, 89%, and 57% to RM2.38 million, RM0.34 million, RM0.22 million respectively. Similarly, import by Belgium also increased by 34% to RM0.26 million.

TANGGAM EXPLORES DESIGN IN AUSTRALIA



Workshopped showroom at Surry Hills.



Leve chair at Workshopped Studio.

TANGGAM and MOBILI are initiatives launched by MTIB to select, nurture, promote and market outstanding designs, in particular furniture and wood-based products, and designers. This, in turn, would create a portfolio of exciting new designs from Malaysia that have international market appeal and can be manufactured and marketed by Malaysian furniture manufacturers.

MTIB is committed to providing winning designers maximum exposure to the international design community, through media coverage and other promotional activities.

As part of its continuous effort to meet these objectives, a trip to Australia was organised by MTIB from 29 August to 5 September. Besides MTIB officials, the TANGGAM designers were accompanied by a senior designer, an entrepreneur and a training specialist. The week-long trip took the team to Sydney and Adelaide to meet and engage with Australian designers and design-related organisations. The team interacted with local and international designers and expanded their network beyond Malaysia as well as enhanced their knowledge and understanding of design. The team also explored and observed the design industry, especially furniture, with visits to various stores and outlets.

One of the most interesting observations was the growing number of “designer-makers”, ranging from wood products, furniture, ceramics, jewellery, textile to even glass. It was noted that design studios have started to play an important role. Now, the emergence of the designer-maker is becoming more relevant. As cost of sustaining and operating a workshop can be a burden, designers have joined up and pooled their resources.

In Sydney, the Workshopped and Splinter Workshop, a cooperative of designer-makers, have been setup to support and promote designers and their designs. Situated in Hill Street Design Precinct in Surry Hills, Workshopped, established in 2011, exhibits, manufactures, wholesales and retails Australian design products. Workshopped has now exhibited over 650 Australian designers. Workshopped identifies with Australian designs and brings it to local and international attention, whilst assisting in sustaining a creative community. Before, designers had few avenues in

getting their designs in front of the general public. Creating and maintaining successful commercial relationships with industry and the marketplace were also extremely difficult, but many designers who have exhibited at Workshopped now have their works in commercial production, having been exposed to buyers.

In Adelaide, the JamFactory, a government funded organisation supported by the South Australian Government acts as a Centre for Excellence and is one of the most established centers for designer-makers. It provides an environment conducive to creating and developing designs, whilst a team manage them by promoting and marketing the products, locally and internationally. JamFactory supports and promotes outstanding designs and craftsmanship through its widely acclaimed studios, galleries and shops. For over 40 years JamFactory has been presenting outstanding exhibitions and public programmes and nurturing the careers of talented artists, craftspeople and designers. JamFactory also provides facilities for hire and subsidised studio space for independent artists and designers.

It was observed that in terms of design, TANGGAM is as creative and innovative as its Australian counterparts but the products lacked some quality and finish that are expected by the consumers. MTIB and other government agencies can assist to overcome this issue. One of the ways is to match designers with skilled makers in developing their products.

Malaysian designers need to explore ways to make a distinctive presence in the international design scene by actively participating in international competitions and exhibitions. MTIB needs to transform TANGGAM into an establishment similar to JamFactory for furniture and wood-based products in Malaysia, to develop and promote Malaysian designers and designs. One lesson learnt from this working visit, based on the successful operation of Workshopped and JamFactory studios in promoting designer-makers and designer-led manufacturing concepts, was that it is vital for MTIB to consider the Australian model in establishing MTIB's design studio in the near future. Currently MTIB is in the process to establishing a Design

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Incubation Centre to be located in Damansara, Kuala Lumpur and Galeri Glulam in Johor Bahru.

MTIB was represented by Tuan Hj. Mahpar Atan, Director of Industry Development; Puan Nik Zuraihah Nik Muhamad from Industry Development and Cik Emy Zulika Dzulkifly from Management Services.

Tony Parker Furniture

Designer and style-leader of the Australian furniture industry for over 40 years, Tony Parker has always been at the forefront with unquestionable integrity, and the highest of reputation in design, manufacturing and retail. WORKSHOPPED with an exclusive relationship with Covemore Designs, re-introduces selected pieces from the mid-century range designed by Tony Parker.



Conversation chair #50

JamFactory, Adelaide



Jon Goulder, Creative Director, Furniture Design Studio, JamFactory.



Furniture Design Studio JamFactory.



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Malaysian Timber Industry Board
(Ministry of Plantation Industries and Commodities)

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MALAYSIA – TURKEY FREE TRADE AGREEMENT ENTER INTO FORCE



Encik Mohd Kheiruddin Mohd Rani, MTIB Director of Trade Development (right) as a moderator during the briefing.



Participants attending the briefing.

A briefing session entitled “The Implementation of Malaysia – Turkey Free Trade Agreement (MTFTA)” was held on 1 September at MTIB, Kuala Lumpur. The briefing was held to inform the Malaysian timber industry on the implementation, impact and benefit of the agreement. It was also to explain the ‘Rules of Origin’ used in the agreement and in addition, to provide updates on other free trade agreements currently being negotiated by Malaysia.

Dr. Jalaluddin Harun, MTIB Director-General in his welcoming remarks welcomed the participants and conveyed his expectations that the participants will take the opportunity to gain a better understanding on the importance and benefits offered by the implementation of MTFTA toward the development of the Malaysian timber industry. He also noted that in the era of globalisation, FTA is the way taken by the government to gain better market access for Malaysian products, including timber and timber products, in the international market.

The briefing was moderated by Encik Mohd Kheiruddin Mohd Rani, MTIB Director of Trade Development. Cik Nazlinda Zamani, Principal Assistance Secretary of Ministry of Plantation Industries and Commodities deliberated on the implementation of MFTA. The Malaysian government began negotiations on 27 January 2010 and nine rounds of negotiations have been held. The Agreement was signed by YB Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry, Malaysia and Hon. Nihat Zeybekci, Minister of Economy of The Republic of Turkey on 17 April 2014 in Ankara, Turkey and it entered into force on 1 August 2015.

Cik Nazlinda added that Malaysia is the first ASEAN country to sign an FTA with Turkey while the FTA with Turkey is the 13th such FTA entered into by Malaysia. Currently, Malaysia has implemented six regional FTAs and six bilateral FTAs that cover other ASEAN Member States, China, Japan, India, Australia, New Zealand, Pakistan and Chile. There are another five FTA's currently being negotiated by Malaysia.

In 2014, the total export to Turkey was worth RM2.5 billion while import was RM711 million. Malaysia's export of timber and timber products to Turkey totalled at RM39.5 million, an increase of 7% from RM36.8 million recorded in 2013. Wooden furniture was the main product exported to Turkey followed by BJC and plywood. According to the agreement, Malaysian timber and timber products entering the Turkey market will enjoy 0% duties compared to the current MFN duty of 0–10%. Other Malaysian exports that will benefit from immediate duty-free treatment in Turkey include selected textiles and apparel, E&E products, chemicals, iron and steel products, machineries, leather products and all rubber products.

Encik Ariffatri Mohammad, Senior Assistant Director of Ministry of International Trade and Industry spoke on the Rules of Origin under MTFTA. He talked about the general provisions as outlined in the agreement in order to familiarise the industry on the application of Rules of Origin under MTFTA. Malaysian exporters to Turkey will gain benefit in terms of duties elimination by complying with the Rules of Origin as stated in the agreement.

The briefing session drew more than 30 participants from various sectors of the timber industry as well as representatives from the Ministries and government agencies.



Q&A session.

38TH ISO GENERAL ASSEMBLY



Tuan Hj. Mahpar Atan, MTIB Director of Industry Development (right) posing with some of the delegates.



Attendees at the meeting.

The 2015 ISO General Assembly (GA) was held in Seoul, Korea, on 16-18 September. More than 700 delegates from 162 countries took part in the 38th General Assembly of International Organisation for Standardisation (ISO). With the theme “ISO 2020: Great Things Happen When the World Agrees” participants shared the latest information and ideas on International Standard. The meeting served as a platform for “ISO Week in Korea”, a week-long gathering that offers an excellent opportunity for the world’s standardisation community to come together for discussions to shape the direction of ISO’s future products, services and systems. It also served to raise awareness on the ISO International Standard in Korea and foster international cooperation in standardisation and conformance activities.

ISO is the world’s largest developer of voluntary International Standard. Based in Geneva, Switzerland the organisation has published more than 19,500 International Standard, for almost all industries including technology, food safety, agriculture and healthcare. Korea joined ISO in 1963 and this is the first time the organisation’s general assembly is being held in the country. During the event, foreign delegates visited major companies in Korea that lead global trends in terms of technological standards namely Samsung Electronics, Korea Ginseng Corporation and Amore Pacific.

In his keynote address, Korean President Park Geun-hye said the role of ISO and International Standard are becoming more important as technology is advancing rapidly. In his welcoming speech, ISO President Dr. Zhang Xiaogang said the general assembly would be discussing the ISO Strategic Plan 2016-2020 and its implementation, focusing on the active engagement of all stakeholders, especially the industry and developing countries.

The general assembly provided the opportunity to focus on the publication of the revision of two profile standards : ISO 9001 and ISO 14001. The ISO Strategic Plan 2016 – 2020 focuses on six strategic directions of ISO over the period.. The strategic directions can be adjusted as needed to reflect new developments. The six strategic directions are:

- Developing high-quality standards through ISO’s global membership;
- Engaging stakeholders and partners;
- People and organisation development;
- Effective use of technology;
- Communication; and
- Using ISO Standards everywhere.

The success of this strategy depends on extensive communication and requires the development of aligned annual plans for ISO governance bodies. These include specific plans and actions for developing countries, ISO technical management, and its policy work in areas such as consumers, and conformity assessment. To ensure the strategic plan performs as designed, appropriate central resources will be mobilised, and a financially viable and sustainable network of ISO members, to support the work and execute these actions. In addition, the metrics system will be established to measure the performance of the strategy. The present ISO Strategy will serve as a guide to setting priority achievements and objectives to ensure the success of ISO into 2020 and beyond.

The delegates who participated in the general assembly were Tuan Hj. Mahpar Atan, MTIB Director of Industry Development as well as other representatives from Standard Malaysia, SIRIM, NIOSH, Standard Development Agency and other Certification Body with accreditation from Standard Malaysia. The 39th ISO General Assembly will be held in Beijing, China from 19 to 23 September 2016.

ECOLOGY DIVERSITY SYNERGY (EDS) IN JAPAN.



The Ecology Diversity Synergy plant.

The Ecology Diversity Synergy (EDS) plant is located in Maebashi, Gunma, Japan. The plant consists of three chambers; one has a capacity of 200 m³ while the other two are 100 m³ each.

What is the Ecology Diversity Synergy (EDS) technique? According to the inventor, Mr. Sachio Ishii, the EDS technique involves improving cellulose raw materials using heat. Material improvement is carried out at EDS plants, which consists of combustion chambers, heat quantity control rooms, and raw material storage rooms. Temperature, gas molecule, and oxygen molecule levels within each raw materials storage room are simultaneously controlled using sensors. Standard temperature varies from 70 to 200°C. The technique does not involve any chemical usage. During the EDS treatment, the water molecules in the log will be moved or translocated to both log ends.

Mr. Ishii said, in the case of the oil palm log which contains a lot of cellulose and hemicellulose (parenchyma), the EDS treatment is able to modify the parenchyma which surrounds the cellulose. So, the parenchyma will become hard and strong enough to hold or bond the cellulose together. In this case, log then becomes hard and stiff. For the degradation of the log, the hemicellulose (parenchyma) content will be oxidised or fermented for a period. There will be no bonding or interlocking between cellulose and hemicellulose in the log.

The EDS technique claims to improve timber, including logs that have just been felled and processed wood. The technique reduces the occurrence of problems such as warping, splitting and bending. It improves the wood's strength and durability, and makes it easy to process the wood. Heating the wood at high temperature also prevents rotting by killing decay fungus and other unwanted pests. The technique can also be used on oil palm, bamboo, *Acacia mangium*, *falcataria* and rubber tree.

In order to further explore the modernisation of global technology on wood utilisation and its uses in construction, building application, load bearing and the engineering

sector, MTIB conducted a preliminary R&D study trip to Lixil Co. Ltd. Gunma, Japan from 1 to 18 September . Two MTIB officers involved were Dr. Loh Yueh Feng and Dr. Yeoh Beng Hoong. The objective of this activity was to determine the efficiency of the EDS treatment method on the oil palm trunk. The research study focused on pre-commercialisation factors such as the recovery rate, raw material input, biomass fuel consumption, material strength, stability, durability as well as the economy. 

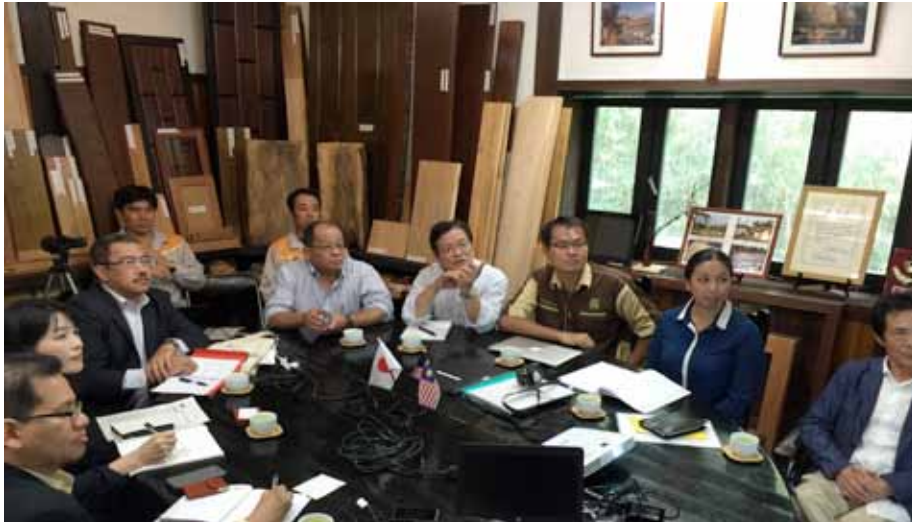


Log measurement activity.



Oil palm treated with EDS technique.

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Meeting with Lixil Corporation, EDS Laboratory Co. Ltd, Yuasa Co. Ltd, Malaysian Investment Development Authority and MTIB for further development on EDS programme.



Sawing for the treated OPT log.



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

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TALK ON USE OF TIMBER IN CONSTRUCTION



Prof. Dr. Zakiah Ahmad from UiTM, Shah Alam gave a talk on use of timber in construction.



Attendees at the seminar.

The timber industry is one of the key contributors to the economy with an annual export value of approximately RM20 billion while the domestic market, including the construction industry, is worth RM13 billion. However, based on the statistics report by the Department of Statistics (DOS), the use of timber and timber products as construction materials in Malaysia for 2013 was 7.7% compared with other construction materials such as steel, concrete, aluminium and PVC; with a total value of RM5.92 billion. The timber products comprised sawntimber at RM3.46 billion; plywood at RM1.02 billion; timber door and window frames at RM814 million; wall board, soft board and particleboard at RM144 million and other timber materials at RM364 million. In addition, a total of RM124 million worth of timber products were used as the Industrialised Building System (IBS).

To increase awareness of the use of timber in the local construction industry, MTIB organised a "Talk on Use of Timber in Construction" in conjunction with International Construction Week (ICW) 2015, held from 9 to 11 September at PWTC, Kuala Lumpur. The ICW 2015 exhibition showcased all types of buildings, construction machinery and equipment for building sites, primary and complementary building components including timber products.

The main objective of the talk was to provide an overview of the current trends in timber engineering that are expected to influence the direction of the timber construction industry in Malaysia, to specifiers such as engineers, architects, contractors, developers as well as consumers and the public. The participants were exposed to the characteristics of timber as one of the oldest construction materials in the world. Some of Malaysia's historical buildings that were made of timber were highlighted. Also talked about were some prominent building structures in Japan, China, Norway, Russia and some European countries.

Prof. Dr. Zakiah Ahmad, Director of ISEM, Universiti Teknologi MARA, Shah Alam further added that to improve the performance of solid sawntimber, the timber could also be manufactured as engineered timber products (ETP) such as glued laminated timber (glulam), laminated veneer lumber (LVL), cross laminated timber (CLT) or parallel strand lumber (PSL) that can be used for longer spans and flexible designs. The ETP is widely used by developed countries such as the USA, Canada, Japan and Australia. However in Malaysia, the ETP is still a small industry, although it has a lot of potential due to the advantages of the Malaysian tropical hardwood for both domestic and international construction.

In terms of performance, timber is proven to have better strength by density ratio compared to steel and concrete. It is also flexible and allows for higher flexibility in design. Compared with other materials, after proper treatment and drying, timber can perform better in terms of fire resistance, durability and strength. It is proven from several past fire incidents involving timber, concrete and steel structures, timber withstood fire better than the other materials.

In addition, to ensure the quality of timber being used, the design of the structure should comply with relevant standards and related guidelines. Besides its roles as a Standards Development Agency (SDA) for timber and timber products as appointed by Standards Malaysia, MTIB also provides Timber Verification Services (TVS) to specifiers and stakeholders to ensure the right quality timber is used with correct specifications for its intended usage and application.

The talk attracted more than 50 participants which comprised mainly of professionals such as engineers, architects, developers and contractors. 

KNIFE GRINDING COURSE AT WISDEC SABAH



Practical conducted by Tuan Hj. Jamani Ali.

WISDEC Sabah organised a Knife Grinding training programme on 19–21 September to increase knowledge on sharpening works and maintenance of knife blades and to understand how to make, sharpen and control the quality of blades. This course was especially designed to suit the needs of the industry, delivering basic knowledge and following the syllabus set by the National Occupation Skills Standards (NOSS), Department of Skills Development (DSD). Speaker for the course was Tuan Hj. Jamani Bin Ali, a former MTIB staff. Twenty-four participants from the industry and training institutions attended the course.

The topics covered were:

- The importance of profiled knife grinding and maintenance
- The theoretical and principal of tensioning and levelling of band saw
- Sharpening and specifications of grinders

- Knife sharpening
- Sharpening techniques
- Making templates and tip-tapping
- Methods of joining, installing, testing and setting of blades
- Carriage maintenance
- Storage and handling of blades.

The participants admitted that they had gained extensive knowledge on every topic delivered. The course also generated the opportunity to build network and forge better business relationships among themselves. 



Hands-on session.

ECOBUILD SOUTHEAST ASIA 2015



MTIB booth.

International Construction Week (ICW) is the largest and most important event in the industry, gathering Malaysia's construction professionals in discussions on strategies as well as the future outlook of sustainable construction in Malaysia and Southeast Asia. ICW 2015 which comprised also two significant events namely Ecobuild Southeast Asia and Greenbuild Asia - were held successfully from 9 to 11 September in Kuala Lumpur.

ICW 2015 and Ecobuild Southeast Asia 2015 were officiated by YAB Dato' Seri Mohd. Najib Bin Tun Haji Abdul Razak, Prime Minister of Malaysia. The opening ceremony was witnessed by over 1,500 industry professionals. The three-day exhibition showcased a wide range of products and technologies from key industry players across the globe. The event brought together more than 100 companies from various countries including the United Kingdom, China, the Middle East, Taiwan, Japan, Australia, Singapore and Malaysia.

Ecobuild Southeast Asia 2015, the premier annual event for construction industry in Malaysia and Southeast Asia was organised by United Business Media (M) Sdn. Bhd. Ecobuild

Southeast Asia provides a strategic platform that connect industry professionals to network, learn and discover new products and innovative solutions in the construction industry.

MTIB's participation in Ecobuild Southeast Asia 2015 was mainly to promote glued laminated and biocomposites products as well as MTIB's Timber Verification Service (TVS). Woodsfield Glulam Manufacturing Sdn. Bhd. and Colydor Industries Sdn. Bhd. participated in the exhibition under MTIB. Numerous enquiries on products displayed were reported. MTIB also exhibited its publications for sale while taking the opportunity to explain and promote its services to visitors.

Ecobuild Southeast Asia 2015 ended on a successful note. The next edition will take place from 12 to 14 April 2016 at Kuala Lumpur Convention Centre (KLCC). 



Visitors at the booth.

MYGLAM – EPITOME OF ARCHITECTURE IN TIMBER DESIGNING

Introduction

Timber has been extensively used for a myriad of purposes including construction. In some countries, timber has been used, not only for residential but for commercial buildings, sport complexes and churches. Through the use of timber, engineering knowledge has been incorporated into timber designs. Such systematic methods need to be inculcated among local technical experts and specifiers, to explore the flexibility of tropical timber. In Malaysia, a special project to build a mosque using (glulam) was undertaken by FRIM in 1970s and MTIB's iconic timber building - Galeri Glulam in Johor Bahru was completed in 2011. These are proof that tropical timber is flexible and suitable for structural purposes.

These are some of the messages that builders and architects are passing on to end users. Taking the points into consideration, two individuals, mooted the idea of venturing into promoting timber for structural purposes, by producing glulam.

His extensive experience in timber detailing works brought a renowned laminated board manufacturer to explore timber product diversification. Teamed with architectural elements and design input, the move eventually led to the production of engineered timber products for structural purposes. Bearing the name Malaysian Glulam, myGlam is building its reputation as a prominent glulam producer in the country, as well as proving timber as a promising material to be applied in various applications, particularly for structural purposes.

The Fusion Makes Perfect

When two creative individuals from different backgrounds come together to share thoughts and opinions on timber, there is an exchange of ideas with introspective nuances. This is what you get when Encik Ahmad Asmadi, Encik Moses Ting and Encik Ken Ting got together. Ahmad is an architect who has been specifying timber in his designs throughout his 22 years of experience while Moses is a timber manufacturer, who has shown his passion in producing laminated timber for 30 years. Encik Ken, Moses' son, is the man actively running the operation.

Looking at it positively, they believe in the saying - "Keeping knowledge will only erode power, but sharing them with good synergy is the fuel to the growth engine". and technological advancements pertaining to the usage of timber in Malaysia.

About myGLAM

Architectural design in timber is too often an underappreciated craft. In Malaysia, most architects have very little experience when designing with timber.

Established in 2012, myGlam's noble objective was to recognise timber as a promising material for structural



Making the connection between architectural competency, renowned manufacturing and fabrication capabilities.
From L to R: Encik Moses Ting, Encik Ahmad Asmadi and Encik Ken Ting

structural applications. myGlam envisages to promote architectural and technological advancements pertaining to the usage of timber in Malaysia.

"I had studied the glulam industry for five years before deciding to venture into this industry, and I am very positive towards this move" said Encik Asmadi, the architect and the co-founder of myGlam. He added that, in certain types of construction, timber can reduce building cost by 20% and construction time by 50%, as well as giving value to the building, ie. the beauty of timber.

Technical visits and missions to witness glulam structures and discussions with reputable glulam manufacturers in Australia, Sweden, Norway and the UK, rendered inspirations for them to establish myGlam.

Located in Damansara Perdana, the myGlam production line resides at Jalan Kebun near, Taman Sri Andalas, Kelang, Selangor. The plant is supported by about 30 production workers.

At its infancy stage, myGlam is slowly building its name by participating in various local fairs such as Eco Build, ARCHIDEX and as of now, myGlam has managed to clinch local business deal at more than RM2 million.

Despite the uncertainties of the market, their enthusiasm towards promoting glulam industry in Malaysia is notable, and they are confident upon opportunities ahead.

With MTIB, I am actively involved in developing standards for timber structures and being a member of the MTIB National Mirror Committee of ISO/TC 165 Timber Structures, I foresee a lot of opportunities in developing glulam industry in Malaysia." said Encik Asmadi.

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Products of myGlam

myGlam designs and manufactures both straight and curved structural glulam beams. It can produce up to 20 metres in length of the glulam, depending on order. The glulam specifications are accordance to the species used, and purpose of the products. myGlam is currently working on single species of which those technical data is available.



Straight Mengkulang beam, undergoing load bearing test.



The flexible characteristic of glulam is important to produce curved glulam members.

myGlam aims to be an established glulam manufacturer producing certified products which are globally recognised. Hence, the existing system within the Malaysian Timber Certification Council in providing products assurance, is a platform that myGlam can ride on. myGlam is confident that this will help to expand the market of structural timber components timber, internationally.

Projects and Accomplishment

In 2013, myGlam made its debut move when its 'glulam tree' is making its crib at the reception area of Ministry of Plantation Industries and Commodities, Putrajaya.

myGlam explores opportunities in recurring projects of Ministry of Works and Ministry of Housing and Local Government to construct mosques and residential development. myGlam is also expecting more commercial complexes to specify timber as a main structure.



In 2013, myGlam made its debut move when its 'glulam tree' is making its crib at the reception area of Ministry of Plantation Industries and Commodities, Putrajaya.



At ARCHIDEX 2014, myGlam's design bagged home one of the Best Design Booth Awards through the Sculptural Structure.

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An artist's impression ... This Timber Pedestrian Bridge is a collaborative effort among myGlam, Malaysian Timber Council and Putrajaya Holdings. It marks another milestone for myGlam in showcasing timber for structural use, and it is expected to be completed in August 2016.



Best Booth Design. myGlam grabbed Gold Award at ARCHIDEX 2015.

The Challenge

In order to be able to successfully promote the application of glulam in Malaysia, reliable technical data, such as the timber characteristic value, bearing stress and stability, fire performance as well as connection detailing are crucial. It is therefore necessary to get more designers and specifiers and to make the technical data known publicly.

Being a comparatively small market segment, promotion need to be intensified, coupled with capable marketing arms to ensure sales. Those measures may slowly but surely help to increase production capacity of the glulam industry in Malaysia.

The Way Forward

Timber is obviously an excellent choice of material in terms of sustainability and green image. "As an architect, it is my duty to push for innovation and think outside the box, and of course I have to continue the close relationship with timber engineers to deliver an outstanding project." said Encik Asmadi.

myGlam as one of the few pioneers in the glulam industry in Malaysia, hopes to contribute towards designing and specifying timber into futuristic structural timber in Malaysia particularly, glulam. Towards this end, more players are encouraged to participate in this field to optimise our natural resources into producing timber products with added value.

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Malaysian Wood
Standing on Excellence

Tak Lapuk Dek Hujan, Tak Lekang Dek Panas
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Resak Vatica spp.

www.mtmb.gov.my





PR CHINA:TIMBER EXPORTS CONTINUE TO GROW

Introduction

China, officially the People's Republic of China (PRC), is a sovereign state in East Asia. It is the world's most populous country, with a population of over 1.35 billion. The PRC is a single-party state governed by the Communist Party of China, with its seat of government in the capital city of Beijing.

The PRC exercises jurisdiction over 22 provinces, five autonomous regions, four direct-controlled municipalities (Beijing, Tianjin, Shanghai and Chongqing), and two mostly self-governing special administrative regions (Hong Kong and Macau).

The PRC also claims the territories governed by the Republic of China (ROC), a separate political entity today commonly known as Taiwan, as a part of its territory. This includes the island of Taiwan as Taiwan Province, Kinmen and Matsu as a part of Fujian Province and the islands the ROC controls in the South China Sea as part of Hainan Province and Guangdong Province. These claims are controversial because of the complex political status of Taiwan.

For centuries China stood as a leading civilisation, outpacing the rest of the world in the arts and sciences, but in the 19th and early 20th centuries, the country was beset by civil unrest, major famines, military defeats, and foreign occupation. After World War II, the communists under Mao Zedong established an autocratic socialist system that, while ensuring China's sovereignty, imposed strict controls over everyday life and cost the lives of tens of millions of people.

After 1978, Mao's successor Deng Xiaoping and other leaders focused on market-oriented economic development and by 2000 output had quadrupled. For much of the population, living standards have improved dramatically and the room for personal choice has expanded, yet political control remains tight. Since the early 1990s, China has increased its global outreach and participation in international organisations.

Economy

Since the late 1970s China has moved from a closed, centrally planned system to a more market-oriented one that plays a major global role - in 2010 China became the world's largest exporter. Reforms began with the phasing out of collectivised agriculture, and expanded to include the gradual liberalisation of prices, fiscal decentralisation, increased autonomy for state enterprises, growth of the private sector, development of stock markets and a modern banking system, and opening to foreign trade and investment.

China has implemented reforms in a gradualist fashion. In recent years, China has renewed its support for state-



owned enterprises in sectors considered important to "economic security," explicitly looking to foster globally competitive industries. The restructuring of the economy and resulting efficiency gains have contributed to a more than tenfold increase in GDP since 1978.

Measured on a purchasing power parity (PPP) basis that adjusts for price differences, China in 2014 stood as the largest economy in the world, surpassing the US for the first time in modern history. Still, China's per capita income is below the world average.

After keeping its currency tightly linked to the US dollar for years, in July 2005 China moved to an exchange rate system that references a basket of currencies. From mid-2005 to late 2008 cumulative appreciation of the Yuan against the US dollar was more than 20%, but the exchange rate remained virtually pegged to the dollar from the onset of the global financial crisis until June 2010, when Beijing allowed resumption of a gradual appreciation. In 2014 the People's Bank of China (PBOC) doubled the daily trading band within which the RMB is permitted to fluctuate.

The Chinese government faces numerous economic challenges, including: reducing its high domestic savings rate and correspondingly low domestic consumption; facilitating higher-wage job opportunities for the aspiring middle class, including rural migrants and increasing numbers of college graduates; reducing corruption and other economic crimes; and containing environmental damage and social strife related to the economy's rapid transformation.

Economic development has progressed further in coastal provinces than in the interior, and by 2014 more than

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dependents had relocated to urban areas to find work. One consequence of its population control policy is that China is now one of the most rapidly aging countries in the world. Deterioration in the environment - notably air pollution, soil erosion, and the steady fall of the water table, especially in the North - is another long-term problem. China continues to lose arable land because of erosion and economic development.

Forest Resources

Covering approximately 9.6 million sqkm, China is the world's second-largest country by land area, and either the third or fourth-largest by total area, depending on the method of measurement. China's landscape is vast and diverse, ranging from forest steppes and the Gobi and Taklamakan deserts in the arid north to subtropical forests in the wetter south.

The Himalaya, Karakoram, Pamir and Tian Shan mountain ranges separate China from South and Central Asia. The Yangtze and Yellow Rivers, the third- and sixth-longest in the world, run from the Tibetan Plateau to the densely populated eastern seaboard. China's coastline along the Pacific Ocean is 14,500 kilometres long, and is bounded by the Bohai, Yellow, East and South China Seas.

Wood-based Industry

The dynamics surrounding China's imports of logs, lumber and wood products really started with the implementation of the National Forest Protection Plan and a massive logging ban in 1998. At that point, Chinese domestic timber harvests started to decline, during which time timber imports rose rapidly. This caused the Chinese government to initiate a massive plantation programme to create a more self-sufficient timber processing industry.

The Chinese government is seeking to add energy production capacity from sources other than coal and oil, focusing on nuclear and alternative energy development.

Several factors are converging to slow China's growth, including debt overhang from its credit-fueled stimulus programme, industrial overcapacity, inefficient allocation of capital by state-owned banks, and the slow recovery of China's trading partners.

Today, the driver behind the rapidly expanding industrial timber harvest in China is, without question, the successful development of new plantation resources countrywide. It is reported by Chinese government officials that the harvest from plantation resources — very small just 10 years ago — now accounts for 65% to 70% of China's total domestic industrial timber harvest.

The position of the Chinese government is that timber supply and demand is to be theoretically balanced as the new plantations come on stream. However, the majority of experts believe that even in the best-case scenario, the actual harvests will be much smaller than what is being projected. Very little of this plantation fibre will be able to substitute for higher-quality, imported softwood/hardwood logs and lumber. As a result, it is expected that there will still be a huge supply gap between China's forest resources and its industry demand: the projected fibre supply gap will reach some 100 million m³ in 2010 on a roundwood equivalent (RWE) basis and about 150 million m³ (an equivalent log volume greater than the Canadian timber harvest in 2008 and 2009) by 2015 — an indication that Chinese imports related to required "fibre inputs" (logs and lumber) will continue to rise in the short-to-medium term.

Malaysia: Export of Timber and Timber Products to China, 2010-2014

(FOB Value: RM '000)

Product	2010	2011	2012	2013	2014
Logs	332,324	209,309	193,406	202,597	211,672
Sawntimber	266,723	261,554	192,107	341,786	362,855
Plywood	62,095	78,468	96,110	79,804	81,624
Veneer	24,039	23,338	17,999	14,648	14,334
Mouldings	15,583	16,775	9,510	9,870	8,414
Particleboard	49,049	70,753	68,783	75,267	97,218
Fibreboard	25,019	12,775	5,353	7,233	5,535
Wooden Frame	272	194	622	24	95
BJC	5,311	8,906	13,816	5,833	13,137
Wooden Furniture	18,981	23,249	31,517	32,184	46,000
Rattan Furniture	400	1,518	1,739	2,595	2,542
Other Products	15,150	36,261	48,029	58,851	29,177
TOTAL	814,944	743,100	678,992	830,691	872,604

Source: Department of Statistics Malaysia (DOSM) and MTIB

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Malaysia's Export of Timber and Timber Products to China

Malaysia's export of timber and timber products to China has been on an increasing trend. In 2013, exports grew 23% to RM830.7 million and continued growing by 5% in 2014 to RM 872.6 million.

Sawntimber have been the main export to China. The amount has been increasing since 2013 where the exports were at RM341.8 million and in 2014, it further increased by 6% to RM362.9 million. Exports of logs registered at RM202.6 million 2013 and in 2014, the exports were at RM211.7 million. Exports of plywood totalled RM79.8 million in 2013 and increased substantially to RM81.6 million in 2014. Wooden furniture exports to China registered at RM32.2 million in 2013 and grew 43% to RM46 million in 2014. Exports of BJC on the other hand, totalled RM5.8 million in 2013 and increased to RM13.1 million in 2014.

Malaysia's Import of Timber and Timber Products from China

Malaysia's import of timber and timber products from China is quite significant and shows a fluctuating trend. Imports totalled RM615.6 million in 2012, decreased to RM614.1 million in the following year but continued to increase to RM708.6 million in 2014.

Malaysia's main imports of timber and timber products from China are particleboard, sawntimber, mouldings, fibreboard, wooden furniture and BJC.

Malaysia: Export of Timber and Timber Products to China, 2010-2014

(Volume: m³)

Product	2010	2011	2012	2013	2014
Logs	737,518	390,524	807,888	372,224	344,963
Sawntimber	231,504	191,569	147,032	246,772	261,046
Plywood	44,201	49,052	58,400	47,796	46,497
Veneer	27,335	25,315	21,084	15,200	13,346
Mouldings	8,882	8,535	4,815	6,117	5,885
Particleboard	80,890	127,706	123,894	141,907	166,155
Fibreboard	30,907	15,187	5,412	9,261	5,667
TOTAL	1,161,237	807,888	711,252	839,277	843,559

Source: MTIB and DOSM

Malaysia: Import of Timber Products from China, 2010-2014

(CIF Value: RM '000)

Product	2010	2011	2012	2013	2014
Logs	-	135	116	5,921	3,567
Sawntimber	14,636	14,921	7,546	8,713	4,814
Plywood	74,177	87,065	102,693	73,456	93,321
Veneer	109,852	102,581	97,345	77,773	99,001
Mouldings	15,418	16,595	11,773	15,425	46,170
Particleboard	3,366	6,161	7,351	9,427	12,916
Fibreboard	19,881	26,537	37,558	35,574	19,987
Wooden Frame	3,240	3,455	3,992	3,719	3,522
BJC	20,870	14,911	28,452	24,266	18,392
Wooden Furniture	211,541	216,361	218,645	252,334	284,693
Rattan Furniture	6,734	7,156	10,203	12,198	16,817
Other Products	78,345	85,894	89,891	95,314	105,440
TOTAL	558,060	581,772	615,565	614,120	708,641

Source: DOSM and MTIB

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Malaysia: Import of Timber Products from China, 2010-2014

(Volume: m3)

Product	2010	2011	2012	2013	2014
Logs	-	64	25	2,588	454
Sawntimber	5,978	5,125	3,483	2,934	2,213
Plywood	62,867	84,188	81,204	55,394	70,295
Veneer	70,694	52,836	69,015	40,884	57,251
Mouldings	8,393	12,091	6,153	10,777	41,565
Particleboard	4,787	5,506	8,507	10,571	12,378
TOTAL	152,719	159,810	168,387	123,148	184,156

Source: MTIB and DOSM

China: Export of Major Timber and Timber Products, 2010-2014

(Value: USD '000)

Product	2010	2011	2012	2013	2014
Furniture	50,584,032	59,336,352	77,886,190	86,414,579	93,374,041
Plywood	3,402,183	4,339,695	4,795,661	5,032,636	5,816,503
Articles of Wood	1,472,670	1,689,441	1,799,174	1,884,086	2,218,667
Fibreboard	1,114,253	1,435,604	1,613,604	1,523,742	1,631,434
BJC	990,429	1,050,428	1,132,492	1,239,182	1,363,585
Wood Marquetry	513,939	560,026	616,812	676,029	790,201
Mouldings	654,862	629,985	692,587	647,672	652,733
Tableware and Kitchenware	384,802	430,600	458,398	503,115	559,377
Wooden Frames	403,773	395,024	418,728	422,243	445,164
Sawntimber	340,435	358,964	329,490	323,990	295,243
Veneer	210,886	273,561	234,420	235,983	276,784
Particleboard	41,387	56,411	68,606	95,858	139,063
Wood Charcoal	35,748	39,094	44,428	64,471	89,129
Tools, Bodies and Handles	19,822	24,396	23,214	25,236	63,532
Packaging Materials	38,030	43,129	68,149	46,752	56,899
Fuel Wood	6,553	6,227	5,178	8,286	47,511
Wood Wool, Wood Flour	1,213	1,207	1,774	4,005	9,166
Logs	10,526	6,768	1,724	6,656	8,062
Densified Wood	4,817	6,796	6,127	3,030	5,375
Railway Sleepers	1,566	1,529	1,856	1,747	2,947
Hoopwood	2,126	3,916	1,776	2,405	2,337
Casks and Barrels	1,524	1,586	1,050	971	1,709
TOTAL	60,235,576	70,690,739	90,201,438	99,162,674	107,849,462

Source: International Trade Centre

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Timber Export

China's export of timber and timber products in 2014 increased 79% to USD107.85 billion as compared to USD60.24 billion in 2010. China exports USD93.73 billion of furniture in 2014, an increase of 84% as compared to USD50.58 billion in 2010. China also exports a significant amount of plywood worth USD5.8 billion in 2014, an increase of 71% from USD3.4 billion in 2010. Article of wood exports grew 47% to USD2.2 billion. Exports of fibreboard and BJC also increased by 45% and 40% to USD1.6 billion and USD1.4 billion respectively. Similarly, exports of wood marquetry increased by 54% to USD790.1 million. However, exports of mouldings reduced 0.3% from USD654.8 million in 2010 to USD652.7 million in 2014.

Timber Import

China's import of timber and timber products in 2014 was recorded at USD26.15 billion, an increase of 83% from USD14.30 billion in 2010. China imported mainly logs, sawntimber, furniture, fuel wood, veneer, particleboard, plywood and fibreboard. Imports of logs grew 94% to USD11.8 billion in 2014 as compared to USD6.1 million in 2010.

China: Import of Major Timber and Timber Products, 2010-2014

(Value: USD '000)

Product	2010	2011	2012	2013	2014
Logs	6,072,991	8,274,180	7,251,681	9,320,143	11,777,648
Sawntimber	3,868,899	5,712,355	5,517,483	6,826,290	8,076,404
Furniture	3,060,824	2,780,538	2,872,045	3,063,736	3,373,928
Fuel wood	675,602	1,161,372	1,332,821	1,556,303	1,535,133
Articles of Wood	52,267	82,306	162,134	406,811	610,983
Veneer	88,104	118,548	135,133	142,077	183,781
Particleboard	114,286	122,232	116,923	127,889	141,667
Plywood	116,063	119,774	119,546	103,088	131,951
Fibreboard	124,654	107,114	93,703	100,575	110,081
Wood Charcoal	23,008	44,922	58,036	62,857	62,017
BJC	23,230	23,849	29,636	35,142	41,107
Mouldings	19,835	30,076	31,035	28,195	35,360
Wood Marquetry	12,011	12,830	15,782	16,034	18,000
Packaging Materials	9,857	8,975	33,675	11,737	17,293
Tableware and Kitchenware	7,090	7,953	11,712	9,206	13,091
Casks and Barrels	9,894	12,607	14,162	12,020	8,489
Railway Sleepers	9,583	9,437	6,704	4,121	3,087
Densified Wood	2,953	3,205	3,344	2,481	2,696
Wooden Frames	1,392	1,081	1,235	1,251	1,458
Tools, Bodies and Handles	1,742	1,905	1,420	1,326	1,127
Hoopwood	726	1,019	562	796	1,066
Wood Wool, Wood Flour	676	1,972	300	497	760
TOTAL	14,295,687	18,638,250	17,809,072	21,832,575	26,147,127

Source: International Trade Centre

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Import Tariff

China imposes low import duty for timber and timber products. No tariff import is imposed for ASEAN countries. For MFN import duty are as follows :

China: Import Tariffs for Timber Products

HS Code	Product	ASEAN China Tariff (%)	MFN Tariff (%)
4403	Logs	0	0
4407	Sawntimber	0	0
4408	Veneer	0	3 - 10
4409	Mouldings	0	4 - 7.5
4410	Particleboard/ Chipboard	0	4 - 7.5
4411	Fibreboard	0	4 - 7.5
4412	Plywood	0	4 - 12
4418	BJC	0	4 - 7.5
9401	Seats	0	0 - 10
9403	Furniture and Parts Thereof	0	0

Way Forward

China 12th Five-Year Plan, adopted in March 2011 and reiterated at the Communist Party's "Third Plenum" meeting in November 2013, emphasises continued economic reforms and the need to increase domestic consumption in order to make the economy less dependent in the future on fixed investments, exports, and heavy industry.

However, China has made only marginal progress toward these rebalancing goals. The new government of President Xi Jinping has signaled a greater willingness to undertake reforms that focus on China's long-term economic health, including giving the market a more decisive role in allocating resources. In 2014 China agreed to begin limiting carbon dioxide emissions by 2030.

On the other hand, China's currency devaluation is expected to make furniture exports from China more competitive compared to the US imports from Viet Nam, Malaysia and Indonesia. At the very least a weaker Yuan will offset the rise in labour cost in China. The US companies that buy furniture parts from China for assembly in the US should also benefit from a weaker Yuan.

China also implemented several economic reforms in 2014, including passing legislation to allow local governments to issue bonds, opening several state-owned enterprises to further private investment, loosening the one-child policy, passing harsher pollution fines, and cutting administrative red tape.

China's success in the furniture export business is well recognised. With technology and marketing skills brought in through many foreign joint-venture, it is now a major furniture supplier to the world, competing directly with many low-cost producers in Asia as well as in Europe.

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TIMBER VERIFICATION SERVICES

Timber has always been a preferred material in homes and other buildings as it creates warmth and coziness, and also highlighting elegance. While it is widely used in developed countries, Malaysian consumers tend to avoid timber based on perceived quality and maintenance problems.

Defects such as splitting, delamination, decay and insect attacks can be easily avoided if the right quality and correct specification of timber is selected and used from the outset.

The Malaysian Timber Industry Board (MTIB) offers timber verification services that can assist you to ensure the timber you choose is of the right quality and correct specification for its intended usage and application. The services include timber grading, identification of species, determination of moisture content, determination of preservatives and other services.

You can be rest assured that your products meet quality standards and hence extend the lifespan with minimal maintenance cost if it is verified to specification.



Services

1. Timber Grading
2. Identification of Species
3. Determination of Moisture Content
4. Determination of Preservative

For more information and enquiries:



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KANDIS – SUITABLE FOR FLOORING



Introduction

Kandis is a Malaysian medium hardwood which is not well-known among timber trade players. The botanical name of this timber is *Garcinia* spp. and it belongs to the Guttiferae family whose members include the famous mangosteen fruit. Vernacular names include asam gelugor (Peninsular Malaysia), bebata (Sabah), bruas (Peninsular Malaysia), lulai (Peninsular Malaysia), manggis hutan (Peninsular Malaysia) and sikop (Sarawak). Kandis is the product of various species which include *G. atroviridis*, *G. bancana*, *G. cowa*, *G. beccarii*, *G. griffithii*, *G. hombroniana*, *G. malaccensis*, *G. merguensis*, *G. nigrolineata* and *G. parvifolia*.

This timber is also available in other ASEAN countries. It is known as Prus in Cambodia, Beruas in Indonesia, Kuak li in Lao PDR, Bunog in Philippines, Cha muang in Thailand and as Roi in Viet Nam. In Fiji it is called Laubu. Interestingly, in Sri Lanka it is sold as Balau as it appears to look like the famous Balau timber.

Description of the Timber

The sapwood of Kandis is usually lighter in colour than the heartwood and is not sharply differentiated from the heartwood, except for *G. hombroniana*, where the red-brown sapwood is distinct from the dark red-brown heartwood. The heartwood is variable in colour, dark red-brown in some species and yellow in others.

Wood Anatomy

The grain of Kandis timber is straight. Its texture is moderately fine and even. When viewing the timber using the 10X magnifying lens, the vessels look small to medium-sized, few to numerous, solitary and in radial multiples of two to five, with a tendency towards tangential arrangement. Wood parenchyma is abundant and paratracheal, vasicentric and usually confluent; the lines formed appearing somewhat like apotracheal concentric bands. Rays are fine to moderately fine, not distinct but visible to the naked eye.

Density

The timber is moderately hard to very hard and moderately heavy to very heavy with a density variation of as low as 690 to as high as 1,120 kg/m³ at air dry condition which has about 19 % moisture content.

Durability

Kandis is classified as a moderately durable timber with a life-span of about two to five years and the timber is susceptible to termite attack. It is difficult to treat using the common full-cell treatment process.

Mechanical Properties

Kandis is classified into SG4 strength group with a static bending modulus of elasticity (MOE) value of 20,100 N/mm² and modulus of rupture value of 181 N/mm². Its compression strength parallel to grain is 95.10 N/mm² and the shear strength is 19.90 N/mm².

It is reported to be difficult to work with due to its hardness and the presence of silica in some species. The timber, however, turns well.

Working Properties

Drying is essential before further processing of any timber. This is to avoid any defect such as checks, bowing, cupping, twist or split that may arise if wet components are used. In drying Kandis parcels, it is reported to dry rapidly.

The overall machining property of this timber is considered good except for a slight difficulty when boring is carried out. It takes paint finishers easily and produces a smooth surface.

Uses

The timber is suitable for poles, posts, flooring, pallets (expendable type) and staircase (apron lining, handrail and newels). The heavier species are suitable for semi-permanent medium construction like temporary bridges, extraction tramways, telegraphic and power transmission posts and cross arms.

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.
- Muthumala, C.K. and Amarasekara, H.S. 2013. *Investigation the Authenticity of Local and Imported Timber Species in Sri Lanka*. Proceedings of the International Forestry and Environment Symposium 2013 of the Department of Forestry and Environmental Science, University of Sri Jayewardenepura, Colombo.
- Wong, T. M. 1982. *A Dictionary of Malaysian Timbers*. Revised by Lim S. C. & Chung R. C. K. Malayan Forest Records No. 30. FRIM, Kuala Lumpur.

MTIB Moments



MTIB during Hello Komoditi organised by Ministry of Plantation Industries and Commodities. The event was held from 4 to 6 September 2015 in Dalat, Sarawak.



Operation and Maintenance of Woodworking Machine Course held on 5-7 September 2015 at WISED C Sabah.



Lean Awareness Training programme for MTIB officers, held from 7 to 8 September 2015 at MTIB, Kuala Lumpur.



UPM students (Diploma in Forestry) visiting MTIB and WISDEC Sabah on 21 September 2015.



Attendees during the Meeting on ISO/TC 165 Timber Structures held on 21-26 September 2015 in Johor Bahru, Johor.



Malaysian Timber Certification Scheme for Certified Timber and Credible Suppliers briefing, held on 14 September 2015 in Kuala Lumpur.