



MASKAYU



**TIMBER AND PALM OIL PROMOTION
MISSION TO THE NETHERLANDS,
FRANCE AND BELGIUM**

**ENHANCING BILATERAL TRADE
BETWEEN MALAYSIA AND ITALY**

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Cover: Deep Furniture Sdn. Bhd.
packages their products to international
clients in the form of "A Set in One Box".
Details on pages 24-25.



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TIMBER AND PALM OIL PROMOTION MISSION TO THE NETHERLANDS, FRANCE AND BELGIUM



Roundtable discussion with the Netherlands Timber Trade Association and European Timber Trade Federation.

In tandem with NATIP's timber and timber products export target of RM53 billion by 2020, MTIB joined a ministerial promotion mission to the Netherlands and Belgium. Concurrently, MTIB also organised additional programmes in Paris, France focusing on timber and biocomposite products. The mission was held from 7 – 11 December and was led by YB Datuk Amar Douglas Uggah Embas, Minister of Plantation Industries and Commodities, Malaysia. The mission delegation comprised senior officials from Ministry of Plantation Industries and Commodities (MPIC), MTIB, Malaysian Timber Council, Malaysian Timber Certification Council, Malaysian Palm Oil Board and Malaysian Palm Oil Council.

The Netherlands, France and Belgium are major markets for Malaysia's timber and timber products and currently ranks as 14th, 22nd and 23rd respectively. In 2013, the export of Malaysian timber and timber products to these markets amounted to RM626 million and major products exported were sawntimber, plywood, BJC, mouldings and wooden furniture.

In Hague, the delegation had a roundtable discussion with the Netherlands Timber Trade Association (NTTA). The discussion was also attended by representatives from the Dutch Joinery Association (NBVT) and the European Timber Trade Federation (ETTF). Objectives of the roundtable were to discuss the latest developments in Netherlands' timber industry and its trade between Malaysia and Netherlands as well as updating the NTTA representatives on the implementation of the Malaysia Timber Legality Assurance System License (MYTLAS).

The first meeting between Malaysia and the Netherlands Joint Working Group on Timber and Commodities was also held. The establishment of this working group was agreed upon during a bilateral discussion between the State Secretary of Economic Affairs, Her Excellency Sharon Dijksma and YB Minister of MPIC in June 2014. The committee provides a window to discuss bilateral issues of concern relating to timber and commodities. The meeting was co-chaired by Minister Sharon Dijksma and YB Minister of MPIC. The delegation were informed that the Netherlands parliament is positive on the recognition of Malaysian Timber Certification Schemes (MTCS) as one of their public procurement policies by June 2016. The meeting also agreed to organise a technical visit by the Netherlands team to Malaysia in early 2015 to facilitate the recognition processes.



Group photo with Mr. Andre de Boer, Secretary General of ETTF.



TIMBER WORLD IN BRIEF

CHINA

Paper Markets Pause due to Weaker Demand

In China, production of paper and consumption of pulp and wastepaper declined slightly by 1% in 2013 for the first time after 38 years of uninterrupted growth. The downturn in the world's largest producer and consumer of paper was largely responsible for the stagnation in global pulp and paper production in 2013.

FAO Senior Forest Economist said, the developments in Chinese paper consumption are worth noting for the future but if people in China are switching to electronic media as so many of us have in the West, this will be the end of one of the few remaining centres of growth in printing and writing paper consumption.

In contrast to this, China continues to increase in importance as a producer and consumer of other forest products. In 2013 the country overtook a number of other major countries in different product groups, for example, Canada in sawnwood production and the United States of America in sawnwood consumption. China's imports of industrial roundwood and sawnwood also surged by 18% and reached record levels in 2013.

fordaq.com, 19 December

Wood Flooring Market Forecast to Increase

There are over 2,300 wood flooring enterprises in China, mainly distributed in Zhejiang, Jiangsu, Shanghai, Guangdong, Yunnan, Beijing and the Northeast. In 2013, the output of wood flooring was 689 million sqm, up 14.06% over 2012. It is predicted that the output will increase by about 15% in 2014.

The production of solid wood flooring is mainly concentrated in Yangtze River Delta, Guangdong and Shandong; the places of origin for solid wood composite flooring are distributed widely, however, the Yangtze River Delta is one of main concentration areas; laminate flooring is mainly concentrated in Jiangsu and Zhejiang of Yangtze River Delta, as well as their neighboring provinces: Anhui and Jiangxi. As for bamboo flooring and sources of raw materials, they are mainly distributed in Fujian, Jiangxi, Zhejiang, Hunan, Anhui and Jiangsu, bamboo-producing provinces. The total output of bamboo flooring in the above six provinces accounts for 97.27% of the total in China's bamboo flooring production.

At present, the consumption structure in wood flooring industry is still at low and middle level price; the composite floorings with high performance-price ratio (laminated composite flooring and solid wood composite flooring) are

primary. In 2013, the consumption of wood floorings reached 400 million m², both consumption and output ranked first one in the world.

azobuild.com, 3 December

FINLAND

Softwood Lumber Output Up

At a total of 2.44 million m³ the Finnish sawmilling industry produced 13.9% more softwood lumber in the third quarter of this year than in the reference period of last year. After 5% growth in the first quarter and another 3% in the second quarter, growth in the third quarter was thus considerably higher than in the first half year. The latest figures from the Finnish Forest Industries Federation of Helsinki showed that the volume of lumber produced in the first nine months of this year was roughly 7% higher than in the same period of last year at approximately 8.15 million m³.

Euwid.com, 1 December

FRANCE

Softwood Log Prices Start to Decline

With the weak construction sector in France, despite the obvious lack of wood in forests in the Hexagon, the decline in French softwood log prices has begun. The recent auctions organised in the fourth quarter this year already confirmed this trend.

In Massif Central (southern France), at a private auction held on 31 October 2014 by France's Association of Forest Owners (AGEFOR) and France's National Association of Independent Foresters (ANATEF), prices for softwood Fir and Spruce were down 10% compared to same sale organised this spring. However, unsold volumes remained very low (7 % of volumes)

The downward trend was less pronounced in the east of France. But it is now clearly visible according to results in France's National Office of Forests (ONF) major sale on 18 November 2014. For the first time in two years, reduced prices were registered for Spruce and especially for Fir; -3% on average compared to two months ago.

However prices remain sustained in eastern France. Fir (dimension: 2 m³) sells now for 45 euros/m³ up in the Massif Central; in Jura region it is traded at 63 euros/m³. For Spruce, the overmeasure of price in relation to Fir is around 12%. President of the softwood union from Franche-Comté (N-E France) says: "This slight decline in prices is not sufficient in view of the alarming situation of the timber market." In fact, many softwood sawyers expect a difficult winter.

GERMANY

Imports of Hardwood Plywood Grow Further

The recovery that had already been observed in German hardwood plywood imports in the second quarter continued

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at a similar rate in the third quarter. According to information from Destatis, the federal statistics office, in Wiesbaden, at 149,602 m³, roughly 18% more hardwood plywood assortments were imported into Germany from July to September 2014 than in the same period of last year.

Imports in the first quarter had remained 5% short of the reference figure for a year earlier but growth of 16% was recorded for the second quarter, due mainly to an increase in deliveries from China, Russia, and Finland. The growth in the third quarter was also mainly attributable to higher imports from these three main supplier countries. Imports from China more than doubled, reaching 25,301 m³ from July to September and thereby exceeded the imports from Finland, which rose by 16% to 22,839 m³. Russian deliveries of hardwood plywood to Germany rose by 20% to 47,510 m³. The statistics showed that double-figure increases occurred in imports from Italy (+32%), the Ukraine (+61%), Belgium (+77%), and the Czech Republic (+39%).

Euwid.com, 5 December

GHANA

Trade in Illegal Timber to End Soon

Trade in and the use of illegal timber and timber products in the country would soon become a thing of the past as government puts in place measures to tighten its grips on controlling the sector. To show its commitment and leadership in addressing illegal logging and trade in timber, as well as support for the development of sustainable forest management, the government has developed a Public Procurement Policy on timber and timber products for the domestic market.

The government is currently developing Implementation Guidelines to enhance the effective implementation of the Public Procurement Policy on timber and timber products in the country. It was organised by the Nature and Development Foundation, a non-governmental organisation, in collaboration with the Timber Industry Development Division of the Forestry Commission of Ghana, the Ministry of Lands and Natural Resources and with support from the Food and Agricultural Organisation.

vibeghana.com, 14 December

GLOBAL

Production of All Major Wood Products Steadily Growing

Global production of all major wood products continued to show steady growth in 2013 for the fourth consecutive year, according to new data published by Food and Agriculture Organisation.

While the production of industrial roundwood, sawnwood, wood pellets and wood-based panels have fully recovered from the economic downturn in 2008-2009, global production of pulp and paper stagnated in 2012-2013 largely due to a decline in consumption in China, where electronic publishing is increasingly being used instead of traditional printing processes.

Wood production in 2013 exceeded the pre-recession level of 2007 in all product groups, except for sawnwood. Asia-Pacific, Latin America, Caribbean and Northern America saw the fastest recovery in wood production. Recovery in Europe slowed down in 2012 and has yet to recover especially in western and southern Europe where production and consumption fell in 2012-2013 for some products such as industrial roundwood and wood-based panels.

Fordaq.com, 18 December

MYANMAR

Myanmar Sets Annual Limit on Future Timber Demand

Myanmar has set an annual limit of 1.16 million tonnes of timber for future demand despite annual increase in both local and foreign consumption, according to the state-run Myanmar Timber Enterprise (MTE). MTE said logging in the fiscal year of 2013-14 totaled 925,050 tonnes, while annual production for the current fiscal year of 2014-2015 is at 730,000 tonnes, of which nearly 130,000 tonnes of Teak and hardwood were extracted up to October.

Myanmar has cut timber production annually to ensure a sustainable ecosystem. The country also imposed a ban on log export in April this year for the development of local wood-based industries. Currently, timber logs are sold domestically through an open tender system.

According to government forestry sources, Myanmar exports timber to neighbouring countries as well as South Korea and Japan. It also has a one-year timber trade deal with the United States. The ministry's statistics showed that Myanmar earned USD236.273 million from timber sale this year up to October.

Globalpost.com, 29 December

UNITED STATES

Framing Lumber Prices Grow

The price of framing lumber has strengthened or moved higher in the US, according to statistics released by Random Lengths Publications.

In the week ending December 19th the composite price of these products was USD378 (€310), which is up from USD372 a week before. However, prices were down last year, when they stood at USD384.

Mild weather across much of North America was highlighted as a potential factor behind the weekly improvement in prices. The composite price of structural panels also increased, both on a weekly and annual basis. For the week ending December 19th, it stood at USD392, compared to USD389 in the preceding period. This is also up from USD366 in 2013.

These figures coincided with the recent report from the Food and Agriculture Organisation of the United Nations, which revealed global wood production had increased for the fourth straight year in 2013 and was "fully recovered" from the impact of the recession.

hdfestforest.com, 24 December

NOVEMBER 2014

SHIPPING NEWS



RM1 Billion to be Spent on Container Terminal Projects by Westports

Malaysia-based port operator Westports Holdings (Westports) will spend some RM1 billion during the next three years including RM400 million in 2015 on the expansion of its container terminal network. The plan also covers the renovation of its Container Terminal 8 (CT8) with the processing capacity of Westports to increase to 13.8 million twenty-foot equivalent units (TEUs) from 11 million TEUs upon the completion of CT8 renovations by middle of 2017.

Source: The Star, 7 November

Revenue of MISC Hits RM7 Billion in the First Nine Months of 2014

Revenue of Malaysian shipping firm MISC rose from RM6.83 billion a year ago to RM7 billion in the first nine months of 2014 due to better freight rates. Its net profit increased from RM1 billion to RM1.25 billion.

Additionally, revenue of the company expanded from RM2.16 billion a year earlier to RM2.18 billion in the third quarter of 2014. On the other hand, net profit surged by 17.3% to RM470.70 million.

Source : Business Times Malaysia, 8 November

Indonesia: Port Expansion Projects Valued at USD6 Billion

Joko Widodo, President of Indonesia is aiming for port expansion projects valued at some USD6 billion. The projects include the expansion of five ports on the country's major islands to deal with shipping delays as well as to increase trade. The five ports' expansion is expected to cost USD5.77 billion.

Indonesia is ranked 53rd. out of 160 nations on the Logistics Performance Index in 2014. According to the World Bank, logistics cost account for 24% of the country's gross domestic products. The country also hopes to welcome cruise liners and yachts by cutting red tape.

Source: Jakarta Globe, 7 November

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change Nov 2014/ Oct 2014
	m ³	% Change Nov 2014/ Oct 2014	m ³	% Change Nov 2014/ Oct 2014	m ³	% Change Nov 2014/ Oct 2014	m ³	% Change Nov 2014/ Oct 2014	m ³	% Change Nov 2014/ Oct 2014		
Sawntimber	43,435	-17	7,111	31	1,989	-13	326	3	5,424	-43	58,285	-17
MDF	24,731	-28	418	86	15,563	56	8,151	-42	23,470	31	72,333	-6
Mouldings	11,709	-12	375	94	1,887	2	641	-30	1,745	-11	16,357	-10
Dressed Timber	1,631	-14	113	528	730	-40	171	-37	331	29	2,976	-18
Plywood	6,489	-25	0	0	21	100	48	-47	12,656	17	19,214	-2
Veneer	100	-2	0	-100	0	-100	0	0	124	-52	224	-45
Particleboard	31,125	9	986	261	243	37	83	38	0	0	32,437	12
TOTAL	119,220	-15	9,003	46	20,433	32	9,420	-40	43,750	7	201,826	-7

Source : MTIB

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China: January – October's Port Cargo throughput Rose 4.6%

As compared to January-October 2013, China's ports cargo throughput above designated size grew 4.6% to 9.27 billion tonnes in January-October 2014. Cargo throughput for foreign trade hit 2.95 billion tonnes, up by 6.5% in which coastal ports contributed 2.69 billion tonnes, up by 6.5%. The cargo throughput of inland ports and coastal ports grew 2.3% and 5.6% to 2.85 billion tonnes and 6.47 billion tonnes respectively. China realised a growth of 6% in its container throughput to 166.55 TEUs. Of the total, container throughput from coastal ports grew 6.9% to hit 149.87 million TEUs. In October 2014, the country's port container throughput and port cargo throughput were recorded as 17.35 million TEUs and 944.74 million tonnes respectively.

Source: China Knowledge, 12 November

Port of Singapore, PSA Singapore Won Logistics, Supply Chain Awards

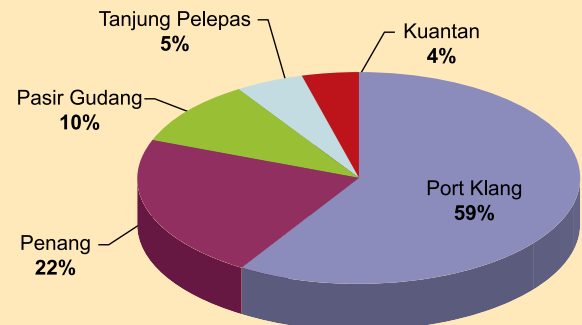
Port of Singapore has won the Asia Container Port of the Year award, defeating South Korea's Port of Pusan and three other China ports, while PSA Singapore won the Container Terminal of the Year award, defeating other port operators from Hong

Kong and Shanghai. According to the awarding body Supply Chain Asia (SCA), of the world's leading 25 logistics players, 20 are from Singapore. The sector accounted for around 7% of the republic's Gross Domestic Product (GDP) in 2013.

Also in the SCA winners' list is Changi Airport Manager from Changi Airport Group, which was named the Asia Air Cargo Port of the Year, defeating Shanghai Pudong International Airport and Hong Kong international Airport.

Source: Business Times (Singapore), 21 November

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



Total = 201,826 m³



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NOVEMBER 2014

Total export of Malaysian timber and timber products in November 2014 increased 3% in value to RM1.71 billion over the previous month. Cumulative export for the period of January to November also increased 4% to RM17.83 billion over the corresponding period.

Sawntimber

Export of sawntimber in November 2014 increased 6% in volume to 169,887 m³ however decreased 1% in value to RM219.2 million over the previous month. Cumulative export for the first 11 months of 2014 decreased 2% in volume however increased 4% in value to 1.7 million m³ totalling RM2.3 billion over the previous corresponding period.

Exports to the EU for the month continue to decline by 21% to 10,605 m³ from 13,448 m³ in the previous month due to decreased in most major market in the region. Export of sawntimber to the Netherlands and Germany declined 13% and 8% to 5,171 m³ and 1,308 m³ respectively. Similarly, export to the UK and Belgium decreased 42% and 12% to 1,394 m³ and 1,067 m³ respectively.

Total exports to West Asia increased 52% to 32,751 m³ from 21,619 m³ recorded in the previous month as a result of improved purchases made by major markets in the region. Export of sawntimber to the UAE, Oman and Yemen increased 168%, 156% and 13% to 11,939 m³, 7,440 m³ and 5,766 m³ respectively. In the meanwhile, export to Saudi Arabia, Bahrain and Kuwait decreased 40%, 16% and 47% to 1,973 m³, 1,197 m³ and 979 m³ respectively.

Buying from ASEAN increased 8% to 65,428 m³ due to increasing demand from Thailand, major market of sawntimber in the region. Export to Thailand and Viet Nam increased 11% and 34% to 36,046 m³ and 1,032 m³ respectively. However, export to Singapore declined 13% to 10,219 m³ from 11,739 m³ recorded in the previous month.

Shipments to East Asia decreased 7% to 40,747 m³ from 43,883 m³ in the previous month. Export to China, Japan and South Korea declined 14%, 9% and 39% to 19,162 m³, 5,788 m³ and 2,621 m³ respectively. In the meanwhile, Taiwan purchased more by 22% to 12,397 m³ from 10,159 m³ in the previous month.

Elsewhere, the US bought 1,500 m³ worth of sawntimber, a decrease of 16% from the previous month. Likewise, intake by Australia and South Africa decreased 3% and 62% to 1,313 m³ and 2,806 m³ respectively.

The average FOB price of sawntimber decreased 6% to RM1,290 per m³ from RM1,373 per m³ in the previous month. Price of Dark Red Meranti (DRM) increased 103% to RM2,124 per m³ from RM1,049 per m³ in the previous month. However, price of DRM to the Netherlands decreased 1% to RM2,795 per m³ from RM2,814 per m³ in the previous month. Keruing was traded at RM1,470 per m³, a decrease of 9% from the previous month.

Plywood

Total export of plywood in November increased 15% in volume and 14% in value to 269,015 m³ valued at RM448.77 million as compared to the previous month.

Total exports to EU increased by 6% to 13,880 m³. Likewise, shipments to Denmark, Ireland and UK increased by 134%, 144% and 1% to 600 m³, 1,048 m³ and 11,259 m³ respectively whilst Italy resumed its intake. However, Belgium and Netherlands reduced their intake by 50% and 13% to 88 m³ and 821 m³ respectively whilst France and Germany did not make any purchases.

Exports to ASEAN region decreased as Brunei, Singapore and Thailand intake of plywood decreased by 49%, 18% and 70% to 881 m³, 2,800 m³ and 1,655 m³ respectively whilst Indonesia did not make any purchases. In East Asia, exports to China and Hong Kong decreased by 23% and 66% to 3,311 m³ and 2,319 m³ respectively. However, Japan, South Korea and Taiwan increased their intake by 3%, 109% and 38% to 128,619 m³, 37,304 and 22,942 m³ respectively.

Overall, exports to West Asia increased by 81% as compared to the previous month. Similarly, shipments to Saudi Arabia, UAE, Kuwait and Yemen increased by 36%, 135%, 249% and 904% to 3,271 m³, 5,972 m³, 300 m³ and 14,317 m³ respectively whilst Bahrain maintained its intake at 215 m³. However, Qatar reduced its intake by 65% to 225 m³.

Elsewhere, exports of plywood to South Africa, US, Mexico, Canada, Australia and New Zealand decreased by 74%, 86%, 8%, 37%, 24% and 51% to 162 m³, 936 m³, 2,425 m³, 79 m³, 2,575 m³ and 81 m³ respectively, whilst, Algeria, Tanzania and Mauritius did not make any purchases. However, Turkey maintained its intake at 86 m³.

The FOB price of plywood decreased by 1% to RM1,668 per m³ from RM1,679 per m³ in the previous month.

Veneer

Exports of veneer for November 2014 showed increments of 55% in volume and 43% in value to 20,405 m³ at RM26.76 million as compared to the previous month. Exports to Viet Nam, Taiwan and South Korea increased by 119%, 32% and 121% to 35 m³, 9,071 m³ and 7,938 m³ respectively whilst Sri Lanka and Canada resumed their intake. Meanwhile, Singapore, Indonesia, China and Australia reduced their intake by 40%, 35%, 25% and 60% to 3 m³, 11 m³, 552m³ and 84 m³ respectively, whilst, UK did not make any purchases.

The FOB price of veneer decreased to RM1,311 per m³ from RM1,416 per m³, a decrease of 7% from the previous month.

Medium Density Fibreboard (MDF)

Malaysia's exports of MDF for November 2014 showed an increase of 1% in volume and value from the previous month. Export totalled 83,241 m³ at RM 84.2 million.

Exports to East Asia registered a decrease of 8% to 11,647 m³ from 12,598 m³ in the previous month. Exports to South Korea grew by 127% to 680 m³, export to China including Hong Kong increased by 27% to 379 m³ and export to Taiwan also increased by 7% to 1,206 m³. However, export to Japan decreased by 14% to 9,382 m³.

Exports to West Asia market recorded positive growth with an increase of 11% in volume to 39,477 m³ from 35,576 m³ in the previous month. Export to Syria, Oman and Kuwait recorded positive growth by 417% to 2,542 m³ and 47% to also 2,542 m³ and 2% to 4,453 m³ respectively. On the other hand, export to UAE, Iran, Jordan and Bahrain showed

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negative growth by 14% to 13,278 m³, 19% to 4,200 m³, 34% to 830 m³ and 65% to 172 m³ respectively from the previous month.

However, export to South Asia also recorded positive growth by 34%. All destinations export to South Asia increase their import from Malaysia. India recorded an increase of 148% to 842 m³ followed by Sri Lanka at 36% to 1,420 m³, Pakistan at 29% to 6,091 m³ and Bangladesh at 20% to 1,380 m³.

Export to UK showed positive growth by 105% to 302 m³. Nevertheless, Australia, US and South Africa showed negative growth by 4% to 2,611 m³, 8% to 1,335 m³ and 68% to 200 m³ respectively.

Export to ASEAN for this month showed negative growth by 20% to 16,169 m³ from 20,410 m³ in the previous month. Statistics show exports to Philippines and Singapore increased by 57% to 2,028 m³ and 52% to 108 m³ respectively. However,

export to Indonesia and Viet Nam decreased by 4% to 3,899 m³ and 33% to 9,863 m³ respectively.

Mouldings

Exports of mouldings for the month decreased by 3% in volume and 4% in value to 22,211 m³ and RM59.43 million respectively. However, the cumulative exports increased by 14% in volume and 15% in value to 232,818 m³ and RM646.16 million respectively as compared to the previous corresponding period in 2013.

Exports to the EU for the month recorded at 6,217 m³, a decrease of 21% compared to the previous month. Shipments to Germany, Netherlands and UK decreased by 19%, 25%, and 46% to 1,212 m³, 3,261 m³ and 423 m³ respectively whilst Italy did not make any purchases. However, shipments to Belgium increased by 37% to 559 m³.

Exports to the ASEAN region increased as Viet Nam and Singapore intake of mouldings increased by 5% and 31% to 133 m³ and 1,373 m³ respectively whilst Indonesia resumed its intake.

Meanwhile, exports to Japan, South Korea, Taiwan, Hong Kong and China increased 32%, 1%, 24%, 78%, 69% and 5% to 3,011 m³, 1,894 m³, 1,001 m³, 335 m³ and 766 m³ respectively.

Elsewhere, export to Australia and US decreased by 13% and 16% to 4,057 m³ and 1,921 m³ respectively. However, Canada resumed its intake.

FOB unit value decreased 1% from RM2,707 per m³ in the previous month to RM2,676 per m³ in November 2014.

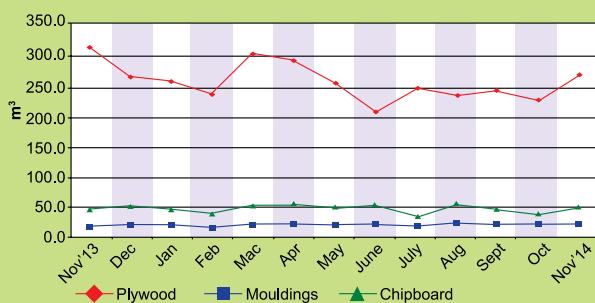
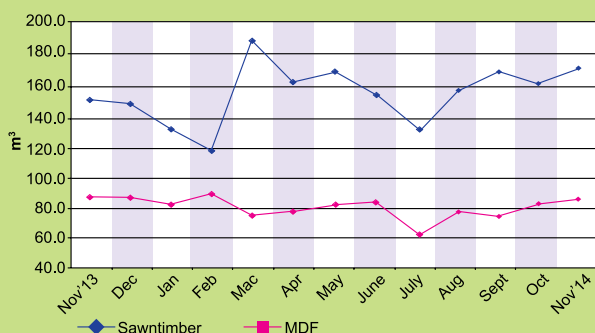
Builders Joinery and Carpentry (BJC)

Total BJC cumulative exports from January to November increased 5% to RM904.44 million as compared to RM863.35 million in the corresponding period last year. Cumulative import from January to November by EU decreased 1% to RM242.57 million. Similarly, export to France, Denmark, Germany, Sweden, Spain, Italy and Norway decreased by 40%, 33%, 31%, 43%, 18%, 4% and 88% to RM19.17 million, RM15.57 million, RM9.17 million, RM7.69 million, RM5.62 million, RM4.53 million and RM0.52 million respectively. Whereas, exports to UK, Belgium, Turkey and Netherlands increased by 22%, 14%, 108% and 79% to RM125.56 million, RM48.57 million, RM3.06 million and RM1.58 million respectively over the previous corresponding period.

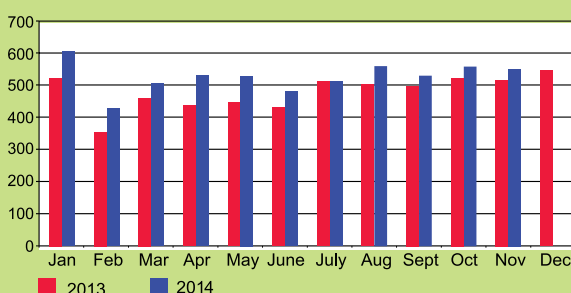
In Asia, exports to Singapore, Thailand, India, Pakistan, Taiwan, UAE, Bahrain and South Korea grew 6%, 5%, 9%, 24%, 30%, 1%, 42% and 1% valued at RM110.58 million, RM29.68 million, RM57.54 million, RM29.82 million, RM17.53 million, RM10.65 million, RM3.46 million and RM3.07 million respectively. However, exports to Iran, Japan and Viet Nam decreased by 81%, 18% and 4% to RM0.45 million, RM70.84 million and RM23.49 million respectively.

Exports to Australia, US and Reunion Island increased by 10%, 44% and 49% to RM123.16 million, RM71.75 million and RM2.89 million respectively. However, South Africa, Russia and Maldives reduced their intake by 14%, 60% and 23% to RM11.40 million, RM5.76 million and RM5.52 million respectively.

Export of Selected Products from Malaysia
(October 2013 - November 2014) / Volume ('000 m³)



Malaysia: Export of Wooden Furniture
(January 2013 - November 2014) / Value (RM Million)



Source : Department of Statistics, Malaysia

NOVEMBER 2014



Logs

Demand of logs in the domestic market in the month of November remains subdued while the average domestic prices for most of the species hovered at last month's level.

Log prices for Chengal and Balau were traded at RM4,000 per tonne and RM2,660 per tonne respectively. Similarly, log prices for Red Balau and Merbau remained at RM2,500 per tonne. Prices for Keruing and Kempas charted at RM1,150 per tonne and RM1,140 per tonne respectively. Meanwhile, Dark Red Meranti and Yellow Meranti were traded at RM1,350 per tonne and RM1,130 per tonne respectively. However, price of White Meranti logs improved by 10% to RM1,090 per tonne over the previous month. Prices for Mixed Heavy Hardwood and Mixed Light Hardwood for the month were recorded at RM980 per tonne and RM665 per tonne.

Sawntimber

The average sawntimber prices continued to be firm for most species in the domestic market. Demand from importing countries were still weak as reported by the industries due to unfavourable market condition.

Sawntimber prices of Chengal and Balau remained at RM6,638 per m³ and RM3,496 per m³ respectively. Prices of Merbau sawntimber stood at RM3,460 per m³. Whilst, prices for both Kempas and Kapur species charted at RM1,483 per m³ and RM2,472 per m³ respectively. Prices of Dark Red Meranti continued to stable at RM2,189 per m³. White Meranti prices however increased significantly by 42% to RM2,048 per m³ compared to last month. Sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood remained at RM883 per m³ and RM777 per m³ respectively.

Plywood

The supply of plywood reported to remain adequate to serve the demand of the domestic market. Plywood of 4mm, 6mm, 9mm and 12mm of thicknesses were stably traded at RM14.60, RM22.00, RM34.50 and RM41.50 per piece respectively.

Medium Density Fibreboard (MDF)

With the average demand received from the domestic market and adequate supply of MDF, prices were reported to hover at last month's level. 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 * – November 2014

Shipments of sawntimber from Sabah to Peninsular Malaysia for the month under review charted a tremendous increased to 89% and 221% both in volume and value to 1,081 m³ worth at RM1.8 million compared to last month. However, export of plywood continued to decrease by another 3% in volume and 6% in value to 8,614 m³, worth at RM13.4 million. Similarly, shipments of veneer declined sharply by 52% in volume to 35 m³ worth at RM54,000.

Export of sawntimber from Sarawak to Peninsular Malaysia reported to drop by 33% in volume to 306 m³ worth RM307,000 over the previous month. Likewise, shipment of plywood decreased significantly by 25% in volume and 22% in value to 10,643 m³ worth RM13.3 million. Export of veneer experienced lower volume by 1% to 4,802 m³ but the value reported to increase by 33% to RM5.6 million.

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

* Source: Department of Statistics, Malaysia

INTRA-MALAYSIA TRADE – NOVEMBER 2014

From	Products	OCTOBER 2014		NOVEMBER 2014		% Change in Volume Nov 2014/Oct 2014	% Change in Value Nov 2014/Oct 2014
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	571	558	1,081	1,791	89	221
	Plywood	8,876	14,194	8,614	13,413	-3	-6
	Veneer	73	113	35	54	-52	-52
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	454	382	306	307	-33	-20
	Plywood	14,190	17,067	10,643	13,326	-25	-22
	Veneer	4,868	4,235	4,802	5,613	-1	33

Source : Department of Statistics, Malaysia

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

SPECIES	LOGS/tonne	SAWNTIMBER/m³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	4,000	6,638	2,966	8,828	
Balau	2,660	3,496	2,684	3,881	
Red Balau	2,500	2,966	1,977	3,178	
Merbau	2,500	3,460	2,825	2,790	
Mixed Heavy Hardwood	980	883	865	918	
MEDIUM HARDWOOD					
Keruing	1,150	1,483	1,031	2,203	
Kempas	1,140	1,483	1,483	1,907	
Kapur	1,700	2,472	777	2,472	
Mengkulang	1,100	1,412	925	1,575	
Tualang	1,255	2,260	2,260	2,260	
LIGHT HARDWOOD					
Dark Red Meranti	1,350	2,189	1,412	2,013	
Red Meranti	1,390	1,342	1,201	2,394	
Yellow Meranti	1,130	1,412	1,095	1,448	
White Meranti	1,090	2,048	847	1,695	
Mersawa	1,200	1,412	918	1,518	
Nyatoh	900	777	565	1,201	
Sepetir	850	1,095	918	1,165	
Jelutong	980	1,427	1,250	1,540	
Mixed Light Hardwood	665	777	614	657	
MALAYSIAN RUBBERWOOD <i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m³			
	160	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		706	1,045	1,151	1,201
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

Furniture

Exports of wooden and rattan furniture for the period under review in 2014 increased 11% compared to the corresponding period of 2013. Total shipments recorded RM5.784 billion against RM5.216 billion in 2013.

Purchase of wooden furniture from Malaysia for the January to November 2014 duration increased 11% from RM5.193 billion to RM5.752 billion compared to the same period in 2013. Demand for wooden furniture for November 2014 was positive across most major markets.

Imports of wooden furniture by the US increased by 10% from RM1.624 billion to RM1.783 billion. Japan's demand decreased slightly by 1% from RM516.8 million to RM511.7 million due to the decrease value in Yen.

Australia slightly increased its import to RM395.0 million in the first 11 months of 2014. Singapore had a larger increased of intake of 28% from RM248.7 million to RM317.1 million. The UK follows suit with an increase import of 21% from RM239.8 million to RM288.9 million.

Canada's ups its intake of wooden furniture by 28% to reach RM242.6 million. UAE recorded an increase of 4% to reach RM196.5 million in 2014. Saudi Arabia wooden furniture intake increased by 22% to RM133.6 million. India's intake increased by 28% to reach RM126.6 million in 2014.

South Korea had increased its wooden furniture consumption by 20% with a purchase of RM104.1 million in for the first 11 months of 2014 from RM86.5 million in 2013. Russia also improved its consumption by 22% from RM83.2 million to RM101.0 million.

Rattan furniture shipments increased by 41% to reach RM32.7 million for the January to November 2014 period.

Singapore remains as the top importer as its demand increased more than half to RM8.2 million in 2014. India emerges as the highest increase of intake of rattan furniture, with RM7.4 million being recorded in this year, leaped from RM330,000 in 2013. The US however had recorded a lost of 58% to RM2.2 million in 2013. The import by UK almost doubled to RM2.1 million in 2014. 

ENHANCING BILATERAL TRADE BETWEEN MALAYSIA AND ITALY



Exchanging MoU documents between MTIB and M.IT.C.C.I.

A Memorandum of Understanding (MoU) between MTIB and the Malaysian – Italian Chamber of Commerce and Industry (M.IT.C.C.I) was convened on 19 December in Kuala Lumpur. Dr. Jalaluddin Harun, Director-General of MTIB and Ms. Luciana Penna, President of M.IT.C.C.I signed the MoU on behalf of their respective organisations. The signing ceremony was also witnessed by Datuk Dr. Rebecca Fatima Sta Maria, Secretary-General of Ministry of International Trade and Industry (MITI). The objectives of the MoU are to establish cooperation for developing a bilateral relationship and joint ventures for any activity related to promotions and investments either industrial or commercial.

M.IT.C.C.I. performs activities to enhance the networking of the Malaysian companies in Italy and vice-versa. It promotes, supports and develops the interests of bilateral business and facilitates the trade and investments between both countries. M.IT.C.C.I. also promotes cooperation between Malaysian

and Italian companies through dissemination of information, communications and websites.

Among areas of cooperation stated in the MoU are to exchange and disseminate information on trade and investment opportunities particularly related to the timber industry in both countries as well as commercial and industrial development, establish strategic alliances in commercial investment and technical collaboration, assisting in conducting R&D, marketing and promotion, and training activities. These areas of cooperation is in tandem with NATIP's strategic thrust and activities that would contribute to the achievement of export target of RM53 billion by 2020.

The MoU expected to enhance bilateral trade between Malaysia and Italy in the sector of timber and furniture. In 2013, Malaysia exported RM34.8 million worth of timber and timber products to Italy while Italy exported RM27.7 million worth of timber and timber products to Malaysia. 

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Multiple Uses, Variable Styles

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In Paris, the MTIB delegation together with officers from MATRADE Paris met with the French Timber Trade Association or Le Commerce du Bois (LCB). LCB was founded in 2000 and it brings together the French companies specialised in timber and timber products distribution. LCB also encompasses major professional groups such as agents, importers, planed product manufacturers of imported timber and merchants. LCB comprises members from 120 companies and imports around 4 billion Euro worth of timber and timber products annually. Thirty percent of softwood imported by France comes from Nordic countries while 10% of hardwood import comes from Romania and Bulgaria. Mr. Eric Boilley, director of LCB stated that 10 to 15 companies under LCB have indicated their interest in trade with the Malaysian timber industry particularly in Malaysian sawntimber and BJC.

Delegation also met with officials from Dassault Aviation to discuss on the progress of the MoU signed between MTIB and Dassault Aviation in July 2013 on the development of advanced green composite. One of the projects conducted by MTIB was to develop a sandwich panel from natural fibre to be used as an interior component of the Falcon jet and the development has to meet the high specifications indicated by Dassault Aviation. At the meeting, MTIB reported on the progress of the R&D conducted by FIDEC and Dassault Aviation and suggested that the sample of the R&D be exhibited during the JEC Paris in March 2015.

Meanwhile, in Brussels the delegation met with the Belgian Timber Trade Federation (BTTF). The discussion was attended by representatives from BTTF and major industrial players of the Belgian timber industry. The objectives of the roundtable were to discuss on the latest developments of the Belgium timber industry and its trade between Malaysia and Belgium as well as to enhance trade and networking between both countries. The delegation also discussed on the development of FLEGT negotiations between Malaysia and the European Union and it was also noted that the European Union Timber Regulation (EUTR) will be revised by the end of 2015. YB Minister of MPIC suggested that all producers and importer countries be given the opportunity to voice out their



Discussion with Mr. Eric Boilley, Director of Le Commerce du Bois (LCB) / French Timber Trade Association.



Group photo in front of Dassault Aviation office building.

opinions and give feedback on the implementation of EUTR to the country's timber and furniture industries.

On the whole, the mission was successful in providing opportunities for the Malaysian timber industry to enhance trade and networking with the countries visited. It was also a significant step towards achieving NATIP's target of timber and timber products export to reach RM53 billion by the year 2020. The promotion mission for timber was represented by Dr. Jalaluddin Harun, Director-General of MTIB and Cik Hjh. Robiyah Husin, MTIB Senior Deputy Director of Trade Development. 



Roundtable discussion with Belgian Timber Trade Federation.

MALAYSIAN TECHNICAL COOPERATION PROGRAMME – MYANMAR'S FAMILIARISATION VISIT ON TIMBER INDUSTRY IN MALAYSIA



Delegates at Pusat Pentadbiran Kerajaan Putrajaya.



Photo session during closing ceremony of Myanmar's Familiarisation Visit on Timber Industry in Malaysia.

The Government of Malaysia organised a short term study visit entitled 'Myanmar's Familiarisation Visit on Timber Industry in Malaysia' from 14 to 20 December under the Malaysian Technical Cooperation Programme (MTCP). Six participants from the Republic of the Union of Myanmar attended the programme conducted by MTIB. In line with the objective of MTCP which is to share Malaysia's development and expertise, the programme aimed to provide the participants with the knowledge and better understanding of the development of the timber industry in Malaysia.

The MTCP was established 34 years ago and its main objective was to share Malaysia's development experience with other developing countries within the framework of South-South Cooperation. Malaysia hopes that these experiences would be useful for other developing countries as part of their own development process. The primary belief is that the development of a country depends on the capabilities of its human resources. Through the MTCP, Malaysia

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

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



Delegates at Fibre and Biocomposite Development Centre (FIDEC).



Delegates at Inovar Industries Sdn. Bhd.

INNOVATIVE DESIGNS: ENSURING COMFORTABLE LIVING



Attendees at the symposium..

The surge in the demand for furniture internationally has been encouraging, but this does not mean that it will guarantee the continuous development of the local furniture industry. To ensure that this industry continues to be a relevant contributor to Malaysia's export earnings, Forest Research Institute Malaysia (FRIM) and the Furniture Technology Centre, organised a national symposium entitled "Furniture Design – Comfort for Users" in Port Dickson, Negeri Sembilan from 26 to 27 November. The main objectives of this symposium were to promote the sustainability of the Malaysian furniture industry through the development of creative, well-designed furniture as well as to encourage the creation of furniture designs with a Malaysian identity.

Dato' Abdul Latif Mohmod, Director-General of FRIM in his welcoming remarks stated that the symposium hoped to encourage the local furniture manufacturers to focus on moving up the value chain in terms of their products. "Furniture manufacturers cannot just be the Original Equipment Manufacturer (OEM) anymore. They have to shift towards being an Original Design Manufacturer (ODM) to finally becoming an Own Brand Manufacturing (OBM), while ensuring that their products continue to have good image and enjoy higher value", he said. He added that greater attention ought to be given to aesthetic appearance of furniture since design acts as the reflection of the new strategy to be adopted by the local furniture manufacturers.

Datuk Ibrahim Ahmad, Director-General of Majlis Amanah Rakyat (MARA), in his opening speech, praised the organisers of the symposium for their efforts in highlighting the importance of design in furniture. He said that to remain competitive in the world market the local furniture industry should adopt new technologies in order to produce more diverse, high value-added products. He stressed that Malaysia cannot compete solely based on the pricing aspect of furniture with manufacturers of China and Viet Nam for the mass-produced furniture segment. He suggested that it was necessary for

the local furniture manufacturers to distinguish themselves in this market segment and one of the ways to achieve that was to be innovative in producing great designs. He said that the symposium formed the essential step in exploring ways to achieve the government's aspiration for the 60% of exports by the timber industry to be derived from value-added products and to realise the RM16 billion export value for furniture by the year 2020.

"I would like to urge the trade associations and industry players to cooperate closely in building and marketing their designs and brands. It is a long process with many challenges but ultimately it will be rewarding for the business and the nation", he added. He advised the furniture manufacturers especially the Small and Medium enterprises (SMEs) to continue developing higher value-added furniture using sustainable materials which are readily available. He further urged the industry to work closely with the relevant government agencies in forging a constructive working relationship which will benefit the furniture manufacturing sector in the long run.



Puan Nik Zuraiyah Nik Muhammad from MTIB (right) explaining the mechanism employed in the Isla Lamp to Datuk Ibrahim Ahmad, Director-General of MARA (second from left).

Also in the picture are Dr. Jalaluddin Harun, Director-General of MTIB (left) and Dato' Abdul Latif Mohmod, Director-General of FRIM (second from right).

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Delegates at Forest Research Institute Malaysia (FRIM).

information and knowledge sharing. As part of the MoU signed between MTIB and MTMA, both parties agreed to conduct a training and capacity building programme for the timber industry and related institutions and organisations in Myanmar.

The seven-day programme included visits and meetings with MTIB, Ministry of Plantation Industries and Commodities, WISDEC, FIDEC, Timber Associations in Malaysia, Forest Research Institute Malaysia, Forestry Department Peninsular

Malaysia and the local timber industry such as Gunung Seraya Wood Products Sdn. Bhd. and Inovar Industries Sdn. Bhd.

Bilateral cooperation between Malaysia and Myanmar in the commodity and timber sectors continue to grow with a lot of opportunities for both countries to further strengthen especially the timber sector. Both countries are endowed with tropical forests which offer a steady supply of raw materials. While Malaysia and Myanmar share some similarities, the timber industry in both countries differs in terms of the level of development. Myanmar is a dominant supplier of primary processed timber, whereas Malaysia has established itself as one of the leading suppliers of downstream processed timber products. The collaboration between the two nations offers vast opportunities for the timber industry in both countries to undertake joint efforts, to improve their comparative advantages.

The Malaysia-Myanmar cooperation will help fortify Malaysia's efforts to develop and enhance the timber industry to compete in the global economy. The increase of trade opportunities between the two countries will clearly serve to strengthen both local timber industries. In addition, this bilateral cooperation will benefit trade and investments between Malaysia and Myanmar as well as ASEAN. 

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Datuk Ibrahim Ahmad (seated) and other dignitaries in a lighter mood.

The two-day symposium was attended by experts in various fields related to furniture as well as nearly 200 participants comprising furniture entrepreneurs, designers, officials from

various government agencies and private enterprises, as well as students from numerous learning institutions in Negeri Sembilan, Malacca and Selangor. The symposium witnessed the presentations of ten papers by the various experts together with three keynote addresses by Datuk Dr. Abu Bakar Mohamad Diah, Deputy Minister of Science, Technology and Innovation (MOSTI); Assoc. Prof. Mohamad Omar Bidin, Dean of the School of Arts, Universiti Sains Malaysia; and Encik Shukri Rifaie, the Associate Partner of Rifaie Chua Sethi Sdn. Bhd. Topics covered by these keynote speakers were related to furniture production and marketing, particularly on aspects of design, raw material and technology, and markets and product commercialisation. The event was supported by the Ministry of Natural Resources and Environment, Negeri Sembilan State Government, MTIB, Malaysian Design Council, Universiti Putra

Malaysia, Universiti Teknologi MARA, Universiti Malaysia Sarawak and Sarawak Timber Industry Development Corporation. 

INTERNATIONAL WOOD CONSTRUCTION CONFERENCE

To implement more human capital development activities in the timber industry, MTIB has taken the initiative to participate in an international seminar programme to increase the understanding of the use of wood, in particular, the use of wood as structure.

To gauge the latest developments in the construction field specific to the use of wood as a structural element, MTIB and a representative from the timber industry participated in the 20th International Wood Construction Conference (IHF) which was held at the Congress Centre in Garmisch-Partenkirchen, Germany from 3 to 5 December.

The conference acted as a platform for architects, engineers and builders to share experiences, processes and goals related to wood structure and construction. At the same time the conference provided the opportunity for architects, building officials, builders and crafts people, as well as educators, to learn about the latest developments and to share their experiences regarding the construction of timber structures.

The programme was organised by Aalto University (AUH), Bern University of Applied Sciences, University of Rosenheim, Technical University of Vienna, Technical University of Munich, and University of British Columbia together with other co-organisers from international universities and timber associations in Europe.

About 1,500 participants from various countries attended the programme throughout the three days and 69 papers were

presented. The participants included representatives from Spain, Italy, Canada, Sweden, France, USA, Estonia and Malaysia.

The conference topics covered issues related to architecture, prefabricated housing, wooden house construction, connectors for timber building, research in wood construction, bridge construction and also the market framework.

Timber has an advantage over other construction materials. The modular construction system or "Industrialised Building Systems (IBS)" can be applied by using timber as a construction material. The building can then be easily prefabricated, transported to the site and assembled to create the component building.

Stora Enso Building Solutions, the manufacture of the cross laminated timber (CLT) product, has been involved in modular building systems since 2012 when they constructed the apartment project in Finland. Until now, over 100 apartments have been supplied to projects all over Finland. The company was also involved in the Via Cenni social housing project in Milan and the London's Regent's Park Open Air Theatre which also uses the CLT product. In 2015, the company will be involved in the "Wood City" project in Helsinki which is to construct a residential project containing 100 units in two 8-storey buildings. The project will continue with a hotel and office buildings in the next development phase.

As a regenerative construction material, wood is set to become increasingly popular and bring change to the field of



Extension of Oslo-Gardermoen Airport used glued laminated timber.



Montessori school in Aufkirchen, Germany presented by Mr. Vallentin Gernot from ArchitekturWerkstatt Vallentin.

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Outcome from the Nordic Timber Bridge Project, Flisa Bridge.

architecture. It will provide the architect with a greater freedom of design, for example the Montessori School in Aufkirchen, Germany. The school was built in 2004, with a useable area of 3,642 m². The building was awarded the Bavarian Environment Prize in 2007.

The high performance of timber-frame buildings will create confidence in wood's capacity and versatility as a building material. The versatility of wood for construction purposes is reflected in today's international architectural scene. Innovative connection technologies and composite materials are opening up new fields of application. For example, there is the construction of the soccer centre located in Villeray–Saint-Michel–Parc-Extension in the city of Montreal, Quebec. The building accommodates a standard size soccer pitch with seating for 750 spectators, training facilities, multi purpose spaces for public user and offices. It is 110 m long, 78 m wide, 18 m high. The flat roof, spanning 69 m over the playing field, is a wood structure which consists of 13 principal beams,

supported by steel columns spaced at intervals of 8 m. Glued laminated (glulam) and cross laminated timber were used in the roof construction.

The use of wood in construction is not limited to buildings only. In Nordic countries, timber has also been widely used in the construction of bridges or pedestrians crossings. In fact, the largest and longest timber bridge in the world is Flisa Bridge located in Norway.

The Nordic Timber Bridge Project was a joint effort by Finland, Norway and Sweden. Denmark and Estonia were observers throughout the project period. The project was carried out in three phases from 1994 to 2001. The project increased the value of timber as bridge material as most of the bridge is under-support were built using glulam.

Timber can also produce aesthetic designs of buildings or bridges. Aside from being easier to manufacture and assemble, timber also provides excellent resistance to salt which is used to melt ice and snow.

An exhibition was also held in conjunction with the conference. Almost 200 exhibitors dealing with all imaginable products around timber construction, i.e. mechanical fasteners, adhesives, press producers, software companies, glued laminated timber producers, paint manufacturers and panel producers showcased their products throughout the event.

The Malaysian delegation comprised Tuan Hj. Mahpar Atan, MTIB Director of Industry Development (Head of Delegation); Encik Muhammad Shaiful Nordin, MTIB Assistant Director from Industry Development and Tuan Hj. Ajan Mohamad from Terengganu Timber Industry Training Centre. 



Participants during the opening ceremony.

ICACSE 2014, BANDUNG



A section of participants attending the conference.

MTIB was appointed as a Standards Development Agency (SDA) by Standards Malaysia effective from 1 September 2013. As part of SDA's scope, MTIB officers participated in the International Conference On Civil Structure And Engineering (ICASCE 2014) as well as a visit to Pusat Penelitian Dan Perkembangan Permukiman (PUSKIM), Bandung from 4-9 December. The programmes were part of capacity building for SDA officers as well as industry members who are actively involved in standards development activities. A total of 70 participants attended ICASCE which included engineers, representatives from several industries including mining and timber researchers and post-graduate students from Algeria, China, Malaysia, Indonesia, Egypt, Japan, Kuwait, USA, the Philippines and Turkey.

During the Conference, three keynote papers were presented by three speakers: Effects of Low and High Frequency Electromagnetis Fields by Prof Dr. Pawel Sowa from Silesian University of Technology, Poland; ASEAN:Prospects and Challenges in The New Millenium by Prof. Dr. Bala Maniam, Sam Houston State University, USA; and 'Curent Status on Use of Timber in Construction Industry in Malaysia' by Puan Hj. Mahsuri Mat Dris, MTIB Senior Deputy Director of Industry Development. In her paper, Puan Hj. Mahsuri highlighted the contribution of timber industry in Malaysia to the international market which is valued at RM20 billion annually as well. Many efforts are being carried out by MTIB to achieve an export value of RM53 billion of value-added products by 2020 as stipulated in the National Timber Industry Policy (NATIP), including the application of engineered timber products such as glued laminated timber (glulam) using Malaysian hardwoods and standards development activities in line with the role of MTIB as a Standards Development Agency (SDA). She further

stated that although the properties and attributes of Malaysian hardwoods are suitable for structural application, the use of glulam in the construction industry is very new to Malaysia compared to developed countries such as USA, Europe, Japan and Australia. Therefore further efforts are required to promote glulam to the domestic construction industry as well as the international market.

After the keynote presentations, the conference was later divided into nine concurrent sessions to evaluate research papers by scientists as well as post-graduate students in several fields such as engineering, science and technology, business, art, social science, management and education. The sessions aimed to bring together institutions, bodies and organisations from different countries for discussions as well as to promote and enhance best practices in international education standards, and to promote dissemination of scientific and engineering activities and production of publications in international journals to be used as a database for research work, projects and innovation activities.

After attending the conference, the Malaysian delegates visited a research centre for human settlements (PUSKIM), Bandung from 8-9 September. PUSKIM is an agency for R&D under the Ministry of Public Works Indonesia. A half-day presentation was arranged by PUSKIM where their official talked about their facilities such as testing facilities for structural components and fire resistance. The visit also included a discussion on the latest R&D on structural timber both in Malaysia and Indonesia in particular on technology and standards development, requirements on fire testing facilities for structural timbers, roof trusses and timber beam bending tests. Some of the researches that are currently being carried out by PUSKIM are

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At the laminated bamboo (lamboo) prototype, Turanga, Bandung.

on low composite timber and laminated bamboo, earthquake resistant laminated veneer lumber (LVL) using Rubberwood and Sengon timber as well as walls from cement board with bamboo or wood particles. The columns and beams from LVL can be used for various types of homes which can be constructed within two days. In fact, they were used for tsunami re-settlement houses in Aceh.

In addition, PUSKIM and MTIB also explored venues for cooperation between Malaysia and Indonesia through a Memorandum of Understanding (MoU) on standards development activities for timber and structural timber, testing for structural hardwood timber as well as capacity building. This is mainly due to the fact that both PUSKIM and MTIB are actively involved in standardisation and harmonisation under the Task Force on Wood-based Products at ASEAN fora as well as at ISO/TC 165:Timber Structure.

According to the officers from PUSKIM, the use of timber in construction in Indonesia is low due to the perception that timber houses are low cost.

The delegates were also brought on a site visit to observe several projects being developed by PUSKIM including a visit to a two-storey LVL house and to prototype wooden and glulam bamboo (lamboo) houses in Turangga, Bandung. The delegates also had the opportunity to visit a glulam structure at Institute Technology Bandung (ITB), the first glulam structure, manufactured from Teak wood, which was constructed by the Dutch in the 1920's. The building currently being used as a multipurpose hall is still intact and its architecture and design is very unique and attractive.

The delegates who participated in the programmes were Puan Hj. Mahsuri Mat Dris (Head of Delegation), Encik Abdul Rafa Tan, Puan Syafinaz Abd Rashad, Encik Abdul Yazid Abdul Hamid and Puan Nor Shahira Mat Nasir from MTIB as well as Assoc. Prof. Dr. Mohd Ariff Jamaluddin (UiTM) and Encik Ng Wun Pin (Multinail Malaysia Sdn. Bhd).



A visit to Pusat Peneliti dan Perkembangan Permukiman (PUSKIM) at Cileunyi, Bandung to view the testing equipment for roof trusses.

REFRESHING YOUR UNDERSTANDING ON MALAYSIAN STANDARDS

The timber industry is a major income earner for Malaysia. The National Timber Industry Policy (NATIP) has targeted to export a total of RM53 billion of timber products in 2020 with greater emphasis given to high quality value-added products. To maintain and increase the value and volume of these products and to strengthen its position in the world market, MTIB has been entrusted to develop standards for wood-based panels, timber and timber products. The importance of standards is to ensure that the products meet the requirements set up by global markets.

Wood-based panels are among the products that are consistently being exported to the international market. Therefore it is pertinent for the manufacturers as well as the industry to comply with the standards available to retain their market access. Several initiatives have been undertaken by MTIB to help and promote the Malaysian Standards (MS) to the industry as well as to facilitate business interaction. As part of its efforts in disseminating and updating information to timber industries on the standards related to wood based panels, MTIB organised the Seminar on Malaysian Standard: MS 1787:2005, Wood based Panels – Test Methods on 4 December in Kuala Lumpur.

The main objectives of the event were to update and provide information related to test methods contained in the MS 1787, to increase awareness on the importance of referring to this MS, to enhance and promote experience sharing as well as a better understanding on the respective requirements in the MS. The seminar was officiated by En Ahmad Razif Abd Rahim, Assistant Director of Standards Malaysia, on behalf of Datuk Fadilah Baharin, Director General of Standards Malaysia. He highlighted that one of the roles of MTIB as an SDA is to promote the Malaysian Standards (MS) to the public at large as it is very important to expose the Malaysian industry to greater awareness of the technical specifications required in the MS.

Nine papers were presented by eminent speakers from various sectors. Puan Hj. Mahsuri Mat Dris from MTIB presented a paper entitled – Introduction on MTIB as A Standards Development Agency (SDA). She deliberated on the new role of MTIB as an SDA and the process involved in the development of the documents in the MS as well as its management at National, Regional as well as International Standardisation Level in order to ensure market access for Malaysian timber products. The second paper was presented by Prof. Dr. Paridah Md Tahir from INTROP, UPM. She is currently the Chairman of Technical Committee on Wood-based Panels at National level. She presented a paper entitled 'Overview of Malaysian Standard for Wood-based Panels' and further explained about MS 1787, Part 1. She stated that the MS has 15 parts of series covers for test methods. The MSs were adopted from ISO standards and it covers the principles, apparatus, sampling, moisture content, conditioning, procedure and results.

The third, fourth and fifth papers were presented by Dr. Zaihan Jalaludin from FRIM. He covered all the three parts namely MS 1787:2005 Part 10, Part 11 and Part 12. These three parts covers the determination of dimension of panels, modulus elasticity in bending, tensile strength and wet bending strength. Dr. Loh Yu Feng from FIDEC, MTIB presented on MS 1787:2005, Part 6 – Determination of swelling in thickness after immersion in water in line with FIDEC's roles in carrying out testing for panel products. The final presentation was from Assoc. Prof Dr. Nor Yuziah Mohd Yunus from UiTM Pahang who shared on the formaldehyde test methods as covered in the MS 1787:2005, Part 14 and Part 15.

More than 70 participants attended the seminar, representing the government, wood-based manufacturers as well as the timber industry, regulators, higher learning institutions and end-users.



Seminar in progress.



Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General (third from right) posing with the speakers.

ISO/PC 287: CHAIN OF CUSTODY FOR WOOD AND WOOD-BASED PRODUCTS

Sustainable forest management has become a critical global issue, with consumers increasingly demanding that wood products be supplied from “well-managed” forests. Environmental concerns, particularly the effects of illegal and indiscriminate logging resulting in forest disappearance, degradation and carbon emissions, have prompted ISO to start work on a new standard for the traceability of wood products

As a follow-up from the previous meeting which was held in Berlin on 19-21 May 2014, the experts group ‘Working Group ISO/PC 287/WG1 : Chain of Custody (CoC) of Wood and Wood-based Products’ met in Paris, France on 24 – 28 November. The main task of the meeting was to discuss comments on the second Draft ISO WD 19228 (working draft) and further develop the document. The secretariats of ISO PC 287 were from Brazil and Germany. The meeting was chaired and co-chaired by Dr. Jorge Cajazeira from Brasil National Standard Organisation (ABNT) and Prof. Michael Kohl from German Institute for Standardisation (DIN) respectively. The meeting gathered 41 delegates from 16 countries namely Austria, Brazil, Canada, France, Germany, Netherland, Portugal, Spain, Sweden, Ukraine, United Kingdom, China, Malaysia and New Zealand. It was hosted by Standardisation Institute Technologique (FCBA), Paris, France. FCBA is an industrial technical centre, serving French sectors of forestry, logging, wood, sawmill, pulp and paper, packaging, cellulose, wood construction, wood processing and furniture.

The committee for ISO/PC 287 WG1 was responsible for the development and standardisation of the standards to facilitate tracking of the source of wood, wood-based products and lignified materials other than wood, such as cork and bamboo to the final product.

The task of the committee was in tandem with the initiatives of its establishment based on three main reasons as below :

- to produce a standard that could unify the current CoC standards (referring to PEFC-Programme for the Endorsement of Forest Certification and FSC-Forest Stewardship Council Standards) on traceability of wood forest products because they are both different yet similar to one another;
- to reduce the current very high and expensive certification cost;
- to increase the percentage of wood forest products traceable to their sources which at the moment only covers about 25% of the productive forests around the world. Regions like Asia and Africa and the tropical forest industries are out of the scope of the current CoC systems.

This ISO standard will balance the need for traceability with the requirement that all companies, no matter their size or the region, must be able to guarantee that the wood forest products placed on the market originated from a sustainable source. Basically, the new ISO standard which also focuses on the legality and sustainability aspects will enable more companies to come into the system as opposed to the current standard which is believed to be very complicated and difficult to comply with.

Because of certain limitations for the Observing member (O-member) during the meeting, Malaysia's delegate namely Encik Mohd Adawi Ton Omar and Puan Syafinaz Abd Rashad from MTIB and Cik Sabrina Mawasi from MTCC agreed that Malaysia should become a Participating Country (known as P-member) and could actively participate in the discussion to safeguard the interest of the Malaysian timber industry while in compliance with international requirements. 



Deliberation on CoC of Wood-based Products, ISO/PC 287.

CHINA EIGHTH INTERNATIONAL FORUM OF WOOD PLASTIC COMPOSITE (WPC)



Dr. Loh Yueh Feng from MTIB presenting a keynote paper at the forum.



A visit to China Plastic Expo.

Recently, MTIB participated in the Eighth International WPC Forum of China which was held in Guangzhou, China from 15 to 17 December. This forum was organised by the Wood Plastic Composite Committee of China (WPC) and hosted by Guangdong Ruotian New Material Technology Co., Ltd. and Hubei Anxin Plastic Mould Co., Ltd. with the theme “Beautiful China, Wood-Plastic Composite First”. The forum invited 20 well-known experts from universities and enterprises who are engaged in research on wood plastic composites, both local and international, which included MTIB. The forum was the largest and the most influential event in the WPC industry in China. It has been successfully held for seven years in Xi'an, Shenyang, Nanjing, Shenzhen, Huangshi, Ningbo, and Qingdao, and it has made a large impact on China's domestic WPC industry and as well as the market abroad. The forum too has become one of the most important platforms in China's WPC industry to promote industry development.

In view of the flourishing long-term bilateral cooperation between China and Malaysia, MTIB was invited by the Forum Organising Committee to present the keynote speech on the development of WPC. A total 18 papers were presented in the forum and the keynote paper entitled “Wood Plastic Composite Industry – Status Update, Opportunities and Strategy” was presented by Dr. Loh Yueh Feng from MTIB.

In the forum, the speakers spoke on the whole spectrum of wood composite products including new developments in the wood plastic composite industry, new products, new technologies, new processes, new applications and the standards of WPC domestic and abroad. A brief overview of the information about the forum were as follows:-

- Before year 2003, there were less than 10 manufacturers in China; basically doing domestic business only. Today, there are more than 400 companies regardless of size involved in the production of WPC, mainly in decking and its typical usage in outdoor landscape applications.

- There are more than 100 plastic machinery and equipment producers that cover all processes in the production of WPC; i.e. pulverising and grinding machinery; drying and moisture control equipment; high speed mixing and cooling machinery; compounding and granulating plants as well as extrusion lines.
- Current and future academic support are strong. According to Professor Dr. Li of South China Agricultural University in Guangzhou, there are four PhD students, more than 10 Master students and about 20 or more undergraduates that are being specifically trained for the future development of WPC in China. Besides that, specialists and academicians from the University of Beijing are also spending great effort to lift the standard of China WPC in the world market.
- A group of manufacturers who are leading WPC are developing methods to upgrade current traditional applications of WPC, especially for outdoor decking. In the meantime, they are also working very closely with a few international research institutes and universities such as University of Toronto, Canada and University of Maine, US. They have done a good job in applying new technology to turn WPC into Nano grade that caters for electronic, automobile, construction and other higher value products.
- Since 2003, the China Government together with private industry players has successfully incubated a new material from its raw stage into a giant industry. In fact, China has become a major producer and exporter of WPC in the world market amounting to a yearly output of 1.2 million tonnes of WPC products to both the local and export markets which translates into at least USD1,370 million as revenue for the country.

As such, MTIB and WPC companies in Malaysia clearly are looking forward to participating in the forum in 2015. 

DEEP FURNITURE SDN. BHD. – A SET IN ONE BOX

Introduction

Deep Furniture Sdn. Bhd. was established in 2005 while its mother company, Wild Industries Sdn. Bhd. was founded in 1993. Being a Malaysia and Taiwan-based company, Deep Furniture Sdn. Bhd. has developed into a comprehensive enterprise both in furniture manufacturer and exporter. With more than 140 employees and a current production space of over 17,000 sqm, Deep Furniture Sdn. Bhd. packages their products to their international clients in the form of "A Set in One Box".

The company mission is to help their partners in achieving all-rounded success and its vision is to become the strongest mail order item manufacturer and exporter in Malaysia.

Deep Furniture produces a wide range of furniture products such as home office, cafe furniture, mini pub set, three pieces set, small dining set and barstools. The company is located at Lot PTD 4092, Parit Jamil Industrial Park, Mukim Sri Meranti, Parit Jamil, 84150 Muar, Johor.

Company Strengths

Deep Furniture products are globally accepted as they meet customer needs. Their focus on R&D and product niche market have helped strengthen their position in the international arena. A continuous marketing strategy via participation in global furniture fairs and building new strategic partnership alliances are the key for Deep Furniture's success in the furniture business.

The "A Set in One Box" concept gives them an advantage over their competitors because Deep Furniture's products are creative, multi-functional and space saving. Almost 90% of their products are suitable for mail order, e-commerce, .com business and internet shopping. Their strong marketing strategy makes it easy for them to fulfill their customers' needs.



Ms Candice Lim, Marketing Director of Deep Furniture Sdn. Bhd.

Deep Furniture Sdn. Bhd.



Factory of Deep Furniture Sdn. Bhd.

Deep Furniture Sdn. Bhd.



Various types of furniture displaying in the showroom.

Cont. from previous page

Deep Furniture Sdn. Bhd.



Deep Furniture Sdn. Bhd.



Products of Deep Furniture Sdn. Bhd.

Currently, the company's monthly capacity is 30-40 containers and it reaches 360 containers annually. An average annual business turnover is USD7.5 million. The major export market for the company are USA and Canada (40%), Korea (30%), Asia and Others (20%) and UAE (10%).

Recognition

The company won the Service Excellence and Product Excellence Awards from Malaysia Furniture Leadership Award (MFLA), 2009, the Rising Star Award from Malaysia Furniture Leadership Award (MFLA), 2010, Best Product Award EFE 2011, Best Product Design Award, 2012 and Malaysia Pride 2012.

Prospects

Today, the future is bright for the furniture industry and demand is consistent and high. Deep Furniture Sdn. Bhd. has the potential to grow due to increased interest in their products. They are confident that their business will grow to ultimately make them a major contributor to Malaysian furniture exports.

References:

- Company corporate profile
- JFA and MFA
- Interviewed with correspondent was held on 28 August 2014
- www.deep303.com 

Deep Furniture Sdn. Bhd.



Deep Furniture Sdn. Bhd.



Deep Furniture Sdn. Bhd.'s major export market are USA, Canada, Korea, Asia and UAE.

COURSE ON INTRODUCING BAMBOO



A group photo of participants and speakers.

In an effort to further develop the bamboo industry in Malaysia, MTIB on 2 – 3 December organised a course on Introducing Bamboo in Kuching, Sarawak. The objectives of the workshop were to enhance knowledge and information as well as to create awareness among the industry players and the locals on the potential of the bamboo industry in Malaysia.

Puan Suzana Hj. Abd. Rahim, MTIB Deputy Director of Forest Plantation officiated the course. In her opening speech, she highlighted that Malaysia's export of bamboo for the last 10 years was RM250,000 whilst import of bamboo recorded RM1.5 – 3.0 million. The bamboo and bamboo products were imported from 11 countries mainly from China, Indonesia and Thailand. According to the International Network for Bamboo and Rattan (INBAR), the international bamboo industry could generate revenue of USD11 billion per year. This value is expected to increase to USD18 billion in 2018. To ensure the sustainability of bamboo industry, MTIB launched the Ten-Year Action Plan for the Development of Bamboo Industry in Malaysia in October 2011. The five main strategies emphasised in the Action Plan aimed to ensure the sustainability of bamboo industry hence, contributing significant export earnings

and gain better demand from the domestic market. The five strategies outlined in the Action Plan were as follows:

- Establishment of bamboo plantation and preservation of existing natural resource management
- Human capital development
- Development of downstream activities
- Research and development
- Marketing and promotion

Five papers were delivered during the first day of the workshop. The papers were as follows:

- Distribution and Procedures on Production of Natural Bamboo Forest in Sarawak by Cik Aurelia Dulce Chung from Sarawak Forestry Department
- Soft Loan in Bamboo Plantation by Puan Suzana Hj. Abd. Rahim from MTIB
- Development of Bamboo Handicraft Industry in Sarawak by Encik Mohd Fu'ad Ariffin from Malaysian Handicraft Development Corporation, Sarawak
- Development of Bamboo Project by Encik Johnek Ajong Henry from Association of Research and Development Movement of Singai Sarawak (REDEEMS)
- Bamboo Plantation in Peninsular Malaysia by Assoc. Prof. Dr. Hj. Azmy Mohamed from Universiti Putra Malaysia

On the next day, Encik Johnek Ajong Henry briefed the participants on species available in Bamboo Village and Park at Kampung Apar Singai, Bau, Kuching which is a project under REDEEMS.

The workshop gathered 30 participants mainly from industry players and government agencies.



One of the speakers presenting his paper.

COMING EVENTS – JUNE 2015

DATE	EVENT	VENUE	ORGANISER
1-3	INTERMEBEL 2015 International Exhibition of Furniture, Equipment for Furniture Production and Design	Kazanskaya Yarmarka Exhibition Centre, Kazan, Russia	Kazanskaya Yarmarka OJS Tel : + 7 843 570 5109 Fax : + 7 843 570 5109 E-mail : info@expokazan.ru
3-6	BATIMAT EXPOVIVIENDA 2015 International Building Construction, Decoration, Office and Furniture Fair	La Rural Predio Ferial, Buenos Aires, Argentina	EFCA Argentina Tel : + 54 (11) 4343 7020 Fax : + 54 (11) 4343 4833 E-mail : info@batev.com.ar
10-12	INTERIOR LIFESTYLE TOKYO 2015 Decoration, Furniture and Home Design Exhibition	Tokyo International Exhibition Centre, Japan	Mesago Messe Frankfurt Corp. Tel : + 81 (0) 3 3359 0894 Fax : + 81 (0) 3 3359 9328 E-mail : mesago-messefrankfurt.com
12-14	CHINA (CHENG DU) GIFT AND HOUSEWARE FAIR 2015 Home Decoration, Office Design, Furniture and Gift Souvenirs	Cheng du Century City New International Convention and Exhibition Centre, China	Reed Huabo Exhibition Co. Ltd Tel : + 86 755 3333 1166 Fax : + 86 755 3333 1186 E-mail : info@reedhuabo.com
17-20	EXPO FORESTRY 2015 International Forestry Industry	Feria Expoisi Ciow De Santa Cruz, Bolivia	Fex Pocruz Tel : + 591 3353 3535 Fax : + 591 3353 0888 E-mail : feria@fexporuz.com.bo



Malaysian Wood

Standing on Excellence



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



MINISTRY OF
PLANTATION INDUSTRIES
AND COMMODITIES

**Multiple Uses,
Variable Styles**

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



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

Level 13-17, Menara PGRM, No. 8, Jalan Pudu Ulu, Cheras, P.O. Box 10887, 50728 Kuala Lumpur, Malaysia.
Tel : 603 - 9282 2235 • Fax : 603 - 9285 1477 / 9200 3769 • E-mail : info@mtib.gov.my • www.mtib.gov.my



This building will change the way you look at wood

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

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

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

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

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

For more information, contact:

Malaysian Timber Industry Board (MTIB)

(Ministry of Plantation Industries and Commodities)

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Malaysian Wood
Standing on Excellence



VIET NAM – HEADING TOWARDS BECOMING TOP TIMBER EXPORTER IN ASEAN

Introduction

The conquest of Viet Nam by France began in 1858 and was completed by 1884. It became part of French Indochina in 1887. Viet Nam declared independence after World War II, but France continued to rule until its 1954 defeat by communist forces under Ho Chi Minh.

Under the Geneva Accords of 1954, Viet Nam was divided into the communist North and anti-communist South. US economic and military aid to South Viet Nam grew through the 1960s in an attempt to bolster the government, but US armed forces were withdrawn following a cease-fire agreement in 1973. Two years later, North Vietnamese forces overran the South reuniting the country under communist rule. Despite the return of peace, for over a decade the country experienced little economic growth because of conservative leadership policies, persecutions, mass exodus of individuals - many of them successful South Vietnamese merchants - and growing international isolation.

However, since the enactment of Viet Nam's "doi moi" (renovation) policy in 1986, Vietnamese authorities have committed to increased economic liberalisation and enacted structural reforms needed to modernise the economy and to produce more competitive, export-driven industries. The communist leaders, however, maintain control on political expression and have resisted outside calls to improve human rights.

The country continues to experience small-scale protests from various groups - the vast majority connected to land-use issues, calls for increased political space, and the lack of equitable mechanisms for resolving disputes. Various ethnic minorities, such as the Montagnards of the Central Highlands and the Khmer Krom in the southern delta region, have also held protests.

Economy

Viet Nam is a densely-populated developing country that has been transitioning from the rigidities of a centrally-planned economy since 1986. Vietnamese authorities have reaffirmed their commitment to economic modernisation in recent years. Viet Nam joined the World Trade Organisation in January 2007, which has promoted more competitive, export-driven industries. Viet Nam became an official negotiating partner in the Trans-Pacific Partnership trade agreement in 2010.

Agriculture's share of economic output has continued to shrink from about 25% in 2000 to less than 20% in 2013, while industry's share increased from 36% to more than 42% in the same period. State-owned enterprises account for about 40% of GDP. Poverty has declined significantly, and Viet Nam

is working to create jobs to meet the challenge of a labour force that is growing by more than one million people every year. The global recession hurt Viet Nam's export-oriented economy, with its GDP in 2013 growing at 5%, the slowest rate of growth since 1999. In 2013, however, exports increased by more than 12%, year-on-year as several administrative actions brought the trade deficit back into balance.

Between 2008 and 2011, Viet Nam's managed currency, the dong, was devalued in excess of 20%, but its value remained relatively stable in 2013. Hanoi has oscillated between promoting growth and emphasising macroeconomic stability in recent years. In February 2011, the government shifted from policies aimed at achieving a high rate of economic growth, which had stoked inflation, to those aimed at stabilising the economy, through tighter monetary and fiscal control.

Although Viet Nam unveiled a broad, "three pillar" economic reform programme in early 2012, proposing the restructuring of public investment, state-owned enterprises, and the banking sector, little perceptible progress has been made. Viet Nam's economy continues to face challenges from an undercapitalised banking sector. Non-performing loans weigh heavily on banks and businesses.

Basic Indicators

- **Population** – 93,421,835 (July 2014 est.)
- **Age Structure** – 15-64 years (75.7%)
- **GDP-Real Growth Rate** – 5.3% (2013)
- **GDP per Capita** – USD4,000
- **Inflation Rate** – 6.8% (2013)
- **Labour Force** – agriculture (48%), industry (21%), services (31%)
- **Exchange Rates** – dong (VND) per US dollar – 21,118 (2013)
- **Land Area** – 331,210 sq km
- **Export Value** – USD128.9 billion (2013)
- **Export Commodities** – clothes, shoes, electronics, seafood, crude oil, rice, coffee, wooden products, machinery
- **Import Value** – USD121.4 billion (2013)
- **Import Commodities** – machinery and equipment, petroleum products, steel products, raw materials for the clothing and shoe industries, electronics, plastics and automobiles

Malaysia's Export of Timber and Timber Products to Viet Nam

Export of timber and timber products to Viet Nam has been on an increasing trend. In 2009 and 2010, exports totalled RM334.1 million and RM276.3 million respectively. Exports, however, decreased slightly by 9% to RM251.5 million in 2011. In 2012, exports dropped 13% to RM219.5 million but increased 16% in 2013 to RM253.7 million.

Logs have been the main export to Viet Nam. However the amount has been decreasing. In 2009, exports totalled RM135.6 million. In 2010, exports decreased by 36% to RM86.2 million. The exports however decreased 10% to RM77.7 million in 2011. In 2012, exports were at RM58.9 million and in 2013, increased by 56% to RM91.6 million.

Exports of sawntimber totalled RM18.1 million in 2009. In 2010, exports decreased substantially to RM16.8 million. In 2011 exports decreased further to RM11.1 million. In 2012 exports decreased substantially to RM8.7 million and in 2013, they were valued at RM9.6 million.

Plywood exports to Viet Nam totalled RM14.1 million in 2009. Exports registered a reduction in 2010 to RM13.9 million. Exports further decreased in 2011 to RM10.2 million and continued to decrease in 2012 at RM8.7 million whilst in

2013, exports increased to RM23.8 million. Exports of particleboard totalled RM36.3 million and RM23.3 million in 2009 and 2010 respectively. However, in 2011, particleboard exports increased heftily to RM28.1 million. However, in 2012, they dropped to RM21.5 million and in 2013, they decreased to RM16.4 million.

Exports of fibreboard on the other hand, totalled RM85.5 million in 2010, a decrease of 9% from the previous year and in 2011 exports dropped further to RM83.2 million. In 2012, MDF exports dropped to RM64.3 million and in 2013 exports were at RM65.3 million.

Malaysia's Import of Timber Products from Viet Nam

Malaysia's import of timber products from Viet Nam is small but shows an increasing trend. Imports totalled RM68.2 million in 2009 and increased to RM110 million in the following year. Imports continued to increase to RM132.7 million in 2011 and in 2012, dropped to RM109.1 million. In 2013, imports increased significantly to RM148.1 million.

Malaysia's main imports of timber products from Viet Nam are plywood, veneer, wooden furniture, BJC, sawntimber and mouldings.

Malaysia: Export of Timber Products to Viet Nam, 2009-2013

(FOB Value: RM '000)

Product	2009	2010	2011	2012	2013	% Change 2013/2012
	RM	RM	RM	RM	RM	
Logs	135,616	86,209	77,712	58,863	91,640	55.7
Sawntimber	18,130	16,839	11,180	8,745	9,574	9.5
Plywood	14,131	13,928	10,236	8,715	23,834	173.5
Veneer	1,185	489	1,121	507	224	-55.8
Mouldings	1,261	3,437	3,575	1,270	1,316	3.6
Chipboard/Particleboard	36,342	23,344	28,092	21,469	16,390	-23.7
Fibreboard	93,823	85,475	83,192	64,272	65,245	1.5
Wooden Frame	17	115	67	0	21	0.0
Builders Joinery and Carpentry	14,718	16,295	17,157	20,406	27,847	36.5
Wooden Furniture	13,387	25,323	14,251	31,702	16,662	-47.4
Rattan Furniture	371	64	51	232	97	-58.2
Other Products	5,135	4,773	4,904	3,291	826	-74.9
TOTAL	334,115	276,292	251,540	219,472	253,676	15.6

Source: Department of Statistics Malaysia (DOSM) and MTIB

Malaysia: Export of Timber Products to Viet Nam, 2009-2013

(Volume: m³)

Product	2009	2010	2011	2012	2013	% Change 2013/2012
	m³	m³	m³	m³	m³	
Logs	345,095	242,159	182,460	150,488	208,724	38.7
Sawntimber	13,523	15,861	9,787	6,658	7,553	13.4
Plywood	9,696	11,248	6,628	6,430	14,725	129.0
Veneer	1,401	460	1,628	751	119	-84.2
Mouldings	780	1,555	1,666	561	775	38.1
Chipboard/Particleboard	76,113	42,292	53,143	44,122	30,632	-30.6
Fibreboard	130,481	110,482	100,359	73,767	90,373	22.5
Wooden Frame	2,250	26,851	8,808	0	1,244	0.0
Builders Joinery and Carpentry	3,475,041	4,766,162	5,612,971	6,437,032	7,873,246	22.3
Other Products	8,058,722	2,904,915	710,531	666,448	239,412	-64.1

Source: DOSM and MTIB

Malaysia: Import of Timber Products from Viet Nam, 2009-2013

(FOB Value: RM '000)

Product	2009	2010	2011	2012	2013	% Change 2013/2012
	RM	RM	RM	RM	RM	
Logs	0	60	69	139	65	-53.2
Sawntimber	3,204	3,960	3,012	5,202	2,327	-55.3
Plywood	7,323	34,393	61,498	47,715	100,976	111.6
Veneer	1,433	10,898	5,127	9,636	6,705	-30.4
Mouldings	224	721	1,909	663	2,151	224.4
Chipboard/Particleboard	0	168	102	280	708	152.9
Fibreboard	21	174	196	1,379	1,312	-4.9
Wooden Frame	0	0	0	0	6	0.0
Builders Joinery and Carpentry	537	1,000	593	3,986	3,795	-4.8
Wooden Furniture	43,691	43,145	42,200	21,756	5,138	-76.4
Rattan Furniture	638	720	1,149	1,236	1,911	54.6
Other Products	11,088	14,760	16,867	17,126	22,964	34.1
TOTAL	68,160	109,997	132,723	109,119	148,059	35.7

Source: DOSM and MTIB

Malaysia: Import of Timber Products from Viet Nam, 2009-2013

(Volume: m³)

Product	2009	2010	2011	2012	2013	% Change 2013/2012
	m³	m³	m³	m³	m³	
Logs	0	48	44	97	51	-47.4
Sawntimber	1,966	1,652	3,363	4,934	3,404	-31.0
Plywood	9,231	47,486	78,193	152,297	120,652	-20.8
Veneer	878	3,712	5,414	9,555	7,898	-17.3
Mouldings	147	301	609	579	1,070	84.8
Chipboard/Particleboard	0	306	75	338	956	182.8
Fibreboard	6	221	118	1,301	614	-52.8
Wooden Frame	0	0	0	0	874	0.0
Builders Joinery and Carpentry	162,378	287,629	132,814	854,404	801,609	-6.2

Source: DOSM and MTIB

Timber Export

Viet Nam's export of timber and timber products in 2013 increased 52% to USD7.6 billion over the previous corresponding period.

Viet Nam exports a significant amount of furniture worth USD3.95 billion in 2013, an increase of 49% from the previous corresponding period. Exports of plywood and veneer also grew by 55% and 130% to USD171.8 million and USD92.8 million respectively. Similarly, exports of BJC, mouldings, fibreboard and particleboard increased by 4%, 3%, 23% and 188% to USD46.7 million, USD47.9 million, USD33.1 million and USD9.2 million respectively.

Timber Import

Viet Nam's import of timber and timber products in 2013 were recorded at USD1.19 billion, a decrease of 16% from the previous corresponding period.

Viet Nam imports mainly sawntimber, furniture, fibreboard, logs and plywood. Imports of sawntimber, fibreboard, logs and veneer decreased by 43%, 24%, 62% and 51% to USD349.7 million, USD126.9 million, USD122.6 million and USD30.3 million respectively.

Viet Nam: Export of Major Timber and Timber Products, 2009-2013

(Value: USD'000)

Code	Product	2009	2010	2011	2012	2013
9403	Furniture and Parts Thereof	1,739,687	2,129,562	2,258,114	2,655,079	3,951,413
9401	Seat	631,619	755,416	785,674	888,508	1,454,714
4412	Plywood	36,252	65,398	86,345	110,981	171,820
4403	Logs	12,685	17,326	49,234	52,000	125,328
4407	Sawntimber	37,384	95,132	156,747	142,268	114,369
4408	Veneer	1,735	10,945	22,398	40,383	92,838
4409	Mouldings	30,463	33,089	42,507	46,511	47,951
4418	BJC	17,452	18,783	28,242	44,772	46,716
4411	Fibreboard	855	2,762	9,221	27,021	33,127
4414	Wooden frames	18,228	15,828	14,795	21,367	17,093
4410	Particleboard/Chipboard	11,744	14,447	9,779	3,207	9,187
	Others	344,241	592,905	854,134	976,753	1,530,778
	TOTAL	2,882,345	3,751,593	4,317,190	5,008,850	7,595,334

Source: International Trade Centre

Viet Nam: Import of Major Timber and Timber Products, 2009-2013

(Value: USD'000)

Code	Product	2009	2010	2011	2012	2013
4407	Sawntimber	361,007	518,960	605,410	608,847	349,677
9403	Furniture and Parts Thereof	30,965	47,135	42,480	49,348	219,533
9401	Seat	64,595	72,379	75,425	59,711	174,409
4411	Fibreboard	124,052	152,690	164,579	167,330	126,948
4403	Logs	250,436	265,424	334,736	324,242	122,574
4412	Plywood	37,086	52,387	69,520	83,452	107,911
4408	Veneer	35,449	46,023	54,684	61,959	30,326
4410	Particleboard/ Chipboard	41,542	39,317	49,997	37,501	17,890
4418	BJC	9,029	11,097	10,555	10,636	14,067
4409	Mouldings	9,529	8,932	16,348	4,564	2,780
4414	Wooden frames	265	372	197	213	210
	Others	9,854	15,594	9,945	13,520	26,643
	TOTAL	973,809	1,230,310	1,433,876	1,421,323	1,192,968

Source: International Trade Centre

Import Tariffs

Viet Nam imposed low import duty for timber and timber products. Logs, sawntimber and veneer imported into the country are duty free. Import duty for mouldings is at 3%. Plywood, BJC, Fibreboard and particleboard are each levied at 5% while furniture ranges at 0-20%:

Viet Nam: Import Tariffs for Timber Products

Code	Product	MFN Tariff	CEPT Rates
4403	Logs	0	0
4407	Sawntimber	0	0
4408	Veneer	0	0
4409	Mouldings	3	0
4410	Particleboard/ Chipboard	5	5
4411	Fibreboard	5	0-5
4412	Plywood	5	5
4418	BJC	5	0
9401	Seats	0	5
9403	Furniture and Parts Thereof	20	0-5

Prospects

The agricultural sector in Viet Nam has seen a year-on-year increase in turnover of 11.2%, to USD30.86 billion. Some 10 agricultural products have been reported to have an export value of over USD1 billion, with timber and timber products recording the highest export value in 2014 at USD6.54 billion, noting a year-on-year increase of 12.7%.

In 2014, exports of wood products in Viet Nam grew by 11% from a year ago to over USD6.20 billion, which remains below

the Handicraft and Wood Industry Association of HCMC (HAWA)'s target. During the year, contribution from Japan and the US to the export revenue had risen, with wood product exports to Japan increasing 18%, while that to the US rose by 12.5%. HAWA had targeted export revenue in the local wood industry to reach USD6.5 billion in 2014.

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

In 2015, exports of wooden products are expected to rise by 15%. In 2014, shipments of wooden products were expected to be between USD6.40 billion and USD6.50 billion, 15% higher than 2013. The 15% growth in 2015 is anticipated to be fuelled by the provision of government incentives to the woodworking sector until 2020.

Viet Nam is the world's sixth biggest wood product exporter. So far, wood products of Viet Nam have been presented at over 100 countries including China, Japan, the European Union and the US. The association predicts that in 2014, wood products' export value will reach USD6.2 billion, a rise of five-fold from five years earlier. Exports of wood products to core markets like Japan have risen by 19.47% and those to the US have increased by 14.17%.

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ANGSANA – PRODUCES AN EXTREMELY DECORATIVE VENEER



Wood colour and texture.



Bark of *Pterocarpus indicus*

Pterocarpus indicus (*Amboine, Pashu Padauk, Malay Paduak, New Guinea Rosewood, or ambiguously, "Narra" which can refer to several Pterocarpus species*) is a species of *Pterocarpus* native to Southeastern Asia, Northern Australasia, and the Western Pacific Ocean Islands, in Cambodia, Southernmost China, East Timor, Indonesia, Malaysia, Papua New Guinea, the Philippines, the Ryukyu Islands, the Solomon Islands, Thailand, and Viet Nam. Other names include *Narra* (Philippines), *Sonokembang* (Indonesia), *Angsana* or *Sena* (Indonesia, Malaysia and Singapore), *Tnug* (Cambodia).

Pterocarpus indicus was one of the two species (the other being *Eysenhardtia polystachya*) used as a source for the 16th to 18th-century traditional diuretic known as *lignum nephriticum*.

Many populations of *Pterocarpus indicus* are seriously threatened. It is extinct in Viet Nam and possibly in Sri Lanka and the Peninsular Malaysia.

It is the national tree of the Philippines.

Description

It is a large deciduous tree growing to 30–40 m tall, with a trunk up to 2 m diameter. The leaves are 12–22 cm long, pinnate, with 5–11 leaflets and a girth of 12–34 m wide. The flowers are produced in panicles 6–13 cm long containing a few to numerous flowers; flowering is from February to May in the Philippines, Borneo and the Malaysia Peninsula. They are slightly fragrant and have yellow or orange-yellow petals. The fruit is a semiorbicular pod 2–3 cm diameter, surrounded

by a flat 4–6 cm diameter membranaceous wing (wing-like structure) which aids dispersal by the wind. It contains one or two seeds, and does not split open at maturity; it ripens within four-six years, and becomes purple when dry. The central part of the pod can be smooth (*f. indica*), bristly (*f. echinatus* (Pers.) Rojo) or intermediate.

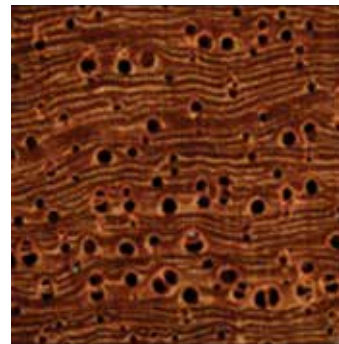
Most *Pterocarpus* species prefer seasonal weather but *P. indicus* prefer rainforests.

Note: *Pterocarpus macrocarpus*, a similar species native to Myanmar is referred to as "Rosewood" throughout South East Asia. *P. macrocarpus*, is usually harder than *P. indicus*. When in burl form both are referred to as Amboyna Burl.

Grain

The grain is typically interlocked, sometimes wavy. The wood is often marked with little twisted curls and knots which give a pronounced fine figure. Flat sawn surfaces are reported to have a flame figure, and quartersawn surfaces usually exhibit a ribbon figure.

The porosity of the wood gives it a moderately fine to a moderately coarse, and uneven texture.



Angsana wood anatomy



Angsana quartersawn

Cont. from previous page

Nature Durability

The heartwood is reported to be naturally resistant to decay and to attack by termites. Resistant woods may last between 15 to 25 years in contact with the ground and without any chemical protection. Data on resistance to impregnation is not conclusive, but some sources rate the heartwood as extremely difficult to treat with preservatives.

Strength Properties

The bending strength of air-dried wood of the species is similar to that of Teak, which is considered to be strong. Strength in compression parallel to grain is in the high range. Other species in this range include Teak, White Oak and Hard Maple. It is moderately hard and resistant to wearing and marring. It is a heavy wood. The wood is high in density.

Table of Physical and Mechanical Properties

Locality of Growth	Moisture Content (%)	Density g/cm ³		Bending Strength (MPa)		Maximum Crushing Strength (MPa)	
		Basic Density	Air Dry Density				
Philippines	12	0.52	0.614	93.4	85.6	53.8	49.7

Hardness				Shear Parallel to Grain (MPa)		Stress at Limit Proportionality (MPa)		Modulus of Elasticity (GPa)	
Side Grain		End Grain		R	T				
4530	4122	5550	5051	10.9	11.3	9.76	8.44	11.7	10.9

Kiln Drying

The timber is reported to dry well with very little or no degrade. End-splitting is reported to be the only degrade from drying. T/R ratio is 1.43. This indicator is more meaningful if it is used in conjunction with other drying information and actual shrinkage data in the tangential and radial directions.

Uses

The hardwood, which is purplish, is termite resistant and rose-scented. The wood known in Indonesia as Amboyna, named after Ambon. Often Amboyna is finely sliced to produce an extremely decorative veneer, used for decoration and in the making of furniture and keys on a marimba.

The tree is recommended as an ornamental tree for avenues and is sometimes planted in Puerto Rico as a shade and ornament. Its tall, dome-shaped crown, with long, drooping branches is very attractive and the flowers are spectacular in

areas with a dry season. It is very easily propagated from seed or large stem cuttings, but suffers from disease problems. It is widely planted as a roadside, park, and parking lot tree.

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Resak Vatica spp.

MTIB Moments



A retreat for MTIB Strategic Planning and Corporate Affairs officials was held from 4-6 December 2014 in Johor Bahru, Johor.



A Review on Malaysianwood Portal with the timber industry was held on 9 December 2014 at MTIB, Kuala Lumpur.



A retreat for officials of Director-General Office, Management Services and Bumiputera Economy Empowerment was held on 12-14 December 2014 in Gambang, Pahang.



MTIB organised a Course on Local Timber Species Identification from 16 to 18 December 2014 at MTIB, Kuala Lumpur.