



MTIB

MASKAYU



**EXPEDIATING INDUSTRY
GROWTH TOWARDS NATIP**

**WORLD BAMBOO DAY
CELEBRATION IN MALAYSIA**

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Cover: Malaysia celebrated the second World Bamboo Day event with a nine-day programme commencing 13 September. Details are on pages 12 and 13.



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EXPEDIATING INDUSTRY GROWTH TOWARDS NATIP



YB Dato' Sri Douglas Uggah Embas, Minister of Plantation Industries and Commodities (right) and his Deputy, YB Dato' Noriah Kasnon during the press conference with media.

Ministry of Plantation Industries and Commodities held the Commodity Industry Consultation from 2 to 3 September in Kuala Lumpur. The consultation session has been identified as a responsive and effective forum amongst the timber fraternity and government agencies since its inception on 24 January 2011. The objective of the consultation was to provide a platform for the timber industry and other commodities industry to raise current issues and to gain feedback from the related ministries, government agencies, councils and related institutions on the issues.

In his welcoming address, YB Dato' Sri Douglas Uggah Embas, Minister of Plantation Industries and Commodities highlighted that the consultation session is the most important event for the Ministry to get views on current issues and suggestions from the industry players in developing the country's timber industry.

The two-day event was divided into four sessions:-

- Palm and Biofuel
- Rubber
- Cocoa, Pepper, Tobacco, Kenaf and Sago
- Timber

A total of 24 issues were raised by the timber industry. They were later categorised into seven main issues as follows:-

- Delivery System
- Rules and Policies
- Workforce
- Minimum Wages
- Raw Materials
- Incentives and Loans
- Others

Among the worries of the timber industry were the standards on legality imposed by the importers countries. This included the Lacey Act by the United States, the Forest Law, Enforcement, Governance and Trade (FLEGT) by the European Union, and the proposed Australian Illegal Logging Bill. Besides that the issue of difficulties of excessing financial assistance was also raised by the industry.

The event discussed 116 written issues from 52 commodities industry associations. It involved a total of 115 industry representatives or associations and 161 representatives of ministries, agencies and departments of the Federal and State Governments. 



Dr. Jalaluddin Harun, MTIB Director-General (right) at the dialogue.



Representatives from the timber associations.



TIMBER WORLD IN BRIEF

AUSTRIA

Sappi Fine Paper Europe Calls for Better Resource Efficiency

Sappi Fine Paper Europe calls for better resource efficiency for Austria's wood industry. Questionable subsidies to support biomass are putting Austria's traditionally strong wood and paper industry in jeopardy, threatening jobs in the sector. A more intelligent approach to the use of wood could help retain the benefits of biofuel usage, whilst also making the best use of one of our most reliable natural resources.

Biofuel can help reduce greenhouse-gas emissions by providing an alternative to releasing fossil-fuel carbon into the atmosphere. The European pulp and paper industry is a strong supporter of renewable energy and is in fact the biggest single producer of renewable energy in the EU today. Fifty-four percent of the industry's total primary annual energy consumption is biomass based. However, it does not support the direct use of wood for energy.

www.webwire.com, 23 September

CANADA

Canada Hopes to Sell More Wood Products to China

Canada is now China's largest supplier of imported lumber and among the fastest-growing markets for Canadian wood products. The value of Canadian wood exports to China has increased more than 10 times in the last five years, to over 1.4 billion Canadian dollars in 2012, he said.

Canadian wood and wood products exports to China are being facilitated by the government strategic investment and partnerships in building the Asia-Pacific Gateway infrastructure, said Fast, who visited one of China's top importers of Canadian wood products in Tianjin during his most recent trade mission to China last April.

Xinhua, 7 September

GERMAN

Softwood-Lumber Exports Down by 4%

German softwood-lumber exports in the second quarter declined in almost all European sales markets by 4% to a

total of 1.303 million m³. German sawmills were confronted in Europe and in various Arabian countries with a weaker business trend than is seasonally customary. Favourable sales possibilities, especially in Asia, could not compensate for the weak demand in Europe.

According to the latest figures published by the Federal German Statistics Agency, deliveries within Europe were down year on year by 11% to 914,143 million m³. Exports to Austria decreased by 19% to 205,439 million m³ and those to France showed decline of 10% to 173,284 million m³. Deliveries to the Netherlands, at 143,388 million m³, were down only slightly year on year. In contrast, exports to countries outside Europe increased by 22% to 388,792 million m³. Higher exports to China (+798%), India (+159%) and Japan (+147%) were contrasted by lower deliveries to Saudi Arabia (-18%) and the United Arab Emirates (-26%).

Euwid news.com, 5 September

GHANA

Timber Firms Asked to Turn to Bamboo as Future Industry Resource

A good number of timber companies in Ghana have collapsed over the past two decades, mostly due to challenges in accessing timber for processing. The bane of the wood industry is the dwindling timber resources in the country's forests.

Whilst interest groups are looking at developing plantations to make up for the shortfall, timber firms are being asked to retool by turning attention to bamboo as a future resource alternative. The International Network for Bamboo and Rattan is also committed to providing capacity building and technology transfer for the Ghanaian bamboo industry.

business.myjoyonline.com, 20 September

INDIA

Nilambur Teak to Get Geographical Indication Tag Soon

Nilambur Teak will soon become the first forest resource from India to get a geographical indication (GI) tag from the World Trade Organisation. The Kerala Agricultural University (KAU) has initiated the steps for the registration of the Nilambur variety of Teak or Malabar Teak, which is known for its log dimensions and desired wood figure.

As part of the initiative, KAU organised a state-level workshop on 'GI tag for Nilambur Teak: Opportunities and legal paths', at Nilambur on Saturday. It was organised in support of the GI Registry Chennai. The College of Forestry and Intellectual

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Property Right cell of KAU had jointly organised another workshop recently to discuss the potential of getting a GI registration for wood products manufactured using Nilambur Teakwood.

A GI is a name or sign used on certain products, which corresponds to a specific geographical location or origin. The GI tag ensures that none other than those registered as authorised users are allowed to use the popular product name.

articles.timesofindia.indiatimes.com, 30 September

INDONESIA

Indonesia, EU Sign Agreement on Trade in Legally Harvested Timber

The Indonesian Forestry Minister, the European Commissioner for the Environment and the Lithuanian Minister of Environment signed the Indonesia-European Union (EU) Voluntary Partnership Agreement on Forest Law Enforcement Governance and Trade (FLEGT-VPA) on Monday in Brussels.

The FLEGT-VPA aims to halt the trade of illegal timber and ensure that only verified legal timber and timber products are imported to the EU from Indonesia.

Indonesia is the first country in Asia to sign a FLEGT-VPA with the EU, and is by far the largest timber exporting country to do so. The signing represents a culmination of six years of intensive and constructive negotiations, involving the private sector, civil society and governments from both parties.

The Jakarta Post, 30 September

UNITED KINGDOM

Landmark Glulam Project Starts in Docklands

One of the UK's largest glulam contracts is causing a stir at Canary Wharf, as the first of nearly 1,500 beams for the gridshell roof covering the park and retail premises above the new Crossrail station are installed.

Austrian company Wiehag, the manufacturer, supplier and erector of the glulam roof structure, said thousands of top financiers at the adjacent UK headquarters of Barclays and HSBC could see the structure take shape over the coming months.

globalwood.org, 5 September

UNITED STATES

Furniture Manufacturing Remains Fastest Growing Industry

Economic activity in the US manufacturing sector expanded for the second consecutive month in July, according to the Institute of Supply Management.

The overall economy expanded for the 50th consecutive month. The fastest growing industry sector was again furniture and related products. Wood product manufacturers also reported growth.

US unemployment was 7.4% in July, down from 7.6% in June, according to the US Bureau of Labour Statistics.

globalwood.org, 5 September

UNITED STATES

Hardwood Plywood Imports Remained at Low Levels

US hardwood plywood imports remained at low levels in June. The drop in imports from China was due to the US antidumping and countervailing investigation which has not been offset by other suppliers, although Indonesia has significantly increased plywood shipments to the US.

US imports of hardwood plywood declined by 7% from May to June. Total import was 200,248 million m³ in June with one third (65,377 million m³) imported from China. By comparison, two thirds of the total 2012 US hardwood plywood imports came from China.

globalwood.org, 5 September

VIET NAM

Viet Nam Expects to Surpass Regional Rivals in Wood Exports in 2013

Viet Nam estimates exports of USD5.5 billion in 2013 and is set to become Southeast Asia's biggest wood and wood products exporter, Viet Nam's state-run news agency VNA reported Wednesday with sources from the Ministry of Agriculture and Rural Development.

In the first eight months of 2013, wood exports jumped 11.6% to over USD3.3 billion after strong growth in shipments to most markets including South Korea (48.2%), Japan (20.3%), China (14.7%), and the US (7.2%), according to the Ministry. Meanwhile, also according to the Ministry, during the period, wood imports decreased 3.5% to USD918 million.

english.eastday.com, 18 September



AUGUST 2013

SHIPPING NEWS



Port of Tanjung Pelepas Sees Bright Future with Double-digit Growth

Port of Tanjung Pelepas (PTP) which is Malaysia's largest container terminal is confident of a brighter future and is chalking up a double-digit growth next year despite a challenging economic environment.

According to Mr. Glen Hilton, PTP Chief Executive Officer, PTP is expanding under a three-year modernisation plan that will be completed around May 2014. PTP has invested RM1.4 billion over three-years in the modernisation plans designed to meet the docking requirements of mega-container vessels. Current PTP overall capacity with the first 12 berths amounts to 8.5 million twenty-foot equivalent units (TEUs) compared to 7.7 million TEUs last year despite the fluctuating market. With the new berths coming on line next year, PTP is excited and expects to record double-digit growth in the future.

Being in the transshipment market, Mr. Hilton said the majority of the business is from other countries and PTP is in a great position due to its location in the heart of ASEAN which is a growing market. PTP did facing competition from Singapore and Port Klang which also served as a transshipment port too. However, PTP was very positive with it. Despite barriers and challenges, PTP is committed to being the most efficient

port in the region. PTP also has a great package as they have loyal customers and partners like Maersk Line among others, coupled with Malaysia's pro-active growth-oriented government and a good geographical location.

Source: Business Times, 1 August

Sri Lanka Eyes South Asian Hub with Chinese Mega Port

A USD500 million (RM1.6 billion) Chinese-built port was opened in Sri Lanka, giving Beijing a vital foothold on the world's busiest international shipping lane as it seeks to secure maritime supply routes.

The massive terminal in Colombo is located mid-way on the lucrative east-west sea route and has facilities on par with Singapore and Dubai. The Colombo International Container Terminal (CICT), which is 85% owned by the state-run China Merchant Holdings International was designed to handle mega ships – a first for Sri Lanka which is aiming to become the region's shipping hub. The involvement of such a large Chinese company appears to conform to a pattern by Beijing after it sealed a deal in January to acquire the Pakistani Port of Gwadar at a time when it was also building a USD14 million "dry port" in the Nepalese city of Larcha, near Tibet. Chinese

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, August 2013

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports m ³	% Change Aug 2013/ July 2013
	m ³	% Change Aug 2013/ July 2013	m ³	% Change Aug 2013/ July 2013	m ³	% Change Aug 2013/ July 2013	m ³	% Change Aug 2013/ July 2013	m ³	% Change Aug 2013/ July 2013		
Sawntimber	35,405	-8	7,486	91	1,515	-32	143	131	6,138	-34	50,687	-6
MDF	20,010	-22	129	-100	6,170	-52	7,953	-44	6,669	-8	40,931	-33
Mouldings	8,516	-12	390	-1	1,678	8	619	59	2,020	7	13,223	-5
Dressed Timber	909	-	77	-100	1,531	-	135	-	1,071	-	3,723	100
Plywood	5,771	-28	-	-	24	-100	-	-	11,042	91	16,837	22
Veneer	77	-32	-	100	-	-	-	100	168	-51	245	-52
Particleboard	29,033	-25	881	-100	229	100	237	-16	-	-	30,380	-27
TOTAL	99,721	-17	8,963	31	11,147	-34	9,087	-40	27,108	10	156,026	-15

Note : Indicates % change over the previous month
Source : MTIB

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loans and expertise were also instrumental in the construction of a new USD450 million deep-sea port at the southern Sri Lankan city of Hambantota which opened in June 2012.

Independent shipping expert, Mr. Rohan Masakorala said the new terminal made economic sense for China to tap in to the growing South Asian container cargo and it gave Beijing a foothold along a strategic sea route. Terminal investments are a good business which could give very good returns. Through the investment, China was also securing the safety and efficiency of their main supply chain.

Mr. Masakorala, who heads the Shippers' Academy Colombo also said that about half of all world sea trade passes through the east-west shipping route and a presence at a mid-way point along that gives China a commanding position. For China to maintain economic growth at home, they also needed to go out and secure their supply routes. Thus, coming to Colombo was a strategic commercial investment. The Chinese investment in Sri Lanka which was under pressure from Western powers and India over its human rights record has raised fears in New Delhi about Beijing's influence in the neighbourhood.

Source : The Edge Financial, 4 August

Chinese Cargo Ship Opens New Trade Route to Europe

A 19,000-tonne cargo vessel is making the first journey by a Chinese merchant ship to Europe via the Arctic Northeast Passage, a shortened route that could revolutionise trade.

The Arctic route has become navigable due to global warming melting sea ice and promises to slash journey times by around 12 to 15 days, saving shipping companies and Chinese exporters millions in lower fuel bills and reduced operating costs.

According to the official China Daily, a freighter belonging to Chinese shipping firm Cosco left the northeastern port of Dalian on Thursday and is expected to take 33 days to reach Europe via the Bering Strait and Russia's northern coastline. Furthermore, the SinoShipNews website said that the vessel is headed for Rotterdam and is due to arrive on 11 September.

The new route which is navigable for about four months of the year from the end of July, avoids the politically unstable pinch point of the Suez canal, and trims around 7,000 kilometres (more than 4,000 miles) off the journey, according to the China Daily.

Around 90% of China's foreign trade is carried by sea and Beijing is also hoping the new shipping route can help develop the northeast.

In 2012, 46 ships used the Northeast Passage, compared to four in 2010, according to Rosatomflot, a Russian operator of

icebreakers. However the traffic was still negligible compared to traditional commercial shipping routes such as the Suez Canal which has 19,000 ships passing through it a year.

Previous estimates have suggested up to 15% of Chinese foreign trade could use the Arctic route by 2020. Europe is one of China's largest trading partners with a two-way trade in 2012 worth nearly USD550 billion.

Source : The Star, 11 August

Transpacific Ocean Cargo Carriers Declare Rate Hike

Ocean cargo carriers comprising the Transpacific Stabilisation Agreement (TSA) Westbound section contended that there was an "urgent need" to begin rate restoration efforts in anticipation of fourth quarter cargo growth. Rates had drifted down even more than usual during the typical summer slack period to unsustainable levels. After months of uneven demand and gradually eroding freight rates in the US-Asia trade lane, container shipping lines argued that it was time to begin reversing the trend.

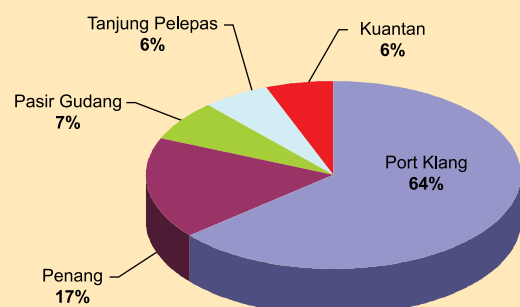
Member carriers had announced plans to raise freight rates for all commodities and from all US origin points by at least USD100 per 40-foot container (FEU) by no later than 1 October 2013.

A number of TSA-Westbound lines had already filed individual increases across the board or in key market segments to take effect during September, and those would go forward as scheduled; other members were looking to 1 October effective date. They were not only headed into the busiest time of year for the trade, but they also seeing signs in the market that US exports to Asia were poised for recovery in coming months.

Source : Logistics Management Magazine, 29 August



Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, August 2013



Total = 156,026 m³

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Total export of timber and timber products from Peninsular Malaysia in August 2013 decreased 25% in volume and 18% in value to 192,489 m³ valued at RM 245.5 million over the previous month. Cumulative export for the period of January to August increased 3% and 1% in volume and value to 1.8 million m³ with a value of RM2.14 billion respectively over the corresponding period.

Sawntimber

Export of sawntimber in August decreased 13% in volume and 10% in value to 77,581 m³ with a value of RM117.2 million. Cumulative exports for the first eight months of the year showed a decrease of 1% in volume but an increase of 17% in value to 642,021 m³ worth RM927.4 million over the previous corresponding period.

Exports to the EU for the month recorded a decrease of 13% to 77,581 m³ contributed by reduced purchases from the Netherlands and the UK. Export of sawntimber to the Netherlands and the UK decreased 16% and 5% to 3,862 m³ and 2,133 m³ respectively as a result of declining construction activities in the Euro area. In the meanwhile, export to Germany and France increased 20% and 73% to 1,881 m³ and 1,626 m³ respectively.

Total export to West Asia increased 5% to 14,381 m³. Export of sawntimber to Qatar improved significantly to 2,679 m³ from 494 m³ recorded in the previous month. This is due to increased construction activities since Qatar is in the process of developing infrastructure and facilities for the World Cup 2022. Likewise, export to Oman increased 84% to 1,869 m³ due to the large number of residential projects in the country. However, exports to the UAE and Saudi Arabia declined 24% and 29% to 5,255 m³ and 1,463 m³ respectively.

Buying from ASEAN decreased 22% to 29,682 m³ over the previous corresponding period. Export of sawntimber to Thailand and Singapore fell 28% and 14% to 18,376 m³ and 10,096 m³ respectively. Similarly, shipments to East Asia declined 28% to 11,231 m³. China and Japan reduced purchases by 27% and 37% to 8,204 m³ and 1,772 m³ respectively.

Elsewhere, exports to the US increased 12% to 938 m³; however, intake by Australia decreased 23% to 1,022 m³. Demand from South Africa increased 22% to 4,928 m³ from 4,027 m³ in the previous month.

The average FOB price of sawntimber increased 3% to RM1,511 per m³ from RM1,466 per m³ in the previous month. Dark Red Meranti (DRM) was traded at RM2,814 per m³, increased 10% from the previous month. However, prices of DRM to the Netherlands decreased 11% to RM2,495 per m³ from RM 2,801 per m³ in the previous month. Keruing was traded at RM1,696 per m³.

Plywood

Plywood exports in August 2013 were at 19,610 m³, valued at RM31.51 million. Cumulative exports for the period January to August showed decreases of 0.2% and 3.7% in volume and value to 128,142 m³ valued at RM204.93 million respectively from the previous corresponding period.

Total export to the EU increased by 102.5% to 13,507 m³. Similarly shipments to Belgium, Denmark, the Netherlands and the UK increased 495.4%, 86.6%, 27.3% and 95.1% to 518 m³, 558 m³, 1,034 m³ and 10,677 m³ respectively due

to the recovery of the economic crisis resulting growth in construction activities. Similarly, France, Germany, Ireland and Italy resumed purchase in August 2013.

Exports to the ASEAN region decreased as Singapore's intake of plywood decreased by 72.9% to 1,958 m³, whilst, Indonesia and Brunei did not make any purchases in August 2013. However, Thailand increased its intake by 8.7% to 814 m³. In East Asia, exports to China, Hong Kong and Taiwan decreased by 76.6%, 71.2% and 82.8% to 25 m³, 88m³ and 192 m³ respectively whereas South Korea did not make any intake in August 2013. However, Japan increased its intake by 30.8% to 505 m³.

Total export to West Asia decreased by 46.2% to 321 m³ from 597 m³ in the previous month. This is due to the decrease of Bahrain's intake by 76.4% and the no intake of plywood by Saudi Arabia, UAE, Qatar and Yemen in August 2013. However, Kuwait increased its intake 223.3% to 278 m³.

Elsewhere, export of plywood showed a decreasing trend especially to South Africa, New Zealand and Turkey where it decreased by 51.2%, 65.9% and 16.6% to 237 m³, 31 m³ and 216 m³. Furthermore, Algeria, Puerto Rico, Netherlands Antilles, and Norway did not make any purchase in August 2013. However, exports to Australia increased by 15.4% to 1,293 m³ whilst Tanzania and the US resumed intake in August 2013.

The FOB price of plywood decreased to RM1,607 per m³ from RM1,618 per m³ in the previous month, a decrease of 0.7% from the previous month.

Veneer

Total export of veneer for August 2013 showed a decrease of 37.8% in volume and 57.7% in value to 319 m³ at RM0.62 million compared to the previous month respectively. Likewise, the cumulative exports from January to August decreased by 31.3% in volume and 17.9% in value to 2,735 m³ valued at RM6.14 million respectively from the corresponding period of last year.

Exports to Australia increased by 5% to 42 m³ whereas Singapore resumed its intake in August 2013. However, China, Taiwan, the UK, Sri Lanka and Indonesia did not purchase any veneer in August 2013.

The FOB price of veneer decreased to RM1,937 per m³ from RM2,848 per m³ in the previous month, a decrease of 32% from the previous month.

Medium Density Fibreboard (MDF)

Peninsular Malaysia's exports of MDF for August 2013 showed a decrease of 47% in volume and 48% in value from the previous month. Export totalled at 47,643 m³ at RM37.8 million.

Exports to East Asia remained the same, at 3,237 m³ as compared to the previous month. Exports to China (including Hong Kong), Taiwan and Japan all dropped by 95% to 32 m³, 87% to 183 m³ and 21% to 630 m³ respectively due to the slow uptake by the local furniture manufacturing industry.

Exports to West Asia in August 2013 also recorded a negative growth with a decrease of 53% in volume to 22,789 m³ from 47,966 m³ in the previous month. Export to Kuwait recorded a positive growth of 166% to 2,350 m³ followed by Oman at 63% to 2,138 m³ and UAE at 2% to 12,452 m³. Export to Bahrain,

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Saudi Arabia and Jordan dropped by 44% to 567 m³, 70% to 4,532 m³ and 98% to 86 m³ respectively. This was mainly due to the Aidulfitri festive season.

Elsewhere, exports to the UK showed a marginal increase of 74% to 257 m³, export to the US fell 25% to 1,139 m³, to South Africa, fell 31% to 327 m³ and to Australia, fell 31% to 1,618 m³.

In ASEAN, total export to the ASEAN region for this month decreased by 25% to 12,344 m³ from 16,545 m³ in the previous month. Exports to all countries showed a decline ranging from 1.5% to 94%. Export to Indonesia fell by 1.5% to 4,979 m³, the Philippines registered negative growth by 32% to 747 m³, Viet Nam also registered negative growth by 35% to 6,594 m³ and Singapore dropped by 94% to 16 m³.

Mouldings

Exports of mouldings for the month decreased by 6.6% in volume and 8.6% in value to 14,317 m³ and RM41.2 million respectively. Similarly, the cumulative exports from January

to August decreased by 16.2% in volume and 15.1% in value over the previous corresponding period to 111,564 m³ with a value of RM320.81 million.

Exports to the EU for the month recorded at 6,799 m³, an increase of 3.9% compared to the previous month. Similarly, shipments to Belgium and Germany increased by 15.7% and 42.5% to 611 m³ and 1,817 m³, respectively whereas exports to the Netherlands and the UK reduced by 36.5% and 36.9% to 2,037 m³ and 531 m³ respectively. Italy resumed its intake in August 2013.

Exports to the ASEAN region decreased as Viet Nam and Singapore's intake of mouldings decreased by 71.8% and 24.7% to 11 m³ and 825 m³ respectively whilst Indonesia did not make any import in August 2013.

On the other hand, exports to South Korea, Taiwan, Hong Kong and China increased by 322.6%, 155.6%, 327.8% and 25.9% to 693 m³, 253 m³, 77 m³ and 466 m³ respectively. Meanwhile, exports to Japan decreased by 5.6% to 1,424 m³ in August 2013.

Elsewhere, export to Australia decreased by 34.8% to 1,797 m³. On the other hand, export to the US increased slightly by 7.8% to 1,259 m³ in August 2013 whereas Canada did not make any purchase in August 2013.

FOB unit value decreased 2.1% from RM2,940 per m³ in the previous month to RM2,878 per m³ in August 2013.

Builders Joinery and Carpentry (BJC)

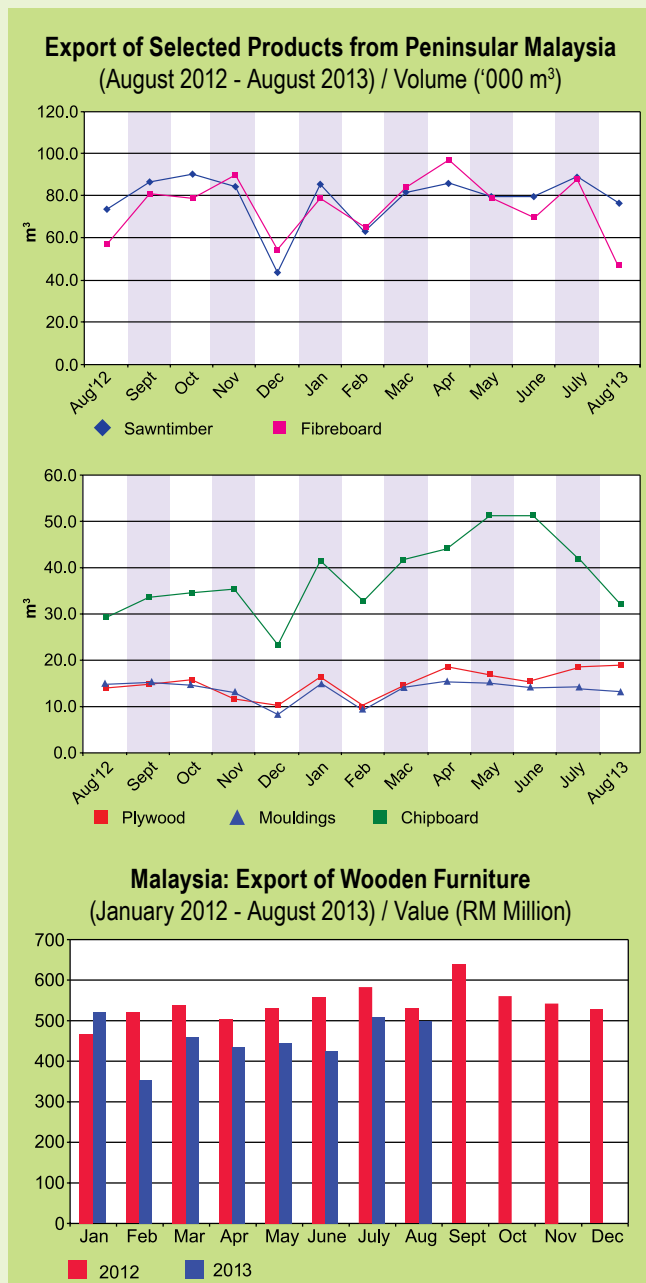
Total BJC cumulative exports from January to August 2013 declined slightly at 5.2% to RM614.24 million as compared to RM647.63 million in 2012. Similarly, demand from France, Belgium, Italy, Denmark, the Netherlands, Norway, Sweden and Turkey decreased by 8%, 18.5%, 74.1%, 1.9%, 79.9%, 6.9%, 12.3% and 84.3% to RM25.2 million, RM29.78 million, RM3.12 million, RM16.85 million, RM0.56 million, RM4.28 million, RM8.79 million and RM1.01 million respectively. The decreases were due to the Euro zone's prolonged economic crisis even though there were signs of recovery. However, exports to the UK and Germany increased by 22.9% and 4.5% to RM79.21 million and RM11.38 million respectively over the previous corresponding period.

In Asia, exports to Iran, Singapore, Viet Nam and Taiwan grew 120.3%, 2.9%, 46.3%, and 15.3% valued at RM1.77 million, RM73.62 million, RM16.65 million and RM9.83 million respectively. However, exports to Japan, India, Pakistan, South Korea and Thailand decreased by 15.7%, 4.9%, 35.2%, 50.4% and 0.9% to RM57.38 million, RM38.72 million, RM11.89 million, RM2.39 million and RM20.3 million respectively.

Exports to Australia and the US fell 1.4% and 22.1% to RM74.72 million and RM37.57 million respectively. Similarly, purchases by Maldives and South Africa decreased by 37.9% and 16.8% to RM5.25 million and RM9.22 million respectively. Intake by South Africa decreased due to the slow growth in construction and housing starts resulting in slow demand of BJC importation. On the other hand, export to the UAE decreased by 34.2% to RM10 million as compared to the previous corresponding period.

Furniture

Exports of wooden and rattan furniture for the period under review in 2013 decreased 13.7% compared to the



AUGUST 2013



Logs

Trading activities were chalking down in the month of August due to Hari Raya holiday celebrations coupled with existing slow activities in the market. These scenarios pulled down the average prices of logs for the month. However, the supply of Medium Hardwood and Light Hardwood species remained available in the market especially in Pahang, Negeri Sembilan and Johor regions.

Logs prices for the species of Chengal stood firm at RM6,800 per tonne over the previous month. The prices of Merbau logs decreased by 16% to RM2,190 per tonne and prices for Red Balau also declined by 13% to RM2,450 per tonne compared to last month. Similarly, prices for Keruing fell by 22% to be quoted at RM1,230 per tonne. However, prices for Kapur grew 6% to RM1,330 per tonne. Meanwhile, prices of Dark Red Meranti and Mersawa were traded at RM1,370 per tonne and RM1,170 per tonne respectively, both decreased by 6% over last month's level. Prices of Red Meranti reduced by 11% from to RM1,370 per tonne. Prices of Mixed Heavy Hardwood stood firm at RM1,006 per tonne, whilst the prices of Mixed Light Hardwood fell 2% to RM660 per tonne.

Sawntimber

The demand from importing markets particularly the EU was still weak. Furthermore, the issue of shortage in workers in the timber industry has contributed to the weak export market. However, the weakening of the Malaysian currency against the US dollar for the month has helped the exporters in the timber and plantation sectors as almost all international trade was denominated in US dollars. Hence, the average prices for sawntimber were stable for this month.

The prices of Chengal and Red Balau sawntimber were traded at RM6,709 per m³ and RM2,966 per m³ respectively, remained from the previous month. Meanwhile, prices of Balau and Merbau were up 4% and 6% to RM3,302 per m³ and RM3,884 per m³ respectively. Price of Kempas recorded a sharp growth of 52% over the previous month to RM2,578 per m³. The price of Keruing dropped 16% to RM1,681 per m³ whilst the price of Dark Red Meranti declined by 9%

as compared to the previous month to RM2,066 per m³. Price of Red Meranti and Mersawa, however, increased by 8% and 38% to RM1,836 per m³ and RM3,072 per m³ respectively. Sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood stood firm at RM989 per m³ and RM784 per m³ respectively, as compared to the previous month.

Plywood

The supply of plywood to the domestic market was reported to be sufficient. Plywood of 4mm, 6mm, 9mm and 12mm of thicknesses continued to be traded at RM14.20, RM22.00, RM33.50 and RM43.00 per piece respectively.

Medium Density Fibreboard (MDF)

Supply of MDF was reported to be sufficient to cater to the local market. Prices remained at last month's level due to slow demand from the domestic market. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM13.50, RM20.50, RM27.80 and RM37.20 per piece respectively.

Intra-Malaysia Trade * – August 2013

Shipments of sawntimber from Sabah to Peninsular Malaysia in August 2013, charted an increase of 31% to 595 m³, valued at RM0.97 million. Shipments of plywood, however, declined by 38% in volume from 10,703 m³ to 6,643 m³ valued at RM10.54 million. Veneer exports to Peninsular Malaysia also reduced 34% to 31 m³ valued at RM44,000. No exports of logs were recorded for the month.

In Sarawak, export of plywood to Peninsular Malaysia decreased by 19% both in volume and value to 8,872 m³ valued at RM11.95 million. Shipments of sawntimber also fell by 6% in volume and 11% in value to 1,060 m³ worth at RM0.89 million while export of veneer also dropped 34% to 2,671 m³ valued at RM2.67 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak were recorded in August 2013.

* Source: Department of Statistics, Malaysia

INTRA-MALAYSIA TRADE – AUGUST 2013

From	Products	JULY 2013		AUGUST 2013		% Change in Volume August 2013/July 2013	% Change in Value August 2013/July 2013
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	455	668	595	966	31	45
	Plywood	10,703	16,134	6,643	10,542	-38	-35
	Veneer	47	64	31	44	-34	-31
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,132	1,001	1,060	894	-6	-11
	Plywood	10,936	14,753	8,872	11,950	-19	-19
	Veneer	4,058	4,622	2,671	2,674	-34	-42

Source : Department of Statistics, Malaysia

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***AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA
AUGUST 2013 (VALUE IN RM)**

SPECIES	LOGS/tonne	SAWNTIMBER/m³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	6,800	6,709	2,472	8,828	
Balau	2,363	3,302	2,020	3,072	
Red Balau	2,450	2,966	1,984	3,192	
Merbau	2,190	3,884	2,422	4,096	
Mixed Heavy Hardwood	1,006	989	1,095	1,130	
MEDIUM HARDWOOD					
Keruing	1,230	1,681	1,218	2,225	
Kempas	1,400	2,578	2,083	2,154	
Kapur	1,330	1,893	893	1,695	
Mengkulang	1,090	1,547	1,010	1,554	
Tualang	1,320	1,960	2,260	2,225	
LIGHT HARDWOOD					
Dark Red Meranti	1,370	2,066	1,306	2,119	
Red Meranti	1,370	1,836	1,165	2,260	
Yellow Meranti	1,000	1,474	932	1,448	
White Meranti	993	1,306	812	1,695	
Mersawa	1,170	3,072	1,645	2,648	
Nyato	900	777	565	1,201	
Sepetir	850	1,130	918	1,095	
Jelutong	1,046	1,577	1,246	1,568	
Mixed Light Hardwood	660	784	678	794	
MALAYSIAN RUBBERWOOD <i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m³			
	165	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		850	1,045	1,172	1,236
PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm	
	14.20	22.00	33.50	43.00	
MDF 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm	
	13.50	20.50	27.80	37.20	

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

corresponding period of 2012. Total shipments recorded at RM3.68 billion against RM4.26 billion in 2012.

Purchase of wooden furniture from Malaysia for the January to August 2013 duration decreased 13.8% from RM4.24 billion to RM3.66 billion compared to the same period in 2012.

Malaysia's furniture export recorded a decrease from major countries. This is mainly due to major advanced economies being constrained by their slow pace of recovery and many emerging markets having also experienced some growth slowdown. The only exception was Saudi Arabia which had recorded a slight increase.

Imports of wooden furniture by the US, which is Malaysia's top import partner, decreased 13.3% from RM1.31 billion to RM1.14 billion million. Japan reduced its consumption by 10.1% from RM353.3 million to RM317.4 million.

The UK imports saw a decrease of 34.7% from RM255.7 million to RM167.0 million as it was still reeling from the effects of the economic recession. Intake by Australia reduced 3.2% from RM274.8 million in 2012 to RM265.9 million in the first eight months of 2013.

Singapore's purchase of wooden furniture dropped 7.4% to RM207.9 million. Canada reduced its intake of wooden

furniture by 27.5% to reach RM143.1 million. The UAE slightly decreased its intake of wooden furniture by 2.1% to RM126.8 million. India's intake also decreased by 32.5% to RM68.0 million. Saudi Arabia slightly increased its wooden furniture intake by 0.3% to reach RM82.2 million.

Germany reduced its wooden furniture consumption by 31.0% with a purchase of RM44.4 million for the first eight months of 2013 from RM64.3 million in 2012. Russia also reduced its consumption by 35.5% from RM85.0 million to RM54.8 million. The Philippines decreased its intake of wooden furniture by 19.6% to RM43.3 million.

Rattan furniture shipments increased by 27.1% to RM17.3 million for the January to August of 2013 period compared to RM13.6 million in 2012.

The US was the top importer of rattan furniture with a huge increase of more than double to RM4.2 million compared to RM1.6 million during the same period in 2012. Singapore was the second highest buyer with an increased intake of 30.5% to RM3.9 million compared to RM3.0 million in the same period. The UK came in third with an increased consumption of 34.9% to RM1.1 million. 

WORLD BAMBOO DAY CELEBRATION IN MALAYSIA



YB Dato' Noriah Kasnon, Deputy Minister of Plantation Industries and Commodities officiating the event.

World Bamboo Day (WBD) is an annual event celebrated worldwide on 18 September every year. The date was selected and announced by the World Bamboo Organisation during the Eighth World Bamboo Congress in 2009 in Thailand. In 2010, nine countries participated in the inaugural event and the number increased to 11 countries in 2011. In 2012, WBD was celebrated in 26 countries all over the world. In Malaysia, WBD was celebrated for the second time from 13-21 September at 1Mont Kiara Mall and Universiti Putra Malaysia (UPM). It was officially launched by YB Dato' Noriah Kasnon, Deputy Minister of Plantation Industries and Commodities at a bamboo planting programme at Bukit Jalil Garden. The objectives of WBD are as follows:

- a) To increase awareness of bamboo globally
- b) To protect natural resources and the environment
- c) To ensure sustainable utilisation
- d) To promote new cultivation of bamboo for new industries
- e) To promote traditional uses locally and for community economic development

WBD 2013 was jointly hosted by a total of six organisations namely; MTIB as the lead organiser, UPM, Kuala Lumpur City Hall, Global Innovation and Entrepreneurship Foundation (GIEF), TESCO Stores Sdn. Bhd. and Blivbamboo Malaysia Sdn. Bhd. The nine-day event included the official launch, a seminar, a forum and exhibitions featuring a wide range of bamboo products.

Dato' Noriah in her speech emphasised on the importance of bamboo as a potential non-timber industry that should be

explored. Bamboo is a fast growing woody plant which can be harvested annually and is sustainable after its maturity. It takes only about three to five years for bamboo to reach its full maturity as compared to 20–120 years of traditional hardwoods. Because of that, bamboo has gained a reputation as an eco-friendly and highly renewable source of material and has been seen as good alternative material for wood. For this purpose, the most important part of bamboo is its culm, which is a woody material that has good properties and appearance. The culm consists of nodes, and hollow cylindrical internodes. With its fast growth and high annual yield, bamboo plays a vital role in economic development, especially in the third world.

Bamboo is notable for its economic and cultural significance in South Asia, South East Asia and East Asia. It is used for both traditional and modern uses. Traditionally, bamboo has



Dr. Jalaluddin Harun, MTIB Director-General (second from left) explaining to the delegation from Damyang County, Republic of Korea on bamboo lamination manufactured in Malaysia.

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been used to hold up simple suspension bridges, scaffolding, split and woven bamboo, and as supplemental or decorative elements in buildings. In fact, it is valuable from top to rhizomes, with extensive uses in many fields. In Malaysia, bamboo is traditionally used in poultry cages, vegetable baskets, incense sticks and joss papers, skewers and chopsticks, woven products and handcraft. In modern uses, bamboo is converted into engineering products, such as laminated bamboo board, plybamboo, bamboo mat board, bamboo curtain, and high value-added furniture.

However Dato' Noriah added, the bamboo industry for high-end products was still new in Malaysia. The bamboo industry in Malaysia focuses on production of handcraft materials and interior design. On average, the export of bamboo products for a period of 10 years was only RM250, 000. It is considered very small if compared to China's export of bamboo products for 2011 which was around RM30.33 billion [Sources: *International Network for Bamboo and Rattan (INBAR)*]. Thus, MTIB has taken the initiative to give the industry a boost through the National Bamboo Roadmap 2011-2021 which emphasises on five strategic thrusts; The Establishment of Bamboo Plantations and Preserving Existing Natural Resources, Development of Human Capital, Development of Downstream Activities, Research and Development, and Promotion and Trade.

WBD 2013 attracted almost 1,000 visitors to the exhibitions, forum and seminar that were held during the event. The

event also managed to obtain community engagements for supporting government efforts to re-popularise the industry in Malaysia.

A forum on the theme Futuristic Bamboo was held on 13 September in conjunction with WBD 2013. The forum was moderated by Dato' Ghazi Sheikh Ramli, founder of GIEF. The event was an initiative by UPM to discuss the bamboo industry in Malaysia. The panel comprised Dr. Jalaluddin Harun, Director-General of MTIB and Mr. Choe Hyeongsik, Governor of Damyang County, Republic of Korea. In his presentation, Mr. Choe emphasised on the various products of bamboo, from the shoots, vinegar, charcoal, salt and leaves, which contain a lot of nutrient contents and have very high medicinal value. He also talked about "World Bamboo Fair Damyang" which will be held for a period of 50 days from 27 June to 15 August 2015 under the headline "Green Future of the Bamboo Fest" at the Damyang Bamboo Park and the 10th World Bamboo Congress (WBC) to be held during the bamboo fair. He urged Malaysian bamboo players to visit both the Korea Bamboo Fair and World Bamboo Congress in 2015. Dr. Jalaluddin added that Malaysia was interested in hosting WBC in 2018 and thanked the Governor of Damyang County, Republic of Korea, who shared his experiences and Korea's efforts in successfully convincing the World Bamboo Organisation into granting Korea the role of host of WBC 2015. The forum managed to gather almost 100 participants who also took part in an active Q&A session during the event. 



YB Dato' Noriah Kasnon, Deputy Minister of Plantation Industries and Commodities watering a newly planted bamboo sapling.



Dr. Jalaluddin Harun, MTIB Director-General (left) showing a bamboo sample to YB Dato' Noriah Kasnon, Deputy Minister of MPIC.



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BUSINESS ENHANCEMENT STRATEGIES FOR BUMIPUTERA ENTREPRENEURS



Dr. Jalaluddin Harun, MTIB Director-General delivering his speech.

A Business Enhancement and Strategic Cooperation Programme for Bumiputera SME entrepreneurs was held from 4 to 5 September in Kuala Lumpur. A total of 70 Bumiputera SME entrepreneurs attended the course. The objectives of the programme were to identify and comprehend the various incentives and fundings made available by the government, to identify their eligibility, and to increase networking among the entrepreneurs.

Dr. Jalaluddin Harun, MTIB Director-General officiated the programme. He elaborated on the achievements of the entrepreneurs in the timber industry. To further increase the export performance of the entrepreneurs, MTIB will focus more on Improvements in technology and quality of timber products, and capacity building are some of the areas which will

be given more emphasis. He further urged the entrepreneurs to be more competitive and to venture into the open market.

He reiterated that MTIB has collaborated with various agencies to improve the competitive level of the entrepreneurs. Some of the efforts undertaken by MTIB to increase capacity are through SME Competitiveness Rating for Enhancement (SCORE), Human Capital Development Programme, Raw Material Support Programme and Exposure and Marketing Guidance.

Papers presented during the programme were as follows :

- MATRADE : Funding and Incentives for Export
- SME Corp Malaysia : Development Programmes for Small-Medium Entrepreneurs
- SME Bank : Funds Facilities and Loans
- MIDA : Tax Exemptions and Incentives
- MIDF : Provisions of Incentives and Funds
- Cosmopolitan Wood : Challenges Faced by Entrepreneurs Sdn. Bhd.

Apart from the above papers, representatives from the various divisions of MTIB presented papers on the different programmes available to the entrepreneurs.

Consultation sessions were also held between the entrepreneurs and relevant agencies.



Attendees at the event.

FRANCHISE TALK WITH THE TIMBER INDUSTRY

Franchise Development Programme (FDP) is a marketing programme based on the Malaysia Incorporated concept that aims to develop small and medium sized entrepreneurs (SMEs) in commercial, service and industrial sectors. The implementation of the franchise system made it possible for SMEs to enter into a larger local and international business network with lower risks compared to starting a business on their own.

Franchise in Malaysia is regulated by the Franchise Act 1998, which came into force on 8 October 1999. The franchising business model has since come of age in Malaysia. In fact, its popularity as one of the preferred ways of doing business grows stronger every day.

Taking cognisance of the performance of the Malaysian timber industry as well as the benefits that the industry may gain from the franchise system, particularly to boost domestic performance, MTIB, with the support of the Ministry of Domestic Trade, Cooperatives and Consumerism (MDTCC), Malaysian Franchise Association (MFA), Malaysian Furniture Industry Council and the Malaysian Furniture Entrepreneur Association organised a Franchise Talk for the Timber Industry on 4 September at MTIB, Kuala Lumpur. The talk aimed at creating awareness on the benefits of the franchise programme to the timber industry and ways for industry to fit in. The talk provided a platform for the industry to be apprised on the system, as well as to share experiences with those who had ventured into the system. As for financial assistance, the banking sector was also in attendance to provide relevant updates on the franchising initiatives.



Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General delivering her welcoming remarks.

In her welcoming remarks, Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General stated that the programme was organised as a result of overwhelming requests from timber associations. She noted that the franchise business was the fastest growing business globally. In the United States, according to a survey conducted in 1994, 35% of the country's



Puan Hj. Noor Laila Mohamed Halip, Director of Strategic Planning and Corporate Affairs (third from left) moderating the panel session.

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A section of participants.

total retail sales were from franchise outlets. According to the survey, there were more than 550,000 franchised outlets in the country with annual sales of more than USD800 billion.

Encik Wan Arjunawan Wan Halim from MFA the first speaker of the day spoke on the definition of a franchise and the rationale behind adopting a franchise. He cited that the franchise system was a platform for the SMEs to promote and expand their business at minimum cost. He further expounded on the myths that people had on franchising such as:-

- Franchising is very expensive
- Franchising is complicated and difficult
- Franchisor is fully responsible to ensure the success
- Franchise is a guaranteed way of making a lot of money
- Franchise is the only best way of doing business
- Franchise business has more problems than benefits
- Not all business is franchisable
- Franchise business requires revealing of business trade secrets

The second presenter was Encik Ismainur Hadi Amat Bakeron, MDTCC Senior Principal Assistant Director. He delivered a paper entitled 'Franchise Business in Malaysia'. He emphasised

that currently there were 676 franchise businesses registered with the Registrar of Franchise in Malaysia. The distribution of franchise businesses according to sector were as follows:-

SECTOR	TOTAL	%
Food	238	35
Clothing and Accessories	75	11
Services and Maintenance	79	12
Education and Childcare Centres	77	11
Health and Beauty	70	10
IT, Communications and Electrical	27	4
Convenience Stores and Supermarkets	17	3
Others (Miscellaneous)	93	14
Total	676	100.0

Only six furniture companies were involved in the franchise business, namely Jatimas Asia (M) Sdn. Bhd., Ideal Kluster Sdn. Bhd., Cavenzi Design Sdn. Bhd., Kian Classic Designer Sdn. Bhd., Signature Cabinet Sdn. Bhd. and SCI Cabinet Industry Sdn. Bhd. He stated that lack of understanding of franchising amongst timber industry players has led to poor response from the industry. The government has allocated incentives and financial initiatives to facilitate local entrepreneurs to convert and expand their conventional business through franchising. The initiatives are:-

- Local Franchise Development Programme
- Franchise Development Assistance Fund
- Franchisee Tax Incentives

Thirty participants attended the programme comprising representatives from timber associations, the industry and MTIB officials.



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NATIONAL SKILLS COMPETITION AND EXPO FOR CAREER DEVELOPMENT



DIY section at WISDEC booth. Seen here are visitors assembling components of key holder sets.

Human capital development as highlighted in Thrust 5 of NATIP, is essential in nurturing K-workers in the Malaysian timber industry. In line with that, MTIB is working very closely with the Department of Skills Development in promoting skills competition both at national and international levels.

MTIB as the Industry Lead Body (ILB) in the development of human capital in the wood-based sector took part in the Carnival of the National Skills Expo which was held at Malaysia Agro Exposition Park Serdang, Selangor. The carnival and the expo were held on 26–29 September and were officiated by YB Datuk Richard Riot Jaem, Minister of Human Resource on 27 September.

The main aim of the four-day carnival was to promote skills training in the main stream of the national education. This was the first time the carnival was organised by the Ministry of Human Resource (MOHR). The event was also supported by various ministries and government agencies involved in Technical Education and Vocational Training (TEVT), such as Ministry of Works (MOW), Ministry of Education (MOE) and Ministry of Plantation Industries and Commodities (MPIC).

WISDEC, the training arm of MTIB also took part in this carnival, both in the skills competition as well as in the expo. The various activities carried out included the Malaysia Skills Competition, job fair, a career talk and a photography competition.

The main objectives of the carnival were as follows:

- To promote skills training in the main stream of education



Encik Mohd Hanif, a trainee under WISDEC participated in the carpentry and joinery category of the skills competition.

- To encourage collaboration between agencies and industries
- To enlighten the public about government policies on the development of the high skilled human capital
- To provide opportunities for the public to understand existing skills as well as explore new trade skills

A total of 22 trades took part in the carnival this year whereby 13 trades were organised by MOHR while another nine trades were organised by MOW. The trades are as in **Table 1**.

A total of 200 students took part in the Malaysia Skills Competition. MTIB handled both the Cabinet Making and

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TERMINATION OF THE GENERALISED SYSTEM OF PREFERENCES (GSP) ON 1 JANUARY 2014

Since 1 January 2013, Ministry of International Trade and Industry (MITI) through the ePCO system and leaflets at all MITI counters has announced that effective **1 January 2014**, Malaysia will no longer enjoy the GSP schemes offered by the EU and Turkey. Malaysia has been graduated out of the scheme considering Malaysia's status as an upper middle income country according to the World Bank. **MITI will no longer issue FORM A to EU, Turkey and ASEAN countries** (Turkey is part of EU Custom Union).

Custom Authorities in the importing countries will reject FORM A of goods arriving from 1 January 2014. Thus manufacturers and exporters are advised to apply for FORM A early and make the necessary arrangements to ensure that their goods arrive at the destination before 1 January 2014.

Kindly note that exports to Norway, Switzerland, Russia, Belarus and Japan are not affected. MITI will continually update on any new development regarding the GSP through the ePCO system. 

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Joinery categories Eight students took part in the cabinet making competition and 10 students participated in the joinery competition. They were from various vocational training institutes including WISDEC, which had a representative in each category.

Table 1 : List of Trades Involved in the Competition

Ministry of Human Resource	Ministry of Works
• Automobile Technology • Beauty Therapy • Hairdressing • Cabinet Making • Cooking • Restaurant Services • Electronics • Fashion Technology • Graphic Design Technology • IT Network System Administration • Mechatronics • IT Software Solution for Business • Web Design	• Welding • Joinery • Plumbing and Heating • Electrical Installations • Refrigeration and Air-condition • Wall and Floor Tiling • Decorative Painting • Mechanical Engineering Design-CAD • Bricklaying



Encik Taquiuddin, a WISDEC trainee took part in the cabinet making category of the competition.

Aside from competitions for students, 50 teachers were also given the opportunity to participate in a specially designed competition called Myskills. Myskills comprised seven trade categories which were as follows:

- | | |
|--|--|
| <ul style="list-style-type: none"> • Automobile Technology • Electronic • Fashion Technology • Graphic Design Technology | <ul style="list-style-type: none"> • IT Network System Administration • Mechanical Engineering Design –CAD • Web Design |
|--|--|

The carnival attracted more than 90,000 visitors and the majority of them were technical and vocational students. 

MODERN APPLICATION OF WOOD CARVINGS



Assoc. Prof. Dr. Zahir Ahmad, Director of Academy Malay Studies UM delivering his welcoming remarks at the seminar.

A seminar on Malay Wood Carving was held on 18 September at University of Malaya (UM) in Kuala Lumpur. The seminar was an initiative to increase knowledge on Malay wood carving and is a collaboration between Academy of Malay Studies, UM and *Persatuan Penggiat Seni Ukir Kayu Malaysia (PENGUKIR)*. The participants were from government agencies, higher learning institutions as well as the public.

The objectives of the seminar were to update the participants on Malay carvings, to document various traditions and contemporary carvings and produce reference materials on the latest developments of Malay carvings. The opening speech of the seminar was delivered by Prof. Emeritus Ezrin Arbi from Faculty of Built Environment, UM. He noted that carvings play an important role in our everyday lives. Apart from being a decorative feature in buildings and houses, carvings can control the ventilation of air and act as a shade or security. He further stated that formerly, carvings could only be found in houses in the rural areas, palaces and traditional mosques. However, due to its aesthetic features and values, carvings can now be seen in modern homes, business premises, hotels and institutional buildings.

In the seminar, eight papers were delivered. The papers were as follows:

- Malay Architecture by Prof. Dr. Zulkifli Hanafi from Infrastructure University Kuala Lumpur
- Carving Tradition to the Contemporary Transformation: The Experience as a Carver by Encik Norhaiza Noordin from PENGUKIR
- Building Heritage Conservation: Tan Sri Mubin Shepard Kindness by Dr. Sr Zuraini Md. Ali from UM

- Islamic Influence in the Decorative Arts Building by Dr. Abdullah Yusof from UM
- Introduction of Green Technology to the Wood Carving Industry by Encik Ismail Hj. Abdullah from Green Depot Technology
- The Beauty of Malay Carvings by Encik Mohammad Nazzri Ahmad from UM
- Ideas and Thoughts in a Malay Heritage of Arts by Assoc. Prof. Dr. Mastor Surat from Universiti Kebangsaan Malaysia
- Sustainability Legacy of Malay Carvings : Nik Rashidin Academy by Puan Rosnawati Othman from Nik Rashidin Academy

MTIB was represented by Datin Hj. Khalidah Hj. Yaakub and Encik Wan Mohd Hafizi Wan Mohammad from Bumiputera Entrepreneur Development. 



A section of participants at the seminar.

FOREST PLANTATION MANAGEMENT AUDITING AND PERMANENT SAMPLE PLOT

As an effort to enhance skills for MTIB staff, MTIB organised a workshop on Forest Plantation Auditing and Permanent Sample Plot (PSP) from 18 – 20 September at the Forest Research Institute Malaysia, Kepong. It was designed to train MTIB staff on the skills required for the auditing of forest plantations and establishment of PSP. The workshop strongly emphasised on the development of skills and hands-on experience. The fieldwork exercise was supervised by technical trainers of MTIB and FRIM.

Encik Saiful Bahri Salleh, MTIB Deputy Director of Forest Plantation, in his opening speech said as an effort to reduce pressure on native forests as a source for raw materials and to ensure its continuous availability for the domestic timber industry, the government is encouraging the development of large-scale commercial forest plantations. In line with this policy, the Cabinet, in March 2005 tasked the Ministry of Plantation Industries and Commodities with pursuing aggressive programmes for the development of forest plantations in Malaysia.

Under this programme, the Ministry plans to develop 375,000 hectares of forest plantation at an annual planting rate of 25,000 hectares per year for the next 15 years. Once successfully implemented, every 25,000 hectares of land planted is expected to produce 5 million m³ of timber. Out of eight selected species, the programme mainly focuses on two species - Rubberwood (Timber Latex Clone) and *Acacia* spp. (*mangium*/hybrid). Other additional fast growing timber species recommended are Teak (*Tectona grandis*), Sentang



Taking DBH measurement.

(*Azadirachta excelsa*), *Khaya* spp. (*Khaya ivorensis*/*Khaya senegalensis*), Kelempayan/Laran (*Neolamarckia cadamba*), Batai (*Paraserianthes falcataria*) and Binuang (*Octomeles sumatrana*). Non-timber species also selected for this programme are five commercial bamboo species.

The three-day workshop was conducted by Encik Amir Saiffudin, Forest Plantation Research Officer from FRIM. According to the speaker, the auditing and monitoring processes are important to assess the forest plantation development project. It involves aspects such as an estimate of the planted area, species established and planting density.



Conducting tree sampling.

ENHANCING NETWORKING IN CHINA



The delegation at the entrance of the 19th China International Furniture Expo venue.

One of main functions of WISDEC is to enhance the competitiveness of the timber industry in the global market through elements of training. To support this effort, WISDEC works on strengthening knowledge, skills and expertise of human capital involved in the timber industry.

In line with the vision, WISDEC organised a technical visit programme to China on the 9–14 September. The main objective of this programme was to provide exposure and enhance skills and expertise among the small and medium timber industry. Apart from industrial exposure, it also hopes to encourage the involvement of the industry to develop human capital through projects and technical visits related to the timber sector.

In this technical visit, the group visited the 19th China International Furniture Expo (Furniture China 2013) which was held on 11-15 September at Shanghai New International Expo Centre. The exhibits included Contemporary Furniture, European Classic Furniture, Traditional Chinese Furniture, Rattan Furniture, Outdoor Furniture, Office Furniture and Furnishing. The show event occupied an area of 750,000 sqm with 3,000 exhibitors. The majority of the exhibitors were Chinese furniture enterprises, and there were 292 international companies participating as exhibitors, including those from Malaysia, France, Belgium, Italy, Spain, Thailand, USA, Sweden and Taiwan. The five-day exhibition attracted more than 80,000 visitors.

The group also visited the 19th Furniture Manufacturing and Supply China (FMC China 2013) held on 11-14 September at the Shanghai World Expo Exhibition and Convention Centre, concurrently with 'FMC Premium 2013'. Exhibits at the event included Woodworking Machinery and Tools, Coating Equipment, CNC Machinery, Adhesives and Chemical Products, Cabinet as well as Wardrobe Fittings.

WISDEC also made a networking visit to Shenzhen Polytechnic located in Xili in Nanshan District, Shenzhen. The purpose of the visit was to promote networking in the area of capacity building, up-dating and sharing information on training programmes in the wood-based industry. The polytechnic offers full-time courses



Discussion with officers from Shenzhen Polytechnic.

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This verification process is a prerequisite to the disbursement of the soft loan under the 'Forest Plantation Development Programme'.

The workshop also provided knowledge and experience on the establishment of PSP in forest plantation. PSPs are permanently demarcated areas of forest plantation, typically designed with an appropriate size, which are periodically measured at least for five years or longer. PSP provides estimated data of changes in the plantation stock, volume, rates of growth, mortality as well as changes in tree structure from planting to maturity or cutting age. In addition, PSP can also be used as areas to study techniques of forest plantation management.

PSP is established in areas where these trees are at least three years old. All PSPs need to be easily recognised through clearly demarcated boundaries. These boundaries need to be marked accurately and precision. Assessment and monitoring



Participants attending the auditing course.

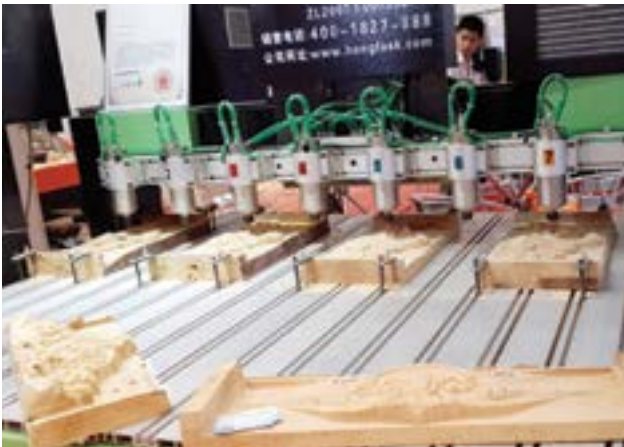
for PSP are carried out until the tree reaches 15 years of age or until the time the trees are harvested.

The workshop was attended by 30 MTIB personnel and other related agencies. 



Group photo in FRIM, Kepong.

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Machinery Show at The 19th Furniture Manufacturing and Supply China (FMC China 2013.)

focusing on production, construction, management and services. A total of eight delegates from Malaysia attended the programme. The group comprised representatives from the furniture Industry and two officers from WISDEC. The furniture industry representatives were Encik Rashidi Abu Bakar from Rabvolks Homes Sdn. Bhd., Encik Umar Md Pishal from Meranti Furniture Sdn. Bhd., Encik Suhaimi Ab. Wahab from Raudah Marketing and Supplies, Encik Shamsul Kamar Ani from Perabot ZSK (M) Sdn. Bhd., Encik Lum Keng Yip from Cosmopolitan Wood (Sabah) Sdn. Bhd., and Encik Justin Yap Ze Yun from Innovatory Furniture Sdn. Bhd. WISDEC was represented by Encik Muhamad Faizul Razilah and Puan Norhasniza Mohd Rom.

The technical visit greatly benefited the participants especially in the area of industrial training activities. 

ISO/TC 218: TIMBER STANDARDS UPDATES



Delegates from various countries posing for the camera.

As a Standard Development Agency (SDA), MTIB plays an important role in the development of standards related to timber, timber products and timber structure both at national as well as international levels. MTIB's involvement at the international level includes the development of standards in three Technical Committee (TC), which are ISO/TC 89: Wood-based Panel, ISO/TC 165: Timber Structure and ISO/TC 218: Timber.

An annual meeting for ISO/TC 218: Timber was held in Vienna, Austria from 23 to 29 September and it was hosted by the Austrian Standards Institute and chaired by Mr. Mikola Vedmid from Ukraine. The scope of the meeting encompassed standardisation of round, sawn and processed timber, and timber materials for all applications, terminology, specifications as well as test methods. At present there are seven working groups (WG) which includes WG 1: Terminology, WG 2: Round timber, WG 3: Sawn and processed timber, WG 4: Test methods, WG 5: Parquet flooring, WG 6: Wooden products, and WG 7: Wood residue and post consumer wood. Each WG lead by a convener (chairman) and currently Prof Dr. Paridah Md. Tahir from Malaysia is the convener for WG 4. Malaysia, as the convener of WG 4 updated on the status of standards development under this group whereby six standards were already in the "final draft international standard" (FDIS), four standards in "comment draft" (CD) and five standards were under CID status. ISO Technical Programme Manager, Ms. Anna Caterina Rossi also presented the new ISO Procedure for technical work to the committee.

The ISO/TC 218 Technical Committee meeting concluded 14 resolutions as a follow-up for the next meeting. Among the important resolutions were the ISO/TC 218 approved title for WG 5 as "parquet flooring" and the scope of WG 5 as covering all kinds of parquet with more than one layer, including multi-layer flooring (on base of wood and wood-based panels), engineered flooring, paving block and mosaic parquet panels. It does not include standardisation of wood panels which is currently under the purview of ISO/TC 89: Wood-based Panel. The committee accepted the European Federation of the Parquet Industry as a liaison for ISO/TC 218. The committee also agreed to develop a Chain of Custody of Forest Based Products standards with the scope of work to be prepared and finalised under a new group project and would not be in the existing technical committees.

Besides meeting, a technical visit to Stora Enso factory in Vienna was also arranged by the organiser to expose the delegates on the wood-based industry in Austria. The delegates had the opportunity to view the manufacturing process of laminated timber products.

Malaysia was represented by four delegates which comprised Prof. Dr. Paridah Md. Tahir (UPM), Encik Awang Mentali Pengiran Haji Mohd Sulaiman (PUSAKA), Encik Muhammad Shaiful Nordin (MTIB) and Cik Ong Lay Lee (MTC). Other international delegates who took part in the meeting were from Austria, China, Belgium, Russia, Ukraine, Japan, Portugal, Monaco, Poland, Germany, France, USA, Canada and Switzerland. 

DESCUM, THE NEW NOSS STRUCTURE

In the late 80s Malaysia experienced a rapid economic growth which was propelled by its expanding manufacturing sector. However, the increased demand for skilled labour was not being met by the supply side – neither in the public nor the private training sector. As a result of this increasing skill shortage, a report of the Malaysian Cabinet Committee on Training was prepared in 1991. Based on these recommendations, the Malaysian Vocational Training System began to change dramatically in the early nineties.

The newly restructured National Vocational Training Council (NVTC) established under the Ministry of Human Resources was given the task to implement the necessary changes. The role and achievements of the NVTC put forward for the development of a more flexible and industry-driven system for vocational training and education and to the approach in the development of National Occupational Skill Standards (NOSS).

In response to the recommendations of the Cabinet Committee, a task force was established to revise the NOSS and to further the development of a more flexible Skill Certification System. Seventy-one National Trade Standards (NTS) had been developed from 1971 until 1991. The old format focused mostly on the knowledge-based approach adopted from Europe.

In 1991 the format and the procedures were changed to reflect the needs of industry and to meet the requirements of Competency-based Training and Education (CBTE/CBT). During that time, NVTC studied the vocational training systems of Japan, Germany, UK, Canada, USA and Australia.

The decision was made to adopt a modular system, suitable for both the private and public training sector, which followed the trends in the USA and Canada for Competency Based Training and Education.

By 1993, the first NOSS was published to the public. At its height of implementation, in 2006, NOSS an occupational

standard was established under Part IV of the National Skills Development Act 2006 [Act 652].

In a strategy to attract broaden industry involvement in the skills development sector and heighten the development of NOSS, in 2007, outsourcing of NOSS development is established. In 2010 a total 1,585 NOSS was published with 1,291 NOSS declared active in the NOSS directory.

NVTC has adopted the DACUM, a process of Occupational and Job Analysis as the most appropriate tool to identify Workplace Competencies. The DACUM process for occupational analysis involves local men and women with reputations for being the “top performers” at their jobs, working on committee assignment with a qualified DACUM facilitator. These workers/professionals are recruited directly from business and industry and become the panel of experts who collectively and cooperatively describe the occupation in the language of the occupation.

On contemporary, the Department of Skills Development (DSD, formerly known as NVTC) have introduced new formatting and development process to NOSS as a bid to attract industry and training sectors towards a flexible, dynamic and responsive skills accreditation system.

Revolutionising the NOSS philosophy and development, in 2010, the DESCUM approach was formulated by NOSS Expert Work Group (NOSS EWG) as to complement the new NOSS formatting. DESCUM is modified from DACUM approach to develop the NOSS and curriculum. DESCUM is an acronym for Developing a Standard and Curriculum. It is a job analysis approach to develop a NOSS document and Curriculum of Competency Unit (CoCU) using brainstorming techniques conducted by a facilitator with participation from subject matter experts of the occupational area.

By 2011, the new NOSS structure was introduced and pilot tested. Starting the year 2012, the NOSS division has taken the



WISDEC has applied the DESCUM method to develop the curriculum of several of its courses.

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overall responsibility in fine-tuning the new NOSS structure in hopes of perfecting the system of a new flexible, dynamic and responsive skills accreditation system.

Introduction

The NOSS is a Standard established under Part IV of the National Skills Development Act 2006 [Act 652]. NOSS is a performance specification expected of competent personnel who are qualified for the profession in an occupational area. It reflects the occupational structure for each level and the career path of the occupation. The NOSS consists of competency units identified by industrial experts and practitioners, comprising of knowledge, skills, attitude, and employability skills required in the related occupation. The NOSS outlines the minimum requirement of knowledge and ability in terms of competencies to perform roles and functions of an expert worker according to their profession.

Role of Skills Standard

In general, skills standard are performance specifications that identify the knowledge, skills and attitude an individual needs to succeed in the workplace. They are critical to improving workforce skills, raising living standards, and improving the competitiveness of the Malaysian economy. To be effective, skill standards must reflect the consensus of any skills professional. Skill standards provide measurable benchmarks of skill and performance achievement. They answer two critical questions :

- What do workers need to know and be able to do to succeed in today's workplace?
- How do we know when workers are performing well?

With Skills Standard :

- Employers know whom to hire or where to focus their limited training dollars
- Employees and new entrants to the workforce know what they need to do to improve their performance
- Educators/trainers know how to prepare students for the challenge of the workplace

Importance of Skills Standard

- In today's workplaces, the only constant is change. Jobs that once were relatively simple now require high performance work processes and enhanced skills.
- Because skill standards reflect changing workplace realities, they are a tool that can be used by applicants and employees to access greater career opportunities.
- Updating skills and knowledge is now a lifelong endeavour, causing many employers and employees to spend more effort, time, and money on education and training.

- Skill standards provide benchmarks for making education and training decisions, shaping curricula, and directing funds toward highest value education and training investments.

The Benefits and Uses of Skills Standard

The success of a skills standard development project and its usefulness to the community is dependent on the full participation and commitment of all stakeholders. These benefits can be used as a benchmark for evaluating the effectiveness of collaborative efforts.

Benefit of Skills Standard to Employers

- Employers can use skill standards to establish personnel qualification requirements.
- Interviews, performance reviews, and productivity can be evaluated and assessed to a higher degree of accuracy and efficacy.
- Employers are also able to identify core competencies and workers' abilities to demonstrate competencies.
- By matching competencies to critical work functions and key activities, employers can significantly improve efficiencies and productivity.
- Performance-based skill standards also provide a vehicle for varying degrees of job certainty and the structure for establishing competency-based pay scales.
- Align personnel qualification requirements with nationally adopted certificates of competence (SKM, DKM, DLKM).
- Modify employee training.
- Simplify measurement of employee training effectiveness.
- Assess employee skill levels based on industry standards.
- Match employee skills to the work needed.
- Align personnel qualification requirements with nationally adopted certificates of competence.
- Modify employee training.
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- Assess employee skill levels based on industry standards.
- Match employee skills to the work needed.

Benefit of Skills Standard to Workers

- Skills standard assist workers in making career choices by providing industry expectations for success in the workplace.
- In addition, standards-based curriculum and assessments provide workers with credentials that certify work-readiness.
- Workers can accurately assess their skills against those required for career advancement and plan effectively for their career pathways.

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- They can determine the skills and abilities needed for advancement or transfer within industries, and determine the continuous learning and training they need to upgrade their skills.
- Achieve clarity regarding what they are expected to learn and how to prepare for work.
- Enter and re-enter the workforce with better control of their choices of high paying jobs requiring high skills.
- Accurately assess business expectations of the skills needed for positions and careers of their choice.
- Improve mobility and portability of their credentials.
- Enhance their performance and achievement by self-evaluation against known standards.
- Be active contributors to the activities that make their organisations successful.
- Provide effective, targeted instruction.
- Communicate what companies expect of employees.
- Develop new and evaluate existing curriculum and programs based on industry needs.
- Develop assessments to evaluate skills, knowledge, and abilities in classrooms and practical.
- Develop a common language on workforce preparation with business and labour.
- Improve relationships with local businesses, labour unions, other educators and agencies.
- Provide students with relevant career education and counselling

The Malaysian Qualifications Framework (MQF) is Malaysia's declaration about its qualifications and their quality in relation to its education system.

Benefit of Skills Standard to Trainers

- Trainers can identify core competencies and assessments based on the skills standard and implement them in their curricula.
- Students can then be required to demonstrate competency throughout their coursework.
- Academia and industry can build a cohesive relationship through a like-minded expectation of student competencies and work readiness.
- This enhances a trainer's ability to teach information consistent with industry's entry level expectations and needs.
- Partner with business and labour in developing school-to-work initiatives.

MQF is an instrument that develops and classifies qualifications based on a set of criteria that are approved nationally and benchmarked against international best practices, and which clarifies the earned academic levels, learning outcomes of study areas and credit system based on student academic load. These criteria are accepted and used for all qualifications awarded by recognised higher education providers. Hence, MQF integrates with and links all national qualifications. MQF also provides educational pathways through which it links qualifications systematically. These pathways will enable the individual to progress through credit transfers and accreditation of prior experiential learning, in the context of lifelong learning.

The MQF has eight levels of qualifications in three national higher education sectors and is supported by lifelong

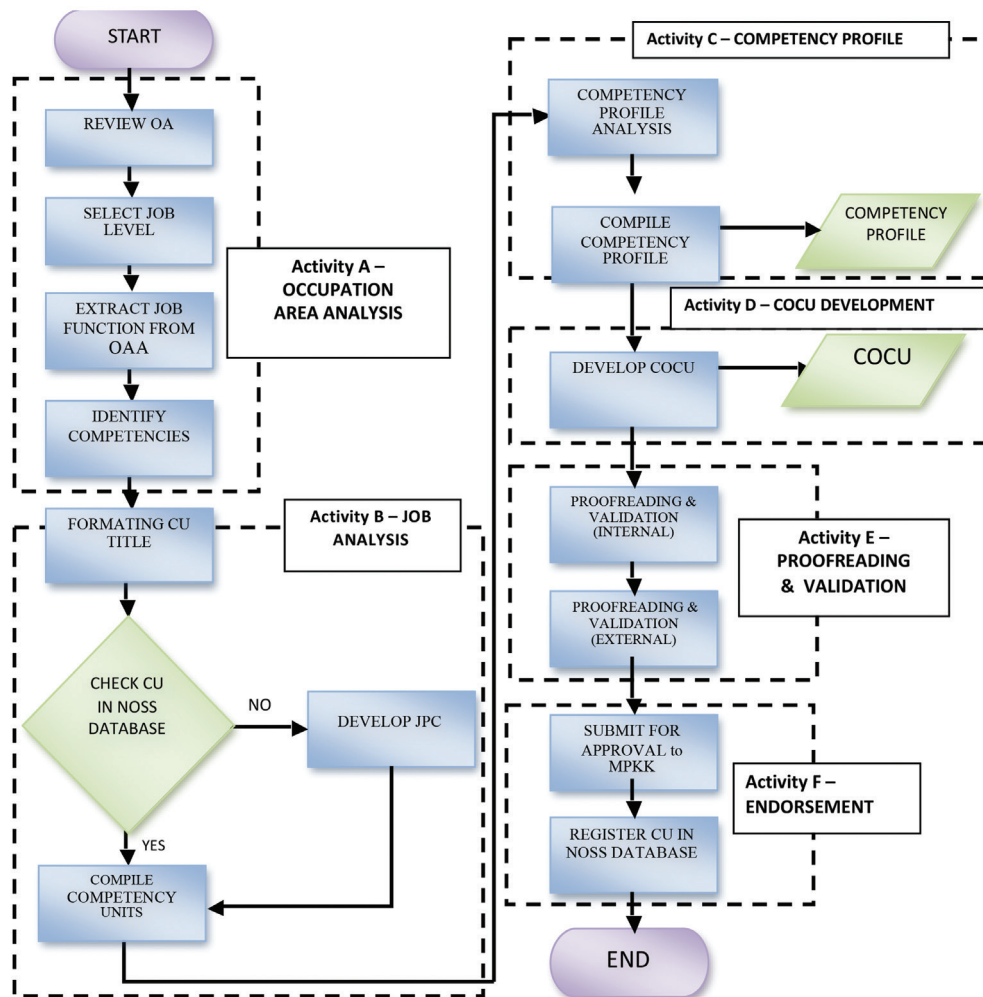
Malaysian Qualifications Framework (MQF)

MQF	Sectors			
Levels	Skills	Vocational and Technical	Higher Education	Lifelong Learning
8			Doctoral Degree	Accreditation of Prior Experiential Learning (APEL)
7			Masters Degree	
			Postgraduate Certificate and Diploma	
6			Bachelor's Degree	
			Graduate Certificate and Diploma	
5	Advanced Diploma	Advanced Diploma	Advanced Diploma	
4	Diploma	Diploma	Diploma	
3	Skills Certificate 3	Vocational and Technical Certificate	Certificate	
2	Skills Certificate 2			
1	Skills Certificate 1			

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Flow Chart New Format of NOSS Development



education pathways. The sectors are Skills, Vocational and Technical, and Academic.

Levels 1 to 3 are Skills Certificates awarded by the Skills Sectors. Academic and Vocational and Technical Certificates are at Level 3. Meanwhile, Diploma and Advanced Diploma are at Levels 4 and 5. Bachelor's Degree is at Level 6, Master's Degree at Level 7 and Doctoral Degree at Level 8. The levels are differentiated by learning outcomes, credit hours and student learning time.

Lifelong education pathways cut across all levels of qualifications through accreditation of prior experiential learning.

Why It Calls Flexibility, Dynamic and Responsive

Flexibility

- Easily packaged
- Support multi-skilling
- Support NDTs programme

- Support customised course
- Incorporate with core and elective competency

Dynamic

- Easily adapted to new changes and requirement
- Incorporate with new and emerging technology

Responsive

- Package to industrial specific requirement
- Require less time to change competency unit due to shorter time required for reviewing and making changes
- Encourage creativity and innovativeness in designing training packages to ensure employability

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www.mqa.gov.my



TIMBER INDUSTRY IN PHILIPPINES

The forestry sector is still a significant force in the economy of the Philippines simply because of its sheer size. The forestlands of the Philippines occupy about 53% of the total land area of the country and its watersheds are the main sources of water for domestic, agricultural, industrial and commercial uses. Because of its significant potential contribution to the economic, social and environmental aspects of the Filipino life, the sector has been the subject of many studies, assessments, and analysis.

However, the downstream wood processing industry, which brings in USD1 billion in yearly export revenues for Philippines, is foreseen to suffer adversely from high import costs of raw materials due to the prevailing logging ban.

Local wood supply in the Philippines is expected to continue to decline through the years. With declining and high cost of raw material, the Philippines' timber industry has reached a consolidation period and decline. There are less than a hundred mills in the Philippines catering for the domestic market. As local timber supplies are inadequate to fulfill the increasing demand, the industry has turned to imported timbers as an alternative. Forest product imports are expected to shift away from logs to sawntimber, veneer and plywood.

The Philippines furniture sector, on the other hand, has flourished during the years. The uniqueness of its furniture lies from the combination of bamboo, buri, stone, plastic and other materials. Besides these, furniture of wood, rattan and wrought iron furniture are also produced. The furniture industry enjoys the benefits of skilled craftsman and a pool of talented designers producing quality furniture.

Forest Resources

The Republic of the Philippines lies to the east of continental Asia between the South China Sea and the Philippine Sea, extending from 5° to 20° north of the equator and comprising over 7,000 islands. It has a land area of 30 million hectares and a population of 82 million people. Most of the land in the Philippines is mountainous; 53% of the country is classified as uplands, being 18% or more in slope. While close to 16 million hectares of the land is categorised as forest land, estimates of the actual forested area in the country include 5.4 million hectares, 5.79 million and 7.2 million hectares, of which 0.8 million hectares might be regarded as primary forest.

The Philippines has two broad biogeographically regions: the east, which remains wet throughout the year, and the west,



which has a dry season. The forests have been classified by climate and altitude into evergreen rainforest (81%), semi-evergreen forest (10%) and mountain forest (9%). On the basis of vegetation characteristics, forests have been further classified as various types of dipterocarp forest (61%), mossy forest (18%), pine forest (5%) and others including beach forest and mangrove (15%).

Timber Production

Benigno Aquino, President of Philippine has imposed a nationwide moratorium on logging, following floods that have affected much of the country. He said that excessive logging was making these areas more prone to landslides and flooding. However, this new ban will be extremely hard to be implemented since big timber corporations are extremely powerful, and in some parts of the country illegal logging is allowed to go unpunished by corrupt officials. Experts have long warned that cutting down too many trees leads to soil erosion, heightening the risk of flooding and landslides.

Logs production remained the same at 780,000 m³ in 2011 and 2012 since the President announced a new moratorium, under which no new timber contracts would be granted for cutting natural forests anywhere in the Philippines. Similarly the production of veneer and plywood remained at 114,000 m³ and 300,000 m³ in 2012 respectively. However, the sawntimber production increased from 372,000 m³ to 500,000 m³ in 2012.

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Philippines: Production of Major Wood-based Products

(Volume: '000 m³)

Year	Logs	Sawntimber	Veneer	Plywood
2008	474	358	101	227
2009	689	304	88	295
2010	518	377	136	318
2011	780	372	114	300
2012	780	500	114	300

Source: FAO Stats

Import

Main imports by the Philippines are sawntimber, plywood and wooden furniture although imports also include other items such as logs and fibreboard at a smaller volume. With a dwindling wood supply, the overall share of timber product imports, relative to total supply, is likely to increase in the future.

Logs import by the Philippines increased from USD19.1 million in 2011 to USD26 million in 2012 while imports of santimber increased to USD98 million in 2012. Veneer and particleboard imports also increased from USD12.7 million and USD18.5 million in 2011 to USD22 million and USD21.2 million in 2012 respectively. However, plywood, BJC and wooden frames imports in 2012 decreased to USD72.2 million, USD22.8 million and USD515,000 respectively. On the other hand, wooden furniture and mouldings imports increased to USD72.3 million and USD12.1 million respectively.

Papua New Guinea and the USA were the major suppliers of logs. Major supplying countries for sawntimber were Canada and the USA. Malaysia was the main supplier of plywood, veneer, particleboard and fibreboard to the Philippines.

Philippines: Import of Timber Products

(Value: USD'000)

Products	2008	2009	2010	2011	2012
Sawntimber	52,019	47,676	55,239	77,312	97,980
Plywood	38,666	29,867	39,555	76,712	72,193
Fibreboard	13,820	9,288	15,890	28,186	28,034
Logs	18,527	7,433	10,908	19,094	26,027
Builders Joinery and Carpentry (BJC)	8,171	5,302	14,108	24,702	22,801
Veneer	9,265	5,489	6,822	12,673	22,049
Particleboard / Chipboard	13,568	9,670	12,555	18,525	21,188
Mouldings	5,752	5,413	8,889	9,234	12,107
Wooden Frames	361	423	398	1,054	515
Wooden Furniture	73,072	57,616	63,764	69,519	72,338

Source: International Trade Centre

Malaysia's Timber Trade with Philippines

Export

In 2012, Malaysia's export of timber and timber products to the Philippines improved 6.7% to RM387.9 million from RM363.6 million in the previous year. Major products exported to the Philippines showed a positive growth include furniture, sawntimber, mouldings, BJC, fibreboard and particleboard.

Export of logs reached its highest in 2011 at RM10.3 million but registered a decrease of 30.3% in 2012 whereas, export of sawntimber increased 36.2% to RM67.4 million in 2012.

Export of furniture has been on the increasing trend over the years, reaching its highest in 2012 at RM83.2 million. However, exports of plywood and veneer decreased by 7.5% and 14.1% to RM151.1 million and RM22 million respectively.

Export of mouldings, BJC, fibreboard and particleboard increased by 116.6%, 23%, 21.4% and 34.3% to RM327,000, RM6 million, RM24.9 million and RM25.6 million respectively.

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Malaysia: Export of Timber and Timber Products to the Philippines

(Value: RM `000)

Products	2007	2008	2009	2010	2011	2012	% Change 2012/2011
Logs	734	1,103	1,974	5,887	10,300	7,175	-30.3
Sawntimber	36,815	60,572	61,117	68,414	49,444	67,364	36.2
Plywood	109,951	106,618	81,754	118,894	163,399	151,139	-7.5
Veneer	24,862	37,723	22,863	13,837	25,605	21,996	-14.1
Mouldings	386	101	37	210	151	327	116.6
BJC	2,555	3,576	4,409	5,205	4,955	6,097	23.0
Furniture	53,781	67,340	73,103	82,174	69,594	83,156	19.5
Fibreboard	17,883	19,345	11,801	15,942	20,499	24,880	21.4
Particleboard	11,864	16,451	9,941	17,365	19,055	25,588	34.3
Wooden Frame	512	696	395	180	553	180	-67.5
Total	259,343	313,525	267,394	328,108	363,555	387,902	6.7

(Volume: m³)

Products	2007	2008	2009	2010	2011	2012	% Change 2012/2011
Logs	2,531	2,982	6,649	19,740	29,949	19,894	-33.6
Sawntimber	63,647	79,476	87,600	111,869	118,808	160,881	35.4
Plywood	63,764	71,538	61,178	78,342	94,749	85,563	-9.7
Veneer	17,973	36,719	19,159	11,966	21,861	15,196	-30.5

Source: MTIB

Conclusion

The Philippines has lost a substantial part of its natural forest, and timber production has declined dramatically over the last three decades. Many of the problems associated with the large-scale destruction of the forest resource can be linked to a combination of land and concession tenure issues, and the lack of ability or will to enforce the conditions of the concessions.

Moreover, many of the rural poor do not have land tenure and often settle illegally on forest land. Considerable efforts have recently been put into the development of community forestry, but the success of this approach in restoring the country's degraded landscapes, particularly on steep slopes, and in increasing rural incomes, remains to be proven.

The Philippines is our traditional export market for Malaysian timber and timber products and the country is not our major

import sources since they have imposed a policy to ban logging from natural forests. Their log production only caters for domestic consumption.

The Philippines are advanced in the area of rattan furniture manufacturing. However, nowadays there is minimal interest by Malaysian entrepreneurs to be involved in the rattan furniture industry due to lack of skilled workers, and in availability of rattan supply.

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World Furniture Outlook 2011/2012, CSIL

MTIB Statistics 

KASAH – SUITABLE FOR LIGHT CONSTRUCTION



Wood colour and texture

Kasah is the Standard Malaysian name for the timber of *Ptergota* spp. (family Sterculiaceae). It is a medium to heavy-weight hardwood and a mono species. Common vernacular names include Menuang ang Kangsar (Peninsular) and Melebu (Sarawak). Only two species of *Ptergota* are reported namely *P. alata* and *P. horsfieldii*. Kasah trees are very big and tall reaching a height of 50 m and girth of 360 cm, bole usually cylindrical to tapering. It is found in primary, lowland forest up to 1,000 m altitude, seldom gregarious.

General Characteristics

The heartwood colour is pale yellow-white turning to pale brown on exposure to weather and is not distinct from the sapwood which is pale yellow to straw colour. Kasah is moderately hard and moderately heavy with an air dry density of 575-640 kg/m³. The grain is straight to shallowly interlocked, texture is moderately coarse and uneven due to large rays and parenchyma bands. Wood is with silver grains on radial surface and growth rings figure on tangential surface due to parenchyma bands. Shrinkage when seasoned is moderate to high.

Mechanical Properties

Test Condition	Modulus of Elasticity (MPa)	Modulus of Rupture (MPa)	Compression Parallel to Grain (MPa)	Compression Perpendicular to Grain (MPa)	Shear Strength (MPa)
Green	9,200.0	51.0	27.6	3.03	7.3

Note: MPa – Megapascals

Strength Properties

The timber falls into Strength Group 6 or SG 6 (MS 544: Part 2:2001).

Machining Properties

It is easy to re-saw and cross-cut. Kasah timber can be planed and sanded easily to a smooth surface. The wood is easy to slice for veneer and is expected to glue well. Quarter-sawn boards have the tendency to tear due to the presence of interlocking grain. However, the presence of gummy substances may slow down the process of sawing as the saw blades have to be cleaned frequently.

Wood Anatomy

Growth rings are present, usually marked by zones with fewer parenchyma bands. The vessels are medium to moderately large, solitary or radial multiples of two to four, sometimes more, occasionally in clusters, tyloses sparse or absent. Gummy deposit is occasionally present. Both apotracheal and paratracheal parenchyma are present, apotracheal parenchyma are in broad continuous or interrupted bands whereas paratracheal parenchyma are in vasicentric forms. Rays are medium to moderately broad and are visible to naked eye. Fine ripple marks are present due to storied arrangement of parenchyma cells.

Seasoning

The timber is reported to develop some surface checking during air drying without other major defects. The timber can be kiln-dried fairly quickly and requires only five days to kiln-dry boards of 25 mm thick from the green conditions. Drying defects include surface and end checking.

Durability

The timber is classified as non-durable in ground contact under tropical weather conditions. However, when used indoors, above ground or under cover, the durability of the timber will be very much extended. The sapwood and heartwood are permeable to preservative treatment under pressure. Logs are very susceptible to blue stain, termites and borer attacks unless rapidly removed from the forest and treated with appropriate preservative.

Uses

The timber is suitable for light construction, light traffic flooring, interior finishing, crates, panelling, joinery, mouldings, lining, steps, ladies' shoe heels, carving, turnery, veneer, and plywood. The timber can also be used for pallets, boxes and crates and is even suitable for furniture and indoor work such as staircases, handrails and perhaps as a source of short-fibred pulp.

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- MTIB Technical Guide 

MTIB Moments



LH Group from MTIB showing the documents on the E-LPKM project to Tuan Hj. Sanuri Shahid, Deputy Secretary-General II, Ministry of Plantation Industries and Commodities. The group represented MTIB in the Innovative and Creative Group Convention (ICC) at the Ministry level held on 11-12 September 2013 in Putrajaya.



MTIB organised a Course on Awareness on ISO/IEC 17065 for Product Certification System for its personnel on 13-14 September 2013 in Seremban, Negeri Sembilan. The speaker was Encik Jamil Suleiman from Q-Padu Sdn. Bhd.



Encik Zukarnine Mohd Ali, MTIB official briefed the students of Kolej Vokasional Ampangan, Negeri Sembilan on the tropical wood utilisation in conjunction with the Timber Educational Programme held at their premise on 25 September 2013.



MTIB participated in the Muslim World Biz Exhibition held on 25-28 September 2013 at PWTC, Kuala Lumpur.



Mr. Andreas Hermann, a furniture designer from Germany (front row, third from right) posing with WISDEC officials and participants. He gave a Talk on Furniture Design on 26 September 2013 at WISDEC Selangor in Banting.



YB Dato' Sri Douglas Uggah Embas, Minister of Plantation Industries and Commodities (fourth from left); YB Dato' Noriah Kasnon, his Deputy (on his left); Datin Paduka Nurmalia Abdul Rahim, Secretary-General of MPIC (third from left) posing with other VIPs during the Walk for Health Programme. It took place on 28 September 2013 in Putrajaya.