ISSN 0126-771X VOL 11 : NOVEMBER 2013

MTIB

MASKAYU

1973-2013
MTIB

SLDN PROGRAMME ON FURNITURE-MAKING KICKSTARTS IN SABAH

MTIB RECOGNISED BY *TOP 10 OF MALAYSIA*

ISSN 0126-771X
9 770126 771009

Editorial Board

Chief Editor

Dr. Jalaluddin Harun
Director-General

Editorial Members

Puan Hjh. Norchahaya Hashim
Encik S. Rajan
Puan Hjh. Noor Laila Mohamed Halip
Puan Fatahiah Mustafa
Encik Mohd Kheiruddin Mohd Rani
Puan Hjh. Zaibi Yakin
Tuan Hj. Mahpar Atan
Tuan Hj. Kamaruzaman Othman
Puan Hjh. Ruzainah Abdul Jalil
Encik Mohd Nor Zamri Mohd Amin
Encik Zulkepli Abdul Rani
Cik Hjh. Noor Zakiah Othman
Puan Afrinawati Abu Bakar
Puan Hafsah Hasbi

Publisher

LEMBAGA PERINDUSTRIAN KAYU MALAYSIA
(MALAYSIAN TIMBER INDUSTRY BOARD)
Level 13 - 17, Menara PGRM,
8, Jalan Pudu Ulu, Cheras, P.O. Box 10887,
50728 Kuala Lumpur, Malaysia
Tel : 603-9282 2235
Fax : 603-9200 3769 / 9283 9792
E-mail : info@mtib.gov.my
Website : www.mtib.gov.my

Printer

Abadi Ilmu Sdn. Bhd.
No. 6A & 6B, Jalan SS4D/14,
47301 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel : 03-7804 4588 / 7888 6158
Fax : 03-7804 4152
E-mail : abadiilmu@gmail.com
Website : www.abadiilmu.com

Cover: *MTIB held a photography competition in conjunction with its 40th anniversary celebration in mid 2013. Encik Mohd Nazri Sulaiman, a freelance photographer, won the first prize with a shot depicting a utilisation of timber in daily life.*

MS ISO 9001 : 2008 REG. NO. AR3307

Read eMASKAYU at www.mtib.gov.my

Contents

Highlights

Regular Features

SLDN PROGRAMME ON FURNITURE-MAKING KICKSTARTS IN SABAH

MoA signing ceremony between MTIB and Cosmopolitan Wood (Sabah) Sdn. Bhd.

YB Datuk Kamarlin Ombi, Assistant Minister of Tourism, Culture and Environment (front row, second from right) and Dr. Jalaluddin Harun, MTIB Director-General (front row, second from left) with the trainees of SLDN Programme.

The pilot course of a furniture-making programme implemented under the National Dual Training System (SLDN), has been introduced in Sabah. Ten trainees from various parts of Sabah were selected and sponsored by Institute of Malaysian Plantation and Commodities (IMPAC) to be part of participants of the 15-month programme which is jointly carried out by MTIB and Cosmopolitan Wood (Sabah) Sdn. Bhd. The first three months will be conducted at WISDEC Sabah while the remaining session are conducted at Cosmopolitan Wood (Sabah) Sdn. Bhd.

The signing ceremony of the MoA between MTIB and Cosmopolitan Wood (Sabah) Sdn. Bhd. upon their collaboration in conducting the SLDN programme, was held on 26 November at WISDEC Sabah. Dr. Jalaluddin Harun, MTIB Director-General in his welcoming speech highlighted that the SLDN programme, which was adapted from one of Germany's skills training system, emphasised on the designing aspect of furniture making. This, apart from the manufacturing of the end product, is regarded as a very important phase in producing high quality and value-added furniture.

He hoped that the programme would in the long run produce competent skilled workers for designing and manufacturing highly marketable high-end timber products. "The students are also trained to make furniture using the latest machine and computerised applications. These skills will allow them to get a higher salary and help increase industry revenue," he added.

He stated that the agency would expand the training programme to cater for a bigger number of trainees with direct involvement from furniture companies. Dr. Jalaluddin highlighted that the timber industry last year contributed RM20.2 billion to the country`s export. He mentioned that there were more than 4,000 factories producing timber products nationwide but the industry was facing challenges to grow further due to lack of skilled workers and over dependency on foreign labour.

As such, he said, human capital development is a vital component that cannot be neglected in developing the Malaysian timber industry, especially as the country had set a target of RM53 billion in export of timber products by year 2020. He added that MTIB, through the WISDEC has trained over 9,000 participants in various aspects of timber product manufacturing.

YB Datuk Kamarlin Ombi, Assistant Minister of Tourism, Culture and Environment, who witnessed the signing, said: "Sabah still has a long way to go in developing its timber–based industry, particularly the furniture sector. I believe the State Government will give its fullest support and assistance to develop the industry," he added.

A section of attendees during the signing ceremony.

BRAZIL
Action Against Illegal Deforestation in the Amazon

On 27 November 2013, the Brazilian Environmental Ministry announced the government is going to intensify its combat actions against illegal deforestation in the Amazon, which has risen by 28% in 2013. The Brazilian National Institute of Space Research (Inpe) is going to use satellite images to detect deforestations of up to three hectares. Currently, the Detection System of Deforestations in Real Time (Deter) detects deforestations of 25 hectares and above. Inpe is going to use new technology radar which detects between clouds and below the canopies of trees. Currently satellite images of deforestations in the Amazon forests are limited due to cloud cover. In order to intensify supervision work, the Brazilian Environment Institute (Ibama) is studying the use of drones for cutting out environmental crime in the Amazon.

Investimentos e Noticias, 27 November

CANADA
Quebec Sets Aside CAD430 Million to Boost Forest Products R&D

Quebec is planning to spend CAD430 million (EUR300.59 million/USD407.83 million) for an aid programme to boost the Canadian province's forest products industry, which includes a three-year CAD320 million programme for R&D in new technologies in three main areas of green chemistry, green energy and green construction methods. Premier Pauline Marois announced the programme on 21 November 2013.

Montreal Gazette, 22 November

FINLAND
Wood Sales Totals 4.9 Million Cubic Metres in October 2013

The Finnish Forest Research Institute (Metla) reported that wood sales totalled 4.9 million m^3 in Finland in October 2013. The volume was approximately one million cubic metres higher compared to an average October during the previous 10-year period. Wood sales rose by 35% from September. The average stumpage price level was less than a percent lower than in September. The average price of Pine logs was EUR55 and that of Spruce logs EUR57 per m^3.

Press Release, 26 November

FRANCE
VAT to be Raised from January 2014

The French government plans to raise VAT for firewood and pellet production from 1 January 2014 from 7 to 10%. Operators worry that this will benefit only illegal operators, as fair companies will be driven out of the market. VAT hike will lead to a much higher price of purchase for clients, as the tax is implemented three times: on import, on sale to retailers and on sale to consumers.

Global Trends Review, December

INDONESIA
Government Creates Measures for Forestry Development

The Indonesian government has developed three strategies for local forestry development. These strategies are control, appropriate governance and fast service. The first strategy focuses on monitoring of licence holders, the second over quality of forest management. Fast service covers efficiency in issuing permits to investors. The government hopes these measures will increase productivity of the sector.

Bisnis Indonesia, 26 November

LATIN AMERICA
Lowest Wood Raw-Material Costs in the World

Declining costs for sawlogs and pulplogs in Brazil and Chile over the past few years have made the forest industry in the two countries quite competitive. In the second quarter 2013, pulplog prices in both countries were among the lowest in the world and sawlog prices were substantially below the Global Sawlog Price Index GSPI.

The two countries currently have one of the lowest wood raw-material costs in the world, and since these costs account for 55-65% of the production costs when manufacturing pulp and lumber, it makes the industry quite competitive in the export market. In Brazil, prices for both sawlogs and pulplogs have come down substantially in USD dollar terms the past few years. The average pine sawlog price is currently over 20% below the record high levels reached in 2011. This sharp price decline is more a reflection of a weakening Brazilian Real than any dramatic price changes in the local currency.

The current sawlog costs, which are about 30% below the global sawlog index GSPI, makes Brazilian sawmills very competitive. Although Brazil is a minor player in the global lumber export market, the country has expanded sales to the US, which is by far the largest consumer of Brazilian softwood lumber, this year, with shipments in the third quarter

Cont. next page

Cont. from previous page

2013 reaching their highest levels in over two years. Prices for pulpwood in Brazil have followed a similar trend to those of sawlogs, with sharp declines in USD dollar terms but only modest declines in the Brazilian Real the past year.

Pulplog prices in Chile have also fallen, with the second quarter 2013 prices being about 8% lower than in the second quarter 2012. The average cost for Eucalyptus fibre in Chile is currently the lowest in all countries, making the country's pulp mills some of the world's lowest cost producers of hardwood market pulp.

Wood Resource Quarterly, November

PHILIPPINES
Haiyan Forces IMF to Cut GDP Growth Projections

Following the recent typhoon Haiyan disaster, the International Monetory Fund (IMF) slashed its 2013 GDP growth projection for the Philippines once again by between 0.25-0.5% point. Despite this, the 2013 full-year GDP growth is still expected to reach 6.5-7%, Meanwhile, GDP growth projection for 2014 has been reduced by 1% as the country is still recovering from the typhoon.

Business World, 27 November

RUSSIA
Ministry of Defence to Launch Military Forests Record Keeping System

In 2014 the forest management of the Ministry of Defence is planning to launch a digital geographic information system for record keeping, evaluation, and development of forests under its jurisdiction. Approximately RUB52 million (EUR1.17 million/ USD1.59 million) will be invested in the project. Besides graphic information, the system will contain data on forest composition and health. Around 4.7 million ha. of forest in 59 constituent entities of the federation are under the jurisdiction of the ministry.

Izvestiya, 20 November

SWITZERLAND
High Demand for Softwood Round Logs

Demand for softwood round logs in the Swiss sawmill industry is high according to the Swiss wood market commission HMK and both suppliers and buyers have reported higher than expected demand for Beech logs. The HMK reported that many Swiss forest owners offered the early supply bonus earlier than usual in 2013. The commission made a new price recommendation for the Beech logs, while the price recommendations for Spruce and Fir logs remained unchanged.

Holz-Zentralblatt, 22 November

UNITED KINGDOM
Recession Costs Timber Frame Market £1.5 Billion

An estimated £1.5 billion of sales were lost by the timber frame market in the recession since 2008/2009, according to a new report.

The MTW Research 200-page study reports that more than 40% of timber frame suppliers made a loss in 2012, and up to 40% of the timber frame market production capacity is currently underused as volume contracted by 30% in the last few years. The market however is strengthening this year and will pick up pace in 2014, driven by the revived house building industry. The report (based on financials from 80% of the industry) forecasts healthy growth in most sectors, with increasing volumes boosting profitability, and pricing pressures starting to ease.

Newbuild social housing has acted as a dampener on growth prospects, with a 20% decline in the last four years as social housing budgets were cut from £8 billion to £4.5 billion. Commercial timber frame construction is identified as an area with key opportunities for growth, while MTW's forecast model suggests a 100% increase in non-domestic timber frame construction in the next few years.

TTJ Online, 20 November

OCTOBER 2013

World's Largest Containership Ship Sails into Singapore

The 18,000 TEU (20-foot equivalent unit) Maersk Mc-Kinney Moller, one of the world's largest containerships, made its maiden call at Singapore port where it discharged 3,500 TEU on its way back from Europe. The ship was deployed on Maersk Line's AE-10 service connecting Asia to northern Europe and was to put into the Shenzhen's Yantian terminal in the same week. They estimated a growth of two to three percent on the Asia-Europe trade in 2013, led by a stronger rebound of volumes in the Mediterranean. The second half of the year was clearly looking better than the first, driven by positive momentum in the Eurozone.

Officials from Maritime and Port Authority of Singapore, PSA International and Maersk Line joined the shipping line's key customers for a celebratory event and a tour of the vessel. According to Mr. Puay Hin, PSA Regional Chief Executive Officer, PSA Singapore Terminals was honoured to receive the world's first Triple-E vessel at Pasir Panjang Terminal. They would continue to work closely with Maersk Line to achieve the efficiency and reliability of service.

The Triple-E class container ship was custom-designed with features such as an efficient propulsion system, which used two engines and two propellers as well as a waste heat recovery system that saves up to 10% of the main engine power.

The Maersk Mc-Kinney Moller measured 400 metres long, 59 metres wide and 73 metres high and was the first of 20 such Triple E ships to be delivered to Maersk Line. Five Triple-E vessels would be delivered this year and the remaining ships would be delivered in 2014 and 2015. The vessels are being built by Daewoo Shipbuilding and Marine Engineering (DSME).

Source: Daily Shipping Times, 1 October

NBCT Expects to Handle 5% More Cargo this Year

The North Butterworth Container Terminal (NBCT) expects its handling of throughput cargo for 2013 to rise by 5% in 2013 due to the gradual pick-up in intra-Asia and US trade.

Encik Obaid Mansor, Chief Operating Officer of Penang Port Sdn. Bhd., said that the volume of throughput cargo, comprising container and non-container cargo, handled at NBCT increased by 0.37% for the period of January to August 2013 to 19.8 million freight weight tonnes (FWT) from 19.72 million FWT in the same period last year. He added that he expects the final quarter 2013 to register further improvement due to the orders for consumer goods for festive holidays in the fourth quarter. The projection for non-containerised cargo this year was over 11.7 million

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports m^3	% Change Oct 2013/ Sept 2013
	m^3	% Change Oct 2013/ Sept 2013	m^3	% Change Oct 2013/ Sept 2013	m^3	% Change Oct 2013/ Sept 2013	m^3	% Change Oct 2013/ Sept 2013	m^3	% Change Oct 2013/ Sept 2013		
Sawntimber	40,123	-4	10,449	169	1,787	99	162	-	7,545	33	60,066	15
MDF	19,301	2	-	-	15,300	33	13,351	1	13,175	0	61,127	7
Mouldings	10,433	14	502	23	2,279	11	928	35	1,989	7	16,131	14
Dressed Timber	1,217	-31	47	-50	863	-21	161	40	850	260	3,138	-5
Plywood	7,317	41	-	-	24	-	-	-	12,794	45	20,135	43
Veneer	51	-46	-	-	-	-	44	-	202	146	297	68
Particleboard	35,538	0	1,989	353	236	127	1,885	-15	-	-	39,648	3
TOTAL	**113,980**	**1**	**12,987**	**149**	**20,489**	**30**	**16,531**	**2**	**36,555**	**23**	**200,542**	**12**

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

Cont. next page

Cont. from previous page

FWT compared with 10.6 million in 2012 due to the increase in demand for dry and liquid bulk cargo such as raw sugar, scrap metal, animal feed, fertiliser, clay, chemicals and petrol. For the eight months of 2013, some 56% of the cargos handled were imported while the remaining 44% were exported. This showed that the global economy has yet to recover. For containerised cargo, he expects a 5% improvement over last year which saw NBCT handled 1.16 million TEU's.

Source: The Star, 7 October

Westports on Course to Chart Strong Growth

Westports Holdings Bhd. is expecting revenue to increase in tandem with growth in container volume of between 5% and 10% this year and in 2014. According to its Chief Executive Officer, Encik Ruben Emir Gnanalingam, the volume growth is a factor to revenue growth and at a ratio of almost one to one. In 2013, the revenue looked pretty strong and the second half of the year would continue to show strong volume growth. This was a sign that next year would be looking good too. Wesports's business is very much dependent on the world market and Encik Ruben has seen some strengths being driven by the recovery in the US and the UK.

Westports, partly owned by Asia's richest man and Hong Kong billionaire Mr. Li Ka-shing is now the leading terminal operator in Port Klang with a market share of 69% of total container throughput and 79% of transshipment traffic in 2012. The transshipment demand from various parts of the world was not confined to just between Asia and Europe, but also between Asia and the Middle East, Africa as well as Australia.

On competition with Tan Sri Syed Mokhtar Al-Bukhary's Port of Tanjung Pelepas in Johor, Encik Ruben said there was enough volume of growth in the region for all port operators. When Westports started the container business, there were some 15 million TEUs in this region, but now it has grown to 50 million TEUs. Thus, there is a lot of room to grow for everybody and the pie is getting larger. Encik Ruben further added that the port operator's growth has been "remarkable" over the past 19 years as the group has helped revitalised Port Klang and brought it into the league of top container terminals in the world. He also gave a special mention to his father, Tan Sri G. Gnanalingam, the founder and Executive Chairman of Westports, who in the early 1990s foresaw Port Klang as a transshipment hub.

Source: Westports Malaysia, 21 October

Port of Rotterdam Named 'Port of the Year' at CI Awards

Port of Rotterdam was proclaimed 'Port of the Year' during the annual 'Containerisation International Awards' in London.

OCTOBER 2013

The expert jury praised the port for its substantial investment programme in Europe's leading logistics hub and industrial complex. The jury also complimented the port for its attention to sustainability with their modal shift objectives and groundbreaking initiatives like Inland Links and NextLogic that contribute to it.

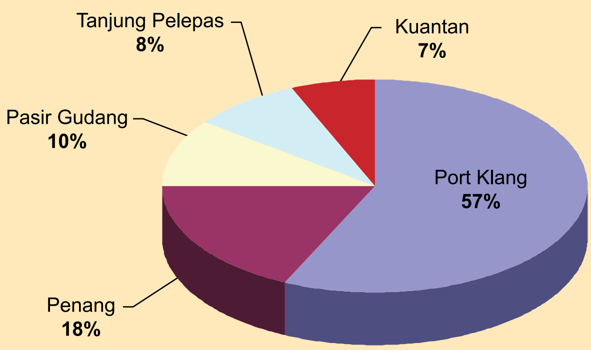
According to Mr. Emile Hoogsteden, Director of Containers, Breakbulk and Logistics at the Port of Rotterdam Authority, winning the award was a tremendous achievement and recognition of their efforts. As the port of Rotterdam, they were constantly working on new investments and innovations. They did not do it alone, but in partnership with as many market parties as possible. This was the only way they could continue to improve their port and pursue their ambition to be the most efficient, safe and sustainable port in the world.

A good example of this was obviously the development of Maasvlakte 2. This was a project with which they invested for the future, not only in responding to the increasing volume size of containerships, but also in taking steps towards optimising the logistical supply chain. At the same time, they enabled their clients to achieve economies of scale. That was the aim of joint ventures like P3, which would also boost Rotterdam's total throughput in the short and long term.

According to the World Economic Forum, Rotterdam had the best port infrastructure in the world in both 2012 and 2013. During the period 2008-2015, businesses would make joint investments totalling over €11 billion in the port of Rotterdam, €1.2 billion of which was in container terminals. With this Rotterdam respond to the increasing number of large 13,000 to 18,000 TEU vessels already reflected in P3's decision to send their largest ships to Rotterdam. Volume in the port was expected to further increase once the container terminals on Maasvlakte 2 become operational.

Source: Daily Shipping Times, 29 October

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



Total = 200,542 m³

OCTOBER 2013

Total export of timber and timber products from Peninsular Malaysia in October 2013 increased 2% in volume and 3% in value to 253,702 m³ valued at RM315.4 million over the previous month. Cumulative export for the period of January to October increased 4% and 3% in volume and value to 2.3 million m³ with a value of RM2.76 billion respectively over the corresponding period.

Sawntimber

Export of sawntimber in October decreased 1% in volume and 4% in value to 91,495 m³ with a value of RM135.9 million. Cumulative exports for the first 10 months of the year showed an increase of 0.4% in volume and 17% in value to 826,302 m³ worth RM1.2 billion over the previous corresponding period.

Exports to the EU for the month increased 30% to 14,802 m³ from 11,389 m³ in the previous month. Positive economic growth by the Netherlands, France and Germany in the third quarter of the year encourage increased in the import of sawntimber from Malaysia. Export of sawntimber to the Netherlands, France and Germany increased 27%, 130% and 24% to 5,605 m³, 2,321 m³ and 2,016 m³ respectively. However, export to the UK decreased marginally to 2,066 m³ from 2,134 m³ in the previous month.

Total exports to West Asia increased 29% to 16,539 m³ due to improved purchases by major market in the region. Export of sawntimber to the UAE and Saudi Arabia increased 59% to 8,141 m³ and 66% to 2,543 m³ respectively. Similarly, export to Oman and Qatar improved significantly to 1,973 m³ from 966 m³ and 1,683 m³ from 344 m³ respectively. However, export to Kuwait recorded a slight decreased to 877 m³ from 965 m³ in the previous month.

Buying from ASEAN decreased 19% to 36,112 m³ over the previous corresponding period. Export of sawntimber to Thailand declined 14% to 21,545 m³ while export to Singapore increased 7% to 12,044 m³ from 11,217 m³ in the previous month. Shipments to East Asia increased 6% to 13,358 m³. China and Japan improved purchases by 13% and 5% to 9,943 m³ and 2,116 m³ respectively.

Elsewhere, exports to the US decreased 41% to 754 m³ while intake by Australia increased 3% to 1,286 m³. Demand from South Africa increased marginally to 4,027 m³ from 3,950 m³ in the previous month.

The average FOB price of sawntimber decreased 3% to RM1,485 per m³ from RM 1,530 per m³ in the previous month. Dark Red Meranti (DRM) was traded at RM2,469 per m³, decreased 2% from the previous month. However, prices of DRM to the Netherlands declined 9% to RM2,566 per m³ from RM 2,808 per m³ in the previous month. Keruing was traded at RM1,485 per m³.

Plywood

Plywood exports in October 2013 were at 23,247 m³ and valued at RM37.55 million. Cumulative exports for the period January to October showed an increase of 6.1% and 3.4% in value to 168,735 m³ valued at RM233.9 million respectively from the previous corresponding period.

Total exports to EU increased by 50.5% to 15,773 m³. Similarly shipments to Germany, Ireland, Netherlands and UK increased 150%, 1,195.3%, 49.7% and 38.8% to 95 m³, 557 m³, 1,976 m³ and 11,806 m³ respectively due to the active construction activities, whereas, Belgium resumed its intake in October 2013. However, France and Italy did not make any purchase in October 2013, whilst, Denmark reduced its intake 25.2% to 383 m³.

Exports to ASEAN region decreased as Singapore and Thailand intake of plywood decreased by 4.1% and 16.5% to 2,342 m³ and 768 m³ respectively, whereas, Indonesia and Brunei did not make any purchases in October 2013. On the other hand, in East Asia, exports to China, Japan and Taiwan increased by 10.3%, 11,212.5% and 105.3% to 43 m³, 905 m³ and 156 m³ respectively. However, Hong Kong reduced its intake by 66.3% whilst South Korea did not make any purchase in October 2013.

Total exports to West Asia decreased by 62.7% to 408 m³ from 1,094 m³ in the previous month. Similarly export to Kuwait decreased by 62.9% to 215 m³ whilst Saudi Arabia, UAE, Qatar and Yemen did not make any purchase in October 2013. However, Bahrain resumed its intake in October 2013.

Elsewhere, exports of plywood to South Africa decreased by 41.3% to 243 m³, whereas, Algeria, Tanzania, Puerto Rico, Netherlands Antilles and Norway did not make any purchases in October 2013. On the other hand, exports to Australia and New Zealand increased by 16.6% and 7.1% to 1,326 m³ and 60 m³ respectively. However, the US and Turkey resumed its intake in October 2013.

The FOB price of plywood decreased to RM1,615 per m³ from RM1,670 per m³ in the previous month, a decrease of 3.3% from the previous month.

Veneer

Total exports of veneer for October 2013 showed an increased of 103.9% in volume and 113.3% in value to 367 m³ at RM0.96 million compared to the previous month respectively. However, the cumulative exports from January to October decreased by 29.4% in volume and 13.8% in value to 3,282 m³ valued at RM7.56 million respectively from the corresponding period last year.

Exports to Canada increased by 25% to 35 m³. However, China, Taiwan, UK, Australia, Sri Lanka, Singapore, and Indonesia did not purchase any veneer in October 2013.

The FOB price of veneer increased to RM2,629 per m³ from RM2,513 per m³ in the previous month, an increase of 4.6% from the previous month.

Medium Density Fibreboard (MDF)

Peninsular Malaysia's exports of MDF for October 2013 showed a decrease of 4% in volume and 2% in value from the previous month. Export totalled 78,071 m³ at RM67.6 million.

Exports to East Asia recorded a positive growth with an increase of 66185% in volume to 3,157 m³ from 1,109 m³ in the previous month. All destinations exported to East Asia showed a positive growth. Export to China (including Hong Kong) increased thirty-fold to 1,241 m³. Meanwhile, export to Taiwan and Japan increased 355% to 651 m³ and 16% to 1,080 m³ respectively.

Cont. next page

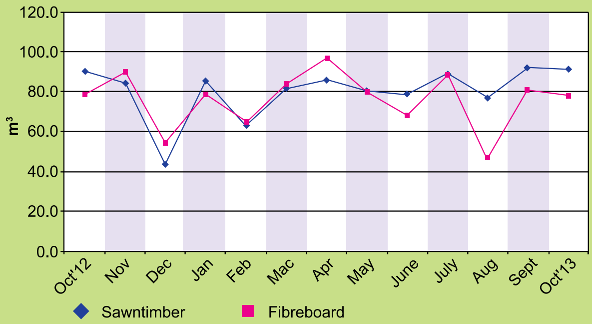
Cont. from previous page

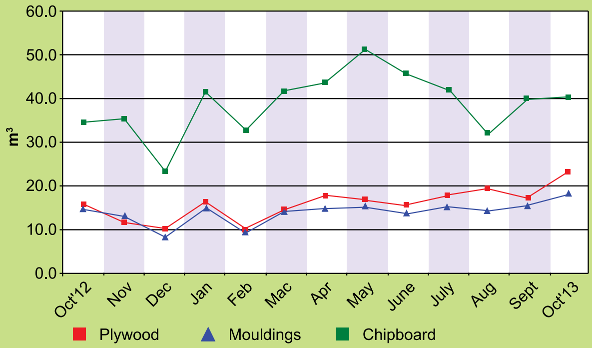
Meanwhile, exports to West Asia in October 2013 recorded a negative growth with a decrease of 11% in volume to 42,217 m³ from 47,288 m³ in the previous month. Export to Syria recorded significant increased by 488% to 7,573 m³, followed by export to Jordan recorded a positive growth of 20% to 556 m³ and UAE increased at 6% to 11,009 m³. However, export to Oman, Iran, Kuwait, Saudi Arabia, Lebanon and Bahrain all showed a negative drop by 2.5% to 3,295 m³, 30% to 9,735 m³, 31% to 4,493 m³, 34% to 4,079 m³, 68% to 562 m³ and 74% to 170 m³ respectively.

Exports to UK, Australia and US showed a marginal increased by 99% to 598 m³, 29% to 2,245 m³ and 25% to 1,660 m³ respectively. However, export to South Africa decreased by 74% to 298 m³.

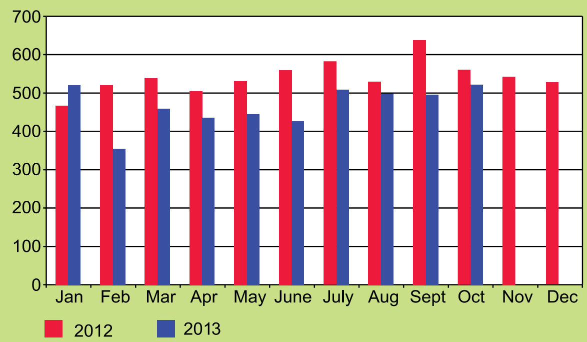
In ASEAN, total export to ASEAN region for this month decreased by 2% to 17,697 m³ from 18,088 m³ in the previous month. Exports to Indonesia, and Singapore registered positive growth by 61% to 6,631 m³ and 0.9% to 349 m³ respectively. However, export to Viet Nam and Philippines drop by 19% to 10,200 m³ and 54% to 496 m³ respectively.

Export of Selected Products from Peninsular Malaysia
(October 2012 - October 2013) / Volume ('000 m³)





Malaysia: Export of Wooden Furniture
(January 2012 - October 2013) / Value (RM Million)



OCTOBER 2013

TIMBER ROUND-UP

Mouldings

Exports of mouldings for the month increased by 16.5% in volume and 14.4% in value to 18,103 m³ and RM51.67 million respectively. However, the cumulative exports from January to October decreased by 11.1% in volume and 9.8% in value over the previous corresponding period to 145,209 m³ with a value of RM417.67 million.

Exports to the EU for the month recorded at 7,811 m³, an increase of 13.8% compared to the previous month, similarly, shipments to Germany, Netherlands and UK increased by 28.6%, 13.4% and 36.5% to 1,323 m³, 3,873 m³ and 737 m³ respectively. Whereas export to Belgium reduced by 11.3% to 493 m³ and whilst Italy did not make any purchase in October 2013.

Exports to the ASEAN region increased as Singapore intake of mouldings increased by 14.6% to 1,299 m³ whilst Indonesia resumed its import in October 2013. However, Viet Nam reduced its intake by 42.5% to 42 m³.

On the other hand, exports to South Korea, Taiwan, Hong Kong and China showed and increment by 21.7%, 81.1%, 128.6% and 82.9% to 880 m³, 67 m³, 80 m³ and 836 m³ respectively. Meanwhile, exports to Japan decreased by 1.1% to 1,818 m³ in October 2013.

Elsewhere, export to Australia and US increased by 14% and 12.8% to 2,636 m³ and 1,529 m³ respectively. On the other hand, Canada also increased its intake by 10.2% to 54 m³ in October 2013.

FOB unit value decreased 1.8% from RM2,907 per m³ in the previous month to per RM2,854 m³ in October 2013.

Builders Joinery and Carpentry (BJC)

Total BJC cumulative exports from January to October 2013 declined slightly 5.3% to RM777.79 million as compared to RM521.17 million in 2012. Similarly, demand from the France, Belgium, Italy, Denmark, Netherlands, Norway, Germany, Sweden and Turkey decreased by 6.7%, 9.4%, 69.9%, 6.2%, 75.7%, 23.9%, 9.4%, 16.8% and 84.5% to RM30.37 million, RM37.31 million, RM4.1 million, RM21.24 million, RM0.75 million, RM4.28 million, RM12.93 million, RM11.36 million and RM1.23 million respectively. The decreases are still due to the Euro zone prolong economic crisis even though there are signs of recovery. However, exports to UK increased by 18.9% to RM97.62 million an over the previous corresponding period.

In Asia, exports to Iran, Singapore, Thailand and Viet Nam grew 116%, 1.1%, 0.3% and 37.7% valued at RM2 million, RM93.19 million, RM26.02 million and RM21.04 million respectively. However, exports to Japan, India, UAE, Pakistan, South Korea and Taiwan decreased by 12%, 6.1%, 51.4%, 18.3%, 47.6% and 0.2% to RM78.84 million, RM47.39 million, RM10.29 million, RM18.05 million, RM2.82 million and RM12.02 million respectively.

Exports to the Australia increased 1.3% to RM97.79 million. However, purchases by the US, Maldives and South Africa decreased by 21.2%, 30.8% and 14.7% to RM45.64 million, RM6.86 million and RM12.18 million respectively.

Cont. on page 11

OCTOBER 2013

Logs

Logging activities hovered at last month's level due to rainy season and is expected to continue until the end of the year. Hence, trading activities were stable throughout the month with prices of some species starting to pick up in the market.

Log price for the species of Chengal stood firm at RM6,800 per tonne. Meanwhile, prices of Balau and Merbau logs increased by 4% and 16% to RM2,466 per tonne and RM2,320 per tonne respectively. Simalarly, prices for the species of Kempas and Kapur rose by 3% and 1% to RM1,313 per tonne and RM1,250 per tonne respectively. However, price for Mengkulang declined by 5% to RM1,073 per tonne. On the other hand, Dark Red Meranti was quoted at RM1,352 per tonne, slightly decreased by 0.4% over last month's level while Red Meranti chalked up by 2% to be quoted at RM1,318 per tonne. Likewise, prices of Mersawa and Jelutong increased by 7% and 14% to RM1,327 per tonne and RM1,173 per tonne respectively. The average prices of Mixed Heavy Hardwood remained at RM970 per tonne, whilst the price of Mixed Light Hardwood was reduced by 9% to RM600 per tonne.

Sawntimber

Sluggish economic situation in the Euro zone and slower demand caused weak export performance for the month. Other issues like the shortage of labours has impacted the timber industry.

This month, prices for the species of Chengal ,Balau and Red Balau declined by 1%,13%, and 14% to be recorded at RM6,638 per m^3, RM3,178 per m^3 and RM2,560 per m^3 respectively. Merbau price, however, increased by 3% to RM3,708 per m^3. Prices for the species of Keruing also decreased by 17% over the previous month to RM1,356 per m^3. Meanwhile, prices of Kapur and Tualang rose by 4% and 17% to RM1,977 per m^3 and RM2,366 per m^3 respectively. The prices of Red Meranti and Yellow Meranti prices were also dropped by 8% and 3% to RM1,614 per m^3 and RM1,370 per m^3 respectively. Prices of Nyatoh and Sepetir, however, remained at RM1,010 per m^3 and RM1,130 per m^3 respectively. Sawntimber prices of Mixed Heavy Hardwood stood firm at RM989 per m^3 while price for Mixed Light Hardwood rose 1% to RM766 per m^3 compared to the previous month.

Plywood

Prices of plywood remained unchanged for now as log prices remained stable. The supply of plywood to the domestic market was reported to be sufficient. Thus, plywood prices of 4mm, 6mm, 9mm and 12mm of thicknesses continued to be traded at RM14.50, RM22.00, RM33.50 and RM43.00 per piece respectively.

Medium Density Fibreboard (MDF)

The supply of MDF was reported to be sufficient to cater to the demand of the local market. However, 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 * – October 2013

Shipments of sawntimber from Sabah to Peninsular Malaysia in October 2013, charted a significant increase of 59% in volume to 1,274 m^3, valued at RM1.7 million. Shipments of plywood recorded at 37% higher in volume from 8,433 m^3 to 11,548 m^3 valued at RM17.4 million.

In Sarawak, exports of sawntimber to Peninsular Malaysia decreased significantly by double digits or 57% in volume and 50% in value to 849 m^3 valued at RM0.78 million. Similarly, exports of veneer dropped by 14% to 4,873 m^3 valued at RM4.9 million. Shipments of plywood, however, rose by 25% both in volume and value to 14,446 m^3 worth at RM17.8 million.

No intra trade activities from Peninsular Malaysia to Sabah and Sarawak was recorded in October 2013.

** Source: Department of Statistics, Malaysia*

INTRA-MALAYSIA TRADE – OCTOBER 2013

From	Products	SEPTEMBER 2013		OCTOBER 2013		% Change in Volume Oct 2013/Sept 2013	% Change in Value Oct 2013/Sept 2013
		Volume (m^3)	Value (RM '000)	Volume (m^3)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	800	1,020	1,274	1,682	59	65
	Plywood	8,433	13,568	11,548	17,365	37	28
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	127	52	0	0	-100	-100
	Sawntimber	1,985	1,567	849	780	-57	-50
	Plywood	11,527	14,243	14,446	17,758	25	25
	Veneer	5,687	5,842	4,873	4,851	-14	-17

Source : Department of Statistics, Malaysia

Cont. next page

Cont. from previous page

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

SPECIES	LOGS/tonne	SAWNTIMBER/m³		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	6,800	6,638	2,472	8,828
Balau	2,466	3,178	2,041	2,966
Red Balau	2,200	2,560	1,977	3,178
Merbau	2,320	3,708	2,436	2,931
Mixed Heavy Hardwood	970	989	1,095	918
MEDIUM HARDWOOD				
Keruing	1,010	1,356	1,017	1,448
Kempas	1,313	2,436	1,730	1,876
Kapur	1,250	1,977	900	1,695
Mengkulang	1,073	1,419	946	1,554
Tualang	1,363	2,366	1,995	2,225
LIGHT HARDWOOD				
Dark Red Meranti	1,352	2,055	1,250	2,055
Red Meranti	1,318	1,614	1,081	2,150
Yellow Meranti	1,000	1,370	1,095	1,713
White Meranti	1,003	1,448	565	1,695
Mersawa	1,327	3,058	2,119	2,648
Nyatoh	1,200	1,010	734	1,201
Sepetir	850	1,130	918	1,095
Jelutong	1,173	1,370	1,179	1,554
Mixed Light Hardwood	600	766	734	657

MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	LOGS/tonne	SAWNTIMBER/m³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	160	850	1,116	1,172	1,236

PLYWOOD 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	14.50	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

Cont. from page 9

TIMBER ROUND-UP

Furniture

Exports of wooden and rattan furniture for the period under review in 2013 decreased 14.1% compared to the corresponding period of 2012. Total shipments recorded RM4.70 billion against RM5.57 billion in 2012.

Purchase of wooden furniture from Malaysia for the January to October 2013 duration decreased 14.2% from RM5.45 billion to RM4.68 billion compared to the same period in 2012.

Furniture import from Malaysia recorded a decrease from major countries. This is mainly due to major advanced economies are constrained by their slow pace of recovery and many emerging markets have also experienced some growth slowdown.

Imports of wooden furniture by the US, which is Malaysia's top import partner, decreased 10.6% from RM1.63 billion to RM1.46 billion million. Japan reduced its consumption by 21.3% from RM581.0 million to RM457.6 million.

Intake by Australia reduced by 2.4% from RM355.8 million in 2012 to RM347.3 million in the first 10 months of 2013. Singapore's purchase of wooden furniture dropped 13.5% to RM218.4 million.

The UK imports saw a decrease of 30.7% from RM311.3 million to RM215.8 million as it still reeling in the effects of the economic recession. Canada's reduces its intake of wooden furniture by 26.4% to reach RM175.6 million.

UAE slightly increased its intake of wooden furniture by 0.1% to RM169.2 million. Saudi Arabia slightly decreased its wooden furniture intake by 0.9% to reach RM101.6 million. India's intake also decreased by 29.6% to RM 90.5 million.

South Korea increased by 51.1% to RM79.4 million. Russia reduced its consumption by 36.2% from RM98.2 million to RM62.7 million. Germany reduced its wooden furniture consumption by 33.7% with a purchase of RM73.1 million in for the first 10 months of 2013 from RM110.3 million in 2012.

Rattan furniture shipments increased by 25.6% to RM21.6 million for the January to October of 2013 period compared to RM17.2 million in 2012.

The US is the top importer of rattan furniture with a huge increase of 73.5% to RM4.9 million compared to RM2.8 million during the same period in 2012. Singapore is the second highest buyer with an increase intake of 34.0% to RM4.7 million compared to RM3.5 million in the same period. China came in third with a slight increased of consumption of 4.2% to RM1.4 million.

HEART OF BORNEO'S CONFERENCE ON SUSTAINABLE GROWTH IN SABAH

Sabah Forestry Department

A panel session in progress.

The Heart of Borneo (HOB) initiative is a voluntary, trans-boundary cooperation among the three Borneo nations namely Malaysia, Indonesia and Brunei Darussalam. The three countries have committed to building a partnership to secure the future of inland areas of the HOB initiative. The general objective of the initiative is to carry out collaboration programmes on conservation and sustainable development through the implementation of effective management and conservation of a network of protected areas, sustainable management of production forests and implementation of other sustainable land-uses. This initiative is to conserve and efficiently manage the rich biodiversity within the approximate 220,000 square kilometres of ecologically inter-connected rainforests in the provinces of Kalimantan (Indonesia), the states of Sabah and Sarawak (Malaysia) and Brunei Darussalam.

An international conference was held on 11–12 November in Kota Kinabalu, with the titled "Heart of Borneo's Natural Capital Unleashing their Potential for Sustainable Growth in Sabah", focused on the HOB's natural capital and the efforts to further unleash their potential, as well as promoting economic activities that can be sustainably generated from natural capital. The two-day conference was divided into three sessions namely Forever Sabah Solutions, The Revised Sabah HOB Strategic Plan of Action, and Research & Development in HOB Sabah.

At the launching of the conference, YAB Datuk Seri Musa Haji Aman, Chief Minister of Sabah said, it is important to utilise natural and social capital for economic development in an innovative way to generate new physical and financial capital. He noted that the State Government will continue to support this initiative for the betterment of Sabah. He added that the participation of a wide range of stakeholders in the initiative signifies the recognition of the State Government in adopting an open and wide partnership programme as part of its effort to institutionalise the conservation and management of the forests.

The keynote address on Sabah and the Biosphere Economy: Re-shaping Markets for the Protection and Enhancement of Biodiversity and Ecosystem Services was presented by Mr. Geoffrey Brian Lye, Director & Past Chairman of Sustainability, a leading independent think tank and strategy consultancy specialising in business risks and market opportunities of corporate responsibility and sustainable development.

FOREVER SABAH SOLUTIONS

Forever Sabah is a programme to support Sabah's transition to a diversified, equitable and green economy. Projects implemented in this area stress more on protection and sustainability. First wave projects have successfully protected close to 20% of Total Protected Areas. For the protection or conservation of water resources, several Water Conservation Areas within the Heart of Borneo are being developed. Other projects undertaken included sustainable farming methods, waste management and recycling, development of ecotourism and establishment of sustainability institute.

THE REVISED SABAH HOB STRATEGIC PLAN OF ACTION

The success stories of Sabah HOB Strategic Plan of Action should be continued with more concern on challenges and opportunities to be encounter ahead. Speakers suggested that this initiative be expanded to cover as big as possible of Borneo. Experiences and success stories from other parts of the world can be a lesson to further develop this are of initiative.

Papers presented in this session were as follows:

- Borneo Future Initiative: Linking Research, Policies and Cross Border Collaboration to Shape Borneo's Development – Dr. Erik Meijaard, Indonesia.
- REDD+ for the Heart of Borneo: Challenges and Opportunities – Mr. Fitrian Ardiyansyah, Indonesia.
- Understanding Where to Invest Conservation Efforts: Spatial Planning for Conservation Effectiveness and Sustainable Development in Sabah – Ms. Nicola Abram, United Kingdom.
- A Role for NGOs in Helping the Governments to Deliver the HOB Vision – Dr. Thomas Maddox, Indonesia.
- Sabah, Borneo and the Wildlife Trade: Finding Regional Solutions to a Common Problem – Ms. Claire Beastall, Malaysia.
- UAV Technology for Biodiversity Resesarch and Conservation – Prof. Dr. Koh Lian Pin, Switzerland

RESEARCH AND DEVELOPMENT IN HOB SABAH

Papers presented in this session were as follows:

- The Role of Research in Underpinning Sustainable Protected Area Management and Development of Eco-Tourism Activities – Dr. Waidi Sinun, Malaysia.
- Inventory of Biodiversity in the Heart of Borneo (HOB), Sabah – Dr. Joan Pereira, Malaysia.
- Dipterocarp Endemism within the Heart of Borneo Area – Dr. Collin Maycock, Malaysia.
- Scientific Research, Ecotourism and Protected Area Management: Sabah Park Experience within the Heart of Borneo – Dr. Jamili Nais, Malaysia.

The conference closed with a presentation on "Communicating Value in the Heart of Borneo" by Mr. Andrew Escott, United Kingdom. The presentation focused on how to establish the value proposition for the Heart of Borneo and use this to effectively brand, market and communicate.

The conference showcased and successfully organised various activities as well as an exhibition. Experts from around the world shared their experiences in enhancing efforts to unleash the natural capital's potential for sustainable growth. The conference was an ideal platform for discussion among the experts, relevant stakeholders as well as the general public in exploring the way forward in the implementation of HOB in Sabah.

Sabah Forestry Department

Conference participants.

The conference was attended by more than 1,000 participants which included 750 official participants from the three nations and observers. Also present was Landscape Malaysia Chairperson Tun Jeanne Abdullah, the wife of Tun Abdullah Ahmad Badawi, former Prime Minister of Malaysia. MTIB was represented by Encik Mohd Kheiruddin Mohd Rani, Director of Trade Development; Encik Mazree Iman, Head of MTIB Sabah and Puan Sunita Muhamad, Assistant Director of Licensing and Enforcement.

MTIB RECOGNISED BY *TOP 10 OF MALAYSIA*

Dr. Jalaluddin Harun, MTIB Director-General holding a certificate in which MTIB was recognised as one of the top Government agencies in Malaysia.

The Top 10 of Malaysia is an English language magazine owned and published by RHA Media Sdn. Bhd. The magazine is all about celebrating stories of successful businesses and people, and inspiring lifestyle across the entire fabric of Asian and Malaysian lives.

The magazine brings to its readers the vibrant faces and stories of success from all walks of Asian life, showcasing the crème de la crème of Asian companies and captains of industries, and of personalities and lifestyle through surveys, researches, interviews, and collaboration with local and international media powerhouses.

The Top Asia Corporate Ball 2013 which was held on 15 November in Kuala Lumpur played host to some 1,000 distinguished CEOs, business owners and personalities from across Malaysia and Asia.

The Corporate Ball was supported by the Ministry of International Trade and Industry as well as the Ministry of Tourism Malaysia. The event was held to provide a platform for business networking opportunities, create substantial and significant potential benefits for Malaysia's investment sector and tourism business. Personalities featured in *Top 10 of Malaysia* and *Top 10 of Asia* magazines, from various industries from all over Asia and Malaysia, were invited to this event.

At the prestigious event, MTIB was recognised as one of the top Government agencies in Malaysia, as featured in the *Top 10* publication. The award was presented to Dr. Jalaluddin Harun, Director-General of MTIB.

Dr. Jalaluddin Harun (fifth from left) posing with other MTIB officials at the event.

TIMBER LECTURE: IMPACT OF BUILDING AND CONSTRUCTION MATERIALS ON INDOOR AIR QUALITY

Prof. Dr. Tunga Salthammer, Acting Director of Fraunhofer Institute of Wood Research delivering his talk.

Environmental and consumer protection are receiving substantial attention in public discussions. This is exemplified by increasingly stricter environmental safety requirements for consumer products. Aware of the importance of this issue, MTIB invited Prof. Dr. Tunga Salthammer, Acting Director of Fraunhofer Institute of Wood Research (WKI), to highlight and elaborate the impact of building and construction materials on indoor air quality. The timber lecture was held on 25 November at MTIB, Kuala Lumpur. There were 40 participants which comprised MTIB, manufacturer, contractor, architect, consultant, researchers from Polytechnic Shah Alam , Universiti Putra Malaysia and Forest Research Institute Malaysia.

Prof Dr. Salthammer talked about the variety of chemical substances present in modern building products, household products, furnishings up to electronic, automotive and aircraft industry provides potential for chemical reactions in the material, on the material surface and in the gas phase. Such “indoor chemistry” is known as one of the main reasons for primary and secondary emissions. The conditions of the production often cause unwanted side reactions and a number of new compounds can be found in finished products. Thousands of volatile organic compounds including formaldehyde will be emitted into the air. Concentrations of the most volatile organic compounds are higher in indoor air than outdoor air.

Prof Dr. Salthammer stated that reliable, relevant emissions test data should be carried out primarily to improve indoor air quality by reducing potentially harmful sources, thereby protecting occupant health and reducing odour and irritation effects and also to assist in design and purchasing decisions. Emissions testing and the purpose of the test should determine the nature or characteristics of the specimens tested, the test systems, and the analysis and use of resulting data.

Dr. Jalaluddin Harun, MTIB Director-General (left) handing over a token of appreciation to Prof. Dr. Tunga Salthammer.

Some of the participants during the programme.

NEW GUIDELINES ON SFM FURTHER DISCUSSED AT ITTC MEETING

Part of attendees at the meeting.

The 49th International Tropical Timber Council (ITTC) meeting was held on 25-30 November in Libreville, Gabon, its first meeting outside the headquarters since the new international treaty to govern its work came into force in December 2011. The session was officially opened by His Excellency, Mr. Raymond Ndong Sima, Prime Minister and Head of State of the Government of Gabon, who in his opening speech stated that the vision of the Gabonese Government for the year 2025 is to become a world leader in certified tropical timber.

In the opening remarks, Mr. Josue Trinidad Suazo Bulnes, the Chair of the Council highlighted the ratification of the ITTA, 2006 by Colombia and Brazil, as well as the accession of Costa Rica as a new member, thus increasing the membership of ITTO to 67.

The Malaysian delegates participated actively and intervened in the discussion, particularly in the decisions related to the following key issues, ITTO Voluntary Guidelines for the Sustainable Management of Natural Tropical Forest, Analysis of the Economic Impact of Governmental Procurement Policies on Tropical Timber Market, Mobilising New Funding and Partnerships for ITTO and its Objectives, and Annual Market Discussion.

Regarding "ITTO Voluntary Guidelines for the Sustainable Management of Natural Tropical Forest", Malaysia had sent very detailed comments on the original draft, raising serious objections especially on the inclusion related to climate change. The revised guidelines are found to be very stringent, beyond the requirements on certification for sustainability or verification for legality.

The Council decided prior to adopting the new guidelines to invite members to submit comments by 30 April 2014, after which the draft would be revised taking into account comments received from members. The new revised guidelines would then be adopted through an electronic non-objection procedure by July 2014.

With regards to "Analysis of the Economic Impact of Governmental Procurement Policies on Tropical Timber Market", Malaysia made an intervention and raised certain inconsistencies in the report and also suggested that a workshop to be convened to fully discuss the findings and the recommendations to the report. However, consumers strongly opposed the need for a workshop and the committee decided that the consultants would make the necessary amendments and the revised report would be further discussed at the next ITTC.

The Annual Market Discussion was held in the Joint Session of all Committees with the theme 'Trade Approaches to Meeting Market Demand for Legality'. The discussion emphasised the need for concerted efforts on the creation of a better awareness and understanding on tropical timber and the efforts by producer countries in implementing SFM. The Theme for Annual Market Discussion for 2014 is 'Domestic and Emerging International Market – A Changing Market Landscape'.

In addition, Malaysia offered to host the 51st Session of the Council tentatively set for 23-28 November 2015 in Malaysia, subject to confirmation by the first quarter of 2014. Also, on the proposal by Switzerland, the Council decided to elect Dato' Dr. Freezailah Che Yeom from Malaysia to be the Vice Chairman of the Council for 2014 and if tradition is followed, he will be the Chairman of the Council in 2015 when the meeting is held in Kuala Lumpur.

A total of nine official delegates represented Malaysia in the session, led by Dato' Kamaruzaman Husain, Undersecretary of Timber, Kenaf and Tobacco Division, Ministry of Plantation Industries and Commodities. MTIB was represented by Encik Mohd Kheiruddin Mohd Rani, Director of Trade Development.

The upcoming 50th Session of the ITTC will be held at its headquarters in Yokohama, Japan from 3-8 November 2014.

CONFERENCE ON FORESTRY AND FOREST PRODUCT RESEARCH 2013

Dato' Sheikh Othman bin Sheikh Abdul Rahman, Chairman of MPMA presenting his paper on the wood-based industry.

The Conference on Forestry and Forest Product Research (CFFPR) 2013, was held on 11-12 November in Kuala Lumpur. The event, co-organised by Forest Research Institute Malaysia (FRIM) and Forestry Department Peninsular Malaysia (FDPM) was officiated by YB Datuk Seri G. Palanivel, Minister of Natural Resource and Environment.

The conference themed; "Forestry R, D&C : Meeting National and Global Needs" aimed to provide an opportunity for stakeholders to share their outcomes and experiences in research, development and commercialisation of forestry and forest products. The two-day conference covered various forestry issues such as biodiversity conservation, climate change, sustainable forest management, forest plantation development, biotechnology applications, product development and products of natural forest.

Dato' Dr. Abdul Rahman Abdul Rahim, Director-General of FDPM delivered the keynote address entitled; "The Future of Forest Management in Malaysia: Meeting National and Global Needs", followed by presentations of 59 papers over the two-day conference. The paper presentations were made in three parallel sessions under "Forest and Environment", "Wood and Non-wood Resources for Future Wood-based Industry", and "Biotechnology and Natural Products" respectively.

In conjunction with the conference, the Minister also launched one of FRIMS's latest publications entitled: *"FRIM Warisan Kebangsaan"*. This 342-page book reflects FRIM's contribution to the documentation of the country's national heritage. The book would serve as a reference for those interested to learn more about FRIM and its efforts towards achieving the recognition as a national heritage. FRIM's land area covers 544.3 hectares in Kepong and is the only research institute in the world given the recognition as a national heritage site, having been given the award in 2012. The conference attracted 350 participants comprising researchers, academicians and representatives from forestry related industries.

MTIB was represented by Tuan Haji Mahpar Atan, Encik Mohd Zamakhsyary Mustapa and Cik Zamzarina Ahmad.

Participants at the conference.

MALAYSIA AND AUSTRALIA STRENGTHEN FORESTRY AND TIMBER COOPERATION

Malaysian and Australian delegates of the Forestry and Timber Sub-Working Group.

The 8th Malaysia-Australia Agricultural Cooperation Working Group (MAACWG) Meeting was held on 11-12 November in Canberra, Australia. The Meeting which was co-chaired by Dato' Raihan Sharif, Deputy Secretary-General (Planning), Ministry of Agriculture and Agro-Based Industry, Malaysia and Ms. Jo Evans, First Assistant Secretary, Trade and Market Access Division for Department of Agriculture (DoA), Australia, was attended by delegates comprising government officials from both countries. The meeting aimed at strengthening and further developing cooperation in the agricultural, livestock, fisheries, forestry and timber industries between the two countries. Discussions centered on issues of common interest to both parties, pertaining to the sectors mentioned.

In her opening speech, Ms. Evans welcomed the delegates from Malaysia to the Meeting. She noted that the agricultural sector is currently Australia's fifth economic engine. She emphasised that there remains commitment to the strong trade partnership in agricultural products and pledged to working closely with both countries to resolve trade and policy issues. She added that since the Australian Federal election last September, Australia has a new Minister for Agriculture, Mr. Barnaby Joyce. DoA also has a new Secretary, Dr. Paul Grimes, and has shortened its name from the Department of Agriculture, Fisheries and Forestry (DAFF) to DoA.

The MACCWG meeting in session.

Dato' Raihan thanked the Australian DoA for hosting the Eighth MAACWG Meeting and also noted the completion of a number of cooperation projects with Australia since the Seventh MAACWG in Langkawi last year.

This MAACWG Plenary Meeting was preceded by several working group meetings namely Livestock, Crops, Fisheries, Timber and Forestry which were conducted earlier in the day. The Meeting of the Forestry and Timber Sub-Working Group (SWG) was attended by 13 delegates. The meeting was co-chaired by Encik M. Nagarajan, Deputy Secretary-General (Commodity), Ministry of Plantation Industries and Commodities (MPIC), Malaysia and Mr. Paul McNamara, Assistant Secretary, Forestry, Agricultural Adaption and Forestry Division, DoA.

The SWG discussions centered on issues of common interest related to both countries' status and development of the timber and timber product industry. Australia's new regulations prohibiting the importation of illegally logged timber and current developments pertaining to the Country Specific Guidelines (CSG) and areas of possible collaboration with Australia in various areas were among the main points discussed.

At the meeting, both sides provided updates on their countries' forestry and timber sectors development and each noted the importance of the sectors to their countries. Both sides have also agreed on the importance of ongoing trade and cooperation and the desire for continued free flow of trade and expanding market access.

Malaysia expressed its concern regarding the implementation of a number of regulations to ensure legality such as the EU FLEGT VPA and the US Lacey Act. Both sides agreed on the importance of the preparation of the Country Specific Guideline (CSG), developed to assist Australian importers in meeting the requirements of Australia's Illegal Logging Prohibition Act 2012 and its regulations as detailed in the Illegal

Cont. next page

Cont. from previous page

Logging Prohibition Amendment Regulation 2013. Malaysia noted that the development of the CSG was an ongoing process pending agreement by both sides.

Malaysia made a presentation on Country Specific Guideline for Malaysia (MCSG) such as its development process, framework and its contents to the Australian government. The MCSG was drafted based on a template provided by DoA. The input on MCSG was collated based on discussions with related government ministries, agencies, councils and timber trade associations. MCSG was earlier subjected to stakeholder consultations in August and October. It was also determined that the national level focal points for Malaysia and Australia were MPIC and DoA respectively.

Cross Laminated Timber

As an outcome, Australia was appreciative of the MCSG and in principle agreed to its framework and content. Australia also commended on the fact that Malaysia was the first country to present its CSG. Australia made some minor observations which will be incorporated in the revised MCSG text.

In addition, both sides agreed that the MCSG would be reviewed if necessary at future MAACWG meetings of the forestry and timber sub-working group with any changes agreed by both parties before a revised MCSG is issued. Malaysia also welcomed Australia's assistance in disseminating information on MCSG during three future sessions in Malaysia: Peninsular Malaysia (20 January 2014), Sarawak (22 January 2014) and Sabah (24 January 2014).

Forte Apartrment, claimed as the tallest timber apartment building in the world.

It was decided at the Plenary Meeting that the upcoming MAACWG meeting is to be hosted by MPIC in Kuala Lumpur, Malaysia next year to coincide with the Eighth Malaysia Agriculture, Horticulture and Agro-tourism International Show (MAHA) 2014.

The delegates for the Forestry and Timber SWG also visited Forte Apartment at Bourke Street in Victoria Harbour in Melbourne, which is the tallest timber apartment in the world. It towers over 10 storeys at 32.17 metres tall. It is built by using cross laminated timber (CLT) technology, therefore reducing carbon dioxide equivalent emissions by more than 1,400 tonnes when compared to concrete and steel. Delegates then visited a library nearby which was still under construction. The building was also built by using CLT technology.

MTIB was represented at the MAACWG meeting by Encik S. Rajan, Director of Licensing and Enforcement and Cik Hjh. Robiyah Hj. Husin, Senior Deputy Director of Trade Development.

A library under construction built using CLT.

REGIONAL WORKSHOP ON CAPACITY BUILDING NEEDS TO SUPPORT FLEGT IN ASIA

Malaysian delegation posing with Indonesian and EFI's representatives.

In 2003, the European Union (EU) adopted its Action Plan on Forest Law Enforcement, Governance and Trade (FLEGT) with the aim of halting illegal logging and promoting better governance. As the initiatives of FLEGT Voluntary Partnership Agreement (FLEGT VPA) by the EU Government were activated in 2003, there are now needs to assist partner countries in the negotiations. Five countries in Asia have initiated actions to develop a VPA namely: Indonesia, Malaysia, Viet Nam, the Lao PDR and most recently Thailand. Moreover, the EU Timber Regulation (EUTR) became applicable in March 2013. This prohibits the placing of illegal timber and timber products on the EU market. The United States and Australia have both adopted similar legislation, completing demand side incentives to enhance efforts to address illegal logging in supplier and processing countries. Meanwhile China, Japan and South Korea are initiating the further development of policy instruments, including legal procedures, to curb trade in illegal timber and timber products.

A number of support programmes for regional and country level action to address illegal logging have been placed to facilitate the implementation of these new trade related legal instruments. One of them was the Regional Workshop on Capacity Building Needs to support FLEGT in Asia which was held on 16-17 October in Bangkok, Thailand.

The two-day workshop was hosted by Thai Royal Forest Department, with funding support from EFI EU FLEGT Facility, FAO, EU Commission through EU-Thematic Programme for Environment and Sustainable Management of Natural Resources, UK Forest Government, Markets and Climate Change (FMGC) Programme, ITTO's Thematic Programme on Tropical Forest Law Enforcement, Governance and Trade (TFLET), GIZ Forest Governance Programme, the Responsible Asia Forestry and Trade (RAFT) and the Asia-Pacific Network for Sustainable Forest Management and Rehabilitation (APFNet) funded through the Chinese, Australian and US Governments.

These organisations successfully gathered representatives from VPA partner countries to learn about the available support programmes and identify key regional support priorities in respective countries. The other objective stated was to support FLEGT processes; there were emphasis on stakeholder engagements and business areas especially SMEs as the organisers understood the needs for businesses to meet the existing and emerging international market requirements for timber and timber products. The workshop also acknowledged the support structures for TLAS development and implementation, including the legality of imports from third countries.

Director-General of Thai Royal Forest Department in his welcoming remarks said that the Thai Government was in the early negotiation phase in FLEGT VPA. The Government also acknowledged the importance of the EU market and by joining the negotiation, will then gain advantage by their presence in the market. Meanwhile Mr. Stefan Schleuning, Head of Development Cooperation from the EU Delegation to Kingdom of Thailand stressed that illegal logging activities was a loss to the nation's income and because of that the EU had come out with the FLEGT Action Plan, the latest of which was the EUTR. The EU was also requesting timber market players to implement risk management procedures and therefore ensure trade of timber with legal origins. This was among the reasons the EUTR was being enforced to timber produced outside and within the EU region.

The conference was continued with the presentation of objectives and agenda by Mr. Patrick Durst from the FAO Regional Office for Asia and the Pacific. The workshop started with presentations on existing and emerging international market requirements for timber and timber products by representatives from Australia, China, European Union, Japan, South Korea and United States. Presentations of information included Australia's Illegal Logging Prohibition Act 2012 (AILPA), the proposed China Legality Verification Scheme,

Cont. next page

Cont. from previous page

the EUTR, Legality/Sustainability Verified Wood (Goho Wood), Legal Logging in Korea and the Lacey Act respectively.

There were also presentations by different Forest Governance support programmes given by respective organisations to facilitate discussion and negotiation related to FLEGT and legal timber trade. Among others were the support from the EU EFI Facility, EU FAO FLEGT Programme, RAFT, GIZ, APFNet, United Nation Office on Drugs and Crime (UNODC) Programme on Combatting Illegal Logging and other Forest-related Crimes. Some of the technical and funding supports are given through successful project applications by interested parties to the said organisation and a summary of the assistance offered to Malaysia are as below:

No.	Programme	Programme Components	Possible Support (Technical / Funding)
1	EU-FAO FLEGT Programme	- Supporting local stakeholder groups to put EU FLEGT Action plan into practice - Providing Information services	- Direct Assistance (Euro 25,000 – 50,000 grants for one year projects) - Calls for proposals (Euro 50,000 to 100,000 grants for one year projects)
2	EFI's EU FLEGT Facility	Supporting stakeholders, partner country governments and EU institutions	Studies, logistical and technical support, share knowledge, facilitate learning and communicate progress
3	ITTO's Tropical Forest Law Enforcement and Trade (TFLET) Thematic Programme	- Strengthening forest law compliance and governance - Supporting production and marketing of legally produced tropical timber and effective supply chain management - Strengthening capacity or demonstrating timber produced and originated from legal sources contributing to sustainable livelihoods - Improving international cooperation in forest law enforcement and governance	Periodic proposal cycles (calls for proposals posted on the ITTO website)
4	DFID/FGMC Programme	Making use of lessons learnt from working with the timber trade to develop policies and instruments to support legal trade in other commodities for illegal forest practices	Direct financial assistance to government, grants for non-profit organisations, MoU with international organisations and contract for service with prequalified companies in DFID's forestry framework
5	United Nation Office on Drugs and Crime (UNODC)	- Focusing mainly on developing deterrents to illegal practices. - Providing technical assistance to institutions such as Police, Customs and the Attorney Offices to scale-up the capacity to identify, interdict and successfully prosecute cases of illegal logging and illegal timber trade. - Bringing best practices from other crime areas (drugs, human trafficking, terrorism etc) and technical assistance in areas related to anti-corruption and anti-money laundering.	- Reviewing legal framework relevant to forest crimes - Capacity building for frontliner enforcement officers at land-crossing, air and sea ports - Capacity building for investigator and prosecuters on anti-corruption and anti-money laundering technique - Supporting cross-sectorial cooperation among agencies
6	Asia-Pacific Network for Sustainable Forest Management (APFNet)	Promoting and improving forest management and rehabilitation in the Asia-Pacific region through capacity building, information sharing, regional policy dialogues and pilot projects	Funding for thematic training workshops held two or three times every year (annual call) on APFNet websites

There were also active group discussions for civil society, industry and business as well as support groups on TLAS development and implementation including the legality of imports from third countries. About 82 representatives from 18 countries attended the workshop. They included representatives from governments and civil societies; private sector representatives from regional VPA countries (Indonesia, Malaysia, Viet nam and Lao PDR), Philippines, Cambodia, Myanmar, PNG and the Solomon Islands; EU representatives of concerned countries; resource persons from FLEGT support programmes and guest speakers from Australia, China, EU, India, Japan, South Korea and the US.

As a conclusion, the major timber market producers and world major timber and timber products buyers were communicating to the world that they were in support of trade of legal timber, which was shown in their efforts in initiating systems and means to verify legal timber in their market. In order to sustain market share and getting the line of trust from the EU, manufacturers and exporters need to show the possible level of legality being condoned in the supply chain wherever possible. In the long run, these initiatives will bring back the confidence to the timber industry.

THE INSTITUTE OF MALAYSIAN PLANTATION AND COMMODITIES (IMPAC)

Introduction

Ministry Plantation Industries and Commodities (MPIC) are continuously striving to strengthen and transform the industrial progress of the country's commodities industry. This includes training and human capital development as developing and enhancing human capital in the commodity sector is part of the National Commodity Policy 2011-2020. Therefore the formation of the Institute of Malaysian Plantation and Commodities (IMPAC) was imperative. IMPAC was established based on the results of the Post Cabinet Meeting MPIC Bil.1/2010 on 6 January 2010. IMPAC was registered with the Companies Commission of Malaysia on 4 November 2010. Its members comprise six agencies under MPIC namely Malaysian Palm Oil Board (MPOB), Malaysian Rubber Board (LGM), Malaysian Timber Industry Board (MTIB), Malaysian Cocoa Board (LKM), Malaysian Pepper Board (MPB) and National Kenaf and Tobacco Board (LKTN).

IMPAC was established to incorporate and coordinate all courses and training undertaken by all agencies under MPIC under one organisation to produce skilled and semi skilled workers in order to generate human capital development within the commodities industries. It is noted that the commodities industry need a high capacity of manpower to cover various routine jobs from plantation, processing, training to R&D.

In 2012, exports of commodity and commodity products touched at RM127.5 billion; it constituted about 18% of Malaysia's total export of merchandise. As to ensure that production and export value are established in the long run, training and capital development in producing the skill worker is critical. Today the commodities industry relies heavily on the foreign worker especially in the plantation and the upstream process. Therefore the government is targeting a transformation by establishing policies to reduce reliability on foreign workers. IMPAC trainings offer various skills and knowledge as to meet the demand and reach the level of required competency.

IMPAC Vision and Mission

- To become an international training centre and to meet the needs of skilled manpower in plantation and commodities.
- To produce knowledgeable workforce through academic and skills-based training as to meet the needs of the commodities industry.

Main Objectives of the Establishment of IMPAC

- To become the holding training institute to training institutes of agencies under MPIC.
- To offer general and specific courses of a commodity.
- To optimise training under MPIC and its agencies.
- To produce skilled workers in plantations and commodities sector.
- To coordinate and expand coverage of skills training.
- To increase the use of plantation mechanisation.

To strengthen IMPAC activities, strategies were laid down by MPIC. Some of the strategies are as follows:

Teory session under the Furniture Design and Making (FDM) Programme at WISDEC Selangor.

One of the participants under the FDM Programme during a practical session.

Cont. next page

Cont. from previous page

The VIPs posing with MTIB trainees after the fourth convocation ceremony.

- To consolidate and optimise all available resources of the six agencies are involved in the training centre of excellence in the commodities sector.
- To ensure that trainees receive proper training. Therefore, IMPAC has to work very closely with the industry especially in developing curriculum and student placement during practical sessions.
- To ensure that those who are financially borne by IMPAC are quality trainees. The disciplinary aspect must be given priority. The trainees are also given a relatively balanced approach in terms of theoretical and practical applications.
- To be financially independent. IMPAC is seeking training funds by finding sponsors to organise the training. The sponsor will also be the employer of the trainees eventually.

Participants from SMV Batu Pahat, Johor who have successfully completed their training programme in WISDEC on Timber Processing and Finishing Technology.

Since IMPAC's establishment in 2010, IMPAC has offered more than 44 courses and has produced more than 825 skilled workers for the plantation industries and commodities sector. Among the courses offered are Intensive Diploma in Oil Palm Management and Technology (MPOB), Latex Science and Technology (LGM), Furniture Design and Making (MTIB), Basic Handmade Chocolate (LKM), Fertigation Crop Management (LKTN) and Pepper Production Technology (MPB).

Successfully trainees are awarded the IMPAC certificate at IMPAC convocation ceremonies. IMPAC will continue its journey to educate the public and expand its role in commodities industrial training.

Location and Date of the IMPAC Convocation Ceremony

No.	Ceremony	Location	Date	Number of Certificate Recipients	Number of Recipients of Certificates for Wood-based Courses
1	IMPAC Convocation I	Kuching, Sarawak	31 July 2012	100	-
2	IMPAC Convocation I I	Kota Kinabalu, Sabah	13 August 2012	96	33
3	IMPAC Convocation I I I	Seri Kembangan, Selangor	18 December 2012	274	35
4	IMPAC Convocation IV	MAEPS, Selangor	26 October 2013	355	31

BITF 2013 – DISCOVER SABAH FOR BUSINESS, CULTURE AND NATURE

MTIB booth.

Borneo International Trade Fair (BITF) 2013, was held at Likas Sports Complex on 28 November – 1 December. The four-day event was organised by the Sabah United Chinese Chamber of Commerce, Sabah Bumiputera Chamber of Commerce and Kadazan Dusun Chamber of Commerce and Industry. Themed "Discover Sabah for Business, Culture and Nature", BITF 2013 highlighted the promoted sectors under the Sabah Development Corridor covering among others, manufacturing, agriculture, oil, real estate, and tourism. BITF 2013 was officiated by YB Datuk Teo Chee Kang, Special Tasks Minister, on behalf of YB Datuk Seri Musa Aman, Chief Minister of Sabah.

In his opening speech, Datuk Teo stated that this popular biennial trade event had drawn much interest and unprecedented success in business transactions since its inception in 2007. He added that BITF provided the perfect stage for the state to promote its products and services at the international level and to push local businesses to reach beyond borders in terms of marketing their products and services or being exposed to various opportunities that were otherwise not available locally. He further added that BITF and other trade fair events played an important role towards achieving the next Dubai vision because the vision of making Sabah "the next Dubai" is achievable through the continued close partnership between the State government and the manufacturing and industrial sectors. It is important for Sabah to evolve from relying on export of commodities to sustain itself and to turn to downstream activities to increase the production of higher value-added products. This trade fair would play an important role towards achieving this vision. He urged the participants to take the opportunity to exchange ideas, knowledge and information, as well as to take up potential business prospects to be made available through the event.

In supporting the event and to promote the Malaysian timber industry, MTIB also participated at the fair. Under the pavilion of MTIB, two companies joined the fair namely, Adhwa Bersaudara Sdn. Bhd. and Superwood Industries Sdn. Bhd. Their 36 sqm booth displayed products such as a dining set, a display cabinet, doors and other wood products. BITF 2013 was the perfect platform for a wide range of interactions among the stakeholders including the exchange of ideas, exploration of opportunities as well as formation of partnerships in trade and investments.

BITF 2013 attracted more than 100 local, national and international participants comprising distributors, wholesalers, retailers, value-added resellers, government agencies, trade organisations, embassies, corporate entities, business communities and consumers. The multi-sectoral trade fair created a significant amount of awareness of the opportunities within the region and facilitated numerous business exchanges between the participants and the visitors. A total of 8,000 visitors attended the fair.

Encik Mohd Ameerul Simon Abdullah, an officer from MTIB Sabah (right) briefed the visitors on the timber products displayed at MTIB booth.

COURSE ON GRADING MALAYSIAN WOODEN RAILWAY SLEEPERS AND CROSSINGS

Practical session on how to grade wooden railway sleepers according to MGR rules.

MTIB organised a course on Grading Wooden Railway Sleepers and Crossings for MTIB Sabah officials on 22 -24 October in Kota Kinabalu, Sabah. The objectives of the course were to expound in greater detail, knowledge and skills to MTIB officers on grading wooden railway sleepers according to Malaysian Grading Rules 2009. Currently, even though there is substitute material for sleepers, wooden railway sleepers is still sought after because of its unique characteristics. Besides being widely used in the domestic market for Malaysian Railways, Malaysian wooden railway sleepers are well – known world-wide for their track performance qualities. Naturally durable timbers such as Chengal, Balau and Bitis were used by the Malaysian Railways in the early days. However with the rapid escalation in demand for wooden railway sleepers, others species were sought to augment the supply of these timbers. Nowadays results from tests have proved that other treated tropical species are just as suitable for use as wooden railway sleepers. The wide selection of timbers will, therefore, increase the supply of railway sleepers' timbers for domestic use as well as for export.

Some of the course participants.

The speakers were Encik Khairudin Muhamad and Encik Mhd Nizam Abas, both from MTIB. Encik Khairudin Muhamad said to ensure quality, MTIB requires that all railway sleepers be graded with strict adherence to the specifications contained in the Malaysian Grading Rules for Sawn Hardwood Timber 2009 (MGR). Under these rules, there are two grades for railway sleepers (ties and crossing). The grades are "Select and Better" and "Standard and Better". The difference between the two essentially lies in the species recommended for each grade. The former is intended for naturally durable timbers while the latter is for timbers requiring impregnation with suitable preservatives. The defect system is used and permissible defects are defined, for example, by limits on size tolerance, straightness, knots and splits. Encik Mhd Nizam Abas, conducted a practical session on how to grade wooden railway sleepers according to MGR rules. Fifteen MTIB Sabah officials attended the course.

Malaysian Wood
Standing on Excellence

1973-2013
MTIB

Shaping the Timber Industry of Malaysia

Spot the difference

They look similar, are made from the same type of hardwood and have similar price tags. The only difference is that one came from a rainforest and the other from a plantation.

Every year, millions of trees are felled to fulfill the demands of the timber industry. Problems arise when these trees are not replaced as fast as they are taken, causing a multitude of environmental problems.

MTIB is fully aware of the need for renewable resources. One solution is forest plantation, where trees are planted specifically for commercial purposes. Not only does it provide a steady supply of timber, it also works to the advantage of our environment.

We care about the environment as much as we care about the timber industry, which is why it is important for us to come up with solutions that benefit both – because beautiful furniture doesn't have to come with a high environmental price tag.

MTIB

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

For more information, contact:

Malaysian Timber Industry Board (MTIB)
(Ministry of Plantation Industries and Commodities)
Level 13 - 17, Menara PGRM, No. 8 Jalan Pudu Ulu, Cheras
P.O.Box 10887, 50728 Kuala Lumpur.
Tel: +603-9282 2235 **Fax:** +603-9285 1477/1744
E-mail: info@mtib.gov.my **URL:** www.mtib.gov.my
facebook.com/pages/Malaysian-Timber-Industry-Board

SEMINAR ON SELECTION OF RUBBER SPECIES AND CLONES

Dr. Masahuling Benong presenting his paper on the selected species and clones.

As an effort to enhance knowledge on rubber species to be planted under the Forest Plantation Programme, MTIB organised a seminar on the 'Selection of the Right Species and Clones' on 28 November in Kangar, Perlis. The seminar emphasised on the importance of selecting the right rubber clones to ensure a high income for the next five years. Tuan Hj. Kamaruzaman Othman, MTIB Director of Forest Plantation, in his opening speech said MTIB targeted earnings derived from the exports of timber products to reach RM53 billion by 2020 as prescribed in the National Timber Policy (NATIP). To support this, he said, the supply of sufficient quality raw materials is very important to ensure the sustainability and continuous improvement of the industry.

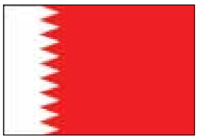
The seminar was conducted by Dr. Masahuling Benong, former Director of the Malaysian Rubber Board. He said, there are many types of clones or rubber trees available and among the recommended are Latex Timber Clones (LTC) and Timber Clones (TC) which are suitable for rubber forest plantation. At present, the best clones for rubber forest plantations are RRIM 3001 (1 Malaysia), RRIM 2025, RRIM 2027, RRIM 928, RRIM 929 and PB 350.

The speaker also shared his knowledge on planting techniques in the rubber forest plantation. Planting density for rubber forest plantation is at 4 metre by 4 metre planting distance.

Several clones of rubber species were shown to seminar participants.

If they were to be planted on a slope, the distance between trees is 2.4 metre and the distance between rows is 6.4 metre. Both planting distances would give an initial planting density of 625 trees per hectare. It is anticipated that before harvesting, a density of not less than 520 trees will be achieved. Pruning in rubber forest plantations is also important and is divided into two types - controlled pruning and corrective pruning.

The seminar was attended by 35 participants from rubber forest plantation companies, smallholders and relevant government agencies.



TIMBER INDUSTRY IN BAHRAIN

Bahrain, officially the Kingdom of Bahrain is a small island country situated near the western shores of the Persian Gulf. It is an archipelago of 33 islands, the largest being Bahrain Island, at 55 km (34 million) long by 18 km (11 million) wide. Saudi Arabia lies to the west and is connected to Bahrain by the King Fahd Causeway. Iran lies 200 km (120 milion) to the north of Bahrain, across the Gulf. The peninsula of Qatar is to the southeast across the Gulf of Bahrain. The planned Qatar Bahrain Causeway will link Bahrain and Qatar and become the world's longest marine causeway. The population in 2010 stood at 1,234,571, including 666,172 non-nationals.

Forestry

The area under forest in Bahrain is estimated at 1,000 hectare or about 1.4%, and is home to at least 195 species of vascular plants.

Development of Forest Plantations

Forest plantations began in Bahrain with the establishment of the Al-Arin protected area in 1976 to protect planted trees and shrubs as well as birds and wildlife in this area. In the beginning, some indigenous tree species and shrubs were used such as *Zizyphus spina-christi* and *Prosopis juliflora* in addition to *Euclyptus camaldulensis*, an introduced tree. In the last two decades other forest tree species have been tested and proved to be adaptable to the prevailing conditions; they included *Prosopis* spp., *Azadirachta indica*, *Acacia* spp., *Pithcellobium dulce*, *Casuarina equisetifolia*, *Tamarix* spp. and *Lycium* spp. Afforestation activities are carried out by the Ministry of Works and Agriculture, the Ministry of Housing, Municipalities and Environment as well as by the Royal Prince Bureau. Forest plantation areas on the Island of Bahrain can be grouped as follows:

Coastal areas: These include the north-eastern and western parts of the island. The most commonly planted tree species in these areas are *Avecenia* spp., *Phoenix dactylifera, Zizyphus spina-christi* and *Tamarix* spp.

Sub-desert areas: The tree species commonly planted in these areas are *Phoenix dactylifera, Zizyphus spina-christi, Acacia arabica, A. ehrenbergiana* and *A. tortilis*.

Desert areas: The commonly planted tree species are acacias and *Lycium* spp. Besides the indigenous species *Prosopis juliflora, Zizyphus spinachristi,* and *Phoenix dactylifera,* species trials were carried out to introduce new forest tree species that can grow satisfactorily under the harsh conditions of Bahrain. *Prosopis chilensis, Prosopis spicgera, Eucalyptus camaldulensis, Azadirachta indica, Acacia arabica, A. tortilis, A. ehrenbergiana, Pithcellobium dulce, Casuarina equisetifolia, Tamarix* spp. and *Lycium* spp. proved to be adaptable and are used in afforestation programmes.

Import of Timber Products

In 2012, Bahrain's imports of timber and timber products increased 8.8% to USD164.7 million. Furniture was the main product imported valued at USD101.6 million followed by sawntimber USD24.5 millions and plywood USD17.2 million. China was the major import partner for timber and timber products while Malaysia ranked second. As for furniture and parts imports, Malaysian ranked third after China and Italy.

Export of Timber Products

In 2012, Bahrain's exports of timber and timber products decreased 68.9% to USD14.8 million. Packaging was the main products exported valued USD9.8 million, followed by furniture and parts valued USD4.3 million.

Malaysia's Export of Timber and Timber Products to Bahrain

In 2012, timber and timber products exported to Bahrain increased by 39.5% to RM51.6 million over the previous year. Bahrain ranked 40th with 0.3% of Malaysia's total market share. Wooden furniture was the main exports of Malaysia with a total value of RM18.6 million. This was followed by sawntimber at RM16.7 million and plywood RM8.7 million.

Cont. next page

Cont. from previous page

Bahrain: Import of Timber Products, 2008-2012

(Value : USD'000)

Products	2008	2009	2010	2011	2012
Furniture and Parts	133,670	72,279	87,311	69,034	101,642
Sawntimber	33,432	25,271	32,281	32,083	24,497
Plywood	31,463	35,205	19,425	18,914	17,223
Fibreboard	7,590	7,613	11,749	12,471	8,199
Builders Joinery and Carpentry	9,581	6,802	7,173	4,356	2,396
Wood Charcoal	2,265	2,080	2,149	2,785	1,986
Veneer	7,578	1,848	1,612	2,559	2,559
Particleboard	929	955	1,543	2,138	1,452
Others	16,145	9,374	10,446	7,014	6,290
Total	**242,653**	**161,427**	**173,689**	**151,354**	**164,691**

Source: UN Stats

Bahrain: Export of Timber Products, 2008-2012

(Value : USD'000)

Products	2008	2009	2010	2011	2012
Packaging	257	2,911	9,846	13,454	9,839
Furniture and Parts	32,892	23,091	22,971	31,198	4,260
Veneer	2	25	39	1,575	1
Builders Joinery and Carpentry	771	389	758	452	70
Plywood	128	209	52	376	2
Articles of Wood	169	135	103	268	14
Particleboard	0	32	42	250	0
Others	305	3,072	1,000	159	642
Total	**34,524**	**29,864**	**34,811**	**47,732**	**14,828**

Source: UN Stats

Malaysia: Export of Timber and Timber Products to Bahrain, 2008-2012

(FOB Value : RM)

Products	2008	2009	2010	2011	2012
Sawntimber	11,273,768	15,654,648	16,041,783	11,900,847	16,696,099
Mouldings	0	0	590,651	249,837	0
Particleboard	94,167	34,565	23,012	60,051	131,926
MDF	5,444,557	3,895,080	4,829,188	4,647,836	6,191,408
Plywood	13,392,889	9,530,075	12,581,177	5,439,048	8,722,420
Wooden Frame	110,485	82,438	0	38,797	78,348
BJC	1,565,399	3,183,651	1,640,349	971,935	901,923
Wooden Furniture	20,960,302	15,960,577	18,119,726	13,602,808	18,631,424
Rattan Furniture	99,190	23,144	187,319	16,558	10,637
Others	107,120	383,784	119,477	70,089	265,833
Total	**53,047,877**	**48,747,962**	**54,132,682**	**36,997,806**	**51,630,018**

Source: DOSM

Cont. next page

Cont. from previous page

Malaysia: Export of Timber and Timber Products to Bahrain, 2008-2012

(Volume : m³)

Products	2008	2009	2010	2011	2012
Sawntimber	9,645	13,401	13,350	8,201	10,801
Mouldings	0	0	89	41	0
Particleboard	115	67	45	112	224
MDF	4,383	3,931	4,953	5,099	6,120
Plywood	10,637	8,172	10,224	4,128	6,272
Total	**24,780**	**25,571**	**28,661**	**17,581**	**23,417**

Source: DOSM

Tariffs

Bahrain's import duty on timber and timber products ranges from 0 – 5%.

Products	Import Duty (%)
Fuel Wood	0 – 5
Wood Charcoal	0
Hoop Wood	5
Wood Wool and Wood Flour	5
Sawntimber	5
Sleepers	5
Plywood, Blockboard and Other Panels Products	5
Mouldings	5
Household Utensils of Wood (HS 4414 – 4416)	5
BJC	5
Furniture	5
Other Wood Manufactures Items (HS 4419 – 4421)	5

Prospects

Bahrain is uniquely located at the heart of the Gulf. Its reputation for cultural neutrality and good relations with their neighbours provides a neutral platform for business, enabling companies to serve other markets in the Middle East with great ease. This makes Bahrain the perfect hub for operations in the fast-growing Gulf, Middle East and North Africa (MENA) markets.

One of Bahrain's current mega projects is Bahrain Bay, a waterfront real estate development situated on the north coastline of Manama in the Kingdom of Bahrain. Created from reclaimed land, the USD2.5 billion project has been designed to provide residential, commercial, retail, tourism, and community facilities and public amenities. It includes three anchor developments – Arcapita Bank global headquarters, Raffles City, and the Kingdom of Bahrain's first Four Seasons hotel.

Another mega project is Dilmunia Bahrain Health City. The first of four infrastructure development phases will include the 125 hectare island's highways, bridges, landscaping, power, water, sewerage, drainage and telecommunications supplies has been offered to 30 contractors. Later phases of the infrastructure work will also include completion of the Grand Canal. It will be another first for Bahrain, aiming to tap into the USD100billion global healthcare market and is expected to provide housing for approximately 15,000 residents, thousands of whom will work in the project's medical, well-being, hospitality and retail sectors.

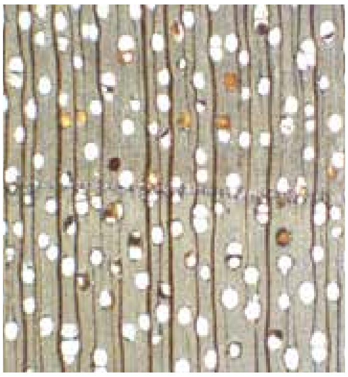
These mega projects provide increasing opportunities for the application of timber and timber products. In doing business in Bahrain, Malaysian entrepreneurs must have core strength and focus only on what they can do well, pitching at a realistic level and, teaming up with the right local partners.

References:

- *Encyclopedia of the nations*
- *Department of Statistics Malaysia*
- *WTO*
- *Bahrain Customs*
- *Arabian Business.com*
- *FAO*
- *BahrainBay.com*

SURIAN BATU – SUITABLE FOR MEDIUM AND HEAVY CONSTRUCTION

Wood colour and texture.



Transverse section of Surian Batu.

The Standard Malaysian Name for the timber of Chukrasia tabularis (Meliaceae). *Vernacular names applied include cherana puteh (Peninsular Malaysia), repoh (Peninsular Malaysia), suntang (Peninsular Malaysia) and suntang puteh (Peninsular Malaysia). This is a monotypic timber. The sapwood is light yellow-brown or pink-brown and is moderately or sharply defined from the heartwood, which is light red-brown or red, darkening to dark walnut-brown on exposure.*

It is also known as Voryong (Cambodia); Chickrassy and Chittagong wood (India); Mai nyom hin, Nhom, Nhom hin and Nhom khao (Lao PDR); Chickrassy, Chikrasy, Tawyinma and Yinma (Myanmar); Chickrassy (Pakistan); Hulanhik (Sri Lanka); and Siet-Ka and Yom-Hin (Thailand).

Density

The timber is moderately hard and moderately heavy to heavy with a density of 625-880 kg/m^3 air dry.

Natural Durability

The timber is moderately durable.

Texture

Texture is moderately fine and uneven, due to the conspicuous layers of parenchyma. Grain is interlocked and sometimes wavy.

Strength Properties

The timber falls into Strength Group (SG) 3 (MS 544: Part 2: 2001).

Machining Properties

It is difficult to very difficult to resaw and cross-cut but planes easily and produces a moderately smooth finish.

Air Drying

The timber seasons fairly rapidly without any form of degrade. Thick boards of 13 mm take approximately 1.5 months to air dry, while 38 mm thick boards take 2.5 months.

Shrinkage

Shrinkage is rather low, with radial shrinkage averaging 1.3% and tangential shrinkage averaging 1.7%.

Uses

The timber is equivalent to the famous "Indian wood"-chikrassy, which is highly prized as a high-class cabinet wood. The timber is suitable for interior finishing, panelling, mouldings, fancy furniture, plywood, door and window frames and sills, decking, flooring, staircase (balustrade, handrail and sprandrel framing), posts, beams, joists, rafters, joinery and ornamental items. The timber is also suitable for heavy and medium construction under cover.

Table 1 : Surian Batu Physical and Mechanical Properties; and Compression Strength

Physical Properties	
Air-dry density	625-880 kg/m^3
Shrinkage Radial	1.3%
Shrinkage Tangential	1.7%
Seasoning	n.a.
Recommended Kiln Schedule	n.a.
Mechanical Properties	
Strength Group	SG3
Static Bending MOE	12,400 N/mm^2
Static Bending MOR	78 N/mm^2
Compression Strength	
Perpendicular to Grain	8.1 N/mm^2
Parallel to Grain	38 N/mm^2
Shear Strength	11.5 N/mm^2

References:

1. *Menon, P. K. B. 1986. Uses of Some Malaysian Timbers. Revised by Lim, S. C. Timber Trade Leaflet No. 31. MTIB and FRIM, Kuala Lumpur. 48 pp.*
2. *MS 544: Part 2: 2001: Code of Practice For Structural Use of Timber. Permissible Stress Design of Solid Timber.*
3. *Wong, T.M. 1982. A Dictionary of Malaysian Timbers. Revised by Lim, S. C. & Chung, R. C. K. Malayan Forest Record No. 30. FRIM, Kuala Lumpur. 201 pp.*

MTIB Moments

MTIB organised a workshop to formulate Training Programme and its Action Plan for 2014 for the personnel of MTIB Sabah and WISDEC Sabah. It was held on 15-17 November 2013 at Kota Kinabalu, Sabah.

MTIB participated in the Hello Komoditi programme organised by the Ministry of Plantation Industries and Commodities. The event took place on 16-18 November 2013 in Dalat, Mukah, Sarawak.

A talk on Franchise for the Timber Industry was held at MTIB, Kuala Lumpur on 18 November 2013.

MTIB organised a Workshop on Karas Cultivation Technique and Gaharu Production on 20-22 November 2013 in Kuala Terengganu, Terengganu. More than 40 participants attended the programme.

YB Datuk Madius Tangau, Chairman of MTIB (striped shirt) posing with MTIB Board Members and officials from MTIB and Kuantan Port. The group visited Kuantan Port, Pahang on 22 November 2013, prior to the 188th Board Meeting held on the next day in Cherating, Pahang.