Distinguished guests, ladies and gentlemen,

Good morning, Salam 1Malaysia and welcome to the Annual Malaysian Timber Dialogue 2012.

It gives me great pleasure to be here with all of you in this second Malaysian Timber Dialogue. I believe continuous interactive session like this is vital for us to strengthen our efforts in further development of the timber industry. I sincerely hope that the industry leaders present here today optimize this window to provide constructive comments and suggestions for the long term benefit of the industry.

2. During the inaugural Malaysian Timber Dialogue which was held on 24 January 2011, several issues and proposed measures were raised by the respective representatives. I was informed that to date, the Ministry has coordinated follow up actions. In addition, the Ministry will continue to address outstanding issues to facilitate the development of timber industry to higher level as an on going effort.

3. In today’s dialogue, I would like to propose that we focus on new issues and challenges confronting timber trade and the industry in Malaysia. My Ministry together with MTIB will take note of the issues raised and endeavour to provide the best possible solutions to assist the industry. In addition, I would also like to be updated on the current status and future prospect of all the participating sub-sectors of the industry, as well as your proposals in moving forward.

Ladies and Gentlemen,

4. As of 30 October 2011, exports of timber and timber products was recorded at RM16.5 billion, a decrease of 3.1% compared to the corresponding period in 2010. The performance of the industry for the first ten months of this year, if extrapolated for the whole year, would fall short of the RM30 billion projected under National Timber Industry Policy (NATIP). To achieve the national target of RM53 billion in export earnings by 2020, the Malaysian timber industry need to be innovative and create value addition in this sector. In this context, I strongly urged all of you present here today, to intensify efforts to resolve all problems confronting the manufacturers and exporters of timber products. This will allow the industry to compete and meet global demand with more innovative products that attract consumer preference.

5. One of the areas that we need to provide serious attention is addressing the shortfall in the export performance. Furniture and plywood sectors continue to be the largest contributors for export earnings with about 30.5% and 25.8% share respectively. In addition, we must also undertake proactive measures to secure market access in new and emerging markets, factoring in the expected slowdown in the developed markets of Europe and the United States.

Ladies and Gentlemen,

6. It is also important for us to use this dialogue to reflect upon many questions and challenges confronting the industry, which will determine how we are going to handle them. We may not be able to provide an immediate
solution for every issue raised. However, great achievements start with small steps. Therefore, I would like to treat this dialogue as one of the steps. Indeed, I am pleased that many of you from the timber community are here this morning to collectively strategise together towards achieving the targets spelled out under NATIP.

7. In this context, it is important for us to remain committed to create and maintain a strong coordination between the industry and the government, which is essential to restore growth and remain competitive. I believe this dialogue will help to chart the short term destination of the journey towards sustainable progress.

8. I hope this dialogue would be a resourceful platform for all of us to share experiences and fresh ideas, as well as to collaborate on way forward. Let us be open and feel free to voice up on what needs to be done realistically to enhance the timber industry. The Government on its part will continue to identify and address issues to facilitate the development of this industry.

Lastly, I wish to record appreciation on your attendance at this dialogue.

Thank you.

Ministry of Plantation Industries and Commodities