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Cover: MTIB participated at the MTC Global WoodMart 2012 held on 4-6 October at Kuala Lumpur Convention Centre. Read full story on page 19.



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MINISTERIAL MISSION TO MYANMAR



A delegation led by YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities, Malaysia (sixth from right) with President U Thein Sein of the Republic of the Union of Myanmar (on his left).

Malaysia and Myanmar have strengthened bilateral collaboration in the commodity and timber sector with the working visit of Minister of Plantation Industries and Commodities, YB Tan Sri Bernard Dompok to Myanmar from 29 October to 1 November. The delegation comprised representatives from MTIB, Malaysian Palm Oil Board (MPOB), Malaysian Palm Oil Council (MPOC), Malaysian Timber Council (MTC), Malaysian Timber Certification Council (MTCC) and private companies. The objectives of the working visit were to strengthen bilateral trade and business linkages in palm oil and timber products between both countries.

The delegation, held a meeting with President U Thein Sein of the Republic of the Union of Myanmar on 31 October in Nay Pyi Taw to discuss promoting trade and investment, as well as cooperation in the production of palm oil, rubber and timber products. The Minister later had a discussion with the Malaysian Myanmar Business Council (MMBC) and officiated the Seminar on the Timber Trade Development which was participated by the private sectors from Malaysia and Myanmar. Discussion session with the MMBC focused on the investment opportunities and problems faced by the

Malaysian business companies in Myanmar. Meanwhile, a Seminar on the Timber Trade was organised to provide information and insight into the development of the timber industry in both countries.

Myanmar is a major export destination for commodity products. In 2011, total export of commodity products covering palm oil, timber, rubber, cocoa and pepper was valued at RM917.4 million. In 2011, Malaysia's exports of timber and timber products to Myanmar were valued at RM8.4 million, up from RM3.5 million in 2010. Major timber and timber products exported in 2011 were furniture valued at RM4.12 million; fibreboard, RM0.66 million and particleboard, RM2.25 million. In the same year, Malaysia imported RM64.7 million worth of timber and timber products from Myanmar, a decrease of 14.8% over the previous year. Major timber and timber products imported were sawntimber valued at RM45.3 million, logs valued at RM13.0 million and mouldings valued at RM3.5 million.

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

Malaysia and Myanmar have had bilateral ties and collaboration in the timber trade with the signing of a Memorandum of Understanding (MoU) on 28 March 2012 in Yangon, Myanmar. MTIB was represented by its



Briefing by the Malaysian Myanmar Business Council to the delegation.



TIMBER WORLD IN BRIEF

AUSTRIA

Demand for Sawn Softwood High

The demand for sawn softwood is high in Austria, according to the Landwirtschaftskammer Österreich. The sawmill industry has low stock levels, and the storms in Tyrol in August have not had a significant effect on the market. The average price for sawn softwood has been EUR94 (USD 121.60) per solid m³ since January 2012, tending towards EUR96 in August. The 10-year average price was EUR76, according to Statistics Austria. The stock levels of the paper, pulp and wood products industry are high, while the energy wood market is stable.

Hol-Zentralblatt, 21 September

CHINA

Log and Lumber Imports to China Down 19%

Log and lumber imports to China were down 19% worth 4.3 billion during the first eight months of 2012, with the biggest declines seen for logs imported from Russia and the US. The reduction in construction activities has resulted in reduced demand for lumber, and as a consequence resulting in a sharp decline in the importation of softwood logs and lumber in to the country.

By volume, log and lumber imports were down 17% and 5% respectively. The importation of softwood lumber in August was down for the third consecutive quarter to 1.1 million m³, which was a decline of 21% from May and 23% lower than in August 2011. Canada and Russia are the two dominant suppliers of softwood lumber to China, together accounting for 84% of the total imports, with the US, Chile and New Zealand making up most of the remaining import volume.

In August, the average import value for all softwood lumber imported to China was down USD9 to USD203 per m³ from a year ago. The cost for Russian lumber fell as much as USD19 per m³, while Canadian average costs were down only USD5 to USD200 per m³ over the past year.

Globalwood, 3 October

CHILE

Forestry Exports Fall by 9.3% in January-August 2012

According to the Forestry Institute (INFOR), which is linked to the Ministry of Agriculture, forestry exports from Chile reached USD3.65 billion between January-August 2012, representing a year-on-year drop of 9.3%, whilst the downturn during the first half of 2012 only stood at 6.5%. Pulp exports, which corresponded to 47% of overall forestry exports, fell year-on-year by 15.6% in January-August 2012, standing at USD1.72 billion, compared to a drop of 10.6% in the first six months of 2012.

INFOR has predicted that overall forestry sales will reach between USD5.4 billion and USD5.5 billion during 2012, representing a fall of 10% compared to the previous year. Forestry exports have dropped because of reduced international demand and a fall in pulp prices, which currently stand at USD775.29 per tonne, compared to USD833 per tonne at the end of December 2011. Exports to China have dropped by 3.5% during the course of 2012, although sales to this country will remain stable in the next few months. Overall Chilean forestry exports in 2013 will probably be similar to levels in 2012.

El Mercurio (Chile), 12 October

EUROPEAN UNION

New European Laws on Timber Will Come into Force Across the EU on 3 March 2013

The EU Timber Regulation prohibits the "placing on the market of illegally harvested timber or timber products derived from such timber". It sets out the obligations that those who buy and sell timber and timber products on the EU market will be required to have in place in order to comply with the regulation.

The laws cover a broad range of timber and timber products including solid wood products, flooring, plywood, sheets for veneering, pulp, and paper. It is the first piece of legislation in the EU to prohibit the trade in illegal timber, although the Lacey Act takes similar steps to ban such timber from the US market.

The implementation of the regulation will be enforced by bodies such as the National Measurement Office (NMO) in the UK, which will undertake checks and ensure the enforcement of the regulation, with penalties for non-compliance.

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FINLAND

Value of Forest Industry Product Exports Down in January-July 2012

According to the Finnish Forest Research Institute (Metla), the value of forest industry product exports amounted to EUR6.3 billion in Finland in January-July 2012. This represented a 7% decrease from a year ago. The export of paper fell by 10%, while sawn goods went up by 5%.

In July 2012, the prices of sawn goods, magazine paper, and fine paper saw a downward turn. The price per tonne of pulp is now more than EUR500. The price of softwood pulp has remained better than hardwood pulp.

Maaseudun Tulevaisuus, 17 October

GLOBAL

Austria to See an Economic Growth of 0.9% in 2012

According to the International Monetary Fund (IMF), Austria's economic growth is to slow down, lying at 0.9% in 2012, and 1.1% in 2013. This means that Austria, along with Germany, is still one of the growth leaders in the Euro zone. Austria's consumer prices are expected to stagnate, whereby the rate of price increases is to lie at 2.3% in 2012, compared to 3.6% in 2011. In 2013, an inflation rate of 1.9% has been predicted. Austria's unemployment is expected to rise to 4.3% in 2012, compared to 4.2% in 2011. The rate of unemployment in 2013 is forecast to stand at 4.5%.

In regard to the economy of the Euro countries as a whole in 2012, growth is expected to shrink by 0.4% and to stagnate further in 2013. While China is to see a 7.8% growth in 2012, the US and Japan are to grow by 2.2%. The global economic performance is to increase by 3.3% in 2012, and in 2013 to climb by 3.6%.

Oberösterreichische Nachrichten, 10 October

ITALY

Construction Production Index Grows by 5.3% in August 2012

According to data by Italian statistics institute ISTAT, the seasonally adjusted production index for the construction sector increased by 5.3% month-on-month, while it decreased by 9% year-on-year in August 2012. On average in June-August 2012, the index dropped by 1.7% quarter-

on-quarter. Finally, in January-August 2012 the index went down by 12.8%. The raw production index decreased by 8.9% year-on-year in August 2012, while it decreased by 13.6% in the first eight months of 2012.

Milano Finanza, 13 October

SWEDEN

Forest Regeneration Exceeds Quality Requirements

Forest regeneration in Sweden has continued to exceed quality requirements, 82% of the regeneration methods were of higher quality than the requirements of the forestry act. Natural regeneration has shown the fastest improvement from 61% approved regenerations in 2001 to 80% approvals in 2009-2012.

The Forest Agency is set to analyse the regeneration results at district levels and the results are expected to be presented in December 2012.

ATL, 17 October

VIET NAM

USD41 million Channeled to Overcome Land Use, Climate Change Effects

Viet Nam will be receiving a sum of USD41 million (EUR31.37 million) from the US Agency for International Development (USAID). The purpose of allocating the money is to tackle the impacts of land utilisation and climate change in Viet Nam. The execution of the two to five year programmes will take place in October 2012.

In particular, with a contribution of about USD12 million (EUR9.21 million), the Viet Nam Clean Energy Programme will see collaboration with relevant government bodies as well as the Ministries of Construction and Industry and Trade to beef up energy efficiency in high-use energy industries. In addition, private and public investment will be used for piloting energy-efficiency and energy technologies.

The Viet Nam Forest and Deltas Programme on the other hand, will tackle the degradation and deforestation of forests and other landscapes.

Separately, a new development strategy is being drawn up by USAID and Viet Nam for 2013-2018.

Vietnam News, 18 October



SEPTEMBER 2012

SHIPPING NEWS



Westports' Capacity Expansion

Westports Malaysia Sdn. Bhd. is poised to handle about nine million containers of twenty-foot equivalent units (TEUs) once its new 600-metre wharf is ready by 2014, said its Chief Executive Officer, Encik Ruben Emir Gnanalingam. The port hopes to see positive improvements in both performance and productivity especially in container operations once the wharf is completed. Their current capacity is 7.5 million TEUs and they are confident to handle eight million TEUs easily once their additional 300-metre berth is ready by January next year.

Source: The Star, 6 September

musharakah programme was completed around the same time last year with overwhelming demand from investors.

Chief Executive Officer, Encik Ruben Emir Gnanalingam said the development of phase one of CT6 that entailed 300 metres of berth line was completed earlier this year and the second phase of the same berth length was under construction now. It would be operational by early next year. The completion of CT6 would add 1.2 million TEUs to a total of 8.5 million TEUs capacity. The construction of CT7 would be embarked afterwards with another 600 metres of berth line slated for completion in March 2014. The total cost of CT6 and CT7 is estimated to be around RM500 million to RM600 million each.

Westports Raises Fund

Westports Malaysia Sdn. Bhd., which is one of the two main maritime gateways in Port Klang is expected to make a second issuance of between RM400 million and RM500 million from its RM2 billion *sukuk* programme in the last quarter of this year for the expansion of its container terminal. The *sukuk* issuance is expected to cater for the expansion of the second phase of container terminal six (CT6) and container terminal seven (CT7). Westports launched a 20-year *sukuk musharakah* programme of up to RM2 billion in nominal value in July last year. Its maiden issuance of RM450 million *sukuk* under the

Encik Ruben anticipated that Westports handled 3.44 million TEUs for the first six months of this year were targeted to hit a volume of seven million TEUs for the entire 2012. This would reflect a moderate growth rate of 9% from a total volume of 6.5 millions TEUs last year. The growth rates in the last two years (2011 and 2010) were robust compared with the slump in 2009 and end of 2008. Westports recorded a volume increase of 18% in 2011 to 6.5 millions TEUs with a milestone turnover breaching the RM1 billion mark for first time. The growth rate is expected to return to the normal pace this year. The cautious outlook and target were also influenced by the slower growth in Europe and the US as well as the cooling down of China's economy and would be compensated to a

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, September 2012

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports m ³	% Change Sept 2012/ Aug 2012
	m ³	% Change Sept 2012/ Aug 2012	m ³	% Change Sept 2012/ Aug 2012	m ³	% Change Sept 2012/ Aug 2012	m ³	% Change Sept 2012/ Aug 2012	m ³	% Change Sept 2012/ Aug 2012		
Sawntimber	27,452	8	3,510	-53	883	9	204	134	6,966	177	39,015	7
MDF	18,510	48	687	64	7,614	-7	9,795	66	144,898	829	181,504	326
Mouldings	7,623	2	230	65	1,840	39	729	-13	2,912	143	13,334	22
Dressed Timber	2,017	22	77	60	724	-38	179	9	24	-64	3,021	-3
Plywood	4,832	-29	-	-	-	-	-	-	12,790	253	17,622	68
Veneer	53	-17	-	-	-	-	22	-21	162	212	237	65
Particleboard	25,392	7	736	23	996	411	1,608	436	-	-	28,732	16
TOTAL	85,879	10	5,240	-39	12,057	3	12,537	71	167,752	628	283,465	121

Note : Indicates % change over the previous month

Source : MTIB

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certain extent by the exciting growth in the Middle East, Africa, India and South-East Asia. This moderate growth rate and cautious outlook are expected to continue into next year.

On the other hand, Encik Ruben also said that based on Port Klang's current annual growth rate, the earliest date of having a third container terminal operator in Port Klang would be 2020 as Wesports would need extra capacity especially after the construction of CT7 to continue to expand its capacity via CT8 and CT9.

On the shipping lines suffering from low rates and whether they were asking for discounts from the port, he further added that terminal handling charges only took up a small percentage of the total operational cost of shipping companies. Chunks of their operational cost come from fuel and financing cost of their vessels. They were more focused in these areas to reduce their total cost. Furthermore, many shipping players were already seasoned and were prepared to face the cyclical nature of their business.

On the anticipate listing of Westports, Encik Ruben said that it had always been one of their options and bankers had approached them many times on this matter.

Source : The Star, 24 September

Expansion Exercise for Kuantan Port to be Completed in 2016

Plans are under way to deepen the Kuantan Port as the proposed Malaysia-China Kuantan Industrial Park (MCKIP) in Gebeng, Kuantan, gears up to become a strategic gateway to the vast ASEAN, Far East and Asia-Pacific market.

Datuk Jebasingam Issace John, CEO of East Coast Economic Region Development Council (ECERDC), said the government had recently approved the expansion of the Kuantan Port to a deep water port with a 18-metre draught, which would be able to cater to vessels of more than 40,000 dead weight tonnes. The Kuantan Port expansion exercise

is expected to be completed in 2016. The port expansion exercise would help strengthen MCKIP's position as the strategic gateway to ASEAN, Far East and Asia-Pacific market with a total population of about four billion people a combined gross domestic product of USD17 trillion.

MCKIP is strategically located in Kuantan, which has a port facing the South China Sea, a direct link to the deepwater Qinzhou Port in China and other ports in the Guangxi Zhuang autonomous region. It would only take three days shipping time between Kuantan and Qinzhou.

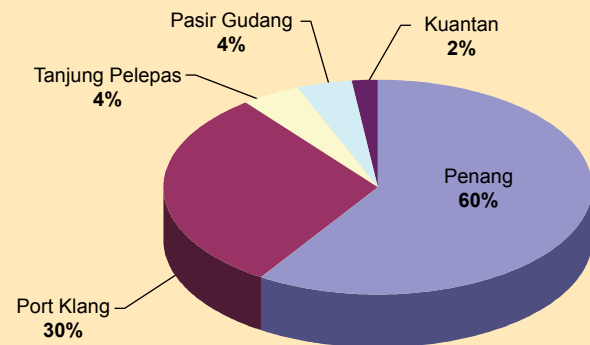
MCKIP is the first industrial park in Malaysia to be developed jointly with China and the first bilateral project in the country that would be accorded national status.

The 607 hectare MCKIP site is not only located within the ECER special economic zone but also within the vicinity of another four cluster industrial parks. They offer vast investment opportunities in the sectors of *halal* food and non-food, petrochemical, automotive and downstream palm-oil processing.

Source : The Star, 24 September



Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, September 2012



Total = 283,465 m³



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SEPTEMBER 2012

Total export of timber and timber products from Peninsular Malaysia in September decreased 23% in volume and 32% in value to 146,111 m³ amounted RM163.1 million over the previous month. Similarly, cumulative export for the period of January to September declined 10% in volume and 4% in value to 1.3 million m³ with a value of RM1.5 billion against the previous corresponding period.

Sawntimber

Sawntimber exports for the month increased 19% in volume and 16% in value to 85,949 m³ valued at RM112.9 million. Total exports for January to September increased 1% in volume however decreased 2% in value to 733,226 m³ with a value of RM903.6 million over the previous corresponding period.

Exports of sawntimber to the EU increased slightly to record at 9,913 m³. The Netherlands and Belgium increased purchases by 16% to 3,658 m³ and 20% to 1,293 m³ respectively. Likewise, export to Italy grew from 350 m³ in the previous month to 930 m³. However, export of sawntimber to the UK and Germany decreased 62% and 15% to 1,137 m³ and 1,413 m³ respectively.

Demand in West Asia declining with most markets within the region reduced purchases. Exports to the region decreased 17% to 10,195 m³. Export of sawntimber to Saudi Arabia and Qatar decreased 59% to 1,797 m³ and 23% to 778 m³ respectively. Buying from Oman and Kuwait reduced 63% to 803 m³ and 43% to 552 m³ respectively. Meanwhile, the UAE increased buying by 48% to 3,929 m³.

East Asia's intake increased 19% to 11,082 m³ from 9,313 m³ in the previous month. However, China as major market of sawntimber decreased purchases by 71% to 1,798 m³. Similarly, sales to Japan declined 65% to 784 m³ from 2,241 m³ recorded in the previous month.

In ASEAN, export of sawntimber grew 33% to 44,002 m³ due to improved demand from major market such as Thailand and Singapore. Thailand, being the major importer bought 37% more at 31,163 m³. Similarly, exports to Singapore increased 20% to 11,334 m³. Viet Nam on the other hand, reduced imports from 692 m³ to 329 m³.

The US increased intake by 21% to 1,319 m³ while shipment to Australia also increased 33% to 1,061 m³ from the previous month. However, export of sawntimber to South Africa decreased 3% to 2,015 m³.

Overall FOB prices of sawntimber for this month decreased slightly by 2% to RM1,313 per m³. Prices of Dark Red Meranti (DRM) to the Netherlands, on the other hand, increased 30% to RM3,452 per m³. However, price of Keruing decreased 11% to RM1,354 per m³. Similarly, price of DRM decreased 8% to RM 2,660 per m³. There was no trading for Redwood to the UAE for the month.

Plywood

Plywood exports in September 2012 were at 14,817 m³ and valued at RM24.1 million. Cumulative exports for the period January to September showed decreases of 13% and 7% in volume and value to 143,179 m³ valued at RM236.9 million respectively from the previous corresponding period.

Total exports to EU decreased by 4% to 9,659 m³. Similarly shipments to Belgium and the Netherlands decreased 58%

and 51% to 252 m³ and 987 m³ respectively. However, exports to the UK increased significantly from 488 m³ in the previous month to 7,057 m³. Denmark and France resume their intakes by 508 m³ and 770 m³ respectively.

Exports to ASEAN region increased as Singapore and Thailand intakes of plywood increased by 113% and 56% to 1,709 m³ and 1,165 m³ respectively. Meanwhile, Indonesia and Brunei did not make any purchase in September 2012. In East Asia, exports to Hong Kong increased to 85 m³ from 42 m³ while Japan stopped its purchased in September 2012. Taiwan resumed its imports of plywood whereas South Korea decreased its imports by 84% from 129 m³ to 21 m³ in September.

Total exports to West Asia increased by more than two folds to 217 m³ from 40 m³ in the previous month. Exports to Saudi Arabia remained 40 m³ whereas Bahrain, UAE, Kuwait and Qatar resume their purchases. Yemen did not make any purchase in September 2012.

Elsewhere, exports to South Africa decreased by 42% to 213 m³ while Tanzania and Puerto Rico resumed their imports. Australia decreased its intake to 1,456 m³ from 1,649 m³ in the previous month.

The FOB price of plywood decreased to RM1,624 per m³ from RM1,795 per m³ in the previous month, a decrease of 10% from the previous month.

Veneer

Total exports of veneer for September 2012 showed a decrease of 21% in volume and 34% in value to 224 m³ at RM0.52 million compared to the previous month. Similar to the cumulative exports from January to September decreased by 13% in volume and 9% in value respectively to 4,207 m³ valued at RM8.0 million from the previous corresponding period.

Exports to Canada decreased by 92% at 5 m³ while China and Singapore resumed their imports in September 2012. Thailand remained its intakes at 35 m³ in September 2012. Australia, Taiwan, Sri Lanka, Indonesia and UK did not import any veneer in September.

The FOB price of veneer decreased to RM2,315 per m³ from RM2,775 per m³ in the previous month, a decrease of 17% from the previous month.

Medium Density Fibreboard (MDF)

Peninsular Malaysia's exports of MDF for September 2012 showed an increase of 42% in volume and 31% in value. Export totalled 80,524 m³ at RM75.5 million.

Exports to East Asia registered an increase of 5% to 2,079 m³ from 1,983 m³ in the previous month. Exports to Taiwan grew by 36% to 1,141 m³ followed by Japan at 20% to 682 m³. However, exports to China (including Hong Kong) recorded a negative growth with a decreased of 59% to 237 m³.

Meanwhile exports to West Asia recorded a positive growth of 76% to 49,808 m³ from 28,361 m³ in the previous month. Export to Jordan recorded a positive growth of 210% to 3,228 m³ followed by UAE at 175% increased to 13,019 m³, Saudi Arabia at 81% increased to 5,309 m³, Iran increase by 52% to 19,799 m³ and lastly Bahrain increase by 20% to 407 m³. Meanwhile export to Oman and Kuwait dropped by 40% to 2,696 m³ and 74% to 365 m³ respectively.

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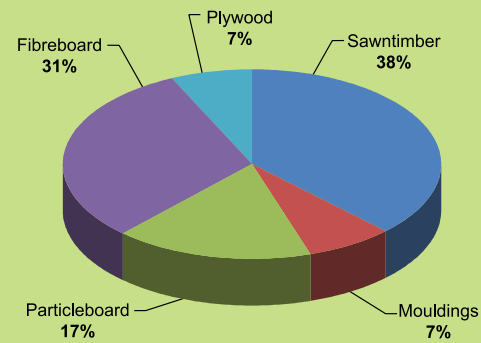
Elsewhere, exports to the US, South Africa and Australia increase by 27% to 1,992 m³, 23% to 776 m³ and 16% to 1,813 m³ respectively. Export to UK however fell 8% to 437 m³.

In ASEAN, total export to ASEAN region for the month of September increased by 16% to 13,386 m³ from 11,508 m³ in the previous month. Exports to Singapore increased by 325% to 965 m³ followed by Indonesia increased by 51% to 6,036 m³ and Philippines increased by 43% to 2,050 m³. However, Viet Nam registered a negative growth of 24% to 4,335 m³.

Mouldings

Exports of mouldings for the month increased 4% in volume and 2% in value to 15,381 m³ worth RM43.3 million. However, the cumulative exports from January to September decreased 1% in volume but increased 6% in value over the previous corresponding period to 148,555 m³ with a value of RM421.3 million.

Export of Major Timber Products From Peninsular Malaysia
(July - September 2012)



Volume : 711,278 m³

Exports to the EU for the month recorded at 6,908 m³, an increased of 12% compared to the previous month. Likewise, consignment to Belgium, Netherlands and Italy increased 4%, 76% and 12% to 693 m³, 3,542 m³ and 19 m³ respectively. On the other hand, purchases by UK and Germany decreased by 28% and 15% to 353 m³ and 1,451 m³ respectively.

Exports to ASEAN region decreased as Singapore intakes of mouldings reduced by 10% to 1,123 m³ whilst Viet Nam and Indonesia stopped buying in September 2012.

Meanwhile, exports to Japan and Hong Kong increased 26% and 184% to 1,880 m³ and 122 m³ respectively. However, exports to South Korea and China decreased 30% and 25% to 703 m³ and 196 m³ respectively. Taiwan did not make any purchase in September.

On the other hand, exports to the Australia increased 32% to 2,252 m³ and Canada resumed its intakes, however exports to the US decreased 40% to 1,342 m³. FOB unit value decreased 2% from RM2,872 per m³ in the previous month to RM2,817 per m³.

Builders Joinery and Carpentry (BJC)

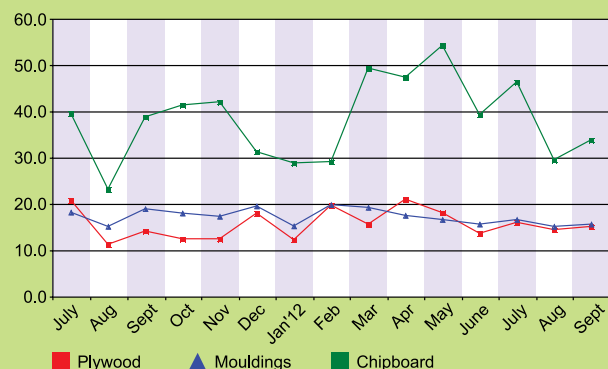
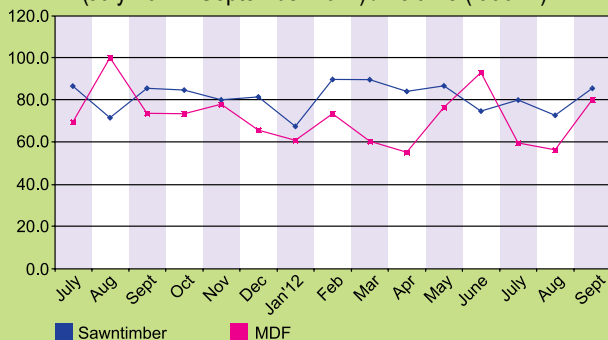
Total BJC cumulative exports from January to September 2012 declined slightly to RM736.1 million as compared to RM752.9 million in 2011. Similarly, demand from the UK, France, Italy, Denmark, Netherlands, Norway and Sweden decreased by 20%, 13%, 29%, 12%, 38%, 39% and 31% to RM73.7 million, RM29.7 million, RM13.1 million, RM20.5 million, RM2.8 million, RM5.3 million and RM10.9 million respectively. However, exports to Belgium, Germany and Turkey increased slightly to RM37.8 million, RM12.4 million and RM7.6 million respectively over the previous corresponding period.

Exports to the US and Australia fell 4% to RM53.6 million and RM85.9 million respectively. Similarly, purchases by Japan, UAE and South Africa decreased by 5%, 7% and 22% to RM80 million, RM18.6 million and RM12.5 million respectively. Conversely, exports to Maldives increased 28% to RM9.2 million.

In Asia, exports to India, Pakistan, Singapore, Thailand and Viet Nam grew 13%, 6%, 30%, 11% and 18% valued at RM46 million, RM20.2 million, RM81.98 million, RM23.2 million and RM12.9 million respectively. However, exports to South Korea decreased 43% to RM5 million.

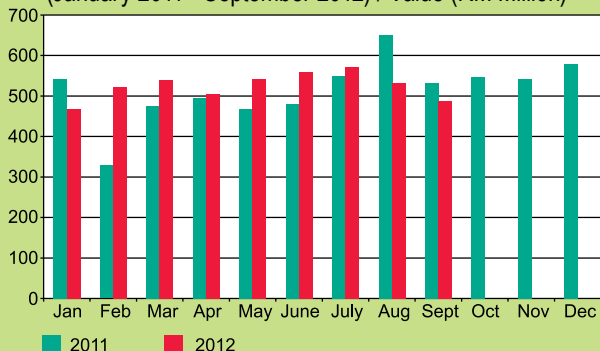
Export of Selected Products
from Peninsular Malaysia

(July 2011 - September 2012) / Volume ('000m³)



Malaysia: Export of Wooden Furniture

(January 2011 - September 2012) / Value (RM Million)



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SEPTEMBER 2012



Logs

Logging activities remain subdued both for the domestic and overseas market due to the rainy season. Uncertain market for India and China had also affected the purchasing power of logs from Malaysia. Prior to this, most prices of logs continuously recorded a downward trend.

Logs prices for the species of Chengal and Red Balau were traded at RM6,820 per tonne and RM2,750 per tonne which remained at last month's level, whilst prices for species of Balau fetched at RM2,650 per tonne, decreased 6% over the previous month. Prices of Kempas however, increased 2.7% compared to last month to RM1,500 per tonne while prices of Keruing remained stable at RM1,650 per tonne. Prices for Dark Red Meranti, Yellow Meranti and White Meranti were quoted at RM1,480 per tonne, RM1,100 per tonne and RM1,040 per tonne respectively, decreased by 7.5%, 4.3% and 3.7% compared to last month. On the other hand, prices for Mixed Heavy Hardwood and Mixed Light Hardwood were RM750 per tonne and RM660 per tonne respectively.

Sawntimber

Sawntimber exports declined slightly till the third quarter of the year, particularly the exports from the European market. Nevertheless, strong demand from ASEAN, Middle East and African countries were expected to continue throughout the year.

Prices for sawntimber of Chengal and Red Balau were stable at RM8,120 per m³, RM2,965 per m³, whilst the price of Balau decreased 7.1% over the previous month to RM3,250 per m³. Prices of Keruing charted at RM2,155 per m³ while prices of Kempas increased by 3.5% to RM2,050 per m³. Meanwhile, prices for Dark Red Meranti, Yellow Meranti and Nyatoh decreased by 2.9%, 37.5% and 6.2% to RM2,330 per m³, RM1,765 per m³ and RM1,060 per m³ respectively. Prices for Mixed Heavy Hardwood remained at RM1,130 per m³ while Mixed Light Hardwood declined 5.3% to RM810 per m³.

Plywood

Importers especially from Japan were cautious in buying future cargoes of plywood, being also worried about the decline of inventories in the country. This situation slightly affected the market of plywood in Malaysia.

Plywood of 4mm, 6mm and 9mm of thicknesses were traded at RM16.00, RM25.00 and RM35.00 respectively. Meanwhile, shuttering boards of 12mm of thickness were traded at RM41.00 per piece, a relatively 6.8% lower from the previous month.

Medium Density Fibreboard (MDF)

The price of MDF stood firm at the previous month's level whereby sales were reported to be uncertain.

MDF of 4mm of thickness was traded at RM14.50 per piece, unchanged from last month, whilst MDF of 6mm of thickness was traded at RM21.50 per piece, higher than RM20.50 per piece in the previous month. On the other hand, MDF of 9mm of thickness and 12mm of thickness were traded at RM28.50 per piece and RM38.00 per piece respectively as compared to RM27.50 per piece and RM36.00 per piece last month.

Intra-Malaysia Trade * - SEPTEMBER 2012

Shipment of sawntimber from Sabah to Peninsular Malaysia increased by 34% from the previous month to 811 m³ and was valued at RM1.1 million. Likewise, shipments of plywood also rose 86% to 10,947 m³, worth RM15.8 million. On the other hand, no shipments of veneer were recorded in September.

Meanwhile, export of sawntimber from Sarawak to Peninsular Malaysia grew 56% from 1,275 m³ to 1,983 m³, worth RM1.6 million. Shipments of plywood also increased significantly by 135% to 27,888 m³, with a value of RM15.7 million. Export of veneer charted at 4,611 m³, fell 18% with the value of RM4.6 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak were recorded in September 2012.

** Source: Department of Statistics, Malaysia*

INTRA-MALAYSIA TRADE - SEPTEMBER 2012

From	Products	AUGUST 2012		SEPTEMBER 2012		% Change in Volume Sept 2012/Aug 2012	% Change in Value Sept 2012/Aug 2012
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	603	823	811	1,132	34	38
	Plywood	5,872	9,159	10,947	15,775	86	72
	Veneer	79	108	0	0	-100	-100
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,275	1,073	1,983	1,596	56	49
	Plywood	11,852	13,913	27,888	15,741	135	13
	Veneer	5,616	5,078	4,611	4,672	-18	-8

Source : Department of Statistics, Malaysia

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***AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA
SEPTEMBER 2012 (RM)**

SPECIES	LOGS/tonne	SAWNTIMBER/m ³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	6,820	8,120	4,945		6,215
Balau	2,650	3,250	2,400		3,180
Red Balau	2,750	2,965	2,540		2,895
Merbau	2,600	4,235	2,895		3,885
Mixed Heavy Hardwood	750	1,130	940		1,130
MEDIUM HARDWOOD					
Keruing	1,650	2,155	1,410		2,260
Kempas	1,500	2,050	1,660		2,015
Kapur	2,200	1,975	1,060		1,975
Mengkulang	1,350	1,680	1,210		1,410
Tualang	1,470	1,410	535		2,225
LIGHT HARDWOOD					
Dark Red Meranti	1,480	2,330	1,410		2,330
Red Meranti	1,350	1,915	1,300		2,540
Yellow Meranti	1,100	1,765	1,115		2,470
White Meranti	1,040	1,520	2,260		1,695
Mersawa	1,420	3,105	2,190		1,340
Nyato	1,200	1,060	495		1,200
Sepetir	1,000	1,270	1,060		1,270
Jelutong	1,090	1,600	1,200		1,570
Mixed Light Hardwood	660	810	740		920
MALAYSIAN RUBBERWOOD <i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m ³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	170	1,005	1,115	1,150	1,235
PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm		12mm
	16.00	25.00	35.00		41.00
MDF 4' X 8' (RM per piece)	4mm	6mm	9mm		12mm
	14.50	21.50	28.50		38.00

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

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TIMBER ROUND-UP

Furniture

Exports of wooden and rattan furniture for the period under review in 2012 decreased 6% compared to the corresponding period of 2011. Total shipments of wooden furniture recorded RM4.9 billion against RM4.5 billion in 2011, an increase of 8%.

There has been an increase of consumption of wooden furniture across most major markets for this period, with the exception of Japan, Spain, Norway and the Netherlands.


Imports of wooden furniture by the US expanded 13% from RM1.3 billion to RM1.5 billion. Japan recorded a drop in consumption of 13% from RM590.0 million to RM515.1 million. Japan nonetheless still maintains Malaysia's second highest market for the period of January to September 2012.

The UK imports saw a growth of 11% from RM254.0 million to RM281.0 million. Intake by Australia remained positive with an 9% increase from RM88.4 million in 2011 to RM313.0 million in the first nine months of 2012.

Shipments to Singapore picked up 7% in 2012 to RM253.0 million. Canada's uptake of wooden furniture strengthened

with an increase of 11% to reach RM217.0 million. UAE posted an increase of 3% with an intake of RM150.0 million. India saw a modest increase of 2% to RM114.0 million. Saudi Arabia managed to record an increase of 3% to RM92.3 million.

Germany boosted its wooden furniture consumption 27% with a purchase of RM69.0 million for the first nine months of 2012 from RM54.0 million in 2011. Russia's consumption of furniture has a massive increase of 117% from RM45.0 million to RM98.0 million. This is the biggest increase in terms of percentages across all other markets.

Meanwhile, rattan furniture's total shipments dropped 10%, reduced to RM15 million from RM17 million. Main buyer Singapore absorbed RM3.2 million, thus reducing its buying by 30 %. The UK cuts back on its consumption by 48%, spiralling downwards from RM1.6 million in 2011 to RM823,000. Meanwhile both the US and Germany saw positive improvements to RM2.0 million and RM615,000 respectively. In addition, there was an increase of consumption of rattan furniture of 28% from RM938,000 to RM1.0 million from China. India also saw an increase of 93% to RM346,000. 

NATIONAL CONFERENCE FOR SMALLHOLDERS AND COMMODITY ENTREPRENEURS



YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities (centre) and other guests of honour posing with the recipients of the Best Smallholders and Commodity Entrepreneurs 2012 awards.

The Ministry of Plantation Industries and Commodities (MPIC) together with its agencies organised the National Conference for Smallholders and Commodity Entrepreneurs on 2 October in Melaka.

The objective of the conference was to provide a platform for smallholders in each commodity sector throughout the country to meet and to publicise the activities of the Ministry and its agencies in assisting in the economic development of the smallholders. The conference was officiated by YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities.

In his opening speech, the Minister announced that a total of RM432 million had already been provided in the Malaysian Budget 2013 for replanting of oil palm plantations under the National Key Economic Area (NKEA). Similarly, priority is also given to other commodity crops such as timber, rubber, cocoa, pepper and kenaf to be developed in the next year. He also highlighted Malaysia's exports of commodities and commodity-based products for the period of January-June 2012 which amounted to RM64.44 billion. It was an increase of 18.4% over exports for the corresponding period last year.

Among the VVIPs present were Datin Paduka Nurmala Abd Rahim, Secretary-General of MPIC, Tan Sri Shahrir Samad, Chairman of MPOB and Datuk Ahmad Hamzah, Chairman of LGM. A prize giving ceremony for the Best Smallholders and Commodity Entrepreneurs 2012 was also held where six recipients namely Encik Mohd Janis Abu Bakar (Oil Palm), Encik Bujang Ajis (Rubber), Puan Manja Nyaling (Cocoa), Encik Jepun Lamit (Pepper), Puan Siti Naterah Awang (Kenaf) and Karaz Synergy Sdn. Bhd. (Timber) received their award from the Minister. The conference attracted about 1,000 participants from all commodity sectors.



YB Tan Sri Bernard Dompok (centre) examining a household product manufactured from Rubberwood stump.



A full capacity attendance at the conference.

MTIB also held a half-day seminar on Karas and gaharu in conjunction with the conference. About 100 participants attended the event among whom were Karas smallholder planters and gaharu product entrepreneurs. The speakers were from MTIB, UPM and the private sector. The topics presented were Policy and Regulation on Trade of Gaharu Product, Inoculation Technique in Gaharu Production, Karas Plantation, and Experience of Karas Tea and Karas Coffee Manufacturer.

NETWORKING SESSION FOR CLOSER COLLABORATION BETWEEN MANUFACTURERS AND SUPPLIERS



Attendees at the session.

The Bumiputera Entrepreneur Networking Session was held on 25 September in Kuala Lumpur. One hundred and twenty-one participants attended the session. They comprised Ministry of Education (MoE) vendors, Programme Managed Lending Suppliers (PML), SME Bank, SME Corp. officials and Office at Work Sdn. Bhd. The session was held in collaboration with Association of Malaysian Bumiputera Timber & Furniture Entrepreneurs (PEKA) and Bumiputera Furniture Industry Entrepreneurs Association Malaysia (PETRA). The welcoming speech was delivered by Dr. Jalaluddin Harun, Director-General of MTIB. In his speech, Dr. Jalaluddin said that export by Bumiputera furniture manufacturers in 2011 amounted to RM22.6 million compared to the overall export of furniture from Malaysia totalling RM6,201.5 million. He also urged everyone to play a role in ensuring that Bumiputera exports increase in the future to enable them to compete with other manufacturers in the timber industry, and to achieve the National Timber Policy (NATIP) target in 2020.

The primary objective of the session was to establish networking between school furniture manufacturers who are vendors of the Ministry of Education and raw material suppliers. The discussion also centred on efforts to ensure the fulfilment of school furniture supply contracts in a timely manner and using high quality raw materials. Opportunities in the open market business were also discussed.


The networking session was divided into two sessions: a briefing by suppliers, SME Bank and SME Corp. Malaysia in the morning and an interaction session between manufacturers and suppliers in the evening. The presentation, delivered by SME Corp. Malaysia, was regarding the SCORE programme (SMEs Competitiveness Rating For

Enhancements) and the SME Bank on loan facilities provided for Bumiputera SMEs as well as briefings by the raw material suppliers appointed by MTIB under Programme Managed Lending (PML) between MTIB and SME Bank.

All issues related to supply of raw materials and price between the two sides were resolved by mutual understanding. To facilitate further collaboration, MTIB will help in seeking funding from the government to help reduce the burden of entrepreneurs in raising capital to purchase raw materials from appointed suppliers.



Interaction session between manufacturers and suppliers.

The session was successful in establishing a cooperative relationship between manufacturers and suppliers for raw materials which would benefit both parties. Some orders were also clinched between the manufacturers and suppliers attending the session. 

WORLD DAY OF ARCHITECTURE 2012



Dr. Jalaluddin Harun, MTIB Director-General delivering his speech on behalf of Deputy Minister of Plantation Industries and Commodities.



Exhibition booth at the event.

The National Green Technology Policy launched by YAB Dato' Sri Mohd Najib Tun Abdul Razak, Prime Minister of Malaysia on 24 July 2009 highlights Malaysia's commitment towards the application of green technology in construction to enhance the country's competitiveness in the international arena.

As such, in line with its role to further promote the use of green building materials, the Institute of Architects for Southern Region organised the World Day of Architecture 2012 (WDOA) from 23–24 October at Galeri Glulam, Johor Bahru. The event was supported by Malaysian Institute of Architects (PAM) South Branch. It was also jointly organised in collaboration with MTIB, Universiti Teknologi Malaysia (UTM) and Pasir Gudang Municipal Council. The WDOA was officiated by Dr. Jalaluddin Harun, MTIB Director-General on behalf of YB Dato' Hamzah Zainudin, Deputy Minister of Plantation Industries and Commodities.

In his speech, Dato' Hamzah noted the role of architects in expressing their aspirations in their building designs which

reflect the uniqueness of the country. Architecture is a combination of art and science in particular, in the design and construction of buildings and structures. Building designs inspired by the effects of colonialism and the influence of foreign countries also played a role in influencing the architecture in this country, citing PETRONAS Twin Towers as an example. He added that in line with the green concept, the government through MPIC, will implement several initiatives to improve the competitiveness of the wood-based industry, especially in reducing construction material waste, increasing efficiency and promoting the development of the green technology concept.

Activities carried out during the WDOA included a seminar and exhibitions on green building, a dialogue with local authorities as well as a CSR fund raising. The topics deliberated during the seminar included Architects are City Changers by Tuan Hj. Shah Jaffar, Principal, VERITAS Design Group from the Legoland Malaysia; Development and Application of Green Technology in the Industrial and Commercial Sector by Ir. Looi Hip Peu, President of Malaysia



Seminar participants during the World Day of Architecture.

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Green Building Confederation; Incentives as Derived from the Ministry Guidelines for Implementing Green Technology by Encik Mohd Fadhl Razmi, Senior Assistant Secretary KeTTHA and Future for Structural Green Timber by Puan Hj. Mahsuri Mat Dris, MTIB Senior Deputy Director Industry Development. Most of the speakers highlighted green products and designs, and efficient use of raw materials, especially bio-based made from salvaged, recycled or agricultural waste material that can save energy and water, conserve natural resources or reduce harmful toxins and subsequently contribute to a healthier environment and workplace. The seminar was attended by specifiers, local authorities, contractors, builders and suppliers.

The exhibition featured Green Building concepts from several areas of interest such as panels, flooring/tiles products, finishing/paints, wood structure products such as glued laminated timber (glulam) and glass sheets used in construction as well as the green water recycle system. Among 40 companies which participated in the exhibition were Ekowood Malaysia, Woodsfield Timber Industries Co., Ltd., IRM Wood Composites Sdn. Bhd., Asiahai Products Sdn. Bhd., White Horse Ceramic Industries Sdn Bhd., Colourland Paints (Marketing) Sdn. Bhd., Monier Sdn. Bhd. and Malaysian Sheet Glass Sdn. Bhd. The companies highlighted green architecture, Green Industrial Building System and also a variety of architectural design for construction work.



WDOA Gala Dinner.

The programme attracted more than 500 visitors comprising mainly of architects, engineers as well as builders in the southern region. Other participants were IRDA, MJB, MPJBT, MPKU, JKR, suppliers, students and lecturers of the Architecture School from UTM, Skudai. Based on the success of the event, MTIB plans to further cooperate with the Southern Regional Society of Architects and Institute of Engineers Malaysia (IEM) in promoting engineering timber products such as glulam as well as Timber IBS to specifiers.

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Director-General, Dr. Jalaluddin Harun, while Myanmar Timber Merchants Association (MTMA) was represented by its Chairman, Mr. Sein Lwin. The exchange of documents was witnessed by YAB Dato' Sri Mohd Najib Tun Abdul Razak, Prime Minister of Malaysia. The main areas of collaboration between MTIB and MTMA are:

- Capacity building and skills upgrading
- Promotion of investments in value added timber products
- Supply of raw materials
- Business matchmaking
- Exchange of market information

Both parties have agreed to undertake a training programme for the timber industry and related institutions in Myanmar. The training will focus on timber processing and finishing technology.

The Timber, Processing and Finishing Technology (TPF) programme encompasses modules based on Malaysia's National Occupational Skills Standard. In the meantime, MTIB will also explore the possibilities of bringing in skilled workers from Myanmar to be absorbed by the timber processing mills in Malaysia.

The findings of the delegation indicated the potential of business in Myanmar. In fact, furniture sector has also raised



Discussion between MTIB officials and MTMA members.

interest in undertaking forest planting in the country. This move however requires further clarification from Myanmar, in particular, on policy matters. MTMA has indicated its willingness to assist Malaysians who are interested in setting up business in Myanmar in this sector as well in timber products manufacturing.

In the delegation, MTIB was represented by Puan Hj. Norchahaya Hashim, Deputy Director-General, Puan Hj. Noor Laila Mohamed Halip, Director of Strategic Planning and Corporate Affairs and Encik Mohd Nor Zamri Mat Amin, Director of Wood Industry Skills Development Centre (WISDEC).

ETP-NEW ERA FOR TIMBER STRUCTURES IN MALAYSIA



Photo taken during an industry visit to a manufacturer of cross laminated board in Stockholm, Sweden. Seen here are the Malaysian delegates with fellow members from the USA.

Recognising the importance of participating in the standards development activities at the international fora and in line with its role as a Standards Writing Organisation (SWO), MTIB recently participated in The ISO/TC 165: Timber Structure Meeting in Stockholm Sweden. The meeting was hosted by Invitant Svenskt Tra (Swedish Wood, part of the Swedish Forest Industries Federation) from 17 to 21 September in Stockholm, Sweden. The meeting comprised six Working Groups (WG) as listed below:

- WG 2 : Requirements for structural glued laminated elements
- WG 6 : Glued joints for timber structures
- WG 7 : Connections and assemblies
- WG 8 : Structural properties of wood-based panels
- WG 10 : Evaluation of characteristic values for structural timber
- WG 11 : Classification for solid timber

To facilitate discussion, the meeting summarised the framework for WGs timber structures which comprised product and material specifications, test methods, establishment of characteristic values, determination of design values as well as design standards for timber structures. Based on the above categories, a total of 28 ISO Standards for Timber Structure are being developed at several stages including DIS, Committee Draft (CD), Working Draft (WD) and New Work Item Proposals (NWIP). The ISO standards

developed cover several products such as lumber, glulam, LVL, I-Beam, panels, poles as well as bamboo.

During the plenary meeting a total of 21 resolutions for ISO TC 165 were decided as follows:

- To revise ISO 12579 "Timber structures - glued laminated timber".
- To prepare a NWI proposal and WD12578 "Timber structures – glued laminated timber - component performance and production requirements".
- To prepare a preliminary working draft WD 18402 titled "Testing requirements for structural insulated roof panels".
- To revert Project 16696 "Timber structures – cross laminated timber - Part 1: component performance and production requirements" to the preliminary stage.
- To amend WD16696 (N695 rev) "Timber structures - cross laminated timber - Part 1: component performance and production requirements" as a preliminary work item.
- To amend CD17754 "Torsional resistance of driving in screws and submit for vote as a DIS by December 2012.
- To prepare WD18324 "Test methods for floor vibration" and submit for vote as a CD by March 2013.
- To prepare a new work item proposal on test methods for joist hangers for ballot by December 2012.

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Malaysian delegates from left Dr. Tan Yu Eng (FRIM), Puan Hj. Mahsuri Mat Dris (MTIB), Puan Hamidah Abdullah (MTC) and Prof. Dr. Badorul Hisham Abu Bakar (USM).

- To prepare NWI proposal on test methods for floor and roof diaphragms as agreed at the working group meeting and submit for vote by March 2013.
- To amend CD13910 "Timber structures - strength graded timber - test methods for structural properties" for review and submit for DIS vote by January 2013.
- To amend WD16598 "Timber structures structural classification of sawntimber" with new example tables.
- To amend CD 10983 with the new title "Timber - finger joints - minimum production requirements and testing methods."

Since Malaysia is still at the infant stage of the development of the Malaysian Standards for Engineered Timber Products

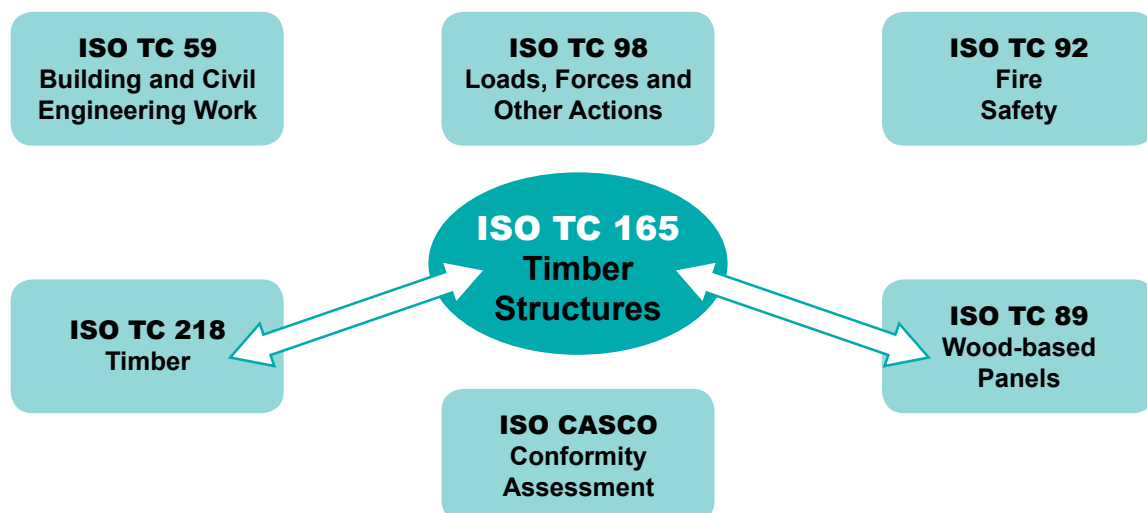
(ETP) in particular glulam and LVL, it is pertinent for Malaysia to carry out further R&D&C to assist in the standards development for these products as well as to encourage innovation, technology transfer, investment, commercialisation and application of ETP products in the domestic market as inspired in the National Timber Industry Policy (NATIP). The involvement of Malaysia in several ISO TCs such as ISO TC 165, ISO TC 218 and ISO TC 218 is very crucial since the standards development of these ISO TCs are closely related and Malaysia is also required to comply to ISO standards. Furthermore whatever changes there are in one standard of the ISO TC, other TCs must also be consistently consulted to avoid any confusion and redundancy. Besides the three current ISO TCs, there are four more TCs which are also closely related to timber structure ie ISO TC 59, ISO TC 98, ISO TC 98 and ISO CASCO (Conformity Assessment) as indicated in the Table below.

A total of 42 delegates and technical experts from 14 countries namely Australia, Austria, Canada, PR China, France, Germany, Japan, Korea, Malaysia, New Zealand, Sweden, Switzerland, United Kingdom, United States participated in the meeting. A representative from ISO Geneva, Ms. Anna Caterina Rossi and ISO/TC 165 Secretary Mr. Art Kempthorn were also in attendance. Four Malaysian delegates attended the meeting, comprising representatives from MTIB, FRIM, USM and MTC. MTIB was represented by Puan Hj. Mahsuri Mat Dris, Senior Deputy Director from Industry Development.

To complement the WG meeting, a one-day industry visit to a cross laminated timber (CLT) manufacturer was also arranged by the organiser in order to expose the participants to the development of the CLT industry in Sweden.

ISO TC 165 TIMBER STRUCTURES

and Other Relevant ISO TC's



11TH MEETING ISO 218 : TIMBER

The 11th Meeting of the ISO TC 218: Timber was held in Rotorua, New Zealand from 24-28 September, gathering over 18 leaders and timber experts from eight countries namely Malaysia, China, Japan, Ukraine, Canada, United States, France and New Zealand. The meeting was hosted by Standards New Zealand and SCION. SCION is a New Zealand Crown Research Institute (CRI) that specialises in research, science and technology development for forestry, wood products, wood-derive materials and other biomaterial sectors.

The meeting was chaired by Mr. Alan Rozek from Canada. The meetings of the different Working Groups (WG's) under the Technical Committee were held from the 24 – 28 September. Each Convener reported WG activities and the status of the standards that were being developed. The comments and amendments on the standards were further deliberated in the respective WG meetings. Developed projects of Standards and New Work Item Proposal (NWIP) discussed in correspondent Working Groups were as follows:-

1. Working Group 1 – Terminology
2. Working Group 2 – Round timber
3. Working Group 3 – Sawn and processed timber
4. Working Group 4 – Test methods
5. Working Group 6 – Wooden products
6. Working Group 7 – Wood residue and post consumer products

During the plenary meeting, a total of 26 work programmes were identified and agreed upon by different Working Groups at several levels. They were :

- To prepare and discuss DIS 16031 – Test method for small clear specimen (Part 1, Part 2, Part 3, Part 4, Part 6, Part 7), the deadline by 2013
- To prepare and discuss CD 16031 – Test method for small clear specimen (Part 11, Part 12 and Part 13), the deadline by 2013
- To prepare and discuss WD 16031 – Test method for small clear specimen (Part 14, Part 14, Part 16 and Part 17)
- To amend CD 17959 – General requirements for solid wood flooring
- To finalise the FDIS 8965 – Logging industry – Technology – Terms and definitions
- To finalise the FDIS 16415 – Non-structural timber grading requirements. In this context based on the Malaysia's

experience on the grading of the Malaysian Hardwood Timber, Malaysia was tasked to cross-check the requirements with the present Malaysian Grading Rules for Sawn Hardwood Timber (MGR), and the timeline to submit the information is by early January 2013.

- To revise 13 ISOs document (ISO 4475:1989, ISO 5323:1984, ISO 5334:1978, ISO 8903:1994, ISO 3397:1977, ISO 5321:1978, ISO 5326:1978, ISO 5327:1978, ISO 5328:1978, ISO 5329:1978, ISO 5333:1978, ISO 8905:1988 & ISO 8906:1988)



Meeting in progress.

During the meeting, a proposal was made by the Head of France delegation, Mr. Frederic Henry for ISO TC 218 to establish a new working group with a purpose to develop an International Standards on Carbon Sequestration in Timber. This was in line with the objective of the TC 218 which was to establish terminology for sawn and processed timber and floorings which would be classified or specified in a manner that is consistently understood by and equitable to all active and potential traders. It was also to develop globally recognised standards test methods that will provide physical and mechanical characteristic of round, sawn and processed timber for hardwood and softwood.

During technical tour, the host country made arrangements visits to a lab and a sawmill, namely Red Stag and PermaPine. PermaPine is a manufacturer of treated timber and round wood products for structural applications mostly for rural, residential and commercial construction, utility and infrastructure, marine timbers and poles as well as outdoor applications.

Malaysian delegates were from MTIB, UPM, Sarawak Timber Industry Development Corporation and Malaysian Timber Council. MTIB was represented by Puan Syafinaz Abd Rashad from Industry Development.

MTC GLOBAL WOODMART 2012 – GATEWAY TO INTERNATIONAL WOOD MARKETS




YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities (second from left) receiving a memento from Encik Mohd Afthar Amir of MTIB (right) at the MTIB booth.

MTC Global WoodMart 2012 was held at Kuala Lumpur Convention Centre on 4-6 October. The event, with the theme “Your Gateway to International Wood Markets” was organised by Malaysian Timber Council (MTC) and it aimed at promoting the timber industry especially within Southeast Asia. MTC Global WoodMart 2012 was officiated by YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities.

In his opening speech, Tan Sri Bernard stated that the premier event would provide a one-stop platform for manufacturers and buyers of tropical and temperate timber products to strengthen business linkages, as well as explore new business opportunities. He added that the MTC Global WoodMart 2012 had attracted the participation of 110 exhibitors from more than 20 countries including Australia, Brazil, Canada, France, Germany, China and India.

He further said that a series of buyers' programmes had been planned to help generate business for exhibitors and the cooperation would strengthen and

promote the global wood-based industry as well as a 'greener' living environment.

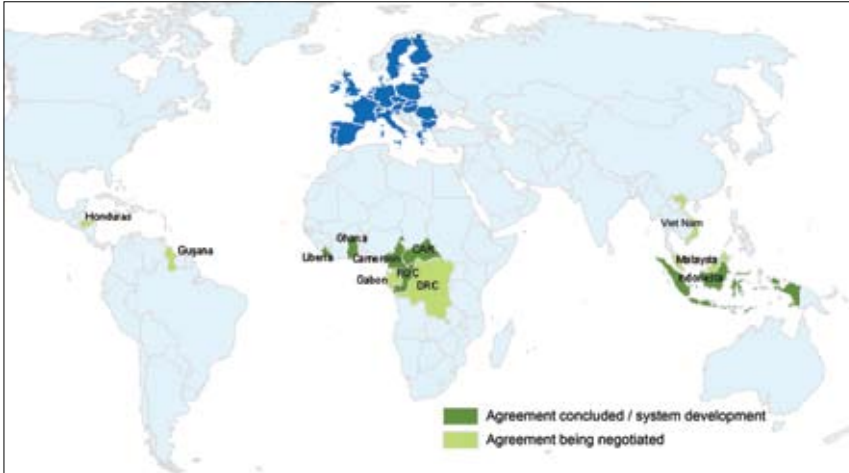
Meanwhile, under the pavilion of MTIB were Pesama Timber Corporation Sdn. Bhd., Konsortium PEKA Sdn. Bhd., Istiq Noise Control Sdn. Bhd. and IMN of Wood. The pavilion displayed products such as garden furniture, timber flooring, glulam products, sound proofing and noise control products. MTC Global WoodMart was a good platform to enable Malaysian companies to showcase their products to buyers and potential buyers. 



MTIB officials attending to foreign visitors.

TOWARDS THE PURCHASE OF LEGAL TIMBER IN THE EU

VPA Partner Countries



Source: Picture from <http://www.euflegtefi.int>

The European Union (EU) is one of the largest consumers of timber products in the world. The EU has, as far back as 1998, adopted The EU Forestry Strategy which espouses its overall principles on the application of sustainable forest management and the multifunctional role of forests.

EU Policy on Illegal Logging

The EU recognises that the region as a whole could be unwittingly purchasing illegal timber, and thus be contributing to and fuelling illegal logging, as it is a huge consumer of timber and timber products from suppliers in Asia, Africa and South America. To address and combat the issue of illegal logging which is causing significant negative economic, environmental and social impact, the EU defined and published the Forest Law Enforcement Governance and Trade (FLEGT) Action Plan in 2003.

Illegal Logging

Illegal logging is the harvesting of timber in contravention of the laws and regulations of the country of harvest. It results in lost revenues to governments, causes deforestation, climate change and loss of biodiversity. It also undermines the efforts of responsible operators by offering cheaper timber as illegal timber depresses prices of timber. From a social viewpoint, conflicts occur over land and resources and local and indigenous communities are affected. Illegal logging results in cheaper but illegal timber and timber products for the buyers.

The EU FLEGT Action Plan

To combat illegal logging, the EU launched its FLEGT Action Plan in 2003 which provides a number of measures to exclude

the import of illegal wood into the EU. This would ensure the supply of legal timber and result in wood being harvested from responsibly managed forests. The EU FLEGT Action Plan was endorsed by the EU Council of Ministers in November 2003, and the Commission was given a mandate by the Council to establish a timber licensing scheme which would be implemented through the Voluntary Partnership Agreements (VPAs).

The FLEGT Action Plan has two key pieces of legislation:

- **FLEGT Regulation** - adopted in 2005 which allows for the control of the entry of timber to the EU from countries entering into bilateral FLEGT VPAs with the EU.
- **EU Timber Regulation (EUTR)** - proposed by the Commission in October 2008 and adopted by the European Parliament and by the Council in October 2010, as a measure to prohibit the placing of illegal timber and timber products on the EU market. The EUTR obliges wood importers and traders to know the source of any timber or forest products purchased and to ensure that it is legal. The Regulation prohibits the sale of illegal timber in the EU and for operators to exercise "due diligence" in their buying policies. The EUTR is designed to work alongside the FLEGT VPA Licensing scheme.

Areas of focus of the FLEGT Action Plan include the following measures:

- **The promotion of trade in legal timber** through the development and implementation of VPAs between the EU and timber exporting countries.
- **Promoting public procurement policies** to guide contracting authorities on procurement policies that give preference to legally harvested timber and timber products.
- **Support for private sector initiatives** to encourage private sector initiatives to use voluntary codes of conduct when sourcing for legal timber and to undertake good practices in the forestry sector.
- **Safeguards for financing and investment** which includes action to encourage banks and financial institutions to develop due care procedures for investments in the forest sector.

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Joint Expert Meeting on 6 March 2012 at MTIB, Kuala Lumpur.



Working Group II Meeting on TLAS on 26 March 2012 at MTIB, Kuala Lumpur.

FLEGT VPAs

Under the EU FLEGT Action Plan, VPAs are bilateral agreements between the EU and timber exporting countries, which aim to guarantee that the wood exported to the EU has undergone the due process of legality verification. The VPA is a legally-binding accord between timber exporting countries and the EU.

The VPAs include commitments and actions from both parties, to ensure that there is no illegal timber entering the supply chain, through a license scheme to verify the legality of timber exported to the EU. The VPAs also aim to promote better enforcement of forest law as well as an inclusive approach involving civil society and the private sector.

VPA Partner Countries

Cameroon, Liberia, Ghana, Central African Republic, Republic of Congo and Indonesia have signed VPAs with the EU and are currently developing the systems agreed upon. In addition there are six countries namely Democratic Republic of Congo, Gabon, Guyana, Honduras, Viet Nam and Malaysia in the negotiation stage for the VPA.

Apart from these, the countries to which information missions on the FLEGT-VPA process have been carried out to are Bolivia, Colombia, Ecuador, Guatemala, Peru, Cambodia, Lao

PDR, Myanmar, Papua New Guinea, the Solomon Islands, Thailand, Cote d'Ivoire and Sierra Leone.

EU-Malaysia Negotiation of FLEGT VPA

The EU and the government of Malaysia, under the leadership of the Ministry of Plantation Industries and Commodities commenced negotiation on the FLEGT VPA agreement in 2007. Once the FLEGT agreement is concluded, it would be legally binding and only timber and timber products which have been verified as legal, through a Timber Legality Assurance System (TLAS), can enter the EU market. It must be noted that the TLAS only seeks to ensure compliance to existing laws and regulations governing the timber industry and does not involve enactment of new laws or amendments of existing legislation.

The product scope under FLEGT TLAS which Malaysia is negotiating with the EU includes the following 11 timber and timber products:

- Logs
- Sawntimber
- Plywood
- Veneer
- Mouldings
- Builders joinery and carpentry (BJC)
- Wood-based furniture
- Fibreboard
- Particleboard
- Wooden frames
- Railway sleepers

The FLEGT agreement would act as a marketing tool to boost sales of timber and timber products from Malaysia to the EU and would enhance the image and quality of Malaysian timber exported to this market as well as to the whole world.

References:

1. Articles on the website <http://www.ec.europa.eu>
2. Articles on the website <http://www.euflegtefi.int>
3. Paper on "Some Perspectives of The EU-Malaysia Negotiations to Conclude a Voluntary Partnership Agreement by Dato' Dr. Freezailah Che Yeom, Advisor to MPIC on Malaysia-EU FLEGT VPA



Eighth Multistakeholder Consultation Meeting on 31 July 2012 at MTIB, Kuala Lumpur.



TIMBER USE GROWING IN SOUTH KOREA

South Korea over the past four decades has demonstrated incredible growth and global integration to become a high-tech industrialised economy. With the global economic downturn in late 2008, South Korean GDP growth slowed to 0.3% in 2009. In the third quarter of 2009, the economy began to recover, in large part due to export growth, low interest rates, and an expansionary fiscal policy. Growth was 3.6% in 2011. In 2011, the US-South Korea Free Trade Agreement was ratified by both governments and is projected to go into effect in early 2012. The South Korean economy's long term challenges include a rapidly aging population, inflexible labour market and heavy reliance on exports - which comprise half of GDP. Meanwhile, the nation's gross national income (GNI), reflecting the actual purchasing power of the population, rose 1.5% on-year in 2011.



South Korea's GNI per capita stood at USD22,489 last year, up from USD20,562 the previous year. The GNI per capita surpassed the USD20,000 mark for the first time since 2007 as the economy grew and the local currency rose against the US dollar.

Forestry

About 6.4 million ha out of 9.7 million ha of South Korea is covered with forests. The South Korean government has initiated a forest policy which resulted in well-stocked forest resources. The Second National Forest Plan (1979 – 1987) was devised to establish large-scale commercial forests that could develop into sustainable timber resources for domestic demand on timber products. The plan helped some 80 large-scale commercial forests and successfully reforested 325,000 ha of forests.

In the Third National Forest Plan (1988 – 1997), the government focused on harmonising the economic functions and public benefits of the forest. After an extensive nationwide tree planting efforts, South Korea succeeded in restoring its forest cover and gained international recognition as an exemplary case of forest rehabilitation.

After completing the four national forest plans, the fifth plan was drawn up for 2008 to 2017. Its main objective was forest sustainability management, land conservation and economic development. A few key strategies had been identified and among them were integrated management and development of multi-functional forest resources, that is, to manage forests in an integrated way in order to enhance economic, environmental and social values.

The forest industry will thus be promoted for the sustainable use of renewable forest resources which will contribute to the nation's economy. Apart from that, the conservation and management of forest as a national terrestrial resource for well-balanced land development and the eco-system vitality had also been identified as another strategy.

The government projects that with proper management, sustainable domestic production should be able to satisfy more than 50% of total demand by 2030.

Malaysia Timber Trade with South Korea

South Korea's global trade registered USD1.1 trillion in 2011, up 21.2% year-on-year, and became the ninth country to have its trade volume exceed one trillion US dollars. Malaysia ranked the 19th trading partner for South Korea, taking up 1.5% share.

South Korea's bilateral trade with Malaysia increased by 57%, from USD7.2 billion in 2002 to USD16.8 billion in 2011. Malaysia ranked the 22nd largest export market of South Korea, taking up 1.1% of South Korea's total global exports.

Malaysia ranked the 14th largest import source of South Korea, taking up 2% of South Korea's total global imports.

South Korea is a significant market for Malaysia's timber and timber products with exports totalling RM1 billion in 2006. In 2007, exports increased 12% to RM1.1 billion. In 2008, exports fell marginally by 5% to RM1.07 billion. Exports increased slightly by 4% to RM1.1 billion in 2009. While in 2010, exports were recorded at RM1 billion. However, in 2011 it decreased by 33% to RM699.1 million.

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Malaysia: Export of Timber Products to South Korea
(Value : RM '000)

Products	2007	2008	2009	2010	2011
Logs	28,425	33,646	34,100	34,373	25,918
Sawntimber	91,680	54,948	64,427	53,846	51,796
Plywood	730,778	697,478	769,179	727,706	431,098
Veneer	129,327	131,581	107,977	97,828	58,056
Mouldings	31,443	25,764	38,884	37,970	42,047
BJC	11,494	10,711	8,698	9,681	11,681
Particleboard	46,318	38,230	26,691	27,198	14,440
MDF	19,647	33,329	10,225	8,216	957
Wooden Furniture	42,387	47,849	51,519	51,237	63,066
Furniture Rattan	233	32	99	31	22
TOTAL	1,131,732	1,073,568	1,111,799	1,048,086	699,081

Source : MTIB

(Volume : m³)

Products	2007	2008	2009	2010	2011
Logs	64,378	67,022	69,941	76,797	47,049
Sawntimber	90,401	51,174	59,598	53,129	46,670
Plywood	598,680	606,431	698,580	640,409	331,767
Veneer	114,452	132,822	112,366	94,959	50,621

Source : MTIB

South Korea: Production of Timber and Timber Products
(Volume : '000 m³)

Products	2006	2007	2008	2009	2010	2011
Industrial Roundwood	2,444	2,680	2,702	2,702	3,176	3,176
Sawnwood	4,366	4,366	4,366	4,366	3,798	3,798
Plywood	513	764	667	667	494	494
Veneer	544	481	376	376	286	286
Particleboard	777	955	950	950	934	919
MDF	1,642	1,717	1,690	1,690	1,655	1,836

Source : FAO

South Korea: Import of Logs by Major Suppliers
(Value : USD million)

Country	2006	2007	2008	2009	2010	2011
Total (of which)	756	910	839	624	894	782
New Zealand	308	381	365	245	312	332
Canada	57	72	59	61	118	173
USA	117	150	182	164	168	163
Australia	41	61	45	29	37	43
Russia	163	146	102	60	34	22
Malaysia	19	15	14	15	17	13

Source : Korea Custom Service (KCS)

South Korea: Import of Sawntimber by Major Suppliers
(Value : USD million)

Country	2006	2007	2008	2009	2010	2011
Total (of which)	250	305	288	250	329	437
Canada	37	50	45	41	59	77
Chile	13	24	33	25	44	73
Russia	16	23	28	25	50	67
China	34	41	39	38	44	57
New Zealand	10	10	13	14	23	36
Malaysia	44	53	38	31	25	25

Source : Korea Custom Service (KCS)

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Plywood, veneer and wooden furniture are the main exports to South Korea, accounting for 79% of Malaysia's total exports of timber products to the market in 2011.

Timber Trade in Korea Production

Production of industrial roundwood has been increasing. In 2007, production increased to 2.68 million m³ and again to 2.70 million m³ in 2008 and 2009. In 2010 and 2011, it increased heftily to 3.2 million m³ respectively and as production was not able to meet domestic consumption, most of the timber requirements had to be imported.

Production of sawntimber is significant where in 2009, production amounted to 4.4 million m³. In 2010 it dropped to 3.8 million m³ and remained the same in 2011. Similarly, the production of panel products such as MDF witnessed an increasing trend, while particleboard production dropped marginally to 919,000 m³ from 934,000 m³ and production of MDF amounted to 1.8 million m³ respectively in 2011.

Import of Timber by South Korea Logs

Total import of logs by South Korea was valued at USD756 million in 2006 and increased to USD910 million in 2007. Imports decreased to USD839 and USD624 million in 2008 and 2009 respectively. However in 2010, its total import value increased to USD894 and further to USD782 million in 2011

New Zealand, Canada and USA are the major suppliers of softwood logs, together accounting for 45% of South Korea's total log import in 2011. Malaysia, on the other hand, dominated the tropical logs market with a share of 2%. South Korea is also one of the world's largest consumers of Radiata Pine with supply coming mainly from New Zealand.

Sawntimber

Total import value in 2007 amounted to USD305 million and in 2008, imports decreased to USD288 million. In 2009, imports marginally fell to USD250 million. Import value increased to USD329 million and USD437 million in 2010 and 2011 respectively.

Malaysia is a major supplier of hardwood sawntimber, which makes up 6% of its total import valued at USD25 million. In 2011, South Korea imported USD201 million total worth of coniferous sawntimber from Canada, Russia and China while USD109 worth of Radiata Pine were from Chile and New Zealand.

Plywood

Total import of plywood was at USD514 million in 2006 and it rose to USD595 million in 2007. However, in 2008, total import fell by 9% to USD544 million. Imports dropped to USD471 million and USD477 million in 2009 and 2010 respectively. However, in 2011 it increased to USD537 million.

China, Malaysia, Indonesia, Viet Nam, Finland and Russia are the top suppliers of plywood to South Korea.

Medium Density Fibreboard

Although domestic MDF production had expanded significantly, consumption still had to be supplemented with imports. In 2006, imports totalled USD115 million and increased to USD128 million in the following year. In 2008, imports increased further to USD154 million but fell 60% to USD62 million in 2009. However, in 2010 it increased slightly to USD75 million. However, in 2011 South Korea reduced imports of MDF by 24% to USD57 million.

China was the leading exporter amounting to USD43 million in 2011, followed by Thailand, USA, Switzerland, Australia and Malaysia.

Furniture

In 2007, South Korea imported USD1.4 billion worth of furniture. However, in 2008, imports fell to USD1.3 billion. Imports fell further to USD968 million in 2009 and in 2010, its total import value increased marginally to USD1.2 billion and in 2011, it was at USD1.3 billion. Most of the furniture imports were mainly from China, Viet Nam, Italy, Indonesia, USA, Japan, Germany, Malaysia, Thailand and France.

Furniture production is substantial where in 2007, production rose to USD6.7 billion. In 2008 and 2009, production fell to USD6.1 billion and USD4.9 billion respectively and in 2010 it increased to USD6.1 billion. In 2011, its production increased substantially to USD6.7 billion. Similarly, exports of furniture fell 10% to USD512 million in 2009 compared to the previous year. However, in 2010 and 2011, it increased to USD671 million and USD876 million respectively.

Origin of Furniture Import (2011)

China	-	64.9%
Viet Nam	-	8.9%
Italy	-	6.2%
Indonesia	-	3.1%
USA	-	2.9%
Japan	-	2.9%
Germany	-	2.6%
Malaysia	-	1.6%
Thailand	-	1.1%
France	-	0.9%

Source : CSIL

Tariff Rates

Tariff rates for most timber products are low. Tariff rates imposed on plywood which ranges from 8%-15% previously have been reduced to a flat 8%. Tariffs on furniture range from 0%-6%.

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South Korea : Import of Plywood by Major Suppliers (Value : USD million)

Country	2006	2007	2008	2009	2010	2011
Total (of which)	514	595	544	471	477	537
China	141	159	99	82	94	216
Malaysia	190	228	237	225	249	162
Indonesia	111	106	82	76	64	87
Viet Nam	1	7	18	24	28	31
Finland	38	57	57	36	13	10
Russia	1	2	7	6	8	9

Source : Korea Custom Service (KCS)

South Korea : Import of MDF by Major Suppliers (Value : USD million)

Country	2006	2007	2008	2009	2010	2011
Total (of which)	115	128	154	62	75	57
China	49	69	72	36	50	43
Thailand	11	12	19	3	10	3
USA	1	3	2	1	1	2
Switzerland	1	1	1	2	2	2
Australia	16	13	18	5	2	1
Malaysia	10	6	9	4	3	1

Source : Korea Custom Service (KCS)

South Korea : Furniture Sector (Value : USD million)

Sector	2006	2007	2008	2009	2010	2011
Production	6,457	6,671	6,082	4,905	6,102	6,736
Export	577	616	571	512	671	876
Import	1,113	1,358	1,294	981	1,219	1,347
Consumption *	6,993	7,414	6,804	5,375	6,650	7,207

Source : Korea Custom Service (KCS)

Anti-dumping Duties

The anti-dumping duties on plywood imports from Malaysia, ranging from 5% to 38%, were imposed in January 2011 for three years.

Conclusion

South Korea is becoming a significant user of wood and recent changes in government economic development plans indicate that the country could see significant growth in the construction of wood-frame single and multi-family houses over the next 15 years. In disparity to countries with long tradition of building wooden homes like Japan and China, South Korea is a relatively small wood products market. However, South Korea remains an important wood market, importing 85%-90% of the wood it consumes. This keeps the country highly dependent on offshore suppliers.

Log imports are expected to stay relatively steady and then begin to decline, as the domestic sawmill industry shrinks and higher demand for sawn lumber is supplied by imports.

South Korea's economy appears to be following the post-war Japanese economic model. To move economic development more quickly to a higher level and improve housing and living conditions, the government has adopted a very aggressive economic makeover plan. This comprehensive plan includes major provisions expected to positively impact housing construction and social development in the next 15 years.

Although, out of necessity, South Korea has used mainly concrete building methods in the past, now growing disposable income and a desire by the government to move people out of Seoul and into new clusters of cities and towns in outlying regions will allow for more and larger single-family houses. Both of these trends are viewed as important factors in supporting greater consumption of wood in the construction and renovation of South Korean homes.

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<http://www.internationalforestindustries.com>
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http://en.wikipedia.org/wiki/South_Korea
 World Furniture Outlook 2011/2012, CSIL
 MTIB Statistics

CREATING A CONDUCTIVE ENVIRONMENT FOR FINANCING



A representative from Maybank Berhad delivering her paper.

A Seminar on Financing for Wood-based Industry was organised by MTIB on 18 October in Muar, Johor. This interactive platform was held with the aim of informing the SMI's, particularly those in the Southern region, of the latest services offered by financial institutions, as well as assisting industry players in the area of risk management. The seminar also aimed at obtaining feedback from the industry on issues related to financing and insurance.

Puan Hj. Noor Laila Mohamed Halip, MTIB Director of Strategic Planning and Corporate Affairs read out the welcoming remarks on behalf of Dr. Jalaluddin Harun, MTIB Director-General. The Director-General noted that financial institutions had approved loans amounting to RM2.8 billion for the timber industry to expand businesses within the period from January to June 2012. The amount was an increase of RM0.4 billion compared to RM2.4 billion within the same duration of 2011. Industry players were also urged to be more innovative and competitive in producing quality and innovative products in order to gain better price, especially in global markets.

Four papers were presented during the seminar. Maybank Berhad's representative presented a paper on Hedging Services and Renminbi Trade Settlement. As for the hedging exchange rate risk, many companies dealing internationally have experienced the volatility in the foreign exchange markets that can cause major uncertainties in profits and capital. To avoid these risks, Maybank provides several

contracts for protection. Maybank has recently offered settlement services in Renminbi in line with Government of China's programme for cross-border trader transactions. This is another option for settlement, besides using other currencies such as the US dollar.


Cross Border Financing and Export Credit Insurance were matters deliberated by representatives from Exim Bank Malaysia Berhad. Credit insurance gives protection against the risk of non-payment for goods supplied on credit terms by a business to its buyers and as a result it becomes a bad debt. Insurance can be purchased to cover both export and domestic sales.

During the feedback session, they also discussed matters related to the Exchange Rate Locking, Cross Borders Financing, and Financing for Imported Raw Material. The matters will be taken up by MTIB and relevant institutions.



Participants attending the seminar.

The participants were also informed that any complaint regarding loan and insurance rejection by financial institutions and insurance companies were to be forwarded to MTIB. A standard form for placing financing issues can be obtained from Bank Negara Malaysia.

The seminar ended with a clinic session with the financial institutions to provide a better understanding of the services provided. More than 100 participants attended the seminars, comprising industry players, government officials and representatives of financial institutions. 

TEMPINIS –SUITABLE FOR HEAVY CONSTRUCTION

Tempinis is the Standard Malaysian name for the timber *Streblus elongatus* from the family Moracea.



Wood colour and texture.



Tempinis tree.



Flowers, leaves and the fruit of the Tempinis tree.

Physical Properties

The timber is hard and heavy, with air-dry density ranging from 915 – 1025 kg/m³. Thus, it is classified as a Heavy Hardwood. Tempinis has interlocked grains.

Vessels : Moderately numerous to numerous, small to medium-sized; mostly solitary but with some radial pairs or groups of three to four. Tyloses are abundant and yellow-white deposits are common.

Parenchyma: Abundant and visible to the naked eye; predominantly aliform and confluent, with the confluent layers linking up diagonally in short wavy layers.

Rays : Fine or moderately fine but visible to the naked eye; not prominent on the radial surface.

Sapwood : Light yellow brown.

Heartwood : Re-brown when fresh darkening to a deep shade of brown or dark chocolate-brown on exposure.

DURABILITY

Very durable

STRENGTH PROPERTIES

The timber falls under Strengths Groups SG 2 (MS 544: Part 2: 2012 : Code of Practice for the Structural Use of Timber : Permissible Stress Design of Solid Timber).

Strength Properties of Tempinis

Modulus of Elasticity (MPascal)	Modulus of Rupture (MPascal)	Compression parallel to grain (MPascal)	Shear Strength (MPascal)
12,000	58	31.5	11

MACHINING PROPERTIES

Planing is difficult and the planed surface is smooth. Boring is moderately easy but turning is difficult. It has very poor nailing properties.


SHRINKAGE

Shrinkage is low, with radial and tangential shrinkage values of 0.8% and 1.0% respectively.

USES

Tempinis can be used for all heavy constructional purposes. Other uses include piling, parquet flooring, heavy duty flooring, railway sleepers and power transmission poles.

References:

1. Foxworthy, F.W. 1930. *Durability of Malayan Timbers*. Mal. For Rec. No. 8
2. 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
3. MS 544 : Part 2 : 2001. *Code of Practice for the Structural Use of Timber : Permissible Stress Designs of Solid Timber*
4. Wong, T.M. 1982. *A Dictionary of Malaysian Timbers*. Revised by Lim, S.C. & Chung R.C.K. Malayan Forest Records No. 30. FRIM. 

MTIB Moments



MTIB organised a Course on Furniture Finishing Technology on 8-10 October 2012 in Kuantan, Pahang. Seen here are the facilitator and participants with their finished products.



Dr. Singaram represented MTIB at the opening ceremony of a wood processing pilot plant at EDS Laboratory Co. Ltd. in Maebashi-City, Japan on 16 October 2012.



MTIB, Tesco Malaysia and Universiti Malaysia Pahang inked a Memorandum of Agreement on the Greener Earth Programme to plant Karas trees. The exchange of documents took place on 23 October 2012 in Kuala Lumpur.



A Retreat on Documentation and Auditing Technique was organised by MTIB from 30-31 October 2012 in Kuala Lumpur as an improvement process of being a certification body.