

# National Conference on Timber Engineering 'Challenges And Opportunities'

*- ENGLISH VERSION ONLY -*

UCAPAN PERASMIAN OLEH  
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MENTERI PERUSAHAAN PERLADANGAN DAN KOMODITI  
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Saudara/Saudari Pengacara Majlis

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Your Excellencies Ambassadors and Trade Commissioners  
Ahli-Ahli Jemaah Lembaga MTIB  
Dif-dif kehormat, / tuan-tuan dan dan puan-puan sekalian

Selamat pagi dan salam sejahtera,

1. Terlebih dahulu saya ingin mengucapkan ribuan terima kasih kepada Lembaga Perindustrian Kayu Malaysia (MTIB) kerana sudi menjemput saya untuk menyampaikan ucapan dan seterusnya merasmikan 'National Conference On Timber Engineering' dengan tema 'Challenges and Opportunities' pada pagi ini. Saya juga ingin mengucapkan tahniah kepada MTIB kerana telah mengambil inisiatif untuk mengadakan persidangan peringkat Nasional ini. Saya berasa bangga dengan usaha ini dan dengan kehadiran dan penyertaan tuan/puan mencerminkan pentingnya persidangan ini dalam usaha Kerajaan memajukan industri perkayuan negara.

2. Saya difahamkan bahawa persidangan ini akan membincangkan isu-isu berkaitan penggunaan kayu di pasaran domestik serta langkah-langkah strategik yang boleh diambil bagi mempertingkatkan penggunaannya. Pada pandangan saya persidangan yang diadakan pada hari ini adalah tepat pada masanya memandangkan industri berasaskan kayu merupakan salah satu industri yang menyumbang kepada pendapatan eksport negara. Sehubungan itu, langkah-langkah ke arah memperkukuhkan penggunaan kayu berbanding dengan bahan-bahan alternatif lain seperti keluli, PVC dan konkrit dalam projek-projek pembinaan dalam dan luar negara akan turut menyumbang kepada pertumbuhan ekonomi Malaysia.

Distinguished guests, ladies and gentlemen,

3. First and foremost, I wish to thank the Malaysian Timber Industry Board (MTIB) for giving me this opportunity and honour to officiate this National Conference On Timber Engineering - Challenges and Opportunities. I would also like to extend a special welcome to all the ambassadors, trade commissioners, special invited guests and participants to the opening ceremony of this conference.

4. Taking this opportunity, I would like to give a brief highlight on the Malaysian wood-based industry. Malaysia's wood based sector is one of the major contributors to the National economy. Supported by a sustainable source of raw materials, the wood manufacturing industry has over the years, developed into a significant foreign exchange earner. In 2008, the industry achieved RM 22.79 billion in export receipts which is a nominal growth of 0.1% compared to RM 22.76 billion in 2007. The timber industry's contribution to the country's GDP is approximately 5% annually.

5. Currently, there are more than 3,700 manufacturers which are involved in the manufacturing of wood products such as sawntimber, plywood and furniture. This industry offers job opportunities to about 300,000 people or nearly 3.5% of the country's work force. It has strong linkages with the small scale and ancillary industries that help to support the growth of the timber industry. Malaysia now enjoys the recognition as a major supplier of wood-based panels, sawntimber as well as furniture products. Hence, the sustainable development of the industry is critical to ensure that it continues to assume a key role in the National economy. A concerted and structured plan is thus necessary to guide industry players to ensure its continued development.

6. In this regard I wish to inform on the successful launch of the National Timber Industry Policy (NATIP), that contains strategies to steer the timber industry until 2020. It is my sincere hope that the Policy will serve as guidance in streamlining the continuous development of the Malaysia timber industry. Strategies enunciated should be implemented accordingly based on stipulated datelines. I am also urging the industry to work hand in hand with the Ministry and MTIB in overcoming issues, difference and challenges facing the timber industry. Together, we can work towards the betterment of the industry and country.

7. In light of the current global economic scenario, the cooperation and supportive role of Government agencies is even more critical. The crisis has to a certain extent affected our timber trade and I am confident that the timber industry will rebound and emerge stronger once the world economy recovers.

Distinguished guests ladies and gentlemen,

8. I am also pleased to note that Malaysian manufacturers are recognised internationally as producers of high quality products. As world trade become more competitive, compliance to standards and technical regulations becomes a critical business issue. Today, it is a fact of life that the ability to comply swiftly with changes to standards, regulations and other codes are important to ensure continued market access.

9. In this respect I am pleased to note that one of the Malaysia's major export commodities, sawntimber, is backed by a well acknowledged grading system known as the Malaysian Grading Rules, or MGR in short. The MGR needs no introduction. Timber traders throughout the world know and use it as the basis for contract negotiations on standard and quality requirements. Indeed, the MGR is the renowned and a benchmark document among the timber fraternity for the grading of tropical sawntimber.

10. I was informed that the history of MGR has its origin in 1933 when the British recognised the need for a grading system. It was known, unsurprisingly, as the Empire Grading Rules. Subsequently it became known as the Malayan Grading Rules and later as the Malaysian Grading Rules. As a result of widespread recognition, sawntimber graded according to the MGR is exported to more than 50 countries. The major destinations are the European region, West Asia, Thailand and Japan. In this regard, I am pleased to note the critical role of MTIB as the grading authority as well as its institutional support in the administration of the MGR which is well known in the international market. And today I am delighted to be given the honour to launch the updated MGR which is ready to be applied to local and international trading of sawntimber.

11. I was informed that MTIB has been appointed by SIRIM as a Standards Writing Organisation (SWO) for Timber and Timber Products since 1999. Hence, this year marks the 10th anniversary of its appointment as the SWO. In discharging this responsibility, MTIB is involved in the development standards of timber and timber products as well as in monitoring and providing technical input to the development of international standards to safeguard Malaysia's interest. MTIB is also involved in regional initiatives in standard development activities.

12. The usage of timber in the domestic market is estimated at approximately RM 7.6 billion annually. The largest consumer of timber in the domestic market is the housing and construction sector, and sawntimber is the major product used in these sectors. Of late we have seen that the use of timber in constructions has declined due to competition from alternatives materials such as steel, concrete and PVC. Several reasons have been cited for this decline. Lack of information is one of the reasons for this situation. Users, especially the younger generations are also concerned about the sustainability of

the resource. As a result timber is often seen from a negative perspective and as an unsustainable industry.

13. Hence, the organization of this conference today augurs well to disseminate and exchange information on the challenges facing the wider application of timber in the domestic market. In addition specific promotional activities should be enhanced. In this regard my Ministry is fully committed to provide the necessary support services to strengthen the promotional efforts. Taking this opportunity I would like to urge the relevant Government agencies working in partnership with the industry to take the necessary strategic steps and actions to address the challenges that will be deliberated in today's conference.

Distinguished guests, ladies and gentlemen,

14. I am also pleased to inform that the Government of Malaysia is promoting the construction industry to use Industrialized Building System (IBS) as a method of construction. With the formulation of Construction Industrial Master Plan (CIMP) 2006-2015 and the move by the Treasury in issuing a circular on IBS in October 2008 which requires that all new Government building projects to have at least 70% IBS content, I am confident that timber will be a promising material for IBS applications if the appropriate grades, species and properties of timber are used.

15. Furthermore Pertubuhan Arkitek Malaysia (PAM) recently launched a Malaysian Green Building Index (GBI) in April 2009. GBI is a rating system that provides a comprehensive framework to evaluate the environmental impact and performance of buildings. Timber which is an environment friendly material should be able to score high on these requirements demanded by buyers. Added to this is the availability of new technologies that the timber industry has successfully introduced in the building industry such as engineered products and components. Engineered timber products such as Glue-Laminated Timber (GLULAM) and Laminated Veneer Lumber (LVL) are excellent materials for structural applications. The success of this technology has been so spectacular, especially in western countries, that it is predicted that the market for these products will grow by at least 10 times within a decade in developed markets such as Europe, North America, Japan and Australia.

16. In spite of these development and advantages that have already been demonstrated through numerous R&D as well as actual applications, it has yet to be commercially manufactured and used by the construction sector in Malaysia. I am glad that this aspect will be deliberated by the speakers in this conference. I hope that concrete steps will be undertaken by the agencies under my Ministry to promote this material to the construction industry.

Distinguished guests ladies and gentlemen,

17. Before I end my speech, I like to once again thank MTIB for organizing and inviting me to officiate this conference. I also wish to express my gratitude to other supporting organizations such as FRIM, PAM, UiTM, UKM, UPM, public and private sectors and all those who have supported and contributed towards the successful organization of this conference. Special thanks are also accorded to all speakers for sharing their expertise in this conference. I am confident that this conference will provide an interesting forum for all participants to update on some of the latest challenges, development as well as opportunities in the domestic timber market.

18. Finally, I wish all the participants a fruitful conference, and on this note, I have great pleasure in officially declaring this conference open.

Thank you.

KEMENTERIAN PERUSAHAAN PERLADANGAN DAN KOMODITI