

SPEECH BY Y.B. TAN SRI BERNARD GILUK DOMPOK

**- ENGLISH VERSION ONLY -
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**Y.B. TAN SRI BERNARD GILUK DOMPOK
MINISTER OF PLANTATION INDUSTRIES AND COMMODITIES, MALAYSIA
IN CONJUNCTION WITH THE ANNUAL DIALOGUE
WITH THE TIMBER AND FURNITURE INDUSTRY 2011
24 JANUARI 2011
HOTEL MARRIOTT, PUTRAJAYA**

Y.B. Dato' Hamzah Zainudin,
Deputy Minister of Plantation Industries and Commodities.

Y.Bhg. Datuk Wilfred Madius Tangau,
Chairman, Malaysian Timber Industry Board (MTIB).

Y.Bhg. Datin Paduka Nurmala Ab. Rahim,
Deputy Secretary General,
Ministry of Plantation Industries and Commodities.

Y. BRS. DR. Jalaludin Harun,
Director General,
Malaysian Timber Industry Board (MTIB).

Senior Officials,

Timber Industry Leaders,

Distinguished Guests,

Ladies and Gentlemen,

Good morning, Salam 1Malaysia and Welcome to the Annual Malaysian Timber Dialogue 2011.

1. Thank you very much for joining us here. I am honoured to be here amongst so many colleagues and friends from the Malaysian timber sector as well as stakeholders from related supporting agencies and organisations. This is not the first meeting of this nature, and definitely will not be the last between my Ministry/MTIB and members of the timber industry. I believe that sessions like this form an essential step in advancing a positive, constructive, and comprehensive relationship between the Government and the private sector. I am pleased that the industry leaders here share my commitment towards having a continued consultation process to enhance our shared interests.

2. Before we start the dialogue, I would like to share with you the Government's commitment in creating a progressive Malaysia. You may have already heard about the Government Transformation Programme and Economic Transformation Programme. Our country is entering into a new phase in its development with the introduction of the New Economic Model. Although the timber industry is not a part of the national key economic activities highlighted in these initiatives, we can ride on the projects identified in the programmes, for instance in terms of the supply and application of timber products and related services.

Ladies and Gentlemen,

3. The main intention of today's dialogue is to figure out how to achieve the targets of the National Timber Industry Policy (NATIP) which are:

- (i) to realise RM53 billion in exports of timber products;
- (ii) to chart an annual export growth of 6.4%; and
- (iii) 60% of exports to be derived from value-added products.

4. While previously the emphasis on trade has largely been on exports, we should not under-estimate the timber trade in the domestic market and its potential. A recent study conducted by MTIB, FRIM and MTC revealed that a RM24 billion trade in timber was generated in the local market in 2009 through value-added process. This is a significant economic activity to which we should pay more attention to.

5. The NATIP journey is still a long way ahead. The RM53 billion target is more than double the current export level. I gather that exports of timber and timber-based products for January–November 2010 amounted to RM18.8 billion, which is 6.5% more than the previous corresponding period. Export for the whole year is expected to reach RM20.5 billion. Unfortunately, this is still far from NATIP's anticipated growth trend. I will not go through all the statistics as we will listen to a presentation by the Director General of MTIB on the progress of the timber industry shortly. However, suffice to say that the shortfall in the export performance is a serious challenge that we need to address, and we have a lot of work cut out for us. Thus, this forum is designed to be not just an annual meeting where we talk with and at each other, but a launching pad for some of the institutional changes that will deal with the challenges that we all know are present.

Ladies and Gentlemen,

6. As Malaysia and the rest of the world emerged from the impact of the global economic crisis, we began to see some expansion and growth in 2010. It is crucial that the timber industry leverage on the global and regional advances and learn from the past experience to find the right solutions to ensure future growth. This is an opportunity for the industry to move up the value chain by using high-technology producing high value-added products, and reinventing into knowledge-based and skills intensive industries which incorporate activities such as design and development and research and development (R&D).

7. Today, we look out on the horizon of a new decade. And as this dialogue gets underway, it is important for us to reflect upon the questions that will shape the decade ahead:

- (i) Will growth be stalled by events like the financial crisis that has numbed the world?
- (ii) Will we be able to create a balanced and sustainable growth, lifting more people out of poverty and creating a broader prosperity in the country?
- (iii) Will we have the required raw material and labour to drive the industry?
- (iv) Will non-tariff barriers and difficult market access issues continue to haunt our international timber trade?

8. We may not be able to provide immediate remedies for every issue raised but great achievements start with small steps. For example, the findings at last year's dialogue session were deliberated at the Timber Commodity Lab. Some initiatives from the resolutions have subsequently made steady progress since then, while others are under consideration by my Ministry as they require financial commitments.

Ladies and Gentlemen,

9. The more important message I would like to put across is that we must cooperate to advance our mutual interests in a lasting economic recovery. That is why we must remain committed to strong coordination between the industry and the Government to set solid plans to restore growth, to prevent a deeper recession and to save jobs for our industry. This dialogue will help to chart the short term destination of the journey towards sustainable progress.

10. Therefore, I am very glad that timber community leaders and stakeholders have gathered for this annual forum. It is a successful format to touch base, to share experiences and fresh ideas, and to collaborate on the way forward. Let us discuss openly what needs to be done, since Business As Usual approaches are no longer sufficient to maintain traction on development at this time.

11. My Ministry together with MTIB will take note of the issues raised and endeavour to provide the best possible solutions to facilitate the industry. Also present here today are representatives from the relevant Ministries and Government agencies to facilitate follow-up actions.

12. Let me end by pledging that as a Minister who is responsible for the development of the timber industry in Malaysia, I am committed to working and collaborating with the industry to make the timber industry a success story.

Thank you very much.

Ministry of Plantation Industries and Commodities

Putrajaya
24 January 2011