



MASKAYU



**SABAH: WORKSHOP ON CULTIVATION
OF KARAS PLANTATION AND GAHARU
PRODUCTION**

**DIALOGUE SESSION ON THE
IMPLEMENTATION OF MALAYSIA-EU
FLEGT VPA AND TLAS**



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Cover: A traditional Malay wooden house – an entry submitted to MTIB's 2013 photography competition.



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SABAH: WORKSHOP ON CULTIVATION OF KARAS PLANTATION AND GAHARU PRODUCTION



YB Dato' Madius Tangau, Chairman of MTIB (seated, centre) posing with the participants and MTIB officials.

In an effort to further develop the Karas industry in Malaysia, MTIB in collaboration with Universiti Malaysia Sabah (UMS) organised a workshop on Cultivation of Karas Plantation and Gaharu Production in Kota Kinabalu, Sabah. The two-day workshop was held from 28 to 29 August to disseminate knowledge and information on the technical and production aspects of Karas and gaharu. The workshop also served as a platform to establish networking among the industry players as well as to update the industry on the development of the Karas and gaharu industry in Malaysia.

YB Dato' Madius Tangau, Chairman of MTIB delivered the welcoming remarks and officiated the workshop. In his opening remarks, he highlighted that MTIB had been appointed as Management Authority (MA) to monitor and facilitate the trade and regulation of Karas and gaharu products. He also noted that trade of gaharu was on quota basis with only 200,000 kg allowed to be exported annually as it is governed under the

Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Nine papers were delivered during the workshop ranging from various aspects of seed selection, plantation, harvesting, promoting, marketing and policy issues of Karas and gaharu. The papers were delivered by speakers from several related agencies namely, MTIB, Sabah Forestry Department, Universiti Putra Malaysia, UMS as well as speakers from private agencies such as Oudh Agarwood Enterprise Sdn. Bhd. and Grow Project Sdn. Bhd. On the second day of the workshop, the participants visited G&G Farm, a Karas plantation in Papar where they were briefed on how gaharu is formed by using the technique of inoculation and best practices on plantation.

The workshop was attended by a total of 50 participants comprising individuals and representatives from both the government and private sector.



YB Dato' Madius Tangau delivering his welcoming remarks.



Participants at the G&G Farm in Papar.



TIMBER WORLD IN BRIEF

BELGIUM

WWF Wants State to Control Illegal Wood Imports More

Environmentalist group WWF has called for Belgium to control illegal wood imports better. The WWF said that new laws on this subject are good, but they have to be applied. In fact Belgium is one of only 11 countries in the EU which introduced such a law. However, it still lacks capacity for control in this matter.

L'Echo, 7 August

BRAZIL

Timber Prices Trending Upwards

Average prices of Brazilian round wood from natural forests are ranging from USD110/m³ to USD184/m³ at mill yard (USD111 per m³ to USD178 in June), while average prices of Brazilian sawn wood from natural forests varied from USD266/m³ to USD916/m³ ex-factory depending on the species (USD256 per m³ to USD885 in June).

For both cases, highest prices refer to Ipê (*Tabebuia* sp.) species, considered noble wood. The average price of Parica WBP glue plywood ranges from USD568/m³ to USD799/m³ ex-factory depending on thickness (USD566 per m³ to USD768 in June). Prices for Parica MR glue plywood range from USD521/m³ to USD707/m³ ex-factory, according to the thickness (USD506 per m³ to USD684 in June).

Source: ITTO, 15 August

Wood-based Panel Exports Rise

According to Brazilian Industry of Trees (IBÁ), the volume of wood-based panel exports in the first half of this year totalled 251,000 m³, a 22% increase compared to the same period of 2013.

Year-to-date, wood-based panel imports totalled 453,000 m³, a 40% decline compared with the same period in 2013. According to the Ministry of Development, Industry and Foreign Trade (MDIC), exports of tropical sawn wood dropped from 174,700 m³ between January and June 2013 to 160,200 m³ in the first half of this year, a 9% decline. Tropical sawn wood imports fell 45% in the first half of 2014 compared to the same period of 2013, (14,000 m³ in 2013 to 9,700 m³ in 2014).

Source: ITTO, 20 August

CHINA

Plywood Production Increased

Plywood production in China's Guizhou province totalled 699,391.47 m³ in January-June 2014, translating into an increase of 18.81%. In June 2014, Guizhou produced 115,017.07 m³ of plywood, down by 0.05%.

In Yunnan, Liaoning and Inner Mongolia, plywood production grew 19.03%, 13.51% and 4.89% to 309,302.52 m³, 2.05 million m³ and 625,013 m³ respectively in January-June 2014. For June 2014, plywood production in Yunnan and Liaoning rose by 10.37% to 69,381.41 m³ and 10.14% to 330,535.15 m³ respectively. Inner Mongolia produced 132,837 cubic metres of plywood, down by 1.94%.

Wood168, 7 August

EUROPEAN UNION

Notice to Toughen Up EU Timber Regulation (EUTR) Enforcement

European Commission Environment Director-General, Karl Falkenberg sent a letter to all member states in April putting them on notice to toughen up on the EUTR or face sanctions. It asked them to detail their implementation of the Regulation to date within a month.

It quizzed them on enacting legislation and sanctions, and whether due diligence checks on affected companies had been started by their national competent authorities. If these had not begun, governments were told to make sure they did. Responses to the letter indicated that 17 of the 28 EU Member States have already fulfilled the three main obligations of EUTR – that is to establish EUTR Competent Authorities, to implement sanctions, and to start checks on operators.

The countries fulfilling all these obligations are: Austria, Belgium, Bulgaria, Czech Republic, Cyprus, Denmark, Estonia, Finland, Germany, Slovakia, Ireland, Lithuania, Netherlands, Portugal, Slovakia, Sweden, and the UK.

A further eight countries are in the process of fulfilling all the obligations – France, Greece, Italy, Latvia, Luxembourg, Malta, Slovenia, and Romania. At this stage, only three countries have not begun to fulfil one or more of the obligations: Croatia, Poland and Hungary. Judging from the EC's summary table, Hungary seems to be particularly lagging behind.

The EC would take enforcement action against any Member State which fell short of their EUTR obligations. Also an EUTR enforcement group, comprising officials from Member States is due to meet for the second time in September. The EUTR will also be taken up by a task force, including EC representatives, which will work with countries to increase implementation efficiency.

Source: ITTO, 22 August

GERMAN

Sawn Beech Exports Expand to China and US

In January-May 2014, German sawn Beech exports were stable as compared to the same period last year. The export volume increased by a minor 0.75%, while the value slightly declined by about 3.67%.

However, some interesting trends were noticed. German sawn Beech deliveries to China and the US have increased in volume by about 18% and 40%, respectively. In value, exports

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to China surged by 20% and those to the US by almost 30%. The two countries accounted for 50% of all German sawn Beech exports. Moreover, deliveries to Saudi Arabia significantly increased by more than 80%, both in volume as well as in value.

In Europe, the situation was quite discordant. If German shipments to Poland were down in volume by more than 40% in the first five months, those to the Netherlands were up 53% and those to Belgium by 10%. Also sawn Beech exports to France surprisingly halved as compared to January-May 2013.

The average export price has declined in the period, down to EUR466 per m³ (Jan-May 2013: EUR487/m³). The most expensive sawn Beech was delivered to the UK (EUR746/m³) and Saudi Arabia (EUR714/m³). At the same time, the lowest average price was in deliveries to the Netherlands (EUR297/m³) and India (EUR 313/m³).

Source: IHB/Destatis, 14 August

GERMANY Parquet Flooring Output Down

The German parquet flooring production volume decreased by 7.8% to 5.0 million sqm in the first semester of 2014, compared to the same period a year earlier. This is according to the final figures of central associations of the wood and furniture industries. The production of multilayer parquet, which corresponds to 97% of the production volume, slumped by 7.7%, with the production of wide planks falling by 2.3%. Production of solid wood parquet dipped 11% to 158,000 sqm.

Holz-Zentralblatt, 1 August

GUATEMALA Exports of Wooden Furniture and Wood Products Increased

Figures from the Guatemalan Exporters Association (Agexport) show that exports of wooden furniture and wood products totalled USD100.20 million (EUR74.62 million) in 2013, whereas they are predicted to rise by 10% and reach USD110 million in 2014. Guatemala mainly exports doors, wood flooring and panels, furniture and sawntimber, and the US is its main destination, receiving 26% of total exports. Honduras and El Salvador follow receiving 23% and 21%, respectively. The industry is set to host the Expomueble event on 3 August 2014. Around 20% of the country's total furniture exports are negotiated during this event.

Prensa Libre, 1 August

INDONESIA APHI Calls for Lifting Ban on Log Exports

The Indonesian Forest Concessionaires Association (APHI) is appealing to the new government to allow the export of logs. The Chairman of APHI, Nana Suparna, said that because of the log export ban log prices have fallen and that the current price of logs from the natural forest is only about half the price of tropical logs in international markets.

In comparison, Nana Suparna said the selling price of meranti logs in Indonesia's domestic market is between USD120-130 per m³ while in the Japanese market such logs are almost three times that price. For Merbau the local market price is around USD300 per m³ while in the Chinese market Merbau sells for double that price.

Data indicates that the wholesale price of Merbau sawnwood in China is as high as USD1,400-2,200 per m³ while Indonesia's FOB price is less than USD600 per m³.

Indonesia became a major log exporter when, as a result of a deal with the IMF, log export taxes were reduced but poor law enforcement resulted in excessive logging resulting in a ban on log exports in 2001.

Source: ITTO, 18 August

MYANMAR Some US Companies Get Licence to Trade with Myanmar Timber Enterprise

Certain companies from the US have been awarded a special licence from the United States Treasury Department to trade with Myanmar Timber Enterprise and other members of the timber industry that are under the US' sanction. With the licence, members of the International Wood Products Association (IWPA), which is based in the US, are allowed to import products from Myanmar Timber Enterprise. The licence is for a term of one year starting in late-July 2014. The Myanmar Timber Enterprise is a state-related company from Myanmar that engages in timber extraction. Cindy Squires, Executive Director of IWPA, said the timber trade is urged to work with the Myanmar Forest Certification Committee and the Myanmar Timber Merchants Association to implement a better timber traceability system in Myanmar. She said the initiative targets to press government and industry leaders to set up a system for tracking how and where timber is extracted.

Myanmar Times, 11 August

NETHERLANDS Number of New Houses Sold Increases

The number of sales of new houses in the Netherlands increased year-on-year by 52% to 12,235 houses in the first seven months of 2014, according to the Dutch organisation for property developers and housing construction companies Nederlandse Vereniging voor Ontwikkelaars & Bouwondernemers. This is mainly due to a large increase in July 2014 when the number of new houses sold doubled. The organisation states that this shows that the housing market improvements are continuing and expects the number of new houses sold to reach 22,000 throughout 2014.

De Volkskrant, 14 August

SPAIN Office Furniture Sector Sees Continued Falls

The office furniture sector in Spain has reported continued falls in turnover since the start of the economic crisis. Revenues

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SHIPPING NEWS



Block Exemption Order Ruling Takes Effect

The conditional Block Exemption Order (BEO) granted by the Malaysia Competition Commission (MyCC) for liner shipping agreements commenced on December 2013 took effect on 7 July 2014 and will be enforced for three years. The BEO shall continue for three years from its gazetted date or until it is cancelled by the MyCC. A review of the BEO will be conducted by the MyCC two years from the date of its commencement.

The MyCC said the agreements were with respect to vessel sharing agreements and voluntary discussion agreements made within Malaysia or had an effect on the liner shipping services in Malaysia. The BEO was granted under Section 8 of the Competition Act 2010 and fulfills all the requirements under the Section 5 of the Act.

The BEO is only applied to transport services provided by liner operators in ocean transport. It does not include any inland carriage of goods occurring as part of through transport namely services provided by logistic providers, forwarders, depot operators, truckers, railroads, off-dock consolidation service providers, and off-dock storage and warehousing service providers whether or not such entities were affiliated with liner operators. In addition, no element of pricing or tariff in any form is allowed in respect to the exempted services.

The BEO is not exempt or does not provide immunity in respect of any abused of a dominant position under section 10 of the Act. The MyCC's decision to grant the BEO was based on studies conducted on the industry and after consultations with stakeholders including the relevant government agencies, such as Finance Ministry, Transport Ministry, International Trade and Industry Ministry and Economic Planning Unit. The BEO also followed the block exemption application by the Malaysia Shipowners Association, Shipping Association of Malaysia and Federation of Malaysian Port Operators Council.

Source: The Star, 8 July

Kuantan Port to Double Capacity

IJM Corporation Bhd.'s port business, via Kuantan Port Consortium Sdn. Bhd. (KPC) is expected to start construction of its new RM3 billion deepwater terminal by year-end. Kuantan Port, which is the most prominent maritime terminal in the east coast of Peninsular Malaysia would double up its capacity by the end of the expansion to 52 million freight weight tonnes per year. This should transform the port to a mega-sized port from its current feeder port status. This sizeable expansion planned is riding on the entrance of a strategic investor from China and the hinterland development plan in Kuantan.

IJM's wholly owned unit, Road Builder (M) Holdings Bhd. has entered into a memorandum of understanding with China's Guangxi Beibu Gulf International Port Group Co. Ltd. for the disposal of a 40% stake in KPC for RM310 million in early 2014 with the definitive agreement to be inked soon. Guangxi Beibu is currently operating four ports, namely Fangchenggang Port, Qinzhou Port, Tieshan Port and Beihai Port, in Southern China.

According to Datuk Teh Kean Ming, Chief Executive Officer and Managing Director of IJM, phase 1 of the expansion is expected to cost RM2 billion and the construction should begin by year-end. The construction should take two to three years to complete while the government builds a breakwater in the sea that would complement the expansion. The expansion includes the construction of a new wharf, the procurement of equipment as well as dredging. All these should be the factors to attract ultra-sized ships to call at the Kuantan Port.

Under the East Coast Economic Region master plan, Kuantan Port City has been identified as the integrated industrial and logistics hub for the region. The industrial activities expected to be developed include the Kuantan Integrated Biopark, the bio-fuel industrial cluster, the downstream petrochemical cluster, iron and steel industries and the automotive cluster. The catalyst for building the deepwater terminal is the fact that the current port is reaching its maximum handling capacity in the

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, July 2014

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports m ³	% Change July 2014/ June 2014
	m ³	% Change July 2014/ June 2014	m ³	% Change July 2014/ June 2014	m ³	% Change July 2014/ June 2014	m ³	% Change July 2014/ June 2014	m ³	% Change July 2014/ June 2014		
Sawntimber	44,085	14	7,089	-16	1,259	-27	264	18	7,103	-1	59,800	6
MDF	26,955	3	-	-	8,648	5	5,918	-32	10,423	12	51,944	-2
Mouldings	11,117	-4	373	-17	2,177	69	357	-56	1,780	8	15,804	0
Dressed Timber	1,617	-33	114	28	800	-7	105	-14	26	-95	2,557	-36
Plywood	6,550	20	-	-	-	-	49	96	9,213	-2	15,812	6
Veneer	153	8	1	-	6	-	-	-	187	-11	347	-2
Particleboard	29,358	-21	522	-72	429	-	73	-30	7,218	-	37,600	-4
TOTAL	119,835	-2	8,099	-28	13,319	10	6,766	-32	35,950	27	183,969	0

Note : Indicates % change over the previous month

Source : MTIB

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next few years, and it will fulfil the demand for bigger ships in tandem with the evolution of ships. Bigger ships calling would enable Kuantan Port to be a transshipment hub in the region.

Kuantan Port is strategically located facing China, which is destined to be the world's biggest economy and is one of the biggest trading partners of Malaysia today.

Source: The Star, 22 July

CMA CGM DANUBE 9,400 TEU Vessel Enters Fleet

CMA CGM Group announced that the maiden voyage of the CMA CGM DANUBE began on 30 June 2014 in China. The ship with 9,400 TEU (twenty-foot equivalent) was the first of a series of 28 ships from 9,400 to 10,900 TEU which would be delivered until the third quarter of 2016. Sailing under the Malta flag and chartered bareboat to CIMC, it was the first ship of this class built at the Chinese construction site DSIC (Dalian PRC) and delivered to the Group.

The ship, at 300 metre in length and 48 metre in width, was designed to offer maximal loading capacity while meeting the technical constraints necessitated by the Strait of the Bosphorus. With a capacity of 1,458 reefer plugs 40', which was the largest so far on such a ship the CMA CGM DANUBE embodies the Group's ambition to be a leader in the growing market. Operated on one of the emblematic lines of the Group, the CMA CGM DANUBE would offer direct service between Asia, Turkey and the Black Sea. Accordingly, it would call at Dalian, Tianjin, Kwangyang, Busan, Shanghai, Ningbo, Chiwan, Yantian, Tanjung Pelepas, Izmit, Istanbul Ambarli, Constanza, Odessa, Ilyichevsk, Port Said, Port Kelang, Singapore, and once again Dalian.

In line with the sustainable development policy of the Group, the CMA CGM DANUBE is equipped with all the latest environmental technologies which significantly reduce its CO2 emissions as well as the Group's carbon footprint. More particularly, it is equipped with new bulbous bow shapes improving the hydrodynamics of the vessel at a speed of 16 to 18 knots.

Source: Daily Shipping Times, 1 July

World Ports Climate Initiative Launches Website Focused on LNG as Shipping Fuel

The website www.lngbunkering.org was launched in July 2014 to feature the Liquefied Natural Gas (LNG) as a shipping fuel. The website was an initiative of the World Ports Climate Initiative (WPCI) LNG Fuelled Vessels Working Group under the auspices of the independent, non-profit International Association of Ports and Harbours (IAPH).

The website provides a detailed overview of the use of LNG as ship fuel and illustrates the technical requirements for ships, bunkering infrastructure, vessels under development, and the business case. The website was developed for interested parties including port authorities, fuel suppliers and shipping companies that are considering LNG as fuel for ships.

LNG is a clean and cost competitive fuel allowing the maritime industry to meet the upcoming International Maritime Organisation (IMO) regulations. LNG as a shipping fuel could help to significantly reduce the environmental impact of maritime transport, most likely without increasing cost. With

this fuel, Nitrogen oxide and Sulphur oxide and particulate emissions could be reduced by 85-100% in comparison with heavy fuel oil. Usage of LNG fuel results in 20% lower GHG emissions. LNG is obviously the ship's fuel of the future and ports are preparing to offer safe storage and bunkering of LNG for shipping lines in or near their port areas.

IAPH's WPCI LNG working group has developed harmonised LNG bunker checklists for known LNG bunkering scenarios: ship-to-ship, shore-to-ship and truck-to-ship. These checklists reflect the extra requirements of ports with regard to LNG bunkering operations in or near their port environment. By using the bunkering checklists, a high level of quality and responsibility of the LNG bunker operators could be ensured. Implemented harmonised bunker checklists would be of great benefit to the vessels bunkering LNG in different ports, as this would reduce the potential for confusion caused by having to comply with different rules and regulations in different ports.

Focusing on the usage of LNG as marine fuel, the "LNG Fuelled Vessels Working Group" has developed guidelines for safe LNG bunkering operations for ports around the world to pursue this technology.

In addition, the working group aims to create LNG awareness in ports by producing the website. The Working Group has worked in close contact with industry stakeholders currently using and/or handling LNG, as well as Government agencies.

Source: Posted by Daily Shipping Times, 3 July

Asia-Europe Container Traffic Surges 13.2% in May to 1.4 million TEU

Asia-Europe container volume in May posted a 13.2% increase in head-haul year on year to hit 1.4 million TEU. Volume growth for the first five months of the year on the trade lane was 8% up compared to last year, reaching 6.2 million TEU. May recorded the second largest percentage increase so far this year on the trade lane after the 14.6% increase recorded in March because of a post-Chinese new year-related spike. Broken down into the sub-sectors that make up the Asia-Europe trade lane, volumes on the Asia to North Europe trade lane were up 14.5% year on year to 884,559 TEU. The Asia to the western Mediterranean and North Africa trade lane enjoyed a 16% year on year increase to 247,055 TEU. From Asia to the eastern Mediterranean and the Black Sea, May's volumes jumped 5.6% to reach 235,413 TEU.

Source: Posted by Daily Shipping Times, 16 July

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, July 2014



Total = 183,969 m³

JULY 2014

Total export of Malaysian timber and timber products in July 2014 increased 3% in value to RM1.60 billion over the previous month. Cumulative export for the period of January to July also increased 6% to RM11.09 billion over the corresponding period.

Sawntimber

Export of sawntimber in July 2014 decreased 15% in volume and value to 133,595 m³ with a value of RM188.65 million compared to the previous month. Cumulative export for the second quarter of 2014 decreased 5.8% in volume however increased 3% in value to 1,054,496 m³ totalled RM1.43 billion over the previous corresponding period.

Exports to the EU for the month decreased 13.3% to 9,596 m³ from 11,069 m³ recorded in the previous month. Similarly, export to the Netherlands and Germany decreased 3.7% and 40.7% to 4,061 m³ and 1,080 m³ respectively. Demand by Belgium declined 1.4% to 1,208 m³ from 1,225 m³ in the previous month. However, export to Denmark improved 392.9% and 69 m³ respectively.

Total exports to West Asia decreased 7.1% to 18,190 m³ from 19,572 m³ in the previous month due to declining demand from major market in the region. Export to the Qatar and Saudi Arabia decreased 28.6 and 57.4% to 1,012 m³ and 1,729 m³ respectively. However, demand of sawntimber from Bahrain, Oman and UAE increased by 198.9%, 163.3% and 9.1% to 1,127 m³, 5,317 m³ and 6,373 m³ respectively.

Buying from ASEAN decreased 33.3% to 47,081 m³ from 70,583 m³ due to decreasing demand from Thailand, the major market for sawntimber in the region. Export to Thailand declined 36% to 25,908 m³ from 40,487 m³ in the previous month. However, export of sawntimber to Singapore increased 3.6% to 12,339 m³.

Shipments to East Asia improved 7.7% to 40,482 m³ from 37,598 m³ in the previous month as a result of increased demand from South Korea, Taiwan and Hong Kong. Export to South Korea marginally increased to 5,380 m³ from 3,271 m³ in the previous month, Taiwan 10,239 m³ and Hong Kong 944 m³. Meanwhile, export to Japan declined 15.8% to 5,830 m³ from 6,927 m³ recorded in the previous month.

Elsewhere, the US started buying sawntimber for the month resulting an increase of 100% to 1,258 m³. Furthermore, Australia decreased 10.8% to 1,341 m³ from 1,503 from the previous month. Demand from South Africa decreased 17% to 4,604 m³ from 5,562 m³ recorded in the previous month.

The average FOB price of sawntimber increased 9% to RM1412 per m³ from RM1,294 per m³ in the previous month. Price of Dark Red Meranti (DRM) increased 15% to RM1146 per m³ from RM993 per m³ in the previous month. Price of DRM to the Netherlands increased 0.1% to RM2,708 per m³ from RM2,705 per m³ in the previous month. Keruing was traded at RM1,495 per m³, an increase of 1% from the previous month.

Plywood

Total export of plywood in July increased 19% in volume and 18% in value to 249,478 m³ valued at RM419.03 million as compared to the previous month.

Total exports to EU decreased by 12% to 10,850 m³. Similarly shipments to Germany and UK decreased 88% and 31% to 43 m³ and 7,034 m³ respectively, whilst Denmark did not make any purchases. However, Belgium, Ireland, Italy and Netherlands increased their intake by 651%, 81%, 76% and 80% to 1,322 m³, 493 m³, 37 m³ and 1,538 m³ respectively whilst France resumed its intake.

Exports to ASEAN region increased as Singapore and Thailand intake of plywood increased by 21% and 152% to 3,953 m³ and 6,788 m³ respectively whilst Indonesia resumed its intake. However, Brunei reduced its intake by 8% to 958 m³. In East Asia, exports to China, Hong Kong and Japan increased by 57%, 11% and 19% to 4,483 m³, 4,837 m³ and 122,050 m³ respectively. On the other hand, South Korea and Taiwan reduced its intake by 13% and 4% to 16,999 m³ and 19,025 m³ respectively.

Overall, exports to West Asia increased by 30% as compared to the previous month. This is due to increase of intake by major markets namely Bahrain, Saudi Arabia and UAE. However, Kuwait, Qatar and Yemen reduced their intake by 80%, 59% and 85% to 95 m³, 211 m³ and 270 m³ respectively. Export to Bahrain, Saudi Arabia and UAE increased by 354%, 107% and 26% to 1,195 m³, 2,568 m³ and 6,206 m³ respectively.

Elsewhere, exports of plywood to US, Mexico and Australia increased by 71%, 228% and 20% to 3,066 m³, 12,123 m³ and 3,748 m³ respectively, whilst Algeria resumed its intake. However, South Africa, Canada and New Zealand reduced their intake by 70%, 48% and 22% to 812 m³, 191 m³ and 83 m³ respectively. On the other hand, Tanzania, Norway and Turkey did not make any purchases.

The FOB price of plywood decreased by 1% to RM1,680 per m³ from RM1,699 per m³ in the previous month.

Veneer

Exports of veneer for July 2014 showed an increase of 1% in volume but decreased 11% in value to 16,486 m³ at RM21.73 million as compared to the previous month. Exports to China increased by 157% to 898 m³ whilst UK resumed its intake. Meanwhile, Australia, Taiwan, and Indonesia decreased their intake by 1%, 13% and 50% to 235 m³, 7,678 m³ and 17 m³ respectively, whilst, Singapore, Canada and Sri Lanka did not make any purchases.

The FOB price of veneer decreased to RM1,318 per m³ from RM1,494 per m³, a decrease of 12% from the previous month.

Medium Density Fibreboard (MDF)

Malaysia's exports of MDF for July 2014 showed a decreased of 25% in volume and 24% in value from the previous month. Export totalled 62,524 m³ at RM65.77 million.

Exports to East Asia registered a decreased of 22% to 11,777 m³ from 15,121 m³ in the previous month. Only export to China including Hong Kong grew by 27% to 440 m³. Export to Taiwan, South Korea and Japan all recorded negative growth by 1% to 1,022 m³, 25% to 9,986 m³ and 35% to 329 m³ respectively.

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Similarly, exports to West Asia market recorded negative growth with a decrease of 27% in volume to 28,565 m³ from 39,301 m³ in the previous month. Export to Bahrain recorded an increase of 120% to 945 m³ followed by Kuwait at 34% to 2,890 m³. On the other hand, export to UAE, Oman, Jordan, Saudi Arabia and Iran showed negative growth by 8% to 10,081 m³, 29% to 2,646 m³, 34% to 614 m³, 48% to 3,358 m³ and also 48% to 5,456 m³ respectively from the previous month.

Furthermore, export to South Asia also recorded negative growth by 29%. Only export to India show an increase by 51% to 742 m³. On the other hand, export to Sri Lanka decreased by 24% to 1,115 m³, Pakistan decreased by 27% to 2,881 m³ and export to Bangladesh down by 72% to 337 m³.

Export to Australia, US, South Africa and UK all showed negative growth by 21% to 1,990 m³, 42% to 1,040 m³, 56% to 416 m³ and 64% to 191 m³ respectively.

The only region that registered positive growth was ASEAN with exports for this month increased by 10% to 12,417 m³ from 11,272 m³ in the previous month. Exports to Viet Nam

increased by 36% to 8,145. However, export to Philippines, Indonesia and Singapore registered negative growth by 1% to 1,855 m³ and 33% to 2,042 m³ and 54% to 19 m³ respectively.

Mouldings

Exports of mouldings for the month decreased by 7% in volume 6% in value to 19,699 m³ and RM53.78 million respectively. However, the cumulative exports increased by 13% in volume and 15% in value to 141,766 m³ and RM395.81 million respectively as compared to the previous corresponding period in 2013.

Exports to the EU for the month recorded at 6,701 m³, a reduction of 9% compared to the previous month. Similarly, shipments to Belgium, Netherlands and UK decreased by 7%, 20% and 8% to 732 m³, 3,230 m³ and 656 m³ respectively whilst Italy did make any purchases. However, Germany increased its intake by 20% to 1,343 m³.

Exports to the ASEAN region also decreased as Singapore intake of mouldings decreased by 15% to 1,124 m³. However, Viet Nam increased its intake by 273% to 97 m³ whilst Indonesia resumed its intake.

Meanwhile, exports to Japan, South Korea, Taiwan and Hong Kong decreased 11%, 10%, 44% and 58% to 2,692 m³, 1,347 m³, 299 m³ and 170 m³ respectively. On the other hand, exports to China increased 35% to 529 m³. Elsewhere, export to US and Canada increased by 19% and 6% to 2,616 m³ and 116 m³ respectively whereas exports to Australia dropped by 15% to 2,774 m³.

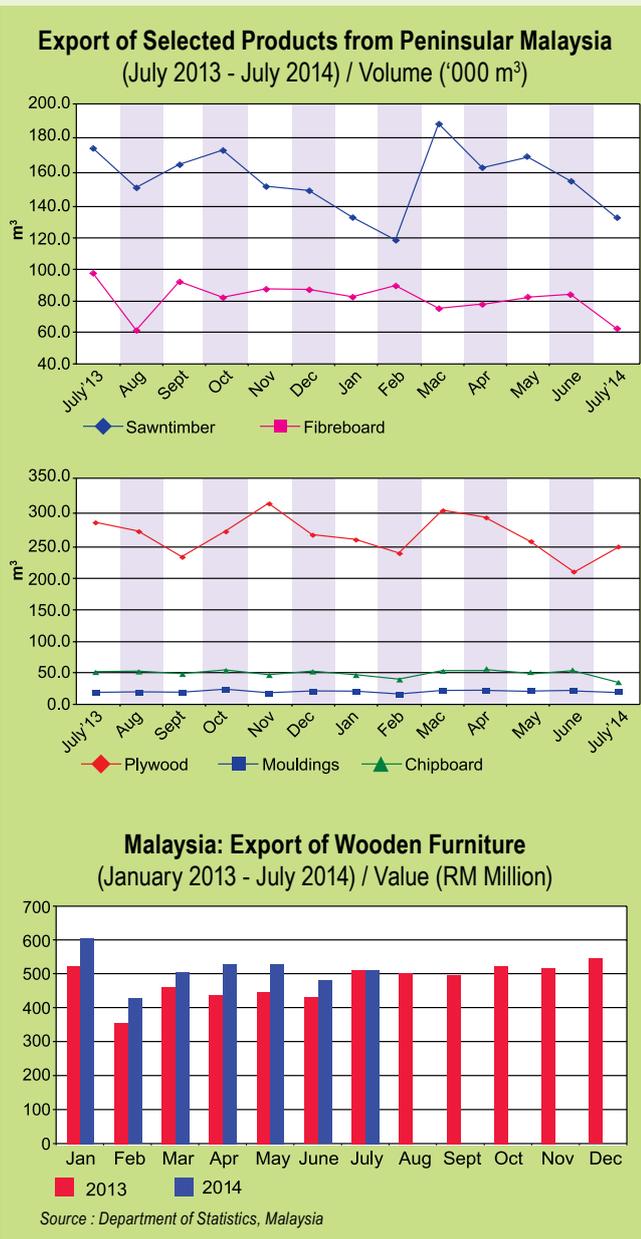
FOB unit value increased 1% from RM2,696 per m³ in the previous month to RM2,730 per m³ in July 2014.

Builders Joinery and Carpentry (BJC)

Total BJC cumulative exports from January to July increased 9% to RM581.80 million as compared to RM534.74 million in the corresponding period last year. Cumulative import from January to July by EU decreased 0.3% to RM163.35 million. Similarly, demand by France, Italy, Denmark, Norway, Germany and Sweden decreased by 47%, 3%, 24%, 91%, 43% and 6% to RM11.47 million, RM2.91 million, RM11.67 million, RM0.33 million, RM6.3 million and RM5.94 million respectively. Whereas, exports to UK, Belgium, Netherlands and Turkey increased by 13%, 31%, 101% and 211% to RM81.30 million, RM34.99 million, RM0.95 million and RM2.55 million respectively over the previous corresponding period.

In Asia, exports to Singapore, India, Thailand, Pakistan, South Korea and Taiwan grew 6%, 9%, 10%, 64%, 18% and 17% valued at RM67.60 million, RM37.33 million, RM18.58 million, RM19.27 million, RM2.48 million and RM9.69 million respectively. However, exports to Iran, Japan, UAE and Viet Nam decreased by 83%, 7%, 12% and 14% to RM0.3 million, RM46.48 million, RM7.43 million and RM12.29 million respectively.

Exports to Australia and US increased by 17% and 44% to RM75.5 million and RM47.36 million respectively. However, Maldives and South Africa reduced their intake by 27% and 10% to RM3.1 million and RM6.62 million respectively.



JULY 2014



Logs

The supplies of logs remained sufficient and accessible particularly in the east and southern region. The overall domestic prices of logs for most of the species reported to sustain at last month's level.

Log price for Chengal increased by 11% to be traded at RM4,000 per tonne. However, price of Balau dropped slightly by 1% to RM2,653 per tonne as compared to the previous month. Meanwhile, Merbau logs price stood firm at RM2,650 per tonne. Prices for Keruing improved by 3% to RM1,200 per tonne whilst Kempas fell by 7% to RM1,163 per tonne. Dark Red Meranti and Yellow Meranti were traded at RM1,550 per tonne and RM1,140 per tonne and recorded no change over the last month's level. Red Meranti logs, however, fell 5% to RM1,263 per tonne. Prices for Mixed Heavy Hardwood recorded at RM983 per tonne whilst Mixed Light Hardwood at RM665 per tonne.

Sawntimber

The average sawntimber prices remained firm in the domestic market but some species recorded significant movements in their prices. On the other hand, information from the industry revealed that the demand from overseas markets has continuously reported to depress.

The sawntimber prices of Chengal and Merbau were constantly maintained at RM6,638 per m³ and RM3,531 per m³ respectively. However, Balau sawntimber reported a decline by 17% to be traded at RM3,153 per m³ as compared to the previous month. Similarly, prices of Keruing dropped by 8% to RM1,554 per m³. Meanwhile, Kempas prices were quoted at RM1,801 per m³, a sharp increase of 46% over the previous month. Meanwhile, prices for Red Meranti and Mersawa sawntimber fell by 4% and 16% to RM1,239 per m³ and RM1,306 per m³ respectively. Prices of Mixed Heavy Hardwood charted at RM812 per m³ whilst prices of Mixed Light Hardwood rose by 2% to RM794 per m³.

Plywood

The supply of plywood to the domestic market continued to suffice to cater the need of the local demand as reported by the industry. Prices of plywood were kept at last month's level of which the plywood with the thicknesses of 4mm, 6mm, 9mm and 12mm were traded at RM14.60, RM22.00, RM34.00 and RM41.00 per piece respectively.

Medium Density Fibreboard (MDF)

Prices of MDF charted a downward trend in July due to sluggish demand from the domestic market. MDF of 6mm, 9mm and 12mm of thicknesses fell averagely by 3% to 6% as compared to the previous month to be traded at RM15.80, RM21.70 and RM28.10 per piece respectively. However, price for MDF with 4mm of thickness stood at RM12.10 per piece.

Intra-Malaysia Trade * – July 2014

Shipment of sawntimber from Sabah to Peninsular Malaysia was reported to sharply decrease by more than 50% to 472 m³, valued at RM0.1 million. However, shipments of plywood improved by 16% to 8,244 m³, worth at RM13.8 million. Meanwhile, export of veneer posted at 70 m³ with the value of RM123,000.

Export of sawntimber from Sarawak to Peninsular Malaysia fell by 28% from 1,318 m³ to 955 m³ in the month under review. Meanwhile, shipments of plywood rose by 19% in volume and 24% in value to 12,248 m³ worth RM15.8 million. Export of veneer also grew by 17% to 4,479 m³ valued at RM6 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in July 2014.

* Source: Department of Statistics, Malaysia

INTRA-MALAYSIA TRADE – JULY 2014

From	Products	JUNE 2014		JULY 2014		% Change in Volume July 2014/June 2014	% Change in Value July 2014/June 2014
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	1,063	1,196	472	989	-56	-17
	Plywood	7,088	11,643	8,244	13,762	16	18
	Veneer	189	278	70	123	-63	-56
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,318	924	955	541	-28	-41
	Plywood	10,268	12,695	12,248	15,778	19	24
	Veneer	3,832	4,459	4,479	5,999	17	35

Source : Department of Statistics, Malaysia

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JULY 2014

***AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA
JULY 2014 (VALUE IN RM)**

SPECIES	LOGS/tonne	SAWNTIMBER/m ³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	4,000	6,638	2,966	8,828	
Balau	2,653	3,153	1,483	2,549	
Red Balau	2,500	2,966	1,977	3,178	
Merbau	2,650	3,531	2,825	2,472	
Mixed Heavy Hardwood	983	812	724	918	
MEDIUM HARDWOOD					
Keruing	1,200	1,554	812	2,203	
Kempas	1,163	1,801	812	2,175	
Kapur	1,700	2,472	727	2,472	
Mengkulang	1,100	1,412	925	1,575	
Tualang	1,256	2,331	2,225	2,225	
LIGHT HARDWOOD					
Dark Red Meranti	1,550	2,189	1,412	2,062	
Red Meranti	1,263	1,239	1,012	2,408	
Yellow Meranti	1,140	1,448	1,165	1,324	
White Meranti	993	1,448	565	1,695	
Mersawa	1,240	1,306	883	1,377	
Nyato	900	777	565	1,201	
Sepetir	850	1,095	918	1,165	
Jelutong	963	1,448	1,215	1,554	
Mixed Light Hardwood	665	794	614	657	
MALAYSIAN RUBBERWOOD	LOGS/tonne	SAWNTIMBER/m³			
<i>Hevea brasiliensis</i>	160	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		710	1,052	1,172	1,236
PLYWOOD 4' X 8'	4mm	6mm	9mm	12mm	
(RM per piece)	14.60	22.00	34.00	41.00	
MDF 4' X 8'	4mm	6mm	9mm	12mm	
(RM per piece)	12.10	15.80	21.70	28.10	

Note: Log prices ex-batau. Sawntimber, 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 2014 increased 13% compared to the corresponding period of 2013. Total shipments recorded RM3.60billion against RM3.17 billion in 2013.

Purchase of wooden furniture from Malaysia for the January to July 2014 duration increased 13% from RM3.16 billion to RM3.58 billion compared to the same period in 2013. Demand for wooden furniture for July 2014 was positive across most major markets. Imports of wooden furniture by the US increased by 13% from RM987.40 million to RM1.12 billion. Japan also follow suit with an increase of 7% from RM259.46 million to RM276.95 million.

Intake by Australia increased by 2% from RM225.75 million in 2013 to RM231.26 million in the first seven of 2014. Singapore consumes an increase of 11% from RM180.39 million to RM199.40 million. The UK imports also increased by 28% from RM148.07 million to RM189.04 million.

Canada's ups its intake of wooden furniture by 36% to reach RM164.30 million. UAE recorded an increase of 21% to reach RM135.33 million in 2014. Saudi Arabia wooden furniture intake increased to RM84.91 million.

Russia's also improved its consumption by 45% from RM48.34 million to RM70.09million. India's intake increased by 19% to reach RM70.27 million in 2014. South Korea had increased its wooden furniture consumption by 24% with a purchase of RM66.38 million in for the first seven months of 2014 from RM53.6 million in 2013.

Rattan furniture shipments increased by 42% to reach RM21.09 million for the January to July 2014 period. Singapore remains as the top importer as its demand jumped to RM5.59 million in 2014. India emerges as the highest increase of intake of rattan furniture, with RM5.08 million being recorded in this year, leaped from RM87,000 in 2013. The import by UK increased as well by 73% to reach RM1.92 million in 2014.



DIALOGUE SESSION ON THE IMPLEMENTATION OF MALAYSIA-EU FLEGT VPA AND TLAS

On 21 August, the Perak State Forestry Department organised a Dialogue Session with the timber industry players of Perak on the Implementation of the Malaysia-European Union Forest Law Enforcement, Governance and Trade, Voluntary Partnership Agreement (FLEGT VPA) and Timber Legality Assurance System (TLAS). The event was organised in collaboration with MTIB and Protem Secretariat.

Dato' Hj. Roslan Ariffin, the Perak State Director of Forestry in his opening remarks, welcomed and thanked all the timber industry players, forestry officers and uniformed staff of the forestry department present in the dialogue session. He informed the participants that in 2013, the total log production in Perak was 576,000 m³ and the recovery rate was only 70%. Apart from that, out of the 707 licensed mills in Perak, only 580 wood-based mills or 82%, were active. This signaled a challenging time for the timber sector coupled with the increasing demand for legal timber and timber products. He assured the participants that the FLEGT VPA was to ensure that only legal timber entered the European market. He also hoped that the participants, especially the industry players would voice any problem pertaining to the implementation of TLAS of the VPA. In concluding his opening remarks, Dato' Roslan thanked MTIB and the Protem Secretariat for their support in organising the dialogue session.

Tuan Hj. Nazir Khan on behalf of the Coordinator of Protem Secretariat made a presentation entitled "FLEGT VPA dan TLAS". In his presentation, he provided a brief background on global concern for tropical deforestation and the various initiatives undertaken by consumer countries, in particular, the EU Timber Regulation (EUTR) which came into force on 3 March 2013. Under this regulation, there will be two doors for timber and timber products to be exported into the EU market; either through the FLEGT license or the due diligence process.



Dato' Hj. Roslan Ariffin, Director of Perak State Forestry Department delivering his opening remarks.

He informed the participants that Malaysia has opted for the Bilateral FLEGT VPA.

Tuan Hj. Nazir Khan reiterated that TLAS, which is the heart of the VPA is based on existing laws and regulations pertaining to timber harvesting, processing and trade, and it is also built upon the current timber licensing system. He reminded the participants that Peninsular Malaysia's TLAS comprises 24 Criteria clustered under six Principles with each Table addressing a specific Criteria. He then briefed the participants on the Tables and pointed out that the criteria and verification procedures contained in the Tables are what is being practiced by the Forestry Department and the other Implementing Agencies. In concluding his presentation, he reminded the participants that the VPA process would provide (act as) a marketing tool and offer access into the EU. It would also ensure sustainability of the forest resources in the long term and form a legal baseline for the management of forests and trade. Finally, Tuan Hj. Nazir Khan shared with the participants on the issuance of MYTLAS Peninsular Malaysia by MTIB from February 2013 until June 2014 as an initiative to comply with the due diligence under EUTR.

After the presentation, Dato' Roslan opened the floor for questions and comments on what had been presented. Among the questions asked, were the following: whether there was need for timber tagging in state land and alienated land; whether there will be additional work involved for the Forestry Department personnel in the overall implementation of TLAS; issues of unlicensed wood working mills, in particular furniture mills; in the case of Permanent Forest (PF), could the Malaysian Indicators and Criteria (MC & I) Audit in PF be used for the auditing of PF areas under TLAS; besides the 'green lane', was there any green premium; regarding clarification pertaining to registration with MTIB under TLAS.



Industry players who participated in the dialogue session.

SIXTH MEETING OF THE ASIA PACIFIC ECONOMIC COOPERATION EXPERTS

The Sixth Meeting of the Asia Pacific Economic Cooperation Experts Group on Illegal Logging and Associated Trade (EGILAT) was held on 6 – 8 August in Beijing, China. A total of 18 APEC economies comprising Australia, Brunei, Canada, Chile, China, Indonesia, Japan, Korea, New Zealand, Papua New Guinea, Peru, The Philippines, Russia, Singapore, Chinese Taipei, United States, Malaysia and Viet Nam attended the meeting.

The meeting was officiated by Mr. Liu Dongsheng, Deputy Administer of State Forestry Administration of China. In his speech Mr. Dongsheng stressed that illegal logging and associated trades were a great concern, as they posed a challenge to and had negative impacts on the international community. He emphasised China's position and efforts in combating illegal logging, which is firmly consistent with sustainable forest management and normal forest product trade. He urged the Asia-Pacific region to enhance policy dialogue, technical exchanges, information sharing and capacity building. He also hoped that they take the responsibility to safeguard normal trade of forest products to gain mutual benefits.

Among the pertinent issues discussed in the meeting were;

- Strategic Plan for 2013-2017
- Exchange of Information on Policies, Regulations, Governance, and Law Enforcement Relating to Combating Illegal Logging and Promoting Trade in Legal Forest Products and
- Capacity Building

With regards to the Strategic Plan for 2013-2017, the discussion focused on refining and improving the language of the draft version which should be consistent with the language in the SOM Steering Committee on Ecotech (SCE) documentation. Member economies requested to include the definition of

forest product and also suggested that the revised Strategic Plan focus on issues related to combating illegal logging.

On the issues related to “Exchange of Information on Policies, Regulations, Governance, and Law Enforcement Relating to Combating Illegal Logging and Promoting Trade in Legal Forest Products”, the Philippines, Australia, Korea and Russia made their presentations. Amongst the issues highlighted were the development of an electronic data system for documentation and forest management.

The meeting decided to develop the portal based on the Australian Country Specific Guidelines (CSG) template and to include the policy guidance proposed by the USA as an introduction to the portal. The Task Force established to develop the information sharing portal was expanded to include the following economies: Australia (lead), Chile, China, Indonesia, Malaysia, New Zealand, Papua New Guinea, Chinese Taipei, United States, Viet Nam.

During the session on capacity building, Korea presented a paper on “Online Timber Trade Facilitating System” whilst Peru proposed to organise a workshop entitled “Forest Control Systems and Market Chains” of which the meeting suggested that the workshop be held in conjunction with the EGILAT meeting in 2016. The meeting also made an announcement that the Philippines will host the EGILAT 7 in Pampanga on 26 -27 January 2015 and EGILAT 8 in Cebu on 24-25 August 2015.

The Malaysian delegation was led by Encik Mad Zaidi Mohd Karli, Undersecretary of Timber, Tobacco and Kenaf Industries of MPIC. Representatives from other agencies were Forestry Department Peninsular Malaysia, MTIB, Malaysian Timber Council and Sarawak Timber Association. MTIB was represented by Encik Mohd Kheiruddin Mohd Rani, Director of Trade Development. 

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Officials of Perak State Forestry Department.

Overall, the participants were satisfied with the outcome of the dialogue session and the President of Perak Timber Association promised to submit a report on views and comments regarding support for FLEGT VPA to MPIC.

More than 100 participants attended the dialogue. It comprised loggers, sawmillers, exporters and forestry officers from the Perak State Forestry Department. MTIB was represented by Puan Sunita Muhamad and Encik Zulhelmi Mohd Ali from Licensing and Enforcement while Tuan Hj. Nazir Khan Nizam Khan and Puan Emie Syarina Norizan represented Protem Secretariat MY-EU FLEGT VPA. 

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in 2012 came to EUR250 million (USD334.29 million), which is a 65% drop from 2007, according to figures from Spanish market for business and competitive analysis (DBK). A total of 90 companies operating in Spain, reported a 5.7% year-on-year drop. Out of the total amount, almost 60% was related to furniture, 28% to chairs and 12% to removable partitions.

The drop in demand on the domestic market was somewhat compensated for by growth in sales abroad, with a 2.3% increase to EUR133 million. The biggest demand came from Latin America, Middle East and Eastern Europe. DBK is forecasting that the market will grow around 2% in 2014 and 4% in 2015, which will value it at EUR265 million. Production is forecast to increase by 4% to 5% a year between 2014 and 2015. Price pressure is expected to continue in 2014, but product innovation and design will also continue.

Cinco Dias, 6 August

THAILAND 10-year Forestry Improvement Plan Unveiled by Council

A plan to address forestry issues has been drafted by the National Council for Peace and Order (NCPO) of Thailand for implementation over 10 years through public awareness campaigns, reforestation and law enforcement against illegal logging, among other measures. Highlights of the plan include increasing the proportion of forested land from around 31.6% comprising some 163,200 sqm at present to more than 40% as well as support for people who depend on forests for their living.

Bangkok Post, 7 August

UNITED KINGDOM CIPS Reports on Residential Construction Growth

UK residential construction is rising at a rate not seen since November 2003, with strong demand for new housing starts and favourable funding conditions cited as factors by the Chartered Institute of Purchasing and Supply (CIPS). In July 2014, the construction sector enjoyed one of the best post-recession performances, courtesy of the buoyant housing market, according to the institute. The House Builders Federation says the figures show house builders are reacting as fast as they can to the marked need in the UK for homes, saying the Help to Buy scheme was a primary factor in a 25% rise in the past 12 months in construction activity.

The Times, 5 August

UNITED STATES Building Permits Up 7.7% in July 2014

The US Census Bureau and the Department of Housing and Urban Development jointly announced the following new residential construction statistics for July 2014:

Privately-owned housing units authorised by building permits in July were at a seasonally adjusted annual rate of 1,052,000.

This is 8.1 % ($\pm 1.8\%$) above the revised June rate of 973,000 and is 7.7 % ($\pm 1.8\%$) above the July 2013 estimate of 977,000.

Single-family authorisations in July were at a rate of 640,000; this is 0.9% ($\pm 1.5\%$) above the revised June figure of 634,000. Authorisations of units in buildings with five units or more were at a rate of 382,000 in July.

Privately-owned housing starts in July were at a seasonally adjusted annual rate of 1,093,000. This is 15.7% ($\pm 10.9\%$) above the revised June estimate of 945,000 and is 21.7% ($\pm 10.7\%$) above the July 2013 rate of 898,000.

Single-family housing starts in July were at a rate of 656,000; this is 8.3 % ($\pm 10.3\%$) above the revised June figure of 606,000. The July rate for units in buildings with five units or more was 423,000.

Privately-owned housing completions in July were at a seasonally adjusted annual rate of 841,000. This is 3.7% ($\pm 8.2\%$) above the revised June estimate of 811,000 and is 8.0% ($\pm 9.9\%$) above the July 2013 rate of 779,000.

Single-family housing completions in July were at a rate of 635,000; this is 6.2% ($\pm 8.8\%$) above the revised June rate of 598,000. The July rate for units in buildings with five units or more was 199,000.

Source: Census Bureau, 24 August

Hardwood Timber Export Up by 17%

The US exported 1 million m³ of hardwood timber in the first half of 2014. This represents a 17% increase, compared to the same period a year earlier. US export of hardwood timber to the EU decreased by 7% to 80,100 m³, whereas it was almost stable in Germany with 14,300 m³, according to the US International Merchandise Trade Statistics.

Holz-Zentralblatt, 12 August

Higher US Wooden Furniture Exports

With a wooden furniture trade balance of USD11.7 billion in 2013 the US remains the world's largest importer of furniture. In the past, few US manufacturers troubled themselves with developing international markets, but exports have grown over the last decade.

Growing demand for high-end furniture in China, India, Latin America and the Middle East has created opportunities for US companies willing to deal with style and cultural differences, ocean shipping and language barriers. Between 2004 and 2013 annual growth in wooden furniture exports was close to 10%. The rise in exports was only briefly interrupted in 2009 by the financial crisis.

The strongest growth was in shipments to China, but Canada is by far the largest market for US manufacturers at USD1.2 billion in 2013, including re-exports from other countries.

Exports to the Middle East have grown significantly. Saudi Arabia is the largest market at USD43.7 million in 2013, followed by the UAE (USD27.1 million) and Qatar (USD19.0 million).

Source: ITTO, 15 August

CREATIVE DESIGN FROM NATURE'S BOUNTY

The organisers of the Malaysian International Furniture Fair (MIFF) 2015 launched the MIFF Furniture Design Competition (FDC) 2015 through a half-day workshop with the theme "Behind-the Design", on 28 August at Putra World Trade Centre, Kuala Lumpur. This annual competition, held in conjunction with the organisation of MIFF 2015, one of the most prestigious furniture fair in South East Asia, to be held from 3 to 7 March 2015 in Kuala Lumpur, hopes to develop local design talents and showcase the capabilities of the Malaysian furniture industry.

This competition, organised for the sixth time is open to young designers aged below 30; they are required to design wooden furniture which portrays the excitement of new designs through the combination of attractive upholsteries and vibrant colours. More than 200 young designers and design students had the privileged of being briefed by Encik Philip Yap, the Chief Judge of the MIFF FDC 2015, and Dr. Wong Tuck Meng, Director of Industrial Development, Malaysian Timber Council.

During Encik Yap's presentation titled "Creative Design from Nature's Bounty", he highlighted the various elements which should be incorporated during design development before it can be acknowledged as a product which was inspired by nature. However, he re-emphasised that designs including that of furniture have become more sophisticated. Gone are the days where we can embark on one simple concept. He cited the example of the world's largest furniture retailer, IKEA.

IKEA which boasts of 236 huge stores in 34 countries is more than just an ordinary furniture outlet. Apart from merchandising, it sells a lifestyle that customers around the world embrace to obtain the satisfaction of having attained an affluent status depicting oneself as having "good taste" for furniture with recognisable value. "But with the existing population who grew up in the internet world, who are able to see culture and style around the globe, it is imperative that young designers excel in thinking "out of the box" striving at utilising resources whether of national, cultural or indigenous elements. Creating beautiful and durable furniture is no easy proposition. Even if a



Workshop in progress.

design possesses excellent aesthetic values, the designer who produces it has to collaborate with the potential manufacturers to produce stylish but affordable products according to customers' preferences. Therefore, furniture designers are required to design a product that can instantly attract the attention and blend into the current lifestyle of the consumers in the respective target markets", advised Encik Yap.

At the same event, a talk on Malaysian timbers having the potential for furniture manufacturing was delivered by Dr. Wong Tuck Meng. He expressed his confidence that interest in wooden furniture will continue due to its many desirable characteristics. Domestically, there is an abundance of timber species that may be suitable for making furniture. Generally, furniture requires timbers which have sufficient strength, good machining properties, good dimensional stability and reasonable durability. Other desirable attributes include favourable density, good nailing and gluing properties, peculiar colour shades, grain patterns and texture, and most importantly its availability. Advances in related technologies have resulted in staining becoming popular, rendering the colour characteristics of timber becoming less important. Moreover, staining has the advantages of removing any imperfections in producing colour uniformity on stained furniture. 



Participants posing for the camera.

TIMBER INDUSTRY – ADVOCATORS TOWARDS GREEN GROWTH AND SUSTAINABLE DEVELOPMENT

The Government established the Ministry of Energy, Green Technology and Water in April 2009 to jump start the Green Technology industry in Malaysia. Since then, various initiatives have been implemented to accelerate and promote green technology development in Malaysia. The launching of the National Green Technology Policy by YAB Dato' Sri Mohd Najib Bin Tun Haji Abdul Razak, Prime Minister of Malaysia on 24 July 2009 served to guide the nation's journey towards a greener Malaysia. Malaysia envisaged Green Technology to be one of the emerging drivers of economic growth. The Green Technology and Climate Change Council chaired by the Prime Minister is the platform for making high level decisions pertaining to the policy and development of green technology in Malaysia. The Prime Minister has, in fact, made a conditional commitment to a 40% reduction in carbon emissions intensity by 2020 based on the 2005 levels, at the UNFCCC COP-15 in Copenhagen, conditional upon transfer of technology and finance from developed nations. The New Economic Model revealed by the Prime Minister also puts sustainability as one of the three goals of the economic transformation programme and aspires to place Malaysia as a green hub in the region.

Green Technology

Green Technology is the development and application of products, equipment, and systems used to conserve the natural environment and resources, minimising and reducing the negative impact of human activities. Green Technology refers to products, equipment, or systems which satisfy the following criteria:

- It minimises the degradation of the environment;
- It has a zero or low green house gas (GHG) emission;

- It is safe for use and promotes healthy and improved environment for all forms of life;
- It conserves the use of energy and natural resources; and
- It promotes the use of renewable resources.

The National Green Technology Policy is built on four pillars. They are: seek to attain energy independence and promote efficient utilisation; conserve and minimise the impact on the environment; enhance the national economic development through the use of technology; and improve the quality of life for all.

Green Economy

According to the United Nations Environment Programme (UNEP), Green economy is a system which results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. Sustainably managed forests, other than executing its essential role in the carbon cycle and provide favourable environmental and social values and services, also play a key role in the transition towards a greener and more sustainable economy. As we are aware, forests provide opportunities for ecosystem-based adaptation, reduce greenhouse gas emissions from deforestation and forest degradation as well as sequester additional carbon through forest restoration. A study by UNEP indicated that trade in forest products was worth over USD200 billion in 2010. Forest Products Statistics by The Food and Agriculture Organisation (FAO) recorded an increased trade in forest products amounting to USD231 billion in 2012. As such, forest certification of sustainability and legality have become market instruments that have a major impact in both producer and consumer countries.



Some examples of solar rooftop system.

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Solar rooftop system.

Green Advocacy in Relation to the Timber Industry

Upstream

For decades, the timber industry, besides being one of the main contributors to the Malaysian economy, has also been the main advocator of the green agenda. In the Permanent Reserved Forests (PRFs), harvesting activities are carried out in accordance with Sustainable Forest Management (SFM) practices in line with the requirements of the Malaysia Criteria and Indicators for Forest Management Certification (MC&I), 2002.

Sustainable and systematic logging of natural forests and forest plantations have been implemented to ensure a continuous and adequate supply of raw materials for the development of the timber industry in Malaysia. Testament to that is the establishment of the forest plantation with plans to develop 375,000 hectares of forest plantation with eight selected fast growing species such as Rubberwood (Timber Latex Clone); Acacia spp. (*mangium*/hybrid), Teak (*Tectona grandis*), Sentang (*Azadirachta excelsa*), Khaya spp. (*Khaya ivorensis*/*Khaya senegalensis*), Kelempayan/Laran (*Neolamarckia cadamba*), Batai (*Paraserianthes falcataria*), and Binuang (*Octomeles sumatrana*) at an annual planting rate of 25,000 hectares per year for the next 15 years.

In addition, the National Timber Industry Policy (NATIP) has also outlined a concerted and structured plan focusing on the market, technology, raw materials, human capital and other key factors that are crucial for the continued viability of the wood-based sector. The Malaysian Timber Certification Scheme (MTCs), endorsed by the Programme for the Endorsement of Forest Certification (PEFC) schemes, provides for independent assessment

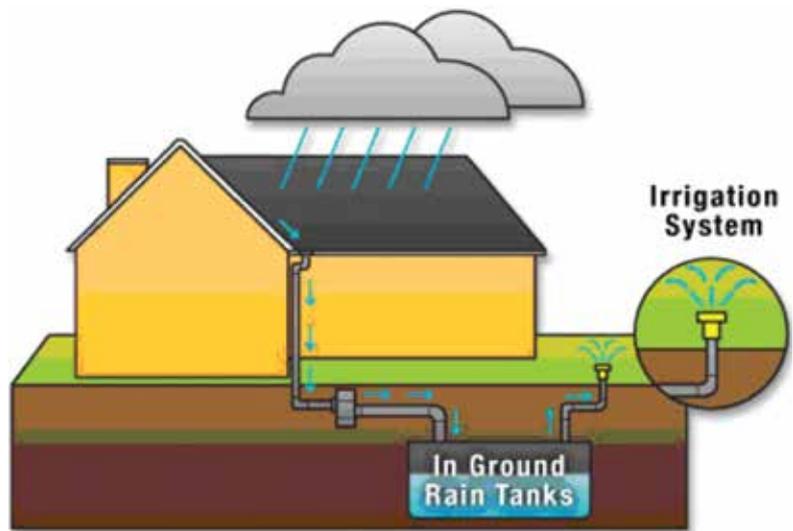


Illustration of rainwater harvesting system.



The downspout to divert the rainwater.

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of forest management practices to ensure the sustainable management of Malaysia's natural forest and forest plantations as well as to meet the demand for certified timber products.

Downstream

Green application such as rainwater harvesting system and solar panel rooftop can be applied at the mills to save energy. Timber industry players especially furniture, Joinery, plywood, MDF and moulding mills as well as sawmills are encouraged to install an environment friendly rain-water harvesting system to capture the rainwater runoff from their respective buildings. This water can then be used for landscaping, flushing and cooling boilers as well as for other cleaning purposes. The feature will only involve some installation of gutters ringing the roofs and down-pipes to direct the rainwater into the storage tanks with an overflow outlet.

Industry players should also be taking proactive approaches in using green energy, such as solar power. For the long term, this would be more economical as less maintenance is required. Some street lights within the mills compound and road access leading to the mills are some examples of facilities that could be powered by solar energy which is environmentally friendly.

MyHijau Programme by the Malaysian Green Technology Corporation (Greentech Malaysia)

One of the initiatives being undertaken by Greentech Malaysia is the MyHijau programme that will pool together the different certification schemes under one logo for easier recognition by consumers due to the proliferation of various types of green labels that exist in the market. One such label is the Malaysian Timber Certification Scheme (MTCS) by the Malaysian Timber Certification Council (MTCC). When this programme is in place, the new eco-label, MyHijau, will enable products with an existing eco-label to carry the MyHijau mark.

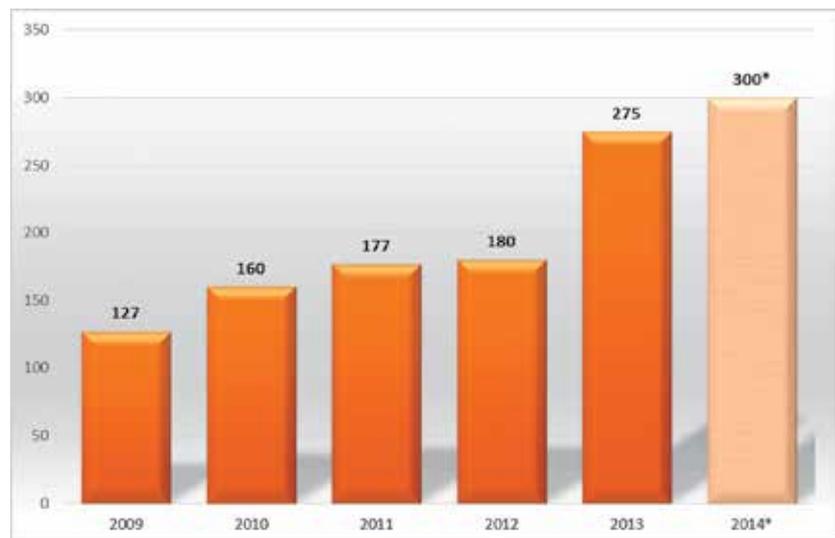
Malaysian Timber Certification Scheme (MTCS) by the Malaysian Timber Certification Council

As stated in NATIP, global demand for certified timber products manufactured from legal and sustainable sources have increased. In order to project Malaysia as a practitioner of sound and responsible environmental and sustainable forest management practices, MTCS provides an added advantage to Malaysia's

timber products by providing the assurance of legality and sustainability. To date, 10 FMUs hold valid PEFC Certificate for Forest Management under MTCS covering 4.65 million hectares or 32% of total Permanent Reserved Forests (PRFs) in Malaysia. A total of 283 timber companies were issued with PEFC Chain of Custody Certificate as of April 2014.

From 2009 to 2013, Malaysia exported a total cumulative volume of 532,326 m³ certified timber products to more than 36 countries worldwide since the operation of MTCS in October 2001. The EU is a major importer of MTCS certified timber products from Malaysia. The Netherlands, UK, France, Belgium, Germany, Denmark and Italy absorbed 42.03%, 20.05%, 7.17%, 6.55%, 6.48%, 1.93% and 0.67% respectively. Other importers included Australia 3.28%, South Africa 2.43%, Saudi Arabia 2.36% and Japan 2.30%. Sawntimber formed the major bulk of certified timber products exported at 57.96%, followed by plywood at 35.67%, mouldings at 4.77%, door components 0.83%, woodchips 0.35% and paper 0.23%.

PEFC-Certified Timber Companies in Malaysia



Export of Timber Products Certified under MTCS, 2009-2014

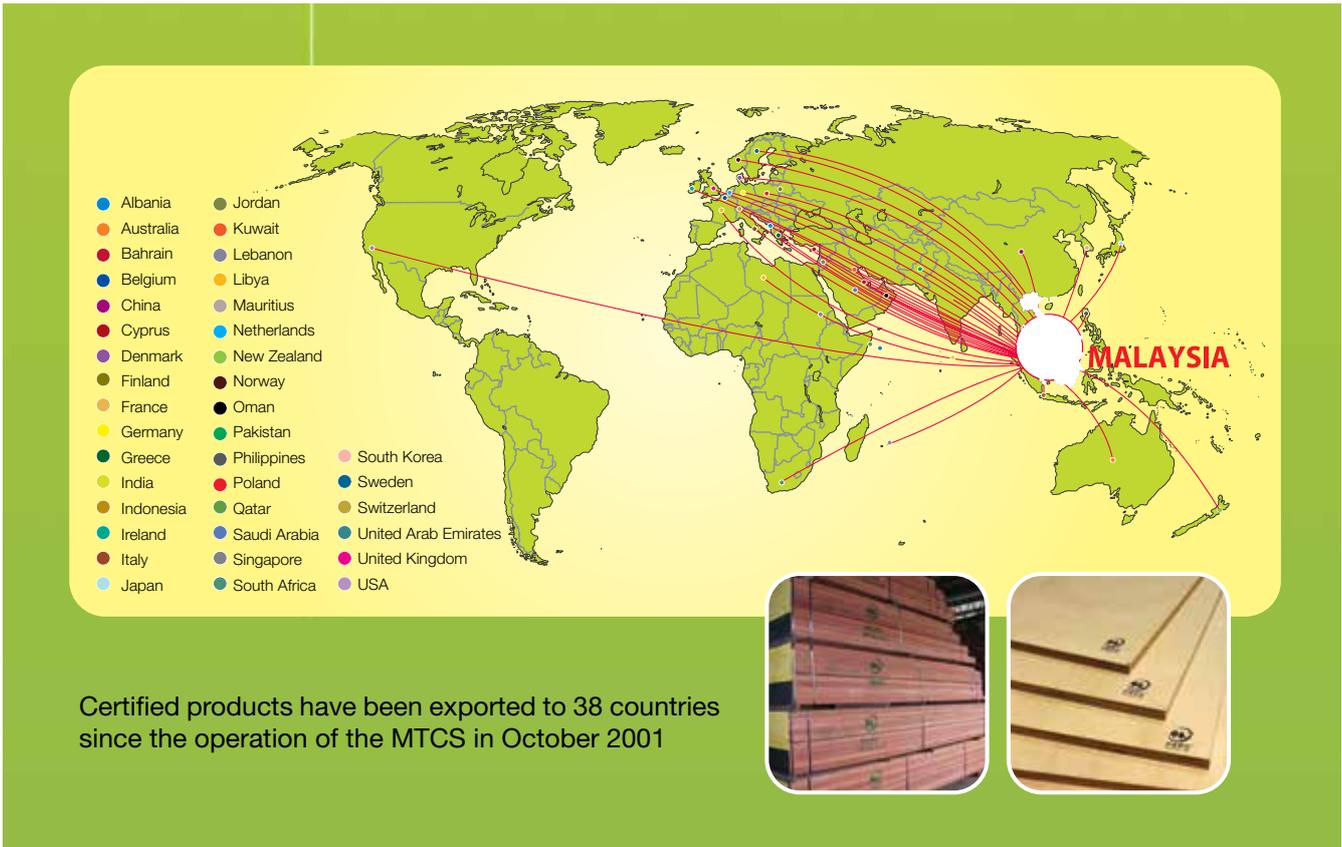


Note : * estimated figure
Source : MTCC

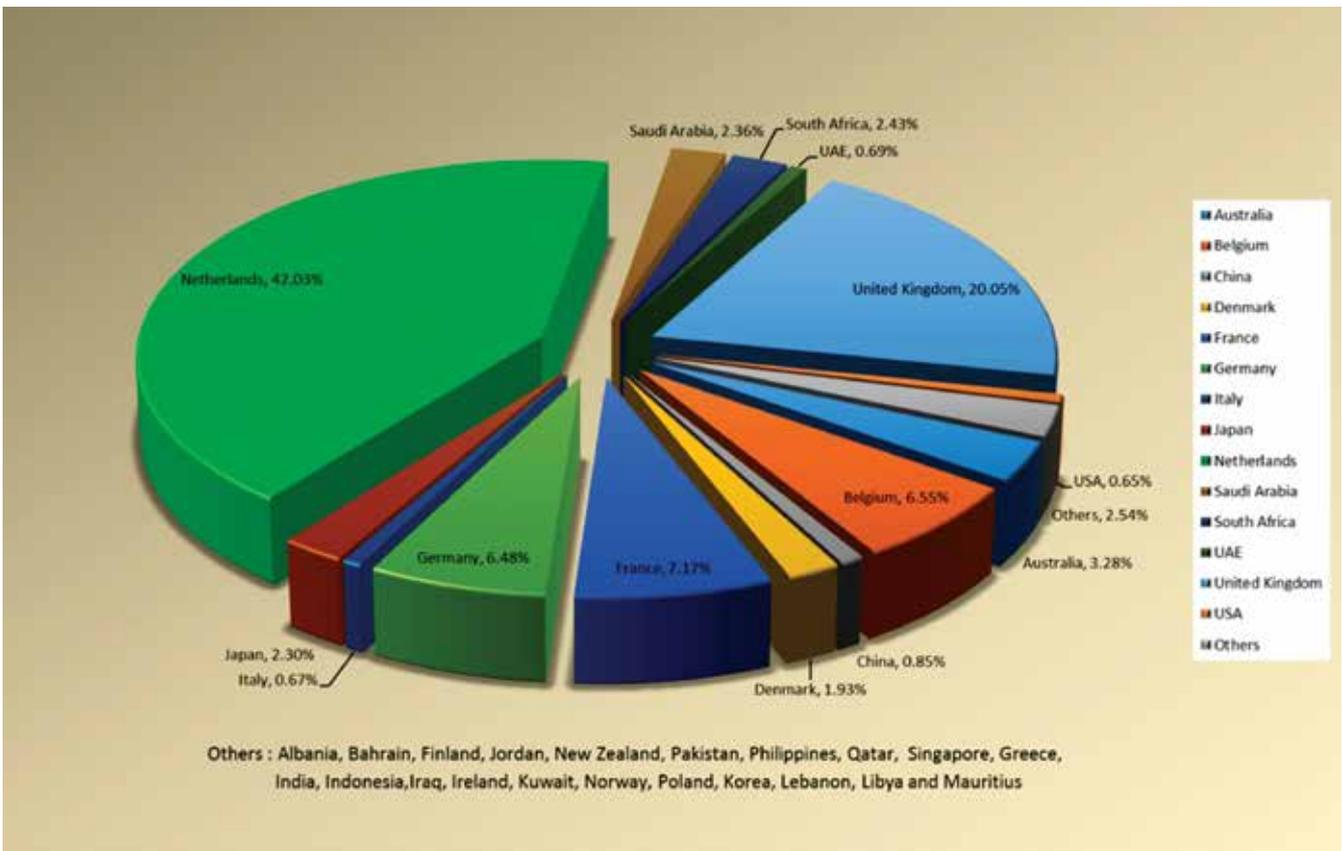
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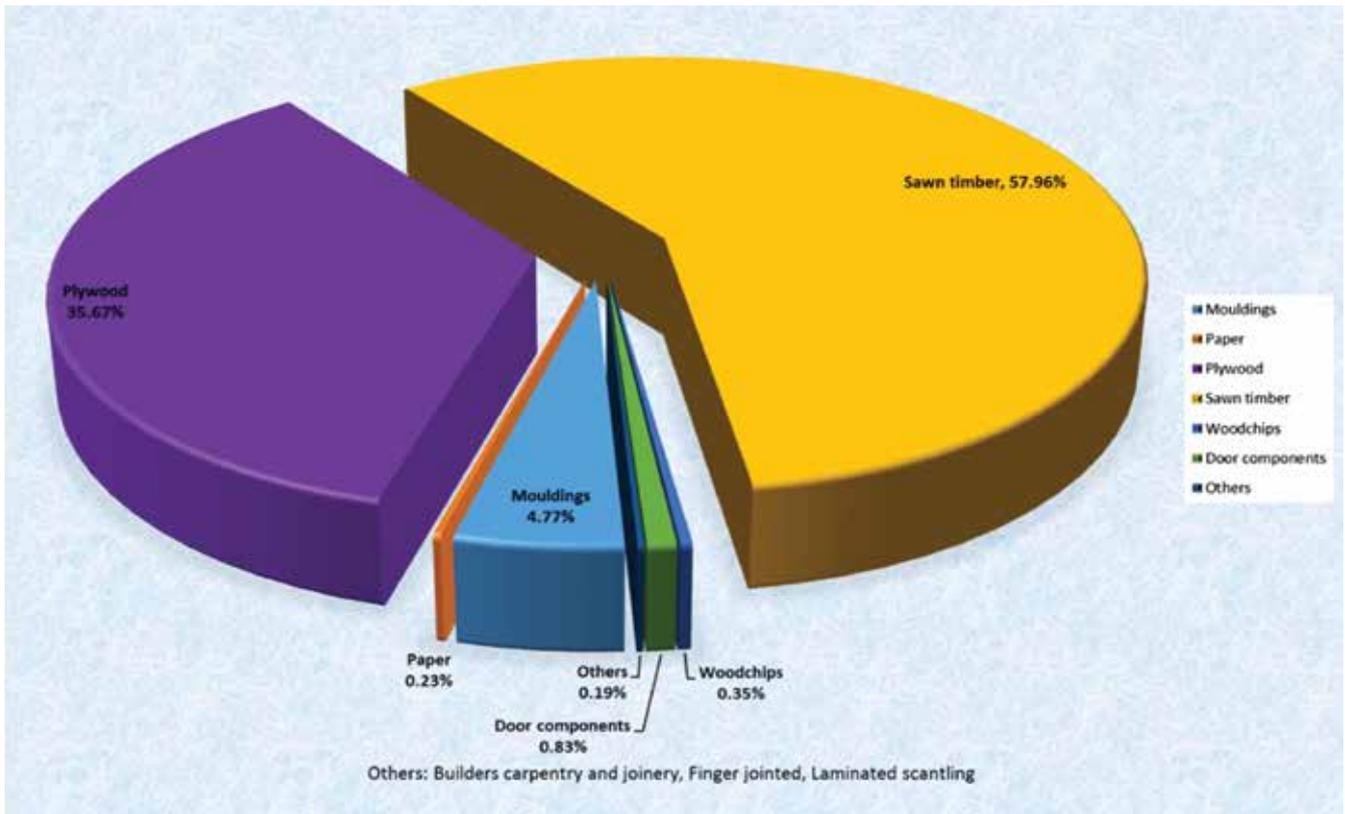
Export of Certified Products by Country



Export of Timber Products Certified under MTCS by Destination, 2009 - 2013



Export of Timber Products Certified under MTCS by Product Type, 2009 - 2013



Source : MTCC



Solar rooftop system.



Rooftop solar panels for parking lots.

Conclusion

The Government views Green Technology as the way forward towards sustainable development and economic growth for the nation. The core of sustainable development is about meeting the needs of the present without compromising the ability of our future generations to meet their needs. As such, to ensure sustainable economic growth, the deployment of green technology is not an option but a necessity.

The Government will continue to position Green Technology as the preferred choice in procurement of products and services. As such, timber industry players have to manage sustainable consumption and production as well as green practices in their business activities. The general public and consumers alike are urged to adopt Green Technology for sustainable and consumption of products and services. Towards embracing green living, society needs to be bold and adventurous and everyone has to play an important catalytic role in driving the various initiatives to push the green technology agenda aggressively.

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Ministry of Energy, Green Technology & Water Malaysia

Malaysian Green Technology Corporation (Greentech Malaysia)

<http://www.unece.org/forests/greeneconomy.html>

<http://www.fao.org/forestry/statistics/80938/en/>

International Tropical Timber Organisation (ITTO) 

COMING EVENTS – FEBRUARY 2015

DATE	EVENT	VENUE	ORGANISER
1-3	SALON DU MOBILIER Furniture Trade Show and Home Design	Parc Expo – La Beaujoire, France	Expo Nantes Atlantique Tel : + 33 (0) 240 52 0811 Fax : + 33 (0) 240 93 8050 E-mail : exponantes@exponantes.com
6-8	SALON BOIS 2015 Woodworking Industries and Building Industries Construction	Espace Gruyere, Switzerland	Salon Bois Tel : + 41 (0) 26912 63 Fax : + 41 (0) 26912 60 E-mail : info@salonbois.ch
6-15	SALON DU MEUBLIE Tunis Furniture Expo	Parc des Exposition du Kram, Tunisia	Societe des Foires International de Tunis Tel : + 216 71 973 111 Fax : + 316 71 971 666 E-mail : ift.com@fkram.com.tn
9-12	ZOW BAD SALZUFLEN Trade Show for Components, Finished Products for Furniture Industry	Messe Zentrum Bad Salzuflen Exhibition Centre, Germany	Survey Marketing and Construction GmbH Tel : + 44 (0) 521 96533 Fax : + 44 (0) 521 12255 E-mail : service@survey.info
9-13	FERIA HABITAT VALENCIA 1015 International Furniture Fair of Valencia	Feria Valencia Exhibition Centre, Spain	Feria Valencia Tel : + 34 963 861 100 Fax : + 34 963 636 111 E-mail : feriavalencia@feriavalencia.com
17-20	HOME DECOR Interior Design, Home Decoration and Furniture Design	Poznan Congress Centre, Poland	Poznan International Fair. Tel : + 48 61 869 2000 Fax : + 48 61 869 2999 E-mail : info@mtp.pi



Malaysian Wood

Standing on Excellence



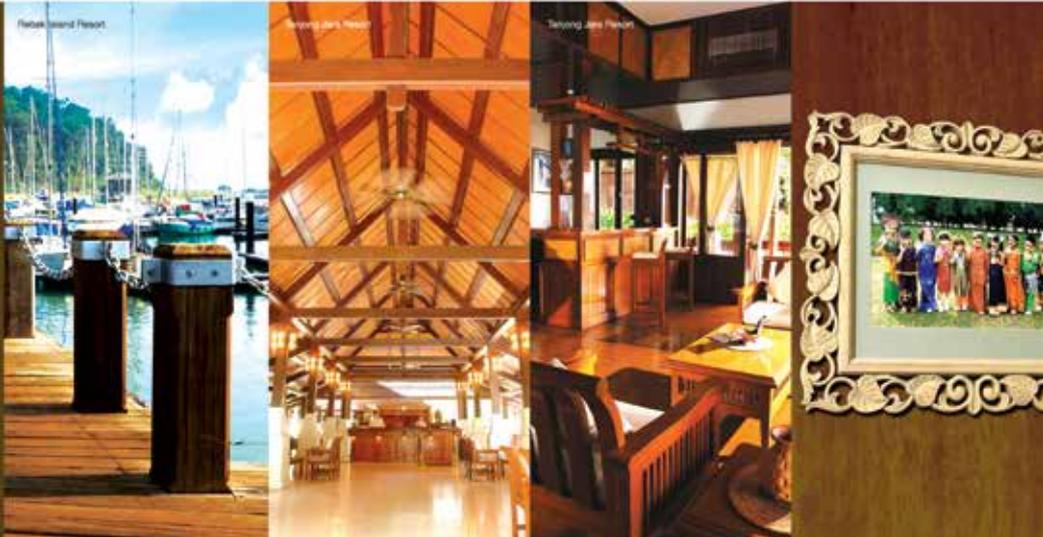
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Tel : 603 - 9282 2235 • Fax : 603 - 9285 1477 / 9200 3769 • E-mail : info@mtib.gov.my • www.mtib.gov.my

TIMBER VERIFICATION SERVICES

Timber has always been a preferred material in homes and other buildings as it creates warmth and coziness, and also highlighting elegance. While it is widely used in developed countries, Malaysian consumers tend to avoid timber based on perceived quality and maintenance problems.

Defects such as splitting, delamination, decay and insect attacks can be easily avoided if the right quality and correct specification of timber is selected and used from the outset.

The Malaysian Timber Industry Board (MTIB) offers timber verification services that can assist you to ensure the timber you choose is of the right quality and correct specification for its intended usage and application. The services include timber grading, identification of species, determination of moisture content, determination of preservatives and other services.

You can be rest assured that your products meet quality standards and hence extend the lifespan with minimal maintenance cost if it is verified to specification.



Services

1. Timber Grading
2. Identification of Species
3. Determination of Moisture Content
4. Determination of Preservative

For more information and enquiries:



MTIB

Malaysian Timber Industry Board
(Ministry of Plantation Industries and Commodities)
Level 13-17, Menara PGRM,
No.8, Jalan Pudu Ulu, Cheras,
P.O.Box 10887, 50728
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SINGAPORE – MAJOR COMMERCIAL HUBS FOR TIMBER AND TIMBER PRODUCTS

Singapore is a sovereign city-state and island country in Southeast Asia. It lies off the southern tip of the Peninsular Malaysia. The country's territory consists of the lozenge-shaped main island and more than 60 significantly smaller islands. Singapore is separated from Peninsular of Malaysia by the Straits of Johor to the north, and from Indonesia's Riau Islands by the Singapore Strait to the south. The country is highly urbanised, and little of the original vegetation remains. The country's territory has consistently expanded through land reclamation.

Singapore is one of the world's major commercial hubs, being the fourth-biggest financial centre and one of the five busiest ports. Its globalised and diversified economy depend heavily on trade, especially manufacturing, which represented 26% of Singapore's GDP in 2013.

In terms of purchasing power parity, Singapore has the third-highest per capita income in the world but one of the world's highest income inequalities. It places highly in international rankings with regard to education, healthcare, and economic competitiveness. As of today, approximately 5.6 million people live in Singapore, of which approximately two million are foreign-born. While Singapore is diverse, ethnic Asians predominate: 74% of the population is Chinese, with significant minorities of 13% Malay, 9% Indian and 4% others.

Forest Resources

Singapore is a timber deficient country. Forest and woodland cover only 3.3% of the land area with 633 sq.km being classified as reserved forest.

Timber Industry

Although lacking in forest resources, Singapore has developed into one of the world's major trading centre for timber trade. Strategic location and highly developed infrastructure and facilities have contributed to its growth. Timber and timber products are imported from neighbouring producing countries and re-exported to other parts of the world. Malaysia with its geographical location and consistent timber supply stands as one of the major timber suppliers to Singapore.

Malaysia's Timber Trade with Singapore

Malaysia's exports of timber and timber products to Singapore has been increasing for the past five years. Malaysia's total



export of timber and timber products to Singapore increased 20% in 2013 at RM864 million from RM721 million recorded in 2009. Furniture, BJC and sawntimber are the main timber products exported to Singapore. Wooden and rattan furniture exports rose 10% to RM285 million in 2013 from RM260 million in 2009. Export of sawntimber improved 23% to RM129 million in 2013 from RM105 million in 2009. BJC exports also increased 26% to RM115 million in 2013 from RM91 million in 2009. However, plywood export decreased 29% to RM68 million in 2013 from RM95 million in 2009. Other timber products exported to Singapore include mouldings, particleboard and fibreboard.

In 2013, import of timber and timber products from Singapore increased 21% to RM41 million from RM34 million in 2009. Major products imported from Singapore are furniture, plywood and veneer.

Import of furniture in 2013 recorded an increase of 174% to RM18 million as compared to 2009 while import of plywood also improved 35% to RM5 million. Import of veneer increased sharply to RM2 million in 2013 from RM0.3 million recorded in 2009.

Imports of Timber and Timber Products

Imports of timber and timber products by Singapore totalled USD114 million in 2013. In 2009, it was at USD124 million and it increased to USD134 million in 2010. In 2011, it increased marginally to USD158 million. Australia, Malaysia, Indonesia, Thailand, and Chinese Taipei were the major importers of timber and timber products from Singapore.

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Malaysia : Export of Timber and Timber Products to Singapore

(Value: RM `000)

Products	2009	2010	2011	2012	2013
	RM	RM	RM	RM	RM
Logs	638	163	632	937	1,382
Sawntimber	104,885	117,912	128,323	137,617	129,087
Plywood	95,367	79,576	63,580	69,373	67,902
Veneer	1,387	1,450	524	650	396
Mouldings	16,666	24,981	21,785	26,755	24,195
Chipboard / Particleboard	3,748	4,326	6,018	5,834	4,237
Fibreboard	9,501	9,542	8,474	5,712	3,505
Wooden Frame	3,320	2,834	2,952	2,232	2,235
Builders Joinery and Carpentry	91,141	106,727	86,960	111,612	115,156
Wooden Furniture	259,516	297,241	328,228	338,868	285,365
Rattan Furniture	8,628	7,485	6,538	4,426	7,363
Other Products	126,072	152,613	173,340	197,359	222,843
Total	720,867	804,851	827,355	901,373	863,666

(Volume: m³)

Products	2009	2010	2011	2012	2013
	Qty	Qty	Qty	Qty	Qty
Logs	1,062	443	1,246	1,270	1,917
Sawntimber	136,308	156,539	167,710	171,053	161,325
Plywood	77,588	62,890	46,050	50,591	48,591
Veneer	380	250	204	4,269	180

Source: Department of Statistics, Malaysia

Malaysia: Import of Timber and Timber Products from Singapore

(Value: RM `000)

Products	2009	2010	2011	2012	2013
	RM	RM	RM	RM	RM
Logs	7	72	191	131	109
Sawntimber	3,807	3,754	2,536	1,380	1,608
Plywood	3,959	4,029	5,341	8,597	5,353
Veneer	293	1,155	1,100	1,237	2,306
Mouldings	2,574	513	548	756	880
Chipboard/Particleboard	3,701	4,804	3,000	1,931	1,830
Fibreboard	907	692	747	211	204
Wooden Frame	51	18	4	38	87
Builders Joinery and Carpentry	701	637	1,951	1,199	997
Wooden Furniture	6,527	7,739	9,394	7,955	12,480
Rattan Furniture	229	547	999	2,222	6,010
Other Products	10,891	9,812	12,318	7,179	8,719
Total	33,647	33,771	38,128	32,837	40,584

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(Volume: m³)

Products	2009	2010	2011	2012	2013
	Qty	Qty	Qty	Qty	Qty
Logs	16	190	50	69	191
Sawntimber	2,781	2,352	1,361	1,959	1,754
Plywood	1,903	3,925	3,156	5,409	3,753
Veneer	259	216	526	246	849

Source: Department of Statistics, Malaysia

Singapore: Export of Timber and Timber Products to the World

(Value: USD `000)

Countries	2009	2010	2011	2012	2013
World	124,423	134,208	157,841	138,068	113,769
Australia	12,303	17,772	23,966	28,900	15,981
Malaysia	17,561	18,265	21,499	16,445	15,419
Indonesia	14,145	15,097	17,833	16,521	15,236
Thailand	2,992	2,681	3,738	6,404	6,745
Taipei, Chinese	1,030	483	906	1,257	5,749

Source: Intracen

Conclusion

Singapore’s growth is largely fueled by manufacturing of goods such as electronics, pharmaceuticals and oil rigs. But it is leaning more on other sectors, such as tourism, financial services and construction, to maintain momentum.

Singapore is competing with other low-cost producers such as China and Viet Nam and is trying to diversify its economy to provide new sources of growth. Trading is central to the development of Singapore’s economy. As one of the most important trading hubs in Southeast Asia, Singapore is heavily involved in the re-export of timber from its neighbouring countries. Due to the increasing focus on illegal timber trade in Asia, Singapore has also been subject to criticism on the trade of illegal timber.

Malaysia, which has always been an important trade partner with Singapore in timber, is also facing strong competition from China and Indonesia. To improve trade and to sustain its market share in Singapore, Malaysian exporters will have to provide competitive pricing with better quality along with effective marketing strategies.

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Tak Lapuk Dek Hujan, Tak Lekang Dek Panas
Timeless, Enduring

Resak Vatica spp. www.mtib.gov.my

YELLOW MERANTI – AN EXCELLENT TIMBER FOR INTERIOR JOINERY



Yellow Meranti sawntimber

Yellow Meranti is the Standard Malaysian Name for the Shorea species of timber belonging to the Meranti Damar Hitam Group family of Dipterocarpaceae. The trees of this timber group are found in most areas of well-drained jungle throughout Peninsular Malaysia, except in the extreme north-west and on the Langkawi islands. Some species such as *S. gibbosa* and *S. longisperma* are found to be plentiful in low-lying jungle in parts of Johor.

However, the Yellow Meranti trees are better represented in hilly jungle of altitude ranging from 150 m to 600 m where species such as *S. multiflora* and *S. faguetiana* tend to be gregarious.

Most members of Meranti Damar Hitam Group consists of small to very large trees; with buttresses ranging from absent to very large. The young bole is smooth with light and dark-coloured patches but tends to crack or becomes scaly-fissured when old. Exudation of dark brown or black dammar is common except for species such as *S. maxima*, *S. dolichocarpa* and *S. peltata* which sometimes exude yellowish dammar.

In Malaysia, Yellow Meranti is also known as Yellow Seraya in Sabah; Selangan Kuning for the denser timbers of the Yellow Seraya group and Selangan Kacha for the lighter ones.

General Characteristics

The timber is categorised as Light Hardwood with air-dry density ranging from 510-875 kg/m³ and averaging about 670 kg/m³. The sapwood is lighter in colour and moderately distinct from the heartwood, which is light yellow-brown, often with a greenish or olive tinge and weathering to a light brown. The grain is interlocked with texture moderately fine to moderately coarse but even. The planed surface is without lustre and faint stripe figure can be seen on the radial surface. Yellow Meranti timbers are liable to brittle-heart formation. The extent of damage due to the brittle heart may be negligible in some logs but appreciable in others. The timber appear to be relatively free from shot-hole borer damage but they are subject to attack by pin-hole borers (Desch, 1941).

Wood Anatomy

Growth rings are absent though the presence of a concentric series of vertical intercellular resin canals may give rise to the growth ring effect. The vessels' size is medium and moderately few in number. They are mostly solitary, while others are in radial, tangential or oblique pairs and radial multiple of up to four in a series. The vessel distribution is fairly even but with a tendency to align in short oblique lines. They have simple perforation with tyloses occasionally present. Deposits are absent.



Yellow Meranti wood anatomy

The wood parenchyma consists of both paratracheal and apotracheal types. The paratracheal type consists of incomplete vasicentric, narrow vasicentric or aliform, which tends to be locally confluent. The apotracheal type is present as irregularly spaced bands containing resin canals and occasionally short tangential layers. Rays are medium in size and visible to the naked eye on cross-section but they are not prominent on the radial surface. Intercellular canals of

both the vertical and horizontal types are present. The vertical canals are arranged in concentric series.

Durability

The standard 'graveyard' tests conducted in FRIM, Kepong have shown that the average service life of *S. Multiflora* and *S. Longisperma* are 1.9 years and 1.1 years respectively. Out of the 45 test stakes of *S. Multiflora*, 15 stakes were destroyed within six months while the last two stakes were completely destroyed after three years. Similarly, tests on *S. Longisperma* indicated that only about 8% of the test stakes were still serviceable at the end of the first year. The destruction of timber was caused almost exclusively by termites. The Yellow Meranti timber is classified as 'not durable' under Malaysian conditions.

Preservative Treatment

Impregnation of preservative into Yellow Meranti timber is very difficult and even a very drastic schedule can only secure a small absorption of preservative. Treatability tests conducted in FRIM, Kepong have indicated an average absorption of 41.6 kg/m³ for *S. longisperma* and about 18.6 kg/m³ for *S. multiflora* in open-tank treatment using 50/50 creosote/diesel fuel mixture. Similar tests on the heartwood of *S. faguetiana* have shown that it is extremely resistant to penetration by creosote. The full-cell pressure treatment with copper-chrome-arsenic on Yellow Meranti timber gives an average absorption of about 180.0 kg/m³ at a solution strength of 3%. The service life of open-tank treated timber ranges from an average of 6.5 to nine years.

Machining Properties

Yellow Meranti can be sawn and planed easily with smooth surface finish. Boring and turning of the timber are also relatively easy but the finished surfaces tend to be somewhat rough and this is probably due to the presence of interlocked grain. The resistance to splitting when nailed is rated as 'good' for *S. multiflora* and 'bad' for *S. longisperma* (formerly *S. resina-nigra*). However, in general, the timber has poor nailing characteristics. The results of the sawing and woodworking properties are summarised in **Table 1**.

Air Drying

Yellow Meranti generally dries well with little defects except for slight to moderate cupping and bowing. However, it is very prone to powder post beetle attack during the process of air drying. Drying rate is considered to be moderately slow. Its takes about 5½ months for a 40 mm thick board. The average shrinkage value for drying from green to air-dry is about 1.9% for radial boards and about 3.5% for tangential boards. Kiln drying schedule J is recommended for the drying of Yellow Meranti. The timber dries well without any serious degrade.

However, drying of boards over 50 mm thick has been found to be more difficult and the slow moisture transfusion tends to cause a certain degree of honeycombing. Please refer **Table 2**.

Mechanical Properties

Yellow Meranti is classified as Strength Group 6. The strength properties of Yellow Meranti have been obtained by using the standard Mechanical Test on small clear specimens of both green and air-dry materials. The results are shown in **Table 3**.

Table 1: Working Properties of Yellow Meranti

Species	Condition of Test	Sawing		Planing		Boring		Turning	
		Re-sawing	Cross-cutting	Ease of Planing	Quality of Finish	Ease of Boring	Quality of Finish	Ease of Turning	Quality of Finish
<i>S. faguetiana</i>	Green	easy	easy	easy	smooth	easy	smooth to rough	-	-
	Air-dry	easy	easy	easy	moderately smooth	easy	rough	easy	slightly rough
<i>S. longisperma</i>	Green	easy	easy	easy	smooth	easy	smooth to rough	-	-
	Air-dry	easy	easy	easy	smooth	easy	rough	easy	slightly rough
<i>S. multiflora</i>	Green	easy	easy	easy	smooth	easy	smooth to slightly rough	-	-
	Air-dry	easy	easy	easy	smooth	easy	rough	easy	slightly rough

Table 2: Air Seasoning Characteristics of Some Yellow Meranti

Species	Air Dry Moisture Content (%)	Shrinkage (%) Green to Air Dry		Time to Air Dry (months)		Remarks
		Radial	Tangential	15 mm	40 mm	
<i>S. faguetiana</i>	15	1.0	3.5	3	5	Fairly slow drying, moderate cupping, slight bowing, prone to powder post beetle attack and likely to be attacked before seasoning, high shrinkage.
<i>S. longisperma</i>	-	1.2	3.1	3	5	Fairly slow drying; prone to powder post beetle attack, high shrinkage.
<i>S. multiflora</i>	17.3	0.9	3.8	3½	5½	Fairly slow drying, high shrinkage.

Table 3: Strength Properties of Yellow Meranti

Species	Test Condition	Modulus of Elasticity (N/mm ²)	Modulus of Rupture (N/mm ²)	Compression Parallel to Grain (N/mm ²)	Compression Perpendicular to Grain (N/mm ²)	Shear Strength
<i>S. faguetiana</i>	Green	10,700	60	32.8	3.86	6.4
	Air-dry	-	-	-	-	-
<i>S. longisperma</i>	Green	10,500	55	29.5	2.97	6.0
	Air-dry	-	-	-	-	-
<i>S. multiflora</i>	Green	11,000	57	30.2	-	6.5
	Air-dry	12,100	67	40.0	-	8.0

Uses

Yellow Meranti, when adequately protected, is considered to be an excellent timber for interior joinery, domestic and light traffic flooring, utility furniture, domestic woodware and interior fittings, the manufacture of plywood, posts, beams, joists, door and window frames, stair stringers, treads and railings, planking, ceiling, boat framing, decking, hewn coffin, tubs, vats, wine casks, butter churns and lorry body work.

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MTIB Moments



A group photo of MTIB contingents in the MPIC Games 2014. It was held from 15 to 17 August 2014 at UPM Stadium, Serdang.



Prize presentation to winners during the closing ceremony of MPIC Games which was held on 17 August 2014. Seen here are the MTIB players and secretariats.



Hands-on session during a Course on Garden Furniture Making organised by MTIB on 18-21 August 2014 at WISDEC Selangor, Banting.



YB Dato' Madius Tangau, MTIB Chairman (front row, fourth from left); Dr. Jalaluddin Harun, MTIB Director-General (front row, fifth from left); posing with MTIB personnel who received their Excellent Service Awards for 2013. The event was held on 19 August 2014 at MTIB, Kuala Lumpur.



YB Dato' Madius Tangau, MTIB Chairman (right) presenting a mock cheque to Puan Hj. Zuridanor Mohd Yusof, Head of MTIB (Eastern Region) in conjunction with the MTIB Excellence Day held on 19 August 2014 at MTIB HQ. MTIB Kuala Terengganu was the winner of the Audit and Control Self Assessment (ACSA) Star Rating 2012. Looking on is Dr. Jalaluddin Harun, MTIB Director-General.



Participants from the African countries were briefed on the activities of MTIB by Dr. Jalaluddin Harun, MTIB Director-General (centre) on 25 August 2014 at MTIB, Kuala Lumpur. This is part of a training programme for the Third Country (TCTP) organised by the SME Corporation Malaysia.