

MASKAYU

VOL 6 : JUNE 2018

ISSN 0126-771X

Pameran Perabot & Gaya Hidup
Berasaskan Kayu

KEDAH
WOOD

KEDAH WOOD &
LIFESTYLE FAIR 2018

DYNAMIC
FURNITURE INDUSTRIES
(M) SDN. BHD.

Tarikh: 23 Jun - 1 Jul

Masa: 10.00 pagi - 10.00 malam

Ruang
Tempat di
Kompleks
Setar, Kedah

& lifestyle fair
"2018"

Peras

YB. MOHD ASMIR

PENGERUSI JAWATANKU
KEBUDAYAAN DAN WARISAN
SARAWAK

BAHAN-BADAN
KEPERKASAAN

Lembaga Perad



MALAYSIAN TIMBER INDUSTRY BOARD



03

16



17



21



22

Contents

Highlights

03 Kedah Wood & Lifestyle Fair 2018

16 Sapulut Forest Development Sdn. Bhd. : Moving Towards Sustainable Forests

19 Upcoming Event October 2018

20 Company Profile - Dynamic Furniture Industries (M) Sdn. Bhd.

24 The Netherlands - Opportunities for Malaysian Certified Timber Products.

Regular Features

04 Timber World in Brief

10 Timber Round-Up

32 MTIB Moments

08 Shipping News

12 Domestic Trade News

Chief Editor

YBhg. Dato' Dr. Jalaluddin Harun FASc
Director-General

Editorial Members

Puan Hj. Norchahaya Hashim
Puan Hj. Noor Laila Mohamed Halip
Encik Mohd Kheiruddin Mohd Rani
Tuan Hj. Mahpar Atan
Tuan Hj. Zulkepli Abd Rani
Cik Hj. Robiyah Hj. Husin
Tuan Hj. Kamaruzaman Othman

Encik Saiful Bahri Salleh
Dr. Mohd Nor Zamri Mat Amin
Cik Farydatul Nazly Mohd Zin
Dr. Loh Yueh Feng
Encik Mohd Amin Kadir
Puan Normazmin Che' Ad
Puan Hafsa Hasbi

Publisher

LEMBAGA PERINDUSTRIAN KAYU MALAYSIA
(MALAYSIAN TIMBER INDUSTRY BOARD)
Level 13 - 17, Menara PGRM, 8, Jalan Pudu Ulu, Cheras,
P.O. Box 10887, 50728 Kuala Lumpur, Malaysia
Tel : 603-9282 2235 Fax : 603-9200 3769/9283 9792
E-mail : info@mtib.gov.my Website : www.mtib.gov.my

Printer

Gemilang Press Sdn Bhd
No. 16, Jalan S.B. Jaya 12, Taman Industri S.B. Jaya,
47000 Sungai Buloh, Selangor Darul Ehsan
Tel : 603 - 6151 2285
E-mail : gemilangpress2105@gmail.com



MS ISO 9001 : 2008 REG. NO. AR3307

Read eMASKAYU at
www.mtib.gov.my



Cover : To know more about Wood & Lifestyle Fair in Alor Setar, Kedah, please refer page 3.

KEDAH WOOD & LIFESTYLE FAIR 2018

news



YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (right) presenting a souvenir to YB Mohd Asmirul Anuar Aris.

Kedah Wood & Lifestyle Fair (WLF) 2018 is a furniture trade show which ran for nine days in Alor Setar, Kedah, from 23 June to 1 July 2018.

MTIB continued with its focus on assisting in the development of Bumiputera entrepreneurs within the timber industry by promoting their products at the event. The fair was launched by the Kedah State Youth and Sports, Arts, Culture and Heritage, Entrepreneur and Non-Governmental Organisations Development Committee Chairman, YB Mohd Asmirul Anuar Aris.

In his speech, YB Mohd Asmirul said Kedah will be working with MTIB to develop Bumiputera entrepreneurs involved in the production of timber-based products. This collaboration will promote

the entrepreneurs' products at a domestic level and enable them to find better market access at international level. The state government also hoped that more Bumiputera entrepreneur's especially local youths would get involved in the timber industry to increase the export value of the country's timber products.

A total of 20 Bumiputera's entrepreneurs participated in the fair and these companies had products which ranged from kitchen cabinets, garden furniture, wood carvings and wood-based materials.

With their participation at the fair, the Bumiputera entrepreneurs hoped to gain experience and knowledge. They also hoped to enhance their interest in continuing to participate in future fairs. 



BOSNIA

Export Ban of Wood to be Proposed

Bosnia's Federal Minister of Agriculture, Water Management and Forestry, Semsudin Dedic, stated that a decision has been made in cooperation with the counterpart ministry from the autonomous entity Republika Srpska for the export ban of wood and wooden products to be adopted. He said that the wood export ban would be valid for a period of two years, and that the proposal has been adopted by the Federal of Bosnia. The ban aims to protect natural domestic resources due to the lack of raw materials in recent years.

klix.ba, 14 June



CHINA

Cooperation between China and China Central/Eastern Europe on Forestry

A high level meeting under a forestry cooperation mechanism between China and Central and Eastern European countries, the so-called '16+1', was held in Buldo, Slovenia in late May and a 'Plan of Action for the Coordination Mechanism for Forestry Cooperation between China, Central and Eastern European Countries' was agreed upon. The Chinese government is aware that countries in Central and Eastern Europe are an emerging power in Europe and aims to link this group to China's 'Belt and Road' initiative. Analysts write that there is great potential for cooperation on forestry development and economic cooperation between China and the 16 Central and Eastern European countries.

ITTO TTM Report: 22:12, 16 - 31 June



CHINA

China/Russia Timber Industry Alliance

A China/Russia Wood Alliance was launched recently with an alliance secretariat attached to the China Forestry Property Right Exchange. In the future the two countries will cooperate in areas of forestry property rights trading, forest products information platform and forest product certification, financial services and areas of business interests for the Chinese and Russian timber industries.

ITTO TTM Report: 22:12, 16 - 31 June



EUROPEAN UNION (EU)

Chinese Plywood in Trouble Due to Environmental Controls

Chinese plywood supply is reported by the EU importers to be disrupted by tough new national environmental controls, which are forcing mills to interrupt production to upgrade or replace emission and waste treatment technology.

"Inspectors have been visiting our Chinese supplier mills now for months, and we've seen regular stoppages as they improve their systems," said one importer/distributor. "And recently there were more in Linyi and Pizhou." "Stoppages also increased in Qingdao as part of the authorities' moves to improve the local environment for June's Shanghai Cooperation Organisation meeting," said another leading EU importer.

Some European traders maintain that one reason for the pollution crackdown is to rationalise and concentrate the plywood industry, forcing smaller producers to close.

One European importer/distributor, however, insisted this was not the prime objective. "We visit regularly and are convinced it's motivated by a genuine desire

to reduce the industry's environmental footprint and help meet climate change targets," he said. Importers added that they generally back China's action as underpinning its overall environmental credibility.

ITTO/Fordaq 20 June



EUROPE

EU and Lao PDR Advanced in VPA

The European Union (EU) and Lao PDR have held their second round of face-to-face negotiations on a Voluntary Partnership Agreement (VPA) on Forest Law Enforcement, Governance and Trade (FLEGT), the European External Action Service (EEAS) reported.

According to the announcement, the talks took place in the Lao capital Vientiane from 4 to 7 June 2018. The two parties discussed progress towards the development of a system to verify that timber and timber products comply with national laws and regulations.

Dr. Phouangparisak Pravongviengkham, Vice Minister of Agriculture and Forestry and Head of the Lao PDR negotiating team, commented: "The second round of negotiations with the EU underlines the fact that enhancing forest governance throughout the entire timber supply chain and the conclusion of a VPA remain high priorities on Lao PDRs' political agenda."

Since the first face-to-face negotiations in April 2017, Lao PDR has made progress on various elements of this system, including the timber legality definition, which identifies the national laws and regulations Lao PDR will use to indicate legality of timber.

Lao PDR has also started discussions on supply chain controls, from the forest to the point of export, and on verification processes, which will check that timber and timber products comply with the legality definition and supply chain controls.

The EU and Lao PDR reviewed the draft timber legality definition. They agreed that parts of this definition relating to the supply chain for natural production forest are ready for field-testing to assess their completeness. They also addressed the range of timber and timber products that the VPA will cover, and agreed on the roadmap for further development of the timber legality assurance system.

Following the negotiations, work will continue on defining legality, in particular focusing on conversion areas, plantations, village use forests, confiscated and imported timber, as well as other elements of the system to ensure the legality of timber.

EEAS/Fordaq 19 June



EUROPE

Demand for Sawn Softwood Remains Satisfactory

The sawn softwood production of most European sawmills are currently at a high level due to the increased demand for structural timber in Europe and continuing brisk demand in the USA and China, among others. However, sawmills cannot expand their production capacities to some extent due to a shortage of logs. Representatives of various state associations also report that the supply of residual sawntimber is too high.

The demand for sawn hardwood is increasing compared to previous years. However, cutting cannot be increased in many European producer countries due to an insufficient supply of round timber. The increased exports of hardwood logs to overseas markets in recent years must be countered with appropriate measures to maintain the competitiveness of European hardwood lumber producers.

EUWID, 19 June



GHANA

First Quarter 2018 Wood Products Exports at Year-on-Year High

Volume of wood products exported from Ghana in the first quarter of 2018 amounted to 72,533 m³, 18% higher than in the corresponding quarter in 2017. The revenue earned was EUR51.48 million, also a significant increase of 30% over that in the first quarter of 2017.

The major drivers of this positive growth were exports of air and kiln dried sawnwood, plywood to regional

markets, rotary veneer, curl veneer, billets and dowels. On the other hand, there were no exports of furniture parts in the first quarter of 2017 but a cumulative total of 324 m³ was exported in the first quarter of 2018. The most popular species exported included Teak (52%), Rosewood (9%), Papao/Apa (7%), Ceiba (6%) and Wawa (5%).

Together, China and India accounted for 78% to continue to be the leading market destination in the first quarter of this year, with African regional markets at 7% after Europe at 10%.

Average unit prices for wood products increased from EUR546 per m³ in the first quarter of 2017 to EUR600 per m³ in the first quarter of 2018.

ITTO/Fordaq, 20 June



GLOBAL

Flooring Market to Record Revenue of USD330 Billion by 2024

According to a new report by market research and consulting company Hexa Research, the global market for flooring is forecast to record revenue of over USD330 billion (EUR280.20 billion) by 2024, driven by the durability of flooring and growing demand for insulation. In volume terms, the global flooring market is anticipated to record sales growth at a CAGR of almost 6% between 2016 and 2024 and sales volume of 240 billion square feet.

The report also indicates the lifestyle-driven change in consumer preferences and the transition of customers to eco-friendly products like bamboo, linoleum and cork among others from traditional flooring solutions. The soft coverings category, which includes products like carpets and rugs, accounts for almost 50% of the overall flooring market. In terms of applications, the residential sector accounted for half of the overall flooring market demand and was the biggest segment in 2015, driven by construction and renovation projects.

The report marks that on a geographic basis Europe will continue to have a stable demand over the forecast period, while Asia Pacific, which accounted for more than 45% market demand in 2015, will lead the flooring market over the projected period, driven by non-residential and residential construction projects.

Stock Market News / Marketplace, 11 June



MYANMAR

Exporters Overwhelmed by Requests for Documents Verifying Legality

Myanmar exporters to the EU are reporting that they are being asked to provide more and more documents to mitigate the risk of illegal timber entering the supply chain.

Exporters complain that they have been asked to provide all the documents described in a dossier compiled by the FLEGT Technical Advisor to the Forest Department.

This dossier, it is understood, illustrates to importers how records are kept along the entire supply chain from harvest to port of exit. The intention behind the dossier was to explain the documents to be produced throughout the supply chain.

Barber Cho, Secretary of Myanmar Forest Certification Committee, explained that the purpose of the dossier is being misunderstood by EU Competent Authorities as it was not the intention that records of each step in the supply chain be submitted to exporters. Cho pointed out that some of the documents mentioned are in support of credible traceability.

In related news, according to the Myanmar Timber Merchants Association, a 10-member delegation will visit Brussels this month to explain the current traceability and legality compliance system in Myanmar.

According to U Myo Min, the Advisor to the Association and a delegation member, the delegation will explain about the national traceability procedure which consists of 30 steps. The delegation will comprise officials from Forest Department, Myanmar Timber Merchants Association, the FLEGT Technical Advisor and representatives from the private sector and civil society organisations.

ITTO/Fordaq, 18 June



SWEDEN

Government Launches Strategy For Wooden Construction

The Swedish Government has launched a strategy to increase wooden construction. By focusing much on industrial production, the Minister of Housing and Digital Development Peter Eriksson hopes achieving both reduced CO₂ emissions and lowered prices.

He believes it will also benefit job opportunities outside the big city areas, as factories for production of elements for wooden multi-storey houses do not need to be in areas where the construction market is busiest. He expects prices to be around 20% lower compared with construction where concrete is used. The Green Party, to which the Minister belongs, has a goal: that 50% of apartment blocks be made from wood by 2025.

Dagens Industri, 25 June



UNITED STATES

Softwood Lumber Consumption on Track for Record Highs

US consumption of softwood lumber is likely to reach record-highs by 2030, resulting in export opportunities for sawmills in Europe and Latin America, according to a new study from ForestEdge and Wood Resources International.

Higher lumber demand from all end-use sectors in the US in the coming years will result in continued expansion of sawmill capacity in the US South and increased imports from overseas, while Western Canada will reduce its shipments to the US market.

The US softwood lumber demand will grow at an annual rate of 2.3% through 2030, with a base case demand scenario suggesting that the US lumber consumption will reach an all-time high by 2030. The category "non-residential construction" will grow

at the fastest rate and will increase its share of the total softwood lumber usage from just over 11% in 2016 to almost 14% by 2030. Lumber consumed by the residential housing sector, including repair and remodeling, will continue to account for the almost 70% of the end-use market.

Meanwhile, Canadian lumber producers' market share in the US is expected to decline in the coming years, with the biggest reduction occurring between 2017 and 2025. Overseas supply of lumber to the US is forecast to increase both in volume and market share by 2025, followed by a decline until 2030.

The major supplying regions are likely to include Brazil, Chile, Germany and the Nordic countries. In the study's high demand scenario, overseas supply will be crucial and reach a market share of over 10% by 2030.

TTJ, 11 June



UNITED KINGDOM

Timber Industry Could Face £1 Billion Brexit Bill

The UK timber industry faces a potential "Billion-pound Brexit bill" if Britain leaves the EU customs union, The Timber Trade Federation (TTF) has said in a statement. Some 90% of timber used in construction is imported from Europe, of which British timber supplies are insufficient and unable to replace, said TTF managing director David Hopkins. Under the proposed Taxation Bill, once the UK leaves the EU and its Value added tax (VAT) area, VAT on EU imports will have to be paid up-front.

This will cause considerable problems for the small-to-medium enterprises who make up the timber sector. The federation has also launched an infographic for legislators, parliamentarians and the public, explaining what it calls 'The Timber Tax Bombshell'.

Builders' merchants, and their builder customers, responsible for fulfilling government housing targets, rely on Just-in-Time deliveries of timber to premises and sites. Currently timber entering the UK from the EU clears ports immediately without the need for customs checks.

The TTF is asking government to ensure timber imports can clear customers in the same manner as present, with no delays or up-front costs likely to



Malaysia: Another Attempt for Sabah Port Stake Launched by MMC

Source: New Straits Times, 15 May

MMC of Malaysia has lodged an appeal to the new government of the state of Sabah in relation to its proposal for acquisition to a stake in Sabah Ports, disclosed Group Managing Director, Datuk Seri Che Khalib Mohamad Noh. Earlier, MMC's proposal for purchase of a 20% equity in the company, which runs eight ports across Sabah, was rejected by the previous government. The Sabah state government owns a 50.37% interest in Suria Capital Holdings, which holds the controlling equity in Sabah Ports. In particular, the state-owned equity in Suria Capital Holdings is jointly held by the Chief Minister, Yayasan Sabah Group and investment arm Warisan Harta Sabah with a holding of 1.66%, 3.67% and 45.40%, respectively.

Malaysia: MISC Books 54.1% Drop in Net Profit in January to March 2018

Source: Edge Financial Daily (The), 15 May

In the quarter between January and March 2018,

Malaysia-based shipping company MISC recorded a 32.3% decline in its revenue from MYR2.98 billion (EUR631.50 million/USD754.33 million) in the previous year to MYR2.02 billion. During the quarter, the company registered a 54.1% drop in its net profit from MYR676.2 million to MYR310.6 million year-on-year, due to a decrease in contribution across all business divisions.

Indonesia: New International Route Docking at Panjang Port in Lampung

Source: Bisnis Indonesia, 1 May

According to Arif Rusman Yulianto from IPC Container Terminal, a new international shipping route will use the Panjang Container terminal facility at Panjang Port in Bandar Lampung, Lampung. The route using MV Sendang Mas container ship will serve Port Klang, Malaysia-Singapore-Indonesia every two weeks. The 2700 TEUs ship is owned by Tempuran Mas (Temas Line) and will be operated by Yang Ming shipping firm.

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, May 2018

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change May 2018/ Apr 2018
	m ³	% Change May 2018/ Apr 2018	m ³	% Change May 2018/ Apr 2018	m ³	% Change May 2018/ Apr 2018	m ³	% Change May 2018/ Apr 2018	m ³	% Change May 2018/ Apr 2018		
Sawntimber	65,741	-2	12,261	54	1,395	-14	835	-32	9,137	-16	89,369	1
MDF	26,869	-20	741	54	6,558	-24	3,272	-33	11,660	-56	49,100	-34
Mouldings	12,792	-4	232	8	1,410	-24	1,267	48	1,189	-23	16,890	-5
Plywood	5,257	-2	1,012	72	443	409	439	-5	15,153	2	22,304	5
Veneer	569	50	138	100	0	0	0	-100	4,094	8	4,801	13
Particleboard	27,217	-33	266	-19	4,915	-9	1,049	-78	8,852	1	42,299	-29
TOTAL	138,445	-13	14,650	53	14,721	-16	6,862	-44	50,085	-25	224,763	-15

Source : MTIB



India: Major Ports Record 1.78% Hike in Cargo Traffic for April 2018

Source: Economic Times (The), 9 May

According to the Shipping Ministry, about 61% of India's total cargo traffic passes through the country's 12 major ports, which recorded a 1.78% increase in cargo traffic to 56.81 million tonnes in the month of April 2018 compared to 55.82 million tonnes of cargo traffic in the same month a year earlier. The biggest jumps in cargo traffic were recorded at ports in Kolkata (12.56%), Kamarajar (12.08%), New Mangalore (11.41%), Paradip (11.12%) and Chennai (7.55%) while other ports at Deendayal, JNPT, Cochin and Visakhapatnam also recorded increases in cargo traffic for the period under review.

Viet Nam: Hai Phong Container Terminal Inaugurated

Source: Bunker Ports News Worldwide, 15 May

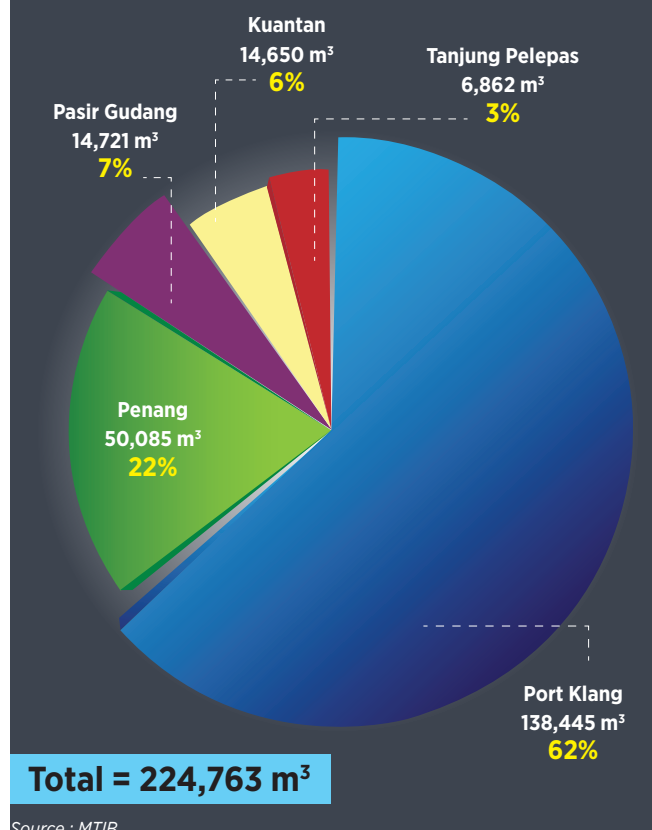
On 13 May 2018, Hai Phong International Container Terminal situated in northern Viet Nam was inaugurated. Taiwanese shipping company Wan Hai signed a joint venture contract with Japan's Itochu Group, Viet Nam-based Saigon New Port Co and Japan's Mitsui OSK Lines to build and run the terminal. Besides facilitating east-west trade including the US, the terminal will also act as a major gate way for cargo of north-south trade lanes. With a water depth berth front of 16 metres, the terminal is able to accommodate a maximum of 14,000-TEUs container vessels.

Poland: Sea Ports Increase Their Cargo Volumes in Q1 2018

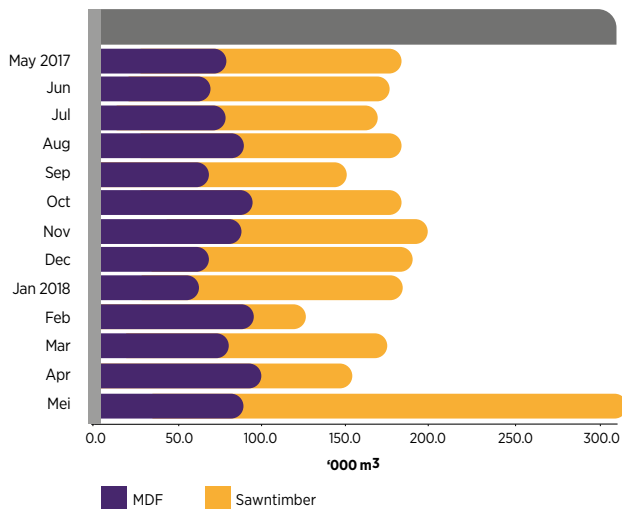
Source: Portal Spozywczy, 12 May

Gdynia-based sea port, Morski Port Gdynia, expects to increase the cargo volume to a record-high level in 2018. In 2017, the port handled 21.2 million tonnes of goods, up from 19.9 million tonnes in 2016. According to data revealed by the Polish Central Statistical Office (GUS), during the first three months of 2018 Polish sea ports increased their transshipment activity by 20.1%, in comparison to the corresponding time of 2017, to 22.1 million tonnes. The only port to have recorded a decrease was the port in Police, whose cargo activity dropped by 16.6% to 0.4 million tonnes. In the meantime, the sea port in Gdansk increase the volume of cargo by 47.5% to 10.9 million tonnes. 

Timber Shipment through Ports in Peninsular Malaysia, May 2018



Malaysia : Export of Sawntimber and MDF (May 2017-May 2018/Volume ('000m³)



Total export of Malaysian timber and timber products in May 2018 decreased 7% in value to RM1.7 billion from the previous month. Cumulative export for January to May 2018 also reported a decline of 8% to RM8.9 billion over the previous corresponding period.

SAWNTIMBER

Export of sawntimber in May 2018 increased 144% in volume and 6% in value to 374,325 m³ with a value of RM302.3 million as compared to the previous month. Cumulative export for the first five months of 2018 increased 10% in volume however decreased 9% in value to 1.0 million m³ totalling RM1.5 billion over the previous corresponding period.

Export of sawntimber to the EU for the month increased 9% to 10,803 m³ from 9,915 m³ in the previous month resulting from improved demand from major market in the region. Export to the Netherlands increased 31% to 5,272 m³ followed by France by 6% to 1,294 m³, Belgium by 15% to 1,085 m³ and the UK by 9% to 1,061 m³. However, export to Germany decreased 24% to 1,264 m³ from 1,654 m³ in the previous month.

Total exports to West Asia increased 4% to 22,160 m³ from 21,312 m³ recorded in the previous month. This is due to increasing demand from the UAE and Oman by 76% to 9,271 m³ and 58% to 5,434 m³ respectively. On the other hand, export to Yemen declined 47% to 3,208 m³ followed by Saudi Arabia by 41% to 1,009 m³, Bahrain by 38% to 999 m³ and Qatar by 64% to 561 m³.

Buying from ASEAN increased 20% to 62,063 m³ due to increasing demand from the Philippines by 202% to 27,903 m³ from 9,232 m³ in the previous month. Meanwhile, export of sawntimber to Thailand, major buyer of sawntimber from Malaysia declined 24% to 26,165 m³ and export to Singapore also decreased marginally to 5,973 m³ from 6,017 m³ in the previous month.

Shipments to East Asia increased 163% to 99,376 m³ from

37,840 m³ in the previous month resulting from improved purchases from major market in the region. Export of sawntimber to Japan increase significantly to 57,546 m³ from only 5,851 m³ in the previous month. Similarly, export to South Korea increased to 13,347 m³ from 1,855 m³ reported in the previous month followed by China with 3% increased to 22,584 m³. However, export to Taiwan decreased 28% to 5,790 m³.

Elsewhere, exports to the US increased 11% to 1,803 m³ and intake by Australia reduced 2% to 573 m³. Meanwhile, demand from South Africa decreased 25% to 4,473 m³ from 5,944 m³ in the previous month.

The average FOB price of sawntimber decreased 57% to RM808 per m³ from RM 1,857 per m³ in the previous month. Price of Dark Red Meranti (DRM) increased 12% to RM2,911 per m³ from RM2,595 per m³ in the previous month. Price of DRM to the Netherlands improved 6% to RM3,697 per m³ from RM3,473 per m³ in the previous month. Keruing was traded at RM873 per m³, a decrease of 59% from RM2,139 per m³ in the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for May 2018 decreased 11% in volume and 8% in value compared to previous month. Export totalled 89,772 m³ at RM102.1 million.

Exports to East Asia registered an increase of 22 % to 13,940 m³ from 11,397 m³ in the previous month. Exports to South Korea show positive growth by 256% to 697 m³ followed by China including Hong Kong at 122% to 1,430 m³, Taiwan at 42% to 1,085 m³ and Japan at 10% to 10,728 m³.

Meanwhile, exports to West Asia decreased 17% to 40,412 m³ from 48,672 m³ in the previous month. Export to Lebanon recorded positive growth to 1,550 m³ from only 210 m³ in previous month followed by Bahrain at 73% to 1,991 m³ and Jordan at 4% to 371 m³. However, Kuwait, Saudi Arabia, Oman, Syria and the UAE recorded negative growth by 70% to 2,442 m³, 63% to 2,693 m³, 24% to 1,151 m³, 20% to 9,413 m³ and 10% to 15,239 m³. Meanwhile, Iran did not make any purchase for this month.

Likewise, export to South Asia recorded negative growth by 10% to 8,949 m³. Export to India and Pakistan show a decreased of 36% to 2,965 m³ and 21% to 3,344 m³. However, export to Bangladesh increased from 103 m³ in the previous month to 1,034 m³ followed by Sri Lanka at 57% to 1,606 m³.

Elsewhere, exports to the UK and Mauritius decreased by 87% to 76 m³ and 67% to 86 m³, followed by South Africa and the US at 60% to 448 m³ and 58% at 714 m³.

In ASEAN, total export to ASEAN region for the month of May increased by 427% to 79,344 m³ from 15,055 m³ in the previous month. Export to the Philippines and Viet

Nam increased by 22% to 3,541 m³ and 8% to 8,275 m³ respectively. In the meanwhile, export to Singapore and Indonesia decreased by 45% to 121 m³ and 12% to 3,649 m³ respectively.

The FOB price of MDF increased to RM1,137 per m³ from RM1,108 per m³, an increase of 3% from the previous month.

PLYWOOD

Export of plywood in May 2018 increased by 6% in volume but decreased by 6% in value to 212,384 m³ at RM 375.6 million compared to the previous month.

The EU countries have reduced their intake of plywood by 27% to 8,544 m³. The UK, the major buyer of Malaysian plywood has reduced its intake by 25% to 7,759 m³. The Netherlands and Italy also have reduced its intake by 63% and 48% to 126 m³ and 82 m³ respectively. However, Belgium, France and Germany increased its intake by 26% and 100% to 436 m³, 76 m³ and 43 m³, respectively. Meanwhile Denmark and Ireland didn't make any purchases for this month.

Exports to ASEAN and East Asia region recorded an increase of 11% with 166,020 m³ compared to previous month. In East Asia region, Japan reduced its intake by 7% to 88,630 m³. South Korea and Taiwan also reduced their intake by 22% and 18% to 21,841 m³ and 9,990 m³ respectively. Contrarily, China and Hong Kong have increased their imports of plywood by 8% and 106% to 2,931 m³ and 2,528 m³ respectively.

Malaysia's plywood trade with its ASEAN partners also showed mixed trend this month. Exports to Thailand and Singapore have increased by 2% and 15% to 4,438 m³ and 2,830 m³ respectively. The Philippines has decreased by 64% to 450 m³ meanwhile Brunei Darussalam and Indonesia did not make any purchases this month.

Exports to West Asia countries recorded a decrease of 29% to 12,184 m³ as compared to the previous month. Export to Yemen has reduced by 12% to 5,771 m³ followed by the UAE at 7% to 1,243 m³. Exports to Qatar and Bahrain also have reduced by 77% and 40% to 168 m³ and 278 m³ respectively. In contrast, exports to Saudi Arabia and Kuwait have increased by 59% and 167% to 1,825 m³ and 171 m³ respectively.

Export of plywood to the Americas region increased by 25% to 20,902 m³ as compared to the previous month. While the US has increased its intake of plywood by 48% to 19,486 m³, Mexico and Canada have reduced its intake by 65% and 60% to 1,182 m³ and 155 m³ respectively. Australia has reduced its intake by 31% to 2,260 m³, meanwhile New Zealand has increased its intake by 100% to 42 m³.

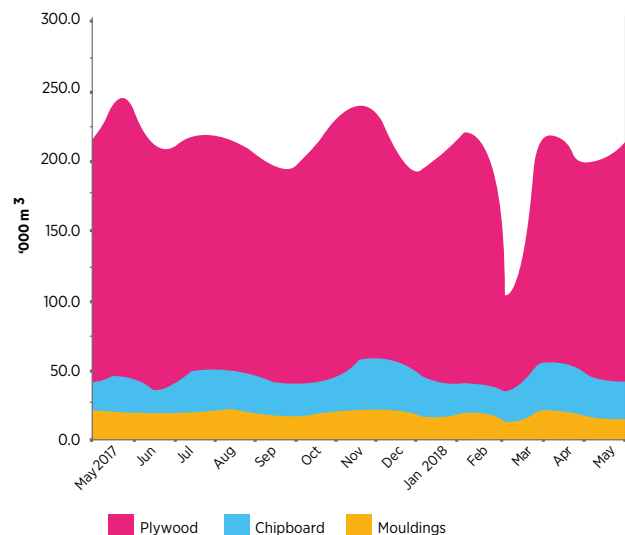
Exports to African continent have decreased by 38% to 266 m³ for this month. South Africa has increased its

intake of plywood by 430% to 228 m³ while Mauritius reduced its intake by 20% to 4 m³. Algeria did not make any purchases for this month. Elsewhere, Turkey made their purchase at 77 m³ for this month.

The FOB price of plywood decreased by 11% to RM1,769 per m³ from RM1,979 per m³ in the previous month.

Malaysia : Export of Plywood, Chipboard and Mouldings

(May 2017-May 2018/Volume ('000m³)



MOULDINGS

Exports of mouldings for the month decreased by 11% in volume and 5% in value to 19,329 m³ and RM72.7 million respectively. However, cumulative exports for the period of January to May 2018 increased by 0.4% in volume and 3% in value to 101,776 m³ and RM363.2 million respectively as compared to the previous corresponding period in 2017.

Exports to the EU recorded at 8,080 m³, a decrease of 1% compared to the previous month. The Netherlands increased its purchased by 7% to 5,177 m³ compared to the previous month. Meanwhile, the UK, Belgium and Germany decreased their intakes by 20%, 15% and 14% to 446 m³, 589 m³ and 969 m³ respectively.

Exports to ASEAN region increased as Indonesia and Singapore intake of mouldings increased by 150% and 5% to 100 m³ and 1,357 m³ respectively. Meanwhile, Viet Nam decreased its purchases by 23% to 156 m³ compared to the previous month.

Exports to China, Taiwan and Hong Kong decreased by 50%, 41% and 35% to 607 m³, 117 m³ and 219 m³ respectively. South Korea and Japan also decreased their intakes by 35% and 15% to 950 m³ and 1,625 m³ respectively.

Elsewhere, export to Australia increased by 1% to 2,849 m³ compared to the previous month. However, the US decreased their purchases by 18% to 1,768 m³ compared to the previous month. Canada did not make any purchases for this month.

MAY 2018

The average domestic prices of logs for most of the species reported stabled and hovering at last month's level.

LOGS

Log prices for the species of Chengal, Balau and Red Balau stood firm at RM4,500 per tonne, RM3,000 per tonne and RM2,200 per tonne respectively. Similarly, prices of Keruing and Kapur continued to be traded at RM1,250 per tonne and RM1,700 per tonne respectively. Meanwhile, price for Kempas increased by 4% to RM1,820 per tonne over the previous month. However, price of Red Meranti fell slightly by 1.7% to RM1,800 per tonne. On the other hand, logs prices for Mixed Heavy Hardwood and Mixed Light Hardwood remained at RM973 per tonne and RM900 per tonne respectively.

PLYWOOD

The supply of plywood to the domestic market remained adequate for the month under review. The prices of plywood for 4 mm, 6 mm, 9 mm and 12 mm of thicknesses were continued to be traded at RM14.60, RM22.00, RM38.00 and RM48.00 per piece respectively.

Industry reported that the supply of MDF to the domestic market continued to be sufficient whilst the prices were quoted at last month's level. The MDF of 4 mm, 6 mm, 9 mm and 12 mm of thicknesses were traded at RM13.50, RM17.15, RM23.30 and RM30.40 per piece respectively.

SAWNTIMBER

The average sawntimber prices reported by the industry remain firm in the domestic market whilst stagnant demand from the overseas market.

The sawntimber prices of Chengal, Balau and Red Balau maintained at RM6,850 per m³, RM3,178 per m³ and RM3,001 per m³ respectively. Similarly, prices for Keruing and Kapur were traded at RM1,130 per m³ and RM1,746 per m³ respectively. Meanwhile, prices of Red Meranti and Mersawa rose by 1.1% and 4.1% respectively to RM2,013 per m³ and RM1,801 per m³. On the other hand, sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood charted at RM989 per m³ and RM918 per m³ respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

INTRA-MALAYSIA TRADE - MAY 2018

From	Product	APR 2018		MAY 2018		% Change In Volume May 2018 / Apr 2018	% Change In Value May 2018 / Apr 2018
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	274	206	67	23	-76	-89
	Sawntimber	155	239	134	201	-14	-16
	Plywood	8,025	17,157	4,092	8,810	-49	-49
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	680	1,080	333	521	-51	-52
	Plywood	5,723	9,002	3,406	4,725	-40	-48
	Veneer	3,890	6,424	5,878	9,178	51	43

Source : Department of Statistics, Malaysia

The shipments of the log from Sabah to Peninsular Malaysia for the month under review decreased sharply by double digit or 76% from 274 m³ to 67 m³ worth at RM23,000. Similarly, shipments of sawn timber and plywood fell by 14% and 49% respectively to 134 m³ in volume worth at RM201,000 and 4,092 m³ worth at RM8.8 million.

Shipment of sawn timber from Sarawak to Peninsular Malaysia dropped significantly by 51% in volume to

INTRA-MALAYSIA TRADE *

- MAY 2018

333 m³ from 680 m³ recorded last month, worth at RM521,000. Similarly, shipment of plywood fell by 40% in volume to 3,406 m³ worth at RM4.7 million. Shipment of veneer, however, rose sharply by 51% to 5,878 m³ from 3,890 m³ recorded last month, worth at RM9.2 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in May 2018.

* Source: MTIB and Department of Statistics, Malaysia

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA MAY 2018 (VALUE IN RM)

SPECIES	LOGS/tonne	SAWNTIMBER/m ³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	4,500	6,850	5,403		7,451
Balau	3,000	3,178	2,684		2,743
Red Balau	2,200	3,001	2,613		3,284
Merbau	3,150	4,641	3,319		3,955
Mixed Heavy Hardwood	973	989	751		972
MEDIUM HARDWOOD					
Keruing	1,250	1,130	989		2,203
Kempas	1,820	2,401	2,295		2,331
Kapur	1,700	1,746	1,412		1,766
Mengkulang	1,350	2,119	996		2,126
Tualang	1,400	2,472	2,331		2,493
LIGHT HARDWOOD					
Dark Red Meranti	2,100	2,036	1,695		3,001
Red Meranti	1,800	2,013	1,660		2,119
Yellow Meranti	1,200	1,554	1,236		1,271
White Meranti	1,480	2,472	1,412		2,260
Mersawa	1,550	1,801	1,589		2,013
Nyatoh	1,300	1,518	1,059		1,130
Sepetir	1,370	1,695	918		1,554
Jelutong	1,100	1,780	1,215		1,730
Mixed Light Hardwood	900	918	847		1,130
MALAYSIAN RUBBERWOOD					
<i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m ³			
	190	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		1,130	1,369	1,530	1,768
PLYWOOD 4' X 8'					
(RM per piece)	4mm	6mm	9mm		12mm
	14.60	22.00	38.00		48.00
MDF 4' X 8'					
(RM per piece)	4mm	6mm	9mm		12mm
	13.50	17.15	23.30		30.40

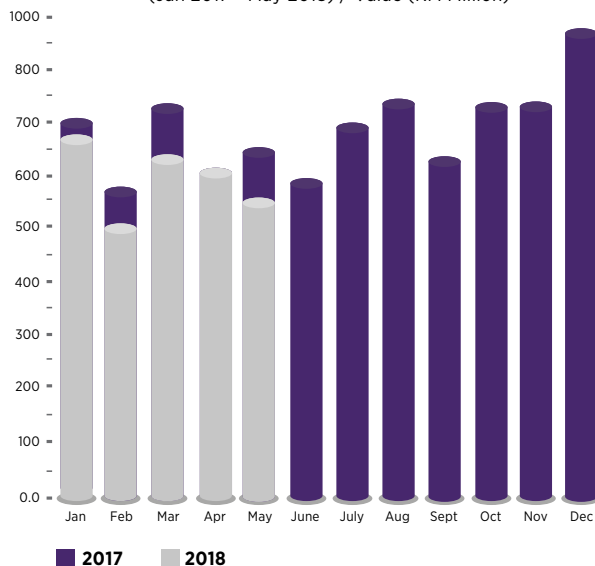
Note: Log prices ex-batau. Sawntimber, plywood, MDF and Malaysian Rubberwood (*Hevea brasiliensis*) prices ex-mill

* Prices are only indicative

Cont. from page 11

FOB unit value increased 6% to RM3,761 per m³ compared to RM3,542 per m³ in the previous month.

Malaysia : Export of Wooden Furniture
(Jan 2017 - May 2018) / Value (RM Million)



Source : Department of Statistics, Malaysia

VENEER

Export of veneer for May 2018 increased by 5% in volume and 1% in value to 15,453 m³ at RM23.9 million as compared to the previous month. Exports to China and South Korea have increased by 12% and 6% to 5,108 m³ and 5,273 m³ respectively. Similarly, Singapore, Australia and India also have increased their intake by 80%, 352% and 109% to 45 m³, 95 m³ and 477 m³ respectively. Contrarily, Taiwan and the Philippines have decreased their intake of veneer by 28% and 11% to 2,167 m³ and 808 m³ respectively. On the other hand, Canada, Italy, Chile and Viet Nam did not make any purchases this month.

The FOB price of veneer for May 2018 is at RM1,548 per m³, a decrease of 3% from RM1,601 per m³ on the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from January to May 2018 decreased 16% to RM443.3 million as compared to RM524.4 million in the corresponding period last year. Export to the EU increased 7% to RM161.2 million. Export to the Netherlands, France, Denmark and Belgium increased by 220%, 67%, 60% and 17% to RM11.2 million, RM18.6 million, RM15.1 million and RM23.4 million respectively. Meanwhile, export to Sweden, Germany, Turkey, Italy and the UK decreased by 70%, 32%, 31%, 10% and 2% to RM1.6 million, RM9.3 million, RM1.2 million, RM3.2 million and RM68.9 million compared to the previous year.

In Asia, exports to Viet Nam grew 33% to RM19.3 million compared to the previous month. However, exports to Pakistan, South Korea, Saudi Arabia, Taiwan, India, decreased by 92%, 72%, 62%, 45% valued at RM1.9 million,

RM361 thousand, RM665 thousand, RM4.0 million and RM13.8 million respectively. Similarly, export to Singapore, Thailand, the UAE and Japan declined 38%, 29%, 28% and 18% to RM35.4 million, RM9.5 million, RM2.9 million and RM26.5 million respectively. However, Qatar and Bahrain did not make any purchases for the month.

Exports to South Africa increase by 5% to RM7.1 million compared to the previous month. Meanwhile, exports to Reunion Islands, Mauritius and Australia decrease by 98%, 40% and 12% to RM19.6 thousand, RM70 thousand and RM83.7 million respectively. Likewise, the US also decreased its intake by 2% to RM44.0 million from RM45.0 million in the previous corresponding period.

FURNITURE

Exports of wooden and rattan furniture for the cumulative period of January to May 2018 decreased 9% compared to the corresponding period of 2017. Total shipment recorded RM3 billion against RM3.3 billion in 2017.

The US reduced its consumption by 11%, into RM1.1 billion from RM1.2 billion in the previous corresponding period. Demand from Canada decreased 12% to RM99 million from RM113 million. Similarly, Australia also reduced its intake by 15% to RM209.7 million.

In East Asia, China boosted its wooden furniture consumption by 49% with a purchase of RM95.3 million in 2018 from RM64.2 million in 2017. Meanwhile, Japan and South Korea reduced its consumption by 15% and 21% to RM218.2 million and RM40.9 million respectively.

On the other hand, shipments to ASEAN region such as the Philippines improved by 31% to RM81.1 million. In contrast, Singapore reduced its intake by 5% to RM172.7 million.

Elsewhere, exports to the UAE and Saudi Arabia decreased by 19% and 15% to RM54.6 million and RM51.4 million respectively. Similarly, Qatar and Bahrain also decreased their wooden furniture consumption by 11% and 25% to RM6 million and RM5.7 million respectively. In contrast, shipment to India recorded an increase of 8% to RM81.8 million.

In Europe, the UK and Belgium reduced its intake by 22% and 14% to RM157.2 million and RM15.6 million. France also have reduced their import by 5% to RM25.7 million respectively. However, export to South Africa increased 21% to RM26.4 million compared to the previous year.

Rattan furniture shipments in May 2018 recorded a negative growth with a decrease of 82.7% from RM13.4 million to RM2.3 million. Export to Singapore, the UK and Australia decreased by 98%, 71% and 99% to RM42 thousand, RM141 thousand and RM16 thousand respectively. Elsewhere, Belgium resume intakes by RM44 thousand for this month.

Cont. from page 3



Attendees at the event.



Visiting the display area.

Timber World In Brief

Cont. from page 7

penalise SMEs, or to impact Britain's housing supply chains.

The government must also preserve the existing VAT payments system for imports from the EU, or put in place a new system which maintains the same benefits.

wbpionline.com. 20 June



VIET NAM

Encouraged to Tap Australian Wooden Furniture

Vietnamese wood enterprises have plenty of opportunities to export to Australia thanks to a number of factors that play into their favour, trade experts said. Viet Nam's favourable geographical location as well as Australian strong import demand and preferences brought by free trade agreements (FTAs) such as the ASEAN-Australia-New Zealand FTA make exporting wood products to Australia a viable prospect.

According to the Vietnamese Trade Office in Australia, domestic consumers tend to favour low-cost furniture. However, local producers fail to compete with foreign exporters in terms of prices due to high labour and input costs.

Australian customers, on the other hand, are open to the prospect of buying imported wooden furniture, as they pay attention to the quality, design, and price of the furniture rather than their origin, the office said. The office added while there are plenty of untapped opportunities waiting for Vietnamese exporters, they should improve their designs to suit Australian consumers' taste, improve their product quality and lower their prices to take full advantage of these opportunities.

Australia was one of the top 10 importers of Vietnamese wood and timber products in the first five months of 2018 according to the General Department of Viet Nam Customs. Australia imported over USD66.7 million worth of wood and wood products from Viet Nam during the period, up 11.3% year-on-year.

The Ministry of Agriculture and Rural Development (MARD) forecast that Viet Nam can reach its export value target of USD9 billion for forestry products this year by exporting wood products.

Viet Nam's export account for just 6% of the global timber and wooden furniture market, which is estimated at USD120 billion adding that the country holds huge potential for wood processing and production.

The nation has nearly 4,000 timber processing firms, including 1,500 companies specialising in producing wood products for export. Factors that can boost the sector's growth include abundant materials, sound mechanisms and robust market signs.

VNS, 23 June

SAPULUT FOREST DEVELOPMENT SDN. BHD. :

MOVING TOWARDS SUSTAINABLE FORESTS

FEATURE

INTRODUCTION

The Malaysian has been contributing to the national coffer for the past few decades.

However, logging activities generally increases the loss and degradation of forests ecosystems which are crucial as habitat for

many organisms and a source of seeds for species propagation. As such awareness and a growing concern towards future raw

material supply have led to the increased demand for forest management planning.

SAPULUT FOREST DEVELOPMENT SDN. BHD.

The state government of Sabah has introduced the Sustainable Forest Management (SFM), a system which aims to deliver consistent, predictable and sustainable supplies of quality timber from Natural Forest Management (NFM) and Industrial Timber Plantation (ITP) areas.

Sapulut Forest Development was registered on 29 April 1980 and is among the 28 companies under Wong Chik Lim Holdings. The core business is development of forest plantation. The man helming the company is Encik Norman Wong, the Managing Director (**Figure 1**).



Figure 1: Encik Norman Wong, Managing Director of Sapulut Forest Development Sdn. Bhd. (second from left) and Tuan Hj. Mahpar Atan, MTIB Director of Industry Development (third from left)

THE MANAGEMENT PLAN IN BRIEF

The Forest Management Unit under Sapulut Forest Development is located immediately adjacent to the Maliau Basin Conservation Area, covers approximately 76,613 ha of Licensed Area due to conversion of Licensed Area in southern Sabah. Approximately 6%, 29% and 3% were designated for NFM, short-rotation forest plantations and

conservation are respectively as shown in **Table 1**. The forest unit covers a part of Sapulut Forest Reserve. The administrative complex includes offices for various purposes, a conference hall, meeting rooms, a canteen and a nursery.

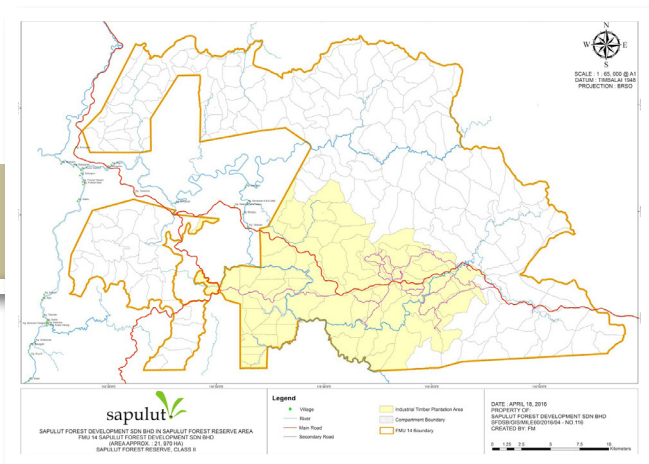


Figure 2: Industrial Timber Plantation Area in Yellow Colour



Figure 3: Five-month old of (a) Kelempayan and (b) Batai

Table 1: Designated Area

Type of Forest	No. of		
	Gross Area (ha)	Compartments	Percentage (%)
NFM	52,552	169	68
ITP	21,970	55	29
Conservation	2,091	7	3
Grand Total	76,613	231	100

Note: NFM = Natural Forest Management, ITP = Industrial Timber Plantation

Reduced Impact Logging (RIL), the yarder and the log-fisher systems are used for harvesting in the NFM and ITP areas. Forest inventory is carried out by means of pre and post-harvest in both areas. The area-specific flexible cutting regimes for harvesting

and the 25-year interval bicyclic felling after initial cut in NFM are also implemented, while the Buffer Alternate Strip Line planting system is implemented in the entire ITP area (**Figure 2**).

FAST GROWING TREE SPECIES

Kelempayan (*Neolamarckia cadamba*) and Batai (*Paraserianthes falcataria*) wood are fast growing tree species selected by Sapulut Forest Development for plantation in the Industrial Timber Plantation area by means of the Buffer Alternate Strip Line (BASIL) system. Nominal dimension of 6 x 6 m and 5 x 5 m sampling plots are used to plant the Kelempayan and Batai species, respectively (**Figure 3 a-b**). Alternating lines of 33 m are either treated as buffer areas with treatments appropriate to the compartment stand, or cleared for planting of the chosen species. By practising BASIL, Sapulut is hoping to naturally reduce the risks of pest, disease and fire while maintaining favourable soil health and micro-climate conditions. More than 500,000 saplings have been planted using the BASIL system since 2014.

BUSINESS GROWTH AND THE WAY FORWARD

The tree can be harvested the earliest at approximately year seven and can be use in the mouldings, veneer, pulp & paper industries. The diameters of the single tree at year seven are in the range of 20 to 30 cm and 30 to 40 cm for Kelempayan and Batai, with an estimated average yield of 0.7 m³ and 1 m³, respectively. Apart from the mouldings, veneer and pulp & paper industries, Kelempayan and Batai wood could be promoted as a raw material for Engineered Timber Product such as Glue Laminated-Timber and Cross Laminated-Timber (**Figure 4 a-b**). Thus it possibly could be used as a structure in building construction (**Figure 5 a-b**).

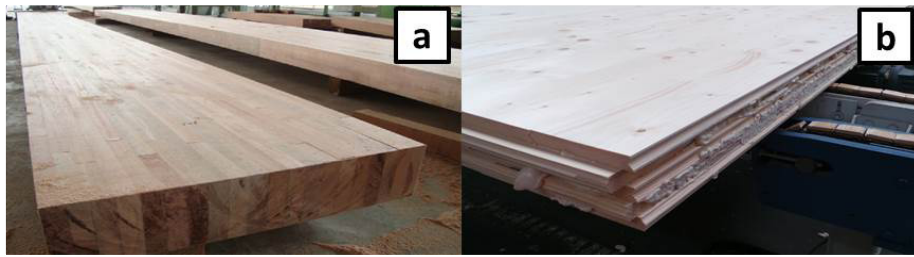


Figure 4: (a) Glue Laminated-Timber and (b) Cross Laminated-Timber

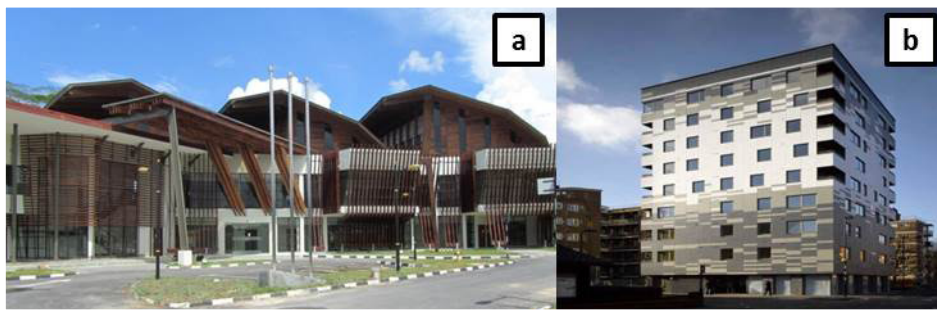


Figure 5: (a) Galeri Glulam Johor Bahru and (b) Stadthaus building from Glulam and CLT product, respectively.

Sapulut Forest Development has a planned capacity of approximately 15,000 m³ per month or 180,000 m³ per annum for its downstream activities. Sapulut Forest Development's plans in the next few years are being guided by their commitment to the triple bottom line of economic, social and environmental

sustainability. These plans include expanding into processing their raw material supply, as well as exploring the potential of forest parks and ecotourism utilising their strategic location along a major highway. 

CONTACT DETAILS:

Sapulut Forest Development Sdn. Bhd .(57757-K)

Lot 2-2, 2nd Floor, Wisma Manikar, Lorong Manikar 1
Off Mile 2.5, Jalan Tuaran, Likas 88400 Kota Kinabalu, Sabah, Malaysia
Tel: +6088 - 276 828 - 33, Fax: +6088 - 276 668
Website: mysapulutfmu14.blogspot.com





Malaysian Wood
Standing on Excellence

Lukisan Seribu Makna, Kayu Eratkan Semua
A Picture Paints a Thousand Words. Wood Binds Them All

www.mtib.gov.my  

UPCOMING events -

OCTOBER 2018

2-5
OCT 2018

ADANA IDEAL HOME FAIR 2018

International Furniture, Decoration, Home, Office Design and Household Appliances
VENUE : Tuyap Adana International Exhibition and Congress Centre, Turkey
ORGANISER : Tuyap Fair & Exhibition Organization Inc
Tel : + 90 (212) 867 1100 Fax : + 90 (212) 886 6698 E-mail : sales@tuyap.com.tr

2-5
OCT 2018

SIBFURNITURE INTERIOR DESIGN 2018

International Furniture Salon
VENUE : Norosibirsk Expo Centre, Russia
ORGANISER : ITE Siberia
Tel : + 7 (383) 363 0063 Fax : + 7 (383) 363 7901 E-mail : welcome@sibfair.ru

3-7
OCT 2018

INTERCASA 2018

International Furniture and Lighting Exhibition
VENUE : Feira Internacional de Lisboa, Portugal
ORGANISER : Feira Internacional de Lisboa
Tel : + 351 218 921 000 Fax : + 351 218 911 94515 E-mail : fil@aip.pt

4-6
OCT 2018

MYANMAR BUILD & DECO 2018

Trade Show for Furniture, Home Deco and Electrical Appliances
VENUE : Myanmar Event Park Yangon, Myanmar
ORGANISER : Incvex Company Limited
Tel : + 66 2713 3033 Fax : + 66 2713 3034 E-mail : info@incvex.com

4-7
OCT 2018

HOMEDec PENANG 2018

Home Decoration Exhibition
VENUE : Spice Convention Centre Penang, Malaysia
ORGANISER : C-I-S Network Sdn. Bhd.
Tel : + 603 7982 4668 Fax : + 603 7982 1648 E-mail : info@cisnetwork.com

10-14
OCT 2018

AMBIENTA 2018

International Furniture, Interior Decoration and Supporting Industry Fair
VENUE : Zagreb International Exhibition Centre, Croatia
ORGANISER : Zagreb Fair
Tel : + 385 (0) 1 6503 111 Fax : + 385 (0) 1 6550 619 E-mail : zagvel@zr.hr

11-14
OCT 2018

BALDAI FURNITURE VILNIUS 2018

International Furniture Exhibition and New Design Production
VENUE : Lithuanian Exhibition Centre, Lithuania
ORGANISER : Litexpo
Tel : + 37 052 4518 00 Fax : + 37 052 4545 19 E-mail : info@litexpo.lt

17-21
OCT 2018

MODDOM 2018

International Exhibition for Furniture
VENUE : Bratislava Exhibition Ground, Slovakia
ORGANISER : Incheba Jsc
Tel : + 421 2672 1111 Fax : + 421 6141 1838 E-mail : incheba@incheba.sk

23-28
OCT 2018

MODEF EXPO 2018

International Furniture Decoration Fair
VENUE : Hikmat Sahin Culture Park International Exhibition Centre, Turkey
ORGANISER : Antexpo
Tel : + 90 216 541 0390 Fax : + 90 216 541 0389 E-mail : info@antexpo.net

DYNAMIC FURNITURE INDUSTRIES (M) SDN. BHD.

INTRODUCTION

Dynamic Furniture Industries (M) Sdn. Bhd. (DFI) is a major global furniture company in Malaysia. DFI is recognised as a manufacturer and distributor of high quality furniture such as sofas, armchairs, dining chairs and beddings. Currently, DFI is one of the leading furniture and sofa manufacturers in Malaysia.

Encik Khoo Yeow Chong, the Managing Director and founder of Dynamic Furniture Industries (M) Sdn. Bhd., has more than 30 years of experience in designing and manufacturing sofa sets. His partner, Cik Tan Bee Ngo, has been in this industry for the past 20 years and is currently proving her capabilities as the executive director of the company. Under their management, DFI has continued to grow and expand steadily in both the Malaysian and



*Encik Khoo Yeow Chong,
Managing Director and Founder*

“Dynamic Furniture Industries (M) Sdn. Bhd., has more than 30 years of experience in designing and manufacturing sofa sets”

overseas markets.

As a leading sofa and furniture manufacturer and distributor, DFI fulfills the needs of clients from hotels, restaurants and government buildings to individual homes. The high demand for sofa and furniture is concurrent with the high growth in the housing development and construction sectors. On a larger scale basis, the market demand comes from hotels, luxury condominiums and apartments, holiday resorts, entertainment centers etc. On a smaller scale, the demand comes from individual house owners who need to furnish their houses.

The company has its own showroom located at No. 60, Jalan 1-D, Kampung Baru Subang, 40150 Shah Alam, Selangor in which they display its latest designs and models of sofas and furniture. DFI has two factory facilities: one factory located in Malaysia and another one in Indonesia. The factory, located in Olak Lempit, Banting, Selangor has a built up area of over 190,000 square feet and it has a workforce of more than 250 people. This



facility can produce more than 1,200 sofa sets per month.

DFI has also been involved in many projects such as the house of the Prime Minister, the palace in Alam Shah, Star Cruises, Shangrila Hotel, Nikko Hotel, Eastin Hotel, Pan Pacific Hotel, Grand Dorset Hotel

and Genting Highland Hotel. This company is able to identify, analyse and resolve problems during all stages of production. The DFI team has put quality as their top priority and they take pride in the fact that clients are always happy and satisfied with their products and service. DFI continues to focus on quality and the satisfaction of customers.

Factory



Main Factory - Malaysia
Banting, Selangor

Dynamic Furniture Industries (M) Sdn Bhd
www.dynamic-brand.com

Size : 80,000 sq feet

Production Staff : 200 staff

- R&D skilled staff - 10
- Carpenter - 40
- Sewing - 55
- Cushion & Cover - 25
- Packaging - 30
- Delivery - 10
- Inventory - 10
- Others - 20

Management Staff : 40 staff

Capacity : 1200 sofa sets per month

Division :

- Project Marketing
- Export Marketing
- R&D
- Procurement
- Carpentry
- Sewing
- Cushion
- Cover
- Packaging
- Quality Control
- Logistic
- Inventory
- Storage
- Showroom

MAIN DIVISIONS of Company

R&D Division



R & D Division

- Consist of highly skilled & experienced furniture professionals
- Product technical design
- Material selection
- Quality control
- Production planning
- Costing planning
- New product development

Frame Making Division

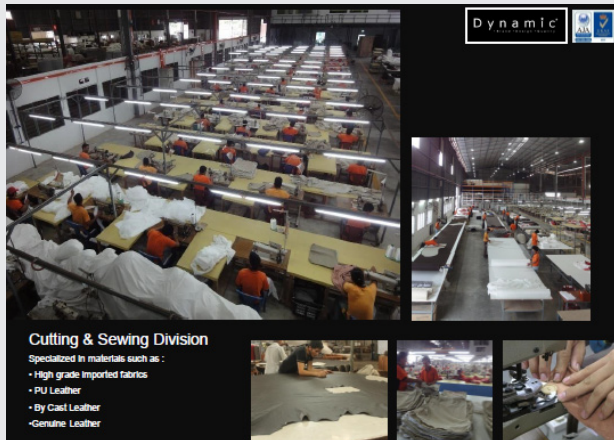


Frame Making Division

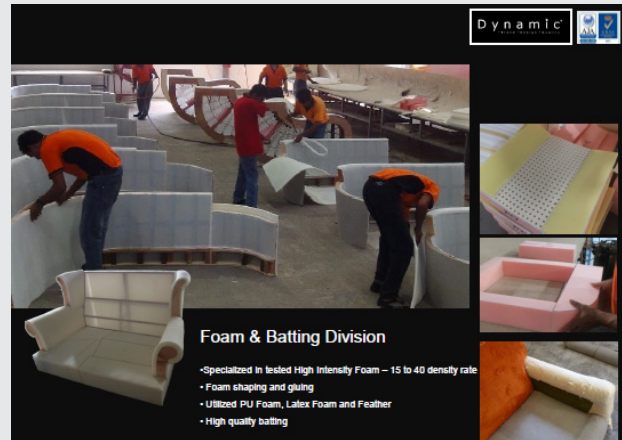
Highly skilled in producing wooden frame and leg

- Skilled & trained carpenters
- Complete wood making machineries
- Utilized various wood such as Red Meranti, Nyatoh, Oak, Walnut, Acacia, Rubber wood & others

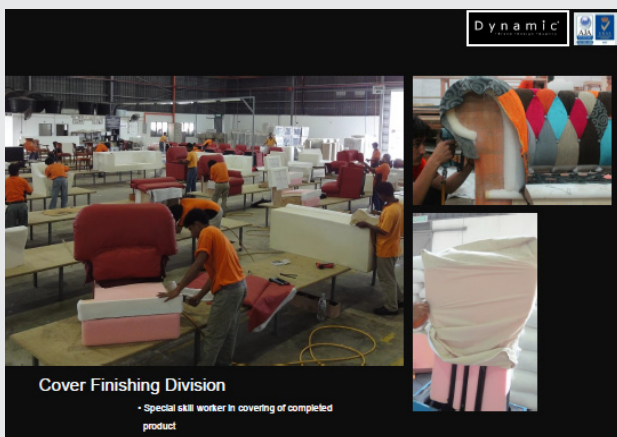
Cutting & Sewing Division



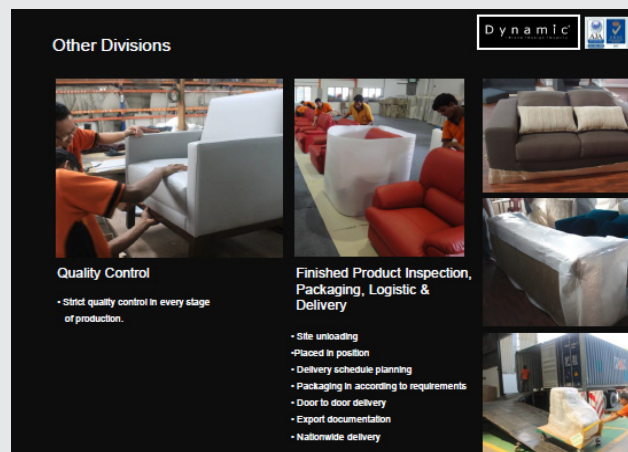
Foam & Batting Division



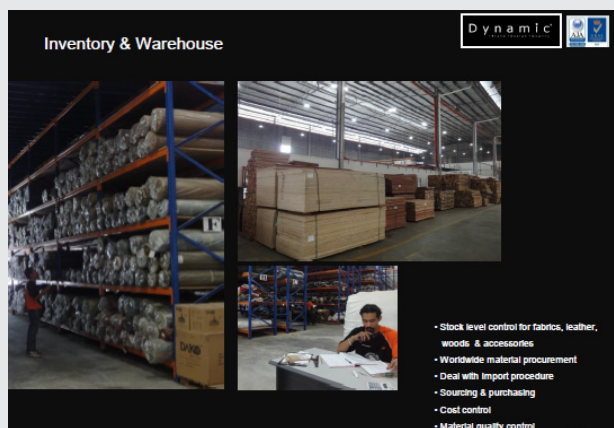
Cover Finishing Division



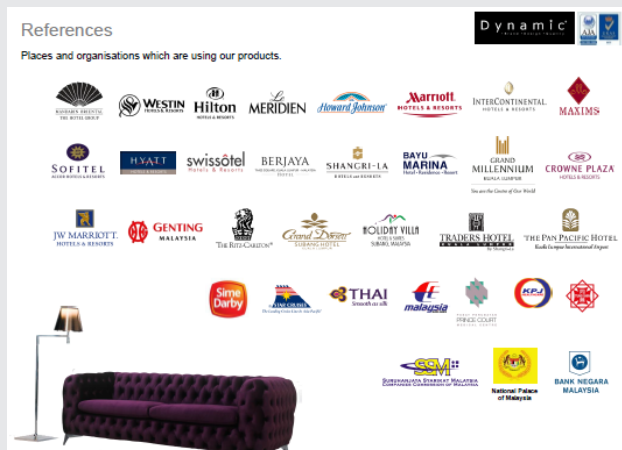
Other Division

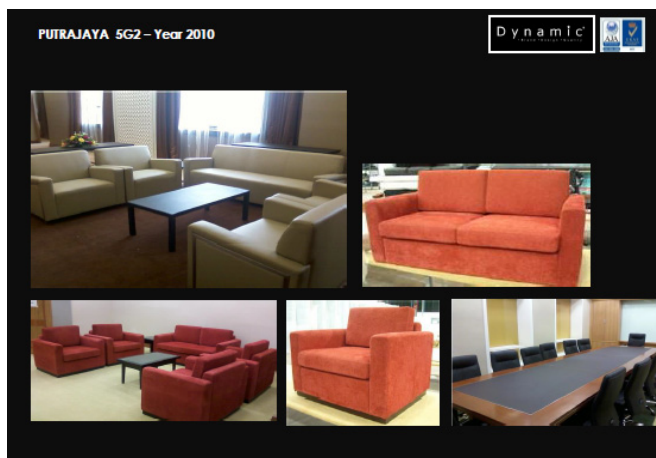
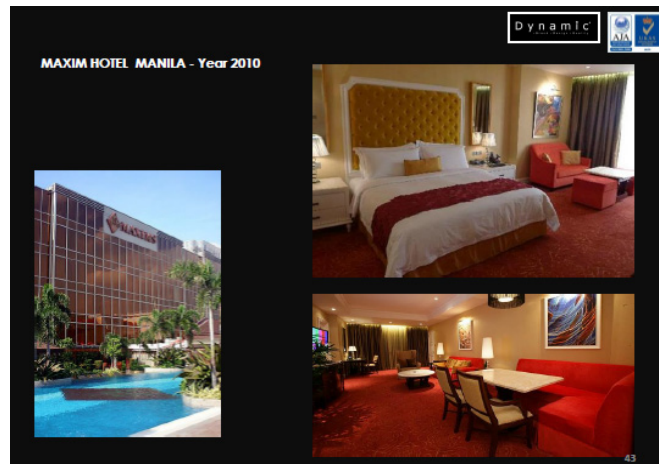
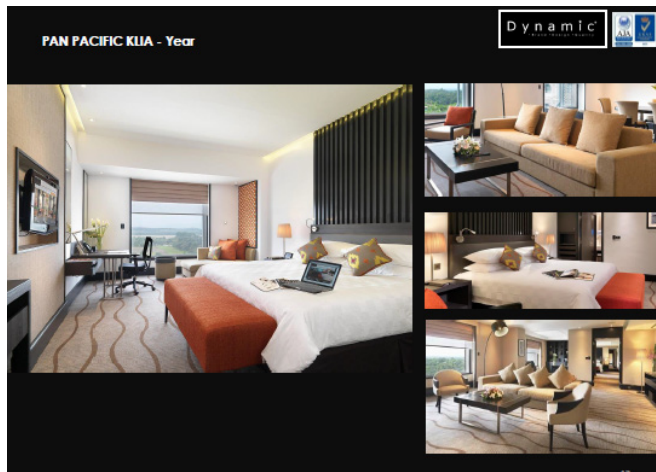


Inventory and Warehouse Division



Main Customers





CONTACT DETAILS

Dynamic

Area of our export
Our base countries

Malaysia

Subang Office & Showroom :
No. 60, Jalan 1-d, Kg. Baru Subang,
40150 Selangor Darul Ehsan, Malaysia.
T: +603 78452525
F: +603 78459045

Main Factory :
Lot 117, Jalan 6, Kompleks Perabot Oak Lempit,
42700 Banting, Selangor Darul Ehsan, Malaysia
T: +603 31494666 / 31493525
F: +603 31493389

Indonesia

Office & Factory:
No. 1, Jl Raya Pasar Cise'eng Perigi,
Mekar Panung Bogor, 16330 Indonesia
T: +62(0) 21 36727772
M: +62(0) 81517159999

www.dynamic-brand.com

Dynamic *Rico Ricardo*
CARIN **Melinh**

THE NETHERLANDS

OPPORTUNITIES FOR MALAYSIAN CERTIFIED TIMBER PRODUCTS



The Netherlands borders the North Sea to the north and west, Belgium to the south, and Germany to the east, and shares maritime borders with Belgium, Germany and the United Kingdom. The Netherlands is a geographically low-lying country, with about 20% of its area and 21% of its population located below sea level, and 50% of its land lying less than one metre above sea level. This distinct feature contributes to the country's name: in Dutch (Nederland), English, and in many other European languages, its name literally means “(The) Low Countries” or “Low Country”.

The Dutch Parliament (or Staten Generaal) consists of two chambers. The first, with 75 members, is indirectly elected and has limited powers. The second chamber, or lower house, is directly elected. Members of both houses serve a four-year term. Given the country's multi-party system, all governments are coalitions.

Industrial activity in the Netherlands predominantly consists of food processing, chemicals, petroleum refining as well as electrical and electronic machinery. It has a dynamic agricultural sector and is well known for its plants and cut flowers. The port of Rotterdam is the busiest in Europe, serving a vast hinterland which stretches into Germany and central Europe.

Economy

The Netherlands is the sixth largest economic power in the Eurozone and the fifth largest exporter of goods. The country is very open to trade and consequently to the global economic conjuncture. For the past couple of years, the recovery in Europe has allowed the economy to grow at a dynamic pace: an estimated 3.1% for 2017. The IMF forecasts a growth of 2.6% of GDP for 2018, which would be the fourth consecutive year with a growth above 2%. The country plays an important role as a European transportation hub, with a persistently high trade surplus, stable industrial relations, and moderate unemployment. Industry focuses on food processing,

chemicals, petroleum refining, and electrical machinery. A highly mechanized agricultural sector employs only 2% of the labour force but provides large surpluses for food-processing and underpins the country's status as the world's second largest agricultural exporter.

The Dutch economic growth is driven by both internal and external demand and by business investment. In 2017, private consumption benefited from the fall in unemployment and a growing consumer confidence. Business investment increased as capacity utilisation rates are back to pre-crisis levels. In 2017, the government launched an expansionary fiscal policy including income tax cuts for households and businesses as well as higher expenditures in education, defense and social affairs. Since 2013, the resurgence of the housing market has boosted the construction industry. The market is notably characterized by a shortage of available rental housing in the main urban areas and a sustained rise in property prices.

Forest Resources

One of the least forested countries in Europe, the Netherlands produces only about 8% of its wood requirements. Its forest mainly grows the coniferous species. The dominant species are broadleaved, including beech and oaks. Woodland, chiefly pine, covers about 375,000 hectares (927,000 acres), or only 11.1% of the total land area, of which state forest

areas comprise some 37% while private owners by 31%; provincial and local governments by 14%; and nature conservation organisations by 18%. The

Netherlands imports about 95% of its softwood lumber needs, mostly from Sweden, Finland, and Russia.

The Netherlands : Production of Timber Products, 2013-2017

(Volume : m³)

Product	2013	2014	2015	2016	2017
Logs	381,900	406,540	385,700	386,169	314,933
Sawntimber	215,500	228,100	185,056	183,821	165,000
Fibreboard	32,903	28,800	28,800	28,900	29,000

Source: FAO

Timber Production

Production of timber and timber products is not significant and the trend is decreasing over the years. According to the FAO 2017 forest statistics, the Netherlands produced around 314 thousand m³ of logs. Apart from logs production, the country also produced 165 thousand m³ of sawntimber followed by fibreboard with 29 thousand m³.

Import of Timber and Timber Product

The Netherlands' import of timber and timber products in 2017 worth USD6.1 billion, an increase of 62% over the previous corresponding period. The country import mainly furniture, sawntimber, BJC and plywood. Import of furniture and sawntimber totalled USD2.5 billion and USD1.1 billion respectively. Meanwhile, import of BJC totalled USD464.3 million followed by plywood with USD415.2 million and fibreboard with USD300.9 million.

The Netherlands : Import of Timber and Timber Products, 2013 -2017

(Value: USD ' 000)

Product	2013	2014	2015	2016	2017
Furniture	1,481,158	1,514,304	1,421,635	1,489,116	2,509,951
Sawntimber	822,235	867,793	778,070	718,598	1,091,000
Fibreboard	229,634	228,067	213,130	217,239	300,935
Particleboard	159,515	161,759	122,645	123,068	230,239
Plywood	294,904	329,960	311,618	295,414	415,206
BJC	232,331	279,789	302,101	288,328	464,264
Logs	39,481	35,794	42,405	39,481	129,860
Mouldings	85,643	96,494	80,244	72,701	88,440
Veneer	25,073	30,042	30,026	30,895	46,539
Others	597,653	637,712	531,030	508,178	866,973
Total	3,967,627	4,181,714	3,832,904	3,783,018	6,143,407

Source: International Trade Centre

Export of Timber and Timber Product

The Netherlands' export of timber and timber products in 2017 decreased 12% to USD1.6 billion from USD1.9 billion in the previous corresponding period. The country export mainly furniture, sawntimber and BJC. Export of furniture totalled USD1.3 billion

whilst sawntimber totalled USD274.3 million over the previous corresponding period. Meanwhile, export of BJC totalled USD239.7 million followed by plywood at USD95.6 million and fibreboard at USD78.0 million.

The Netherlands : Export of Timber and Timber Product, 2013 - 2017

(Value: USD '000)

Product	2013	2014	2015	2016	2017
Furniture	901,032	885,231	864,864	886,422	1,329,66
Sawntimber	192,035	235,228	187,197	163,370	274,326
BJC	176,270	200,888	173,296	168,834	239,650
Fibreboard	56,321	60,142	63,798	67,357	78,001
Mouldings	61,198	70,151	53,031	41,523	62,348
Logs	44,548	38,269	43,346	37,495	71,324
Veneer	4,978	4,765	6,901	7,841	9,417
Plywood	55,389	74,878	72,464	70,786	95,573
Particleboard	31,750	32,932	24,614	22,651	42,909
Others	454,545	510,503	443,024	400,302	766,760
Total	1,978,066	2,112,987	1,932,535	1,866,581	1,640,308

Source: International Trade Centre

Malaysia's Export of Timber and Timber Products to the Netherlands

In 2017, export of Malaysian timber and timber products to the Netherlands registered an increase of 11% to RM435.4 million from RM393.9 million in 2016. For the period of January to June 2018, export to the Netherlands recorded at RM242.7 million, an

increase of 11% compared to RM217.9 million in the previous corresponding period.

Major product exported to the Netherlands in 2017 were sawntimber totalled RM186.9 million followed by mouldings with RM184.7 million, wooden furniture with RM31.0 million and BJC with RM12.8 million.

Malaysia : Export of Timber and Timber Products to the Netherlands, 2013-2018

(Value: RM)

Product	2013	2014	2015	2016	2017	Jan-June 2018
Sawntimber	137,573,951	194,798,516	215,464,162	170,003,470	186,852,603	95,255,273
Plywood	20,776,525	22,107,917	22,551,404	22,087,968	17,619,761	3,326,256
Veneer	0	170,511	0	0	0	0
Mouldings	112,873,805	146,764,743	151,056,264	159,456,560	184,703,312	117,509,204
Fibreboard	850,559	1,637,294	571,639	903,594	71,168	0
Chipboard/ Particleboard	0	0	0	0	356,948	0
Wooden Frame	37,389	0	0	0	0	0
Wooden Furniture	26,666,302	29,946,973	29,657,358	33,315,173	31,018,907	12,693,961
Builders Joinery and Carpentry (BJC)	983,345	1,575,421	593,762	5,695,029	12,803,919	13,639,117
Rattan Furniture	43,244	17,000	5,000	17,487	0	0
Others	2,358,753	1,969,888	1,774,105	2,374,001	1,971,462	254,706
Total	302,163,873	398,988,263	421,673,694	393,853,282	435,398,080	242,678,517

Source: DOSM/MTIB

Malaysia's Import of Timber and Timber Products from the Netherlands

In 2017, import of Malaysian timber and timber products from the Netherlands registered an increase of 32% to RM8.9 million from RM6.7 million in 2016. Similarly, in the first half of 2018, import from the

Netherlands increased 13% to 4.9 million from RM4.4 million in the previous corresponding period.

Major product imported in 2017 were wooden furniture with a total value of RM1.1 million followed by sawntimber at RM1.0 million, mouldings at RM617 thousand and particleboard at RM516 thousand.

Malaysia : Import of Timber and Timber Products from the Netherlands, 2013-2018

(Value: RM)

Product	2013	2014	2015	2016	2017	Jan-June 2018
Sawntimber	480,891	366,157	604,999	875,361	1,036,780	648,614
Plywood	13,328	0	0	15,009	0	0
Veneer	154,920	0	1,030,212	0	13,069	0
Mouldings	351,275	0	0	228,037	616,793	448,353
Particleboard/ Chipboard	0	76,080	9,576	169,882	516,754	10,030
Fibreboard	300,243	151,398	10,408	0	239,423	0
Wooden Frame	5,299	5,380	0	0	0	0
Wooden Furniture	313,703	799,691	3,366,760	1,000,438	1,124,703	187,451
Rattan Furniture	27,832	13,276	0	47,921	24,438	35,457
Builders Joinery and Carpentry (BJC)	0	438,135	526,118	149,893	195,652	867,490
Others	4,735,452	4,279,717	1,667,306	4,252,704	5,147,054	2,760,452
Total	6,382,943	6,129,834	7,215,379	6,739,245	8,914,666	4,957,847

Source: DOSM/MTIB

Import Tariff

The Netherland's import duty on timber and timber products ranges from 0 - 10%. Details are as follows:

Hs Code	Product	Duty (%)
4401	Fuel Wood	0
4402	Wood Charcoal	0
4403	Logs	0
4404	Hoop Wood	0
4405	Wood Wool and Wood Flour	0
4406	Sleepers	0
4407	Sawntimber	0 - 2.5
4408	Veneer	0 - 6
4409	Mouldings	0
4410	Particleboard	7
4411	Fibreboard	7
4412	Plywood	6 - 10
4413	Densified Wood	0
4414	Wooden Frames	0 - 2.5

4415	Packing Cases	3 - 4
4416	Cask, Barrels, Vats and Tubs	0
4417	Tools Bodies and Handle	0
4418	BJC	0 - 3
4419	Tableware and Kitchenware	0
4420	Wood Marquetry	0 - 4
4421	Other Articles of Wood	0 - 4
9104-9403	Wooden Furniture	0 - 5.6

Source: WTO

Opportunities For Malaysian Certified Timber

There are increasing consumption of certified wood in the Netherlands in which over two-thirds of the wood on the Dutch timber market was from a demonstrably sustainable origin. The increment is due in part to the Dutch government's Biodiversity Program which set the target for timber with a



Over two-thirds of the wood on the Dutch timber market was from a demonstrably sustainable origin.



The port owes its leading position to its outstanding accessibility for sea-going vessels.

demonstrably sustainable origin to make up 50% of the Dutch timber market by 2011.

As such, the Dutch government took the initiative in 2002 to set up Timber Procurement Assessment System (TPAS) as a guideline for the assessment of certified wood product based on the Dutch standards for sustainable forest management. The Timber Procurement Assessment Committee (TPAC) is responsible for the assessment of certification systems to TPAS. The Procurement Criteria are structures into 3 categories (i) Sustainable Forest Management (SFM), (ii) Chain-of-Custody and Logo Use (CoC) and (iii) Development, Application and Management of Certification Systems (DAM).

On 18 January 2017, following a parliamentary debate, the Government of The Netherlands announced the full acceptance of the Malaysian Timber Certification Scheme (MTCS) under the Dutch Public Procurement Policy for Sustainable Timber. The Dutch Minister for the Environment, Sharon Dijksma of the Ministry of Infrastructure and Environment had made the decision to fully accept the MTCS following the positive outcome of the fact-finding mission by senior government officials and members of the Timber Procurement Assessment Committee (TPAC) to Malaysia in November 2016.

The decision is an important milestone for the MTCS and a significant endorsement of Malaysia's

commitment and ongoing efforts in promoting sustainable forestry and timber industry through certification. The Dutch market is the largest importer of certified timber products from Malaysia, accounting for about 30% of the total export of PEFC/MTCS-certified timber products. Additionally, the PEFC/MTCS-certified timber products constitute approximately 50% of the total certified tropical timber imported into the Dutch market. It is therefore envisaged that the acceptance of the MTCS will certainly contribute towards The Netherlands' ambition of procuring at least 90% of its tropical timber imports from sustainable sources by 2020.

It is envisage that the booming economy and rising demand for certified timber products in the Netherlands provide opportunities for Malaysian timber manufacturers to enhance market presence as well as Malaysian timber market share in the country. It can be done through active participation in the relevant fairs and exhibitions, conducting market visits as well as enhancing business networking relationship with the Dutch timber and furniture manufacturers.

References:

MTIB's statistics

International Trade Centre

www.fordaq.com

Timber Trade Journal - Netherlands

Netherlands Country Profile - www.nordeatrade.com





NATIONAL CERTIFICATION SCHEME FOR PLYWOOD

The Product Certification Scheme for plywood is operated by the MTIB Certification Body (MTIB CB) which started in 2012. The scheme is essentially voluntary in nature, which determines conformity with product standards through initial testing and assessment of a Factory Quality Management System. It is followed by Surveillance that takes into account the Factory Quality Management System and the testing samples.

**Products Certification -
Towards Widen Market
Access and Trade
Facilitation**

We committed:

- To provide services to our customers consistently, efficiently and professionally
- To conform customers' needs and to all product certification requirements



Further enquiries or information kindly contact:

Product Certification Unit

Director-General Office

Malaysian Timber Industry Board

Level 13-17, Menara PGRM, No.8, Jalan Pudu Ulu, Cheras

P.O Box 10887, 50728 Kuala Lumpur

Tel: 603-9282 2235

Fax: 603-92003769/ 92846214

website: www.mtib.gov.my



Ministry of Plantation
Industries and Commodities



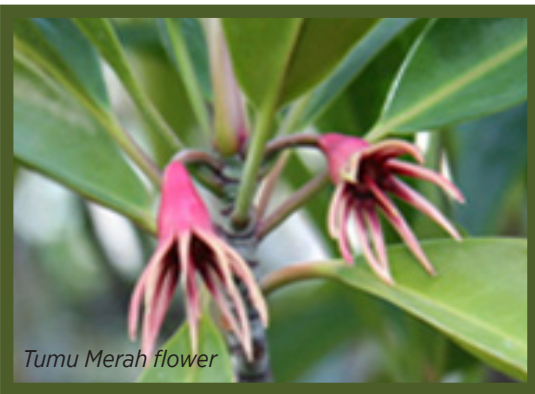
MS ISO/IEC 17065:2012
PC 03042012 CB/06



Tumu Merah leaf

INTRODUCTION

Tumu Merah is the Standard Malaysian Name for the timber of *Rhizophora* spp. (family *Rhizophoraceae*) found in Peninsular Malaysia. Tumu Merah is a small tree which grows up to 15 m tall. The trees are generally rare and scattered, but occasionally gregarious on the west coast of Peninsular Malaysia.



Tumu Merah flower



Chowman 1994

TUMU MERAH

SUITABLE FOR PARQUET FLOORING

General Characteristics

Tumu Merah (*Bruguiera gymnorhiza*) is very hard and very heavy with a density ranging from 630-1025 kg/m³ (39-641 lb/ft³) when air dried. The sapwood is in various shades of light yellow- brown, light red-brown or light pink brown and is difficult to distinguish from the heartwood, which is grey brown, yellow-brown, red-brown or purple-brown, usually darkening upon exposure and becoming redder. The texture of the timber is fine and even with fairly straight grain.

Wood Anatomy

The vessels are very small to very small and evenly distributed without any definite arrangement. Wood parenchyma is sparse and present only as narrow, incomplete borders around some vessels. Rays are narrow but distinct due to contrasting colours while the ground fibres are distinct on the radial surface. Ripple marks are absent.

Seasoning

Tumu Merah (*Bruguiera gymnorhiza*) timber is refractory to season, shrinkage and liable to serious end splitting.

Durability

This species is not very durable when exposed to the weather, but fairly durable in salt water; six pieces have been tested and destroyed in 3½ years and classified as moderately durable

Tumu Merah tree

Sawing and Woodworking Properties of Tumu Merah

Test Condition	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
Green	easy	easy	easy	smooth	-	-	-	-
Air dry	slight difficult	slight difficult	slight difficult	smooth	-	-	-	-



Uses

The timber is usually available only in pole sizes and hence its utilisation is somewhat restricted. However the timber is suitable for handles of striking tools, temporary structure, beams, flooring, parquet, scaffolding, temporary piling, charcoal, pulp and paper and rayon. The timber is attractive enough for parquet flooring.

References :

- *Manual of Malaysian Timber Vol II, Malayan Forest records No. 15 Forestry Department Peninsular Malaysia Desch H.E (1954)*
- *Rhizophoraceae in Tree Flora of Malaya Vol IV Malayan Forest Records No. 26 Forest Research Institute Malaysia. Kochummen K.M (1989)*
- *A Dictionary of Malaysian Timbers, Malayan Forest Records No. 30 Forestry Department Peninsular Malaysia. Wong T.M (1982)*



Workshop on Refining Written Instructional Material (WIM) Document for MTIB personnel on 5-7 June 2018 in Kuala Lumpur.



The winners of ACSA award with their prizes posing with YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (third from left), Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General (Management and Operation), Puan Hj. Noor Laila Mohamed Halip (Development and Commercial). The ranking was MTIB Pahang (first), MTIB Northern Region (second) and MTIB Terengganu (third).



Iftar organised by MTIB on 8 June 2018 in Kuantan, Pahang.

MTIB officials listening to a briefing by FELCRA Berhad Kepis, Kuala Pilah, Negeri Sembilan official before their field visit to a rubber plantation on 26 June 2018.



Officials from MTIB and FELCRA Berhad Kepis, at the rubber plantation in Kuala Pilah, Negeri Sembilan.