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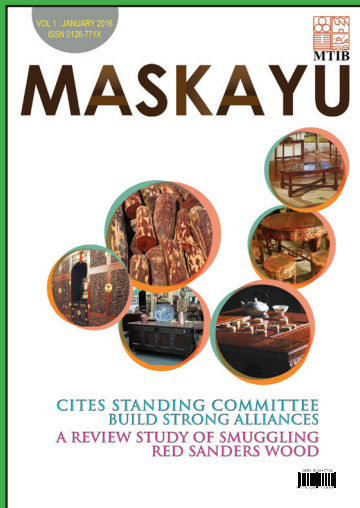


CITES STANDING COMMITTEE
BUILD STRONG ALLIANCES
A REVIEW STUDY OF SMUGGLING
RED SANDERS WOOD

ISSN 0126-771X



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Cover : To know more about Red Sanders wood, please refer pages 18-21.

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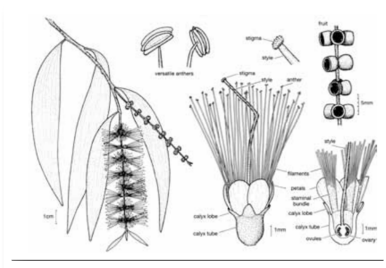


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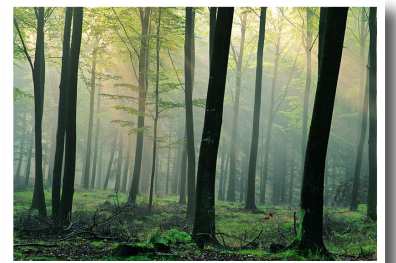


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CITES STANDING COMMITTEE BUILD STRONG ALLIANCES

The Standing Committee on Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) provides policy guidance to the Secretariat concerning the implementation of the Convention. It coordinates and oversees, where required, the work of other committees and working groups; carries out tasks given to it by the Conference of the Parties; and drafts resolutions for consideration by the Conference of the Parties. The members of the Standing Committee are Parties representing each of the six major geographical regions (Africa, Asia, Europe, North America, Central and South America and the Caribbean, and Oceania), with the number of representatives weighted according to the number of Parties within the region. A State for which the Convention has entered into force is called a Party to CITES and currently there are 181 Parties. Usually the Standing Committee meets once a year.

The 66th meeting of the Standing Committee (SC66) of the CITES opened with Chair Øystein Størkersen, Norway, highlighting some of CITES' successes and stronger alliances with other organisations on tackling illicit trafficking in wildlife.



Malaysian delegates from right to left: Cik Norsham Abdul Latip, Tuan Hj. Zulkepli Abd Rani, Dato' Sr. Azimuddin Bahari, Dato' Abd Rasid Samsudin and Encik Godfrey Kissey.

Over the last few years CITES has seen enormous progress. One of the most remarkable achievements over the few last years is the development of the National Ivory Action Plan (NIAPs) which has proven to be an innovative and highly successful approach to dealing with a complicated and multi-faceted problem.

The second initiative is the fact that CITES itself has steadily built many strong alliances with many other organisations with the aim of helping Parties implement CITES and meet their compliance challenges. CITES alone cannot possibly achieve what it aims for; it needs strategic and innovative approaches and alliances.



Opening remarks by Mr. Øystein Størkersen, Chairman of the Standing Committee at the 66th Meeting of the Standing Committee Geneva (Switzerland).

The other remarkable achievements are the two UN General Assembly (UNGA) resolutions; on 30 July 2015 the UNGA adopted resolution 69/314 on tackling illicit trafficking in wildlife. On 25 September 2015 UNGA adopted resolution 70/1 on transforming our world: the 2030 agenda for sustainable development, which also included sustainable developments goals (the SDGs) and related targets.

CITES Secretary-General John Scanlon welcomed participants to SC66 and the European Union (EU) as a new party to the Convention. He highlighted increased international support and financing for CITES, such as the new Global Environment Facility (GEF) - supported Global Partnership on Wildlife Conservation and Crime Prevention for Sustainable Development. He drew attention to various activities done in synergy with other organisations and thanked Israel and Georgia for hosting the Animals and Plants Committee meetings, respectively.

SC66 addressed a lot of time on implementation of the Convention with respect to captive-bred and ranched specimens, as well as implementation and enforcement of the Convention.

In relating to the unsustainable exploitation of Ebony (*Diospyros* spp.) and Rosewood (*Dalbergia* spp.) in Madagascar, the Standing Committee considered the issue to be of crucial importance, particularly due to the long history of discussion on the matter in previous Conference of the Parties (CoP) and Standing Committee meetings. Madagascar was advised to implement the action outlined during SC66 and must show significant progress by the 67th meeting of the Standing Committee (SC67).

**AFRICA****Economic Growth in Sub-Saharan Region to Hit**

According to the Global Economic Prospects report published by the World Bank, it is projected that sub-Saharan Africa's economic growth in 2016 will climb to 4.2%. It is anticipated that the economy of South Africa will expand by 1.4% compared to 1.3% recorded a year ago. It is projected that the economy of Angola will grow up to 3.3% compared to 3% in the previous year. It is estimated that the economy of Nigeria will climb by 4.6%. Kenya will expand to 5.7% compared to 5.4% a year ago while Ghana's growth will hit 5.9% compared to 3.4% in the previous year.

Engineering News, 7 January

ALGERIA**World Bank Gives Outlook**

According to the World Bank, Algeria should post economic growth of 3.9% in 2016 and 4% in 2017, despite falling oil prices. The country registered a 2.8% growth in 2015. The rate of unemployment should remain stable, at the same level as in 2010. In the Middle East and Africa, growth in 2016 should reach 5.1%, although it could be hampered by falling oil prices and conflicts. In sub-Saharan Africa, growth slowed to 3.4% in 2015, compared to 4.6% in 2014. Global GDP should rise 2.9% in 2016, after 2.4% in 2015, boosted by the recovery in developed markets.

Algérie Presse Service, 7 January

AUSTRIA**Styria Simplifies Regulation on Wood Building Construction**

The Austrian federal state of Styria has simplified the regulation on the construction of wood buildings. The regional Government has ruled that the special permit for constructing wood buildings with more than six floors will be no longer necessary as of 1 January 2016. Furthermore, the new regulation stipulates that wood buildings will need to have a wood resistance of 60 minutes, instead of 90 minutes as previously required.

Holzbau Austria, 4 January

CHINA**World Bank Lowers Growth Forecast**

The World Bank has lowered its forecast for China's growth in 2016 from 7% it made in June 2015 to 6.7%. While the figure for 2017 is set at 6.5%, China is in the process of transforming itself into an economic model based on services and consumption.

Standard (The) - Hong Kong, 8 January

CHINA**Forest Coverage to be Expanded**

By 2020, China targets to increase its forest coverage to 23.04% from 21.66% now. Despite expanding 450 million metres unit [one metres unit = 0.165 acre], the country's forest coverage is approximately 10 percentage points lower than global average. According to State Forestry Administration's (SFA) Head, growing stock volume shall increase to 16.5 billion m³ by 2020 from 15.14 billion m³ by end 2015.

Xinhua News / Xinhua News Agency, 10 January

EGYPT**World Bank Provides Loan for Social Housing Project**

A USD500 million (EUR460.40 million) loan will be given by the World Bank under a deal signed with the government of Egypt for a social housing project. Under that plan, one million residential units will be constructed and repayment of the loan will be done across half a decade. This agreement comes after a USD1.50 billion funding was offered by the bank to Egypt for social housing and sanitation for villages across three years.

Trade Arabia, 6 January

FINLAND**Wood Imports and Timber Felling**

According to preliminary data by the Natural Resources Institute Finland, a total of 0.85 million m³ of wood was imported to Finland in October 2015. In January-October 2015, wood imports to Finland totalled 8.01 million m³, down 7% from the corresponding period in 2014. The value of exports of forest industry products from Finland totalled EUR0.93 billion in October 2015, down 1.5% from September 2015. In January-October 2015, the real value of exports of forest industry products from Finland was EUR9.47 billion. In real terms, exports of forest industry products from Finland increased by 5% in January-October 2015 compared to the corresponding period in 2014.

Meanwhile, a total of 5.0 million m³ of wood was felled for industry in November 2015, up 1% from November 2014 and down 2% of the November average of the previous 10 years. Felling from private forests totalled 4.1 million m³, up 1% from November 2014. Felling from state-owned forests and forests owned by forest industry companies totalled 0.9 million m³ which is similar to the volume in November 2014.

Press Release, Natural Resources Institute Finland, 8 and 13 January

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FINLAND Wood Purchases from Private Forests

The members of the Finnish Forest Industries Federation purchased a total of 30.1 million m³ of wood from private forests in Finland in 2015, down 3% from 2014. Log purchases totalled 12.8 million m³ and pulpwood purchases 16.3 million m³. The average stumpage price of Pine logs fell by 1% and that of Spruce logs by 2%. The average stumpage price of Birch logs remained at the 2014 level. The price of Pine pulpwood fell by 1% and the price of Spruce and Birch pulpwood by 2%. The investments being planned by the forest industry will have an impact on the demand for wood in 2016. New investments are expected to increase demand for wood by 10 million m³ a year.

Press Release, Finnish Forest Industries Federation, 14 January

INDONESIA Protected Forests Expected to be Fully Controlled by Locals

Towards 2017, the local communities in West Sumatra are expected to take control of 500,000 hectares of community forests in the province, according to West Sumatra Forestry Agency. Until 2017, the agency will try to allow the local communities to handle a minimum of 200,000 hectares of the protected forests annually, stated Hendri Octavia, its Head.

As of 2015, merely 19% or 43,821 hectares of the community-controlled forests were established by the West Sumatra administration since the programme commenced in 2012. Hendri claimed that it would task 60 field officers to handle the implementation of the protected forests in a minimum of two spots every year beginning 2016. The programme is progressing poorly as the agency lacks field officers to handle the massive forests, Hendri added.

Jakarta Post, 4 January

INDONESIA Economic Growth Expected to Increase

In Indonesia, the economic growth for the year 2016 is expected to increase by 0.6% year-on-year to 5.3%, according to the World Bank. The gross domestic product (GDP) is expected to increase slightly by 0.2% annually to 5.5% in 2017. In 2018, the GDP is projected to remain stagnant at 5.5%.

Bangkok Post, 7 January

IRELAND GDP Projected to Grow

According to estimates by ESRI, in 2015, Ireland's GDP expanded by 6.7% and a growth of 4.8% is projected for

2016. As for the gross national product (GNP), the Irish economy was estimated to have grown by 5.2% in 2015. The country's GNP is predicted to increase by 5.3% in 2016.

Irish Independent, 3 January

MOROCCO Economic Growth Set to Slow

Economic growth in Morocco is set to be at 2% in the first quarter of 2016, down from 4.2% in the same period in 2015. Non-agricultural activity is set to grow by 2.2%, with manufacturing activity up by 2.1% growth for the mineral sector and stable growth for the service sector. Agricultural value-added is set to fall by 3.4% on an annual basis, due to a 15% decrease in cereal production compared to the average of 70 million hundredweight.

Global demand for Moroccan products and services is set to increase by 3% during the first quarter, which is set to boost the automobile sector, while low oil prices will improve the trade deficit. This may, however, be offset by the value of the dollar, and the depreciation of the Euro will have an impact on exports to Europe.

Growth in the fourth quarter of 2015 was 4.7%, up from 2.2% in the same period in 2014, with 2.1% growth in non-agricultural activity and 3.5% growth in household consumption. Services and communications contributed towards 0.4 points of economic growth during the quarter, while accommodation and dining saw a drop of 1%, and travel receipts were down by 0.5%. Manufacturing grew by 2%, and productive investment grew by 3.7%, boosted by a recovery in the construction sector.

L'Economiste, 7 January

NETHERLANDS Construction Market Continue to See Growth

The recovery on the Dutch construction market is expected to continue due to growth for the housing market in 2016. However, pressure on prices will remain, according to construction companies BAM, Dura Vermeer, Hurks, Janssen de Jong, TBI and Van Wijnen. Competition and overcapacity will remain on the infrastructure and utilities construction markets.

Het Financieele Dagblad, 5 January

NORWAY Forest Felling High

In 2015, forest felling totalled 10.2 million m³ in Norway. This was the highest volume for nearly 100 years, besides the record season in 1989/90. The 2015 figure is remarkable, taking into consideration that timber prices were declining compared to 2014, according

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to CEO of the Norwegian Directorate of Agriculture (Landbruksdirektoratet). The counties accounting for the highest shares of total felling were Hedmark (28.3%) and Oppland (12.6%).

Nationen, 8 January

PAKISTAN World Bank Projects Growth

World Bank has projected that Pakistan will achieve 5.5% GDP growth rate at market price for the financial year 2016-2017. The projection is higher than the GDP growth of 4.7% for the previous financial year. Discounting taxes and subsidies, Pakistan's GDP is projected to stand at 4.5% in 2016-2017, whereas the figure for the current financial year is at 4.2%. Overall, Pakistan is still lagging behind Bangladesh and India, for which World Bank has revealed its GDP forecast to be at 6.7% and 7.8% accordingly.

Daily Times Pakistan, 7 January

PARAGUAY Forestry Exports

The Paraguayan Forestry Firm Federation (Fepama) has revealed that national forestry exports in 2015 reached USD57.60 million/EUR52.73 million, corresponding to 110 tonnes overall, including charcoal, at USD21.3 million, amounting to more than 54 tonnes, followed by veneers and flooring, sawntimber and industrialised products. This level of exports is down on levels recorded in 2014, although Fepama has highlighted the success of local charcoal, especially in Spain, Germany and Italy.

The main export market for Paraguayan forestry products in 2015 was the US, at USD12.8 million, followed by Uruguay (USD7.8 million). The traditional main markets of Argentina and Brazil have been hit by trade restrictions and local currency devaluation, respectively, which have impacted imports of Paraguayan forestry products. Nonetheless, Fepama is optimistic about forestry exports to Argentina during 2016.

La Nacion (Paraguay), 14 January

PHILIPPINES World Bank Predicts Economy to Hit

The World Bank predicts that the economy of the Philippines will hit 6.4% in 2016. The economy of Viet Nam is projected to grow 6.6% while those of China will expand 6.7%. The multilateral lender added that the Philippines will continue to be one of the fastest-growing nations in the Pacific and East Asia in the cited period. During January to September 2015, gross domestic product (GDP) of the Philippines expanded 5.6%. It is projected that the economy of the country in 2016 will accelerate to 6.4%.

BusinessWorld, 7 January

PHILIPPINES Fund Allocation for Philippines Environment Programmes

The Department of Environment and Natural Resources (DENR) of the Philippines has set aside PHP12.40 billion (EUR239.87million/USD262.35 million) for 19 different programmes in 2016 that focus on disaster risk reduction and climate change adaptation. The amount accounts for more than 50% of the department's 2016 budget of PHP21.80 billion, under the PHP3 trillion General Appropriations Act.

The department's National Greening Programme which started in 2011, has a total budget of PHP8 million for 2016. In 2015, the National Greening Programme worked on 1.4 million hectares of degraded forests, where 915.3 million seedlings have been planted. The department also invested PHP473 billion on forest protection, PHP451 million on restoration of major river basins, and PHP1.063 billion on management programmes and development of protected areas.

Manila Standard Today, 8 January

SINGAPORE Economy to Grow

The economy of Singapore expanded 2.1% in 2015. In the last three months of 2015, the economy of the island nation expanded 2% from a year ago. After seasonal adjustment, the gross domestic product (GDP) of Singapore climbed 5.7%.

Business Times - Singapore, 5 January

SINGAPORE Sales of New Private Homes Up

The number of new private homes sold in Singapore amounted to 384 units in December 2015, lower than the 759 units in November 2015, but more than the 230 units sold in December 2014. Developers launched 7,063 new homes during the month, down 8.2% year-on-year. Overall, sales of new private homes increased by 2.9% year-on-year to 7,529 units in 2015. According to analysts, new home sales will likely remain low in 2016 due to the slow economy, fewer new sites being put on sale, cooling measures and rising interest rates.

Straits Times (The), 16 January

SOUTH KOREA Economy to Expand

The central bank predicts that the economy of South Korea from 2015-2018 could expand between 3% and 3.2%. In the past decade, the potential growth of the nation has dropped 2 percentage points and now, it is just above 3%. The drop in potential growth rate is

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due to reduced total factor productivity. Between 2001 and 2005, the potential growth rate of South Korea has slipped from between 4.8% and 5.2%.

Maeil Business Newspaper, 8 January

30% in 2014 from 25% in previous year. In 2015, timber frame output is estimated at 44,200 units and production capacity at 58,200 units.

TTJ Timber Trades Journal, 15 January

SWEDEN German Petition for Clearcutting

The Swedish government has received a petition for a permanent ban on clearcutting from German environmental advocacy group Robin Wood. Robin Wood representative Rudolf Fenner states that clearcutting destroys the biodiversity of forests. The petition is signed by 4,600 Germans and advocates a temporary ban on forest harvesting activities until Swedish forests have been properly inventoried and forests displaying considerable nature values have been protected.

Germany is Sweden's largest export market and 22% of all fibre consumed there is of Swedish origin.

ATL, 13 January

THAILAND Economic Growth May Drop

According to the World Bank, the economic growth in Thailand may drop slightly by 0.5% year-on-year to 2% in 2016. Meanwhile, the expected Thai economic growth in 2016 has been reduced by 2% to 3.5% by the Bank of Thailand.

According to the "Global Economic Prospects" report released by World Bank, the increase of GDP in Thailand is expected at 2.4% in average until 2018. The bank blamed limited exports and increase in household debt as deterrents to economic growth in the country. Other factors include a sharp appreciation of the US dollar and a sudden slowdown in Chinese market. Also, the sluggish growth of high earning industries is also expected to deter economic growth in Thailand.

Bangkok Post, 7 January

UNITED KINGDOM Timber Frame's Market Share Up

In the UK, the Timber Trends report of the Structural Timber Association predicts that timber frame will have a 27% share of the new housing market in 2017. Some 50,000 new timber frame housing units will be built.

The market share is predicted to be 25.6% in 2015 and 26.6% in 2016. In 2014 timber frame's market share in the UK increased to 24.6%, in England to 18.5% and in Scotland to 76.5%. The market share fell to 24.6% in Wales and to 19% in Northern Ireland. Timber frame new housing volume in the UK grew to 40,200 units in 2014 and in England to 25,000 units. The timber frame increased its market share of new detached homes to

VIET NAM Forestry Production Rose

According to the Ministry of Agriculture and Rural Development, forestry production expanded 7.9% in 2015 compared to a year ago in Viet Nam. The high growth is attributable to forest production and plantation, exports to foreign markets as well as strong local consumption.

Exports of the forestry sector expanded by 10% while total output value rose by 10.89%. Newly-planted areas increased 10.8% from a year earlier to hit 244,800 hectares. It was estimated that preliminary timber harvested in the cited period stood at 8.3 million m³, a rise of 11.9% year-on-year.

VietnamPlus, 5 January

VIET NAM Export Value of Wood to Hit

It is projected that wooden products and wood's export value in 2016 will hit USD7.70 billion (EUR7.09 billion), compared to USD7.1 billion a year ago. China, Japan and the US are the country's three biggest export markets for wooden products. Forestry and wooden products' total export value reached USD7.1 billion in 2015, a rise of 8% year-on-year. Wooden products made in Viet Nam feature competitive ability.

Viet Nam News, 6 January

ZIMBABWE 2015-2016 GDP

Zimbabwe's gross domestic product (GDP) growth is expected to increase to 2.8% in 2015 according to World Bank while the government estimates a GDP growth of 2.7%. Earlier in June 2015, World Bank had forecasted the country's GDP growth at 2.5%. Meanwhile, both World Bank and the government estimates the country's GDP to increase to 3% by 2016 and 2017. Falling commodity prices due to drought and the currency fluctuations are expected to constrain growth in 2016. However, the government said that it is working on a debt clearance strategy, improve the country's doing business environment and unveiled flexible indigenisation frameworks, which could unlock additional funding for economic activities by the half year.

Herald (The), 11 January

DECEMBER 2015



Malaysia: PTP to Expand Port Capacity to 15 million TEUs

In Malaysia, Port of Tanjung Pelepas (PTP) intends to expand the total volume container capacity of its port to 15 million twenty-foot equivalent units (TEU) in the coming three years from 8.3 million twenty-foot equivalent units (TEUs) as of October 2015. According to Mr. Glen Hilton, the CEO of the port operator, the firm intends to concentrate on promoting its port to firms that will contribute a large proportion to the volume container of the port. Hilton also added that the port operator has designated around 607.03 hectares of its Free Trade Zone for the operations of logistics and manufacturing firms. Out of the total area, 242.81 hectares have already been completed in terms of development and are nearly fully-occupied. A total sum of RM 550 million (EUR121.66 million, USD128.88 million) have been earmarked by the firm for its 2016 capex which will be used for port renovations and new equipment purchases including key cranes, rubber-tyred-gantry cranes and prime-movers as well as facility upgrading works.

Source: New Straits Times, 3 December and The Star, 4 December

Singapore: Container Throughput Falls 13% During July-September 2015

According to the Ministry of Trade and Industry, the number of containers handled at the ports of Singapore dropped 13% year-on-year during July-September 2015. Freight rates have been affected by low demand from Europe, the US and Japan, the

collapse in commodity prices, as well as slowing growth in China. Similar to Singapore, container throughput in China's ports and Hong Kong fell 1% and 12.8%, respectively in October. Jebel Ali in the UAE also recorded its slowest growth of 0.2% during July-September 2015.

Meanwhile, the shipping industry is further pressured by increasing competition and overcapacity. In response, CMA CGM partnered with United Arab Shipping and China Shipping Container Lines to form the Ocean Three Alliance while Mediterranean Shipping and Maersk Line established the 2M Alliance. Asia-North Europe trade was reduced by Mediterranean Shipping following the 2M Alliance while the Ocean Three Alliance drew cargo away from Singapore's ports as it calls at Port Klang, Malaysia. Singapore also saw additional volume shifts due to a favourable exchange rate that supported transshipping at Malaysia. Port Klang posted a 10.6% increase in transshipment volume during July-September 2015 while Port of Tanjung Pelepas recorded an 8.8% growth.

Source: The Straits Times online, 3 December

United States: Import Shipments in October 2015 Drops by 0.1% to 1.5 million Containers

Import shipments in the US during September 2015 rose by 2.2% on-year to 1.62 million containers while that in October 2015 declined by 0.1% to 1.56 million containers, said the Global Port Tracker report released by the National Retail Federation and Hackett Associates. Import tonnage at Los Angeles International Airport in October 2015 increased by 7% on-month. Meanwhile, import

Shipments of Timber and Timber Products Through Ports in Peninsular Malaysia, December 2015

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change Dec 2015/ Nov 2015
	m ³	% Change Dec 2015/ Nov 2015	m ³	% Change Dec 2015/ Nov 2015	m ³	% Change Dec 2015/ Nov 2015	m ³	% Change Dec 2015/ Nov 2015	m ³	% Change Dec 2015/ Nov 2015		
Sawntimber	62,055	33	4,351	-28	1,860	31	183	42	11,006	83	79,455	32
MDF	22,735	8	0	0	11,034	40	3,696	-29	20,345	19	57,810	13
Mouldings	11,636	9	170	-59	1,789	-7	397	20	1,606	-7	15,598	4
Plywood	8,122	25	44	100	0	-100	120	76	8,960	28	17,246	27
Veneer	332	-35	0	0	11	-8	0	0	241	2	584	-23
Particleboard	36,917	22	213	54	234	-1	66	-6	1,773	41	39,203	28
TOTAL	141,797	23	4,778	-28	14,928	30	4,462	-23	43,931	32	209,896	21

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shipments at major ports in the US in 2015 are expected to increase by 5.5% to 18.3 million TEUs. November 2015 import shipments are projected to rise by 7.4% to 1.5 million TEUs while December 2015 import shipments are expected to decline by 0.1% to approximately 1.44 million TEUs.

Source: Wall Street Journal online, 8 December

United Arab Emirates: Capacity at Khalifa Port to be Expanded to 2.5 million TEUs

Khalifa Port Container Terminal will expand its annual handling capacity from 1.9 million TEUs to 2.5 million TEUs in the UAE. In 2016 and 2017, Abu Dhabi Terminals (ADT) will add 10 automated rail-mounted gantry (ARMG) cranes and three new ship-to-shore (STS) gantry cranes to the facility. The terminal has capabilities to expand capacity to 5 million TEUs.

Source: Trade Arabia online, 9 December

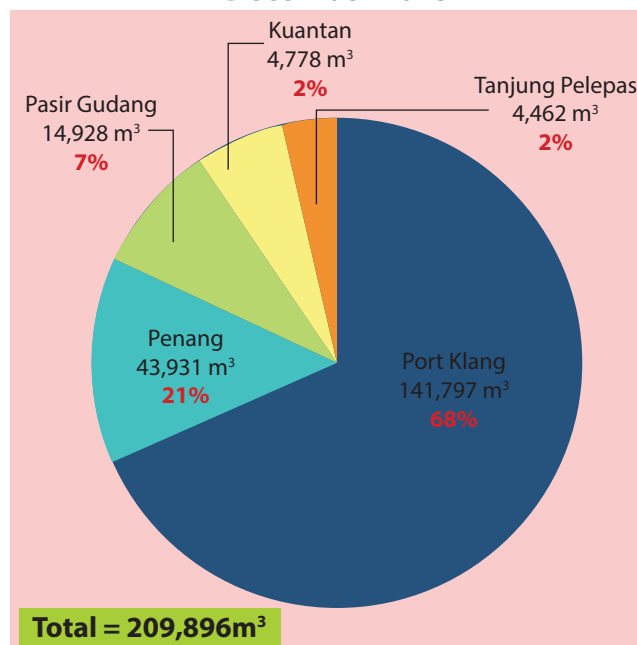
Germany: Contargo to Construct Transshipment Facility for Containers in Voerde

The German logistics service provider Contargo has started the construction works for a transshipment facility for containers at the inland port of Voerde,

Germany. The new structure will cover an area of 46,000 sqm and it is expected to have a handling capacity of 85,000 containers a year. The company will invest EUR13 million (USD13.77 million) in the construction of the terminal which may become operational by the first half of 2016.

Source: DerWestern, 4 December

Shipments of Timber and Timber Products Through Ports in Peninsular Malaysia, December 2015



Cont. from page 3

In another session of the SC66, The Democratic Republic of Congo (DRC) presented the problem of exporting the stockpile of *Pericopsis elata* (*Afrormosia*) corresponding to 19,000 m³ (round wood equivalent) harvested in 2014 and 2015 due to incompatibility between CITES Resolution 14.7 and the decisions of the 2014 NDF on the evaluation and management of quotas. The issue raised was considered by the committee and to be proposed to CoP.

In his closing remarks, CITES Secretary-General John Scanlon acknowledged there were challenging issues on the agenda but expressed appreciation for the collegiate way Parties interacted with each other and the Secretariat. SC66 established a new record number of participants registered for this Standing Committee meeting. The meeting which was held from 11 to 15 January in Geneva, Switzerland and was attended by over 500 people coming from 77 Parties, 59 intergovernmental organisations, 139 NGOs and 16 private sector organisations. He concluded by welcoming the news that Tajikistan had acceded to the Convention effective 30 March 2016.

The Malaysian delegates comprised Dato' Sr. Azimuddin Bahari, Deputy Secretary-General, Ministry of Natural Resources and Environment (Head of Delegation), Dato' Abd Rasid Samsudin (Department of Wildlife and National Parks), Cik Norsham Abdul Latip (NRE), Encik Godfery Kissey (Department of Fisheries, Sabah) and Tuan Hj. Zulkepli Abd Rani (MTIB).



Malaysian delegates posing for the camera.

DECEMBER 2015

Total export of Malaysia timber and timber products in December 2015 increased 8% valued at RM2 billion over the previous month. Furthermore, cumulative export for the period of January to December increased 7% valued at RM22.14 billion over the corresponding period.

SAWNTIMBER

Export of sawntimber in December 2015 increased 6% in volume and 9% in value to 164,904 m³ with a value of RM290.8 million compared to the previous month. Cumulative export for the period of January to December 2015 improved 3% in volume and 20% in value to 2.0 million m³ totalled at RM3.2 billion over the previous corresponding period.

Export of sawntimber to the EU for the month increased 35% to 11,139 m³ from 8,266 m³ as recorded in the previous month as a result of increasing purchases made by the UK, Netherlands, France and Belgium. Export to the UK increased 98% to 2,023 m³, followed by Netherlands by 54% to 4,575 m³, France by 10% to 1,135 m³ and Belgium by 6% to 1,276 m³. However, export to Germany declined 16% to 1,118 m³ from 1,323 m³ as recorded in the previous month.

Total export to West Asia reduced slightly to 17,361 m³ from 17,400 m³ in the previous month. Export of sawntimber to the UAE and Kuwait declined by 9% to 4,881 m³ and 39% to 772 m³ respectively. Similarly, export to Saudi Arabia decreased 17% to 803 m³ from 963 m³ in the previous month. On the other hand, exports to Oman and Yemen increased 14% and 117% to 5,443 m³ and 2,499 m³ respectively.

Buying from ASEAN increased 1% to 66,185 m³ from 65,651 m³ as recorded in the previous month. Exports to the Philippines and Viet Nam increased 42% to 25,090 m³ and 38% to 1,044 m³ respectively. Meanwhile, export to Thailand declined 19% to 30,012 m³ while export to Singapore reduced slightly to 9,865 from 9,871 m³ in the previous month.

Shipments to East Asia increased 8% to 39,779 m³ from 37,013 m³ in the previous month. Export to China increased 3% to 20,175 m³, followed by Japan by 50% to 7,378 m³. However, exports to South Korea and Taiwan decreased 11% to 4,708 m³ and 3% to 6,884 m³ respectively.

Elsewhere, export to the US increased 33% to 1,116 m³ from 840 m³ in the previous month. Similarly intake by South Africa improved to 5,729 m³ from 1,333 m³ as recorded in the previous month.

The average FOB price of sawntimber increased 4% to RM1,764 per m³ from RM1,705 per m³ in the previous month. Price of Dark Red Meranti (DRM) decreased 9% to RM2,588 per m³ from RM2,829 per m³ in the previous month. Price of DRM to the Netherlands increased 2% to RM3,462 per m³ from RM3,387 per m³ in the previous month. Keruing was traded at RM1,613 per m³, an increase of 3% from the previous month.

PLYWOOD

Total export of plywood in December increased 16% in volume and 17% in value to 217,006 m³ valued at RM418.44 million as compared to the previous month. However, cumulative exports for the period of January-December 2015 decreased by 18% in volume and 10% in value to 2,534,130 m³ and RM4.69 billion respectively as compared to the previous corresponding period in 2014.

Total export to the EU increased by 67% to 10,875 m³. Similarly, shipments to Belgium, Ireland and the UK increased by 40%, 71% and 114% to 307 m³, 544 m³ and 9,074 m³ respectively whilst Italy resumed its intake. However, Denmark, France and Netherlands reduced their intake by 67%, 82% and 16% to 172 m³, 76 m³ and 640 m³ respectively whilst Germany did not make any purchases.

Exports to the ASEAN region increased as Brunei's, Singapore's and Thailand's imports of plywood increased by 48%, 52% and 65% to 1,409 m³, 3,227 m³ and 6,281 m³ respectively. However, the Philippines reduced its intake by 3% to 4,876 m³ whilst Indonesia did not make any purchases. In East Asia, exports to Japan, South Korea and Taiwan increased by 28%, 28% and 8% to 105,526 m³, 27,438 m³ and 18,726 m³ respectively. However, China and Hong Kong reduced their intake by 14% and 2% to 2,965 m³ and 3,944 m³ respectively.

Exports to West Asia increased by 99% as compared to the previous month. Similarly, shipments to Bahrain, Saudi Arabia, the UAE, Qatar and Yemen increased by 153%, 112%, 4%, 170% and 435% to 430 m³, 2,057 m³, 2,633 m³, 353 m³ and 9,297 m³ respectively whilst Kuwait resumed its intake.

Elsewhere, exports of plywood to South Africa, the US and Canada decreased by 4%, 90% and 33% to 193 m³, 2,072 m³ and 277 m³ respectively whilst Norway did not make any purchases. However, Mexico, Australia and New Zealand increased their intake by 27%, 34% and 5% to 4,644 m³, 4,095 m³ and 42 m³ respectively whilst Mauritius and Turkey resumed their intake.

Cont. from previous page

DECEMBER 2015

The FOB price of plywood increased by 0.4% to RM1,928 per m³ from RM1,920 per m³ in the previous month.

VENEER

Exports of veneer for December 2015 showed an increase of 18% in volume and 25% in value to 21,163 m³ at RM36.51 million as compared to the previous month. Exports to Australia, China, Taiwan, and South Korea increased by 63%, 25%, 14% and 17% to 218 m³, 626 m³, 8,286 m³ and 10,257 m³ respectively whilst the Philippines maintained its intake at 199 m³. Meanwhile, India, Singapore and Viet Nam reduced their intake by 8%, 48% and 44% to 212 m³, 49 m³ and 39 m³ respectively whilst Canada, Italy and Chile did not make any purchases. The FOB price of veneer increased to RM1,725 per m³ from RM1,634 per m³, an increase of 6% from the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for December 2015 showed an increase of 45% in volume and 43% in value from the previous month. Export totalled 85,700 m³ at RM105.7 million.

Exports to East Asia registered an increase of 40% to 14,667 m³ from 10,477 m³ in the previous month. Export to South Korea increased 100% to 182 m³, Japan by 42% to 13,434 m³ and Taiwan by 16% to 768 m³. Otherwise, export to China including Hong Kong decreased by 25% 283 m³.

Meanwhile export to West Asia in December 2015 also recorded a positive growth with an increase of 99% in volume to 42,694 m³ from 21,408 m³ in the previous month. Export to Jordan recorded a sudden sharp increase to 11,343 m³ from 21m³ followed by Lebanon to 2,345 m³ from 196 m³. Qatar, Syria, the UAE and Saudi Arabia also increased imports by 289% to 1,900 m³, 100% to 3,218 m³, 74% to 14,158 m³ and 33% to 3,452 m³ respectively from the previous month. On the other hand, import from Bahrain, Kuwait and Oman showed negative growth by 24% to 814 m³, 33% to 3,317 m³ and 45% to 1,538 m³ respectively.

Furthermore, export to South Asia also recorded positive growth by 48% in volume to 11,811 m³ from 7,982 m³. Export to Sri Lanka increased by 139% to 2,176 m³ while export to Pakistan also increased by 86% to 7,944 m³. Meanwhile, Bangladesh and India recorded negative growth decreasing by 17% to 913 m³ and 54% to 778 m³.

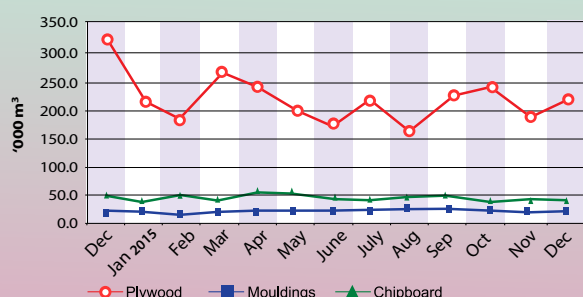
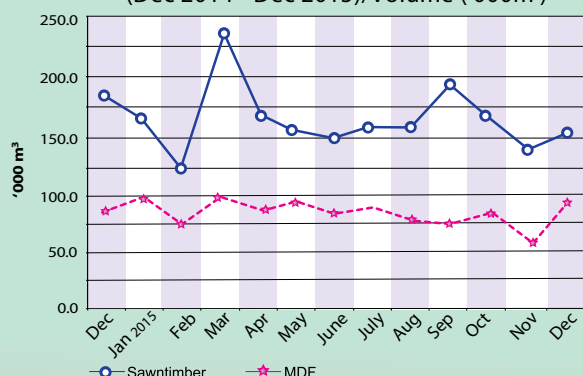
Export to South Africa showed an increase of 844% to 217 m³ while demand from Mauritius also increased by 100% to 18 m³ followed by the US by 38% to 1,266 m³ and Australia by 1% to 2,436 m³. However, export to the UK showed a marginal decrease of 1% to 279 m³.

In ASEAN, total export to ASEAN region for this month showed negative growth by 19% to 10,514 m³ from 13,041 m³ in the previous month. Exports to Singapore and Indonesia increased by 185% to 239 m³ and 8% to 3,428 m³. Export to Viet Nam and the Philippines were down by 21% to 5,776 m³ and 69% to 643 m³ respectively.

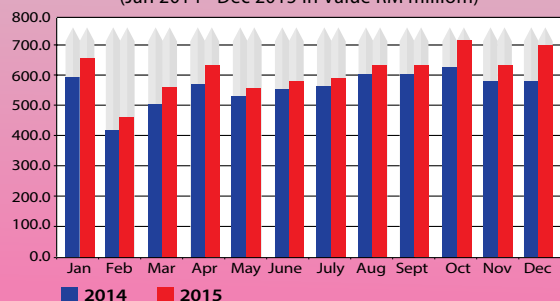
MOULDINGS

Export of mouldings for the month increased by 7% in volume and 19% in value to 19,683 m³ and RM72 million respectively. Similarly, cumulative exports for the period of January-December 2015 increased

Malaysia : Export of Major Timber Products
(Dec 2014 - Dec 2015)/Volume ('000m³)



Malaysia : Export of Wooden Furniture
(Jan 2014 - Dec 2015 in Value RM million)



Source : Department of Statistics, Malaysia

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DECEMBER 2015



LOGS

Reaching the year end, logging activities were affected by the heavy flood that hit Peninsular Malaysia during the rainy season. The situation disturbed the logging activities in the region particularly in the east coast.

The price of Chengal logs stood at RM4,000 per tonne, whilst prices for both Red Balau and Merbau charted at RM2,500 per tonne and RM2,650 per tonne respectively. Similarly, prices for Keruing and Kapur remained at RM1,400 per tonne and RM1,700 per tonne respectively. Price of Kempas logs increased by 8.7% to RM1,500 per tonne over previous month. Log prices for Red Meranti and White Meranti were RM1,840 per tonne and RM1,040 per tonne respectively. Prices for Mixed Heavy Hardwood and Mixed Light Hardwood recorded at RM903 per tonne and RM1,201 per tonne respectively.

SAWNTIMBER

The average sawntimber prices recorded increment for some species due to the declining supply in the domestic market which was affected by the rainy season. Demand from the importing countries continued to be weak as reported by the industry due to unfavorable market condition.

Sawntimber prices of Chengal and Red Balau remained at RM6,638 per m³ and RM2,966 per m³ respectively. Meanwhile, prices for both Keruing, Kempas and Kapur continued to be stable at RM1,766 per m³, RM1,977 per m³ and RM1,801 per m³ respectively. However, price of Tualang rose significantly by 1.4% to RM2,472 per m³ compared to last month. Prices of Red Meranti, Mersawa and Jelutong sawntimber charted at RM1,871 per m³, RM1,518 per m³ and RM1,589 per m³ respectively. Sawntimber prices of Mixed Heavy Hardwood were sold at RM573 per m³ while prices for Mixed Light Hardwood remained at RM1,130 per m³.

PLYWOOD

Prices of plywood reported to be stable at last month's level. Plywood of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM14.60, RM22.00, RM34.50 and RM41.50 per piece respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

Prices of MDF in the domestic market were still being quoted at last month's level. Prices for MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were recorded at RM12.10, RM15.80, RM21.70 and RM28.10 per piece respectively.

INTRA-MALAYSIA TRADE * - DECEMBER 2015

In comparison to the previous month, shipments of sawntimber from Sabah to Peninsular Malaysia was reported to have increased further by 22% in volume and 56% in value to 550 m³ worth at RM1.6 million. However, shipments of plywood improved by 43% to 11,538 m³, worth at RM 22 million.

At the same time, export of sawntimber from Sarawak to Peninsular Malaysia was reported to have also increased tremendously by triple digits to 1,492 m³ valued at RM1,963 over the previous month. Likewise, shipment of plywood declined by 17% in volume and 21% in value to 8,072 m³ worth at RM10.4 million. Export of veneer also charted an upwards trend as it increased by 20% to 8,179 m³ valued at RM11.2 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in December 2015. 

* Source: Department of Statistics, Malaysia

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DECEMBER 2015

INTRA-MALAYSIA TRADE – DECEMBER 2015

From	Products	NOVEMBER 2015		DECEMBER 2015		% Change in Volume Dec 2015 / Nov 2015	% Change in Value Dec 2015 / Nov 2015
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	451	1,023	550	1,595	22	56
	Plywood	8,068	15,051	11,538	21,915	43	46
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	363	375	1,492	1,963	311	423
	Plywood	9,729	13,213	8,072	10,389	-17	-21
	Veneer	6,793	96,301	8,179	11,153	20	-88

Source : Department of Statistics, Malaysia

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA
DECEMBER 2015 (VALUE IN RM)

SPECIES	LOGS/tonne	SAWNTIMBER/m ³		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	4,000	6,638	7,062	8,828
Balau	3,000	3,178	3,249	3,530
Red Balau	2,500	2,966	3,037	3,178
Merbau	2,650	3,778	2,754	3,319
Mixed Heavy Hardwood	903	573	777	812
MEDIUM HARDWOOD				
Keruing	1,400	1,766	1,518	2,203
Kempas	1,400	1,977	1,398	2,010
Kapur	1,700	1,801	1,554	2,331
Mengkulang	1,100	1,412	1,448	1,575
Tualang	1,340	2,472	1,723	1,836
LIGHT HARDWOOD				
Dark Red Meranti	1,900	2,013	2,119	2,825
Red Meranti	1,840	1,871	1,893	1,907
Yellow Meranti	1,150	1,436	1,030	1,201
White Meranti	1,040	2,119	2,189	2,260
Mersawa	1,650	1,518	1,624	1,660
Nyatoh	900	777	1,201	1,250
Sepetir	850	1,107	1,448	1,469
Jelutong	1,100	1,589	1,123	1,130
Mixed Light Hardwood	1,201	1,130	1,201	1,236
MALAYSIAN RUBBERWOOD	LOGS/tonne	SAWNTIMBER/m ³		
Hevea brasiliensis	140	1" X 1"	2" X 2"	3" X 3"
		706	1,045	1,081
PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm
	14.60	22.00	34.50	41.50
MDF 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm
	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 World In Brief

GLOBAL
Global Economy to Expand

According to the Global Economic Prospects report published by the World Bank, it is projected that the global economy in 2016 in real gross domestic product terms will expand 2.9%, a slip of 0.4 percentage point from a forecast made in June 2015. It is anticipated that the economy of the US in 2016 will grow 2.7%, a decline

of 0.1 point from a projection made earlier and remained the same at 2.4% for 2017.

It is estimated that the economy of Japan will hit 1.3% in 2016, a climb by 0.4 point from the projection made in June 2015. The growth pace of Japan in 2017 will slow to 0.9%. It is anticipated that the Chinese economy in 2016 will expand to 6.7% and in 2017, to 6.5%. 

Japan Times, 7 January

AUTOMATION ADAPTION FOR BUMIPUTERA'S WOODWORKING COMPANIES



Participants attending the course.

The advancement of the woodworking technology and the rapid development of high-precision machine worldwide have compelled the Malaysian timber industry to gear up in tandem with global development and continuously apply the latest technology in production processes. These changes will assist the industry to achieve greater throughput and manufacturing flexibility, reduce cost, improve quality and enable a wider product range.

As a leading division in facilitating the Bumiputera timber industry, Bumiputera Economic Empowerment Division has teamed up with WISDEC Selangor to impart relevant knowledge through a training programme. MTIB has recently acquired a Biesse woodworking CNC drilling machines to increase production capacity and facilitate adapting to automation in Bumiputera Small and Medium Industry Companies. The main objective of this course was to help improve the profile of the Bumiputera woodworking industry through the training of their workforce on the latest technology.

The course on Biesse CNC drilling machine software was held from 12 to 15 January at WISDEC Selangor. The programme was led by Encik Marhalim Abd. Rashid, an instructor on software programming machine operation, from Biesse Asia. The training programme was held to equip participants with the knowledge on how to operate the Biesseworks machine software.

BiesseWorks is the system for programming Biesse machines that combines elevated performance

with greater ease of use. It is the ideal solution for those who are approaching numerical controlled machinery for the first time as well as for those who already have programming experience. In fact, it is organised on several levels so as to present an extremely simple interface to the average user while, at the same time, allowing the expert user to access sophisticated functions. Feature of Biesseworks are as follows:

- Assisted graphic editor used to programme machining operations
- Parametric programming and guided creation of macros
- Import of CAD and other external software files in DXF and CID3 format
- 3D simulation of the tool path
- Indicative calculation of machining time
- Ability to create rotated or circular virtual faces

The training will continue at the Bumiputera woodworking premises respectively as part of the installation, commissioning and test run package after receiving the machines.

Seven Bumiputera woodworking industries namely ABM Two Sdn. Bhd. (Kedah), Rabvolks Homes Sdn. Bhd. (Penang), Amizu Industries Sdn. Bhd. (Terengganu), ProTeam Interior Sdn. Bhd. (Selangor), Nik Lah Sdn. Bhd. (Kelantan), MYR Construction Sdn. Bhd. (Kelantan) and M. Idris Sdn. Bhd. (Penang), dispatched two participants respectively while MTIB was represented by Encik Azhar Ayup and Encik Muhamad Hazree Mohamad Nasir from WISDEC Selangor.



Participants and instructor posing at WISDEC

COURSE ON FURNITURE INTERIOR DESIGN FOR IKBN LECTURERS



Antarabangsa Malaysia and a freelance interior designer.

There are several important elements in furniture interior design such as type of interior design projects, process of negotiations, size and layout, design concepts, design approval, documents tender, permit for modification and costing on renovation.

The participants also learnt about a few types of common projects which are usually handled by interior designers such as commercial projects and residential projects. Some examples of commercial projects are shops, boutiques, showrooms, restaurant, cafes and hotels. For residential projects, there are condominiums, bungalows, SOHOs and semi-Ds.

WISDEC Selangor has been appointed by Institut Kemahiran Belia Negara (IKBN) to conduct a short course on Furniture Interior Design. The objective of this course is to enhance IKBN lecturers' skills and knowledge in furniture making technology and interior decoration based on National Occupational Standard Skills (NOSS).

The course was organised from 11 to 14 January. It was attended by 13 lecturers from IKBN Kuala Langat, Selangor. The trainer was Puan Nur Ezdiani Binti Shukran Jamil, a lecturer from Universiti Islam

The process of industrialisation and modernisation of the wood-based sector as envisaged by the National Timber Industry Policy (NATIP) requires the applications of technologies that are knowledge driven. The target of NATIP is RM53 billion in annual export earnings by 2020, with furniture export aimed at RM16 billion. Although Malaysia stands amongst the top ten producers of furniture in the world, in order to achieve NATIP's objective, MTIB still needs to further intensify human capital development programmes in the wood-based industry. 



Attentive participants in the class.



A group photo - Participants with Puan Nur Ezdiani binti Shukran Jamil, a lecturer from UIAM cum a freelance interior designer.



Shaping the Timber Industry of Malaysia

Spot the difference

They look similar, are made from the same type of hardwood and have similar price tags. The only difference is that one came from a rainforest and the other from a plantation.

Every year, millions of trees are felled to fulfill the demands of the timber industry. Problems arise when these trees are not replaced as fast as they are taken, causing a multitude of environmental problems.

MTIB is fully aware of the need for renewable resources. One solution is forest plantation, where trees are planted specifically for commercial purposes. Not only does it provide a steady supply of timber, it also works to the advantage of our environment.

We care about the environment as much as we care about the timber industry, which is why it is important for us to come up with solutions that benefit both – because beautiful furniture doesn't have to come with a high environmental price tag.



MTIB is committed towards enhancing the sustainable growth of the Malaysian timber industry through various initiatives and innovations.

For more information, contact:

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facebook.com/pages/Malaysian-Timber-Industry-Board

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by 1% in volume and 15% in value to 262,721 m³ and RM831.9 million respectively as compared to the previous corresponding period in 2014.

Exports to the EU for the month recorded at 6,923 m³, an increase of 35% compared to the previous month. Shipments to Belgium, Germany, Netherlands, the UK and Italy increased by 30%, 28%, 57%, 47% and 294% to 657 m³, 1,398 m³, 3,574 m³, 783 m³ and 67 m³ respectively.

Exports to the ASEAN region increased as Indonesia's and Singapore's intake of mouldings increased by 147% and 34% to 47 m³ and 1,494 m³ respectively. However, Viet Nam reduced its intake by 36% to 70 m³.

Meanwhile, export to Taiwan increased by 25% to 86 m³. However, South Korea, Hong Kong and China decreased imports by 25%, 11% and 39% to 1,531 m³, 345 m³ and 699 m³ compared to the previous month. Japan remains the same as the previous month at 2,106 m³.

Elsewhere, exports to Australia and Canada decreased by 18% and 29% to 2,341 m³ and 29 m³ respectively. However, the US increased imports by 15% to 2,321 m³ compared to the previous month.

FOB unit value increased 11% from RM3,297 per m³ in the previous month to RM3,660 per m³.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from January to December 2015 increased 11% to RM1.12 billion as compared to RM1.01 billion in the corresponding period last year. Export to the EU increased 10% to RM297 million. Exports to the UK, Denmark and Sweden increased by 18%, 16% and 108% to RM164.3 million, RM20.3 million and RM16.7 million. Exports to France, Germany, Turkey, Italy, Norway and Netherlands decreased by 14%, 7%, 15%, 30%, 38% and 62% to RM18.7 million, RM9.6 million, RM3.10 million, RM3.5 million, RM322 thousand and RM594 thousand respectively. In addition, export to Belgium also decreased by 4% to RM51.7 million compared to the previous year.

In Asia, exports to Japan, Taiwan, Saudi Arabia, the UAE, South Korea and Bahrain decreased 14%, 1%, 45%, 63%, 7% and 50% valued at RM73.7 million, RM18.9 million, RM6.6 million, RM3.9 million, RM3.18 million and RM1.9 million respectively. However, exports to Singapore, India, Pakistan, Thailand, Viet Nam and Qatar grew 9%, 8%, 34%, 12%, 25% and 66% to RM132.8 million, RM68.1 million, RM46.2

million, RM36.3 million, RM34.3 million and RM9.1 million respectively.

Exports to Australia, South Africa and Maldives increased by 31%, 70% and 185% to RM171.9 million, RM21.2 million and RM17.4 million respectively. Likewise, the US increased its intake by 19% to RM98.2 million from RM82.3 million in the previous corresponding period.

FURNITURE

Exports of wooden and rattan furniture in 2015 increased 14% compared to 2014. Total shipments recorded RM7.32 billion against RM6.40 billion in 2014.

Purchase of wooden furniture from Malaysia in 2015 increased 15% from RM6.36 billion to RM7.29 billion compared to 2014. Demand for wooden furniture for 2015 was positive across most major markets.

Shipments to the US increased 26% from RM1.98 billion to RM2.50 billion. Similarly, demand from Japan also increased by 14% from RM572.3 million to RM650.5 million.

Australia also increased its import to RM534.3 million in 2015. Export to Singapore grew by 13% from RM356.7 million to RM404.0 million. The UK increased intake by 16% from RM322.2 million to RM374.5 million while import by Canada also recorded an increase of 14% from RM264.10 million to RM300.5 million.

In West Asia, import by the UAE recorded a slight increase of 2% to reach RM221.4 million in 2015. Likewise, export to Saudi Arabia increased by 43% to RM207.1 million. Demand from India also increased by 9% to RM150.7 million. However, export to Bahrain declined by 14% to RM17.1 million. In the East market, export to South Korea improved by 10% with a purchase value of RM125.8 million. Similarly, import by the Philippines recorded an increase of 19% to RM119.0 million.

Meanwhile, export of rattan furniture declined by 18% to RM31.4 million from RM38.2 million in 2014. Singapore the largest importer of Malaysian rattan furniture fell by 22% to RM6.81 million. Shipments to India and Thailand also decreased by 57% to RM3.14 million and 19% to RM1.36 million respectively. Similarly, export to the US continued to decrease by 15% to RM1.92 million. However, exports to the UK and Australia increased by 47% to RM3.15 million and 32% to RM2.46 million respectively. 

FEATURE: A REVIEW STUDY OF SMUGGLING RED SANDERS WOOD

INTRODUCTION

Red Sandal Wood or Red Sanders (*Pterocarpus santalinus*) is one of the most valuable tree species in Indian forestry. Red Sanders is a high value timber species endemic to a small geographical area in Southern India particularly in the hills of Cuddapah, Kurnooll, Chittoor, Nellore and Prakasam districts of Andhra Pradesh in some pockets in joining States of Tamil Nadu and Karnataka. The heartwood of this tree is heavily impregnated with red dye called 'santalin' that protects it from pests, giving it a long lifespan and making it highly treasured. Its heartwood shows deep reddish brown colour in its crude form (cut pieces and coarse powder) which is helpful in its spot identification.

Red Sanders trees grow naturally in the forest, since there is no systematic cultivation, at the face of increased exploitation. In India, the Red Sanders trees are extended into the states of Andhra Pradesh and parts of Tamil Nadu, Karnataka and Kerala. Red Sanders is listed as an endangered species by the IUCN because of overexploitation for its timber in South India. The timber is listed in Appendix II of CITES, which means that a certificate is required in order to export it and it is only to be granted if the trade is not detrimental to the survival of the species.

USE OF RED SANDERS WOOD

Red Sanders wood was traditionally used as an astringent, disinfectant and diuretic but recently it has been used as a natural dye to colour herbal mixtures and toothpastes and has become one of the most popular natural dyes used today. A decoction of the wood is helpful for digestion system and fever while external application can reduce skin problems, especially those of bacterial origin. It is also an effective colour additive to body powders and scrubs, and acts as a cooling agent in several skin care preparations. The higher caste use Red Sanders wood for cremations. Red Sanders also



Off-cuts of Red Sanders from the furniture industry are sold into the traditional medicine trade in China.



Furniture from Red Sanders wood.



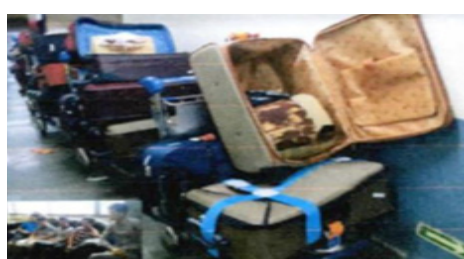
Chinese people believed Red Sanders wood brings luck.

use as colorant in food, alcoholic beverages, wood polish, metal varnish, textiles, wool, silk, leather, jute, and dye for skin, medicines, tablet coating colorant, and as dye for dye sensitised solar cells.

The heartwood is a useful part of the plant. It is extremely hard and blood red with occasional light yellow streaks. The heartwood is a good source of red dye and it is used as a red colorant for fish processing in European countries. It is an exquisite material for carving intricate designs. The carved designs of gods and mythological figures have a



Red Sanders being smuggled in a truck along with watermelons.



Red Sanders logs being smuggled in checked in baggage by an air passenger.

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high demand in the market. African Blackwood is the most expensive wood in the world and Red Sanders wood stands at second place. The products of Red Sanders are widely used for making house furniture and musical instruments in many European and Asian countries. Red Sanders wood is the most commonly used incense material for Japanese and Chinese worshipping ceremonies.

RED SANDERS WOOD AND CITES REGULATION

Exporting Red Sanders wood requires permission from the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), a binding treaty between 179 countries to control trade of exotic wildlife species. India is a signatory to CITES which banned the export of Red Sanders from India in June 2010.

CITES regulates international trade in specimens of species of wild fauna and flora, i.e. the export, re-export and import of live or dead animals and plants, be it parts of or derivatives, based on a system of permits and certificates which can be issued if certain conditions are met and which have to be



Red Sanders wood seized by customs at Westports, Port Klang.

presented before consignments of specimens are allowed to leave or enter a country. Each party must designate one or more management authorities to be responsible for issuing these permits and certificates, subject to advice from one or more scientific authorities designated for that purpose.

Red Sanders has been heavily overexploited and its export, except in special circumstances, is prohibited under India's Foreign Trade Policy. It is also protected under the Red Sanders and Sandalwood Transit Rules of Andhra Pradesh Forest Act, 1967 and international trade is controlled through the listing of *Pterocarpus santalinus* in Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

RED SANDERS WOOD – THE BUSINESS AND TRADING

Due to its wide-ranged applications, Red Sanders wood has prominent importance in the international market. Increased demand for the wood in the global market is the reason for its large scale smuggling. There is confidence in potential sizable earnings as Red Sanders is in high demand in countries like China, Japan, Hong Kong, Singapore and Myanmar, where they are used for medicinal purposes and as household furniture. The Government of India has banned the trade of Sanders wood in the open market. It has also banned the felling of the trees. However, it is still being sold in the market.



Red Sanders being smuggled with fertiliser by container transit in FTZ Port Klang.



Red Sanders wood promises high value



Red Sanders logs - Dressed up to be smuggled by removing bark.

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The Chinese believe Red Sanders wood furniture brings luck to their homes. Hence, it attracts greater demand in the market. While the wood is not known to have much usage in India, it is a valued item for traditional medicines and woodcraft across China, Myanmar, Japan and east Asia, where the market price for 'round logs' is high.

The smuggling of Indian Red Sanders to China is emerging as a lucrative business. Grown mostly in the Southern Eastern Ghats (mountain range) of India, Red Sanders, has been a premium material in China for its rich red color right from the days of the Qing Dynasty. It is used in manufacturing musical instruments, expensive furniture and cosmetics. Over exploitation and slow growth have made it an endangered species, currently in high demand in the smuggling circuit. In China and Hong Kong, 1 tonne of Red Sanders wood fetches up to RM200,000 and demand is always high, which has led to illegal trade.

THE MODUS OPERANDI

Over the years trans-border smuggling of Red Sanders has become highly organised. Criminal networks use locals around its natural habitat to illegally cut Red Sanders trees from forests. Such workers are paid either daily or weekly wages or logs are purchased at a pre-fixed price. Dressed up stems and logs are then transported to private warehouses, which are mostly located close to the source itself. At an opportune time, the stocks are transported to places near ports or airport cities like Chennai, Mumbai, Mangalore and Kolkata. Stocks are also brought and stored at locations close to Indo-Tibet, Indo-Myanmar and Indo-Nepal international borders. Within the country, the consignments are generally transported in trucks by concealing the logs under seasonal vegetables, grains, recyclable garbage, and improvised cavities in the vehicles.

TRANSIT POINT SMUGGLING OF RED SANDERS WOOD

Red Sanders wood is generally smuggled out by adopting the following modus operandi:

	Transit and Destination	Modus Operandi
i.	Nepal and Myanmar are used as transit to smuggle Red Sanders wood sourced from India to China.	Red Sanders wood, primarily in log form, is transported by road within Indian territory up to Indo-Nepal, Indo-China (Tibet) and Indo-Myanmar borders. Logs are smuggled across to Nepal, Bhutan and Myanmar by road (mixed with other commodities) or carried on head loads. It is transported across the Indo-Tibet border mainly by head loads. Mules are also often used to transport Red Sanders logs across the Indo-Tibet border.
ii.	Dubai, Malaysia and Singapore	Red Sanders wood is smuggled through cargo ships by way of concealment and miss-declaration. Such consignments are regularly on transit or trans-shipment on the Free Trade Zone for mainly Hong Kong and China. Instances have also been noticed when an entire cargo of containers was replaced by Red Sanders through the manipulation of container seals.
iii.	Hong Kong, Bangkok, USA and different destinations in China.	The Red Sanders wood is smuggled via personal baggage by individual air passengers. The wood has been found packed in small logs, chips, beads or powder form.
iv.	Dubai, Singapore, China.	The Red Sanders wood here is smuggled in air cargo by miss-declaration of goods.
v.	Hong Kong, UAE, and different destinations in China.	The wood enters the countries in postal and courier parcels. During investigation, it was found that the names and addresses of the consignors were mostly fake.



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COMING EVENTS - JUNE 2016



DATE	EVENT	VENUE	ORGANISER
1-30	INTERMEBEL 2016 International Exhibition of Furniture , Equipment for Furniture and Woodworking Equipment and Design	Kazanskaya Yamarka Exhibition Centre, Russia	Kazanskaya Yarmarka OJSC Tel : + 7843 570 5109 Fax : + 7843 570 5109 E-mail: info@expokazan.ru
7-8	EXPO AMPIMM 2016 International Suppliers Fair for Furniture and Woodworking Industry	Centro Banamex, Mexico	A.M.P.I.M.M. Tel : + 52 55 5578 7820 Fax : + 52 55 5761 7182 E-mail: ventas@ampimm.com
8-10	NIGERIA DECOREXPO 2016 International Furniture Home Housewares in Nigeria	The Landmark Events Centre Lagos, Nigeria	Elan Expo Tel : + 90 212 273 1888 Fax : + 90 212 273 1819 E-mail: info@elanexpo.net
15-18	EXPOFOREST 2016 International Fair of Natural Forestry	Feria Exposition de Santa Cruz, Bolivia	Fexpocruz Tel : + 591 3353 3535 Fax : + 591 3353 0888 E-mail:feria@fexpocruz.com
24-26	LEBENSART MESSE DILLENBURG 2016 Garden, Home Furniture and Lifestyle Fair	Landgestut Dillenburg Exhibition Centre, Germany	Das AgenturHaus GmbH Tel : + 49 0451 89 9060 Fax : + 49 0451 8990 63 E-mail:das-agenturhaus.de

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Feature

CONCLUSION

Due to increasing demand and exorbitant prices in illegal markets, the smuggling of Red Sanders wood is on the rise. Hence, coordinated international action is crucial to identify the individuals and networks involved and take coordinated enforcement response. In an effort to bust the organised syndicates of Red Sanders smuggling, The World Customs Organisation has in fact urged several nations to form alliance to curb the illegal trade of the precious wood. Efforts to raise awareness and control the smuggling activities of Red Sanders may lead toward sustaining the valuable wood material for the benefit of our future generation.

References :

- Interpol Notice
- Indian Journal of Applied Research
- Prof. D.V. Ramana, Department of Management Studies, Sri Venkateswara University, Tirupati.
- CITES and India – Push Jain – A Publication of WWF-India, Ministry of Environment and Forests and Traffic-India 2007.



DENMARK – TIMBER INDUSTRY OUTLOOK

Denmark is a Scandinavian/Nordic country and member of the European Union. The country consists of a peninsula, Jutland, and many islands, most notably Zealand, Funen, Lolland, Falster and Bornholm, as well as hundreds of minor islands and has more than 7,500 km of coastline. The highest point in the country is only 170 m above sea level. Denmark has an area total of 42,916 sqkm with a population of 5,627,235 people.

Economy

Denmark is a member of the European Union (EU) but did not adopt the single Euro currency. It has a small population of 5.6 million people with an estimated GDP per capita of USD44,343 in 2014. The economy continues to benefit from a high degree of regulatory efficiency. Open-market policies encourage flexibility, competitiveness and flows of trade and investments. Transparent and efficient legal environment facilitates further invigorates entrepreneurial activity in the country.

Denmark was affected by the European economic crisis as its economy depends heavily on foreign trade which contributed over 50% of the country's GDP. Among the major trading countries are Germany, Sweden, the Netherlands, China, Norway and the UK via major seaports such as Aarhus, Copenhagen, Frederica, Kalundborg in the Baltic Sea and Esbjerg in the North Sea or by truck and rail.

Forest Resources

The Danish forest area comprises about 534,5000



hectares (ha) making up approximately 12.4% of the land area. The forests are unevenly spread with much forest along the high ridge of Jutland, in northern Zealand and on Bornholm. There is a lot of smaller forestland near large towns and cities. Danish forests were 68% privately owned and 30% state owned or owned by other public institutions.

Norway Spruce grows on 19% of the forest area and is the most common tree species in Denmark. Other species are Beech (13%), Pine (12%), Oak (9%) and Christmas tree species (6%).

Denmark has rather detailed rules and guidelines regulating the activities which any given owner is allowed to undertake on their forest property. 85% of the total Danish forest are reserves and cannot be converted to other land use without specific permission.

Malaysia : Export of Timber and Timber Products to Denmark

(Value: RM)

Product	2010	2011	2012	2013	2014	% Change 2014/2013
Sawntimber	4,144,283	2,353,251	2,279,223	1,666,357	1,701,965	2.1
Plywood	7,135,629	6,133,101	6,083,339	6,437,143	8,416,316	30.7
Mouldings	1,999,837	2,032,211	676,016	365,576	340,757	-6.8
Fibreboard	448,004	0	0	0	560,791	100.0
BJC	21,574,652	29,923,474	26,407,413	25,926,073	17,556,915	-32.3
Wooden Furniture	22,811,052	11,453,484	14,776,868	12,663,303	13,526,939	6.8
Others	5,842,328	7,028,428	5,747,429	4,935,856	4,803,808	-2.7
TOTAL	63,955,785	58,923,949	55,970,288	51,994,308	46,907,491	-9.8

Source: MTIB and DOSM

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Malaysia's Export of Timber and Timber Products to Denmark

In 2014, export of Malaysian timber and timber products to Denmark registered a decrease of 9.8% to RM46.9 million from RM52.0 million in 2013. Denmark ranked 40th from the overall Malaysia's export destination with 0.2% market share. BJC was the main product exported with a total value of RM17.6 million, followed by wooden furniture at RM13.5 million, plywood at RM8.4 million and sawntimber at RM1.7 million.

Malaysia's Import of Timber and Timber Products from Denmark

In 2014, import of Malaysian timber and timber products from Denmark recorded an increase of 48% to RM4.9 million from RM3.3 million in 2013. Wooden furniture was the main product imported with a total value of RM889,000, followed by mouldings at RM758,000 and sawntimber at RM177,000.

Malaysia : Import of Timber and Timber Products from Denmark

(Value: RM)

Product	2010	2011	2012	2013	2014	% Change 2014/2013
Sawntimber	1,093,745	1,204,622	453,976	716,378	176,666	-75.3
Veneer	0	131,856	0	0	61,255	100.0
Mouldings	245,565	349,174	320,345	398,369	757,834	90.2
Particleboard				0	339,169	100.0
BJC	7,597	0	5,965	0	0	0.0
Wooden Furniture	237,574	112,902	306,721	215,525	889,275	312.6
Rattan Furniture	0	5,600	0	37,849	0	-100.0
Others products	199,302	0	262,759	227,727	53,861	-76.3
TOTAL	1,783,783	1,804,154	1,349,766	1,595,848	2,278,060	42.7

Source: MTIB and DOSM

Timber Production

According to the FAO latest forest statistics, Denmark produced a quantity of logs of about 1.24 million m³, an increase of 1% from 2013. Apart from

logs production, the country produces 358,000 m³ of sawntimber, 5,000 m³ of fibreboard and 2,000 m³ of particleboard.

Denmark: Production of Timber and Timber Products, 2010 - 2014

(Volume : m³)

Product/Year	2010	2011	2012	2013	2014
Fibreboard	29,928	36,817	2,543	5,080	5,080
Logs	1,589,929	1,467,941	1,330,904	1,230,128	1,237,651
Particleboard	314,872	330,728	349,000	346,000	2,319
Sawntimber	448,016	372,160	372,160	346,000	357,602
Plywood	8,360	9,089	9,089	-	-

Source: FAO

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Denmark's Import of Timber and Timber Products

Denmark's import of timber and timber products in 2014 increased 7.6% to USD3.5 billion over the previous corresponding period. Denmark imports mainly furniture, BJC, sawntimber and plywood. Import of furniture and BJC totalled USD1.5 billion

and USD436.5 million, an increase of 7% and 10% respectively. Similarly, import of sawntimber and plywood improved 9.7% to USD434.0 million and 8.8% to USD99.3 million respectively.

Denmark : Import of Timber and Timber Products, 2010-2014

(Value : USD'000)

Product	2010	2011	2012	2013	2014
Logs	53,019	51,275	54,508	54,364	61,170
Sawntimber	402,699	436,086	369,422	395,685	434,037
Veneer	24,084	33,751	21,886	27,368	44,392
Mouldings	28,817	32,067	27,711	32,160	35,644
Particleboard/Chipboard	81,363	92,941	86,763	75,814	85,307
Fibreboard	56,229	62,471	61,498	63,821	78,239
Plywood	85,607	101,922	92,265	91,301	99,326
BJC	359,367	363,832	373,694	395,278	436,468
Furniture	1,332,824	1,399,345	1,251,159	1,375,346	1,477,615
Others	535,963	702,072	642,068	725,246	728,946
TOTAL	2,959,972	3,275,762	2,980,974	3,236,383	3,481,144

Source: International Trade Centre

Denmark's Export of Timber and Timber Products

Denmark's export of timber and timber products in 2014 increased 6% to USD2.9 billion over the previous corresponding period. Denmark exports mainly furniture, and BJC. Export of furniture

totalled USD2.0 billion, an increase of 6.6% from USD1.9 billion in the previous year. In the meanwhile, export of BJC totalled USD518.1 million followed by sawntimber at USD63,000.

Denmark: Export of Timber and Timber Products, 2010-2014

(Value : USD'000)

Product	2010	2011	2012	2013	2014
Logs	59,189	67,823	52,740	62,412	77,529
Sawntimber	69,160	67,302	61,550	54,605	63,040
Veneer	7,274	34,847	3,000	850	1,991
Mouldings	20,367	24,441	23,582	21,348	22,971
Particleboard/Chipboard	13,358	20,982	24,206	29,343	32,609
Fibreboard	10,584	10,531	3,989	3,945	3,657
Plywood	22,017	21,797	15,381	21,602	22,891
BJC	429,215	410,251	372,006	515,059	518,103
Furniture	1,766,591	1,890,201	1,801,934	1,876,276	2,000,416
Others	121,925	142,430	122,381	150,929	157,831
TOTAL	2,519,680	2,690,605	2,480,769	2,736,369	2,901,038

Source: International Trade Centre

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Public Procurement of Sustainable Timber

In 2013, the Danish government launched a new joint strategy for smart public procurement. An important element of this strategy is the decision for the central government to purchase sustainable timber. The Ministry of Environment in collaboration with the Ministry of Finance issued a circular that stipulates the conditions for ensuring sustainable timber in public works contracts, public supply contracts and public service contracts for the state. The circular applies to all ministries and other state institutions and covers a wide variety of timber products including paper and paper-based products. The circular does not apply to the purchase of timber for energy purposes.

New and revised guidelines on public procurement of timber have also been developed. The guidelines serve as a practical tool for the implementation of the commitment in the circular. Government-owned companies, municipalities and regions are encouraged to follow them or similar procurement policies based on the guidelines. Sustainable timber in the guidelines has been defined as timber that is either "sustainably produced timber", "recycled timber" or within specified rules and procedures or combinations with "legally harvested timber".

In addition, a number of system criteria for the assessment of certification schemes have been established with the aim of providing concrete recommendations for proof of sustainable timber as defined in the guidelines. The Nature Agency has identified that FSC and PEFC certification schemes offer sufficient proof of sustainable timber as defined in the guidelines.

The new rules and guidelines were developed after consultation with the Environment Ministry's external reference group on public procurement

of timber products and on the basis of a public consultation. They replace all former guidelines issued by the Agency on public procurement of legal and sustainable timber.

Import Tariff

Denmark'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



Jelutong Dyers sdn. bhd.



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Lukisan Seribu Makna, Kayu Eratkan Semua
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This building will change the way you look at wood

Think all wooden buildings are made the same way? Think again.

Certainly not the extraordinary Galeri Glulam, Malaysian Timber Industry Board (MTIB)'s iconic building in Johor Bahru. What sets it apart from the rest is that it's made from Glue Laminated Timber (Glulam), which has been tested and proven to be more flexible, durable and fire-resistant. The Galeri Glulam is also listed in The Malaysia Book of Records as the first building completed using Glulam in the country.

The Galeri Glulam is primarily an exhibition centre showcasing various innovations relating to the timber industry and their applications, such as the application of structural timber-engineered products for specifiers and builders. It also serves as a centre to promote the use of locally-produced timber products in construction and homes, which include furniture, builders' carpentry and joinery, and mouldings. The gallery also functions as a convention centre and an exhibition hall, as well as provides an ideal space for seminars, courses and workshops.

Want to learn more about Glulam's unlimited potential, or simply admire the unconventional beauty of this innovative structure? Come pay us a visit. Someday, all wooden buildings will be made this way.

MTIB is committed towards enhancing the sustainable growth of the Malaysian timber industry through various initiatives and innovations.

For more information, contact:

Malaysian Timber Industry Board (MTIB)

(Ministry of Plantation Industries and Commodities)

Level 13 - 17, Menara PGRM, No. 8 Jalan Pudu Ulu, 56100 Cheras, Kuala Lumpur, Malaysia.

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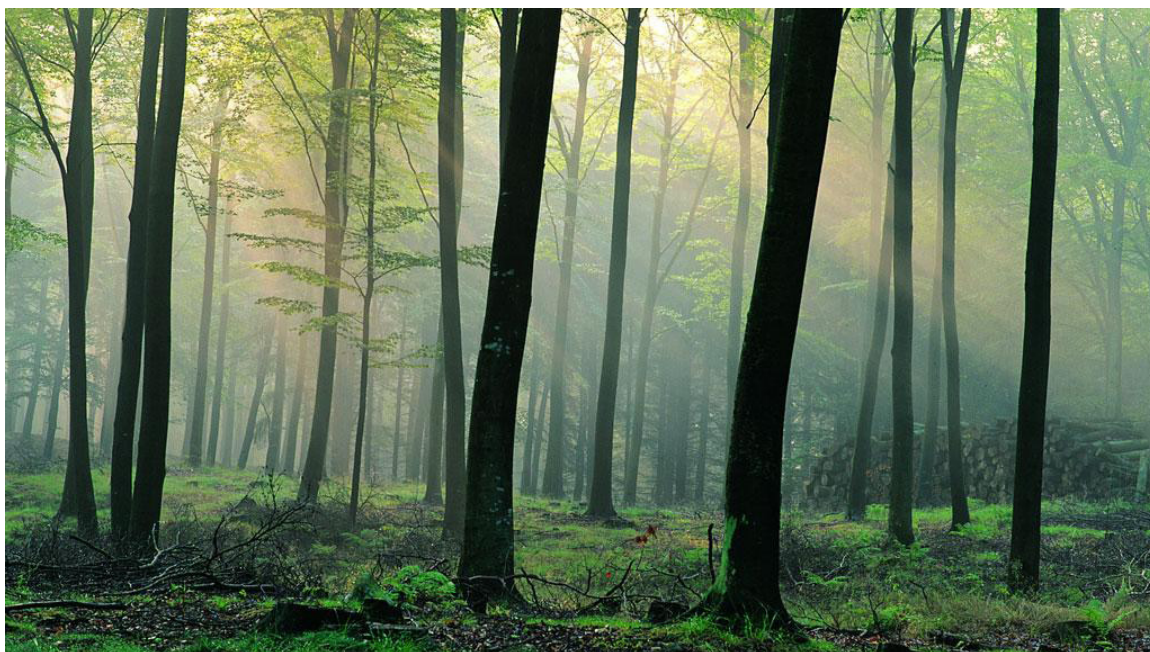
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Malaysian Wood
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Most species of deciduous tree such as Oak and Beech are indigenous to Denmark, while conifers have been imported over the past 200-300 years.

Prospects

The building and construction industry is one of the main industries in the Danish business sector. The industry maintains and extends Denmark's buildings and infrastructure that represent 80% of Denmark's assets. A majority of manufacturers of building materials develop products that help optimise energy consumption in buildings. Therefore, 95% of all building waste is recycled.

The City of Copenhagen aims to be the world's first carbon neutral capital by 2025. The Municipality of Copenhagen has implemented the CPH 2025 Climate Plan, which is a holistic plan and a collection of specific goals and initiatives within areas such as energy consumption, energy production, green mobility and the City Administration. It is anticipated that with the demand for green building materials such as Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC), certified timber products would be of greater use in the construction of commercial and residential buildings, for instance under the 50-year Copenhagen Harbour Project.

In order for the Malaysian timber industry to penetrate and enhance our presence in the Denmark market, Malaysian manufacturers need to provide greater emphasis on sustainably produced timber products to be sold to the market. The Danes are quality conscious and are willing to pay for good quality products provided that the products satisfy market requirements such as FSC/PEFC certified, CE markings, EUTR and products specifications. The industry player needs to also foster good relations and network with Danish interior designers, architects and specifiers involved in the customisation work for private renovation projects. Greater promotion and publicity on Malaysian timber species and its applications need to be given to the Danish timber industry particularly for the 50-year Copenhagen Harbour Project.

References:

MTIB's Statistics
International Trade Centre
Denmark Economic Freedom Score
The Danish Nature Agency
www.pefc.org
Briefing Note – Denmark Public Procurement of Sustainable Timber 

GELAM – CURRENT GLOBAL TECHNOLOGY AND MARKET DIVERSITY

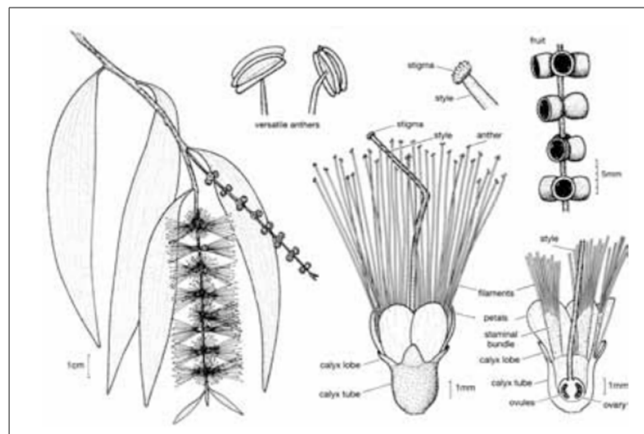


Wood colour and texture

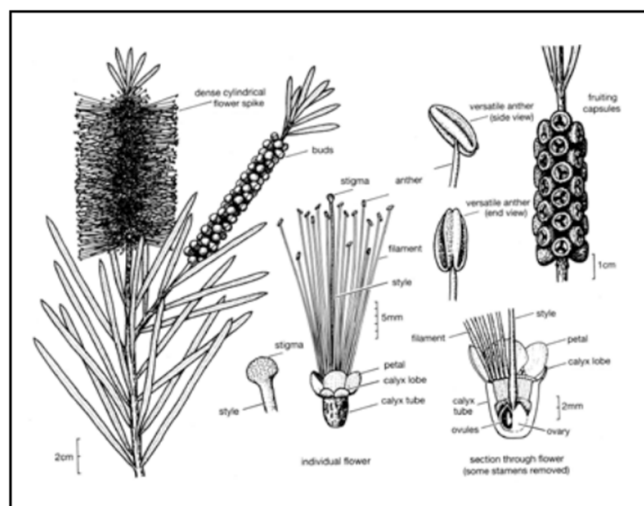
Introduction

Gelam or *Melaleuca cajuputi* Powell is a tree species within the family *Myrtaceae*. It is a multipurpose tree of which every part is usable and its usefulness have been recognised by the locals for a long time. Other better-known members of the family include Kelat (*Syzygium* spp.), Gelam Bukit or China Maki (*Leptospermum* spp.), Mempoyan (*Rhodamnia* spp.), Pelawan (*Trifitaniopsis* spp.) and Eucalyptus (not indigeneous). Locally the timber of Gelam is also known as Kayu Putih. Stems of *M. cajuputi* are used for structural post, fuel wood, charcoal production, fence, platform, fishing rod, agricultural pole and stake.

M. cajuputi is widespread in Australia, Southeast Asia, New Guinea and the Torres Strait Islands. It is a medium to tall tree with grey, brownish or whitish papery bark, silvery new growth and white or greenish flower spikes. It has important uses as a source of cajuput oil. *Melaleuca cajuputi* is usually a medium to large tree, often growing to 35 metres (100 ft) and sometimes to 46 metres (200 ft). The new growth is silky-hairy, becoming glabrous as it matures. The leaves are arranged alternately 40–140 millimetres (2–6 in) long and 7.5–60 millimetres (0.3–2 in) wide, tapering at both ends. The flowers are white, cream or greenish-yellow mostly in dense spikes at the ends of the branches which continue to grow after flowering but also often in the axils of the upper leaves. The spikes contain eight to 20



Flower and fruit of *Melaleuca leucadendra*, a species with its stamens in bundles.



Flower and fruit of *Melaleuca linearis*, a species with free stamens.

groups of flowers, each group with three flowers. The stamens are grouped in five bundles around the flower, each bundle containing six to 18 stamens. Timing of flowering varies with subspecies.

The species grows very well, with high growth and yield, in the peat swamp areas where most agricultural crops and forest trees cannot grow successfully. Those disturbed areas have been very difficult to rehabilitate. With its usefulness and its adaptable growing ability in disadvantageous areas, *M. cajuputi* has the potential to be part of the development of the economic plantations in peat swamp areas.

Timber Properties

The sapwood is light pink-brown and sharply defined from heartwood which has a slightly darker shade. The timber is moderately hard, and moderately heavy to heavy with an air dry density

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of 720 to 820 kg/m³ (average 755 kg/m³). Air dry density is the average mass divided by volume at 15 per cent moisture content. Texture is moderately fine to fine and even. Grain is straight to shallowly interlocked.

Durability

The timber has been reported to be durable especially in contact with wet ground and sea water. Based on the density, the timber appears to be stronger than Rubberwood (*Hevea brasiliensis*) (density 560 - 640 kg/m³), Light Red Meranti (*Shorea* spp.) (density 385 - 755 kg/m³) and Mersawa (*Anisoptera* spp. (with a density 515-735 kg/m³) but weaker than timber such as Red Balau (*Shorea* spp.) (density 800 - 880 kg/m³), Keruing (*Dipterocarpus* spp.) (density 690 - 945 kg/m³) and Kempas (*Koompassia malaccensis*) (density 770- 1120 kg/m³).

Durability ratings of Malaysian Timbers are based on performance of test-slicks in graveyard testing. Test-stakes of 50 x 50 x 600 mm are buried in test grounds and their performance monitored. The number of years that the timber can last under such conditions is used to classify the durability of the timber. Under the system, limbers are classified as follows;

Rating	Number of Years
Very Durable	More than 10 years
Durable	5-10 years
Moderately Durable	2-5 years
Non-Durable	0-2 years

Machining Properties

Planing : slightly difficult **Finish** : smooth
Boring : slightly difficult **Finish** : smooth
Turning : slightly difficult **Finish** : airly smooth
Nailing : slightly difficult

Uses

Indigenous Australian people used the leaves of this species to treat aches and pains and inhaled vapours from the crushed leaves to treat respiratory infections. In Thailand the leaves are used to make herbal tea as treatment for a range of medical problems. In many parts of Asia, the oil which gives the tree its name - cajuput oil is used as a liniment and inhalant. In Southeast Asia, *Melaleuca cajuputi* is used as a fuel and for making charcoal. It is used on a small scale for supporting columns, frames and

floorboards in house construction and for fences. The bark has been used as roofing material and a sealant in boat construction including as a caulking material for boats in Indonesia.

The use of this timber is limited as the trees are available only in some restricted locations, particularly in coastal swamp areas. The trees are often crooked and small, unattractive for use as sawn timber except for firewood. However, those well-shaped trees of good height can be used for poles, fishing stakes and piling works. The timber can also be used for parquet and strip flooring. When laminated, it can be used for such purposes as floor boards, stair steps, hand rails, table top and chair seat. The papery bark has been used for caulking wooden boats. The leaves yield cajuput oil that has been used as treatment for headache, tooth-ache, ear-ache, rheumatism cramp and fresh wounds.

Prospect for *Melaleuca* Timber Utilisation

- To use *Melaleuca* timber as material for the production of woodchips (pulp and MDF boards) and particleboards.
- To use wood logs with a diameter > 15 cm and a length > 50 cm to produce sawntimber boards, finger joint boards and blockboards.
- To efficiently utilise the post harvesting *Melaleuca* timber products by establishing factories manufacturing multi – *Melaleuca* timber produce, which mainly produce woodchips and particleboards. The assembly lines for producing sawntimber, finger joint boards and joint timber boxes can be used to make the best use of wood logs with big diameters to create more valuable products.

Sustainable Economic Development of the *Melaleuca* Forests

Currently, timber is regarded as the prime product of *Melaleuca* forests. To support the development of *Melaleuca* as an important species for afforestation, appropriate policies targeting each stage in the value chain of *Melaleuca* timber products are needed to be formulated by competent authorities. The sustainable economic development of *Melaleuca* forests can only be ensured if the forest growers gain adequate and stable income. Since the income of forest growers depends greatly on quality, hence stable and large consumption of *Melaleuca* timber products, it is necessary to improve the quality of *Melaleuca* forests ensuring that *Melaleuca* timber products meet the requirements specified for the materials used in industrial processing. When

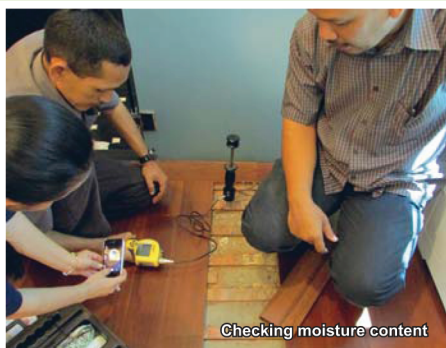
TIMBER VERIFICATION SERVICES

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

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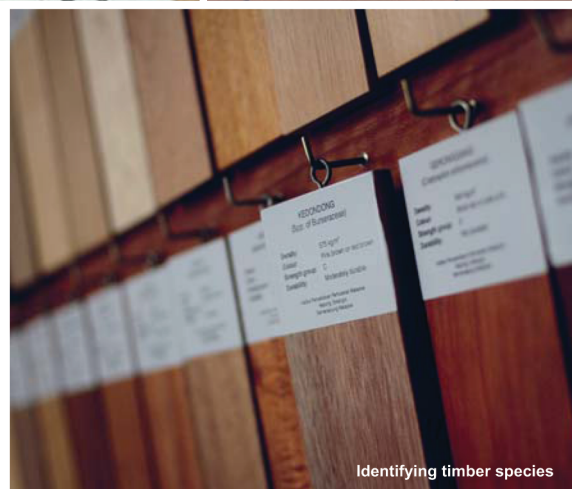
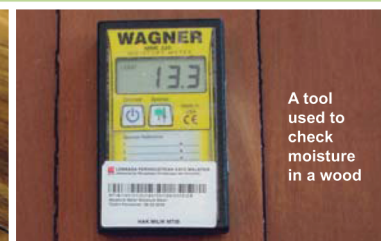
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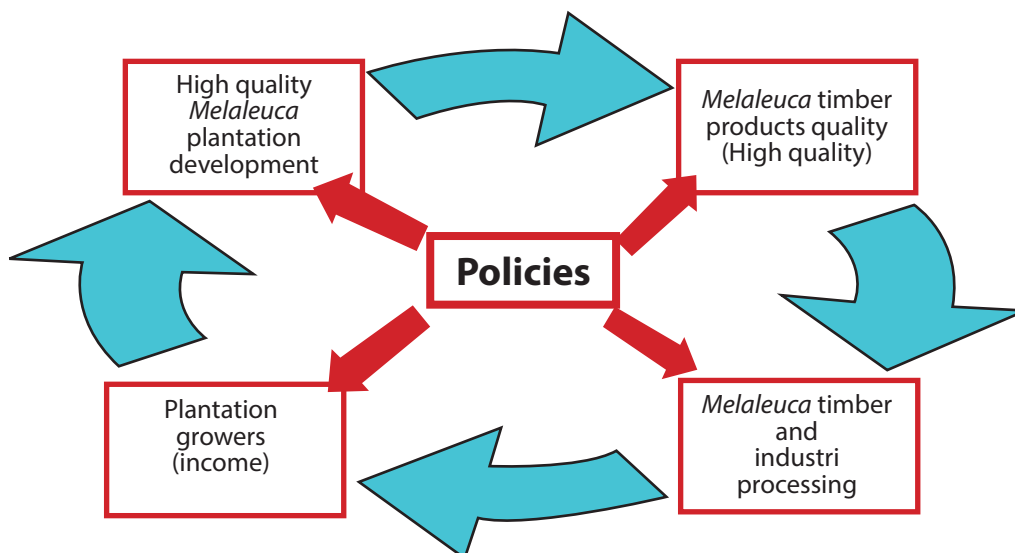
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Cont. from page 29

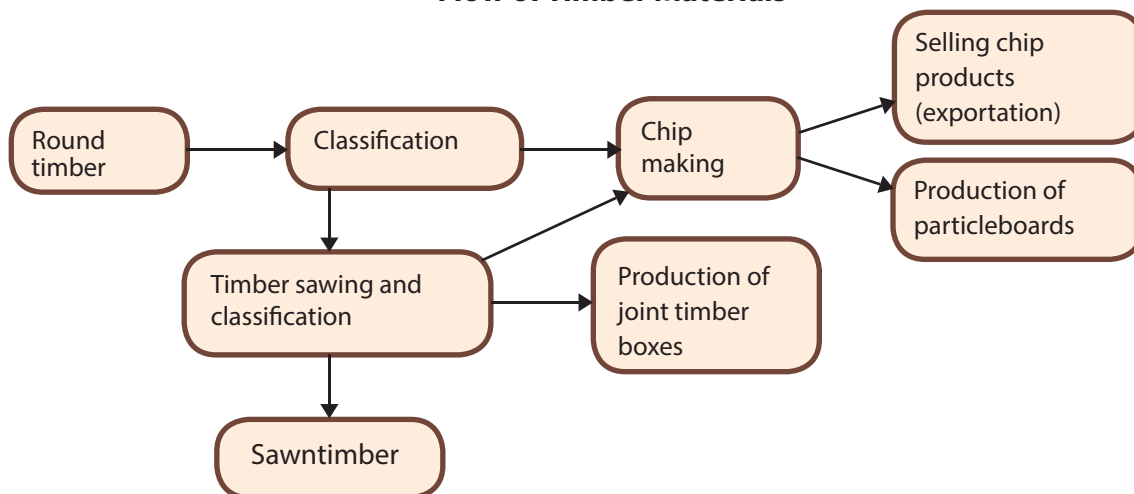
Melaleuca timbers are processed into products of high value, the forest growers can obtain adequate income by selling the materials at higher prices and can decide on investment for maintenance and improvement of *Melaleuca* forests.

In the above graph, the role of the State and local authorities in formulating policies are considered as the focal and essential factor in enhancing the value chain of the *Melaleuca* timber products.



The value chain of the *Melaleuca* timber products and several influencing factors.

Flow of Timber Materials



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Briefing on the Bumiputera Economic Empowerment (PEB4U) in the wood-based industry in Alor Setar, Kedah on 5 January 2016.



ISMS ISO/IEC 27001: 2013 Internal Audit Training held from 11 to 12 January 2016 in Bangi, Selangor and attended by officials from MPIC, MTIB, Malaysian Rubber Board, Malaysian Palm Oil Board, Malaysian Cocoa Board, National Kenaf and Tobacco Board, and Malaysian Pepper Board.



Retreat on SDA and Timber Defects held from 12 to 14 January 2016 in Putrajaya.



MTIB Management Retreat held from 14 to 16 January 2016 in Kuala Lumpur.



Brainstorming session on the development of the ICT Strategic Planning 2016-2020, on 28 January 2016 at MTIB, Kuala Lumpur.



MTIB participating in the Hello Komoditi on 30 January 2016 in Pusa, Betong, Sarawak. The event was organised by Ministry of Plantation Industries and Commodities.