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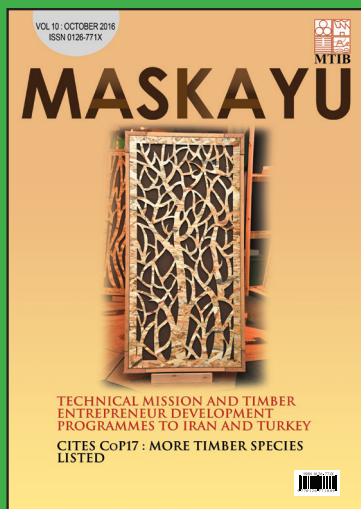
**TECHNICAL MISSION AND TIMBER
ENTREPRENEUR DEVELOPMENT
PROGRAMMES TO IRAN AND TURKEY**

**CITES CoP17 : MORE TIMBER SPECIES
LISTED**

ISSN 0126-771X



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TECHNICAL MISSION AND TIMBER ENTREPRENEUR DEVELOPMENT PROGRAMMES TO IRAN AND TURKEY



The group posing with the Malaysian Ambassador to Iran, TYT YM Raja Nushirwan bin Zainal Abidin (sixth from right).

In order to leverage on the lifting of economic sanctions in January 2016 and a more business-oriented environment in Iran, as well as the implementation of the Malaysia – Turkey Free Trade Agreement in August 2015, MTIB organised a Technical Mission and Timber Entrepreneur Development Programmes to Iran and Turkey from 15 to 24 October. The mission was led by YBhg. Dato' Dr. Jalaluddin Harun, MTIB Director-General and comprised a delegation of seven industry players namely Jelapang Maju Sdn. Bhd., Kam Sem Biomass Sdn. Bhd., Era Fabrique Sdn. Bhd., Meranti Furniture Sdn. Bhd., Priyakin Sd. Bhd., Puncak Bumi Utama Sdn. Bhd. and Entrepreneurship Development Centre of Johor.

The objectives of this mission were to improve trade of Malaysian timber and timber products to Iran and Turkey; to foster and increase business networking between Malaysian exporters and Iran and Turkey importers of timber and timber products as well as to observe the latest market development and prospects of timber and timber products in both countries. Although export of Malaysian timber and timber products to Iran were on a declining trend, from RM130.3 million in 2011 to RM40.3 million in 2015, Builders' Joinery and Carpentry (BJC) recorded an increase of 100.3% in 2015 to RM1.2 million compared to only RM595 thousand in 2014. Furthermore in 2015, Iran has begun to import particleboard and plywood worth RM3.1 million and RM995 thousand respectively. Major product exported to Iran is

MDF with a total of RM33.0 million accounting for 82% market share.

On the other hand, in 2015 export of timber and timber products to Turkey registered at RM37.7 million, an increase of 3.1% from RM36.6 million in 2011. Wood waste including sawdust and scrap is an emerging product exported to Turkey. Starting from 2013, export recorded a total of RM18 million and it further increased to RM20.5 million in 2015, accounting for 61%

market share. Other major products exported were wooden furniture (22%), BJC ((8%) and mouldings (3%).

In Tehran, Iran the delegation had the opportunity to attend a roundtable discussion and business matching session with Iran Chamber of Commerce, Industries, Mines & Agriculture and the Furniture & Timber Association of Iran. The Ambassador of Malaysia in Tehran and more than 20 industrial players from furniture, interior decoration, BJC, mouldings and timber importers attended the discussion. The group also visited four timber and furniture factories namely Parsa Group (finish thermos wood, wooden exterior/interior façade, decking, wooden tiles and wooden outdoor furniture), Salami Furniture (classical, office and household furniture), Venti Furniture (home furniture) and Aria Radan Co. (MDF and plywood).

The delegation also made a courtesy visit to the Ambassador of Malaysia in Tehran, TYT Raja



Roundtable discussion and business matching with Iran Chamber Of Commerce, Furniture and Timber Association of Iran.



INDONESIA

Two Agreements on Wood Exports Sealed

According to the Ministry of Trade, the country has sealed two agreements with the German Import Promotion Desk to promote Indonesian wood for export to the EU. The two agreements were the Strategy Paper on Lightweight Timber Indonesia and Service Agreement on Interzum 2017. The agreements were a follow up from the Statements of Cooperation on Trade Promotion sealed back in October 2014 between the two parties. A trade delegation of 10 importers from the EU were visiting the country between 9-14 October. The visit resulted in a potential transactions amounting to USD2.88 million (EUR2.56 million).

Bisnis Indonesia, 17 October

CHINA

Sawnwood Import down in First Half

China's sawnwood imports totalled 15.61 million m³ valued at USD3.82 billion in the first half of 2016, down 2% and 17% respectively over the same period of 2015. The average landed price for imported sawnwood was USD245 per m³, a year-on-year drop of 17%.

Of the total, sawn softwood imports amounted to 9.02 million m³, or 58% of all sawnwood imports, a year-on-year increase of 24% and sawn hardwood imports totalled 6.05 million m³, or 42% of all sawnwood imports, a year-on-year increase of 11%. Tropical sawnwood imports rose 8 % to about 4.77 million m³, accounting for 17% of all sawnwood imports and 40% of all sawn hardwood imports.

Timb@rbiz.com.au, 6 October

VIỆT NAM

Wood Export Pact with European Union

Negotiations between Việt Nam and the European Union to expand the export of wood and wood products to Europe are expected to be completed by the end of the year. The purpose of the Forest Law Enforcement, Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA/FLEGT) is to expand Việt Nam's wood and wood product export market to the EU through a mechanism called the Timber Legality Assurance System of Việt Nam (VNTLAS), which grants certifications for wood shipments to the EU.

The Deputy Head of the Administration's Science, Technology and International Co-operation Department, Nguyễn Tường Vân, said FLEGT certifications were only granted by countries which sign Voluntary Partnership Agreements with the EU. Owners of shipments with FLEGT certifications will not have to declare the legal origin of the wood in line with the European Union Timber Regulation.

vietnamnews.vn, 24 October

INDIA

Importers Complain About Log Fumigation Regulation

Timber associations across India have petitioned the government regarding saying that the recent plant quarantine regulations have become major problem for Indian importers.

The current regulation stipulates that logs need to be fumigated with methyl bromide prior to export from the country of origin but international bodies such as the International Plant Protection Convention, the United Nations Environment Programme and the Montreal Protocol classify methyl bromide as hazardous for health.

The petition says as many countries prohibit the use of this chemical as such they are unable to fulfil the requirement of Indian plant quarantine regulations and that alternative and internationally accepted treatments must be adopted.

India imports a huge quantity of logs to meet the domestic requirements and until recently were importing from Myanmar, Lao PDR, Viet Nam, Malaysia, Thailand etc., but since these countries have reduced or banned log exports India relies more heavily on log imports from the EU, the US, Latin America and Africa where the use of methyl bromide is restricted

Fordaq, 14 October

SAUDI ARABIA

Chinese to Build 100,00 Homes

Saudi Arabia's Ministry of Housing last month signed an agreement with the Chinese government for the construction of 100,000 housing units in the Al Ahsa province of the kingdom. The deal was signed by Minister of Housing Majed Al Huqail and Chinese Deputy Minister of Trade Qian Keming during the visit of Deputy Crown Prince Muhammad bin Salman, Second Deputy Premier and Minister of Defence to China, reported the Saudi Gazette.

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Al Huqail also signed a memorandum of understanding with officials of the Ningxia region in China to help develop the outskirts of Al Asfar province. These agreements are in line with the Housing Ministry's aim in stimulating the real estate development and raising productivity, the report added.

Gulf construction; 31 October

EUROPEAN UNION Wood Flooring Exports Rising Again

After five years of continuous growth between 2009 and 2014, the EU wood flooring exports declined slightly in 2015, by 1.7% to 21.1 million square metres. However, growth resumed in the first six months of 2016 and exports rose by 9% to 11.2 million square metres. The downward trend in exports to Switzerland and Norway in 2015 was reversed in the first six months of 2016.

After making significant gains in 2015, EU wood flooring exports continued to increase rapidly to the US (+23%) and China (+154%) in the first six months of 2016. However, some of the gains made by the EU wood flooring products in the Turkish and Canadian markets in 2015 were lost during the first half of 2016. Exports to Russia also declined during the same period.

In summarising their latest market statement, published in June 2016, FEP were reasonably positive about future prospects for Europe's wood flooring sector. They noted that "after several years of hardship for the European parquet producers and the overall negative developments in both consumption and production, the sky has cleared.

The EU economic indicators point towards a continuation of a slightly positive trend and the generally encouraging reports received from a majority of FEP member countries fuel the hope for better times ahead.

ITTO, 1-15 October

ROMANIA Furniture Exports Hike By 9.7%

Between January and June 2016, furniture exports in Romania rose by 9.7% compared to first half 2015 and were worth over EUR1.10 billion (USD1.24 billion) overall. In addition, furniture exports accounted to 3.96% of Romania's total exports in first half 2016, with wood furniture accounting to 56.4% and timber furniture accounting to 13.3% of

the total. Aurica Sereny, President of the Furniture Association Producers in Romania (APMR) has revealed that exports of timber furniture fell from 16.5% in 2015 to 13.3% in 2016's first half, while the commercial balance amounted to EUR832 million in first half 2016, 6% higher compared to 2015.

Ziarul Financiar, 17 October

UNITED KINGDOM Construction PMI Index Rose

Construction Purchasing Managers' Index (PMI) rose to 52.3 in September 2016 from 49.2 in August, beating market forecasts of 49. It was the first month of expansion since May this year, primarily driven by a recovery in residential building. New orders also rebounded, which ended a four-month period of sustained decline, and employment levels rose slightly.

Markit Economics, October

RUSSIA Plywood, Particleboard and Fiberboard Production Takes an Upward Trend

In 2016, Russian wood-based boards production seems to have taken an upward turn. In January-September 2016, Russian enterprises increased production of plywood, particle boards and fibreboards. Such a conclusion can be made based on the latest statistics provided by the Russian official statistics service Rosstat.

Thus, in January-September 2016, plywood production volume reached 2.8 million m³, that is 2.3% more than during the respective period of 2015. Moreover, the September plywood production figures are 1.7% higher than in September 2015, and 4.7% higher than in August 2016.

The particleboard (this commodity group includes wood chip based boards, other similar wooden boards and boards made of other lignified materials) production volume went up year-on-year as well. In the first nine months of 2016 Russian sites manufactured 5.3 million m³ of particleboard, that is 1% more than in the respective period of the last year.

In January-September 2016, the fibreboard (this commodity group includes fibreboard made of wood or other lignified materials) production volume grew by 4.4% over January-September 2015 and went up to 396 million sqm.

Rosstat, 19 October

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UNITED STATES LEED Legal Wood Credit Criticised by NGOs

Earlier this year the US Green Building Council (USGBC) announced an Alternative Compliance Path credit for its green building rating system 'Leadership in Energy and Environmental Design' (LEED). The purpose of the credit is to prevent the use of illegal wood in buildings by promoting verified legal wood.

The Sierra Club, Greenpeace, and other environmental groups have proposed an alternative approach for the credit, which would use FSC product certification. They claim that the credit designed by the USGBC would simply legitimise what they consider to be weak forestry certifications. LEED is the most widely used green building certification system in North America. Worldwide there are nearly 75,000 commercial projects participating in LEED, according to the USGBC.

ITTO, 1-15 October

UNITED STATES May Impose Duties on Sawn Softwood from Canada

The Softwood Lumber Agreement between Canada and the US expired in October 2015 and the one-year period of tariff-free trade passed without a new agreement. The previous agreement limited Canadian access to the US market through a combination of export taxes and volume quotas, thus providing stability for the Canadian industry.

The US sawmilling industry, represented by the US Lumber Coalition, indicated it will initiate trade cases against imports from Canada now that the one-year litigation standstill period has passed. Preliminary countervailing duties for Canadian exporters could start as early as spring 2017.

Canadian and the US negotiators continue to work towards an agreement. The US election in November and a generally protectionist climate contributes to the difficulty of reaching a new trade agreement. Producers in British Columbia have worked on reducing their reliance on the US market by expanding exports to Asia, including India and Southeast Asia. Large Canadian companies have purchased sawmills in the US in the last decade to lessen the impact of potential duties on Canadian sawn softwood.

ITTO, 1-15 October

UNITED STATES September Building Permits Jump

Building Permits in the United States increased by 6.3% month-over-month to 1,225 thousand in September 2016, the highest figure since November last year. The figure came in better than market expectations of 1,165 thousand, as authorisations of units in buildings with five units or more jumped 17.2% to a rate of 449 thousand and those of single-family units rose 0.4% to a rate of 739 thousand. Building permits rose mostly in the Northeast (+23.6%), the West (+15.8%) and in the South (+2.6%); but fell in the Midwest (-5.2%).

US Census Bureau, October

SOLOMON ISLANDS Stop New Logging License for Foreign Company

The Solomon Islands' Ministry of Forestry and Research will not issue any more felling licenses to newly registered foreign companies intending to carry out logging activities in the country. A Government statement said this is to control the influx of foreign logging companies that showed interest to participate in logging activities and to control illegal entry into unlicensed concession forest areas.

The Government also wants to ensure that resource owners enjoy maximum benefits from their forest resources and control measure will also assist the Ministry of Forestry to account for all logs felled, extracted and shipped offshore to niche markets.

The Government will introduce and implement of the Legal Notice 114 which was recommended by the Solomon Forest Association (SFA) to the Ministry of Forestry and Research – a body that assists the Ministry in regulating logging activities since 15 March 2007.

Source: Solomon Islands Broadcasting Corporation, 20 October

NEW ZEALAND Positive in Timber Future

Challenges facing the New Zealand timber industry are real and significant but the industry is generally in a good demand cycle and sentiment is positive. Domestic demand for timber is very strong at the moment said New Zealand Timber Industry Federation (NZTIF)

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Log supply shortages are chronic in some regions, such as Canterbury and Northland, and there doesn't appear to be any change to this in the immediate future. The log shortages due to export demand in China, dairy conversions, and wind storms has reduced the forest resource available to local mills and pushed log prices up significantly.

Timber exporters are struggling with the strong NZ dollar and exports to most markets are hard to make work. It is only the strong local market, driven by record high immigration that is providing some stability, at a time when many export markets for sawn timber, are marginal.

Despite these challenges and others, there is still new investment going into the industry, more so in areas where log supply was not constrained, and the overall annual sawntimber production for the country had actually increased.

Timb@rbiz.com.au, 13 October

GHANA Asian Markets Gain Growth

Ghana's exports in the first seven months of this year totalled 228,387 m³ and earned EUR130,732 million. Compared to the same period last year the performance up to July recorded a 10% increase in export volumes and a 24% increase in export earnings.

The leading export products up to July were air-dry sawnwood (60%), kiln-dry sawnwood (13%), plywood to regional markets (9%), roundwood billets (8%) and sliced veneer (4%) with other wood products accounting for the remaining 6%. Export shipments of wood products from Ghana were largely to the Asian markets which accounted for 72% followed by African regional markets (12%) and Europe (11%). The Middle East and America accounted for the balance. It was only the Asian markets where an increase in exports was achieved.

ITTO, 16-31 October

WORLD

Construction, China Demand to Drive Global Plywood Growth to 2022

According to Global Strategic Business Report 2016, the global market for plywood is projected to reach 223.4 million m³ by 2022, driven by recovering construction activity in most countries worldwide; rise in high value, high rise constructions; growing preference for plywood in interior design especially of floors, ceilings, and walls; and a healthy furniture industry, according to plywood significance in the construction sector has increased substantially over the last decade due to the various benefits of plywood such as maintainability, strength-to-weight ratio and price.

A growing construction market particularly residential housing, spurt in renovation and remodelling projects and increased spending on bedroom and dining room furnishing represent major drivers of plywood consumption worldwide.

The growing demand for furniture is supported by improving economic growth, rising incomes, recovering home values and the ensuing greater willingness of homeowners to invest in furnishings and interior architecture. Demand is also expected to surge in the transportation end-use sector. In the packaging sector, on the other hand, growing popularity of alternative materials such as cardboard and plastic will challenge growth of plywood based packaging solutions, according to the report.

China represents the largest market worldwide led by growing construction activity, especially new construction and sales during the first half of 2016. In the immediate future however, the slowdown in the country's GDP and higher housing inventories are expected to put downward pressure on the market. India ranks as the fastest growing market worldwide with a CAGR of 9.2% over the analysis period.

Global Strategic Business Report, October 2016 



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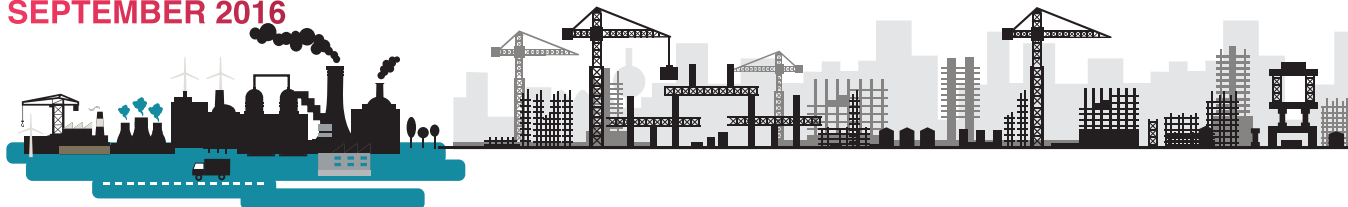
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SEPTEMBER 2016



Malaysia: MMC to Invest RM6 Billion in Tanjung Pelepas Port

As part of efforts to remain as a top 10 port operator in the world, MMC Corporation of Malaysia will spend RM6 billion (EUR1.30 billion, USD1.46 billion) to expand the Port of Tanjung Pelepas (PTP) in Johor and enhance the port's handling capacity to 20 million containers per annum by 2025. This was said by the company's Managing Director, Che Khalib Mohamad Noh. With an annual container-handling capacity of 10 million at present, the port's handling capacity will be upgraded to 13.5 million containers per annum by 2018 with a further investment of RM800 million to go towards new equipment and machinery. MMC, which is now ranked as the eight biggest port operator in the world, oversees PTP, Northport, Johor Port and Penang Port in Malaysia. It has overall handling capacity of some 15 million containers per annum.

Source: Utusan Malaysia, 12 September

Germany: Short Sea Shipping Cargo Volume Declines in 2015

According to the German federal office for goods transport, the cargo volume recorded by German marine ports for shorter routes declined by 1.2% to around 180.4 million tonnes in 2015. This was a 60.9% share of the total cargo volume handled at

German ports. The number of units handled from roll-on/roll-off ships rose by 0.3% due to an increase in the number of lorries. However, the handling volume of bulk products and containers fell by 0.5% and the general cargo volume decreased by 1.9%. Around 5.9 million twenty-foot equivalent units (TEUs) were handled in the short sea shipping sector.

Source: Verkehrs Rundschau, 1 September

Philippine: Davao International Container Terminal (DICT) Launches PHP 5 Billion Port Expansion Project in Panabo City

Davao International Container Terminal (DICT) will launch its PHP5 billion (EUR96.12 million, USD107.23 million) cargo port expansion project in Panabo City, Philippines. The project comprises the purchase of additional equipment and the expansion of two berths to raise capacity from 300,000 TEUs per year to 600,000 TEUs. By 2019, DICT plans to add another 450,000 to 500,000 TEUs in anticipation of rising demand.

Source: BusinessWorld, 2 September

Germany: HHLA and Eurogate Stop Services for Hanjin Services

The German port companies HHLA and Eurogate have stopped carrying out services for Hanjin

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, September 2016

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change Sep 2016/ Aug 2016
	m ³	% Change Sep 2016/ Aug 2016	m ³	% Change Sep 2016/ Aug 2016	m ³	% Change Sep 2016/ Aug 2016	m ³	% Change Sep 2016/ Aug 2016	m ³	% Change Sep 2016/ Aug 2016		
Sawntimber	59,579	-8	9,910	99	1,314	0	536	68	9,826	13	81,166	1
MDF	33,974	-4	289	12	10,420	-22	5,632	3	18,661	-21	68,976	-12
Mouldings	10,773	-7	253	42	1,335	-30	332	-33	1,849	-11	14,543	-11
Plywood	7,679	-14	0	-100	152	696	56	-73	8,794	-38	16,681	-29
Veneer	221	21	16	100	77	413	14	-93	960	-6	1,288	-9
Particleboard	38,363	-3	298	-17	323	49	0	-100	2,865	-40	41,849	-7
TOTAL	150,589	-6	10,767	85	13,621	-19	6,570	-3	42,955	-21	224,502	-8

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Shipping, the South Korean firm after it filed for insolvency in South Korea and as a result had to stop transactions in Germany. The company is trying to negotiate a solution with Eurogate and Hamburg's business senator Frank Horsch as its container ship Hanjin Europe is blocking a berth in the port. Hanjin's Germany CEO, Patrick Won said that, the costs involved were around EUR40,000 (USD44,621.94). He further added that the next port the ship is due to call is at Rotterdam which does not want to accept it. In total, 44 of its ships have been turned away from ports globally.

Source: Süddeutsche Zeitung, 2 September

Indonesia: New Priok Container Terminal 1 Opened at Tanjung Priok Port

The New Priok Container Terminal (NPCT) 1 has been opened at Tanjung Priok port in Indonesia in September 2016. This is the first of five stages of the port's expansion that will be finished in 2019. The new terminal has eight cranes that can move 30 containers each hour and a capacity of 1.5 million TEUs. The current yearly capacity of the port is 7 million TEUs. The expansion of the country's main port is taken in a bid to reduce its dwell times.

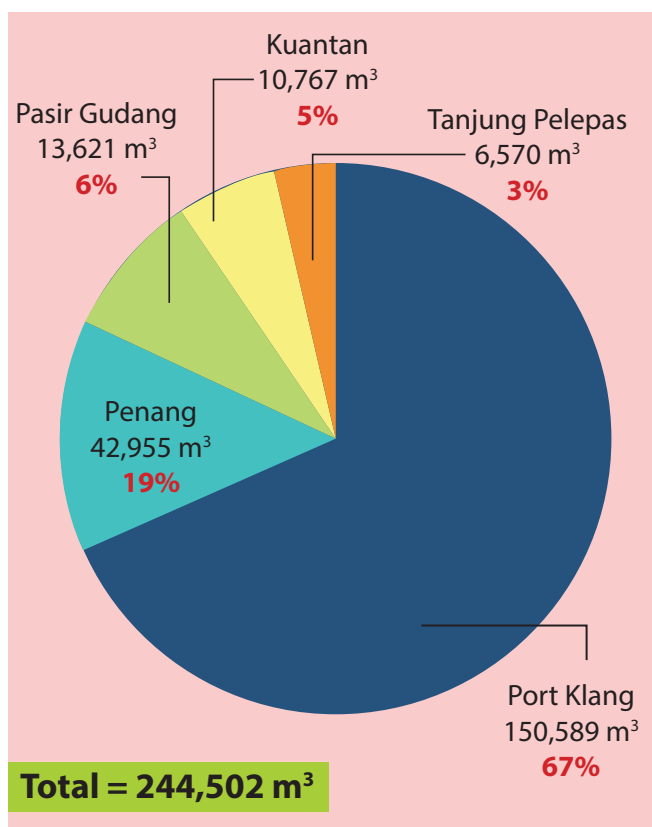
Source: Jakarta Globe (The), 13 September

Netherlands: Turnover from Inland Shipping Decreases in Q2 2016

According to the Dutch statistics bureau, the turnover from the Dutch inland shipping sector decreased year-on-year by 6% in the second quarter of 2016. The decrease was partly due to lower tariffs. A quarter of the inland shipping companies expect a turnover decrease in the third quarter of 2016 while two thirds do not expect to see a change.

Source: Het Financieele Dagblad, 13 September

Timber Shipment through Ports in Peninsular Malaysia, September 2016



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SEPTEMBER 2016

Total export of Malaysian timber and timber products in September 2016 increased 5% in value to RM2.0 billion over the previous month. Cumulative export for the period of January to September 2016 also increased 0.4% to RM16.2 billion over the previous corresponding period.

SAWNTIMBER

Export of sawntimber in September 2016 increased 10% in volume and 11% in value to 186,676 m³ with a value of RM320.4 million as compared to the previous month. Cumulative export for the third quarter of 2016 decreased 7% in volume however increased 6% in value to 1,416,005 m³ totalling RM2.4 billion over the previous corresponding period.

Export of sawntimber to the EU for the month increased 16% to 12,656 m³ from 10,929 m³ in the previous month. Export to the Netherlands increased 8% to 5,659 m³ as a result of positive growth of construction sector in the country. Similarly, export to the UK and Belgium improved 107% and 51% to 1,923 m³ and 1,559 m³ respectively. Export to Germany increased 50% to 1,792 m³ from 1,193 m³ in the previous month. However, France reduced purchases by 59% to 635 m³ from 1,554 m³ registered in the previous month.

Total exports to West Asia increased 36% to 28,065 m³ from 20,705 m³ recorded in the previous month. Export to Yemen improved significantly to 9,421 m³ from 2,964 m³ in the previous month. Similarly, export to Oman increased 32% to 6,550 m³ followed by Qatar by 3% to 1,377 m³. However, export to the UAE and Saudi Arabia decreased 11% to 6,003 m³ and 4% to 1,275 m³ respectively.

Buying from ASEAN decreased 19% to 54,148 m³ from 66,434 m³ registered in the previous month. Export of sawntimber to Thailand, a major buyer of sawntimber from Malaysia declined 15% to 33,211 m³ from 39,057 m³ in the previous month. Likewise, export to Singapore decreased 5% to 8,311 m³ followed by the Philippines with 35% to 11,132 m³. However, export to Viet Nam increased 14% to 1,460 m³ from 1,284 m³ in the previous month.

Shipments to East Asia declined marginally to 38,452 m³ from 38,836 m³ in the previous month. Similarly, export to China decreased 8% to 21,120 m³ followed by Japan at 34% to 3,646 m³. In the meanwhile, export to Taiwan and South Korea increased 22% to 8,493 m³ and 51% to 4,944 m³ respectively.

Elsewhere, exports to the US increased 9% to 1,311 m³ whilst intake by Australia increased 21% to 1,304 m³. Demand from South Africa decreased 13% to 4,909 m³ from 5,636 m³ in the previous month.

The average FOB price of sawntimber increased 4% to RM1,753 per m³ from RM1,692 per m³ in the previous month. Price of Dark Red Meranti (DRM) increased 5% to RM1,956 per m³ from RM1,870 per m³ in the previous month. However, price of Dark Red Meranti to the Netherlands increased marginally to RM3,289 per m³ from RM3,284 per m³ in the previous month. Keruing was traded at RM1,634 per m³, an increase of 5% from RM1,550 per m³ in the previous month.

PLYWOOD

Total export of plywood in September maintained in volume but increased by 17% in value to 225,022 m³ valued at RM453 million as compared to the previous month.

Total exports to the EU decreased by 32% to 10,358 m³. Similarly, exports to Belgium, Ireland, Italy, the Netherlands and UK decreased by 46%, 62%, 84%, 35% and 27% to 350 m³, 241 m³, 20 m³, 802 m³ and 8,903 m³ respectively whilst Denmark, France and Germany did not make any purchases.

Exports to ASEAN region decreased as Brunei, Indonesia, Singapore and Thailand intake of plywood reduced by 35%, 7%, 45% and 52% to 642 m³, 29 m³, 2,216 m³ and 3,622 m³ respectively. However, Philippines increased its intake by 34% to 4,927 m³. In East Asia, China and South Korea increased their intake by 7% and 29% to 3,329 m³ and 31,057 m³ respectively. However, Hong Kong, Japan and Taiwan reduced their intake by 29%, 34% and 29% to 3,023 m³, 67,241 m³ and 11,546 m³ respectively.

Overall, exports to West Asia decreased by 23% as compared to the previous month. Similarly, shipments to the UAE, Qatar and Yemen decreased by 40%, 65% and 41% to 3,303 m³, 81 m³ and 5,333 m³ respectively. Conversely, Bahrain, Saudi Arabia and Kuwait increased their intake by 88%, 9% and 528% to 405 m³, 1,472 m³ and 603 m³ respectively.

Elsewhere, exports of plywood to South Africa, Mexico, Canada, Australia, New Zealand, the UK and Netherlands decreased by 16%, 4%, 70%, 42%, 51%, 27% and 35% to 365 m³, 5,074 m³, 306 m³, 2,896 m³, 19 m³, 8,903 m³ and 802 m³ respectively whilst Algeria did not make any purchases. However, Mauritius, the US and Turkey increased their intake

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SEPTEMBER 2016

by 386%, 71% and 44% to 102 m³, 12,555 m³ and 475 m³ respectively.

The FOB price of plywood decreased by 2.5% to RM1,672 per m³ from RM1,715 per m³ in the previous month.

VENEER

Exports of veneer for September 2016 showed an increase of 39% in volume and 41% in value to 18,399 m³ at RM30 million as compared to the previous month. Exports to China, Taiwan and Philippines increased by 66%, 274% and 29% to 1,392 m³, 12,059 m³ and 625 m³ respectively whilst Singapore and Italy resumed their purchases. Inversely, Australia, India, South Korea and Viet Nam reduced their intake by 42%, 38%, 14% and 13% to 176 m³, 265 m³, 6,593 m³ and 69 m³ respectively, whilst, Canada and Chile did not make any purchases.

The FOB price of veneer decreased to RM1,576 per m³ from RM1,617 per m³, a decrease of 2.5% from the previous month.

MOULDINGS

Exports of mouldings for the month increased by 8% and 6% in volume and value to 21,501 m³ and RM72.6 million respectively. However, cumulative exports for the period of September 2016 decreased by 12% in volume and 1% in value to 178,752 m³ and RM619.2 million respectively as compared to the previous corresponding period in 2015.

Exports to the EU for the month recorded at 7,147 m³, an increase of 6% compared to the previous month. The UK, Germany and Netherlands increased their purchased by 91%, 20% and 18% to 796 m³, 1,119 m³ and 3,850 m³. Meanwhile, Belgium decreased its purchases by 47% to 395 m³ compared to the previous month. However, Italy did not make any purchases.

Exports to ASEAN region increased as Viet Nam and Singapore intake of mouldings increased by 241% and 21% to 58 m³ and 1,594 m³ respectively. However, Indonesia resumed its intake.

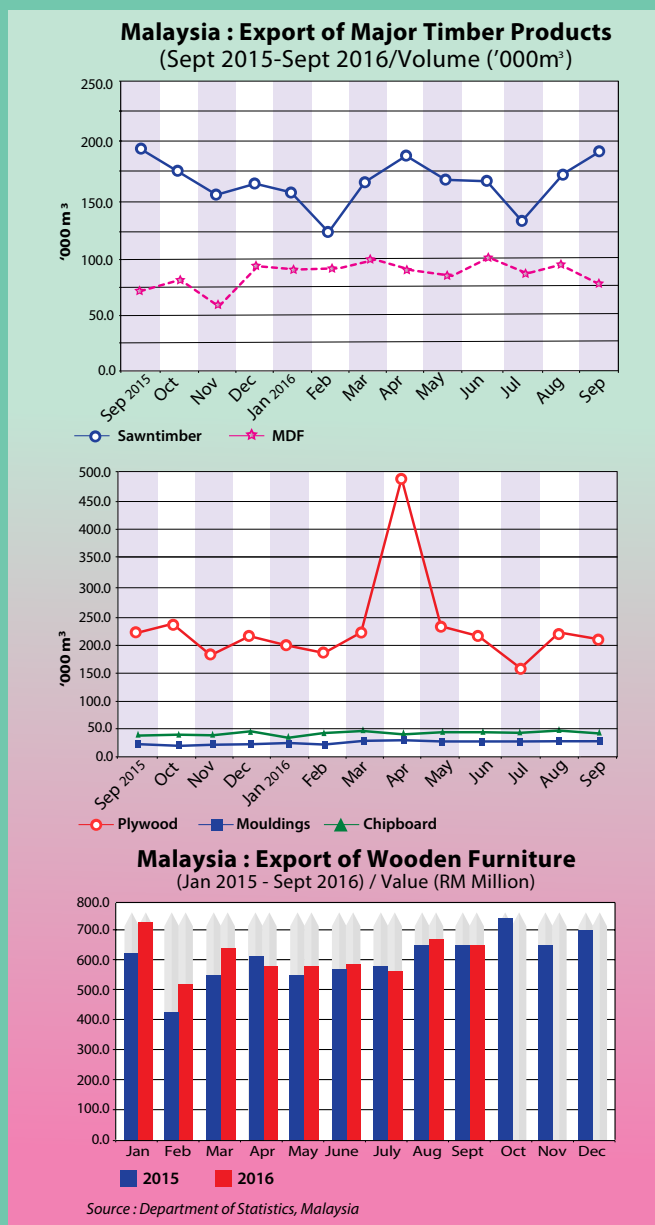
Meanwhile, exports to Hong Kong increased by 11% to 773 m³ respectively. However, exports to Taiwan, China, South Korea and Japan decreased by 55%, 47%, 29% and 8% to 91 m³, 214 m³, 1,084 m³ and 2,115 m³ compared to the previous month.

Elsewhere, export to Canada and Australia decreased by 54% and 7% to 40 m³ and 3,359 m³ respectively whilst export to the US increased by 12% to 1,309 m³ compared to the previous month.

FOB unit value decreased to RM3,315 per m³ and decreased of 3% compared to the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from September 2016 increased 12% to RM887.7 million as compared to RM790.6 million in the corresponding period last year. Export to the EU increased 10% to RM242.8 million. Export to Netherlands, Germany, Italy, Turkey, Denmark and the UK increased by 1866%, 213%, 106%, 101%, 35% and 9% to RM3.9 million, RM21.1 million, RM4.5 million, RM4.9 million, RM16.9 million and RM135.8 million respectively. However, export to Sweden, France and Belgium decreased by 73%, 12% and 6% to RM3.8 million, RM13.8 million and RM34.5 million compared to the previous year.



SEPTEMBER 2016



LOGS

Trading activities continued to stable in Peninsular Malaysia. Most mills reported that they have adequate log inventories to prepare for the coming monsoon period.

Log prices for the species of Chengal, Red Balau and Merbau stood firm at RM4,000 per tonne, RM2,500 per tonne and RM2,700 per tonne respectively. Similarly, prices of Kempas and Kapur continued to be traded at RM1,670 per tonne and RM1,700 per tonne respectively. However, prices for Keruing logs dropped significantly by 6.5% to RM1,430 per tonne compared to last month. Prices of Yellow Meranti and White Meranti were traded at RM1,200 per ton and RM1,070 per tonne respectively. Meanwhile, prices of Mixed Heavy Hardwood fell by 0.1% to RM957 per tonne whilst Mixed Light Hardwood remained at RM1,200 per tonne.

SAWNTIMBER

The average sawntimber prices stood firm although some species recorded significant changes in their prices.

The sawntimber prices of Chengal, Red Balau and Merbau continued to be traded at RM6,638 per m³, RM2,987 per m³ and RM3,849 per m³ respectively. Most of the average prices of Medium Hardwood sawntimber species for the month remained at last month's level except for Keruing which decreased slightly by 1.6% to RM1,328 per m³ compared to last month. Meanwhile, sawntimber prices of Dark

Red Meranti and Nyatoh stood at RM2,013 per m³ and RM777 per m³ respectively. Sawntimber prices of Mixed Heavy Hardwood dropped by 20% to RM794 per m³, whilst Mixed Light Hardwood prices maintained at RM1,130 per m³.

PLYWOOD

The supply of plywood for the usage of the domestic market continued to suffice the need of local demand. Plywood prices for export market reported to stable and fetching at the last month's level. Plywood prices of 4mm, 6mm, 9mm and 12mm of thicknesses were continuously traded at RM14.60, RM22.00, RM34.50 and RM41.50 per piece respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

Supply of MDF was reported to suffice the need of the local market demand. Although there were positive demand from key end-use such as construction and furniture industries, the prices of MDF increased slightly at last month's level. For the month under review, MDF of 4mm, 6mm, 9mm and 12mm of thicknesses recorded prices at at RM12.10, RM15.80, RM21.70 and RM28.10 per piece respectively.

Intra-Malaysia Trade *- SEPTEMBER 2016

The shipments of sawntimber from Sabah to Peninsular Malaysia dropped sharply by 19% in volume to 537 m³ from 661 m³ recorded last month with the value of RM508,000. Similarly, export of

INTRA-MALAYSIA TRADE – SEPTEMBER 2016

From	Products	AUG 2016		SEP 2016		% Change in Volume Sep 2016 / Aug 2016	% Change in Value Sep 2016 / Aug 2016
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	661	760	537	508	-19	-33
	Plywood	10,457	13,755	8,505	11,688	-19	-15
	Veneer	6,546	8,900	6,384	8,203	-2	-8
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	198	674	363	841	83	25
	Plywood	11,183	19,259	8,627	14,882	-23	-23
	Veneer	34	106	39	84	15	-21

Source : Department of Statistics, Malaysia

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SEPTEMBER 2016

plywood dropped slightly by 19% to 8,505 m³ valued at RM11.7 million whilst veneer fell by 2% to 6,384 m³ valued at RM8.2 million as compared to the previous month.

shipments of plywood fell by 23% in volume to 8,627 m³ worth at RM14,882 million. Meanwhile, shipment of veneer resumed at 39 m³ worth at RM84,000.

Export of sawntimber from Sarawak to Peninsular Malaysia increased sharply by 83% to 363 m³, valued at RM841,000 over previous month. However,

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in September 2016.

* Source : Department of Statistics, Malaysia

***AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA
SEPTEMBER 2016 (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	3,531	
Red Balau	2,500	2,987	3,037	3,213	
Merbau	2,700	3,849	3,884	3,955	
Mixed Heavy Hardwood	957	794	847	971	
MEDIUM HARDWOOD					
Keruing	1,430	1,328	1,412	2,203	
Kempas	1,670	2,196	2,295	2,331	
Kapur	1,700	2,248	2,260	2,331	
Mengkulang	1,100	1,483	1,554	1,624	
Tualang	1,400	2,472	2,542	2,585	
LIGHT HARDWOOD					
Dark Red Meranti	1,900	2,013	2,119	2,707	
Red Meranti	1,700	1,907	1,977	1,977	
Yellow Meranti	1,200	1,342	1,448	1,554	
White Meranti	1,070	2,119	2,189	2,260	
Mersawa	1,400	1,483	1,518	1,554	
Nyatoh	900	777	812	847	
Sepetir	1,100	1,283	1,335	1,469	
Jelutong	1,100	1,518	1,554	1,730	
Mixed Light Hardwood	1,200	1,130	1,222	1,236	
MALAYSIAN RUBBERWOOD					
RUBBERWOOD <i>Hevea brasiliensis</i>	LOGS/tonne 150	SAWNTIMBER/m ³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
		-	1,000	950	1,100
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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In Asia, exports to Saudi Arabia, Qatar, the UAE, Taiwan, South Korea and Thailand decreased 46%, 32%, 11%, 11%, 9% and 0.1% valued at RM2.9 million, RM2.7 million, RM3.1 million, RM12.4 million, RM13.4 million and RM26.0 million respectively. However, exports to Pakistan, Japan, Singapore, India and Viet Nam grew 25%, 12%, 8%, 6% and 1% to RM35.7 million, RM56.6 million, RM102.3 million, RM52.0 million and RM24.5 million respectively. Meanwhile, Bahrain did not make any purchases.

Exports to Australia increased by 37% to RM154.3 million compared to the previous year. However, Mauritius and South Africa decreased its purchases by 42% and 9% to RM301.9 thousand and RM13.4 million respectively. Likewise, the US increased its intake by 12% to RM78.5 million from RM69.8 million in the previous corresponding period.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for September 2016 showed a decrease of 19% in volume and 6% in value from the previous month. Export totalled 72,514 m³ at RM90.52 million.

Exports to East Asia registered an increase of 20% to 13,774 m³ from 11,460 m³ in the previous month. Only demand from Japan increased by 33% to 12,861 m³. However, Taiwan, China including Hong Kong and South Korea showed marginal decreased by 27% to 636 m³, 35% to 55 m³ and 73% to 222 m³.

Meanwhile exports to West Asia in September 2016 recorded a negative growth with a decrease of 10% in volume to 36,082 m³ from 40,249 m³ in the previous month. Export to Kuwait, Syria, Lebanon and Bahrain recorded an increase of 27% to 4,171 m³, 100% to 4,723 m³, 172% to 596 m³ and 749% to 1,451 m³ respectively. On the other hand, Jordan, Oman, Iran, Qatar, Saudi Arabia and the UAE dropped by 3% to 1,044 m³, 14% to 932 m³, 20% to 3,903 m³, 30% to 1,153 m³, 33% to 9,994 m³ and 39% to 7,995 m³ respectively from the previous month.

Furthermore, export to South Asia recorded positive growth by 6% in volume to 17,416 m³ from 16,443 m³. India and Bangladesh increased by 42% to 5,875 m³ and 65% to 4,038 m³ respectively. Meanwhile, export to Pakistan and Sri Lanka declined by 12% to 6,303 m³ and 55% to 1,200 m³ respectively.

Export to Mauritius showed an increase by 10% to 236 m³, likewise demand from the US increased by 43% to 2,435 m³. Meanwhile, demand from South Africa, Australia and UK showed a marginal

decreased by 9% to 21 m³, 12% to 2,462 m³ and 66% to 158 m³ respectively.

In ASEAN, total export to ASEAN region for this month also showed a decrease by 39% to 8,132 m³ from 13,251 m³ in the previous month. Only export to Singapore showed positive growth by 67% to 185 m³. However, export to the Philippines, Indonesia and Viet Nam showed a negative demand by 3% to 2,092 m³, 27% to 2,968 m³ and 58% to 2,881 m³ respectively.

FURNITURE

Exports of wooden and rattan furniture for the period under review in 2016 increased 5% compared to the corresponding period of 2015. Total shipments recorded RM5.50 billion against RM5.22 billion in 2015. Purchase of wooden furniture from Malaysia for the January to September 2016 duration increased 5% from RM5.20 billion to RM5.57 billion compared to the same period in 2015. Demand for wooden furniture was positive across most major markets. Imports of wooden furniture by the US increased 7% from RM1.8 billion to RM1.9 billion. Japan also increased its import by 8% from RM431.9 million to RM470.5 million. The UK imports increased 20% from RM263.0 million to RM316.9 million. Intake by Australia increased by 19% from RM375.7 million in 2015 to RM450.5 million in the first nine months of 2016. Singapore consumed an increase of 24% from RM285.9 million to RM356.4 million. However, Canada's reduced their intake by 10% of wooden furniture compared to the previous year

While, demand from Saudi Arabia and the UAE declined by 24% and 10% to RM116.8 million and RM146.9 million. India's intake increased by 8% to reach RM110.9 million in 2016. South Korea had increased its wooden furniture consumption by 3% with a purchase of RM92.5 million in for the first nine months of 2016 from RM90.2 million in 2015. On the other hand, export to the Russia's declined 35% from RM35.8 million to 22.3 million.

Rattan furniture shipments increased by 31% to reach RM31.1 million for the January to September 2016 period. Singapore remains as the top importer as its demand jumped to RM5.4 million in 2016. While import by France and Australia increased as well by 1,592% and 175% to reach RM5.8 million and RM3.8 million in 2016. Elsewhere, exports to India decreased 25% from RM2.8 million to RM2.1 million. Whilst demand from South Africa increased 539% to RM0.5 million.

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Nushirwan Zainal Abidin. During the visit, the Ambassador provided information on the trade policy in Iran and the way of doing business with the Iranian companies. He also talked about the challenges and the current business ecosystem particularly in terms of financial and banking system in the country.

Meanwhile, in Istanbul, Turkey MTIB together with MATRADE Istanbul organised a business seminar entitled "Malaysia – Turkey Business Opportunities in the Timber and Furniture Industry; Leveraging Malaysia – Turkey Free Trade Agreement (MTFTA)". The objective of the seminar was to promote and provide information to the Malaysian timber industry as well as to enhance awareness and knowledge on the varieties of Malaysian timber products to the Turkish timber and furniture importers. The seminar was attended by 30 industrial players from the timber, furniture and construction sectors in Turkey. Following the seminar, a business matching session was conducted during which the delegation had the opportunity to meet with 20 Turkish timber and furniture importers.

The delegation then visited Istanbul Timber Association and the Modoko timber industrial zone in which more than 1,000 shops and warehouses of timber and timber products were located and three factories namely Ligno Parquet (engineering parquet), ARIN Orman Urunleri (timber importer, thermo wood, outdoor parquet, solid panel, joinery products, wooden laminated column and beams and parquet flooring) and Trakciogullari Insaat Ticaret Ltd. St. (panel products, plywood, oriented strand board and H20 timber beam).

The delegation also visited 19th International Furniture Side Industry, Accessories, Forestry Products and Wood Technology Fair (Intermob Istanbul). Intermod Istanbul is the biggest timber and furniture fair in Turkey and more than 400 exhibitors from 22 countries including Turkey participated in the fair. The exhibitors showcased a comprehensive range of products, services and modern technologies to support the construction growth of Turkey. The event provided a platform to timber raw materials suppliers, semi-finished products and component manufacturers, and machinery companies to cater the requirements of local wood working joinery, components and furniture industry.

As a whole and based on the observation and evaluation, this mission is beneficial for the Malaysian timber industrial players and both

countries (Iran and Turkey) are a potential market that has yet to be tapped and further explored by the Malaysian timber entrepreneurs. Therefore, aggressive promotional efforts need to be enhanced through activities such as business networking, joint ventures, business matching sessions as well as participation in Intermod Istanbul 2017. There is also a need to enhance awareness and knowledge of the industry in both countries visited on the varieties of Malaysian timber species since currently they are mainly importing timber from Europe, Russia, the US and Africa.

In addition, the Malaysian exporters were also urged to leverage on the implementation of MTFTA in which timber and furniture products have been granted with total tariff elimination for exportation to the Turkey market. In Iran, the Malaysian exporters should take advantage of the lifting of economic and financial sanctions by the United Nation on 1 January 2016. It is foreseen that the financial and banking system in the country will improve and eventually be more efficient and business friendly.

MTIB was also represented by Cik Hjh. Robiyah Husin from Trade Development and Encik Muhammad Akmal Jaafar represented MPIC. 



Factory visit.



Discussion with the Istanbul Timber Association.

NEXT GENERATION AGARWOOD - CULTIVATING A NEW GREEN ECONOMY



Assoc. Prof. Dr. Rozi Mohamed, Chair of ISSA 2016 Organising Committee delivering her welcoming remarks.

Agarwood or gaharu produces a unique aroma that brings a sense of tranquility, healing and spiritual cleansing in many traditions throughout the world. In modern times it is used as an ingredient in therapeutic medicines and perfumeries. The source of this precious wood comes from members of Karas (*Aquilaria*) and *Gyrinops*, two important genera in the plant family *Thymelaeaceae*. The Convention on International Trade of Endangered Species of Wild Flora and Fauna (CITES) has since listed the Gaharu-producing species; *Aquilaria* under Appendix II of CITES due to the threat posed by trade to the survivability of the species. These resources are under threat because of the unsustainable production of Agarwood – common methods include direct harvesting and indiscriminate felling of trees from natural forests. To lift the pressure on natural resources and to meet market demands, domestication efforts are currently ongoing. Selected species are being planted in mass plantations. In many sourcing countries, Agarwood is moving from a simple forest-dependent livelihood source for the local people, into an industrial scale operation. In coming years, the agarwood source will shift from wild forests to plantations.

In an effort to further develop the Karas and gaharu industry in Malaysia, Universiti Putra Malaysia (UPM) has collaborated with MTIB, Forest Research Institute of Malaysia (FRIM), Forestry Department of Peninsular Malaysia (FDPM) and Asia Pacific Association of Forestry Research Institutions (APAFRI) organised International Scientific Symposium on Agarwood

(ISSA 2016) held in Putrajaya from 10 to 12 October. The objective of the triennial seminar was to provide a platform for exchange of ideas and information. It aimed to discuss and evaluate the latest approaches and techniques in Agarwood research and production while strengthening international cooperation and networking in Agarwood conservation, research and innovation.

YB Dato Sri Dr. Haji Wan Junaidi bin Tuanku Jaafar, Minister of Natural Resources and Environment officiated the closing ceremony and noted the conservation of each of *Aquilaria* species was crucial to ensure it is sustainably towards the economic and social benefits. While the trade and businesses of Agarwood create products that benefit many consumers, it also creates jobs that support the livelihood of people both in urban and rural areas. Due to these benefits, producing and importing countries together should strive for a green economy and identify ways to maximise sustainable Agarwood production, as the *Aquilaria* species is listed under Appendix II of the Convention on International Trade in Endangered Species of



Attendees at the symposium.

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Wild Fauna and Flora (CITES). He further stressed that it is very important for the industry to get a continuous supply of gaharu from plantation sources in the near future.

A total of 26 papers were presented from various presenters from 13 countries during the symposium covering the topics of Conservation and Sustainable Use, Policies and Regulations, Agarwood Induction and Biosynthesis, Molecular and Biotechnology, Extraction Technologies and Chemical Constituents, Tissue Culture of Aquilaria and Products Development. YBhg. Dato' Dr. Jalaluddin Harun, MTIB Director-General presented a paper entitled the Overview of Karas Plantation Industry in Malaysia and Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General presented on the Agarwood Policy and Regulations. There was

also an Agarwood Exhibition held in conjunction with the symposium which could accommodate 12 local companies exhibited various products of Agarwood from the Karas seedlings up to the high value-added products such as perfume, cosmetics and Karas tea.

A field visit was organised on the third day of the symposium where the participants visited a Karas plantation owned by Negeri Sembilan Forestry Department, located in Jelebu, Negeri Sembilan. The plantation was three acres and the species planted here is Aquilaria malacensis.

A total of 120 participants comprising individuals, representatives of government agencies, and company representatives both local and international attended the seminar. 

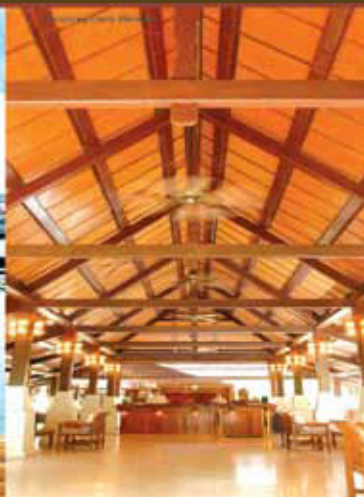
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CITES CoP17 : MORE TIMBER SPECIES LISTED



The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is an international legally binding agreement between governments, which was adopted on 3 March 1973 and came into force on 1 July 1975. It is a framework for the prevention or regulation of trade in endangered species. The main focus is to ensure that international trade in specimens of wild animals and plants does not threaten their survival. Malaysia became a signatory to CITES, 39 years ago in October 1977.

International wildlife trade is estimated to be worth billions of dollars. The trade ranges from live animals and plants, to a vast array of wildlife products derived from them, including exotic leather goods, wooden musical instruments, timber and medicines. Levels of exploitation of some animal and plant species are high. The trade in them, together with other factors, such as habitat loss, is capable of heavily depleting their populations and even bringing some species close to extinction.

CITES protects more than 35,000 species of animals and plants. There are about 5,600 species of fauna and 30,000 species of flora, and they are listed in three CITES Appendices, according to the degree of protection needed. Appendix I is used as a last resort, to help avoid the extinction of a species.

For many years CITES has been among the largest conservation arrangements with the largest membership, with now 183 Parties. The CITES Conference of the Parties (CoP) is the ultimate decision-making body of the Convention and comprises all its Parties. Regular meetings of CITES CoP takes place every three years. The 16th meeting of the Conference of the Parties (CoP16) was held in Bangkok, Thailand in 2013.

The 17th CoP took place in South Africa from 24 September to 4 October in Johannesburg. Malaysian participants comprised 14 representatives from various agencies in Malaysia, which was led by the Secretary-General of Ministry of Natural Resources and Environment (NRE). Prior to the CoP, a Ministerial Meeting was convened, and The Honourable Minister of NRE was in attendance.



Malaysian delegates at the Sandton Convention Centre, Johannesburg.

MTIB's participation at the Conference was to provide input regarding trade and to support matters pertaining to the enforcement of CITES compliant timber species. It also aimed at keeping abreast of issues concerning timber trade and enforcement.

CoP17 was officiated by South Africa President Jacob Zuma, on 24 September 2016. He noted that within the 2030 Agenda for Sustainable Development, which was adopted at the United Nations in 2015, the goals that promoted the protection and sustainable utilisation of natural resources, were also included.

"It is also important for all to remember that natural resources do not only sustain livelihoods of communities. They are also critical in promoting economic development", President Zuma added.

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Rosewood has been subject to increasing demand over the past decade, created mostly by the increasing wealth of the middle class in China. As such, tree species that produce precious woods under the umbrella term 'Rosewood' have begun to feature more prominently in discussions amongst Parties to the CITES. *Dalbergia* and *Pterocarpus* are the two Rosewood genera that are heavily traded. They are being plundered to feed a booming luxury furniture market. Existing loopholes in legislation, corruption, limited enforcement capacity across the globe, will allow illegal traders to continue to exploit these precious resources with little to no ramifications. Alas, the local communities and governments lose their vital revenue, livelihoods and their habitats. Stricter regulation is therefore important to put the 'rampant' trade to a halt.

Timber identification is an issue which has been discussed in CITES. Due to the increasing number of tree species, particularly timber, the identification of timbers requires prompt attention, and the development of relevant capacities and materials can be considered a priority. It is therefore necessary for all Parties to expand and create scientific references essential for the development of methodologies to identify CITES-listed tree species; and distinguish them from look-alike species, in accordance with current best practices regarding collection and facilitation of exchange of reference materials.

As for *Dalbergia*, there have been several previous attempts to list the *Dalbergia* species in CITES. CoP17 has finally adopted the inclusion of the entire genus *Dalbergia* into Appendix II. Malaysia supports the proposal as, in the absence of comprehensive timber identification at species level; and the ability of the frontliners to reliably distinguish between the various species of *Dalbergia*, broad coverage of CITES listing is duly recognised. It would help all Parties in addressing cases involving varieties of Rosewood, and the timber would be identified, only at genus level.

Thailand's proposal to include all parts and derivatives, and not just sawn wood and veneer sheets from *Dalbergia cochinchinensis*, was also adopted by CoP17. As for *Pterocarpus*, there are two species being listed under Appendix II, upon the newly inclusion of *Pterocarpus erinaceus*.

Malaysia is the range state of Agarwood (*Aquilaria* spp). The timber was listed in 1995, and since then, the trade of woodchips, woodpiece, woodblock, unused sawdust and essential oil are subject to the

annual export quota. Malaysia supports the move to generate and compile biological and ecological data of Agarwood-producing species, and develop policies to encourage the sustainable use and trade in parts and derivatives of artificially propagated Agarwood-producing trees.



Malaysian delegates, led by the Secretary-General of Ministry of Natural Resources & Environment assisted by the DG of Wildlife Department.

The wild *Crocodylus porosus* population in Sarawak has increased significantly over the last 30 years due to successful conservation actions, which have led to a substantial increase in human-crocodile conflict. Hence, Malaysia introduced the proposal to downlist the salt-water crocodile from Appendix I to Appendix II, and CoP17 adopted the proposal without amendments. In addition, upon Malaysia's proposal to include earless monitor lizard (*Lanthanotus borneensis*) into CITES listing, CoP17 has decided to list the lizard in Appendix II.

There were about 100 side events convened on the side of the Conference. A side event which was of interest to timber is the ITTO/CITES 13th Advisory Committee Meeting. It is a Programme for Implementing CITES Listings of Tropical Species. The meeting was held on 3 October 2016, deliberating a collaborative program between ITTO and CITES with financial support through the EU and ITTO donors. The Programme, which started in 2007, assists countries to improve the management of tree species listed in CITES. The ITTO-CITES Programme is about to complete its second phase of operations. There are plans for future collaborative work between CITES and ITTO on CITES-listed tree species, given that more than 200 tropical tree species were added to CITES appendices at CoP17.

CoP17 is seen as a game-changer that delivered new frontiers for wildlife. For the first time, Parties took decisions on corruption, cybercrime, traceability and demanded reduction for illegally traded animals

ADAPTATION TO NEW PRODUCTION TECHNOLOGY AND SKILL UPGRADING: VISITING POLAND FURNITURE INDUSTRY



The delegation was briefed on the company's production by Mr. Marcin Berezewski, Technical Manager of Calitan Furniture Factory.

MTIB organised special technical visit to Poland in Eastern Europe from 1 to 7 October. The purpose of the visit was for the recipients of the hi-tech machines produced by BIESSE Group (Italy) to familiarise and understand the advanced processing technology being utilised by the furniture industry in Poland. MTIB had embarked on a special project in 2014 by purchasing advance machines from Italy, Germany and Taiwan and giving them out on a loan basis to Bumiputera entrepreneurs. BIESSE Group (Malaysia) supplied hi-tech machines such as CNC, panel saw, edge bander and skipper to the entrepreneurs and also arranged a visit to the Polish furniture industry as a part of its obligation to enrich the knowledge and skills of the users.

BIESSE Group (Malaysia) arranged visit for the Malaysian group consisting of one MTIB Officer and eight representatives of Bumiputera companies. The group visited Calitan Furniture Factory and Da Gama Mebel, the two establishment that produces panel products such as bedroom sets, kitchen cabinets, wardrobes and entertainment consoles. These companies also have a long-term contract with the world renown retail giant – IKEA. Tom-Pol Mebel Tapicerowane produces sofa furniture using high-grade cow leather.

The furniture companies in Poland maintain a very systematic processing production line. They established the Computer Integrated manufacturing

(CIM) system to gauge the quality process in various segment of its production. A majority of these companies utilise BIESSE machines such as the panel saw optimiser, laser guide angular saw, CNC edging, CNC boring, double side edging and CNC nesting. Through the CIM system each factory has set up its own CIM software in the production process. The managers then set the machines

following systematic process flow. The CIM software is a very helpful tools to the companies as it includes various supporting material such as computer aided designs, computer aided engineering, computer aided machineries, material requirement planning, enterprise resource planning and production planning and control. These systems will work in tandem for manufacturers to produced quality materials or components starting from specific orders from the customer right to finish product and ending with quality delivery.

The companies being visited adopted very well to the CIM system and managed to increase their productivity, efficiency and quality, meeting the standard set by the customer and maintaining competitive pricing for their products. The system



Group photo in front of Tom-Pol Meble Tapicerowane's office.

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and machines make planning and work processing easier, ultimately reducing the number of workers. Noticeably the Malaysian entrepreneurs learned about seven wastage during production process that need to be addressed seriously. They are overproduction, waiting time, non-utilised talent, inventory, transportation, non-motion, extra processing and defect.

The group noted some of the things that could be learnt and adopted for own use during the visit. Production capacity can be improved and increased through improvisation of the automatic cutting process in the production line. Planning and arranging to cut patterns accordingly will cut production time. The machine layout and position must be based on the regular flow of the work process as it will reduce space and production time. Plan the work process through an automated

mechanical system and ascertain enough number of workers. It will cut production cost and deployment of good space movement. Establishment of 'a pull system' concept in the production line must be implemented. The manufacturing of the prescribed products is only carried out when a booking has been made. It is also important to provide a buffer space zone to avoid disruption to the machines producing other furniture items.

The participants acknowledged that the visit had given them very useful knowledge and awareness. Encik Mohd Asmawi Mohd Afandi from MTIB headed the study visit. The Bumiputera companies which participated are Mazarul Enterprise Sdn. Bhd., Nik Lah Sdn. Bhd., Camar Kreatif Sdn. Bhd., Ruang Idea Kreatif Sdn. Bhd., AbanD Industries Sdn. Bhd., Meranti Furniture Sdn. Bhd., A.N. Interior Sdn. Bhd. and JAFI Industry Sdn. Bhd. 

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Timber News

and plants. Wildlife is now firmly embedded in the agendas of global law enforcement, development and financing agencies.

These will be further deployment of collective capacity and expertise to implement the Convention on the frontlines of conservation. Decisions taken will affect wildlife and ecosystems, as well as people and economies. At CoP17, CITES was positioned as

an agreement that is critical for achieving broader goals and targets, including Agenda 2030 and its Sustainable Development Goals. In Johannesburg, for the first time, the voices of rural communities and youth were amplified by bringing them right to the heart of the meeting. The Closing Ceremony was held on 4 October, by Dr. Edna Molewa, Minister of Environmental Affairs of South Africa. 



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Malaysian Timber Industry Board
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PROMOTING TIMBER AND FURNITURE BUSINESS AT TRADE SHOWS AND EXHIBITIONS



At one of the local exhibitions.

A trade show is an event where goods and services from a specific industry are exhibited and demonstrated. Trade shows are generally targeted at an industry and the people involved or interested in that industry. Exhibiting at a trade show can be a great way to advertise to a target market and create brand awareness. A general exhibition is similar except that its audience is normally the general public.

As such, trade shows and exhibitions have traditionally been and continue to be an excellent way to promote businesses and the products and services offered. They are also a great way to network with other industry members, and to grow a customer base. With the advances in social media marketing and internet technology, like webinars, Google hangouts and video conferencing, the value and benefits of marketing via trade shows increased. Though technology is constantly changing marketing strategies, there are still several benefits from having a physical exhibit presence at a trade show.

There are some key benefits of having a trade show marketing presence:

1. Trade Shows Create Lasting Impressions if Done Right

The main purpose of trade shows is to showcase a wide variety of options for attendees and businesses to engage in. A well-designed trade show booth showcases enticing product displays in an attractive interior and exterior décor. With a few attractive promotional items, contest opportunities with giveaways and sales collaterals to draw attendees' attention, exhibitors will draw traffic

to their booths and assure a well-rounded booth experience. Consider having attendees enter a draw by submitting business cards or completing an action on social media. These types of promotions serve dual purposes - increasing engagements and capturing potential contact information.

2. Trade Shows are Incredible Face-To-Face Marketing Events

When it comes to influencing a decision, nothing can compete with face-to-face interaction. Trade shows provide opportunities to engage with current customers and attendees. Be it marketing a service or selling a new product, a personal presentation and short question-based conversation afterwards can help to close the deal much quickly compared to an email sharing the latest sales promo. This makes pre-show planning a key to trade show success. It is also good if the company has an employee who is skilled at attracting customers and has excellent inter-personal skills to be part of the sales team. The cost to bringing them to the trade show event could pay for itself within hours of the show starting.

Depending on the type of business, product and market testing can be carried out at trade shows and exhibitions to gain industry or general opinion about the offering while providing opportunities to branch out to business-to-business trading and creating a customer database.

The exhibitors will also have the opportunities to conduct some demonstrations to the visitors particularly if the products requires explanations and physical demonstrations on their usage. Exhibitors will be able to gain immediate feedback from the customers.

3. Tradeshow Lead Generation Potential

Exhibitions are open to a large and sometimes diverse range of audiences. This provides exhibitors with a platform to promote their products or service to a broader circle of visitors who may have little or no knowledge of the products and services. Furniture for example, has many market segments to be explored and participating at the fairs will give them the opportunity to target potential buyers from certain segments.

When it comes to trade show benefits, this is one of the biggest. Major trade shows have massive followings and attendance. For example, the Milan

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Furniture Fair occupies about 230,000 square metres, with about 2,500 exhibitors. It was visited by more than 270,000 people from 150 countries. Each attendee of a trade show is a potential lead waiting to be captured. Having QR codes linked to social media accounts or lead generation pages, asking for contact information during a presentation and getting their business cards are all great ways to get fresh leads in the sales pipeline. Make it clear to them that the exhibitor will be contacting them after the show. It is advisable to always follow up with the candidates while the event is still fresh in their minds.

4. Trade Shows Target Audiences for Direct Sales Opportunities

Most conventions and trade shows have a specific market or niche that they focus on. By exhibiting at popular trade shows particularly within our timber and furniture industry, the odds are very high that we will have exposure to an audience that is likely to have an interest in our product or services and are ready to buy. Exhibitors must always have something to sell at a trade show: whether they only bring their latest products or they bring a wide range of products to showcase. The opportunity to generate sales should not be missed. As for furniture and timber exhibitors, we should also not miss out on any sale opportunity so it is always advisable to bring along cash-and-carry items as well as provide delivery services for products sold at the event.

5. Trade Shows are Cost-Effective Networking and Advertising

Designing an attractive trade show booth, renting space on the trade show floor, traveling to and from the show, paying for lodging and meals can seem like a steep price tag for a single marketing event. Therefore, it is good if the exhibitors have done pre-show marketing work leading up to the event

as that can help increase the possibility of new businesses which would far exceed the investment. Though it might take a larger initial investment to showcase a business at a trade show than other advertising or networking methods, the cost to convert a prospect into a sale is often much lower than the other alternatives. With proper research and planning, trade shows are one of the most cost-effective sources of possible leads and sales.

6. Trade Shows Level the Marketing Field

Another important benefit to trade show marketing is the low cost barrier to get involved. From locally owned small businesses to multinational corporations, everyone has access to the same attendees at a trade show. It is almost as simple as paying for your exhibit location space, designing the trade show display booth, promoting the business leading up to the tradeshow and interacting with the audience during the show. Even a relatively unknown business can generate large numbers of sales and leads through trade shows. Certainly this is possible via other marketing channels, but few are as easy to execute as trade shows can be.

Trade shows offer big benefits to businesses of any size. By combining exposure to a large number of potential leads with the ability to interact personally, trade shows offer an experience for both the business and attendee that other forms of marketing cannot.

Some Tips in Getting the Most Out of a Trade Show or Exhibition

Once a company has signed up for a trade show or exhibition, it is a must that they read over the agreement with the organisers and make sure that they understand what is included in the package. There will be a range of different tasks to organise before, during and after the event.



VIPs at the Johor Wood & Lifestyle Fair held at Galeri Glulam Johor Bahru.



At the local fair.

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Before the Show

- Market and promote the trade show or exhibition attendance through the website and industry newsletters or magazines. If the company already has a customer database, it is advisable for them to send out invitational newsletters or emails about the event.
- Ensure that the products and collateral (flyers, handouts, etc.) are up to date and contain useful information and contact details.
- If the company is selling products at the trade show, make sure the purchasing process is easy for buyers to make purchases there or in the future.
- Use unique selling propositions to market the product or service and consider giveaways or a competition to attract customers to the display booth.
- Brief staff that are attending the trade show on correct etiquette when speaking with potential customers. Make sure the staff have thorough product and service knowledge and good customer service skills.
- Think about ways to receive feedback (e.g. feedback forms, prizes for completing surveys). This will be useful for deciding whether to exhibit at other shows and how to improve the offering. Ask customers if they would like to be added to the company's database and receive regular updates on products and services.
- Stick to the budget decided upon before the show begins.



Milan Furniture Fair 2016

During the Show

- Attract visitors to the booth through visual displays that clearly promote the product or service. Visitors should be able to very quickly work out what the company is offering.
- Engage the visitors, make eye contact and smile. Most visitors will respond by looking at the products or services that the company have to offer.
- Ensure the staff are not too pushy or overbearing with visitors. The visitors need to be informed about the products and services, but be careful of driving potential buyers away with aggressive selling.
- Ask for feedback from the visitors.



High Point Market



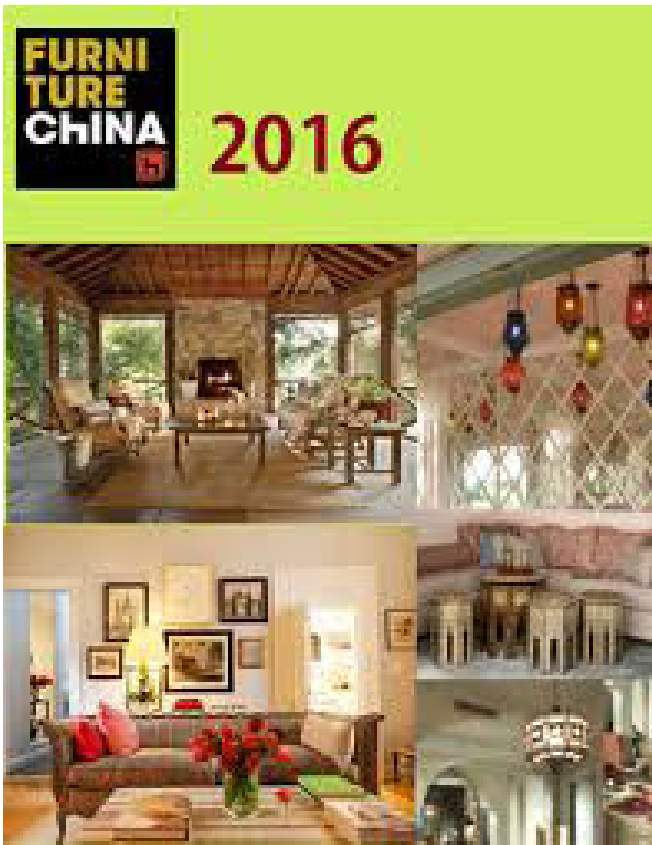
Furniture Fair in China

After the Show

- Look at the feedback from visitors, have a debrief meeting with staff, check post-trade show sales, review new customer databases, and self-evaluate the effectiveness of the trade show. This will help the company to make a decision on attending a trade show in the future.

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MTIB in its effort to enhance its activities on marketing and promotion of timber and timber products as well as furniture will continue to organise and participate in relevant trade shows and exhibitions organised domestically or internationally by any government agency or the private sector. Trade shows and exhibitions have proven to be an important activity

that can contribute to the success of a company in terms of sales and capacity development.

MTIB has invited all timber and furniture industry players to register their interest and response to MTIB's invitation to participate at trade shows to ensure they will not miss out on the opportunity to be part of the trade show team. The Malaysian government has also shown its commitment by allocating some budget to develop entrepreneurs in the industry through marketing and promotional activities under the "11th Malaysia Plan : High Value-added Entrepreneur Development Project", which includes, participation at trade shows and exhibitions. In the last two years, MTIB has organised and participated at more than 20 trade fairs and exhibitions per year.

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 MTIB 



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

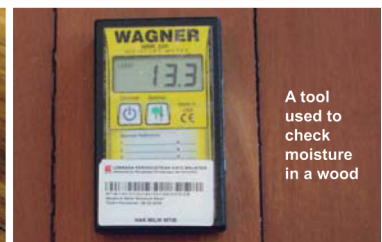
For more information and enquiries:



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INDIAN TIMBER MARKET : EXPLORING ITS MARKET POTENTIAL



Introduction

India is a country in South Asia and is the seventh-largest country by area, the second-most populous country (with over 1.2 billion people), and the most populous democracy in the world. It is bounded by the Indian Ocean on the south, the Arabian Sea on the southwest, and the Bay of Bengal on the southeast. It shares land borders with Pakistan to the west; China, Nepal, and Bhutan to the northeast; and Myanmar and Bangladesh to the east. In the Indian Ocean, India is in the vicinity of Sri Lanka and the Maldives. India's Andaman and Nicobar Islands share a maritime border with Thailand and Indonesia.

Economy

India is developing into an open-market economy, yet traces of its past autarkic policies remain. Economic liberalisation measures, including industrial deregulation, privatisation of state-owned enterprises, and reduced controls on foreign trade and investment, began in the early 1990s and served to accelerate the country's growth, which averaged under 7% per year from 1997 to 2011.

India's economic growth began slowing in 2011 because of a decline in investment caused by high interest rates, rising inflation, and investor pessimism about the government's commitment to further economic reforms and about slow world growth. Rising macroeconomic imbalances in India and improving economic conditions in Western countries led investors to shift capital away from India, prompting a sharp depreciation of the rupee.

Growth rebounded in 2014 and 2015, with both years exceeding 7%. Investors' perceptions of India improved in early 2014, due to a reduction of the current account deficit and expectations of post-election economic reform, resulting in a surge of inbound capital flows and stabilisation of the Rupee. Since the election, economic reforms have focused on administrative and governance changes largely because the ruling party remains a minority in India's upper house of Parliament, which must approve



most bills. Despite a high growth rate compared to the rest of the world, in 2015, India's government-owned banks faced mounting bad debt, resulting in low credit growth and restrained economic growth.

On 8 November 2016, Prime Minister Narendra Modi, announced the demonetisation of higher denomination currency notes. A move to curb hoarding of black money in our country, the surprise move entails numerous benefits for the Indian economy. Demonetisation may have caused some trouble to honest citizens, but for the rest this is proving to be a nightmare. Like PM Modi said, the honest are sleeping peacefully while the corrupt and wrong doers are on sleeping pills. PM Modi, in one single move has managed to tackle many serious issue.

Basic Indicators

Population	- 1,267 billion
Age Structure	- 15-64 years (58.9%)
GDP/GDP grow	- 7.3%
GDP per capita	- USD6,200
Inflation Rate	- 4.9%
Labour Force	- 502 million
Area	- 3,287,263 sq km.
Export value	- USD272.4 billion

Export commodities: petroleum products, precious stones, machinery, iron and steel, chemicals, vehicles, apparel

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Import value: USD390.74 billion

Import commodities: crude oil, precious stones, machinery, fertilisers, iron and steel and chemicals.

Malaysia's Export of Timber and Timber Products to India

Export of timber and timber products to India has been on an increasing trend. In 2011 and 2012, exports totalled RM1.51 billion and RM1.47 billion respectively. Exports, however, increased slightly by 0.07% to RM1.53 billion in 2013. In 2014, exports further increased 16% to RM1.77 billion and increased 7% in 2015 to RM1.89 billion.

Logs have been the main export to India and the amount has been increasing. In 2011, exports totalled RM1.13 billion. In 2012, exports dropped by 7% to RM1.05 billion. The exports however increased 7% to RM1.12 billion in 2013. In 2014, exports were at RM1.28 billion and in 2015, at RM1.27 billion, a marginal decrease.

Malaysian wooden furniture export has shown a fluctuating trend. Exports decreased from RM155.6 million in 2011 to RM151.8 million in 2012. In 2013, exports decreased further to RM108.9 million. However, in 2014 exports increased by 27% to RM137.8 million and further increased in 2015 to

RM150.7 million. Furniture exports to India mainly consist of wooden upholstered furniture, office, kitchen and bedroom furniture.

Exports of sawntimber totalled RM13 million in 2011. In 2012, exports increased substantially to RM15.2 million and hovering at RM15 million in 2013. However, in 2014 exports increased vastly to RM43.5 million. In 2015 exports increased massively to RM131.2 million.

Plywood exports to India totalled RM29.2 million in 2011. Exports registered a reduction in 2012 to RM22.3 million. However exports increased in 2013 to RM23.2 million and continued to increase in 2014 to RM27.8 million. In 2015, export of plywood were at RM27.1 million.

Exports of particleboard totalled RM72.7 million and RM62.0 million in 2011 and 2012 respectively. However, in 2013, particleboard exports dropped heftily to RM47.2 million. In 2014, it dropped to RM35.6 million and in 2015, it increased to RM57.6 million.

Exports of BJC on the other hand, totaled RM61.1 million in 2012, an increase of 10% from the previous year and in 2013 exports dropped to RM56.9 million. In 2014, BJC exports increased to RM63.4 million and in 2015 exports were at RM68.1 million.

Malaysia: Export of Timber Products to India, 2011-2015

(FOB Value: RM '000)

Product	2011	2012	2013	2014	2015
Logs	1,134,357	1,050,663	1,117,551	1,275,236	1,269,494
Sawntimber	13,021	15,162	15,152	43,514	131,185
Plywood	29,169	22,319	23,215	27,785	27,099
Veneer	124	1,787	1,796	2,918	6,151
Mouldings	4,876	1,858	4,129	5,046	6,909
Particleboard	72,664	62,006	47,200	35,581	57,624
Fibreboard	37,311	30,882	18,368	8,553	16,774
Wooden Frame	119	143	58	109	84
BJC	55,334	61,072	56,929	63,352	68,079
Wooden Furniture	155,640	151,800	108,894	137,809	150,658
Rattan Furniture	191	346	398	7,363	3,137
Other Products	2,653	76,685	135,336	163,786	152,833
Total	1,505,461	1,474,724	1,529,027	1,771,052	1,890,030

Source: Department of Statistics Malaysia (DOSM) and MTIB

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Malaysia: Export of Timber Products to India, 2011-2015(Volume: m³)

Product	2011	2012	2013	2014	2015
Logs	1,879,196	1,826,844	1,788,275	1,819,101	1,585,817
Sawntimber	10,130	11,343	11,276	31,246	77,011
Plywood	23,962	26,740	15,588	13,450	12,041
Veneer	158	2,520	1,698	2,041	3,082
Mouldings	2,361	732	2,500	2,400	3,772
Particleboard	123,357	115,454	102,758	73,160	95,379
Fibreboard	46,808	35,837	24,204	9,823	17,782

Source: DOSM and MTIB

Malaysia's Import of Timber Products from India

Malaysia's import of timber products from India is small but shows an increasing trend. Imports totalled RM3.04 million in 2011 and increased to RM9.43 million in the following year. Imports

however, decreased to RM7.73 million in 2013 and in 2014, peaked further to RM8.40 million. In 2015, imports increased tremendously to RM15.21 million.

Malaysia's main imports of timber products from India are wooden furniture, veneer, plywood, BJC, fibreboard, densified wood and particleboard.

Malaysia: Import of Timber Products from India, 2011-2015

(FOB Value: RM '000)

Product	2011	2012	2013	2014	2015
Logs	-	-	-	-	-
Sawntimber	-	566	948	2,854	224
Plywood	472	149	438	266	105
Veneer	-	977	2,285	832	3,591
Mouldings	10	-	10	-	-
Chipboard/Particleboard	130	54	124	22	-
Fibreboard	109	57	240	344	414
Wooden Frame	15	16	11	-	37
Builders Joinery and Carpentry	183	41	91	69	139
Wooden Furniture	1,060	6,608	846	2,380	7,038
Rattan Furniture	73	16	79	252	32
Other Products	997	944	2,661	1,383	3,629
Total	3,048	9,429	7,733	8,403	15,209

Source: DOSM and MTIB

Import Tariffs for Timber Products

Tariffs for timber and timber products have been reduced significantly with most rates at 10%. For example, import duty for logs was reduced from 140% to 5% in 2004. Basic duty for other timber

products are at 10% but other duties such as excise duty, excise cess, education cess and countervailing duties are also being levied. These duties can come up to between 9.3% and 36.7%. Basic import tariffs are as follows:

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India: Import Tariffs for Timber Products (MFN)

Products	Tariff Rates (%)
Logs (4403)	5
Sawntimber (4407)	10
Plywood (4412)	10
Veneer (4408)	10
Mouldings (4409)	10
BJC (4418)	10
Particleboard (4410)	10
MDF (4411)	10
Furniture (HS 9403)	10
Seats (HS 9401)	10

India: Import Tariffs for Timber Products Rates under Malaysia India Comprehensive Economic Agreement *(MICECA) Effective 1 July 2011

Products	Tariff Rates (%)
Logs (4403)	0
Sawntimber (4407)	0
Plywood (4412)	0
Veneer (4408)	0
Mouldings (4409)	
BJC (4418)	0
Particleboard (4410)	0
MDF (4411)	0
Furniture (HS 9403)	0
Seats (HS 9401)	0-5

*The MICECA is a comprehensive Agreement covering Trade in Goods, Trade in Services and Economic Cooperation between Malaysia and India.

Prospects

The 'Make in India' initiative which was launched by Prime Minister in September 2014 is as part of a wider set of nation-building initiatives and devised to transform India into a global design and manufacturing hub. It was a powerful, spurring call to action to all India's citizens and business leaders, and an invitation to potential partners and investors around the world.

'Make in India' is much more than an inspiring slogan. It represents a comprehensive and unprecedented overhaul of outdated processes and policies. Most importantly, it represents a complete change of the Government's mindset – a shift from issuing authority to business partner, in keeping with Prime Minister's principle of 'Minimum Government, Maximum Governance'.

India's annual timber and timber products import, mostly of tropical hardwoods, have trippled in the last five years and now exceed two million cubic metres per year. Demand for imported tropical timber is expected to continue to grow and could approach 10 million cubic metres by the end of the decade.

India is a timber deficit country and its annual timber requirement is approximately 45 million m³. India's demand for wood is mainly from the household furniture manufacturing sector, construction industry, wood-based industries and also as firewood.

As India has already been importing timber and timber products from Malaysia, there is prospect for growth in future trade. It provides a potentially vast market for consumers and industrial products, particularly when access is further liberalised bilaterally under MICECA. 





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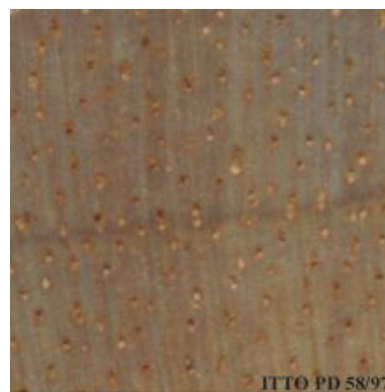
Lukisan Seribu Makna, Kayu Eratkan Semua
A Picture Paints a Thousand Words. Wood Binds Them All

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OTAK UDANG TUMPUL – SUITABLE FOR PANELLING



Wood macro photo radial plane.



Wood micro photo of transversal section.

SCIENTIFIC NAME

Buchanania arborescens (Blume)

FAMILY

Anacardiaceae

COMMON NAMES

Sparrow's mango, Kepala tundang (Brunei Darussalam), Rengas laut (Sarawak, Beluno-beluno (Sabah), Balinghasai (Philippines), Luaet khwai (Thailand), Caay muwng ri (Viet Nam), Otak udang tumpul (Malaysia), Mamuang kheer kratai (Thailand), Rawa-rawa pipit (Indonesia), Getasan (Indonesia), Popohan (Indonesia), Chaa muang (Thailand), Rengas ayam (Brunei Darussalam).

SCIENTIFIC NAME SYNONYMS

Coniogeton arborescens Blume, *Buchanania florida* var. *dongnaiensis* Pierre, *Buchanania florida* var. *arborescens* Pierre, *Buchanania florida* Schauer

DESCRIPTION OF THE TREE

It is a small tree, rarely up to 28 m tall, 60 cm in diameter. The bole is cylindrical, with small buttresses. *Buchanania arborescens* grows in lowland forests up to 500 m of altitude by the river banks. It is widespread throughout South-east Asia and New Guinea to Solomon Islands.

The sawdust of this species may cause dermatitis.

WOOD IDENTIFICATION

Wood diffuse porous. Occasionally tangential diameter of vessel lumina 200 micras or more. Occasionally tyloses common. Vessels per mm² five to 20. Vessels per mm² less than six (rare). Simple perforationcober plates. Vessel-ray pits coarse in marginal rows. Intervessel paratracheal axial parenchyma scanty and/or vasicentric. There are two cells per parenchyma strand; Three to

four cells per parenchyma strand. Five to eight cells per parenchyma strand. Four to 10 rays per mm (medium). Occasionally larger rays are more than four seriates. Prismatic crystals in radial alignment in procumbent ray cells (chambered cells). Occasionally body ray cells procumbent with over four rows septate fibres are present. Fibres are very thin walled. Fibres are with simple to minutely bordered pits.

GENERAL WOOD DESCRIPTION

The sapwood is not clearly defined, white to pale pink. The heartwood ranges from pinkish-brown or gray-brown. The grain is straight or slightly interlocked. The texture is fine to moderately fine and even. Timber of this species is low in luster. The wood is non-durable when exposed to weather or in contact with the ground. In a graveyard test in the Philippines the wood lasted only seven months.

Wood processing is reported to be easy. This species is easy to plane. It has a good finishing. This species is reported to be easy to work with hand tools.

USES

The usage are for housing general, boards, frames, panelling, furniture and cabinets, plywood and veneer, turning, cutlery, packing, naval construction, musical instruments, cigar boxes, matches and mouldings.

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<http://mtc.com.my/external-wood-species/>



YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities (seated fourth from right) posing with MTIB officials and MFA members during a press conference at Wisma MFA, Muar, Johor on 26 October 2016.



Tuan Hj. Zulkepli Abdul Rani, MTIB Director of Licensing and Enforcement (centre) briefed on functions of MTIB to the delegates from China on 17 October 2016 at MTIB, Kuala Lumpur.



MTIB organised a workshop on Karas Carving from 24 to 27 October 2016 in Kota Kinabalu, Sabah.