

MASKAYU

VOL 11 : NOVEMBER 2019

ISSN 0126-771X



BUMIPUTERA FURNITURE
ENTREPRENEUR NATIONAL
SYMPOSIUM 2019

GGSC TRAINING WORKSHOP

ISSN 0126-771X



MALAYSIAN TIMBER INDUSTRY BOARD



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Cover :

YB Puan Teresa Kok,
Minister of Primary
Industries officiated the
Bumiputera Furniture
Entrepreneur National
Symposium 2019 at
UPM, Serdang, Selangor.
More story on the
symposium on pages 3
and 7.

BUMIPUTERA FURNITURE ENTREPRENEUR NATIONAL SYMPOSIUM 2019

news



YB Puan Teresa Kok, Minister of Primary Industries (centre) receiving a memento from Tuan Hj. Hanafee Yusoff from PEKA.



Attendees during official opening of the symposium.

In its effort to improve and increase the percentage of Bumiputera timber and furniture industry contribution to the nation, MTIB, Universiti Putra Malaysia (UPM) and Association of Malaysia Bumiputera Timber and Furniture Entrepreneurs (PEKA) jointly organised a symposium entitled Bumiputera Furniture Entrepreneur National Symposium 2019 on 25 November at UPM, Serdang, Selangor. The symposium was gracefully officiated by YB Puan Teresa Kok, Minister of Primary Industries.

YB Puan Teresa in her opening remarks said that based on the Malaysian furniture export performance, the Ministry has found that the timber industry players among Bumiputera entrepreneurs need to be improved. Bumiputera entrepreneurs have potential to participate and be more active in the national timber industry. Currently, the contribution of exports of timber and timber products by Bumiputera entrepreneurs is small with total Bumiputera factories ownership of 370 out of an estimated 3,500 factories in Malaysia.

She further highlighted that several factors that had been identified and influence the low participation of Bumiputera entrepreneurs. The timber industry is very competitive and requires effective

marketing strategies and strong management. The development of a comprehensive business plan is essential to ensure that Bumiputera entrepreneurs are able to grow their business network in the open market.

She also emphasised on the importance of strong supply chain and business network towards a business success. Therefore, despite a competitive environment, the Ministry through MTIB has always been committed to the Bumiputera entrepreneurial agenda in line with the National Entrepreneurship Policy which encompasses the empowerment of the Bumiputera economy. Furthermore, in the future, economic development is more collaborative, knowledge-oriented and skill based.

Eight papers were presented at the symposium and guest speakers were as follows :

- Tuan Hj. Hanafee Yusoff of PEKA spoke on Bumiputera Furniture Sector Today;
- Encik Norhaiza Nordin of Tunjang Bakawali Sdn. Bhd. spoke on Interpretation of the History and Art of Bumiputera Crafts;
- Prof. Dr. Jegatheswaran Ratnasingam of UPM delivered two papers on Developments and Performance of Bumiputera Entrepreneurs in



INDONESIA

New Government Programme to Partner Furniture Designers With Manufacturers

Indonesia's Ministry of Industry has launched a programme to promote the development of the Indonesia's furniture manufacturing sector. Abdul Rochim, Director General of Agro Industry in the Ministry of Industry said government support will focus on the development of creative and innovative design concepts for the industry.

The programme will seek to bring together designers, for example those associated with the Indonesian Furniture Designers Association (HDMI), with businesses. An extensive support pack is envisaged covering compiling furniture design catalogues, conducting market assessments through prototyping and market intelligence.

panelsfurnitureasia. 8 November



CHINA

European Spruce Imports Sharply Increase To 9 Million M³

According to the merchants in Taicang, the European spruce market was hot in October and the market transactions were good. However, in November, the European spruce market trend gradually began to flatten out. Merchants also reported that spruce has shined in the domestic market this year. Spruce imports increased from less than 300,000 m³ last year to 9 million m³ this year, an increase of up to 30 folds.

This due to the large number of local European trees broke out for insect pests. The local logging mills had to cut down spruce and other trees for disposal and sell them to the Chinese market. Because of their very low prices, they were favoured by Chinese businesses. «The purchase price of European spruce logs is only EUR90-100 per m³, which translates to less than Yuan 800 per cubic meter, which is almost RMB 200 per m³ cheaper than other species such as North American hemlock, which is extremely cost effective.

Chinatimber.org. 28 November



EUROPEAN UNION

New Book Shows How EU Can Reduce Emissions

The European Confederation of Woodworking Industries (CEI Bois) is calling on politicians to put wood at the centre of plans to reduce emissions and achieve zero carbon targets. CEI Bois has released a new publication, Wood: Building the Bio economy, which shows how the EU can reduce emissions by using low carbon, renewable, biological alternatives such as timber over high carbon materials such as concrete, steel and plastic. The book shows this would be good not just for the climate, but also the economy. Increasing the use of European wood-based products in global construction, textile and plastics markets could generate as much as EUR60 billion of revenue.

"If we are to restore balance in the atmosphere, we need to reduce emissions in the first place, while also increasing the capacity of the global carbon sink" said Patrizio Antonicoli, Secretary General of pan-EU industry body CEI Bois.

Forests and timber are part of both solutions, absorbing carbon from the atmosphere, and storing it as wood. Timber harvested from the forests can be turned into high-value products for construction using only a fraction of the energy and carbon that other materials would need.

The more Governments across the continent can support and invest in wood, the more valuable this bio economy can become, and helping to reverse the adverse climate and environmental impacts of human activity, and meet our obligations under the Paris agreement. EU forests provide a net sink of around 424 million tonnes of carbon dioxide every year, equivalent to around 10% of the total greenhouse gas (GHG) emissions of Europe.

Thanks to sustainable forest management by the industry, this massive carbon sink has grown by 9% in area as compared with 25 years ago. A total of 43% of the EU is now covered in trees, supporting the livelihood of around 3 million people, with forest producing around 470 million m³ of roundwood and building thousands of homes which are high quality, warm, and sustainable.

The development of cross-laminated timber (CLT) means timber can be have a higher strength to weight ratio than steel and the fire resistance to be used in high rise buildings, and universities and businesses continue to innovate to make it even more versatile.

As a material, timber lends itself to modern methods of construction, such as offsite, with timber frame able to be built up to a third quicker than other methods using brick and masonry and producing up to 90% less waste.

Timberbiz.com.au, 7 November

EUROPEAN UNION

Imports Of Tropical Decking And Moulding Grew

EU imports of tropical mouldings (which include both interior mouldings and exterior decking products) increased sharply, by 19%, to 157,600 metric tonne in the first nine months of 2019. Import value increased 26% to EUR239 million. EU imports of tropical mouldings increased from all the leading suppliers of this commodity in the first nine months of 2019 including Brazil (+21% to 66,300 metric tonne), Indonesia (+10% to 51,600 metric tonne), Peru (+20% to 8,600 metric tonne), Malaysia (+11% to 9,500 metric tonne), Gabon (+95% to 6,400 metric tonne) and Bolivia (+33% to 5,600 metric tonne). In the first nine months of 2019, imports of tropical mouldings increased in France (+36% to 49,500 metric tonne), Netherlands (+39% to 26,600 metric tonne), the UK (+26% to 9,400 metric tonne), Italy (+18% to 6,800) and Denmark (+18% to 3,800 metric tonne). However, imports weakened in Germany, down 6% to 28,300 metric tonne metric tonne, and Belgium, down 3% to 22,400 metric tonne.

Source: ITTO-MIS, 1-15 November

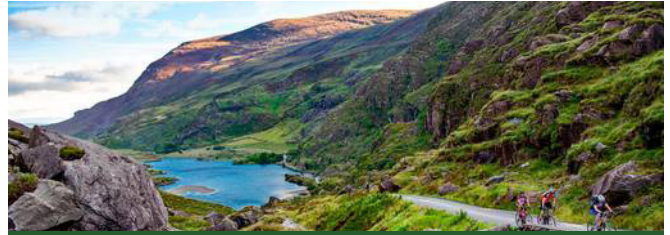
EUROPEAN UNION

European Consortium Forms To Turn Multi-Storey Timber Building Mainstream

Armed with EUR10 million in EU funding, a consortium of 21 European companies and organisations has formed to try and make timber the material of choice for multi-storey buildings instead of steel and concrete, reported the Global Construction Review. Over the next four years, they aim to remove barriers to timber construction by developing standard, industrialised timber building systems, while documenting the environmental, economic and social benefit test.

The group believes timber can be used to build the estimated 1.6 million new apartment units needed every year across Europe. Partners include universities and technical institutes as well as companies from different parts of the construction supply chain, from building materials and design to finished structures. UK timber specialist Waugh Thistleton Architects is the sole UK member of the group. Canadian construction group EllisDon is also a member. Called "Build-in-Wood", the initiative also involves end users, politicians, and local communities to push for the acceptance of wood as a building material. With funding from the EU's Horizon 2020 research and innovation programme, Build-in-Wood runs until August 2023.

PANELS & FURNITURE ASIA, issue November / December



IRELAND

Home-Grown Timber Marketing Strategy Launched

A marketing strategy has been launched to support and drive the Irish forest products industry in key end use markets. Forest Industries Ireland (FII), an organisation which represents companies from across the forestry and timber supply chain, has launched the strategy to drive growth and promote innovation and product development.

FII explained that the supply of wood from Irish forests would double by 2035, presenting significant opportunities for the forest products sector. This positive supply situation, it said, would drive a large and sustained growth in timber processing and valuable Irish exports and stimulate further investment by industry in the development of new wood and wood based products.

The strategy will position home-grown timber as the preferred sustainable material for key end use markets through implementing a wide range of market development and training initiatives targeting specifiers, end users and further through supporting education and skills development.

With supply increasing, a key enabler for the economic development of the forest products sector will be ensuring home-grown timber has access to valuable markets, said Des O'Toole, marketing and communications director, Forest Industries Ireland Promotions Group.

TTJ, 1 November



SWEDEN

Downturn In Forest Industry As Recession In Europe Progresses

Demand for the forest industry's products has been affected by the global economic slowdown, including a decline in construction. This is partly a natural consequence after a few years of strong growth. The

slowdown in the economy is compounded by trade conflicts, which have resulted in increased customs duties, lower efficiency gains from global trade and increased uncertainty, says Kerstin Hallsten, Chief Economist at the Swedish Forest Industries.

Spruce bark outbreaks in Europe and Sweden have resulted in unusually high felling levels. Therefore, there is a large selection of Spruce timbers and the total production level of Swedish sawmills is now at 19 million m³ per year, which is the highest level in 10 years. The production of Spruce trees stands out with an increase of 6 %, while Pine production is at unchanged levels compared to last year, says Jacob Andrén.

The brightest figures for the Swedish forest industry show the Swedish market mass. Market pulp is the pulp that the mills produce for external sales, unlike the pulp they produce for their own paper production.

So far this year, there has been an increase in production and deliveries of Swedish market pulp by about 13 %. This is due to the sharp increase in the Chinese market. At the same time, prices have gone down sharply. However, prices have been record high and are now approaching 2017 levels, says Katrin Heinsoo, pulp and paper analyst at the Swedish Forest Industries.

GWMI, 7 November



UNITED KINGDOM

To Extend Timber Legality Requirements After Brexit

At the UKCW, the biggest UK building industry show, the UK Timber Trade Federation (TTF) and the country's EU Timber Regulation and FLEGT Competent Authority, the Office for Product Safety and Standards (OPSS), teamed up to present on the implications of Brexit for importers' responsibilities under the EU Timber Regulation, or the UK Timber Regulation (UKTR) as it will be known after the country's EU departure.

Representing the TTF, head of sustainability Xiao Ma said importers should prepare for a no-deal Brexit and the UK trading under World Trade Organisation rules as there was currently no certainty that a deal would be struck at present, or what repercussions it might have for UK timber importing.

While the UK is assimilating the EUTR, as the UKTR, into post-Brexit UK law, Ms Ma said that, under its terms, all timber imports from the EU, whether they are transiting the latter or originate from EU countries, will have to undergo UKTR due diligence.

Currently, she said, just 12.62% of UK timber imports are sourced from outside the EU and subject to EUTR due diligence. That means that a lot more UK timber importers after Brexit will have to undertake due diligence, many of them for the first time, said Ms Ma.

Running through the due diligence procedure, she said, it requires full product information, including product type, timber species, quantity, supplier name, plus information on the country of origin and details of the supply chain. Supporting documentation is required and a summary of risks of illegality involved. If the risk is greater than negligible, importers must detail mitigating action.

The key for UK companies is to liaise with EU suppliers as soon as possible, said Ms Ma. The EU companies need to know the information required of them and UK importers if the supplier is willing to share it. Some EU suppliers may regard details of their supply chains, as commercially sensitive and confidential and be reluctant to divulge them.

GWMI, 4 November



AUSTRALIA

Native Timber Logging Ban in Victoria by 2030

The State Government in Victoria revealed its plans for the current level of native timber available for logging to be reduced from 2024-25. It has been reported a financial assistance package for the industry will be substantial and reach well into the hundreds of millions of dollars. It includes setting aside funding to establish 50,000 hectares of new plantations in a bid to offset the loss.

The plan also includes the release of the Greater Glider Action Statement, which makes another 96,000 hectares of forest across Victoria immediately exempt from logging in order to protect this iconic marsupial and other threatened species.

To assist businesses as they prepare for this transition, the Labour Government will provide dedicated funding to help local mills invest in new equipment that will allow them to process alternative timbers and support local jobs.

Timberbiz,.com.au., 7 November



YB Puan Teresa Kok, Minister of Primary Industries trying her hand at woodcarving at one of the exhibitor's booth.



Cik Hjh. Robiyah Hj. Husin, Director of Strategic Planning (centre) as a moderator during Q&A session.

the Furniture Sector and Recommendations, and Development Plan for Bumiputera Furniture Entrepreneurs;

- Tuan Hj. Kamaruzaman Othman of MTIB spoke on Wooden Furniture Entrepreneurs Empowerment Programme;
- Encik Albert Khoo, of Malaysian Furniture Council delivered on Building Smart Networking and Competitive Ecosystems;
- Tuan Hj. Suhaimi bin Saad from Furniture Industry Technology Centre spoke on The Role of Government Agencies in Entrepreneurship; and
- Cik Hazirah Ab Latib of UPM and Encik Mathivanan JR Nadarajah of PMC Enterprise presented on Strategies to Increase Engagement of Bumiputera Entrepreneurs in the Wood Construction Sector.

The symposium was followed by two Q&A sessions chaired by Assoc. Prof. Dr. Mohd Hasmadi Ismail of UPM and Cik Hjh. Robiyah Hj. Husin of MTIB respectively. More than 200 participants comprising representatives from local timber and furniture industries, government agencies and educational

institutions attended the symposium.

YB Datuk Seri Shamsul Iskandar Mohd Akin, Deputy Minister of Primary Industries officially closed the symposium. He congratulated MTIB, UPM and PEKA for successfully organising the symposium which is in line with the Ministry's intention to start an entrepreneurial agenda especially to strengthening the Bumiputera economy.

He further added that another aspect that needs to be emphasised is capacity building. Malay community is synonymous with the art of wood carving skills. Therefore, this 'golden hand' skill needs to be explored and utilised. This is because contemporary furniture design and carving art are in high demand especially in the West Asian market. This carving art design has the potential to expand to a higher level.

Lastly YB Datuk Seri Shamsul Iskandar urged the Bumiputera entrepreneurs of the furniture industry to increase their momentum and take advantage of this symposium.



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Malaysia: Westports' Expansion Project Expected to Get Government's Green Light

Source: Edge Financial Daily (The)

Port Klang is getting busier and may reach full capacity in five years. We believe the government's plan to increase cargo-handling capacity at Port Klang bodes well for Westports Holdings Bhd. Westports is finalising detailed plans for its massive expansion project "Westports 2" that should nearly double its capacity to 27 million twenty-foot equivalent units (TEUs) from 14 million TEUs currently.

The management targets to obtain the government's approvals and concessions by mid-2020. Westports 2's relatively lower capital expenditure and shorter development period, we expect the project to receive the government's green light ahead of the Carey Island project, if it's deemed feasible.

Malaysia: Tanjung Pelepas Port Intends to Raise Capacity to 30 Million TEUs by 2030

Source: Asian Shippers

The Port of Tanjung Pelepas (PTP) aims to expand its annual container handling capacity in phases to be able to handle 30 million TEUs by 2030, as well as attract further investments from multiple sectors especially from the logistics industry and turn Johor Bahru district into a regional distribution centre. Right now, the port is reaching 9 million TEUs and the capacity is 12.5 million TEUs with an 8% - 9% expansion annually. The PTP had achieved 7% growth last year, after handling 8.96 million TEUs

In July the port accommodated the world's largest containership MSC Gulsun that departed from PTP with 19,574 TEUs on board.

Shipments of Timber and Timber Products Through Ports in Peninsular Malaysia, October 2019

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change Oct 2019/ Sept 2019
	m ³	% Change Oct 2019/ Sept 2019	m ³	% Change Oct 2019/ Sept 2019	m ³	% Change Oct 2019/ Sept 2019	m ³	% Change Oct 2019/ Sept 2019	m ³	% Change Oct 2019/ Sept 2019		
Sawntimber	78,445	31	9,111	140	1,373	-12	420	-1	9,640	30	98,991	35
MDF	19,964	3	257	-33	5,311	-10	2,413	20	14,425	-5	42,369	-1
Mouldings	12,280	24	182	-20	1,829	21	973	-2	1,234	6	16,498	19
Plywood	9,807	166	165	100	45	669	395	42	10,001	6	20,413	52
Veneer	739	243	18	-95	30	-4	49	296	2,454	-3	3,290	3
Particleboard	35,262	25	99	-73	3,927	-3	333	40	7,214	-4	46,834	16
TOTAL	156,496	29	9,832	90	12,515	-4	4,585	16	44,968	4	228,395	22

Source : MTIB



United States: TEUs Handling at Port of Los Angeles Reduces in September 2019

Source: SteelGuru

The Port of Los Angeles moved 779,903 TEUs in September, a 2.7% decrease compared to 2018's record-breaking September. After three quarters of 2019, total volumes have increased by 4.7% compared to last year, which was the busiest year ever at the Port.

United States: Port of Oakland Operating Income Up 4.1% to USD66 Million as Revenues Increase 4.2%

Source: Asian Shippers

The Port of Oakland increased annual operating profit of 4.1% to USD66 million in the fiscal year 2019, drawn on revenues of USD397 million, which rose 4.2%. Satisfactory results were attributed to a 5.8% increase in container volume and 1.9% boost in passenger traffic at the airport as well as increased rents.

United States: Port of Virginia Posts 9% Growth in September 2019

Source: PortNews

The Port of Virginia in September processed more than 241,416 TEUs an increase of more than 9% compared September 2018, putting the port's cargo volume growth for the first quarter of the year 2020 at more than 4%.

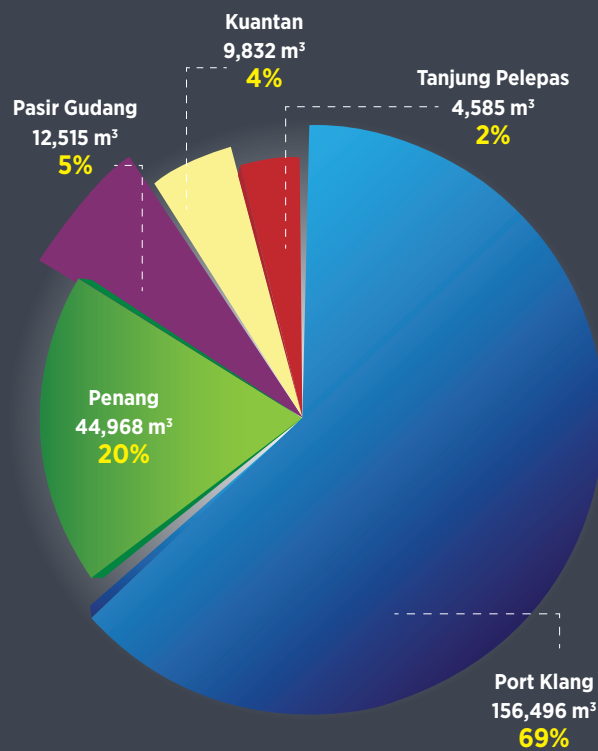
September's volumes were driven by the repositioning of empty containers export empties increased nearly 7,800 units, or more than 17% and import empties were up 630 units, an increase of more than 34%. Export loads increased nearly 6,000 units, or 9%, and loaded imports were up 5,600 units, an increase of 5%.

United Arab Emirates: Dubai Ports (DP) World Reports Volume Growth in 3Q 2019

Source: SteelGuru

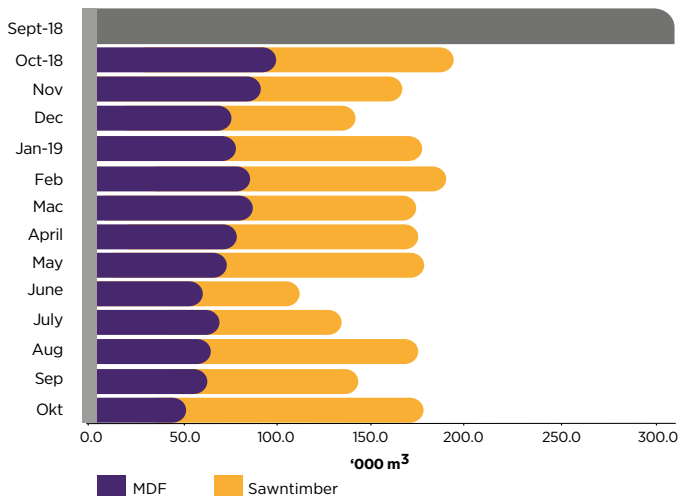
DP World PLC handled 17.7 million TEUs across its global portfolio of container terminals in three quarters 2019, with gross container volumes growing by 1.1% year-on-year on a like-for-like basis. On a nine-month basis, like-for-like gross container volumes grew by 0.7% year-on-a year to 53.5 million TEUs. Jebel Ali (United Arab Emirates) handled 3.6 million TEUs in three quarters 2019, down 1.0% year-on-year, as volumes stabilised following a shift of low-margin cargo.

Timber Shipment through Ports in Peninsular Malaysia, October 2019



Total = 228,396 m³

Malaysia : Export of Sawntimber and MDF (September 2018-October 2019/Volume ('000m³)



Total export of Malaysia timber and timber products in October 2019 increased by 11% valued at RM2.1 billion over the previous month. Meanwhile, cumulative export for the period of January to October 2019 which is valued at RM18.5 billion are similar over the previous corresponding period in 2018.

SAWNTIMBER

Total export of sawntimber in October 2019 both have increased in volume and value by 22% and 17% to 178,403 m³ with a value of RM317.2 million as compared to the previous month. Cumulative export for the period of January to October 2019 decreased both 5% in volume and value to 1.5 million m³ totalling RM2.9 billion over the previous corresponding period.

Export of sawntimber to the EU for the month increased 34% to 8,579 m³ over the previous month as a result of higher demand from major countries in the region. Exports to France and Germany improved significantly to 1,011 m³ and 1,000 m³ from only 197 m³ and 381 m³ respectively. Exports to the UK and Belgium also have increased 44% and 45% to 1,551 m³ and 822 m³ respectively. However, Netherlands as the largest buyer has decreased its intake by 6% to 2,900 m³ from 3,088 m³ in the previous month. Similarly, export to Italy decreased 20% to 572 m³ compared to the previous month.

Total exports to West Asia increased 3% to 26,237 m³ from 25,568 m³ recorded in the previous month. Exports to Qatar and Bahrain improved to 1,141 m³ and 946 m³ from only 388 m³ and 257 m³ in the previous month. Iraq and Saudi Arabia also increased its intake of sawntimber by 70% and 25% to 3,130 m³ and 1,619 m³ respectively. Meanwhile, exports to Yemen and UAE decreased 24% and 13% to 9,815 m³ and 5,083 m³ respectively from 12,990 m³ and 5,820 m³ recorded in the previous month.

Buying from ASEAN increased by 67% to 55,732 m³ from 33,463 m³ registered in the previous month. Thailand as the main buyer in ASEAN has increased its intake of sawntimber by 78% to 33,583 m³. Export to Philippines improved 102% to 12,246 m³ from 6,051 m³ in the previous month. Export of sawntimber to Viet Nam also increased by 58% to 2,274 m³ followed by Singapore with 12% to

7,433 m³. Contrarily, export to Indonesia decreased 48% to 196 m³ compared to the previous month.

In the meanwhile, shipment to East Asia increased by 3% to 51,182 m³ from 49,902 m³ from in the previous month. Export to South Korea has increased by 55% to 5,583 m³ followed by Taiwan with 26% to 7,081 m³ and Japan 16% to 4,935 m³. Similarly, export to Hong Kong also increased 35% to 212 m³ from 157 m³ in the previous month. However, China as the main buyer in the region has decreased their purchases by 8% to 33,371 m³ from 36,234 m³ recorded in the previous month.

Elsewhere, export to the US decreased 28% to 951 m³ whilst intake by Australia increased 90% to 1,090 m³. Demand from South Africa decreased by 24% to 4,115 m³ from 5,379 m³ in the previous month.

The average FOB price of sawntimber decreased by 4% to RM1,778 per m³ from RM1,857 per m³ in the previous month. Meanwhile, price of Dark Red Meranti to Netherlands decreased 2% to RM3,339 per m³ from RM3,415 per m³ in the previous month. Keruing was traded at RM7,489 per m³, an increase of 236% from RM2,232 per m³ in the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in October 2019 has decreased in volume by 4% to 61,107 m³ but has increased by 3% totalled RM89.2 million compared to the previous month. Meanwhile, cumulative export for January to October 2019 recorded a decrease in volume by 15% to 710,608 m³ and in value by 8% worth RM904.4 million over the previous corresponding period.

In ASEAN, total export increased by 3% to 9,128 m³ from 8,826 m³ in the previous month. Exports to Viet Nam and Singapore have increased by 24% to 2,897 m³ and 600% to 287 m³ respectively. However, Philippines and Indonesia have reduced their intake by 7% to 3,307 m³ and 18% to 2,111 m³ respectively.

Exports to East Asia countries registered an increase of 3% to 15,777 m³ from 15,373 m³ in the previous month. Japan as the largest buyer in the region has increased its intake by 7% to 14,450 m³ and followed by South Korea with an increase of 64% to 406 m³. However, China including Hong Kong and Taiwan have reduced its buying by 37% to 494 m³ and 45% to 427 m³ respectively.

Similarly, export to South Asia countries recorded an increase of 11% to 10,662 m³ from 9,582 m³ in the previous month. Pakistan and Sri Lanka have increased their buying by 3,726 m³ and 1,069 m³ respectively. However, exports to India and Bangladesh have decreased by 5% to 5,125 m³ and 52% to 717 m³ respectively.

On the other hand, export to West Asia region decreased by 26% to 13,250 m³ from 18,001 m³ in the previous month. Despite the negative growth in the region, UAE as the largest buyer has increased its intake by 7% to 7,776 m³, followed by Oman 42% to 1,691 m³ and Saudi Arabia 104% to 1,573 m³. Contrarily, export to Kuwait has decreased by 8% to 2,083 m³, followed by Bahrain 95%

to 86 m³, Qatar 98% to 21 m³ and Jordan 97% to 20 m³ respectively. Meanwhile, Iran, Syria and Lebanon did not make any purchases this month.

Elsewhere, exports to the US and Mauritius have decreased by 44% to 1,801 m³ and 60% to 64 m³ respectively. The UK also recorded a decrease of 33% to 212 m³. In contrast, exports to Australia and South Africa have increased by 21% to 3,037 m³ and 87% to 1,151 m³ respectively.

The FOB price of MDF has increased to RM1,459 per m³ from RM1,360 per m³, an increase of 7% from the previous month.

PLYWOOD

Export of plywood in October 2019 both have increased in volume and value by 17% and 18% to 152,929 m³ totalled RM288.6 million compared to the previous month. Meanwhile, cumulative export for January to October 2019 showed a decrease in volume by 21% to 1.4 million m³ and in value by 25% worth RM2.9 billion over the previous corresponding period.

Total export of plywood to the EU have decreased by 12% to 3,972 m³ for this month. UK as the main buyer has reduced its import volume by 27% to 3,050 m³. However, Ireland has increased its intake by 143% to 667 m³. Meanwhile, Belgium, Denmark and Netherlands have resumed its buying by 44 m³, 129 m³ and 82 m³ respectively. France, Germany and Italy did not make any purchases this month.

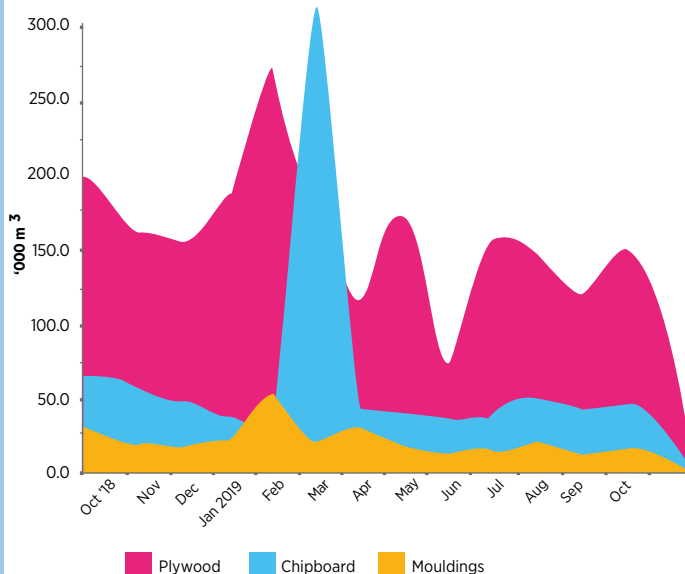
Exports to ASEAN and East Asia region recorded an increase of 18% to 102,145 m³ compared to the previous month. In East Asia region, Japan as the main importer of Malaysian plywood increased its intake by 33% to 71,197 m³ and followed by Hong Kong by 10% to 1,894 m³. Contrarily, South Korea has reduced its intake by 4% to 11,255 m³ followed by Taiwan 19% to 9,059 m³ and China 8% to 1,044 m³. Meanwhile, Malaysia's plywood trade with its ASEAN partners showed a mixed trend for this month. Exports to Thailand and Philippines have increased by 34% to 4,861 m³ and 30% to 711 m³ respectively. However, exports to Singapore and Brunei have decreased by 38% to 1,142 m³ and 44% to 683 m³ respectively. Indonesia does not make any purchase this month.

Export to West Asian region recorded a decrease of 3% to 16,545 m³ where the biggest buyer for this month, Yemen has reduced its buying by 11% to 12,540 m³. Similarly, export to UAE has reduced by 4% to 1,340 m³ followed by Bahrain 59% to 239 m³ and Saudi Arabia 73% to 85 m³. In contrast, Kuwait has resumed its buying to 193 m³ and Qatar does not make any purchase this month.

Export of plywood to the Americas region has increased by 39% to 24,758 m³ as compared to the previous month. Our main buyer in the Americas region, the USA has increased its intake of plywood by 55% to 22,331 m³. Contrarily, exports to Mexico and Canada have reduced by 3% to 2,263 m³ and 85% to 164 m³ respectively. Moving to Oceania region, Australia has increased its intake by 19% to 3,099 m³ but New Zealand has reduced its buying by 36% to 41 m³.

Malaysia : Export of Plywood, Chipboard and Mouldings

(October 2018-October 2019/Volume ('000m³)



Exports to South Africa and Somalia have increased by 1% to 86 m³ and 100% to 607 m³ respectively; Algeria and Mauritius did not make any purchase this month. Similarly, Turkey does not make any purchase this month.

The FOB price of plywood has increased by 2% to RM1,887 per m³ from RM1,858 per m³ in the previous month.

MOULDINGS

Exports of mouldings for the month increased by 21% in volume and 16% in value to 20,188 m³ and RM73.9 million respectively. However, cumulative export for the period of January to October 2019 recorded a decrease of 2% in volume, but an increase of 1% in value to 197,893 m³ and RM734.9 million respectively as compared to the previous corresponding period in 2018.

Exports to the EU for the month recorded at 7,347 m³, an increase of 15% compared to the previous month. The UK, Netherlands and Germany have increased their purchases by 54%, 34% and 13% to 607 m³, 4,635 m³ and 810 m³ respectively. However, Belgium decreased its purchases by 53% to 315 m³ compared to the previous month. Meanwhile, Italy resumed its purchases to 46 m³.

Exports to ASEAN region increased as Indonesia, Viet Nam and Singapore increased their purchases by 201%, 60% and 2% to 214 m³, 857 m³ and 913 m³ respectively.

Meanwhile, Hong Kong, Taiwan, China, Japan and South Korea increased their intakes by 131%, 114%, 114%, 29% and 10% to 365 m³, 75 m³, 299 m³, 1,930 m³ and 1,434 m³ respectively.

Elsewhere, export to Australia increased by 62% to 3,012 m³ compared to the previous month. However, export to the US decreased by 4% to 2,114 m³. Meanwhile, Canada resumed its purchases to 72 m³.

OCTOBER 2019

LOGS

The supply of logs was reported sufficiently in Peninsular Malaysia.

Log prices for the species of Chengal and Balau stood firm at RM4,550 per tonne and RM3,500 per tonne respectively. Meanwhile, the prices of Red Balau increased slightly by 4.5% to RM2,300 per tonne over the previous month. The prices for Keruing and Kempas remained at RM1,500 per tonne and RM1,920 per tonne respectively. Similarly, the prices for Dark Red Meranti stood firm at RM2,100 per tonne whilst White Meranti increased by 1.7% to RM1,830 per tonne. On the other hand, logs prices of Mixed Heavy Hardwood and Mixed Light Hardwood remained at RM1,011 per tonne and RM950 per tonne respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

Domestic supply of MDF remained stable as prices continued to chart at last month's level. MDF of 4 mm, 6 mm, 9 mm and 12 mm of thicknesses were sold at RM13.30, RM16.60, RM22.50 and RM29.35 per piece respectively.

INTRA-MALAYSIA TRADE * - OCTOBER 2019

The shipments of logs from Sabah to Peninsular Malaysia for the month increased significantly from 104 m³ to 3,780 m³ recorded last month worth at RM1.3 million. Similarly, trade of sawntimber rose in volume from 17 m³ to 136 m³ worth at RM316,000.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in October 2019.

SAWNTIMBER

The average sawntimber prices for most species in the domestic market continues to firm such as the previous month.

The sawntimber prices of Chengal and Balau maintained at RM7,062 per m³ and RM3,453 per m³ respectively. Meanwhile, the prices of Red Balau increased slightly by 2.4% to RM3,037 per m³. The prices for Keruing and Kempas stood at RM1,271 per m³ and RM2,592 per m³ respectively. Similarly, the prices for Dark Red Meranti and Red Meranti stood at RM2,048 per m³ and RM1,992 per m³ respectively. On the other hand, sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood continued to chart at RM1,013 per m³ and RM929 per m³ for this month.

PLYWOOD

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

Meanwhile, trade of plywood fell by 52% in volume to 2,157 m³ worth at RM3.9 million.

Trade of sawntimber from Sarawak to Peninsular Malaysia fell by 39% in volume from 701 m³ to 431 m³ worth at RM785,000. Meanwhile, trade of plywood increased by 84% in volume from 1,673 m³ to 3,082 m³ worth at RM3.6 million. Likewise, trade of veneer increased by 1% in volume to 2,628 m³ worth at RM3.6 million.

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA, OCTOBER 2019 (RINGGIT MALAYSIA)

SPECIES	LOGS/tonne	SAWNTIMBER/m ³			
	18" UP	GMS	STRIPS	SCANTLINGS/m ³	
HEAVY HARDWOOD					
Chengal	4,550	7,062	5,473		7,804
Balau	3,500	3,453	3,143		2,860
Red Balau	2,300	3,037	2,754		3,319
Merbau	3,300	4,696	3,884		4,025
Mixed Heavy Hardwood	1,011	1,013	805		1,024
MEDIUM HARDWOOD					
Keruing	1,500	1,271	1,215		2,203
Kempas	1,920	2,592	2,436		2,825
Kapur	1,690	1,751	1,423		1,766
Mengkulang	1,250	2,069	1,095		2,154
Tualang	1,400	2,507	2,366		2,500
LIGHT HARDWOOD					
Dark Red Meranti	2,100	2,048	1,695		3,100
Red Meranti	1,830	1,992	1,808		2,189
Yellow Meranti	1,250	1,568	1,236		1,271
White Meranti	1,500	2,465	1,412		2,260
Mersawa	1,700	1,808	1,695		2,048
Nyato	1,325	1,660	1,186		1,306
Sepetir	1,350	1,706	1,003		1,730
Jelutong	1,140	1,815	1,215		1,801
Mixed Light Hardwood	950	929	731		968
MALAYSIAN RUBBERWOOD <i>Hevea brasiliensis</i>					
	LOGS/tonne	SAWNTIMBER/m ³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	160	1,112	1,195	1,375	1,483
PLYWOOD 4' X 8'					
(RM per piece)	4 mm	6 mm	9 mm	12 mm	
	14.60	22.00	38.00	48.00	
MDF 4' X 8'					
(RM per piece)	4 mm	6 mm	9 mm	12 mm	
	13.30	16.60	22.50	29.35	

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

* Prices are only indicative

INTRA-MALAYSIA TRADE - OCTOBER 2019

From	Product	Sep 2019		Oct 2019		% Change in Value Oct 2019/Sep 2019	% Change in Volume Oct 2019/Sep 2019
		Vol (m ³)	Val (RM' 000)	Vol (m ³)	Val (RM' 000)		
SABAH	Logs	104	356	3,780	1,255	3,535	253
	Sawntimber	17	26	136	316	700	1,115
	Plywood	4,449	7,957	2,157	3,959	-52	-50
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	701	1,070	431	785	-39	-27
	Plywood	1,673	2,137	3,082	3,568	84	67
	Veneer	2,598	3,622	2,628	3,569	1	-1

Source: Malaysian Timber Industry Board (MTIB) and Department of Statistics, Malaysia

Cont. from page 11

FOB unit value decreased 4% to RM3,662 per m³ compared to RM3,816 per m³ in the previous month.

VENEER

Export of veneer for October 2019 reduced by 6% in volume but increased 5% in value to 10,369 m³ at RM16.2 million as compared to the previous month. Taiwan as the main buyer has decreased its intake by 5% to 5,924 m³ from 6,248 m³ in the previous month. Similarly, exports to Philippines and South Korea have decreased by 64% to 636 m³ and 4% to 661 m³ respectively. On the other hand, Australia and Italy have increased its intake by 196 m³ and 33 m³ for this month.

Contrarily, exports to China has increased by 50% to 1,392 m³ followed by India with 14% to 393 m³ and the US 3% to 34 m³. Meanwhile, Canada and Viet Nam did not make any purchases this month.

The FOB price of veneer for October 2019 was at RM1,567 per m³, an increase of 11% from RM1,408 per m³ in the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports for the period of January to October 2019 has decreased by 4% to RM851.7 million as compared to RM890.4 million in the corresponding period last year. Export to the EU decreased 16% to RM253.8 million. Export to Turkey, France, Denmark and Italy decreased by 95%, 42%, 27% and 7% to RM65.8 thousand, RM20.3 million, RM16.1 million and RM5.3 million respectively. However, exports to Belgium, UK and Netherlands also decreased by 16%, 15% and 9% to RM37.5 million, RM101.5 million and RM20.0 million respectively. Meanwhile, export to Sweden and Germany increased by 107% and 19% to RM6.6 million and RM25.7 million respectively.

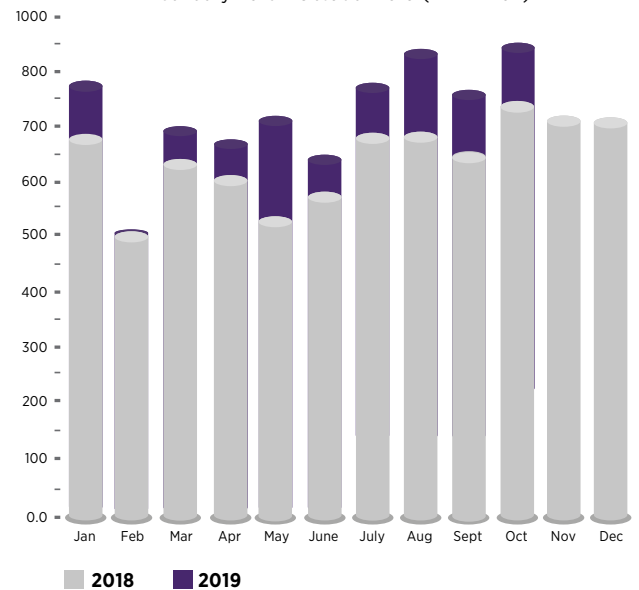
In Asia, exports to Pakistan, Viet Nam, Thailand, UAE, Singapore and Japan decreased by 36%, 29%, 13%, 12%, 8% and 5% to RM2.1 million, RM23.7 million, RM16.6 million, RM4.8 million, RM71.3 million and RM57.2 million respectively. Meanwhile, export to Qatar increased significantly to RM4.5 million from only RM6.5 thousand in the previous corresponding period. Exports to South Korea, Saudi Arabia, India and Taiwan increased by 180%, 28%, 22% and 18% to RM2.5 million, RM1.5 million, RM33.4 million and RM9.4 million respectively. Meanwhile, Bahrain resumed its purchase to RM69 thousand for this month.

Exports to the US and Australia increased by 27% and 2% to RM124.0 million and RM176.0 million respectively. However, export to South Africa and Mauritius decreased by 4% and 3% to RM15.7 million and RM704.7 thousand compared to the previous month. Meanwhile, Reunion Island doesn't make any purchase for this month.

OCTOBER 2019

Malaysia : Export of Wooden Furniture

January 2018 - October 2019 (RM million)



FURNITURE

Export of wooden and rattan furniture for the first 10 months of 2019 increased 14% to RM7.3 billion from RM6.4 billion in the previous corresponding period.

Imports of wooden furniture by the US increased 37% to RM3.2 billion from RM2.3 billion in the previous corresponding period of 2018. Demand from Canada also increased 12% to RM246.9 million whilst export to Australia declined 12% to RM389.4 million. In Europe, shipment to UK increased 33% to RM415.8 million followed by Belgium 41% to RM43.9 million, Poland 5% to RM31.7 million and Spain 4% to RM115.9 million. Meanwhile, export to France and Sweden decreased 5% to RM52.9 million and 8% to RM24.6 million respectively. Purchases by Russia declined as well by 27% to RM18.9 million from RM26.1 million in the previous corresponding period.

In East Asia, China reduced consumption by 9% to RM178.1 million from RM196.1 million in 2018. Export to South Korea also declined 6% to RM74.2 million whilst Japan increased import by 4% to RM497.5 million from RM480.9 million in 2018. Export to India improved 4% to RM198.5 million from RM191.7 million in the previous corresponding period.

In ASEAN region, export to Singapore increased 1% to RM376.4 million followed by Philippines 13% to RM199.4 million compared to the previous corresponding period. Export to West Asia saw growth as the UAE increased intake by 18% to RM126.6 million followed by Saudi Arabia with 47% to RM150.5 million and Kuwait 13% to RM41.6 million.

Rattan furniture shipments for the period of review decreased 50% to RM1.4 million from RM2.7 million in the previous corresponding period. Export to Australia improved significantly to RM388.7 thousand from only RM53 thousand in the previous corresponding period. Export to Singapore increased 68% to RM158.4 thousand whilst export to Japan declined 84% to RM65.6 thousand. The US, American Samoa and China resumed purchases by RM352.6 thousand, RM65.6 thousand and RM5.2 thousand respectively.

COOPERATION IN THE DEVELOPMENT OF THE TIMBER INDUSTRY IN PERAK



Exchanging of MoU documents between MTIB (right) and InvestPerak (left).

The first edition of Perak's largest integrated trade exposition, Perak International Trade Exposition (PIEX 2019) was successfully held from 14 to 17 November in Ipoh, Perak. The event, comprising four other major events- the Pangkor Dialogue, Pride of Perak Bazaar, Perak Startup Festival and Perak International Halal Expo was organised by the Perak state government and was aimed to promote Perak as trade and investment hub in the region targeting the B2B and B2G market. The event had witnessed the participation of over 400 local and international exhibitors showcasing their products and businesses. The expo theme 'Offering Infinite Possibilities to the World', encompassing what the Perak state government wanted to achieve in a nutshell, that the business must go global.

In conjunction with the grand event, MTIB and its subsidiary company signed two Memorandum of Understanding (MoU) documents on 16 November, with the first one was between MTIB and Perak Investment Management Centre (PIMC) or better known as InvestPerak with the objective to explore the potential areas of cooperation on the development in the timber and forest plantation sector in Perak. InvestPerak is the principal investment promotion agency of the Perak State Government and reports directly to the Menteri Besar of Perak. In the event held at the InvestPerak booth, Tuan Hj. Mahpar Atan, Director of Industry Development represented MTIB while InvestPerak was represented by its Chief Executive Officer, Tuan Sayed Shariffuddin bin Sayed Samsuddin.

With the MoU signing, MTIB hoped that the MoU will encourage both MTIB and InvestPerak to work together towards strengthening the development, data sharing, R&D, training, entrepreneurship, investment enhancement and promotion of the Perak timber and forest plantation sector. MTIB hoped that this cooperation will produce significant activities that benefit both parties to achieve fruitful results in the future.

For the record, the MoU signing was first initiated during a courtesy visit of MTIB delegates to the Perak Investment, Industry and Regional Development Committee Chairman, YB Dato' Seri Ir. Hj. Mohammad Nizar Jamaluddin on 1 October 2019 and was successfully followed through until the actual signing ceremony.

The second MoU was signed between MTIB's subsidiary company, CTCS Worldwide Sdn. Bhd. (CWSB) with PCB Development Sdn. Bhd. (PCBD), a subsidiary company of the Perak State GLC, PKNP Group with the objective to collaborate on the augmentation of the economy and social engineering in timber related industries in Perak. PCBD is a subsidiary company wholly owned by Perak Corporation Berhad, with the key activities to support PKNP Group as the primary driver of economic development in Perak and its main activities are streamlined into three core businesses namely property development, ports



Exchanging of MoU documents between CWSB (right) and PCBD (left).



Group photo after the MoU signing ceremony.

& logistics as well as hospitality & tourism. Tuan Hj. Ahmad Shah Mohamad, the Chief Executive Officer represented CWSB for the signing while PCBD was represented by its Special Force Director, Puan Sharifah Nor Hashimah Bt. Syed Kamaruddin.

The signing of the MoU was the result of a discussion held between CWSB and PKNP in August 2019, and is meant to be a unique platform to enhance business opportunities, promotion and marketing, project consultancy in interior design and product specification developments between the two companies in relation to timber industries in Perak. CWSB looked forward to the collaboration that also serve as a platform to strategically create jobs and contracts opportunities for the local SMEs while at the same time nurturing them to move up the business chain and enlarge the capital

market. Further to the MoU signed, CWSB had gained a significant project access to selected upcoming development projects under PCBD and their subsidiaries.

Both MoUs signing ceremonies were witnessed by YB Puan Teresa Kok, Minister of Primary Industries; YB Howard Lee, the Perak Youth Exco; Encik Mad Zaidi Mohd Karli, Senior Under Secretary, Timber Tobacco and Kenaf Industries Development of Ministry of Primary Industries; YB Dato' Seri Ir. Hj. Mohammad Nizar Jamaluddin, Perak Investment, Industry and Regional Development Committee Chairman; Tuan Mohamad Ariff bin Yeop Ishak, PKNP Group's Chief Executive; and Encik Clarence Cheah, State Industrial and Investment Committee Advisory Council member. Both MTIB and CWSB representatives were in attendance as well during the event.



CTCS Worldwide Sdn. Bhd. displaying varieties of furniture during PIEX 2019.

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EXPLORING BUSINESS POTENTIAL FOR MALAYSIAN TIMBER ENTREPRENEURS IN DOMESTIC AND OVERSEAS MARKET

MTIB organised an experience sharing session entitled Exploring Business Potential for Malaysian Timber Entrepreneurs in Domestic and Overseas Market on 26 November in Bangi, Selangor. Well known construction companies such as CAN-I Interior Fit-Out Sdn. Bhd. and Kaz Arkitek shared their knowledge and experience with the participants.

The session was officiated by Encik Mohd Kheiruddin Mohd Rani, MTIB Director-General. He highlighted that Malaysian construction industry contributed about 3-6% annually to the country's Gross Domestic Product growth while in 2018, Malaysia timber industry contributed RM22.3 billion or 2.2% from the total export of Malaysia. In line with this, MTIB organised this seminar as an effort to foster cooperation with companies that have long been involved in the construction industry in order to further strengthen timber industry contribution to the particular sector. He also urged all participants to be actively involve during the seminar and creates business opportunities with each other.

The panels of speakers invited are the owners of construction company that has been operating for more than 10 years locally and abroad. Ar. Tuan Hj. Zulkifli bin A Karim from Kaz Akitek shared his experience and expertise throughout his years of practice with the participants. According to him, the business outlook statement is to provide not just the basics within the context of design services but to present options of design avenues. It varies from secular to current evolution state of the art architecture and to strictly integrating, as well as conforming within the boundary of underlying laws and Green Building Index. He also shared some of their projects such as EDU-Park and Glenpark residential.

Kaz Akitek is also responsible in designing MTIB's iconic building, Galeri Glulam, Johor Bahru. This building which applied innovative engineered timber products with the use of glued laminated timber (glulam) as the main structure using various types of Malaysian hardwood species.



Encik Mohd Kheiruddin Mohd Rani, MTIB Director-General delivering his opening speech.

Meanwhile, Encik Tan Goo Can from CAN-I Interior Fit-Out Sdn. Bhd shared on his journey in building his business. An architect by training, he is passionately involved in every aspect of the build and is able to skillfully articulate concepts between designers and craftsmen and he has a revolutionary plan in moving CAN-I forward through stunning fit-out services that raises the bar in the industry. He also shared some of the projects that his company was involved with such as Cinnamon Grand, Sri Lanka; St. Regis, Kuala Lumpur; IPC, Damansara; MRT Stations Pasar Seni and Bukit Bintang. Furthermore, he highlighted the challenges that most construction companies are facing such as the lack of skill workforce, lack of understanding on various issues of social responsibilities and sustainability among others.

MTIB also invited Encik Adhwa Adznil from MATRADE to share details of the eTRADE programme which is to promote the adoption and acceleration of export via e-commerce platform among Malaysian timber-based companies. In addition, Puan Noor Asiah Mahmud also from MATRADE informed the participants the information regarding the Market Development Grant that has the objectives to assist SMEs, professional services providers as well as trade & industry associations in undertaking eligible export promotion activities as well as various requirements for the companies to fulfill to be eligible for the grant. The session was attended by 55 participants from various local timber-based companies.



Encik Mohd Kheiruddin Mohd Rani, MTIB Director-General (third from right) posing with guest speakers.



Attendees posing for the camera.

GGSC TRAINING WORKSHOP



Workshop in session.

In response to the challenges and changing demands in consumer markets underpinned by legality and sustainability requirements, an increasing number of forest-based industries have taken initiatives to adopt responsible production and sourcing practices. Nevertheless, many producers, especially in tropical countries, are facing challenges in meeting such demands due to a lack of incentives and enabling frameworks, limited technical, financial and human capacities and/or resources to meet and document compliance with legality and sustainability requirements. In addition, there is also an urgent need to develop 'green' markets domestically and internationally, enhancing direct connectivity between producers and consumers. This will also strengthen their trust while promote a better understanding regarding the issue of supply and demand.

International Tropical Timber Organisation (ITTO) is partnering with the Global Green Supply Chain initiative (GGSC), launched in Beijing, China in June 2018 with an initial number of 12 Chinese leading wood trading and processing enterprises and other relevant members. These companies are committed to build a global Legal and Sustainable Supply Chain (LSSC)/GGSC platform by partnering with international and domestic producers and consumers with the objective to increase sustainable wood sourcing and production and to ensure a sustainable wood supply in response to international consumer market demand for verified legal and/or certified sustainable timber and wood products.

There is a strong need to develop adequate capacity building and training curriculum dealing with the legality and sustainability of global green supply chains which are impacting the international trade of tropical wood and other forest products due to

the lack of qualified human resources in government agencies and private sector companies to understand and master all the complex requirements to produce, verify, document and trade in legal and sustainable forest products. Against all the above background, ITTO, in collaboration with the China-Portuguese Speaking Countries Forum and GGSC Secretariat, are organising a training workshop on Global Green Supply Chains of forest products, and the tropical timber trade and investment collaborations between China and Portuguese speaking countries.

The training workshop was successfully co-organised by the Permanent Secretariat of Forum for Economic and Trade Cooperation between China and Portuguese-speaking Countries (Forum Macau), ITTO and GGSC Secretariat and also supported by Macau University which was held from 16 to 30 November. Forum Macau has provide most of the financial expenses for the workshop. Opening ceremony of the workshop was held at Macau World Trade Centre on 18 November by Dr. Gerhard Dieterle, Executive Director of ITTO.



Posing at Macau University.

In addition, three official visits were arranged by the organiser to relevant agencies in Macau; The Macao Trade and Investment Promotion Institute (IPIM), Macao Environmental Protection Bureau and Forum Macau. Twenty-three representatives from forest agencies, industry associations and private sectors participated the workshop including the China-Portuguese Speaking Countries and ITTO member countries.

The training workshop is aimed at building enabling institutional and policy frameworks to promote GGSC. It is also to strengthen business capacities and skills for industry players who operate in such chains whilst promoting the tropical timber trade and investment collaborations between China and



Malaysian delegates during the workshop.

Portuguese speaking countries.

This workshop intends to better understand:

- The concept of climate change mitigation in relation to sustainable forestry developments;
- The forest products supply chains operations and sustainable management concepts;
- The methods and technologies of links along green supply chains; and
- The development and trends in global green supply chains.

The workshop had convened international and Chinese experts in supply chains, wood products trade and the forest industry, leading enterprise representatives and research scholars to share experiences on issues related to the global green supply chains of forest products. Key topics include:

- Basic theory and practices of green supply chain management;
- Sustainable management of forests;
- Green production indicators and standards system;
- Green consumption and recycling of forest products;
- Green procurement, energy and environmental conservation and protection strategies;

- How to be involved in and benefit from global green supply chains;
- China's experiences in establishing a legality identification system;
- China and international green supply chains development practice and case studies; and
- China's timber and wood products trade situation and its role in the global supply chain.

By the end of the workshop, there were several talking points, summary and conclusion regarding the training workshop on GGSC of forest products, and the tropical timber trade and investment had been formulated. Following are the workshop summarisation in the aspect of Malaysia :

- GGSC initiative is to promote and establish networking for the establishment of the green timber products and certified source of raw material that are being traded internationally especially with PR of China;
- China is becoming one of the major timber player in the global trade and is starting to create a domestic platform for green supply chains. China is also encouraging other countries to follow it requirements for green timber trade; and
- GGSC is a platform with similar requirements as PEFC and FSC framework that ensures only certified timber or green products are traded internationally.

The final outcome of this workshop are to give an overview, requirements, procedure, prospect and action plan for GGSC to all ITTO members countries and also to Portuguese speaking countries regarding the advantages and benefit of it implementation. GGSC initiative by China should be taken into consideration by Malaysian wood-based companies and relevant government agencies especially MTIB for ensuring the sustainability of timber trade in global market.

MTIB was represented by Encik Almizi Ibrahim, Assistant Director of Forest Plantation. 



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THE 15TH MEETING OF THE TASK FORCE ON WOOD-BASED PRODUCTS AND 43RD MEETING OF ACCSQ WG 1 ON STANDARDS



Participants during the WG 1 meeting.

The 43rd Meeting of ACCSQ WG 1 on Standards was held on 19-20 November, organised by the Ministry of Finance and Economy, Brunei Darussalam in Bandar Seri Begawan. The meeting was preceded by the 15th Meeting of the Task Force on Wood-based Products (TFWBP) on 18 November at the same venue. The WG 1 Meeting was chaired by Mr. Sathaporn Rungrattanaubol, Senior Professional Standards Officer, Thai Industrial Standards Institute (TISI), Thailand. The Vice Chair of the Meeting was Mr. Phan Thanh Son, APO Liaison Officer for Viet Nam, International Cooperation Department, Directorate for Standards, Metrology and Quality (STAMEQ), Ministry of Science and Technology (MOST), Viet Nam.

HARMONISATION OF STANDARDS FOR THE WOOD-BASED PRODUCTS SECTOR

The 15th Meeting of the Task Force on Wood-based Products was chaired by Puan Hj. Mahsuri Mat Dris, Senior Deputy Director, MTIB, Malaysia. The Vice Chair of the Meeting was Engr. Mario U. Gaudiano, Division Chief, Bureau of Philippines Standards, Philippines. The Chair of the Task Force on Wood-based Products (TFWBP) presented to WG1 on the outcomes of the 15th Meeting of TFWBP held earlier on 18 November.

Possibility of Developing Harmonised Parameters for Plywood

The Meeting noted TFWBP's withdrawal of its earlier proposal in developing national/regional annexes for plywood standards, given that all AMS are able to adopt of the latest version of ISO 2426-1: 2000 and ISO 2426-2: 2000 once published next year. The Meeting further noted that the two standards can be declared as fully harmonised among AMS once published.

New Wood-based Standards Identified for Harmonisation

In addition to the 45 listed standards for harmonisation, TFWBP had identified seven new wood-based standards as additional lists.

No	ISO/TC	Standards
1	ISO/TC 287 (Sustainable processes for wood and wood-based products)	ISO 38200:2018 Chain of custody of wood and wood-based products
2	ISO/TC 165 (Timber Structures)	ISO 9709:2018 Structural timber -- Visual strength grading -- Basic principles
3		ISO 12122 series Timber structures -- Determination of characteristic values
4		ISO 13912:2017 Structural timber -- Machine strength grading -- Basic principles
5		ISO 13910:2014 Timber structures -- Strength graded timber -- Test methods for structural properties
6		ISO 16598:2015 Timber structures -- Structural classification for sawntimber
7		ISO 18100:2017 Timber structures -- Finger-jointed timber -- Manufacturing and production requirements

REPORT ON ISO MEETING RELATED TO WOOD-BASED PRODUCTS

The meeting was also updated by Philippines and Malaysia on the progress of international meetings in particular on ISO/TC 296: Bamboo and Rattan held from 2 to 6 September in Manila and ISO/TC 165: Timber Structure held from 23 to 26 September



Puan Hj. Mahsuri Mat Dris From MTIB (second from left) chairing the meeting of TFWBP.

in Bogota, Colombia respectively. The meeting discussed updates on ISO TC 296, and noted on the export opportunities to China, Africa, America, Europe, and other major regions for AMS. In view of that, the meeting encouraged AMS to participate in the standardisation work of ISO TC 296. The next ISO TC 296 Meeting will be held in Colombia, August/September 2020.

The meeting also discussed the updates on ISO/TC 165, and noted that other than timber, there is also a new development of standards for bamboo structures, which also presents commercial opportunities for AMS that have significant presence of bamboo. The meeting further underscored the importance for AMS to participate in ISO/TC 165, so as to ensure the development and adoption of ISO standards under this TC have taken into account the needs of AMS. In view of that, the meeting encouraged AMS to also participate in the standardization works of ISO TC 165. The next ISO TC 165 Meeting will be held in Chengdu, China, from 21-24 September, 2020.

TECHNICAL ASSISTANCE AND CAPACITY BUILDING FOR WOOD-BASED PRODUCT SECTOR

TFWBP's Proposal regarding National/Regional Annexes

In regards to ISO/JISC's response on assisting TFWBP to develop national/regional harmonised annexes, the Meeting noted ISO's position and realised the difficulties to develop the annexes. In view of that, the Meeting agreed to consider the approach by RBPWG, which is to modify the concerned ISO standards by participating in its respective ISO/TC.

- On the initiative to develop national/regional annexes to ISO standards, ISO encouraged the use of ISO standards to be adopted as identical (IDT) nationally/regionally;
- IDT adoption, however, does not allow for normative national/regional annexes (ISO/IEC Guide 21-2: 2005);

- in view of the above, ISO/JISC is unable to support the development of national/regional annexes for TFWBP;
- however, ISO/JISC would like to propose TFWBP to participate Phase 2 Joint JISC/ISO Workshop on International Standardisation, which details the ways to propose new work item or revise existing ISO standards;
- by participating in the workshop, TFWBP may find ways to propose/revise ISO standards to accommodate the needs of its Member States – an approach that has already been undertaken by ACCSQ-Rubber-based Products Working Group (RBPWG) with positive outcome.

The meeting further noted the benefits as participative (P) members in ISO/TC in terms of voting and shaping ISO standards to their needs. Noting that the training offered by ISO and participation to ISO/TC, which covers sponsorship to AMS upon request, the meeting encourage Member States to become P members to the ISO/TC(s).

TECHNICAL REGULATIONS RELATED TO WOOD BASED PANELS/PLYWOOD

Philippines updated the Meeting that the following plywood standards are referred to the new draft technical regulations concerning the mandatory product certification of plywood:

- PNS ISO 12465: 2017 Plywood specification;
- PNS 2103:2017 Plywood formaldehyde emission – specification.

These draft technical regulations had been notified to WTO, and Philippines further requested AMS to revert their input, if any, to the WTO by the 28 December 2019.

Malaysia also updated its draft technical regulations for wood-based panel products to restrict formaldehyde emission which will be promulgated in January 2020 and will be enforced from July 2020. The meeting noted that the draft was circulated by WTO on 20 September 2019 and open for public comments for two months.

The TFWBP Meeting was attended by 41 delegates from 10 AMS comprising Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam and representatives from the ASEAN Secretariat. The representatives ISO Regional Engagement Initiatives Asia Office (ISO REI-Asia) also attended the Meeting under the specific agenda item. Malaysia was represented by Puan Hj. Mahsuri Mat Dris (MTIB), Puan Ainal Fatiha Mohd. Noor (Standards Malaysia) and Ir. Fairuz Abdul Manaf (Energy Commission). The 16th TFWBP Meeting will be held back to back with the 44th WG 1 Meeting, tentatively scheduled to be held in the first half of 2020 in Siem Reap, Cambodia.



Attendees at the meeting.

The 7th Regional Training Workshop on Timber Legality Assurance were organised on 19-21 November in Jakarta, Indonesia. The ASEAN Secretariat, the Government of Indonesia, the EU FLEGT Facility under European Forest Institute hosted the event which was being supported by the EU Delegation to Indonesia.

The training workshop specific objectives among others were to:

- Exchange practical experience with Indonesian on its arrangements for Voluntary Partnership Agreement (VPA) implementation, Forest Law Enforcement, Governance and Trade (FLEGT) licensing and monitoring;
- Exchange progress with other ASEAN Member States (AMS) and ASEAN+3 economies with regards to ensuring and documenting timber legality;
- Increase multi-stakeholder collaboration amongst AMS on forestry, governance and trade issues;
- Increase inter-agency coordination on environmental & forest law enforcement and sound landscape management in view of climate change issues; and
- Increase understanding of challenges and opportunities for small and microeconomic entities (including gender equality) to participate in legal and sustainable supply chains.

Participants for this training workshop comprises representatives from Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand, Viet Nam, China, Japan and Republic of Korea. Representatives from the United Nations Office on Drugs and Crime (UNODC) also attended the workshop.

Dr. Rufi'ie, Director of Forest Products Processing and Marketing, Ministry of Environment and Forestry Indonesia welcomed all participants to the workshop and informed them of Indonesia's

efforts to tackle illegal logging and associated trade over the last three decades. He also briefed the participants on continuous improvements that Indonesia has taken to ensure the robustness of its Timber Legality Assurance System (TLAS) such as reforming regulations, maintaining fairness in the verification and certification process, exploring the feasibility of e-licensing, and ensuring inclusive stakeholder participations, in particular for the Small and Medium Enterprises (SMEs). He enlightened the hard work given by the Indonesian multi stakeholders for the successful of the FLEGT Licence Indonesia, Sistem Verifikasi Legalitas Kayu (SVLK) full implementation for the past three years since 15 November 2015.

Meanwhile, Mr. Bojan Grlaš, Team Leader for International Forest Issues, under Directorate General of Environment of the European Commission (DG ENV, EC), mentioned that the EU is actively engaged in FLEGT VPA development across the ASEAN region, including collaborations in China, Japan and South Korea as well as with partner countries in Africa and Latin America. The EC also works on demand side measures in the EU under the European Union Timber Regulation (EUTR). Mr. Grlaš mentioned that the success of FLEGT licensing in Indonesia should be considered as key achievement under the EU FLEGT Action Plan. The EC continues to collaborate with VPA and non-VPA countries on FLEGT-related issues to ensure compliance with EUTR, which is outside the VPA context.

The training workshop comprised a two-day classroom session and a half day field trip. Dr. Alexander Hinrichs shared the 'Overview of Timber Legality Developments in the Southeast Asian Region' followed by 'Updates on Implementation of the Work Plan for FLEG in ASEAN (2016-2025)' by Mr. Dian Sukmajaya from ASEAN Secretariat. Mr. Bojan Grlaš updates the participants the for 'Six Years of EUTR - the EU's Experience with Regulating Its Market for Timber Legality.'



Indonesian delegation then briefed the workshop participants on their experience based on 10 years of SVLK and three years of FLEGT Licensing and Multi-stakeholder Panel Discussion Session comprises government, private sector and Civil Society Organisation (CSO) representatives. It is known that Indonesia has successfully work with their CSO and timber industry players to get their consensus and cooperation which they are the main players in Indonesian FLEGT VPA processes.

For discussions and reporting on country progress/experiences in VPA session, representatives from Lao PDR, Malaysia, Thailand and Viet Nam shared their experiences. Viet Nam had signed the VPA in June 2019 and is currently in the process of ratification and evaluation of its TLAS readiness before the issuance of FLEGT Licence expected in 2021. Thailand and Lao PDR has been actively negotiating with EU and in the process of laws reform to strengthen their rules and regulation, in accordance with the requirement under VPA processes.

Meanwhile Brunei Darussalam, Cambodia, Myanmar and Philippines which are not VPA countries have shown increased awareness of FLEGT issues and engaging related stakeholders in regional dialogues and activities.

UNODC shared their support programme against forestry crime in Indonesia for 2018-2021 which involves legal framework, operational strategies

and support systems to counter forest and wildlife crimes improved. They also focused on inter-agency cooperation and capacity building activities among law enforcement institutions and the involvement of community groups and civil society organisations in combatting forest and wildlife crime.

Members of ASEAN+3 which are China, Japan and South Korea shared their development on timber legality regulation/effort. Ms Chen Jie from China shared their regulatory requirement on timber legality, legal framework for domestic timber and progress on imported timber regulation. China has shown greater effort in international cooperation for timber legality with major timber producing countries such as Indonesia, Myanmar, Malaysia, Mozambique and not withstanding with developed countries like EU, USA, Australia, Japan and Korea. Mr. Makota Nakamura from Japan briefed about the Clean Wood Act and Measures to Promote Sustainability in Japan. While Ms. Sunmi Lee presented South-Korea's Efforts to Regulate Timber Legality Through the Act of Sustainable Use of Timber.

Participants were divided into groups to discuss issues related to Control on Legality of Imported Timber, Small and Micro Economic Entities in Legal and Sustainable Supply Chains, Legal Reforms and Law Enforcement, and FLEGT, Conversion and Land-use Management.

A field visit was also organised to SVLK certified company, PT Kayu Permata (Door Manufacturer) which is the first door producing companies who certified with SVLK certification. The company also actively exporting to US, Australia and EU countries which with SVLK certification, their products has been accepted with less hassle by the buyer.

Seventy participants from nine AMS (excluding Singapore) attended the event. Malaysia was represented by Puan Emie Syarina Norizan (MTIB), Encik Adam Mohd Nazri (Malaysian Timber Council) and Cik Lee Ee Ling (Malaysian National Society).



PAKISTAN: REINFORCING BUSINESS PROSPECTS WITH PAKISTAN'S TIMBER INDUSTRY



Introduction

Pakistan, officially the Islamic Republic of Pakistan is the sixth-most populous country with a population of over 212.2 million in 2019. Pakistan is the 33rd-largest country, spanning 881,913 square kilometres (340,509 square miles) with a 1,046-kilometre (650-mile) coastline along the Arabian Sea and Gulf of Oman in the south and is bordered by India to the east, Afghanistan to the west, Iran to the southwest, and China in the far northeast. It is separated narrowly from Tajikistan by Afghanistan's Wakhan Corridor in the northwest, and also shares a maritime border with Oman.

Economy Outlook

Pakistan's economy in 2019 is showing signs of recovery as the government's fiscal consolidation and austerity measures to address the structural weaknesses started to take effect. However, the growth rate moderated to 3.3% during the period, reflecting persistent macroeconomic imbalances and heightened external challenges. Pakistan has made great strides in improving its economic outcomes and reducing its macroeconomic vulnerability in the recent years. As a result, economic growth has continued to gain traction, albeit at varying speeds across the sectors, founded on the Pakistan Government's commitment to higher growth and low inflation.

The country also has done well in stabilising the economy in the face of strong challenges by taming the spiralling current account deficits and through robust implementation of reforms to improve governance and rejuvenating country's competitiveness. The current account deficit eased from 6.3% of gross domestic product (GDP) in 2018 to 4.8% in 2019. The trade deficit narrowed by almost 11.5% to USD28.2 billion as rupee depreciation drove down merchandise imports by 7.4%, particularly for goods other than petroleum. Despite currency depreciation in real effective terms, workers' remittances stirred from three years of near stagnation to grow by 9.7%, lending support to the current account.

The World Bank in its report has stated that Pakistan's economic growth supported by major infrastructure projects, greater inflow of foreign investment namely from the China-Pakistan Economic Corridor (CPEC) and low interest rates. CPEC, launched in 2015, is a planned network of roads, railways and energy projects linking China's resource-rich Xinjiang Uyghur Autonomous Region with Pakistan's strategic Gwadar Port on the Arabian Sea. It is a major component of Beijing's broader Belt and Road Initiative. With a budget of USD62 billion, Pakistan believes CPEC investments will enable growth rates of over 6% of GDP by laying the groundwork for increased exports. In addition, the government of Pakistan has been able to get GSP Plus preferential tariffs scheme renewed from the EU for the next two years which will help boost exports, going forward.

The World Bank and International Finance Corporation's flagship report 'Ease of Doing Business Index 2019' ranked Pakistan 136 among 190 countries around the globe, indicating a continuous improvement and taking a jump from 147 last year. The top five countries were New Zealand, Singapore, Denmark, Hong Kong and South Korea. With improvement in ease of doing business ranking and giving an investment friendly road map from government, many new auto sector giants like France's Renault, South Korean's Hyundai and Kia, Chinese JW Forland and German auto giant Volkswagen have stepped in Pakistan auto market through joint ventures with local manufacturers like

Dewan Farooque Motors, Khalid Mushtaq Motors and United Motors.

US oil and gas giant Exxon Mobil has again returned to Pakistan after nearly three decades gap and has acquired 25% shares in offshore drilling in May 2018, with initial survey showing a potential of huge hydrocarbon reserves discovery at offshore. With recent agreement from Saudi Arabia to invest more than USD15 billion in establishing a mega oil refinery and petrochemical industry in Gwadar more commitments for investments are on its way to come in this sector especially from UAE, Qatar, Malaysia and Italy. To boost Pakistan's unstable foreign-exchange reserves, Qatar announced to invest USD3 billion the form of deposits and direct investments in the country. By the end of June 2019, Qatar sent the first USD500 million to Pakistan.

Forest Resources and Production

Pakistan is home to some of the world's most unique forests, including Juniper, Deodar, Oak, Chilgoza

Pine and mangrove forests. The Pakistani forests include state-owned forests which covers 1.29 million hectare and communal forests & privately owned forests that covers 3.1 million hectare located primarily in the Khyber-Pakhtunkhwa (KPK) and Punjab. Major species found in the country's natural forests are Fir (*Abies*), Spruce (*Picea*), Deodar (*Cedrus deodara*), Blue Pine (*Pinus wallichiana*), Chir Pine (*Pinus roxburghii*), Chilgoza (*Pinus gerardiana*) and Juniper, as well as broad-leaved species like Oak (*Quercus*), Maple (*Acer*), Walnut (*Juglans regia*), Poplar (*Populus*) meanwhile in irrigated plantations, species such as Sheesham (*Dalbergia sissoo*), Mulberry (*Morus Alba*), Bakain (*Melia azadarach*) and Semal (*Bombax ceiba*) are grown for timber. The forests of Pakistan are the main source of lumber, paper, fuelwood, latex, medicine as well as human and animal food. The forests also provide for ecotourism and wildlife conservation purposes. Pakistan has a forest cover of 4.4 million hectares or 5% of its total land area. In 2017, forestry sector showed 14.5% growth, which exceeds its 3% annual target.

Pakistan : Forest and Land Area, 2012-2016

YEAR	2012	2013	2014	2015	2016
Forest Area (Sq. km)	16,440	16,010	15,580	15,150	14,720
Land Area (Sq. km)	770,880	770,880	770,880	770,880	770,880

Source: Atlas Pakistan

According to the latest statistics from FAO, Pakistan produces about 3.10 million m³ of timber in 2018.

Details of the production are as described in the table below:-

Pakistan : Production of Timber Products, 2014-2018

(Volume : m ³)					
PRODUCT	2014	2015	2016	2017	2018
Product	2014	2015	2016	2017	2018
Sawlogs and Veneer Logs	1,633,000	1,633,000	1,633,000	1,633,000	1,633,000
Sawntimber	919,000	919,000	919,000	919,000	919,000
Veneer	217,000	217,000	217,000	217,000	217,000
Plywood	174,000	174,000	174,000	174,000	174,000
Particleboard	76,000	76,000	76,000	76,000	76,000
MDF	67,000	67,000	67,000	67,000	67,000
TOTAL	3,086,000	3,086,000	3,086,000	3,086,000	3,086,000

Source : FAO Statistics

Pakistan's forests' economic contribution stands at 0.43% to the GDP. The requirement of forest products is growing and will continue to increase due to population growth and continuing economic growth. Demand and supply projections reveals that

there will be deficit of most of forest products if area under forest is not increased as suggested by Forest Policy. Although the requirement for forest products is likely to rise from present levels but the rate of increase to be lower than in past. With the limited

timber resources despite the continuing demand for timber consumption in Pakistan, it has created vast opportunities for Malaysian timber exporters, especially for sawntimber, fibreboard and wooden furniture to divulge in the market.

Pakistan's Export of Timber and Timber Products

In 2018, Pakistan has exported about USD40.3 million worth of timber and timber products. It is a decrease

of 7% from USD43.1 million in 2017. Fibreboard remains the major contributor to Pakistan exports at USD31.2 million followed by furniture & parts at USD4.1 million and plywood at USD2.0 million. Afghanistan is the major export market for Pakistan's timber and timber products with USD36.2 million in 2017.

This is followed by Australia (USD33.8 million), Saudi Arabia (USD445,000), UAE (USD400,000) and US with exported value of USD282,000.

Pakistan : Export of Timber and Timber Products, 2014-2018

(Value: USD'000)

CODE	PRODUCT	2014	2015	2016	2017	2018
4411	Fibreboard	41,235	35,190	35,194	34,285	31,168
4412	Plywood	5,504	4,288	1,763	1,450	2,023
4410	Particleboard	401	173	151	60	713
4420	Wood Marquetry	819	715	546	620	605
4414	Wooden Frames	105	187	356	630	475
4421	Other Articles of Wood	1,688	1,265	838	408	350
4419	Tableware and Kitchenware	1,305	1,346	932	593	251
4415	Packing Cases	958	1,388	808	216	207
4405	Wood Wool & Wood Flour	0	0	22	89	129
4409	Mouldings	12	9	7	35	112
4417	Tools, Bodies & Handles	15	46	24	35	46
4418	BJC	1,670	1,124	805	425	46
4401	Fuel Wood	22	17	80	84	29
4413	Densified Wood	0	9	1	15	22
4408	Veneer	577	37	9	14	18
4406	Railway Sleepers	50	41	25	5	0
4407	Sawntimber	6	3	28	0	0
4402	Wood Charcoal	0	26	40	0	0
4403	Logs	0	0	26	0	0
4404	Hoopwood	0	87	26	0	0
4416	Casks and Barrels	0	2	2	0	0
9403	Furniture and Parts	7,507	6,622	5,218	4,139	4,099
	TOTAL	61,874	52,575	46,901	43,103	40,293

Source: UN - Comtrade

Pakistan's Import of Timber and Timber Products

The country depended on imports from over 70 countries for local consumption. In 2018, Pakistan has imported about USD242.7 million worth of timber and timber products. Its top five major

suppliers are the USA, China, Malaysia, Germany and Canada. Sawntimber still remains the top timber products imported by Pakistan with a total value of USD104.8 million, followed by fibreboard (USD41.9 million), logs (USD39.3 million) and furniture & parts (USD25.4 million).

Pakistan : Import of Timber and Timber Products, 2014-2018

(Value: USD'000)

CODE	PRODUCT	2014	2015	2016	2017	2018
4407	Sawntimber	75,702	73,542	82,276	93,254	104,814
4411	Fibreboard	40,251	48,677	55,118	49,740	41,850
4403	Logs	14,800	24,519	37,122	38,715	39,301
4418	BJC	4,791	7,213	7,836	9,447	8,120
4412	Plywood	3,286	5,934	7,516	9,475	6,815
4408	Veneer	3,010	3,272	3,737	3,563	4,204
4421	Other Articles of Wood	1,639	1,757	2,289	3,342	3,900
4410	Particleboard	1,470	1,224	2,372	1,708	1,548
4420	Wood Marquetry	707	988	913	1,094	1,342
4404	Hoopwood	817	924	660	804	808
4419	Tableware and Kitchenware	400	484	538	770	795
4413	Densified Wood	299	244	453	642	679
4402	Wood Charcoal	220	309	449	555	522
4417	Tools, Bodies and Handle	53	74	131	258	340
4401	Fuelwood	151	210	210	231	306
4415	Packing Cases	544	87	159	147	299
4406	Railway Sleepers	39	21	321	27	279
4405	Wood Wool and Wood Flour	0	27	200	107	192
4414	Wooden Frames	111	118	92	100	125
4409	Mouldings	88	44	45	111	82
4416	Casks and Barrels	0	0	1	53	73
9403	Furniture and Parts	9,941	11,551	15,004	28,509	25,427
TOTAL		149,883	158,319	181,219	217,442	242,652

Source: UN-Comtrade

Malaysia's Export of Timber and Timber Products to Pakistan

Despite being one of the most geo-strategically important countries in the world, Pakistan has been faced with myriad challenges in political and

economy. It has taken a toll in Malaysia bilateral timber trade with Pakistan. In 2018, Malaysia exported RM112.1 million worth of timber and timber products, a decrease of 14% over 2017. Fibreboard is the major product exported to Pakistan with RM75.2 million followed by sawntimber RM28.4 million and BJC RM3.9 million.

Malaysia : Export of Timber and Timber Products to Pakistan, 2014-2018

(Value: RM)

PRODUCT	2014	2015	2016	2017	2018
Logs	313,906	163,107	169,516	192,565	93,944
Sawntimber	20,192,876	32,964,502	40,990,398	29,515,956	28,415,498
Plywood	861,031	881,206	823,298	953,174	287,690
Chipboard/Particleboard	1,257,190	2,618,501	2,490,346	2,834,006	1,115,304
Fibreboard	50,276,939	78,227,731	67,729,031	63,998,436	75,175,261
BJC	34,377,040	46,219,356	54,116,621	30,624,358	3,876,626
Wooden Furniture	589,931	2,169,171	1,556,597	1,276,536	2,247,195
Rattan Furniture	6,000	0	138,655	0	0
Other Products	105,926	189,083	1,148,589	802,693	932,721
TOTAL	107,980,839	163,432,657	169,163,051	130,197,724	112,144,239

Source: MTIB /DOSM

Malaysia's Import of Timber and Timber Products from Pakistan

Pakistan market share of timber and timber products are quite small in Malaysian market and it shows a downward trend since 2014. In 2018,

Malaysia imported timber and timber products from Pakistan valued at RM339 thousand, a decrease of 10% compared to 2017. Wooden furniture remains the major product imported from Pakistan valued at RM214 thousand and other products RM126 thousand.

Malaysia : Import of Timber and Timber Products from Pakistan, 2014-2018

(Value: RM)

PRODUCT	2014	2015	2016	2017	2018
Sawntimber	0	0	258,734	0	0
Wooden Furniture	531,690	421,143	437,371	246,315	213,813
Rattan Furniture	0	0	2,360,804	0	0
Other Products	231,785	162,316	161,037	129,835	125,631
TOTAL	763,475	583,459	3,217,946	376,150	339,444

Source: MTIB /DOSM

Import Tariff

Malaysia and Pakistan established the Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA) on 8 November 2007 and came into

force on 1 January 2008. According to MPCEPA, Pakistan's import duty on timber & timber products ranges from 0% - 20%. Details are as below:-

Import Tariff

HS Code	Products	MFN Tariff Rates (%)	MPCEPA Tariff Rates (%)
4401	Fuel Wood	3	0-2
4402	Wood Charcoal	3	0-2
4403	Logs	3	0-2
4404	Hoopwood and Split Poles	3	0
4405	Wood Wool and Flour	3	0-2
4406	Railway Sleepers	3	0-2
4407	Sawntimber	3	0-2
4408	Veneer	11	0-15
4409	Moulding	16	0-15
4410	Particleboard	16	0-15
4411	MDF	11-16	0-15
4412	Plywood	20	0-20
4413	Densified Wood	3	0-20
4414	Wooden Frame	20	20
4415	Packaging	20	0-20
4416	Casks and Barrels	20	20
4417	Tools, Bodies and Handles	20	0-20
4418	Builders' Joinery and Carpentry	20	0-20
4419	Tableware and Kitchenware	20	20
4420	Wood Marquetry	20	0-20
4421	Articles of Woods	20	0-20
9403	Furniture and Parts	20	0-20

Source: WTO

Timber Sector Outlook and Prospects

Pakistan has limited timber resources. It is estimated that Pakistan's per capita timber consumption is 0.08 m³ and per capita fuel wood consumption is 0.205 m³. Currently, total timber consumption is estimated at 59.22 million m³ for the population of 207.77 million in 2017. It is forecasted that timber consumption will be at 55.64 million m³ and 59.44 million m³ by 2020 and 2025 respectively. Major requirement of timber is being met from farmlands plantations (91.4%) followed by imports (5.22%) and state forests (3.34%). Prices for local timber have increased 100% within one decade (on average 10% annually) whereas imported timber prices have increased by 40% within two years (approximately 20% annually). This is due to the increase in global wood demand and timber prices and devaluation of Pakistani Rupee.

In addition, the construction industry is the largest single user of roundwood in Pakistan, consuming about 30% of the total. Builders purchase logs or scant (squared timber) and convert them according to their needs. Pakistan has more than 8,000 sawmills, employing an average of four or five people and processing 2-5 m³ per day. The most common sawmills products are fruit boxes and crates, which are manufactured by units attached to the mills. Wood is considered a valuable resource and any solid waste is carefully re-sawn for manufacture of smaller products with leftovers finally sold as fuelwood. The annual raw material requirement for particle board and fibreboard was estimated by the Forestry Sector Master Plan (FSMP) at a constant 22,000 m³ per year. Although the construction industry has begun to use particleboard, the bulk is used by large furniture makers. Due to limited current demand and manufacturers apprehensions about future demand, plants currently operate at an average of only 48% capacity although most have sufficient wood supply.

Despite the increase in prices, we can foresee that the demand for Malaysia timber and timber products are still needed by Pakistani timber importers especially fibreboard and wooden furniture. Fibreboard industry in Pakistan is relatively small and may be used as a substitute for plywood, which costs four times more than fibreboard. Fibreboard plants, nevertheless, only operate at 23% of installed capacity and the fibreboard industry is stagnant.

Pakistan will continue to be a net importer of timber products such as BJC and fibreboard from Malaysia for its construction and manufacturing industry. There is considerable untapped potential to enhance the two-way commerce and broaden the narrow range of products being traded between the two countries such as construction materials for planned network of roads, railways and energy projects under the CPEC projects.

Being an open economy with no restrictions, Malaysian firms and contractors could take advantage of this environment and benefited by entering through joint ventures with Pakistan's counterpart. In this context, regular exchange of trade information, participating in Pakistan timber and furniture trade shows and enhance business networks with their business counterparts will be instrumental to enhance the trade between Malaysia and Pakistan. Furthermore, the manufacturing and construction sectors are amongst the major sectors contributing to Pakistan economy, thus it should be fully capitalised by Malaysian timber exporters through maximising the opportunity offered with multiple transportation and railway projects under CPEC to increase Malaysian timber product and furniture market share in Pakistan.

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ENTAPULOH-

SUITABLE AS A GENERAL UTILITY TIMBER

INTRODUCTION

Entapuloh is the common Malaysian Name for the timber of *Teijsmanniodendron* spp. (Verbenaceae). Vernacular names applied include Buak-buak (Sabah), Buak-buak batu (Sabah), Buak-buak jari (Sabah) and Buak-buak jari itek (Sabah). Major species include *T. bogoriensis*, *T. coriaceum*, *T. holophyllum* and *T. pteropodum*. The sapwood is yellow and is fairly distinct from the heartwood, which is pale yellowish brown.

Also known as Papua New Guinea lapome (Papua New Guinea); and Atikoko, Dangula and Sasalit (Philippines); and Kayu melati, Melak and Kayu tehe (Indonesia).

Botanical Description

It is a small to medium-sized tree up to 30 m tall. The bole is straight or slightly sinuous, branchless for up to 15 m, up to 50 cm in diameter, sometimes fluted or with buttresses up to 1.5 m high.

Natural Habitat

Entapuloh is found in primary lowland rain forests, near streams or rivers, up to 800 m of altitude.

Density

The timber is moderately hard and moderately heavy and it has been classified under Medium Hardwood with a density of 432-896 kg/m³ air dry.

Natural Durability

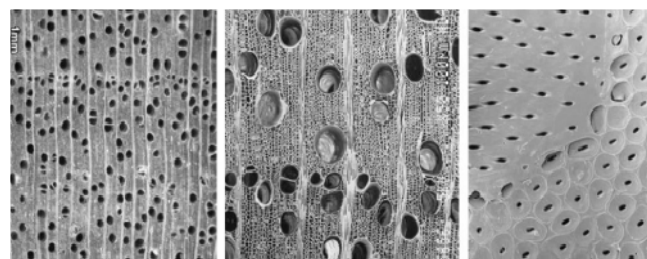
It is non-durable to fairly durable.



Entapuloh tree



Wood colour and texture.



(a)

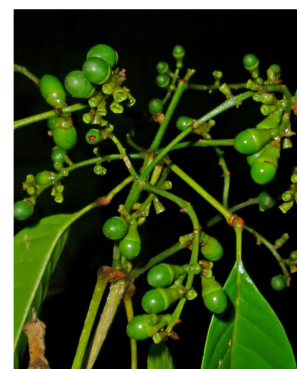
(b)

(c)

(a) Axial parenchyma scanty paratracheal to vasicentric and vessel smaller near growth ring boundary.

(b) Macrophoto of vessel.

(c) Intervessel pits alternate.



Entapuloh leaves and fruits.



Entapuloh leaves

Texture

Texture is rather fine and even, with straight to shallowly interlocked grain.

Machining Properties

It is reported to be easy to work and the planed surface is smooth but dull.

Air Drying

The timber is reputed to season without serious degrade.

Nailing Property

It is easy to resaw and cross-cut. Planing is easy and the planed surface produce is smooth on the tangential side and slightly rough due to grain pick-up on the radial side.

Shrinkage (Percentage Shrinkage of Tangential Boards)

The rating is based on the percentage shrinkage of tangential boards from green to the air-dry state. In Malaysia, the air-dry state of timber ranges between 15% and 19% moisture-content, but the figures quoted here have all been adjusted to a standard 15% moisture-content.

Treatability (Amenability to Preservative Treatment)

The amenability to preservative treatment based on the absorption of creosote/diesel in the open tank method is classified as follows:

Absorption (kg/m ³)	Classification
0-30	Very difficult
30-65	Difficult
65-95	Moderately difficult
95-130	Average
130-190	Easy
190-320	Very easy
Above 320	Extremely easy

Uses

Entapuloh timber is suitable as a general utility timber. It is also used for general purposes such as house construction (rafters and posts), interior work, salt-water piling, telephone poles, framing, mouldings, and for making boxes and crates. The fruits of Entapuloh have been used medicinally, both internally and externally for intestinal complaints.

References :

- Menon, P. K. B. 1986. *Uses of Some Malaysian Timbers*. Revised by Lim, S. C. Timber Trade Leaflet No. 31. MTIB and FRIM, Kuala Lumpur. 48 pp.
- Wong, T. M. 1982. *A Dictionary of Malaysian Timbers*. Revised by Lim S. C. & Chung R. C. K. Malayan Forest Records No. 30. FRIM, Kuala Lumpur. 201 pp.



Malaysian Wood
Standing on Excellence

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



Courtesy visit by members of Shanghai Timber Trade Association to MTIB, Kuala Lumpur. (21 November 2019).



Courtesy visit by representatives of VMY Trading, Pakistan to MTIB, Kuala Lumpur. (21 November 2019).



MTIB organised a briefing on the Government Asset and Store Management Procedure. (25-26 November 2019 at MTIB, Kuala Lumpur).

Epoxy Technology Skills Development Programme in Furniture Manufacturing organised by MTIB. (24-28 November 2019 at Perusahaan Zalikraf in Muar, Johor).



Built-in Cabinet Installer Skills Development Programme organised by MTIB. (18-29 November 2019 at WISDEC Kota Kinabalu, Sabah).



MTIB organised an Advanced Course on Malaysian Grading Rules (MGR) specially for officials of Forestry Department, Brunei Darussalam. (22-30 November 2019 in Brunei Darussalam).

