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MTIB

MASKAYU

MISSION TO THE FAR EAST: PROMOTING COMMODITIES TRADE

MPIC – COMMITTED TO DEVELOPING THE COMMODITY SECTOR

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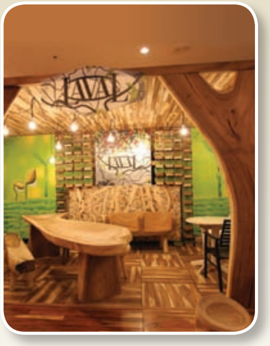

MIFF Sdn Bhd

***Cover:** Laval Furniture Sdn. Bhd. won the top award for Best Presentation under the bare space booth category at MIFF 2012. The creative display of furniture and both decor captured the hearts of the panel of jury to secure the Platinum Award. See the full story about the competition on page 15.*

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MISSION TO THE FAR EAST : PROMOTING COMMODITIES TRADE

Countries in Asia accounted for 64.90% of Malaysia's total timber export in 2011 followed by the Americas at 14.26%, and the European Union (EU) at 12.44%. Out of these, Japan, the USA and India remained as the top three export markets for Malaysia's timber products. In 2011 for the continent of Asia, 22.98% of Malaysia's total timber export valued at RM4.6 billion went to Japan, an increase of 22% when compared to the previous year. After Japan comes India and trailing closely behind is Taiwan with imports of RM1.0 billion. Meanwhile, exports to the Republic of South Korea in 2011 amounted to RM0.73 billion which registers a 32% decrease in value as compared to 2010.

Realising the importance of the Asian region to the export trade of Malaysia's timber and timber products, YB Dato' Hamzah Zainudin, Deputy Minister of Plantation Industries and Commodities (MPIC), led an Economic and Technical Mission for Timber, Cocoa, Pepper, and Kenaf to Taiwan, Japan and South Korea from 29 February to 10 March. The objectives of the mission were to increase Malaysia's market share, seek new business opportunities and strengthen trade relationship between Malaysia and the three countries while promoting commodity trade.

The Deputy Minister of MPIC led the Malaysian delegation in holding meetings and conducting discussions with the relevant Ministers and officials from the Ministries and related organisations. In Taiwan, the Deputy Minister visited the Ministry of Economic Affairs and the Taiwan Forest Research Institute. In Japan, he led the discussion during a business dialogue titled "Commodities on Timber and Kenaf", while in South Korea he visited Donghwa Holding Co.

Dr. Jalaluddin Harun, MTIB Director-General and his officers also took the opportunity to hold discussions with representatives from the Ministry of Agriculture, Forestry and Fisheries (MAFF) in Japan. They also visited a machinery and flooring factory which utilises bamboo in Taiwan, and a wood plastic composite factory in South Korea. Besides the various visits conducted by the Deputy Minister and members of his delegation, the highlight of the mission also included the "Malaysian Cocoa Technical Seminar and Roundtable Discussion".

YB Datuk Hamzah Zainudin, Deputy Minister of Plantation Industries and Commodities presenting a souvenir to a representative of Taiwan Council of Agriculture.

In Japan, the Director-General of MTIB took the opportunity to talk about MTIB's timber products certification initiative to the representatives from MAFF, Japan. The timber products certification initiative by MTIB aims to obtain recognition from MAFF as a Registered Overseas Certification Body for Malaysian timber products exported to Japan. Consumers of timber products are increasingly demanding and have acknowledged the adoption of a certification system as a credible third party auditing process for the endorsement of quality and safety of products purchased.

Dr. Jalaluddin informed the members that MTIB has been accredited as a Product Certification Body (CB), currently confined to plywood products, by the Department of Standards Malaysia. With this accreditation, MTIB can assist when a regulation requires third party assurance on plywood quality, safety and reliability of plywood products. MTIB is offering this service to the plywood industry since currently there is no locally-developed certification body for this sector. Previously, Malaysian plywood exporters had to engage auditors from Japan Plywood Inspection Corporation to carry out audits and for this reason, the local plywood manufacturers incurred extra costs. With the accreditation and acknowledgment of MTIB as the Malaysian CB, eventually, substantial savings could be made by the local manufacturers whilst ensuring that the requirements for quality assessment of plywood products are strictly being adhered to.

Group photo of YB Datuk Hamzah Zainudin (fourth from right) together with Malaysian mission members and officials of Korea Forest Research Institute.

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TIMBER WORLD IN BRIEF

AUSTRIA
Campaign for Wooden Housing Construction

Austrian residential construction company GWB is calling for increased funding for wooden homes. According to GWB, wood is not only sustainable but could also cheaper in the long-term. However, few construction companies use wood as it is more expensive during construction. Austrian residential company Giwog is also campaigning for better use of wood as a construction material, due to its energy saving properties. The challenge of using wood is not the fire protection issue, but the sound insulation.

Oberösterreichische Nachrichten, 16 March

BALTIC
Demand for Baltic Planed Timber Still Very Subdued

Demand for planed timber made in the Baltic States was still at low levels in the first half of March, according to market insiders. So far business in the first quarter of 2012 is more or less on par with business at the same time one year ago. The year started on a positive note, with January-shipments up in a year-on-year comparison. However, February shipments were lower than in February 2011. Business in March looks set to be similar to the trend shown one year ago. Baltic industrial planing mills reckon with growing planed timber requirements and increasing order intake in April. This assumption is based on the current level of inquiries.

Euwid wood product 24 March

CANADA
Timber Buildings Can Go Up to 30 Storeys

"The Case for Tall Wood Buildings", a new report, examines the possibility for multi-storey engineered wood structures in buildings up to 30-storeys. Commissioned by the Canadian Wood Council, the report looks at the possibilities of using cross-laminated timber (CLT) and other engineered wood in buildings ranging from 10-30 storeys high.

It introduces a new construction model for tall buildings using mass timber panels – called Finding the Forest Through the Trees (FFTT). FFTT is defined as a strong column, weak beam balloon-frame approach using large format mass timber panels – either CLT, laminated strand lumber or laminated veneer lumber – as the vertical structure, lateral shear walls and floor slabs. The "weak beam" component is made of steel beams bolted to the mass timber panels to provide ductility in the system.

The study encourages architects, engineers and designers to push the envelope of conventional thinking about wood construction and inspires them to expand the discussion so wood is positioned as the driving force behind a systematic change for the building industry.

Timber building.com, 7 March

North American Lumber Production Up for Second Successive Year in 2011

With a plus of 4% to roughly 115.7 million m³, North American lumber production increased in 2011 for the second year in succession, although the upward trend weakened in comparison to that seen in 2010, which had shown a year-on-year rise of 12% to 110.9 million m³. Improvements in the last two years came on the heels of a sharp fall in production volume from 2005 until 2009. In 2005, North American lumber producers had reached a total production volume of 176.6 million m³. In 2007, softwood lumber production was still at 170.6 million m³, followed in 2007 and 2008 by sharp declines to 153.6 million m³ and 124.7 million m³ respectively.

Euwid wood production, 29 March

CHINA
World's Largest Importer of Softwood Lumber and Logs

Importation of softwood logs and lumber to China has increased continuously over the past 15 years, and in 2011 the country was the largest importer of softwood lumber and logs in the world, according to the Wood Resource Quarterly. Total import value equaled almost USD8 billion last year, which was an increase of 57 % from 2010, and up from only USD70 million 15 years ago. Annual growth over the past five years has been almost 30 %, and over the past 15 years, the CAGR has been as high as 36 %.

Dmwmag.com, 31 March

EUROPE
Furniture Business Mostly Poorer Again

Recent months have seen ups and downs in the partial sector of the furniture industry which is dependent on consumer business. Business which had still been described as unexpectedly good last summer mostly weakened at the beginning of the fourth quarter of 2011. This was true for both the domestic market and export business to other European countries. Exceptions to the deteriorating trend were mainly seen among furniture manufacturers who benefited from the economic difficulties of other companies. Most partial sectors of the German furniture industry experienced unexpectedly strong order receipts in January. The furniture retail trade saw a strong revival in business, especially in the week after Christmas. The resulting orders manifested themselves in the home furnishings industry as early as the end of the company holidays at the beginning of January and strong demand persisted for the whole of the rest of the month.

Euwid wood production, 2 March

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FRANCE
Pace of Softwood Lumber Sales Slowed in February 2012

In France, demand for softwood lumber in February was initially noticeably lower than in this year's comparatively brisk January. At times, German as well as Belgian lumber suppliers registered a sharp decline in receipts of orders and even top-up purchases were very sporadic. An upswing in demand has only been recognisable again since the beginning of March, though the January level has not been matched yet. Besides stock replenishment purchases and volumes required directly for production, volume-related delivery agreements had also been made in January for spring and early summer. No longer-term pricing arrangements have been made yet, though.

Euwid wood product, 24 March

GERMANY
Furniture Exports Grow 11% in 2011

The German furniture industry's foreign trade turnover rose 11% year-on-year in 2011. Turnover from sales to Poland rose 19.1%, to Switzerland rose 16.2%, to Italy rose 14.7%, and to France rose 14.2%. The German furniture industry was also able to win further market shares abroad, according to the North Rhine Westphalia Associations for Wood and the Furniture Industry. However, included in these figures are seats for cars and aeroplanes.

Holz-Zentralblatt, 19 March

POLAND
Furniture Sales Grow 20.4% to PLN30 Billion

Polish furniture sector noted sales worth at least PLN30 billion (USD9.62 billion) in 2011, which represents a rise of 20.4% on the previous year. The value of sales achieved by the sector was better than the record set in 2008. The growth was a result of both a good economic situation in Germany and weak Polish currency. According to the report Polskie Meble Outlook 2012, sales of furniture are forecast to reach a minimum value of PLN31.5 billion in 2012, an increase of 4.6%, with rising machinery investments as well as production capacity usage at 80%. Producers are facing increasingly high costs of both energy and materials. The sector's situation will neither benefit from the real estate market experiencing a slower growth. Experts are particularly concerned with the falling profitability index, which has been amortised with a weak currency and rising prices until now.

Rzeczpospolita, 10 March

UNITED STATES
North American Overseas Softwood Shipments Fail to Register Price Growth

North American softwood products have failed to establish any notable price increase in offshore markets despite soaring volumes in the last two years, according to industry newsletter Random Lengths. Shipments overseas in 2011 were up 48% to 984 million m³ – the largest volume since 1997. A 54% increase was recorded in 2010.

Southern Pine exports grew 23% in 2011 but a price decline outweighed volume gains. A weak US dollar helped suppliers to give discounts to compete with alternative species in Europe and North Africa.

TTJ online, 20 March

Outdoor Furniture Market to Exceed USD5.0 Billion by 2017

Global Industry Analysts announced the release of a comprehensive US report on the outdoor furniture market. The US market for outdoor furniture is projected to exceed USD5.0 billion by the year 2017, spurred by changing consumer trends in the residential sector, economic revival, popularity of fashionable lifestyle products and higher disposable incomes. In addition, rising concept of outdoor living, particularly lavish outdoor living spaces with new materials, comfortable seating and elaborate lighting steers the market for outdoor furniture. Technology and material innovations, and the new wave of environment friendly products will provide a wider choice and stronger growth opportunity for the US outdoor furniture market.

PRWEB, 5 March

OSB Exports from the US Softened Again Last Year

The fourth quarter of last year heralded a slowdown in the amount of oriented strand board (OSB) that the US exported to most overseas markets after significant growth in the first half and first nine months of the year. The full-year growth rate was thus less dramatic than it had been at earlier times in the year. While the first half ended with a 33% improvement and the first nine months with a 30% upswing, OSB exports from the US climbed a total of 19% to 271,440 m³ in 2011 as a whole, the Foreign Agriculture Service reports. The value of these exports rose 10% during the same period to reach USD78.5 million.

Euwid wood production, 17 March

UNITED KINGDOM
MDF Prices Falling, Exports Increasing

In the UK, the prices of MDF have weakened especially in standard forms. The market has become more short term. There are still cost pressures for wood because of the competition from the biomass sector.

The sales volumes of MDF have been steady but the market shares of companies have fluctuated. The sales of melamine-faced MDF to the shop fitting and kitchen sectors have increased. The demand for veneered MDF is weakening. The exports of MDF from the UK have increased. In 2011, the exports amounted to 166,000 m³, an increase of 20.4% compared with 2010.

TTJ Timber Trades Journal, 17 March

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FEBRUARY 2012

Slower Haulage Growth

The haulage industry expects to register a 5% volume growth this year which is lower than last year's – largely due to the Eurozone crisis and the slowdown of the US economy.

Datuk Che Azizuddin Che Ismail, President of Association of Malaysian Hauliers (AMH) said this year was anticipated to be a challenging year as the situation in the West might show little improvement. On the other hand, things are a lot rosier in Asia, especially ASEAN. Countries like Malaysia and Singapore with good infrastructure are poised to take advantage of the situation.

Last year, according to Datuk Che Azizuddin, the haulage volume in Port Klang alone, the country's biggest maritime gateway, increased by 8% compared with the same period in 2010.

Although the industry recorded growth last year, he said the current state of the industry could be better as it is still plagued by pockets of over-capacity and problems with container depot operators. This is due to too many players. A lot of forwarding agents now are also interested in operating smaller scale fleets of between five and 10 prime movers. Many of the new players also use reconstructed trucks, which are not reliable.

He added that it is difficult to act in a concerted effort when the industry is too fragmented since many of these smaller players are not members of AMH and this has been a hurdle for the industry to tackle, particularly with the government. In terms of capacity, members of AMH represent about 60% to 70% of the industry.

He also said the haulage business was not that easy due to high entry cost. It is capital intensive. A new good-brand prime mover costs about RM300,000 each and is not profitable to operate a fleet of five to 10 trucks to sustain the business. If a company has a large fleet with a good management system, it can easily enjoy a 5 to 10% margin.

He also noted that since the global economic crisis in 2008, the number of new players has reduced. On the depot issue, he suggested that rather than having depots away from the port, the container depot should be placed inside the port area. It is much easier and cheaper if all containers go back to the port. It is not productive to have containers 10 km away from the port.

Although some of the ports in Malaysia have on-dock-depot at the port, he said it was still not efficient as there was only one gate for the trucks to collect and send the containers.

Besides the location, Datuk Che Azizuddin said some container depot operators should improve on their efficiency. The inefficiency would take a toll on the country's competitiveness to attract more multinationals into the country.

Going forward, Datuk Che Azizuddin said the association wanted to help its members in terms of business. AMH has also implemented a consolidated PUSPAKOM and located it at Konsortium Logistik Bhd. This will save smaller players time and cost for their vehicle inspection as opposed to qeueing at centralised PUSPAKOM centres.

Source: www.thestar.com.my, 27 February

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, February 2012

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m^3)	% Change Feb 2012/ Jan 2012
	m^3	% Change Feb 2012/ Jan 2012	m^3	% Change Feb 2012/ Jan 2012	m^3	% Change Feb 2012/ Jan 2012	m^3	% Change Feb 2012/ Jan 2012	m^3	% Change Feb 2012/ Jan 2012		
Sawntimber	30,743	45	32	-35	333	-10	22	-122	593	87	31,723	-0
MDF	19,329	28	0	0	8,413	6	17,507	-17,620	13,138	-10	58,387	-3
Mouldings	10,190	24	349	100	2,116	26	874	-985	2,466	59	15,995	46
Dressed Timber	1,565	-16	13	39	1,208	13	247	-350	317	-5	3,350	-26
Plywood	5,555	-5	0	0	0	0	6	0	11,519	118	17,080	72
Veneer	65	-28	0	0	0	0	0	0	72	0	137	24
Particleboard	19,013	-1	0	0	215	-36	750	-743	0	0	19,978	4
TOTAL	**86,460**	**21**	**394**	**69**	**12,285**	**8**	**19,406**	**-3,852**	**28,105**	**27**	**146,650**	**7**

Source : MTIB

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Asia Remains the Real Bright Spot

Several bright spots in the maritime industry are showing prospects and opportunities even as the global shipping industry faces a slow sail this year. Offshore, shipbuilding, green shipping and a growing Asia will be the focus of the Asia Pacific Maritime (APM) 2012 in Singapore from 14 to 16 March.

Mr. Nobor Ueda, ClassNK Chairman and President as well as Vice-Chairman of the International Association of Classification Societies Ltd. Council and Mr. Simon Bennett, International Chamber of Shipping External Relations Director will co-host the keynote session at APM 2012, themed *Asian Shipping: Coping with Turbulent Waters*.

The strength of the shipping industry is inexplicably tied to volatile economic trends and trade patterns. However, despite the uncertainty in the industry, the outlook for Asia remains bright.

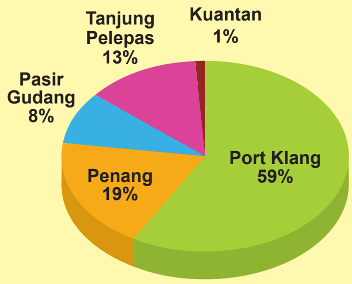
Mr. Bennett said it was currently necessary for any prudent ship operator to anticipate the unexpected. He further added that the only real bright spot is Asia, which continues to sustain demand for many shipping trades, despite the current uncertainty in Europe.

Maritime associations in Asia are optimistic about the region's ability to ride out the storm and steer towards a positive forecast. The commitment by Singapore, Malaysia, Indonesia and Viet Nam to implement the ASEAN Economic Community by 2015 would help to mould Asean into a highly competitive and connected economic region.

Malaysia has a thriving offshore oil and gas sector and will continue to consolidate its position as the deep-water hub in the South-East Asia region and commanding a lead in handling halal cargo.

Source: www.thestar.com.my, 20 February

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, February 2012



Total = 146,650 m^3

PTP Aims for 11% Growth

Port of Tanjung Pelepas (PTP), the single largest terminal in Malaysia by volume, aims to increase the handling of twenty-foot equivalent units (TEUs) by 11% this year against 2011.

Encik Azlan Shahrim, Deputy CEO of PTP said that the growth target this year would very much depend on the global economy and how shipping lines respond to changes in the marketplace.

He also noted that in 2011, the shipping lines grew by 15% compared with the industry growth of 7%. The global container traffic this year is estimated to grow by 5.5% and PTP aims to double the percentage since PTP would be handling more local cargo.

This segment increased by 30% last year and there is momentum to do even more. PTP now has 26 shipping lines and box operators compared with just two lines in their early years.

PTP is probably the sixth largest terminal in the world and must continue to deliver with high efficiency even as their operations become bigger and more complex.

Another focus of the port is to build a great team that could lift the organisation to the next level. Advanced equipment and systems alone are not enough. Execution is what matters, and that relies on human capability.

PTP, which is a 70% subsidiary of MMC Corp Bhd., plans to add two more berths to cater to potentially higher demand. This will increase their current capacity from 8.4 million TEUs to 10 million TEUs next year.

They are also adding capacity by improving productivity and enhancing the capability of their equipment. For instance, they are enhancing their yard management and upgrading the capacity of their first generation quay cranes. Not only will they build more berths but also they will ensure that they handle more volume per quay metre within their existing berths.

Last year, PTP recorded a year-on-year growth of 15% in volume to 7.5 million TEUs. A key contributor to volume growth was the selection of PTP as one of seven ports worldwide for the new "Daily Maersk" service. This initiative by Maersk offers daily on-time delivery at the seven mega ports in Asia and North Europe, which is something new in the shipping industry.

PTP also received new shipping lines in 2011, including Mitsui and K-Line of Japan, China Shipping and four Korean lines - Hanjin, STX Pan Ocean, Sinokor and Heung A.

Source: www.thestar.com.my, 6 February

FEBRUARY 2012

Exports of timber and timber products from Peninsular Malaysia in February 2012 increased 26% in volume and 28% in value to 234,185 m^3 at RM287.2 million over the previous month. Cumulative exports for the year 2012 increased by 0.5% in volume and 10% in value to 420,262 m^3 worth RM463 million compared to the previous corresponding period.

Sawntimber

Sawntimber exports in February 2012 increased 33.0% to 90,131 m^3 and in terms of value grew 34.5% to RM114.4 million compared to January 2012. In general the sawntimber market rebounded in almost every region where demand was impressive, except in the African, American and Oceania regions.

Exports to the EU market were still uncertain due to the slow economic growth where the EU GDP was projected to increase 0.8% in 2012 however export of sawntimber recorded an increase of 52.8% to 15,911 m^3. Shipments to the Netherland increased 81.6 % to 5,881 m^3, German intake was up by 81.6% to 2,706 m^3. Imports into the UK were down 33.9% to 2,631 m^3 while Belgium imports grew 10.0% to 1,920 m^3 respectively.

Demands from West Asia were at a moderate pace, with total exports to West Asia recording an increase of 5.7% to 8,891 m^3. Saudi Arabia's intake grew 2.4 fold to 2,338 m^3, Kuwait's imports increased 6.6 fold to 667 m^3 and shipments to Bahrain increased by 92.2% to 664 m^3. However, exports to the UAE declined 35.2% to 3,041 m^3, Qatar's imports dipped 75.9% to 180 m^3, whilst Oman's demands dropped 81.6% to 209 m^3 compared to the previous month.

The East Asian region followed the upward trend seen in the other regions with total imports increasing three fold to 11,356 m^3. China recorded tremendous growth reaching 207.4% to 8,120 m^3. Exports to Japan increased 22.3% to 2,033 m^3. Other countries such as Hong Kong, South Korea and Taiwan were also in upward trend demands.

Demands from ASEAN countries were rising in moderate mode. February's imports increased 24.9% to 42,773 m^3. Singapore's imports grew 39.5% to 11,461 m^3, exports to Thailand were up by 20.5% to 30,884 m^3 and Viet Nam's intake was short three fold to 249 m^3, however exports to Indonesia decreased 46.1% to 173 m^3 respectively.

In contrast the African, Americas and Oceania regions registered a declining trend. Exports to African countries dropped 9.5% to 3,803 m^3 except to South Africa which gained 3.4% to 3,431 m^3. American countries' imports fell 54.0% to 243 m^3 and shipments to Oceania dipped 23.7% to 834 m^3 compared to the previous month.

Overall FOB unit value for sawntimber grew slightly to RM1,269 per m^3 compared to RM1,255 per m^3 in January 2012. Dark Red Meranti (DRM) sawntimber was traded 2.1% lower to RM2,633 per m^3 and price of DRM to Netherlands increased by 1.9% to RM2,986 per m^3. Keruing was traded 8.6% higher to RM1,454 per m^3 compared to the previous month.

Plywood

Plywood exports in February 2012 were at 19,431 m^3 valued at RM30.5 million. Cumulative exports for the period January to February 2012 showed increases of 8% and 19% in volume and value to 31,352 m^3, valued at RM50.1 million from the previous corresponding period.

Total export to the EU increased heftily by 138% to 13,772 m^3, imports by the UK increased 252% to 11,800 m^3. Similarly, exports to Denmark and the Netherlands increased by 1,064% and 69% from the previous month to 512 m^3 and 1,231 m^3. However, imports by Belgium and Italy decreased to 167 m^3 and 20 m^3 from 1,547 m^3 and 22 m^3 respectively in the previous month. Ireland, France and Germany did not purchase any plywood in February 2012.

Exports to the ASEAN region dropped as Singapore's intake of plywood decreased by 5% to 1,636 m^3. Indonesia did not make any purchase in February 2012. In East Asia, exports to Japan decreased by 71% to 186 m^3, while Taiwan and South Korea did not import any plywood. However, China and Hong Kong resumed imports by 16 m^3 and 131 m^3 respectively. Total export to West Asia was lower by 28% to 817 m^3 from 1,127 m^3 in the previous month. Exports to the UAE were lower by 47% to 582 m^3 as compared to the previous month. Kuwait resumed imports by 91 m^3. Elsewhere, export to Australia increased by 49% to 1,628 m^3 while the US did not make any purchase. South Africa reduced its intake to 42 m^3 from 110 m^3 in the previous month.

The FOB price of plywood decreased to RM1,569 per m^3 from RM1,647 per m^3 in the previous month, a marginal decrease of 5% from the previous month.

Veneer

Total export of veneer for February showed increases of 59% and 26% in volume and value respectively to 420 m^3 at RM524,832 compared to the previous month. Cumulative exports in February 2012 showed increases by 10% and 6% in volume and value respectively to 685 m^3 valued at RM943,084 m^3 from the previous corresponding period of last year.

Exports to Thailand increased by 100% to 280 m^3 while Indonesia did not import any plywood. Sri Lanka, Taiwan, UK and China did not make any purchase in February 2012.

Medium Density Fibreboard (MDF)

Peninsular Malaysia's exports of MDF for February 2012 was recorded at 73,832 m^3 with a value of 70 million, increased respectively 21% in volume and 20% in value over the previous month.

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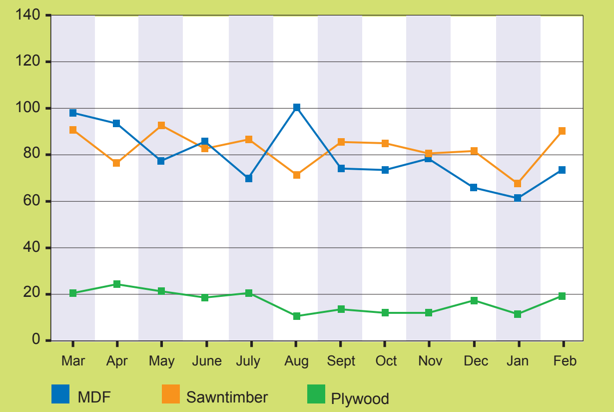
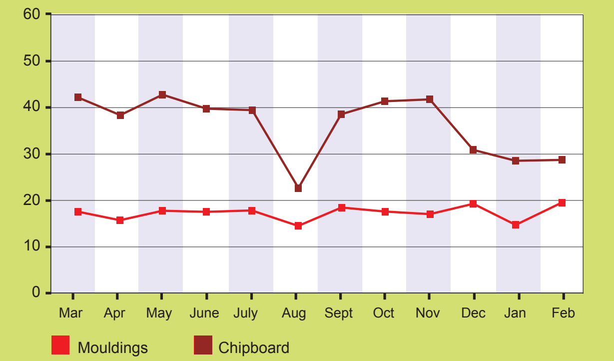
Exports to East Asia for the month increased 138% in volume to 2,372 m³ from 997 m³ in the previous month. Exports to Taiwan recorded an increase of 2,041% to 1156 m³ and followed by Japan 52% to 1,057 m³. Imports by China (including Hong Kong) showed a decreased of 36% to 159 m³ respectively.

Similarly, demand from the West Asian market increased 28% in volume to 37,784 m³ from 29,545 m³ in the previous month. Export to Syria recorded a positive growth of 215% to 3,225 m³, followed by Kuwait with 72% to 1,839 m³, UAE 57% to 12,834 m³, Saudi Arabia 29% to 4,726 m³ and Oman 15% to 2,114 m³. Meanwhile exports to Iran, Bahrain and Jordan showed a decline of 2% to 6,303 m³, 35% to 449 m³ and 51% to 3,048 m³ respectively from the previous month. Elsewhere, exports to the UK, Australia and the US for the month increased 19% to 926 m³ 6% to 2,121 and 6% to 1,963 m³ whilst South Africa fell 14% to 985 m³ respectively.

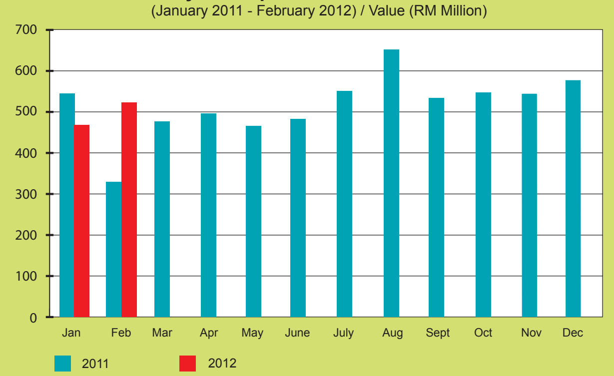
In ASEAN, exports to the ASEAN region for this month increased by 12% to 15,153 m³ from 13,527 m³ in the previous month. Exports to Singapore increased by 132% to 1,159 m³ followed by Viet Nam with 16% to 5,978 m³ and Indonesia 14% to 6,870 m³. However Philippines registered a negative growth of 37% to 1,146 m³ respectively.

Export of Selected Timber Products from Peninsular Malaysia
(March 2011 - February 2012) / Volume ('000 m³)





Malaysia: Export of Wooden Furniture
(January 2011 - February 2012) / Value (RM Million)



Mouldings

Export of mouldings for the month increased 31% in volume and 24% in value to 19,543 m³ at RM53.2 million. The cumulative exports for the first two months reported an increase of 23% in volume and 28% in value to 34,496 m³ worth RM96.0 million.

Exports to the EU increased 28%, worth 8,701 m³, as a result of improved purchases by major markets in the EU. Shipments to the Netherlands and Germany increased 14% and 26% to 3,483 m³ and 2,378 m³ respectively. Similarly, Belgium increased purchases by 39% to 964 m³.

Similar situations were also seen in Asia whereby exports to Japan and South Korea increased 18% to 1,888 m³ and 62% to 1,402 m³ respectively. However, exports to China recorded a decline of 24% to 339 m³.

Elsewhere, exports to the US and Australia increased 45% to 2,386 m³ and 3% to 2,144 m³ respectively. Likewise, demand by Singapore improved 30% to 1,070 m³.

The FOB value for mouldings decreased 5% to RM2,723 per m³ from RM2,862 per m³ in the previous month.

Builders Joinery and Carpentry (BJC)

Exports of BJC between January to February declined 5% to RM 148.4 million over the previous corresponding period. Similarly, exports to the EU and US decreased by 25% and 3% to RM42.5 million and RM11.2 million respectively.

Shipments to the UK and France declined 45% and 22% to RM12.7 million and RM5.4 million respectively. Similarly, Belgium and Sweden also increased their purchases by 4% and 64% to RM6.5 million and RM2.7 million respectively. However, export to France and Italy reduced 22% to RM5.4 million and 17% to RM2.5 million respectively.

In Asia, Singapore recorded lower purchases at 54%, worth RM12.5 million while exports to Australia increased 34% to RM22.5 million. Exports to Japan and India increased 10% and 4% to RM19.2 million and RM9.6 million respectively.

Furniture

Total furniture exported amounted RM992.3 million, a decline of 13% from the same period in 2011. Exports of wooden furniture for the period January-February 2012 increased 13.4% compared to 2011. Shipments valued RM990.1 million against RM872.9 million.

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FEBRUARY 2012

Logs

Moving forward into February, the outlook for timber and timber products especially log are expected to remain weak. With tight supply logs prices remained unchanged as compared to the previous month.

Prices of Chengal, Balau and Merbau logs were RM3,460 per tonne, RM2,710 per tonne and RM2,110 per tonne respectively. Logs of Keruing and Kempas remained firm at RM1,360 per tonne and RM1,460 per tonne respectively. Prices for Dark Red Meranti, Red Meranti and Nyatoh were respectively quoted at RM1,360 per tonne, RM1,310 per tonne and RM1,360 per tonne. Meanwhile prices for Mixed Heavy, Mixed Medium and Mixed Light Hardwood continued to stable at RM1,200 per tonne, RM1,000 per tonne and RM950 per tonne respectively.

Sawntimber

Overseas buyers are currently reported to be quiet with stocks of sawntimber adequate for the month. Sawmillers and exporters experiencing ever-higher costs are unlikely to be able to make large concessions in prices. They may decide to sacrifice volumes while holding in to firm prices.

Prices for sawntimber of Chengal, Balau and Merbau were RM7,620 per m^3, RM5,620 per m^3 and RM4,820 per m^3 respectively. Prices of Keruing and Kempas were quoted at RM3,020 per m^3 and RM3,220 per m^3 respectively. Prices for Dark Red Meranti was RM3,220 per m^3 whilst Red Meranti and Nyatoh were similarly traded at RM2,920 per m^3. On the other hand, prices for Mixed Heavy, Mixed Medium and Mixed Light Hardwood remained stable at RM2,500 per m^3, RM2,100 per m^3 and RM1,900 per m^3 respectively.

Plywood

Plywood milling remained subdued during the month and supply of plywood to the domestic market remained sufficient. Demands for shuttering boards in the construction sector continued to be positive During February, the price of plywood in the domestic market remained at the previous last month's level. Plywood of 4mm, 6mm and 9mm of thicknesses were traded at RM16.10, RM25.60 and RM38.50 per piece respectively Meanwhile, shuttering boards of 12mm thickness were traded at RM48.50 per piece.

Medium Density Fibreboard (MDF)

The price stood at the previous month's level and there was no sign of improvement. Sales were slow and uncertain. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM13.20, RM16.90, RM23.30 and RM30.10 per piece respectively.

Intra-Malaysia Trade* - February 2012

Shipments of sawntimber from Sabah to Peninsular Malaysia were reported to decline by 8% to 1,046 m^3, valued at RM1.6 million. However, shipments of plywood increased by 56% to 9,033 m^3, valued at RM13.5 million. Export of veneer was 63 m^3 valued at RM83,000.

On the other hand, shipments of sawntimber from Sarawak was up from 718 m^3 to 2,117 m^3 valued at RM1.7 million. Similarly, export of plywood increased by 5% to 10,565 m^3 worth RM12.7 million. Shipments of veneer improved by 50% to 3,785 m^3 valued at RM3.6 million.

There was no intra trade from Peninsular Malaysia to Sabah and Sarawak recorded in February 2012.

INTRA-MALAYSIA TRADE - FEBRUARY 2012

From	Products	January 2012		February 2012		% Change in volume	% Change in value
		Volume (m^3)	Value (RM '000)	Volume (m^3)	Value (RM '000)	February 2012/ January 2012	February 2012/ January 2012
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	1,137	1,751	1,046	1,614	-8	-8
	Plywood	5,784	9,592	9,033	13,573	56	42
	Veneer	0	0	63	83	-	-
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	718	767	2,117	1,742	195	127
	Plywood	10,091	12,927	10,565	12,701	5	-2
	Veneer	2,528	2,679	3,785	3,601	50	34

** Source: Department of Statistics, Malaysia*

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*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA FEBRUARY 2012 (RM)

SPECIES	LOGS (tonne)	SAWNTIMBER (m^3)		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	3,460	7,620	4,500	8,500
Balau	2,710	5,620	3,500	5,700
Red Balau	1,900	3,500	2,200	3,600
Merbau	2,110	4,820	2,600	5,200
Mixed Heavy Hardwood	1,200	2,500	1,500	2,800
MEDIUM HARDWOOD				
Keruing	1,360	3,020	1,550	3,200
Kempas	1,460	3,220	1,650	3,500
Kapur	1,260	2,720	1,530	2,900
Mengkulang	1,250	2,350	1,420	2,550
Tualang	1,150	2,050	1,420	2,350
Mixed Medium Hardwood	1,000	2,100	1,250	2,300
LIGHT HARDWOOD				
Dark Red Meranti	1,360	3,220	1,750	3,500
Light Red Meranti	1,250	2,500	1,440	2,800
Red Meranti	1,310	2,920	1,560	3,200
Yellow Meranti	1,150	2,000	1,340	2,300
White Meranti	1,200	2,100	1,400	2,250
Mersawa	1,210	2,520	1,460	2,650
Nyatoh	1,360	2,920	1,550	3,100
Sepetir	1,060	2,020	1,350	2,300
Jelutong	1,100	2,100	1,340	2,300
Ramin	1,810	4,120	2,850	4,400
Mixed Light Hardwood	950	1,900	1,100	2,000

MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	LOGS (tonne)	SAWNTIMBER (m^3)			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	140	717	855	936	964

PLYWOOD 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	16.10	25.60	38.50	48.50
MDF 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	13.20	16.90	23.30	30.10

Note: Log prices ex-batau. Sawntimber, plywood, MDF and Malaysian Rubberwood (*Hevea brasiliensis*) prices ex-mill.
*** Prices are only indicative**
Source: MTIB

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TIMBER ROUND-UP

The US increased its intake of wooden furniture by 26% from RM243.7 million to RM306.8 million. Imports from Japan amounted to RM117.6 million, an increase of 12%. Exports to the UK fell by 1% to RM65.0 million from RM65.9 million of 2011. Australia's imports moved upward by 2%, recording RM63.6 million.

Singapore's consumption dipped 1% in 2011 reaching RM41.2 million from RM41.7 million from the previous year. Canada posted a 45% increase touching RM45.3 million from RM31.3. million Intake by UAE fell by 7% recording RM29.6 million while imports by India amounted to RM21.3 million. Shipments to Saudi Arabia reduced by 22%, from RM19.9 million in 2010 to RM15.5 million in 2011.

Shipments of rattan furniture slid by 41%, from RM3.7 million to RM2.2 million. Singapore and the UK reduced purchases by 43% and 47% respectively. Both these countries recorded intakes of RM0.5 million and RM0.3 million respectively. China took in RM0.4 million while Cote D' Ivore absorbed RM0.3 million.

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MISSION TO THE FAR EAST : PROMOTING COMMODITIES TRADE

Dr. Jalaluddin Harun, Director-General of MTIB (centre), YB Dato' Ismail Kasim, Chairman of National Tobacco and Kenaf Board (fourth from left) together with Malaysian mission members and officials of Taiwan Forestry Research Institute.

During the visit to Cin Yung Machine Works which conducts R&D, and manufactures high quality bamboo and wood processing machineries in Taiwan, the delegation was shown the various types of bamboo machineries used in the manufacture of bamboo flooring.

In South Korea, the Malaysia delegation was shown the technology of glue-laminated (glulam) products manufacturing at Kmbeam Min Co. Ltd. The company provides the technological know-how to local contractors, architects and designers, in the production of glulam. Prior to this, it had to import glulam beams from New Zealand and the USA. The company utilises mainly temperate species which include Douglas Fir, Sitka Spruce and Western Red Cedar.

The glulam industry in South Korea can be said to be quite recent but is developing well, supported by growing demands and favourable consumer acceptance. Malaysia could initiate the same venture and emulate the successes achieved by South Korea through government sponsored initiatives to encourage glulam R&D, as well as aggressively promoting it for wider acceptance by the specifiers, contractors, architects and the public.

Distinguished members of the delegation included Datin Paduka Nurmala Abd Rahim, Secretary-General of MPIC; Dr. Jalaluddin Harun, MTIB Director-General; Director-General of Malaysian Cocoa Board and senior management officials from the Malaysian Pepper Board, Malaysian Tobacco and Kenaf Board, Malaysian Palm Oil Board, Malaysian Rubber Board as well as from MTIB.

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TIMBER WORLD IN BRIEF

VIET NAM
Aims for Stable Timber Supply

Viet Nam has drawn up plans to sustainable grow its wood product processing industry by 2020, according to the Minister of Agriculture and Rural Development. The industry is to give priority to investing in and utilising domestic forests while reducing raw wood exports and better managing supply.

Viet Nam needs an annual average 3-3.5 million m^3 of raw wood materials while domestic supply is currently only capable of meeting 20% and foreign imports 80%. By 2020, the nation expected to import 4-4.5 million m^3 yearly.

The government will offer soft loans to investors to increase raw material supply. The state will grant certification to create a legal basis for the sustainable development of large-scale forests. Last year, Viet Nam gained a year-on-year increase of 15.13% in the export value of wooden products to about USD4 billion. It is expected to increase by 12% to USD4.37 billion this year.

Viet Nam news, 16 March

WORLD
Global Wood Panel Consumption Expected to Reach 336 Million m^3 by 2017

Global Industry Analysts announced the release of a comprehensive global report on Wood Panels markets. Global Wood Panels consumption is forecast to reach 336 million m^3 by the year 2017, driven primarily by the reviving housing sector, which represents a principal end-use market. Demand in the global market for forest products witnessed a drastic decline due to the collapse of the housing sector, particularly in the US and Europe. However, a steady yet slow increase in the number of new housing starts in North America triggered market recovery in 2010.

Wood Panels find extensive application in the construction sector, which represents the largest end use segment, accounting for over 60% of consumption. Globally, the demand for OSB is on an upward inclining growth curve, owing to its acceptance in various industries as an effective substitute for plywood. Product developments, along with the technological advancements, have played a major role in increasing the popularity of MDF. Engineered wood products are widely in demand in the market owing to its easy installation and low cost.

PR Web, 3 March

MPIC–COMMITTED TO DEVELOPING THE COMMODITY SECTOR

YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities at MTIB booth, watching a demonstration on wood carpentry and joinery by WISDEC Sabah Timber Processing and Finishing Trainee.

Ministry of Plantation Industries and Commodities (MPIC) is committed to developing the plantation and commodity sector. Various programmes have been implemented to stimulate the growth of the plantation and commodity sector to turn it into a modern sector capable of contributing to the nation's economy.

To ensure all the programmes reach the target groups, MPIC conducted *Hello Komoditi*, an event aimed at increasing public knowledge and awareness especially amongst the youth and smallholders on the importance of the commodity sector and hence attract them to venture into the sector. At Putatan, Sabah, MPIC and Malaysian Rubber Board (LGM) jointly acted as a host with the cooperation of Putatan District Council to conduct the event which was held on 19 March.

MPIC together with its agencies namely Malaysian Palm Oil Board (MPOB), MTIB, LGM, Malaysian Cocoa Board (LKM), National Kenaf and Tobacco Board and Malaysian Pepper Board set up exhibition booths to disseminate relevant information on the commodities, new technologies, technical advisory and financial aids available. The public also got the opportunity to learn more about the functions of MTIB especially in developing the timber industry in Sabah through skills training as offered by MTIB's training centre, WISDEC Sabah.

Hello Komoditi was officiated by YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities. In his speech, Tan Sri Bernard said that it was an honour for MPIC to be given the opportunity to enhance public awareness on commodities. The Minister said that it was important for the community to build close networking with the agencies to benefit from training and entrepreneurial programmes offered by MPIC agencies. He also urged local entrepreneurs to seize the opportunity to increase their income through commodities.

Various activities were conducted during the one-day programme including open interviews, MPIC meet-customer counters, exhibitions from various agencies and sales. Apart from agencies under MPIC, other agencies such as Federal Agricultural Marketing Authority, Department of Agricultural (Sabah), Agro Bank, Bank Simpanan National, Bank Rakyat, Agro Bank and Malaysia People's Volunteer Cops also participated in the programme as exhibitors. A seminar was also conducted by MPOB and LKM. The two agencies delivered talks on bakery, palm-based cosmetics and chocolate-making entrepreneurships.

During the closing ceremony, the Minister gave away certificates to participants who attended the seminar. He then visited the exhibitor's booths. MTIB was awarded the best Booth for *Hello Komoditi 2012* at Putatan. MTIB

Encik Mohd Razman Mohamad Azizuddin of WISDEC Sabah (left) briefed on wood plastic composites to one of the visitors at MTIB booth.

MIFF 2012 TOWARDS INNOVATION AND CREATIVITY

YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities (centre) officiating the event.

Malaysian International Furniture Fair (MIFF 2012) is recognised as one of the most prominent furniture exhibitions in the international calendar. In 2012, MIFF was held from 6 to 10 March occupying a total of 75,000 sqm of exhibition space with around 500 exhibitors, spread over two venues, the Putra World Trade Centre (PWTC) and MATRADE Exhibition and Convention Centre in Kuala Lumpur.

Officiating the MIFF 2012, YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities, noted that the Malaysian furniture industry is a highly export oriented, with close to 80% of its production exported to the global market. Today, Malaysian furniture is exported to more than 160 countries all over the world. In 2011, Malaysia exports of timber and timber products were valued at RM19.8 billion of which furniture products accounted for RM6.46 billion or 32.6% of total exports. In the case of furniture products, almost 78% were wooden furniture. The furniture industry is a very important component of the timber downstream sector and it is envisaged that its role will be further strengthened under the National Timber Industry Policy (NATIP 2010-2020).

Tan Sri Bernard further added that to sustain the timber supply, the government has embarked on projects to cultivate large scale forest plantations. Over a 15-year period, a total of 375,000 hectares of forests will be planted. This includes Rubberwood which is the most sought after timber species by furniture makers. To retain competitiveness in the global economy, it is important that the industry adopts innovative approaches. The Minister believed it is through innovation that businesses will continue to be productive and to expand their market share as well as to be able to overcome challenges and be capable of producing innovative and more creative furniture products in the future.

The Minister added that previously, the domestic industry had thrived on mass manufacturing. However, it is time to move on to medium and high-end markets because it is no longer sustainable to compete against developing economies which have cheaper resources and labour. Malaysian manufacturers already have the reputation of being good craftsman and trusted suppliers. The next step is to develop the Malaysian brand.

Coordinating the efforts of a few furniture and timber products suppliers, MTIB's participation in MIFF 2012 was to promote a two-seater chair and a coffee table from FnB World Impression, made from Merbau and Pine wood and also laminated timber flooring from Brenwood Sdn. Bhd. Other sample products exhibited included oil palm trunk plywood, machine carved mouldings, particleboard and MDF from empty fruit bunches. MTIB also introduced and promoted its new online trading floor portal known as 'malaysianwood.net'.

The Minister visiting MTIB booth.

The front view of MTIB booth.

MIFF AWARDS- RECOGNISING EXCEPTIONAL FURNITURE PLAYERS

MIFF Sdn. Bhd.

Best Presentation Award winners under the bare space booth category.

The MIFF Prize Presentation Ceremony, an annual feature of MIFF 2012 was held on 8 March in Kuala Lumpur. The awards were presented by Datuk Dr. Rebecca Fatima Sta Maria, Secretary-General of Ministry of International Trade and Industry.

In her welcoming remarks, Dr. Rebecca emphasised that product designs should be innovative, aesthetics and functional so as to strengthen their competitiveness in the global market. She further acknowledged that the awards competitions are some of the means to motivate Malaysian furniture makers to do their very best and consequently, to do even better.

The awards honoured two categories: Furniture Excellence and Best Presentation. The Furniture Excellence Award is presented to the furniture manufacturer that produces uniquely designed and immaculately crafted furniture, giving recognition to designers working in the furniture industry in Malaysia and across the region.

Having won the top prize for the previous two years, TAZ Corporation Sdn. Bhd scored a hat-trick in this year's Furniture Excellence Award's category with a Platinum Award for its sleek entry, XFLO.

The Best Presentation Award on the other hand is given to the exhibitors who create the most eye-catching and well-designed and decorated booth. It aims to encourage the exhibitors to decorate their booths to highlight their products, improving their corporate image and attract visitors' attention.

This year, Hen Hin Furniture Manufacturing Sdn. Bhd. clinched the first prize for the category shell scheme booth whilst Laval Furniture Sdn. Bhd. walked away with the top award in the bare space booth category.

WINNERS OF FURNITURE EXCELLENCE AWARD

AWARD	I) HOUSEHOLD FURNITURE CATEGORY	PRIZE
PLATINUM	TAY HUAH FURNITURE CORP (COMF-PRO)	RM8,000 (cash rebate) + Trophy + Certificate + 1 Furniture Test at FRIM
GOLD	TIMBER TONE INDUSTRIES SDN. BHD.	RM5,000 (cash rebate) + Trophy + Certificate + 1 Furniture Test at FRIM
SILVER	(IGOAUDIO) FORMOSA PROSONIC IND BERHAD	RM3,000 (cash rebate) + Trophy + Certificate + 1 Furniture Test at FRIM

AWARD	II) OFFICE FURNITURE CATEGORY	PRIZE
PLATINUM	TAZ CORPORATION SDN. BHD.	RM8,000 (cash rebate) + Trophy + Certificate + 1 Furniture Test at FRIM
GOLD	BENITHEM SDN. BHD.	RM5,000 (cash rebate) + Trophy + Certificate + 1 Furniture Test at FRIM
SILVER	EURO CHAIRS MANUFACTURER (M) SDN. BHD.	RM3,000 (cash rebate) + Trophy + Certificate + 1 Furniture Test at FRIM

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MALAYSIAN INTERNATIONAL FURNITURE FAIR 2012

DESIGNING INNOVATIVE FURNITURE

The Ideation Award was started three years ago in conjunction with MIFF. The contest was organised by MIFF Sdn. Bhd. and co-organised by Arcradius Consulting Sdn. Bhd. This year's theme is *My Favourite Chair*.

The objectives were :

- to provide a platform for young talents to showcase their talent and innovativeness;
- to nurture new furniture designers and encourage newcomers to become involved in the furniture industry;
- to promote the development of the Malaysian furniture industry through well designed products; and
- to encourage the creation of an identity for Malaysian furniture products.

MIFF Sdn. Bhd.

Winning entry.

MIFF Sdn. Bhd.

MIFF Sdn. Bhd.

Second (left) and third (right) prize winners.

A total of 178 entries were received and this was the first time international experts were included in the judges' panel to vet the entries right from the start. The judges picked the 10 finalists whose designs were then transformed into prototypes. The panel finally decided on the top three winners for the Ideation Award. Among the values that the judges were looking for were innovation, aesthetics and functionality.

The prize presentation was held on 8 March in Kuala Lumpur. Datuk Dr. Rebecca Fatima Sta Maria, Secretary-General of Ministry of International Trade and Industry presented the prizes to the winning designers.

WINNERS OF IDEATION AWARD

RANKING	DESIGNER NAME	DESIGN NAME	PROTOTYPE BY	PRIZE
FIRST	SIM CHIA YI	JUST LIKE OLD TIMES	OASIS FURNITURE INDUSTRIES SDN. BHD.	RM5,000 + Trophy + Certificate
SECOND	THIPAN RAJ A/L CHANDRAN	EASY CHAIR	GAMMA WOOD SDN. BHD.	RM3,000 + Trophy + Certificate
THIRD	CHING EU WAYNE	A-FUSION CHAIR	GOLDEN TECH FURNITURE INDUSTRIES SDN. BHD.	RM2,000 + Trophy + Certificate

BEST PROTOTYPE MAKER

COMPANY NAME	:	GAMMA WOOD SDN. BHD.
PRIZE	:	Gift and Certificate

MALAYSIA PROMOTES ITS FURNITURE IN EFE 2012

EFE 2012 was held in Malaysia Agro Exposition Park Serdang Selangor on 7-11 March, showcasing furniture from 140 participating countries with 80,000 sqm of gross exhibition space. The exhibition was organised by the Malaysia Furniture Entrepreneur Association (MFEA) and officiated by YB Tan Sri Bernard Dompok, the Minister of Plantation Industries and Commodities. EFE serves as a platform for furniture manufacturers and the trading sectors to boost their exports each year by providing opportunities to Malaysian furniture manufacturers to forge new business relationships with the rest of the world, while assessing their own competitive edge.

YB Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities (fourth from left) with other guests of honour cutting a ribbon to officiate the event.

In his opening speech, the Minister noted that the export trend of Malaysian furniture for the last 10 years had been increasing steadily through out the year except for 2009 when the world was caught in a recession. In 2010, Malaysia ranked as the eighth largest furniture exporter in the world and third largest in Asia. He further added that in the ASEAN region, Malaysia is the second largest producer of furniture after Viet Nam.

Despite the economic crisis in Europe, and the uncertainties in the US economy, the Minister noted that in 2011, Malaysia's exports of timber and timber products were valued at RM19.8 billion and furniture products accounted for RM6.46 billion or 32.6% of total exports. In the case of furniture products, close to 78% were wooden furniture. This is commendable taking into account the global economic scenario. He hoped that Malaysia's strong economic fundamentals will continue to inject activities into the economy to enable it to sustain the momentum in economic growth.

The Minister also urged manufacturers to continue focusing on innovative designs, improve manufacturing techniques and adjust marketing strategies to be able to face the challenges and stiff competition from lower cost competing countries in the region. In addition, he also stressed that manufacturers should continue developing higher value-added furniture using green sustainable materials available locally to meet the demand of discerning customers in certain niche markets.

MTIB took part in the exhibition by displaying publications and samples of timber products as well as furniture laminated flooring and bamboo blinds, contributed by industry members. MTIB also introduced and promoted its new online trading floor,'malaysianwood.net' at the exhibition.

The Minister and other VIPs after visiting MTIB booth.

RE-ACTIVATION OF THE WOOD-BASED PRODUCTS UNDER THE ACCSQ

Malaysian delegation smiling for the camera.

The duplicative testing procedures arising from different systems of conformity assessment in various countries have become a serious barrier to trade. In solving this issue, ASEAN through ASEAN Consultative Committee for Standards and Quality (ACCSQ) which was formed in 1992 has endeavoured to harmonise national standards with international standards, develop harmonised regulatory regimes and implement mutual recognition agreements on conformity assessment to achieve the end goal of *'One Standard, One Test, Accepted Everywhere'*. In this context, the role of the ACCSQ is becoming more crucial and prominent to achieve the ASEAN Vision 2020 of establishing a single market and production base by 2015.

In order to achieve this objective, the ACCSQ is actively pursuing the reduction, if not the elimination of technical barriers to trade through the harmonisation of standards within the region based on international standards as well as the harmonisation of technical regulations and accreditation and conformity assessment. In line with that, the 38th ACCSQ was held in Brunei Darussalam from 14 to 17 March to further deliberate several issues tasked to several Task Forces and Working Groups under the ACCSQ forum, which included WG1 on Standards and MRAs, WG2 on Accreditation and Conformity Assessment as well as WG3 on Legal Metrology. The progress made by several product working groups and the priority integration sectors under the purview of ACCSQ were also discussed during the meeting.

The ACCSQ meeting was chaired by Mr. Tran Van Vinh, Deputy Director General STAMEQ, Ministry of Industrial Science and Technology, Viet Nam and co-chaired by Pengiran Adnan Pengiran Badarudin, Head of Authority for Building Control and Construction Industry under the Ministry of Development, Brunei Darussalam. The Meeting was hosted by the Ministry of Development as the ACCSQ leader for Brunei Darussalam and it was officiated by Mr. Awang Haji Suhaimi bin Haji Gafar, the Permanent Secretary at the Ministry of Development as the guest of honour. He highlighted on conformity assessment of products and services to generate results that determine marketability. He noted that some suppliers are not be able to sell a product or service because the result of conformity assessment process such as testing and certification are not accepted by the prospective buyer or regulatory authorities in the target market. This does not necessarily mean that the product or service has failed to meet a certain standard.

A series of meetings and workshops preceeded the main Meeting. They included the *Physikalisch Technische Bundesanstalt (PTB)* Planning Workshop for Standards and Conformance organised by PTB Germany on 11 March 2012 under the ACCSQ-PTB Germany Dialogue partners, the Certification and Accreditation Workshop on 12 March 2012 as well as work programmes of the ACCSQ Working Group 2 on Accreditation and Conformity Assessment. The Focus Group Meeting on Standards and Conformance was also conducted on 13 March 2012 to discuss common concepts in standards and conformance for ASEAN Member States.

Up to now, All Members States (AMS) have accomplished the harmonisation of standards for 20 priority products. In addition, 97 safety and 10 EMC standards have been identified and have completed its harmonisation based on IEC standards. Based on the ISO/IEC Guide 21, 35 international standards have been identified for harmonisation among AMS under the wood-based products sector. The meeting further deliberated on the progress report of the 11 WGs / PWGs excluding wood-based products issues.

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MTIB presented a proposal for the re-activation of Wood-based Products Working Group (WBPWG) under the WG1. The earlier WBPWG was disbanded due to lack of quorum at the WBPWG meetings. Malaysia's proposal was to re-activate the WBPWG to initiate discussions on the harmonisation of wood-based product standards for structural and non-structural use as this may not be adequately discussed in the ASEAN Expert Group of Forest Products Development (AEGFPD). The ACCSQ agreed with the formation of the Task Force on Wood-based Products (TFWBP) and Malaysia was tasked to lead the TFWBP. The proposed Terms of Reference (ToR) of this TFWBP are stated in **Figure 1**:

Apart from that, the ACCSQ has also made good engagement with ASEAN's dialogue partners, thus it will be appropriate for ACCSQ and its related working groups to consider the development in the decisions and progress it will make. The ACCSQ meeting was attended by representatives from all ASEAN member states except Laos PDR, dialogue partners from Japan and the US, as well as the *Physikalisch Technische Bundesanstalt (PTB)* Germany. The delegation from Malaysia was led by Puan Fadilah Bahrin, Director-General, Department of Standards Malaysia whilst MTIB was represented by Puan Hjh. Mahsuri Mat Dris and Puan Syafinaz Abd Rashad from Industry Development.

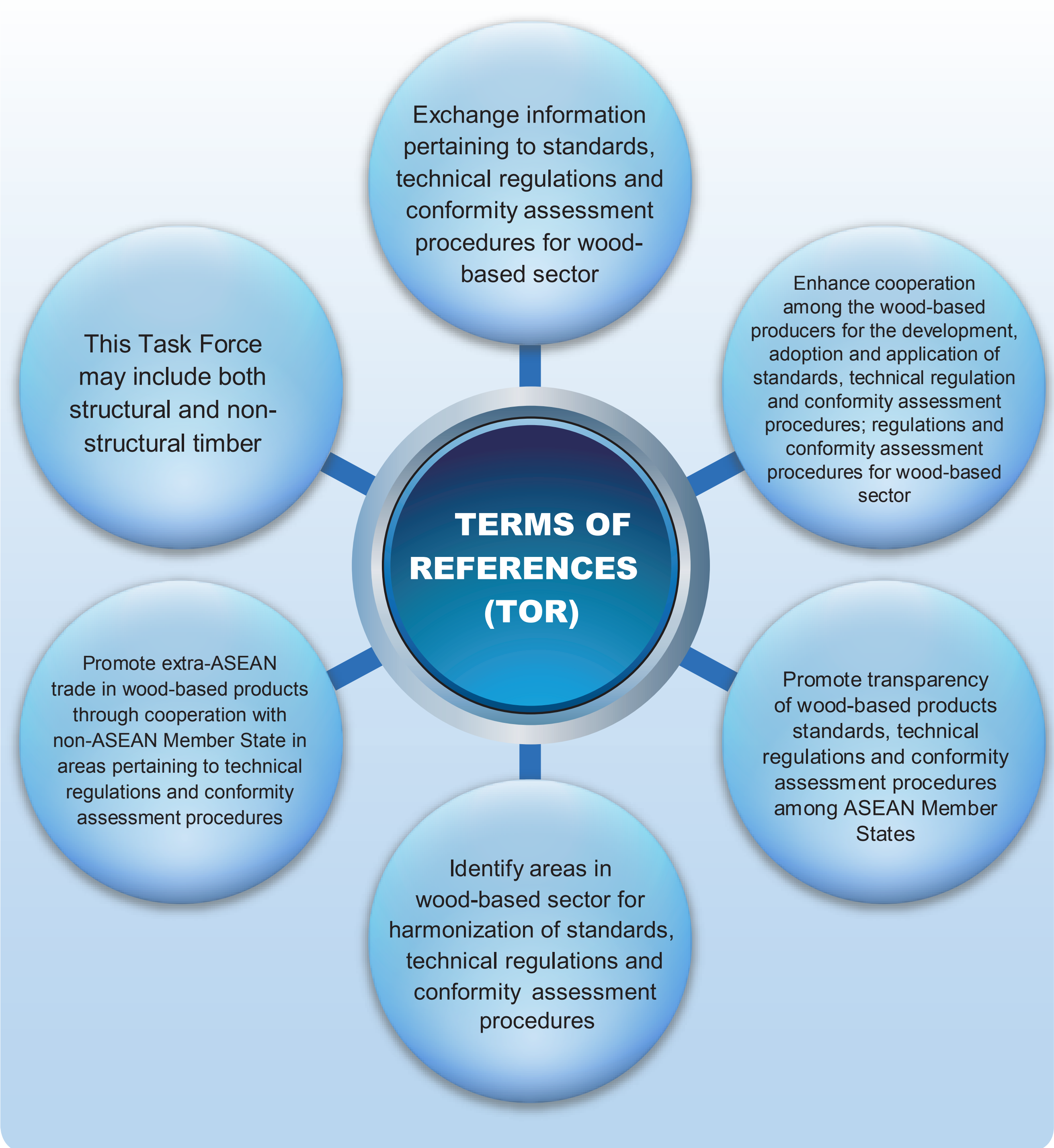

***Figure 1**: The ToR TFWBP*

TOWARDS A GREENER PROSPECT – WITH INCOME AND CONSERVATION PERSPECTIVE

Earth's forests are ever depleting either with human intervention or climate change. Steps and measures have been proposed and taken to prevent it from becoming a disaster. But the dependability on the forest and, in this case, its logs, is undeniable and cannot be ignored. As a result, wood/log-based plantations or what is now known commercially as forest plantations have been introduced.

Background

Among the few species being planted in forest plantations in Malaysia, rubber tree or *Hevea braziliensis* is the most popular. Initially, the Heveawood or Rubberwood trees were grown in plantations for their latex but as time passed demand grew for its wood. In this type of plantation, Rubberwood logs are the primary products while latex is the secondary. In the Rubber Forest Plantation concept, trees can be tapped seven or eight years from the planting date. The period between planting and tapping is an important period for both the operator and the tree itself. This is to enable the trees to have a healthy growth rate and achieve high clear bole volumes. However, the trees have to be tapped correctly to avoid injury to the tree's cambium. The wound caused by tapping will heal well provided that the cambium is not damaged. If it's damaged, even if the bark heals, there will be bulges in the tree trunk which causes the rubber logs to be classified as inferior quality. Rubber logs are suitable for harvesting after at least fifteen years.

The Seed

There are many types of rubber trees available and among the recommended are Latex Timber Clones (LTC) or Timber Clones (TC) which are suitable for rubber forest plantation. At present, the best clones for rubber forest plantation are the RRIM3001 (1Malaysia), RRIM2025, RIM2027, RRIM928, RRIM929 and PB350.

Planting Technique

Planting density for rubber forest plantations is at 4x4 metre planting distance. If they are planted at a hill slope, the distance between trees is 2.4 metres and the distance between rows is 6.4 metre. Both planting distance would give an initial planting density of 625 trees a hectare. It is anticipated that before harvesting, a density of not less than 520 trees, will be achieved.

Rubberwood saplings.

The RRIM928 rubber planting material at a nursery.

Pruning in rubber forest plantation is divided into two types: controlled pruning and corrective pruning. Controlled pruning is done once every three months to maintain the main leader. In rubber forest plantations, the plants have to be pruned to achieve a clear bole height of 6 metres. Controlled pruning is meant to produce healthy, balanced and vigorous plants with sufficient leaves for the photosynthesis process. However, almost all recommended LTC have self-pruning characteristic plants when they reach maturity stages.

Corrective pruning is meant to produce strong and vigorous plants with a straight main leader. This is achieved by pruning the unnecessary branches. Side branches are allowed to grow from one whorl to another unless they show sign of being unhealthy and require correction. In addition, this type of pruning will be carried out when the side branches are unbalanced. In the event that side branches are growing more vigorously than that of the main leader, corrective pruning will have to be done. Corrective pruning will also be necessary when the branches are in the "V" shape and the main leader seems to be retarded.

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Rubber forest plantation.

Calculation of Costs

The viability and future development of the Rubberwood industry depend on the sustainability of Rubberwood supply. The estimated costs involved in the establishment and maintenance of rubber forest plantation based on MTIB's 'Forest Plantation Programme' for the first five years are shown in **Table 1**.

Table 1: Planting and Maintenance of Timber Species of Malaysian Rubberwood only (in Ringgit per Hectare)

Description of Works	Year 1 (RM)	Year 2 (RM)	Year 3 (RM)	Year 4 (RM)	Year 5 (RM)
Underbrushing	130.00				
Felling	325.00				
Clearing (Pruning and Staking)	800.00				
Road Construction 12' wide and chain/ha	240.00				
Drain Construction (5'x 4' x 3' and 3 chain/ ha	240.00				
Foot Path (50 chains/ha)	300.00				
Blanket Spraying (1 round)	220.00				
Lining planting points	625.00				
Holing and planting	625.00				
Planting materials	1,562.00				
Weeding (3 rounds)	270.00	250.00	240.00	240.00	230.00
Fertilising	780.00	750.00	720.00	700.00	680.00
Pests and Diseases	15.0	15.00	15.00	14.00	14.00
Technical and Supervision Fees	-	-	-	-	-
Total	**6,132.00**	**1,015.00**	**975.00**	**954.00**	**924.00**
Grand Total					**RM10,000**

Return on Investment

In the case of Rubberwood plantation, initial returns start on the sixth year when rubber latex can be tapped thus helping to cover the maintenance considerably. It is estimated, that actual returns will only be gained from the eleventh year on when the total sales of rubber latex covers the whole Rubberwood plantation development and maintenance costs. The costs and returns are shown in **Table 2**.

Table 2: Estimated Cost and Returns of Rubberwood Plantation (40 Hectares)

Year	* Revenue (RM)	Actual (cost (RM)	Difference (RM)	Net Return (RM)
0		250,470	-250,470	-250,470
1		58,003	-58,003	-308,473
2		56,001	-56,001	-364474
3		54,439	-54,439	-418913
4		52,327	-52,327	-471240
5		51,007	-51,007	-522247
6	216,000	139,711	76,289	-445958
7	216,000	139,711	76,289	-369669
8	216,000	139,711	76,289	-293380
9	288,000	171,391	116,609	-176771
10	288,000	171,391	116,609	-60162
11	324,000	187,231	136,769	76607
12	324,000	187,231	136,769	213376
13	324,000	187,231	136,769	350145
14	324,000	187,231	136,769	486914
15	324,000	152,911	171,089	658003
16**	1,674,000	32,000	1,642,000	2300003
			NPV(10%)	RM290,792
			NPV(5%)	RM909,750
			IRR	15%
			C/B Ratio	1 : 2.03

** Estimated latex tapped are 100 kg per hectare with average price of RM4.50 per kg.*
*** Estimated sales of Rubberwood log priced at RM180 per m^3.*

Conclusion

Over the past years, output from rubber forest plantations has been acknowledged as a new source of raw material that has given rise to large-scale downstream processing industries high value-added products. Rubber forest plantations are known to have potential growth especially in terms of its revenue, from latex and timber (Rubberwood logs). The latex can be gained (tapped) starting at year six (to maximise growth) giving more income to the planters. With a proper and smooth management of the plantation, an estimated overall income of around RM57,500 per hectare after 15 years (with latex and log) can be achieved.

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LAMSELECT MALAYSIA PROMOTION MISSION TO POLAND, GERMANY AND THE UNITED KINGDOM

In tandem with the Malaysian timber industry aspiration and objectives to further increase the market share and potential of the Malaysian-made premium three-ply wooden laminated scantlings commercially branded as Lamselect Malaysia, a registered trademark in the European market, the Marketing Sub-Committee members of the Lamselect Malaysia Project Team conducted a marketing and brand promotion mission from 17–29 March. The mission involved series of market promotion stints inclusive of product marketing and technical seminars in each country visited. Factory visits were undertaken to major window manufacturers in Poland, Germany and the United Kingdom.

Mission members viewing a window frame from laminated scantlings at the Menck Fenster in Hamburg, Germany.

Product marketing and technical seminars on Lamselect Malaysia were held in Warsaw, Hamburg and London. Three papers were presented during the seminar namely Malaysian Timber Industry by Encik Tham Sing Khow of Malaysian Timber Council, Introduction to Lamselect Malaysia by Encik Goh Chee Yew of Malaysian Wood Industries Association and Lamselect Malaysia – Technical Considerations by Dr. Tan Yu Eng of Forest Research Institute Malaysia.

The Malaysia Lamselect scantlings provides importers with a 10 year product warranty against delamination, biodegrading agents and all forms of physical defects stipulated under the Germany's *Institut fuer Fenstertechnik (ift)*, Rosenheim (the German institution managing standard and safety for windows and facades) product quality standard acceptance – HO.10/1:2002. At the same time it also surpasses durability and workability tests enlisted in the restrictive German *Holzartenliste*. To instill confidence on the premium quality of Lamselect Malaysia, seminar participants were given detailed explanations on the Lamselect Malaysia product solution package based on the 3Ps (Premium Timber, Premium Quality and Premium After Sales Service) and 3Es (Exotic, Exceptional, Everlasting) tagline which included its production process from material preparation and selection, handling, machining, cramping, quality assurance, product testing and after sales service.

In Warsaw, the seminar was attended by participants from 11 companies which comprised importers, manufacturers and timber industry media. The seminar was followed by a factory visit to Stolbud SA, one of Poland's largest manufacturers of timber windows located in Włoszczowa. It imports tropical timber species for manufacturing top range quality windows and doors.

The Polish timber industry expressed interest in the Malaysian branded laminated scantlings and discussed the possibility of trial shipments in future. However, there were also views that due to the higher priced Lamselect Malaysia; the Polish market in general is not ready yet for premium quality scantlings. Other concerns raised during the seminar included PEFC certification requirements of the timber used in the product, threat of counterfeit product quality certification, procedures verifying the consistency of Lamselect production and quality, and the capacity of the Malaysian industry to produce a consistent supply of quality Lamselect Malaysia scantlings.

Delegates and management of Stolbud SA posing in front of the company's entrance.

In Hamburg, the Lamselect Malaysia seminar was organised in cooperation with the *Johann Heinrich von Thunen - Institut (VTI)*, a world renowned German federal research institute for rural areas, forestry and fisheries under the German Ministry of

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Lamselect Malaysia promotional booth.

Food, Agriculture and Consumer Protection. The seminar was held at VTI's Institute of Wood Technology and Wood Biology (IWTWB), beside the existing three papers by Lamselect Malaysia mission members, an additional three papers covering the German standards and requirement for windows manufacturing including the CEN TC 351 and EN 204 requirements and timber certification issues were presented by eminent speakers from VTI IWTWB. The mechanical and durability properties of the common timber species utilised by manufacturers in Germany which include some of the major tropical timber species utilised and endorsed by the German window industry including the current range of the six species of Malaysian timber being utilised for Lamselect Malaysia production were highlighted. They are Dark Red Meranti, Yellow Meranti, Kasai, Bintangor, Merawan and Gerutu (Heavy White Seraya).

Besides durability, consistency in quality and uniformity in colour is a key requirement in the German window market. Germany is the main buyer of premium quality Lamselect Malaysia followed by Belgium, Italy and the Netherlands. Malaysia exports in the form of three-ply laminated scantling and European importers sell the materials to the manufacturers to produce premium quality wooden windows. Among the participants were representatives of the Hamburg City Municipality, the first German municipality to accept the Malaysian Timber Certification Scheme certificate.

A visit to the largest premium quality window manufacturer namely Menck Fenster GmbH was also conducted. Prior to 2011, the company utilised Lamselect Malaysia scantling species imported through Kurz KG (Lamselect Malaysia strategic German import partner) in its premium window manufacturing. The mission also visited Lantz GmbH in Trittau, a wooden window manufacturer to have hands-on experience on the various types of German premium windows and doors manufacturing operations and product quality requirements. At the four-day Nuremberg's Fensterbau frontale 2012, the Lamselect Malaysia promotional booth attracted almost 200 professional traders.

The German timber importers and window manufacturers found the Lamselect Malaysia a product with potential to be marketed in Germany since it offers legal and sustainable laminated timber scantlings. The German industry raised issues mainly on the availability, quality consistency and pricing of the product particularly in view of the current high price for Meranti timber which is now substituted by domestic timbers in Germany viz. European Pine. Apart from this, the combination of aluminium (timber-alu combi) windows which is currently a huge trend in Germany and all over Europe is a substitute for wooden window and window frames. There were queries as to whether Lamselect Malaysia could produce or offer other dimensions rather than the regular dimension of 72 by 86mm and the quality of the timber companies producing the scantlings. Beside the EU Timber Regulation requirement which is to be enforced in March 2013, the Environment Protection Decision, which is a special environment law for controlling energy emission in building and housing including the U value, to be applied throughout Europe in middle 2012 was also discussed during the seminar.

In London, a seminar cum roundtable meeting with the United Kingdom timber industry members was held. As in Germany, there is a distinct growth in the application of engineered timber scantlings by the window and facades manufacturers due to the economic slowdown in UK and the high cost of purchasing solid timber windows by the British consumers. Due to the currently high priced Meranti timber and its inconsistent colour matching, it is found that some timber importers and window manufacturing companies have now turned to utilising an equivalent range of timber from Africa namely the Sapelli species and the FSC-certified plantation-based laminated scantling of Red Grandis species of the Uruguay. These development were confirmed during the visit to two premises namely to TIMBMET's log yard, a major Oxford-based timber importer and Jeld-Wen UK Ltd., a Melton Mowbray-based prominent UK window manufacturing company.

The Lamselect Malaysia team also visited TRADA. Pertinent topics such as potential market of lamscant and lamselect in the United Kingdom, cooperation on testing of Lamselect Malaysia scantlings, prospects on sharing testing facilities by FRIM, new technology in testing building materials particularly wood-based products were discussed.

In conclusion, Lamselect Malaysia scantlings have bright market prospects particularly in Germany followed by Poland and the United Kingdom. To penetrate these highly potential markets, Lamselect Malaysia must seriously focus on the issues and priorities raised by the importers and window manufacturers particularly on the issue of consistency of product quality and reliability of delivery. Emphasis should also be given to create a large pool of qualified and reliable manufacturers of Lamselect Malaysia that can uphold the Lamselect Malaysia premium brand quality in the shortest time possible since competitors from other lower cost producing countries are also eyeing the increasing engineered laminated timber scantlings markets in these three countries. Lamselect Malaysia scantlings which comes from legal and sustainable sources should also ride on the current good image quality of Malaysian Meranti's sawntimber in the European market which includes Germany, United Kingdom and Poland.

Cik Hjh. Robiyah Hj. Husin, Senior Deputy Director of Trade Development represented MTIB in the mission.

THE FOURTH MALAYSIA THAILAND HEVEA WOOD COMMITTEE MEETING IN BANGKOK

The Fourth Meeting of the Malaysia - Thailand Hevea Wood Committee (MTHC) was held in Bangkok, Thailand on 15 March. Malaysia was represented by the Ministry of Plantation Industries and Commodities, MTIB, Malaysian Timber Council, Malaysian Furniture Promotion Council, Malaysia External Trade Development Corporation, Malaysia Investment Development Authority, Malaysia Rubber Board, Federal Land Development Authority, Federal Land Consolidation and Rehabilitation Authority. Meanwhile, Thailand was represented by the Federation of Thai Industries, Rubber and Rubber Wood Cluster, Thai Parawood Association, Wood Processing Industry Club, Office of the National Economic and Social Development Board, Royal Forest Department of Thailand, The Office of Industrial Economics, Furniture of Industry Development Division and Composite, Bureau of Logistics Department of Primary Industries and Mines, Ministry of Industry, Furniture Industry Club and the Thai Timber Association. The objectives of the MTHC were to promote and enhance the trade of Hevea Wood between Malaysia and Thailand and to establish cooperation in the marketing and promotion of Hevea Wood.

The meeting was officiated by Dr. Olarn Chaipravat, President of Thailand Trade Representative. In his opening speech, Dr. Chaipravat recorded his warm welcome to the Malaysian delegation. He spoke on the support of the Royal Government of Thailand on the establishment of the MTHC. He also noted that the meeting would pave the way for opportunities in enhancing cooperation between the two countries. Consequently, the meeting would act as a platform to exchange views and enhance efforts to promote and develop the Hevea Wood and its products in the world market.

The meeting was chaired by Mr. Prayong Hirunyawanich, the Deputy Secretary-General and Chairman of Rubber and Rubber Wood Cluster, The Federation of Thai Industries (FTI). In his opening remarks, he emphasised that it was important for the meeting to acknowledge the progress of the activities made by the three sub-committees and also to discuss issues such as Hevea Wood trade and the EU FLEGT VPA of both countries. He also hoped that the meeting would lead to productive outcomes and pave the way towards establishing joint efforts and cooperation in the business.

Dr. Jalaluddin Harun, Director-General of MTIB, on behalf of the Malaysian delegation, expressed appreciation to Thailand for organising the meeting. In his opening remarks, Dr. Jalaluddin gave a short briefing on Malaysia's initiative, the National Timber Industry Policy (NATIP) which aimed to increase value-added timber products and to reach the target of export value of RM53 billion by year 2020.

Meeting in progress.

Dr. Jalaluddin also touched on trade relations in the rubber wood industry that had been established between Malaysia and Thailand. Thailand is one of a major markets for Malaysia's timber products, particularly sawntimber and a significant supplier of timber especially Hevea Wood to Malaysia. However, due to the world's sluggish demand in 2011, timber exports from Malaysia fell by 3% to RM624 million as compared to RM644 million in 2010. In the same year, Malaysia's imports of timber and timber products from Thailand decreased 26% from RM448 million in 2010 to RM331 million.

With an area of 1.02 million hectares of rubber plantations, Rubberwood production in Malaysia is lower than that in Thailand which has a rubber plantation area of more than 2.8 million hectares.

Amongst the issues discussed and agreed upon during the meeting was to set up a working committee comprising members from both countries to look into strategies and action plans to promote and rebrand Hevea Wood in the international market.

The 5th MTHC meeting is expected to be held in Kuala Lumpur in October 2012.

Dr. Olarn Chaipravat, President of Thailand Trade Representative (seated, centre); Dr. Jalaluddin Harun, MTIB Director-General (seated, left) and Mr. Payungsak Chartsutipol, Chairman of the Federation of Thai Industries (seated, right) with the meeting members.

MPIC FAMILIARISATION PROGRAMME FOR THE TIMBER SECTOR

The first Familiarisation Programme of the Ministry of Plantation Industries and Commodities (MPIC) for year 2012 was jointly collaborated with MTIB. The industrial visits to Selangor, Melaka and Johor were held from 28 to 30 March. The programme aimed to give exposure and enhance knowledge and skills of officials in the timber industry. Twenty-seven officials from MPIC and its agencies participated. The programme was led by Encik Zulkepli Abd Rani, MTIB Director of Fibre and Biocomposite Development Centre (FIDEC).

On the first day, the group visited FIDEC located in Banting, Selangor. Encik Zulkepli gave an overview of the role of FIDEC in the development of fibre and biocomposite as well as its activities.

Later, the group headed to the Wood Industry Skills Development Centre (WISDEC) where the group was briefed by Encik Mohd Faizal Helmy Othman on the role of WISDEC in the development of human capital. They were then given a demonstration of the CNC machine which was operated by Encik Asfairul Abdul Majid. The group then visited Rumah Melaka at Bukit Katil, Melaka. Rumah Melaka was constructed entirely from wood in the style of a traditional Malay house. The group was briefed by Encik Saiful Bahri Salleh, MTIB Deputy Director of Forest Plantation on the operations of Rumah Melaka.

The group also visited Syarikat Malaccensis Sdn. Bhd., a company that specialises in the plantation of Karas. Puan Aisyah Ishak, a representative of the company briefed the group on the present status of the company as well as their Karas production.

On the second day, the group visited LY Furniture Sdn. Bhd. in Batu Pahat, Johor. This company is a major export-based wooden bedroom furniture manufacturer in Malaysia. Its main activities are supplying wooden bedroom sets. LY Furniture has not only earned many awards and recognitions but is also an ISO 9001 certified company. The group visited the company's facilities and observed the manufacturing processes which included fabrication and woodworking, finishing and assembly, veneer lamination as well as packing and loading.

The group visited LY Furniture Sdn Bhd. in Batu Pahat, Johor.

The group being briefed by Puan Aishah Ishak of Syarikat Malaccensis Sdn. Bhd. about the plantation of Karas.

A group photo taken at Fibre and Biocomposite Development Centre, Banting.

In Tebrau, the group was brought to MTIB's Iconic Building. It is a three-storey building using glued-laminated timber (glulam) as a 100% load bearing structure. Glulam combines a variety of wood species like Resak, Keruing and Kekatong for its structure.

On the last day, the group visited MTIB Johor. The group was warmly welcomed by Encik Azmi Yahya, Head of MTIB, Johor who briefed them on their roles and activities.

The visit ended with the group visiting Tanjung Pelepas Port (PTP). PTP is located in a strategic location as it is positioned 45 minutes from the crossroads of the world's busiest shipping lanes. PTP is also ideal for both regional and global transshipments and distribution activities. PTP was accorded Free Zone status in March 1998. The Malaysian government has also appointed PTP as a Free Zone Authority in order to administer the Commercial and Industrial Free Zones as well as to ensure smooth and efficient transactions.

From the visits, the group gained a better understanding of the roles of MTIB in the timber industry. The next familiarisation programme will be hosted by National Kenaf and Tobacco Board.

NEW ZEALAND FORESTRY – AN OVERVIEW

New Zealand has a population of 4.3 million with a total land area of 26.9 million hectares. The country is characterised by vast unpopulated areas utilised predominantly for agriculture and forest industries.

It has a modern and developed economy which is heavily dependent on international trade, particularly in agricultural products. Its main exports are dairy products, meat, wood and wood products, fish and machinery. Its main export partners in 2010 were Australia 23.1%, China 11.2%, USA 8.6% and Japan 7.8%.

New Zealand imports mainly machinery and equipment, vehicles and aircraft, petroleum, electronics, textiles and plastics. Its main trading partners in 2010 were Australia 18.1%, China16%, USA 10.5%, Japan 7.4% and Germany 4.1%.

Forestry

New Zealand has a total forest cover of 8.2 million hectares, approximately 30% of the country's land area of 26.9 million hectares. There are 6.5 million hectares of natural forests, and 1.8 million hectares of plantation forest. Eighty-nine percent of its plantation forest are Radiata Pine (1.6 million hectares) and 6% (113,000 hectares) are Douglas Fir. One-third of the world's Radiata forests are grown in New Zealand. Other major producers are Australia and Chile. The balance is mainly of other hardwoods (3%) and softwoods (2%).

Plantation forests account for more than 99% of New Zealand's total timber production. Plantation forest ownership is mostly dominated by registered private companies (79%) and registered public companies (14%). The rests are owned by local government bodies, central government and state owned enterprises. Plantation areas are mainly located in Central, North Island, Otago/Southland, Northland and Nelson/Malborough.

Eighty-nine percent of New Zealand's plantation forest are Radiata Pine.

Forestry in New Zealand is geared to both domestic and export demand. Approximately 44% of harvested logs and varying percentages of processed forest products are destined for world markets. Australia, China, Japan, Republic of Korea, USA, Indonesia and India account for more than 80% of the value of these exports. Apart from logs, exports include sawntimber, wood chips, panels, pulp and paper and other products.

China is the major driver of recent demand, as a result of strong economic growth, continued urbanisation, and the effect of the Russian log export tax. Exports to India and Japan have the potential to increase due to strong economic growth in India and post-earthquake re-building in Japan.

Total export earnings are expected to increase in 2012, driven by increasing volumes and unit prices for logs and timber, a relatively strong demand for sawntimber, limited growth in the New Zealand harvest, and supply restrictions from competitors such as Russia.

Forestry is expected to be New Zealand's leading export industry and a top five global supplier by 2025. These goals are expected to be attainable due to a combination of expanding global population, increased demand for sustainably produced wood products, and vast areas of new forest reaching a harvestable age at the right time.

New Zealand is moving aggressively towards forest certification. Presently, half of the country's plantations and one-third of the annual harvest are third party certified, with the most popular being the Forest Stewardship Council (FSC) system.

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Forest Industry

Timber Production

Timber production in New Zealand is mainly in the form of wood chips, sawntimber, wood pulp, paper & paperboard, plywood and fibreboard, which are exported mainly to Australia, Japan, USA, China and Korea.

Export

The forest industry supplies 1.1% of world trade and 8.8% of Asia Pacific's forest products trade. Forestry is the third largest export earner for the country where the forest and wood processing industries account for 3.4% of the GDP. Exports of New Zealand's major timber and timber products in 2011 amounted to USD2.5 billion. Logs and sawntimber were the major export items.

The USA and Australia are New Zealand's biggest export markets for wood and wood products where both countries absorbed 25% of total exports value. Japan and China are the other important markets for wood and wood products from New Zealand which both took up about 15% of its exports value. Sawntimber exports to Malaysia totalled USD8.17 million in 2011.

Approximately 32% of New Zealand's harvest is exported as logs and 33% as sawntimber. The remainder is either milled or used in the production of pulp, paper, or other wood products such as medium density fibreboard (MDF) and panel products. The volume of logs exported as a proportion of New Zealand's total harvest has increased in recent years due largely to constraints in the industry processing capacity.

China was New Zealand's largest log export market in 2011, followed by South Korea and India. The three markets together accounted for 93% of New Zealand's total log export value in 2011.

New Zealand : Export of Major Timber Products, 2009-2011 (Value : USD in million)

PRODUCT	2009	2010	2011	% of Market Share 2011	% Change 2011/ 2010
	Value	Value	Value		
Logs	611.91	980.01	1,308.27	52.02	33.50
Sawntimber	467.04	607.82	595.35	23.67	-2.05
Veneer	25.80	43.09	47.09	1.87	9.28
Mouldings	64.73	91.76	90.24	3.59	-1.66
Particleboard	31.75	30.86	33.63	1.34	8.97
Fibreboard	143.47	158.32	189.22	7.52	19.52
Plywood	66.23	93.24	111.48	4.43	19.56
Wooden Frames	0.46	0.59	0.53	0.02	-9.98
BJC	36.15	60.24	74.17	2.95	23.14
Furniture	62.68	67.43	65.13	2.59	-3.41
Grand Total	**1,510.20**	**2,133.35**	**2,515.12**	**100.00**	**17.90**

Source: World Trade Atlas

Import

Imports of major timber and timber products into New Zealand were rather small compared to its exports, amounting to USD453.7 million in 2011. Its main import items were furniture (77%), followed by sawntimber (8%), plywood (5%), mouldings (3%) and BJC (3%). Import of furniture was dominated by China with a 54% share. Australia is also the largest supplier of paper and paperboard and panel products to New Zealand.

New Zealand : Import of Major Timber Products, 2009 - 2011 (Value : USD in million)

PRODUCT	2009	2010	2011	% of Market Share 2011	% Change 2011/2010
	Value	Value	Value		
Logs	2.06	2.86	2.91	0.64	1.75
Sawntimber	31.24	37.27	37.95	8.36	1.81
Veneer	2.27	2.50	2.52	0.55	0.60
Mouldings	11.57	10.58	12.23	2.69	15.59
Particleboard	0.69	0.83	1.23	0.27	49.09
Fibreboard	4.37	5.84	5.34	1.18	-8.48
Plywood	12.01	19.83	23.72	5.23	19.58
Wooden Frames	2.43	2.16	2.34	0.51	8.10
BJC	12.27	15.31	14.30	3.15	-6.63
Furniture	229.77	299.85	351.18	77.40	17.12
Grand Total	**308.69**	**397.03**	**453.70**	**100.00**	**14.27**

Source: World Trade Atlas

Malaysia - New Zealand Timber Trade

Bilateral timber trade is in New Zealand's favour. Malaysia's exports of major timber and timber products to New Zealand totalled RM45.2 million in 2009. However, exports in 2010 dropped to RM42.6 million. Export in 2011 increased by 1.0% to RM43.3 million. Wooden furniture was the lead export product valued at RM32.3 million, a decrease of 6% from RM34.4 million recorded in 2010. Other products include BJC at RM5.0 million, plywood at RM2.1 million and wooden frames at RM1.2 million.

Malaysia : Export of Major Timber Products to New Zealand, 2009-2011

PRODUCTS	2009		2010		2011	
	m^3	RM	m^3	RM	m^3	RM
Sawntimber	218	572,715	316	591,543	378	894,639
Plywood	236	583,269	758	1,546,474	1,123	2,121,112
Mouldings	n.a	1,090,015	n.a	163,384	n.a	549,986
Chipboard/ Particleboard	0	0	18	21,841	0	0
Fibreboard	213	403,267	329	612,187	161	289,737
Wooden Frame	n.a	531,774	n.a	810,437	n.a	1,223,593
Builders Joinery & Carpentry	n.a	3,516,096	n.a	3,831,750	n.a	5,035,894
Wooden Furniture	n.a	37,962,468	n.a	34,457,739	n.a	32,381,058
Rattan Furniture	n.a	31,552	n.a	75,080	n.a	0
Other Products	n.a	599,919	n.a	530,266	n.a	889,765
Grand Total	**n.a**	**45,291,075**	**n.a**	**42,640,701**	**n.a**	**43,385,784**

Source: Department of Statistics Malaysia

In 2011, Malaysia's imports of major timber and timber products from New Zealand were valued at RM66.1 million, an increase of 10.3% from RM60.0 million in 2010.

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Major timber and timber products imported in 2011 were sawntimber at RM31.4 million, fibreboard at RM15.4 million and veneer at RM13.0 million. Other products imported include mouldings, particleboard, logs and wooden and rattan furniture. Products that posted increase in imports in 2011 compared to 2010 are plywood, rattan furniture, wooden furniture and sawntimber. Logs and sawntimber imported from New Zealand are mainly used in the manufacture of plywood, veneer and furniture. Pulp imports amounted to RM54.8 million in 2011.

Malaysia : Import of Major Timber Products from New Zealand, 2009-2011

PRODUCTS	2009		2010		2011	
	m^3	RM	m^3	RM	m^3	RM
Logs	2,409	1,364,153	356	458,252	28	19,154
Sawntimber	21,798	17,485,726	26,394	22,263,430	38,196	31,463,017
Plywood	80	166,775	138	264,963	5,040	5,846,334
Veneer	201	139,583	31,397	19,431,841	15,954	12,956,187
Mouldings	0	0	0	0	n.a.	286,062
Chipboard/ Particleboard	340	249,233	183	146,117	102	46,688
Fibreboard	11,447	11,618,826	15,557	17,392,517	13,912	15,432,160
Wooden Furniture	n.a	3,201	n.a	5,050	n.a	8,996
Rattan Furniture	n.a	0	n.a	8,814	n.a	63,773
Grand Total	**n.a**	**31,027,497**	**n.a**	**59,970,984**	**n.a**	**66,122,371**

Source: Department of Statistics Malaysia

Outlook

The forestry sector is expected to be New Zealand's leading export industry and the country aims to be one of the top five global suppliers by 2025. Annual harvest from plantation is set to double by 2025. The industry plans to process half of that amount, adding value to the log harvest.

Due to a combination of growing global population, increasing demand for sustainably produced wood products, and vast areas of forest plantation which will reach a harvestable age, New Zealand will continue to be an important supplier of wood particularly for Radiata Pine.

There is an increasing global demand for New Zealand's Pine. With the increased demand for certified timber, plantation timbers have an added advantage in the international market and many New Zealand lumber sawmills and manufacturers have acquired certification.

With regards to Malaysia's exports, there is potential to increase Malaysia's timber exports particularly for value-added product such as furniture. With the conclusion of ASEAN-Australia New Zealand Free Trade Agreement (AANZFTA) and Malaysia-New Zealand Free Trade Agreement (MNZFTA) increased bilateral timber trade is expected.

References:

- *Ministry of Primary Industries New Zealand*
- *NZ Forest Owners Association*
- *CIA Factsheet on New Zealand*
- *World Trade Atlas*
- *Department of Statistics Malaysia*

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MIFF AWARDS- RECOGNISING EXCEPTIONAL FURNITURE PLAYERS

MIFF Sdn. Bhd.

Best Presentation Award winners under the shell scheme booth category.

WINNERS OF BEST PRESENTATION AWARD

RANKING	I) BARE SPACE BOOTH	PRIZE
FIRST	LAVAL FURNITURE SDN. BHD.	RM8,000 (cash rebate) + Trophy + Certificate
SECOND	BJ CABINET ENTERPRISE SDN. BHD.	RM6,000 (cash rebate) + Trophy + Certificate
THIRD	ARTMATRIX TECHNOLOGY SDN. BHD.	RM4,000 (cash rebate) + Trophy + Certificate

AWARD	II) SHELL SCHEME BOOTH	PRIZE
FIRST	HEN HIN FURNITURE MANUFACTURING SDN. BHD.	RM3,000 (cash rebate) + Trophy + Certificate
SECOND	WINTECH WORLDWIDE SDN. BHD.	RM2,000 (cash rebate) + Trophy + Certificate
THIRD	GOZZO DIRECTION (M) SDN. BHD.	RM1,000 (cash rebate) + Trophy + Certificate

MATA ULAT – SUITABLE FOR HEAVY CONSTRUCTION

Mata Ulat is the Standard Malaysian name for the tree and timber of Kokoona *spp. (family* Celastraceace*). In previous Malaysian literature, the timber is not separated from* Lophopetalum *spp. (known as Perupok). However, in 1962, Hou revised the genus* Lophopetalum *and divided it into two dinstinct genera, the trimmed* Lophopetalum *and* Kokoona*. Menon (1964) supported the split and provided evidence via the wood anatomy of the two groups. Currently, two distinct genera giving rise to two distinct timbers are recognised, viz.* Kokoona *providing Mata Ulat and* Lophopetalum *providing Perupok. There can be a great deal of confusion in the interpretation of research serult obtained prior to this split, as all the species tested were recorded as Lophopetalum. However, judicious examination of their recorded densities will help in sorting out the species concerned. Those species with recorded densities of 800 kg/m^3 are definitely those belonging to* Kokoona *and therefore, true Mata Ulat timbers, while those having lower densities are likely to be* Lophopetalum *species which contribute to Perupok timbers.*

The trees of Mata Ulat have a variety of size from small to large. The boles are usually straight and cylindrical and only occasionally slightly fluted at the base. Buttresses, which are short and stout are present in some species. The bark is grey-brown to chocolate-brown with grey mottling. The outer bark is smooth to rough with horizontal rings or fissured to scaly with large lenticels. The under bark is ochre-yellow in most cases.

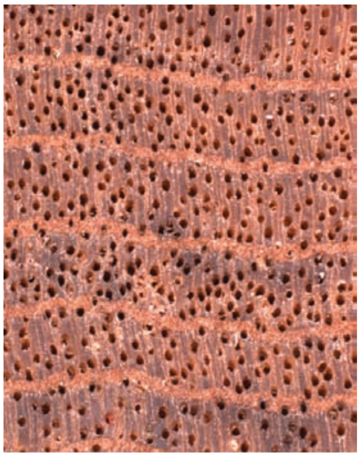
Mata Ulat is found in lowland forest up to 1,000 metre. There are five recorded species of *Kokoona* in Peninsular Malaysia and they are listed in **Table 1** below.

Table 1 : Species of Mata Ulat

Botanical Name	Approved Vernacular Name	Remarks
K. coriacea	Mata Ulat	Rare; small tree
K. littoralis	Mata Ulat	Kedah, Terengganu, Pahang, Selangor, Johor, Sumatera and North Borneo; forest to 800 m. Large tree.
K. ochracea	Mata Ulat	Perak, Selangor, Negeri Sembilan, Johor, North Borneo and Philippines; lowland forest to 100 m. Big tree.
K. relexa	Mata Ulat	Throughout Peninsular Malaysia and Borneo; lowland forest especially ridges. Very big tree.
K. sessilis	Mata Ulat	Kelantan, Terengganu, and East Johor, endemic; rare in the lowland forest. Big tree.

The trees of *Kokoona* cannot be distinguished in the forest from those of *Laphopatelum* (Whitmore, 1972). Malaysian vernacular names include Bajan (Sarawak), while Sabah has adopted the Peninsular system of naming *Kokoona* species Mata Ulat.

Wood colour and texture.



Cross section of Mata Ulat.

Defects

The logs of Mata Ulat are remarkbly free from defects. However, during storage, degrade in the form of end-splitting and checking may appear. The sapwood is liable to be attacked by powder-post beetles.

General Characteristics

Sapwood not well defined; colour of heartwood yellow-brown with a pink tinge (some individuals with a distinctly defined, rose-coloured core); planed surface fairly lustrous; fine streaks on radial surface and decorative zig-zag markings on tangential surface; texture very fine and even; grain shallowly interlocked; freshly sawn wood reported to have a distinct smell "suggestive of carnations" which does not persist; very hard to cut across grain; air dry density ranging from 880 kg/m^3 to 1,040 kg/m^3 (55 to 65 lb/ft^3); moderately durable in exposed conditions or in contact with the ground.

Wood Anatomy

Growth rings are absent, but the thick concentric terminal layers of wood parenchyma may simulate growth rings. The timber is diffius porrous with small to moderately small vessels having simple perforations. Vessels are moderately numerous to numerous and although exclusive solitary, have a tendency to arrange into groups. Tyloses are absent although deposits may occur in some specimens.

Wood parenchyma present in abundant quantities as broad conspicuous terminal bands which are often anastomosing or ending abruptly. These characteristics broad bands are conspicuous on all surfaces. Rays are very fine and are not visible to the naked eye. Ripple marks and intercellular canals are absent.

Sawing and Woodworking

In a very early trial, three logs from Kedah were tested. The logs were marked and recorded as an undentified species of *Lophopetalum* but is almost certain to be *Kokoona* species, judging from the recorded density, which was 915 kg/m^3.

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Thomas, as qouted by Desch (1941), stated that the timber was distinctly difficult to saw and that the saw teeth were quickly blunted. The finish after planing was smooth but in certain places, picking-up of grains occurred.

In a later test, Lee et Lopez (1980) reported that *K. Littoralis* was easy to re-saw and cross-cut in both the green and air dry condition. Planing was also easy and although some picking-up of grains occurred in some radial material, generally the finish was smooth. Boring was easy and the finish was smooth in both green and air dry conditions. Turning was however difficult and the finish was rough. The results are summarised in **Table 2** as shown below:

Peeling and Gluing

Desch (1941) recorded that a small consignment of this timber was sent to London for peeling trials. The results indicated that the timber was difficult to handle and quite unsuitable for peeling.

A preliminary trial was conducted in the Forest Research Institute Malaysia, Kepong on this timber (Anon., undated). A 1,000 mm long billet was obtained from log of *K. Littoralis* of 900 mm diameter. The test log had developed severe splits and shakes prior to peeling. Due to its apparent hardness, the test bolt was conditioned in water at 70° C to 82° C for 36 hours. Despite of the pre-treatment, peeling was still very difficult. Veneers obtained had tendency to tear and split. The veneer possessed very good figure but yield of usable veneers was somewhat poor. The sheets sun dried without any degraded. When glued with urea-formaldehyde glue was used, the gluability was rated good. From this limited trial, it was conducted that this timber was not suitable for plywood manufacture due to its hardness and the development of ring shakes and splits.

Seasoning

Two species of Mata Ulat were tested for thier air drying characteristics. The results obtained are summarised in **Table 3**, which is adapted from Grewal (1979a).

The two species tested show differing seasoning properties and jugdging from **Table 3**, *K. Reflexa* is the more amenable species.

Drying rates are average for both species and are compareble to those of Bintagor, Durian, Kasai and Kekatong, although slightly slower than those of Geronggang, Jelutong and Perupok.

Degrade is confine to checking and splitting along with a certain amount of insect and fugal attacks recorded for *K. Littoralis.*

Shrinkage from green to the air dry conditions ranges from average to fairly high and is roughly comparable to those of Kekatong, Kempas and Pulai.

Kiln-drying

A preliminary inbestigation on the kiln-drying characteristics of Mata Ulat was conducted on the one lot of unidentified *Kokoona* species 25 mm material were dried from 50% moisture content to 10% in 10 days using kiln-drying schedule C (**Table 4**).

The timber suffered from surface-checking and is prone to long surface splits (Grewal, 1979b). However, the recommended schedule should be regarded as tentative as more exhaustive test need to be done on this timber.

Mechanical Properties

Standard mechanical test were conducted on green specimens of trees coming from an unidentified *Kokoona* (Desch, 1941). Subsequently, one more test was conducted on a single log of *K. Littoralis*, also in the green condition (Lee et al., 1979). The result from both these series of test are summarised in **Table 5**.

Using the old method of strength grouping, based on compressive strength parallel to grain (Burgess, 1956), Mata Ulat is placed in Strength group B. However, using basic

Table 2 : Machining Properties of Mata Ulat

Species	Test Condition	Sawing		Planing		Boring		Turning	
		Resawing	Cross Cutting	Ease of Planing	Quality of Finish	Ease of Boring	Quality of Finish	Ease of Turning	Quality of Finish
K. littoralis	Green	easy	easy	easy	Tangential; smooth; radial; some grain pick-up	easy	smooth	-	-
	Air dry	easy	easy	easy	smooth	easy	smooth	difficult	rough

Table 3 : Air Seasoning Characteristics of Mata Ulat

Species	Air Dry Moisture Content (%)	Shrinkage (%) Green to Air Dry		Time to Air Dry (months)		Cupping	Bowing	Twist or Spring	End-checks	Splitting	Surface-checking	Insect Attack	Splitting
		Radial	Tangential	15mm (1/2 inch)	40mm (11/2 inch)								
K. littoralis	16.5	2.6	3.0	3	5	A	A	A	C	B	C	C	C
K. reflexa	18.0	1.6	2.0	2	$3^1/_2$	A	A	A	B	B	B	A	A

Note: A = Sound B = Slight C = Moderate

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Table 4 : Kiln Schedule C

Moisture Content (%)	Temperature (Dry Bulb)		Temperature (Wet Bulb)		Relative Humidity (%) (approx.)
	°F	°C	°F	°C	
Green	105	40.5	101	38.0	85
60	105	40.5	99	37.0	80
40	110	43.5	102	39.0	75
35	110	43.5	100	38.0	70
30	115	46.0	103	39.5	65
25	125	51.5	109	43.0	60
20	140	60.0	118	47.5	50
15	150	65.5	121	49.0	40

Table 5 : Strength Properties of Mata Ulat

Species	Test Condition	Modulus of Elasticity (MPa)	Modulus of Rupture (MPa)	Compression Parallel to Grain (MPa)	Compression Perpendicular to Grain (MPa)	Shear Strength (MPa)
K. species	Green	-	-	53.7	7.4	11.0
K. littoralis	Green	16,300	102	53.1	6.8	10.7

Table 6 : Basic and Grade Stresses of Mata Ulat

Species	Grade	Test Condition	Elasticity (MPa)		Modulus of Rupture (MPa)	Compression Parallel to Grain (MPa)	Compression Perpendicular to Grain (MPa)	Shear Strength (MPa)
			Mean	Minimum				
K. littoralis	Basic	Green	16,300	15,000	35.0	29.5	4.45	3.72
	Select	Green	16,300	15,000	28.0	23.4	4.79	2.62
		Green	16,300	15,000	22.0	18.6	3.56	2.07
		Green	16,300	15,000	17.4	14.8	3.37	1.66

and grade stresses, which have been derived by Engku (1980a, b), Mata Ulat can safely be classified as a Strength Group A timber. The basic and grade stresses of Mata Ulat are shown in **Table 6**.

Durability

The natural durability of Mata Ulat was examined by various workers in the past. As these test were conducted prior to the splitting of the old genus *Lophopetalum*, all the results were recorded as those of *Lophopetalum* species.

Foxworthy and Woolley (1930) recorded that a consigment of 25 test sticks were all destroyed within one year of burial in the grave-yard test-site. The species tested was recorded as unidentified species of *Lophopetalum*, and it is most likely that the specimens did belong to the true *Lophopetalum* and hence a Perupok. Thus, this rating of non-durability cannot be assuredly applied to Mata Ulat.

Jackson (1965), reported on another trial involving 48 pieces of *K. Reflexa*. The test pieces were buried in Kepong test-site and all specimens were destroyed within five years and gave an average life span of 4.2 years. The timber is thus classified as moderately durable.

The timber is not resistant to subterranean termites. Sawn timbers have also been attacked by both powder-post beetles and sap-staining fungi.

Preservative Treatment

Three logs from an unidentified *Kokoona* species were tested for their amenability to preservative treatment (Desch, 1941). Using standard test-sticks of 65mm x 65mm x 900mm and applying standard open-tank treatment using a mixture of 1:1 creosote/diesel fuel, an average absorption of 110kg/m^3 was obtained.

Uses

The timber is suitable for heavy construction if treated, e.g. posts, beams, joists, bridges and railway sleepers. The timber is also suitable for heavy-duty furniture, parquet flooring, window and door frames due to the conspicuous bands of parenchyma impart a very decorative figure to the wood, especially at the tangential surfaces and it strength properties.

References:

- *Malaysian Forest Service Trade Leaflet No. 70*
- *http://info.frim.gov.my/*
- *http://www.kamwo.com.my*

MTIB Moments

MTIB organised a training programme for consultants on the project : Capacity Building for Compliance with Requirements for Chain of Custody Certification for MTCS on 29 February-1 March 2012 in Kuala Lumpur.

MTIB coordinated the participation of Bumiputera SME companies in MIFF 2012 held in Kuala Lumpur. Seen here are visitors at the booth of Punchak Bumi Utama Sd. Bhd.

YB Dato' Hamzah Zainudin, Deputy Minister of Plantation Industries and Commodities (right) receving a gift of Karas products from Puan Hjh. Noor Laila Mohamed Halip, MTIB Director of Strategic Planning and Corporate Affairs. The picture was taken during *Hari Komoditi* held on 11 March 2012 in Bagan Serai, Perak.

Twenty MTIB officials attended a Workshop on Drafting of Rules and Regulations under MTIB Act held from 14 to 16 March 2012 in Port Dickson, Negeri Sembilan.

A briefing on E-grading was organised by MTIB for the industry and MTIB officials on 20 March 2012 at MTIB, Kota Bharu.