

MASKAYU

VOL 2 : FEBRUARY 2019

ISSN 0126-771X



EGILAT 15

**ENHANCE INITIATIVE TO COMBAT ILLEGAL
LOGGING AND ASSOCIATED TRADE**

**EMPOWERMENT OF HUMAN
CAPITAL DEVELOPMENT FOR
THE TIMBER INDUSTRY**

ISSN 0126-771X



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MALAYSIAN TIMBER INDUSTRY BOARD



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Publisher

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EGILAT 15 – ENHANCE INITIATIVE TO COMBAT ILLEGAL LOGGING AND ASSOCIATED TRADE

news



EGILAT 15 Meeting in progress.

The 15th Meeting of APEC's Experts Group on Illegal Logging and Associated Trade (EGILAT 15) was held in Santiago, Chile in conjunction with the APEC Meeting. The opening remarks was given by Mr. Fernando Olave, Head of International Affairs Office - National Forestry Corporation (Corporacion Nacional Forestal-CONAF) of Chile. With the theme *Connecting People, Building the Future*, Mr Fernando Olave welcome all EGILAT member economies to Chile specifically Santiago.

The goal of EGILAT is to enhance the efforts of its member economies to take concrete steps to combat illegal logging and associated trade, promote trade in legally harvested forest products, and support capacity building activities in member economies. The APEC-EGILAT was created to implement the above mission and the first EGILAT meeting was held in 2012. It was proposed after realising that the 21 Asia-Pacific Economic Cooperation (APEC) economies account for 2.19 billion hectares of forest cover over 50% of the world's forests and also engage in a significant amount of trade in forest products. This represents approximately 80% of the international trade in such products and in 2010, APEC Leaders pledged to enhance cooperation to



Malaysian delegates.

address concerns with illegal logging and associate trade and to promote sustainable forest management and rehabilitation.

The EGILAT 15 was held from 26 to 27 February in Santiago, Chile. Fifteen economies (Australia, Canada, Chile, China, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Chinese Taipei, Viet Nam, the United States) participated in the meeting thus achieving quorum.



BRAZIL

Production of Furniture on a Downward Trend

The Brazilian Association of Furniture Industries (ABIMÓVEL) disclosed the main indicators, data and percentages of the furniture market in Brazil and the furniture industry in Rio Grande do Sul and Paraná referring to the months of December 2018 and January 2019.

In the furniture market in Brazil, sales of furniture in the retail trade advanced 7.3% in December 2018 compared to the previous month. In the month of December, the average price of furniture in the retail trade was BRL209.49 per piece. In January 2019, the average price reached BRL209.74, with a slight increase of 0.12% in relation to the previous month.

Volume production in the Brazilian furniture industry was 33.5 million pieces in December, down 20.4% from the previous month. During the year, production fell by 0.3% compared to the previous year.

Imports reached USD14.5 million in December 2018, a drop of 23.0% compared to the previous month. In January 2019, imports reached USD19.4 million, an increase of 33.6% compared to the previous month.

The panorama of the furniture industry in the state of Rio Grande do Sul (RS) showed a drop of 27.2% in the month of December and a growth of 8.6% in the year where internal consumption was 6.1 million pieces in December. In December, RS exports totalled 19.2 million dollars.

The furniture industry in Paraná showed a drop of 19.0% in December in the production of furniture volumes compared to the month of November. In Paraná imports fell 10.0% in December compared to the previous month, registering the value of USD779 thousand.

Abimovel/Fordaq, 26 February



CHINA

Furniture Output for 2018 Hits 713 Million Units

For year 2018, furniture output of China totalled 713 million units. Zhejiang Province produced 213 million furniture, emerging as the largest furniture producing province in the country with a share of 29.9%. Guangdong Province was the second-largest furniture producing province by churning out 149 million furniture. Fujian Province was the third-largest furniture producer with its output amounting to 130 million units.

wood168, 19 February

Makes Plans to Boost its Forestry Industry

China's National Forestry and Grassland Administration (NFGA) has announced plans to boost the Chinese forestry industry and set development goals, the Chinese news agency Xinhua reported. The output of forestry products is expected to reach 250 million tonnes by 2025, with total imports and exports of forest products expected to hit 240 billion US dollars.

As reported by Xinhua, the NFGA expects an expansion of the Chinese forest industry with more improved structure and sufficient supply of high-quality forest resources by the year 2035. To reach these targets, efforts will be made to boost the supply of wood and establish more demonstration bases for the industry, says Xinhua.

NFGA says it will maximise the use of e-commerce platforms to promote the online-offline integration of forest product sales.

Xinhua/Fordaq, 22 February



FRANCE

Furniture Market Fell by 2.7% to EUR9.50 Billion in 2018

After three years of growth, the French furniture market fell by 2.7%, to EUR9.50 billion (USD 10.96

billion) in 2018, impacted by the decrease in new housing being built. Changes in the furniture market accelerated in 2018, forcing furniture retailers to find new business models and create more personalised offers, according to the President of the French furniture association, which brings together 350 French companies specialised in furniture manufacturing and interior design.

In the first half of 2018, the furniture market fell by 0.6%, followed by a 4.6% drop in the second half. The market for kitchen furniture, representing 27.4% of the overall furniture market, was up 1.1%, after 3.7% growth in 2016 and 4% growth in 2017. Bedding sales, representing 14.1% of the furniture market, were stable. Decorative furniture, representing 30.5% of overall turnover, recorded a 5.2% decrease in sales, with a 4.7% decrease in upholstered furniture, including chairs and couches, which represented 24.2% of turnover in 2018. Bathroom and garden furniture, representing 3.8% of overall furniture sales, recorded a 4% decrease in turnover.

The number of new accommodations being built in 2018 fell by 7%, compared to 2017, and the number of building permits received fell by 7.1%. Exports have partially compensated for the decrease in French consumption. Of the EUR400 billion global market for furniture, French furniture sales increased by 1.3%, with a 7.3% increase in China.

Nonetheless, industrial furniture production is down 2% to 3%, as of September 2018, and export sales remain modest, yet suggest growth potential. The furniture industry has called on the government to temporarily allow French people to purchase furniture with their 'Plan d'Epargne Logement' housing savings plans. This would be limited to EUR10,000 for a 24 month period, but could create or preserve 5,000 jobs, of the 115,000 jobs in the French furniture industry.

Usine Nouvelle (L'), 8 February



GERMAN

Wood Industry Grew by 2.7%

The German wood industry was able to increase its turnover last year for the fifth consecutive time. The sales increased by 2.7%, with the turnover of the 934 companies with 50 and more employees in 2018 amounting to EUR36.6 billion after EUR35.6 billion in the previous year.

"Compared to the previous year, the growth rate of the German wood industry driven by the popularity of the natural and renewable raw material wood - once again increased slightly. Above all, the robust construction sector and the flourishing international business had a positive effect on the sales of our manufacturers. Our forecast for the full year 2018 has thus been confirmed," said Johannes Schwörer, President of the German Wood Industry Association (HDH).

International sales, which grew by 4.2%, were far more dynamic than domestic sales, rising by 2.1%. Significant increases were recorded last year in the construction industry of 4.9% of the timber industry and the production of wood packaging in the amount of 22.9%. The number of employees rose by 2.5% to 155,556. Thus, the German wood industry generated 3,787 new jobs within a year.

Fordaq, 25 February



GHANA

The First African Country to Export FLEGT Licensed Timber

Ghana will soon become the first country in Africa to finalise a Voluntary Partnership Agreement (VPA) with the European Union paving the way for the issuing of FLEGT (Forest Law Enforcement, Governance and Trade) licenses covering wood products. This follows the successful assessment of the forest governance structure, laws and how participation of local communities and civil society organisations will be arranged.

Ms. Diana Acconcia, EU Ambassador to Ghana, said the VPA will allow wood products from Ghana easier access to European markets as FLEGT licensed timber certifies that the wood raw materials are from legal sources.

The Ghana Forestry Commission has led the work on the VPA and now importers in the EU will be able to readily satisfy the EU Timber Regulation when importing wood products from Ghana. Indonesia was the first country in the world to issue FLEGT licensed timber.

ITTO/Fordaq, 8 February

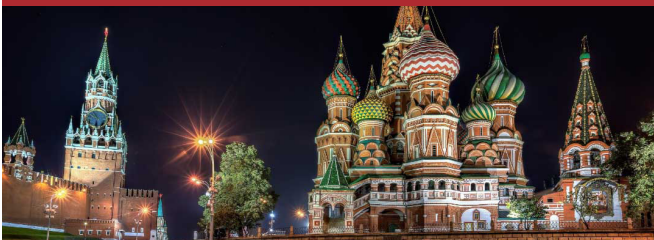


INDONESIA

Higher Wood Production Predicted

The increasing wood production trend is set to boost the industrial forest wood production in Indonesia. This was according Purwadi Soeprihanto, Executive Director of the Association of Indonesian Forest Concessionaires. In 2019, timber production is targeted to be 10% year-on-year. The prediction was also made as the global demand is set to be higher for paper and pulp products. A total of 37.1 million m³ of wood supply was recorded in 2018.

Bisnis Indonesia, 20 February



RUSSIA

Restrictions for State Purchases of Foreign Furniture May be Extended

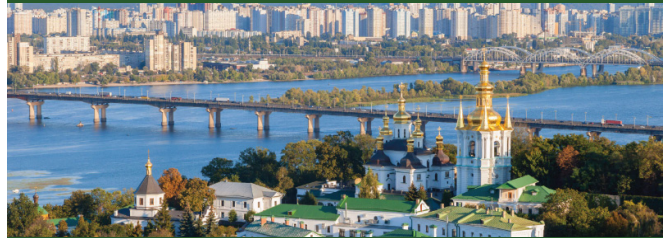
The restrictions for the state procurements of furniture of foreign production may be extended. The President of the Association of Russian Furniture and Timber Enterprises (AMDPR), Aleksandr Shestakov, turned to the Deputy Prime Minister Aleksey Gordeev with the relevant request. The suggestion concerns imposing a moratorium not only for purchases of foreign furniture for the state needs, but also on purchases of state companies, monopolies, and unitary enterprises. The two-year moratorium on purchases of furniture from abroad (except for EAEU) for state and municipal needs was introduced in Russia on 1 December 2017.

As a result, the Russian producers managed to increase the volume of supplies under such contracts up to RUB33.40 billion (EUR434.72 million/USD 501.42 million) in 2018 (+15% year-on-year). At the same time, the imports of furniture to Russia did not decline. According to the Federal Customs Service (FTS), the rate grew by 15.9% in January-October 2018 up to USD1.57 billion (EUR1.36billion), year-on-year, and it may amount to RUB116 billion in 2018.

The volume of the Russian production will go up by not more than 5% up to RUB388 billion. In the total volume of the Russian market for furniture, such supplies account for less than 10%. As many as 13,880 such contracts were signed for RUB40.5 billion in 2018 (nearly 30%, measured

in foreign currency). According to the market players, the extension of the restrictions will bring additional incomes worth RUB100 billion in the next three years. At the same time, the Federal Antimonopoly Service (FAS) is against this initiative, it will cause growth of prices and reduction of the quality of furniture.

Kommersant, 19 February



UKRAINE

Ban on Exports to be Extended to Firewood

Members of the Ukrainian parliament Verchowna Rada petitioned for an export ban on firewood on 16 January 2019. The draft bill "On the protection of the Ukrainian forests" provides for a moratorium on exports of firewood. The purpose of this is to close the loophole that exists in the ban on log exports in place since November 2015 and January 2017. At the moment, only logs with a maximum length of 2 metres declared under the customs tariff 4401 are exempted from the ban on exports. The possibilities are being exploited by wood-based panel and pulp manufacturers in central and southeast Europe, for example, to import industrial wood from the Ukraine legally even though the ban on log exports has come into force.

EUWID, 11 February



VIET NAM

Timber Industry Asked to Beat USD11 Billion in Export

The agriculture sector needed strategies to push wood export value beyond USD11 billion this year and to develop a production chain and value-added export products.

Prime Minister Nguyễn Xuân Phúc made the statement at a forum on the wood processing and export industry in 2018 and seeking breakthrough solutions for 2019. According to the Prime Minister, wood export value growth had exceeded the target set for last year thanks to new designs, value-added product and branding.

The quality of the industry's sustainable development would depend on the processing and export stages this year and beyond, Phúc said. The PM said that in the next

10 years, Việt Nam must join the top 15 nations in terms of agricultural development and become a leading centre for processing and exporting wooden products to the world.

By 2030, Việt Nam was expected to hold 30-50 % of the global wooden product market worth USD580 billion, instead of the 6% it held now, he said. In addition, Phúc said corporate and national brands for wooden products had not received enough attention so export value was not as high as expected due to the need to export via partners instead of directly.

In the future, Vietnamese enterprises should change their way of thinking and build their own brands. To do that, the brand must be built based on the core values and identity of the enterprise. Customer satisfaction was an important asset and a core factor that built brand value for businesses.

The volume of local products to fastidious markets remained small. The industry should take advantage of existing and upcoming free trade agreements (FTAs) to boost exports to key markets, Phúc said.

To achieve the goal of over USD11 billion, Minister of Agriculture and Rural Development Nguyễn Xuân Cường said the sector would effectively implement the Forest Law and compile regulations to implement

new international commitments such as CPTPP and FLEGT-VPA for stable and sustainable development of the wood and forestry product processing industry.

The industry would also ensure a supply of about 37.5 million m³ of materials for the wood processing industry by continuing to develop large forests according to international practices and criteria and limit exports of raw wood, Cường said. In addition, Cường said his Ministry would maintain stable growth in existing markets and seek potential and emerging markets.

According to the Ministry, last year, Việt Nam's wood and forest product export value reached USD9.38 billion, accounting for over 23% of the agricultural sector's export turnover. The timber industry recorded a trade surplus of USD7 billion.

Việt Nam had about 4,500 wood and forest product processing enterprises, of which private enterprises accounted for 95%. Last year, the number of enterprises processing products for export reached over 1,800, an increase of more than 300 compared to 2017.

Vietnamese timber and forest products are exported to more than 120 countries and territories. Việt Nam ranks fifth in the world's wooden product export market, the second in Asia and the first in Southeast Asia.

Vietnamnews, 23 February

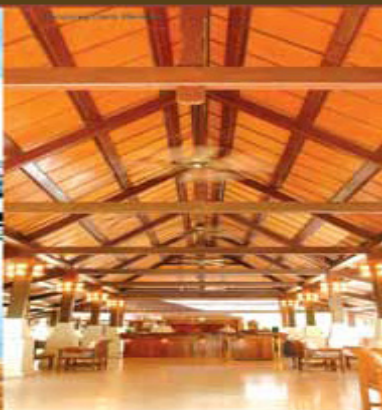
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From which publications have you received our information?



Malaysia: 18% Drop in Net Profit Recorded by Westports in Fiscal 2018

Source: Star (The) - Malaysia, STARBIZ

Net profit of Westports Holdings (Westports), a Malaysian port operator that provides container cargo services, fell 18% to RM533.47 million (EUR111.51 million/USD128.62 million) in the fiscal year ended December 2018. The firm's transshipment throughput increased to 6.2 million twenty-foot equivalent units (TEUs) in the 12-month period while its gateway volume rose 18% year-on-year to 3.3 million TEUs. Meanwhile, the amount of container throughput handled by the company expanded 6% year-on-year to 9.5 million TEUs in the period under review. Westports primarily attributed its lower net profit to an increase in manpower expenses, higher tax provision, higher finance costs and depreciation charges.

Sweden: Halland Ports Sees Growing Volume of Timber Shipments

Source : Transport och Logistik

Swedish regional port operator Halland Ports (Hallands Hamnar) has announced volumes of forest- and timber product shipments from the port of Varberg during 2018, claiming record levels of approximately 1.5 million m³ of timber products during the full year. These volumes have been complemented by an additional 130,000 m³ shipped in January 2019. The primary destinations are USA and Great Britain, and volumes are set to increase as more and more shipments are transferred from road transportation to seaborne transportation.

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change Jan 2019/ Dec 2018
	m ³	% Change Jan 2019/ Dec 2018	m ³	% Change Jan 2019/ Dec 2018	m ³	% Change Jan 2019/ Dec 2018	m ³	% Change Jan 2019/ Dec 2018	m ³	% Change Jan 2019/ Dec 2018		
Sawntimber	47,993	-19	13,673	1	1,009	-29	635	42	3,690	-31	67,000	-16
MDF	15,976	-40	514	100	2,120	-65	1,664	-56	20,602	19	40,362	-25
Mouldings	8,084	-41	154	-4	1,226	-12	517	-3	598	-58	10,579	-39
Plywood	2,218	-41	191	55	0	-100	163	199	5,731	-22	8,303	-26
Veneer	192	-54	17	-64	105	198	12	-88	2,271	-8	2,598	-15
Particleboard	9,632	-69	230	-4	2,749	-53	3,149	-35	1,410	8	17,171	-60
TOTAL	84,096	-37	14,779	5	7,209	-52	6,140	-37	34,303	-3	146,526	-30

Source : MTIB



Panama: Ports Handle Over 7 Million Twenty-foot Equivalent Units (TEUs) in 2018

Source : La Prensa de Panama

It has been reported that the five container terminals operating in Panama handled a total of 7,014,392 TEUs containers in 2018, which represents a year-on-year growth of 1.68%. The ports of Cristobal in the Atlantic and Balboa in the Pacific, which are operated by Panama Ports Company (PPC), were those reporting a contraction in container traffic, due to conflicts with workers.

Railroad and BNSF Railway, also reported a 19.7% hike in the volume of empty containers for future import loads, 3.5% drop in export cargo volume and 5% rise in import cargo volume. Some of the factors that contributed to the high volume include a strong US dollar that causes exports to be more expensive abroad and the US-China dispute, which stimulated shippers to quicken import orders before tariff enforcements.

Germany: Rhineland-Palatinate Ports See Growth in Inland Shipping

Source : Süddeutsche Zeitung

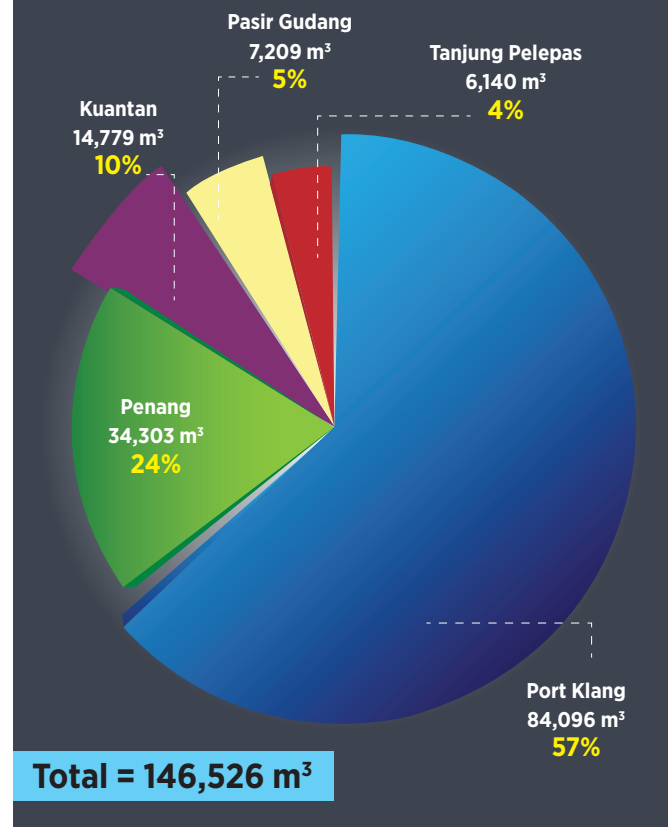
Inland shipping in ports in the German state of in Rhineland-Palatinate amounted to 16.3 million tonnes of freight in the first nine months of 2018. This is up 8.2% year on year. Freight received was up 13.5% to 9.3 million tonnes while goods shipped rose by 2% to 7 million tonnes.

United States: Port of Oakland Processes Record 2.55 million TEUs in 2018

Source : Progressive Railroading

According to the authorities of the Port of Oakland, in 2018 the port processed a record volume of 2.55 million TEUs, which is year-on-year hike of 5.2% and marks the second straight year of annual volume record. The port, which is catered by Union Pacific

Timber Shipment through Ports in Peninsular Malaysia, January 2019



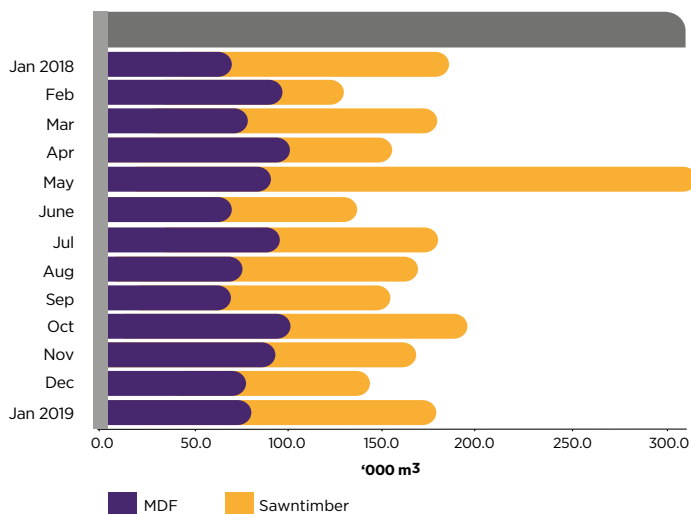




Lukisan Seribu Makna, Kayu Eratkan Semua
A Picture Paints a Thousand Words. Wood Binds Them All

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



Total export of Malaysian timber and timber products in January 2019 increased 13% in value to RM2.1 billion from the previous month. Compared to the previous corresponding period in 2018, export for the period of January 2019 also increased 5%.

SAWNTIMBER

Export of sawntimber in January 2019 increased 25% in volume and 22% in value to 176,673 m³ with a value of RM341.4 million as compared to the previous month.

Export of sawntimber to the EU for the month decreased 8% to 8,805 m³ from 9,592 m³ in the previous month. Export to the UK declined 33% to 1,418 m³ from the previous month. Similarly, export to Belgium decreased 36% to 826 m³ followed by Germany also 36% to 919 m³ and France with 37% to 723 m³. However, export to the Netherlands increase by 41% to 4,085 m³.

Total exports to West Asia decreased 16% to 21,248 m³ from 25,292 m³ recorded in the previous month. Similarly, export to Qatar decreased 42% to 908 m³ followed by Yemen 62% to 4,504 m³ and Kuwait 78% to 327 m³. On the other hand, Bahrain, the UAE and Saudi Arabia improved purchases of sawntimber by 12% to 1,047 m³, 59% to 7,115m³ and 185% to 1,185 m³ respectively.

Buying from ASEAN increased by 67% to 77,701 m³ from 46,541 m³ registered in the previous month. Export of sawntimber to the Philippines and Thailand, major buyer of sawntimber from Malaysia increased 149% to 37,637 m³ and 28% to 29,897 m³ respectively. Similarly, export to Viet Nam and Singapore increased 13% to 1,487 m³ and 33% to 8,405 m³ respectively.

In the meanwhile, shipments to East Asia decreased 18% to 24,946 m³ from 30,578 m³ recorded in the previous month. Export to China decreased 35% to 9,616 m³

followed Japan 37% to 4,077 m³. However, export of sawntimber to Taiwan and South Korea recorded growth of 14% to 7,131 m³ and 22% to 3,490 m³ respectively.

Elsewhere, exports to the US increased 33% to 1,912 m³ followed by Australia with 96% to 783 m³. Export to South Africa also increased 98% to 5,416 m³ from 2,730 m³ in the previous month.

The average FOB price of sawntimber decreased 2% to RM1,932 per m³ from RM1,977 per m³ in the previous month. Price of Dark Red Meranti to the Netherlands decreased 1% to RM3,607 per m³ from RM3,655 per m³ in the previous month. Keruing was traded at RM2,382 per m³, a decrease of 1% from RM2,409 per m³ in the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for January 2019 increased 18% in volume and 20% in value compared to previous month. Export totalled 78,704 m³ worth RM97.8 million.

In ASEAN, total export decreased by 36% to 12,232 m³ from 19,110 m³ in the previous month. Exports to the Philippines and Viet Nam have decreased by 29% to 2,067 m³ and 56% to 5,613 m³ respectively. Meanwhile, export to Indonesia has increased by 38% to 3,977 m³.

Exports to East Asia registered an increase of 16% to 16,189 m³ from 13,908 m³ in the previous month. Japan and South Korea showed growth by 26% to 15,081 m³ and 41% to 305 m³ respectively. However, China including Hong Kong and Taiwan have decreased its buying by 60% to 526 m³ and 30% to 277 m³ respectively.

Exports to West Asia also showed positive trend by 2% to 23,731 m³ from 23,307 m³ in the previous month. The main buyer in the region, the UAE decreased its intake by 4% to 11,530 m³ followed by Kuwait 73% to 1,766 m³. Meanwhile, export to Oman recorded an increase by 6% to 2,106 m³ followed by Saudi Arabia 46% to 1,803 m³, Bahrain 100% to 1,198 m³ and Jordan 637% to 1,179 m³. Furthermore, Lebanon, Syria and Qatar increased by 100% to 1,172 m³, 100% to 998 m³ and 151% to 1,979 m³ respectively. Iran does not make any purchase this month.

In addition, export to South Asia recorded growth by 24% to 13,003 m³ this month. Exports to India, Pakistan and Sri Lanka have increased by 17% to 6,488 m³, 12% to 4,725 m³ and 100% to 1,191 m³ respectively. Meanwhile, export to Bangladesh has decreased by 20% to 599 m³.

Elsewhere, exports to the US, Australia and South Africa have increased by 91% to 2,381 m³, 106% to 3,621 m³ and

13% to 594 m³ respectively. However, export to United Kingdom showed negative growth by 7% to 371 m³.

The FOB price of MDF has increased by 4% to RM1,242 per m³ from RM1,191 per m³ as compared over the previous month.

PLYWOOD

Export of plywood in January 2019 decreased by 16% in volume to 186,269 m³ and 4% in value at RM407.4 million as compared to the previous month.

Total volume exports to the EU increased by 20% to 186,269 m³. Export to Ireland and the Netherlands has increased by 281% to 614 m³ and 95% to 84 m³ respectively. Contrarily, exports to the UK and Belgium decreased by 28% to 2,130 m³ and 15% to 372 m³ respectively. Meanwhile, Denmark, France and Germany did not make any purchases for this month.

Exports to ASEAN and East Asia region increased by 19% with 142,807 m³ compared to previous month. All countries in the region reflected a mixed trend in export of plywood. Japan as the lead importer has increased its purchase with 21% to 111,050 m³. South Korea and Hong Kong also increased their intake by 39% to 15,584 m³ and 3% to 1,536 m³ respectively. However, China and Taiwan have decreased their imports by 48% and 15% by 436 m³ and 6,047 m³ respectively.

Meanwhile, Malaysia's plywood trade with its ASEAN partners showed mixed trend this month. Exports to Singapore and the Philippines have increased by 6% to 1,785 m³ and 29% to 1,567 m³ respectively. On the other hand, Thailand have reduced its intake by 9% to 3,492 m³. Meanwhile, Indonesia did not make any purchase for this month.

Overall exports to West Asia increased by 24% to 18,246 m³ as compared to the previous month. Exports to Yemen and the UAE have increased by 14% and 59% to 12,194 m³ and 2,943 m³ respectively. In contrast, exports to Kuwait, Saudi Arabia and Bahrain have decreased by 64%, 42% and 89% to 236 m³, 123 m³ and 64 m³ respectively. Meanwhile, Qatar did not make any purchases this month.

Export of plywood to the Americas region has increased by 38% to 16,245 m³. Exports to the US and Mexico have increased by 32% to 12,865 m³ and 99% to 3,092 m³ respectively. In contrast, Canada has decreased by 38% to 288 m³. Meanwhile, export to Australia and New Zealand have increased by 9% to 2,848 m³ and 100% to 43 m³ respectively.

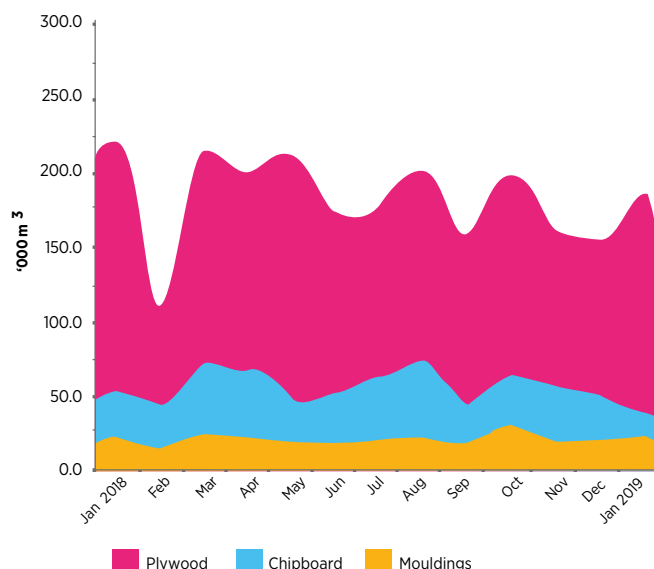
Exports to African continent have increased by 243% to 721 m³ for this month. Mauritius makes their first purchase of the year for plywood with 56 m³ meanwhile South Africa has

decreased their plywood intake by 37% to 106 m³. Algeria and Turkey did not make any purchases for this month.

The FOB price of plywood decreased by 1% to RM2,187 per m³ from RM2,218 per m³ in the previous month.

Malaysia : Export of Plywood, Chipboard and Mouldings

(Jan 2018-Jan 2019/Volume ('000m³)



MOULDINGS

Exports of mouldings for the month increased by 18% in volume and 15% in value to 22,682 m³ and RM88.9 million respectively.

Exports to the EU for the month recorded at 9,103 m³, an increase of 203% compared to the previous month. The UK, Netherlands and Belgium increased their purchases by 38%, 22% and 7% to 870 m³, 5,093 m³ and 726 m³ respectively. However, Germany decreased its intake by 16% to 813 m³ compared to the previous month. Meanwhile, Italy did not make any purchases.

Exports to ASEAN region increased as Singapore increased its purchases by 57% to 1,301 m³. However, Viet Nam intake of mouldings decreased by 41% to 768 m³ compared to the previous month. Meanwhile, Indonesia did not make any purchases.

Meanwhile, Japan, Hong Kong, Taiwan and South Korea increased their intake by 3%, 3%, 2% and 1% to 1,909 m³, 245 m³, 49 m³ and 1,463 m³ respectively. Meanwhile, China did not make any purchases.

Elsewhere, export to Canada, Australia and the US increased by 77%, 47% and 27% to 122 m³, 2,760 m³ and 3,411 m³ respectively.

FOB unit value decreased 3% to RM3,921 per m³ compared to the previous month.

JANUARY 2019

LOGS

The supply of logs was reported sufficient to cater the demand in the local markets.

Log prices for the species of Chengal and Balau stood firm at RM4,545 per tonne and RM3,200 per tonne respectively. Likewise, the prices of Keruing maintained at RM1,400 per tonne, whilst Kempas increased slightly by 1.1% to RM1,900 per tonne respectively. Meanwhile, the prices of Dark Red Meranti and Red Meranti fell slightly by 1.0% and 1.6% to RM2,080 per tonne and RM1,800 per tonne respectively. On the other hand, logs prices for Mixed Heavy Hardwood increased slightly by 1.1% to RM950 per tonne whilst Mixed Light Hardwood remained at RM920 per tonne respectively.

SAWNTIMBER

The average prices of sawntimber for most of the species in the domestic market continued to firm whilst some of the species experiencing slightly increased.

The sawntimber prices of Chengal and Balau maintained at RM7,027 per m³ and RM3,390 per m³ respectively. Prices for Kempas increased slightly by 5.5% to RM2,592 per m³ over the previous month whilst Tualang drop by 9.1% to RM2,472 per m³. The prices of Red Meranti increased by 1.7% to RM2,083 per m³. On the other hand, sawn timber prices of Mixed Heavy Hardwood increased slightly by 0.2% to RM983 per m³ whilst Mixed Light Hardwood continued to chart at RM953 per m³ respectively.

PLYWOOD

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

Industry reported that the supply of MDF to the domestic market continued to be sufficient whereby slow demand from domestic markets. Prices of the MDF slightly dropped by 2.3% to 4.5% on average for the month under review. The MDF of 4 mm, 6 mm, 9 mm and 12 mm of thicknesses were traded at RM13.00, RM16.24, RM21.96 and RM28.64 per piece respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

INTRA-MALAYSIA TRADE *

- JANUARY 2019

The shipments of sawntimber from Sabah to Peninsular Malaysia increased tremendously to 442 m³ from 140 m³ recorded last month worth at

RM835,000. Meanwhile, trade of plywood decreased by 22% in volume 3,338 m³ worth at RM7.0 million.

Trade of sawntimber from Sarawak to Peninsular Malaysia dropped by 81% in volume to 194 m³ from 1,016 m³ recorded last month with the value of RM504,000. However, trade of plywood dropped by 37% in volume to 4,394 m³ worth at RM5.7 million. Similarly, trade of veneer dropped by 66% in volume to 6,482 m³ worth at RM9.5 million.

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

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

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA, JANUARY 2019 (VALUE IN RM)

SPECIES	LOGS/tonne	SAWNTIMBER/m³			
	18" UP	GMS	STRIPS		SCANTLINGS/m³
HEAVY HARDWOOD					
Chengal	4545	7,027	5,508		7,521
Balau	3,200	3,390	3,178		2,743
Red Balau	2,200	3,143	2,648		3,355
Merbau	3,150	4,647	3,531		3,955
Mixed Heavy Hardwood	950	982	812		989
MEDIUM HARDWOOD					
Keruing	1,400	1,306	1,165		2,203
Kempas	1,900	2,592	2,472		2,825
Kapur	1,700	1,746	1,412		1,746
Mengkulang	1,350	2,225	1,081		2,126
Tualang	1,400	2,472	2,331		2,493
LIGHT HARDWOOD					
Dark Red Meranti	2,080	2,036	1,695		3,001
Red Meranti	1,800	2,083	1,730		2,225
Yellow Meranti	1,200	1,540	1,236		1,271
White Meranti	1,480	2,472	1,412		2,260
Mersawa	1,700	1,871	1,624		2,048
Nyatoh	1,300	1,518	1,130		1,186
Sepetir	1,350	1,695	1,003		1,695
Jelutong	1,100	1,780	1,215		1,730
Mixed Light Hardwood	920	953	742		975
MALAYSIAN RUBBERWOOD					
Hevea brasiliensis	170	1" X 1"	2"X2"	3"X 3"	4" X 4"
		1,100	1,178	1,335	1,580
PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm		12mm
	14.60	22.00	38.00		48.00
MDF 4' X 8' (RM per piece)	4mm	6mm	9mm		12mm
	13.00	16.24	21.96		28.64

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

* Prices are only indicative

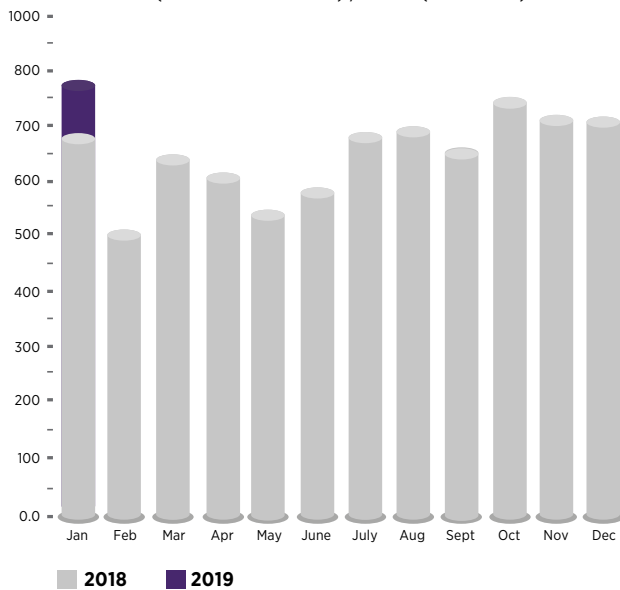
INTRA-MALAYSIA TRADE - JANUARY 2019

From	Product	Dec-18		Jan-19		% Change in Value Jan 2019/Nov 2018	% Change in Volume Jan 2019/Nov 2018
		Vol (m ³)	Val (RM' 000)	Vol (m ³)	Val (RM' 000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	140	425	442	835	216	96
	Plywood	4,265	9,275	3,338	7,006	-22	-24
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,016	2,033	194	504	-81	-75
	Plywood	3,213	4,484	4,394	5,678	37	27
	Veneer	3,900	6,067	6,482	9,507	66	57

Source :- Department Of Statistic, Malaysia

Cont. from page 11

Malaysia : Export of Wooden Furniture
(Jan 2018 - Jan 2019) / Value (RM Million)



Source : Department of Statistics, Malaysia

VENEER

Export of veneer for January 2019 increased by 34% in volume and 18% in value to 13,409 m³ at RM23.2 million as compared to the previous month. Exports to Taiwan and Australia have increased by 283% to 3,707 m³ and 238% to 135 m³ respectively. Similarly, the Philippines and China also have increased their intake by 13% and 64% to 1,345 m³ and 2,258 m³ respectively. Contrarily, South Korea have decreased their intake of veneer by 12% to 4,158 m³ respectively. Meanwhile, Canada, Chile and Viet Nam did not make any purchases this month.

The FOB price of veneer for January 2019 is at RM1,730 per m³, a decrease of 12% from RM1,970 per m³ on the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from January 2019 decreased 16% to RM83.6 million as compared to RM99.3 billion in the corresponding period last year. Export to the EU decreased 9% to RM28.2 million. Export to the Netherlands, Germany and Denmark increased by 52%, 52% and 18% to RM3.6 million, RM2.7 million and RM1.9 million respectively. Meanwhile, export to France, the UK and Belgium decreased by 28%, 17%, and 12% to RM3.1 million, RM11.4 million and RM4.0 million respectively. However, Sweden resumed its purchases with RM1.2 million meanwhile Italy and Turkey did not make any purchases.

In Asia, exports to Viet Nam, the UAE, Thailand and Taiwan decreased by 61%, 50%, 41% and 39% to RM2.5 million, RM307.5 thousand, RM1.5 million and RM637.0 thousand respectively. Similarly, exports to Singapore, India and Japan also decreased by 19%, 7% and 4% to RM6.7 million, RM3.3 million and RM4.8 million respectively. However, South Korea resumed its purchases meanwhile Pakistan, Saudi Arabia, Qatar and Bahrain did not make any purchases.

Exports to South Africa increased by 22% to RM1.8 million compared to the previous month. Meanwhile, exports to Australia and the US decreased by 18% and 3% to RM17.8 million and RM10.3 million respectively.

FURNITURE

Export of wooden and rattan furniture in January 2019 increased 14% to RM778.7 million from RM682.3 million in the previous corresponding period.

Imports of wooden furniture by the US expanded 30% to RM328.6 million from RM253.2 million in 2018. Demand from Canada and Australia registered an increase of 44% and 13% to RM30.4 million and RM50.4 million respectively. In Europe, shipment to the UK increased 26% to RM45.3 million followed by France 7% to RM5.8 million and Belgium 11% to RM4.1 million.

In East Asia, China reduced consumption by 63% to RM5.6 million from RM15.2 million in 2018. Meanwhile, export to Japan and South Korea increased 7% to RM60.7 million and 9% to RM8.3 million respectively. Export to India declined 19% to RM15.4 million from RM18.9 million in the previous corresponding period.

In ASEAN region, export to Singapore decreased 5% to RM47.7 million whilst shipment to the Philippines improved 7% to RM18.8 million compared to the previous corresponding period. Elsewhere, export to the UAE declined 1% to RM14.1 million while Saudi Arabia increased consumption by 69% to RM17.3 million from RM10.2 million in the previous corresponding period.

Rattan furniture shipments decreased in January 2019 by 58% to RM254.7 thousand from RM612.7 thousand compared to the previous corresponding period. Export registered only for Japan with RM23.9 thousand followed by Singapore with RM7.4 thousand and Australia RM223.4 thousand.

WORKSHOP ON THE GUIDELINES FOR TIMBER VERIFYING THE LEGALITY FOR CUSTOMS OFFICER - TRAINING OF TRAINERS



Group photo: Participants of Workshop on The Guidelines for Timber Verifying the Legality for Customs Officer-Training of Trainers (TOT).

TRAFFIC, a non-governmental organisation working globally on trade in wild animals and plants in the context of both biodiversity conservation and sustainable development, had organised a three day workshop in Johor Bahru on 25 – 28 March. The Workshop on The Guidelines for Timber Verifying the Legality for Customs Officer - Training of Trainers (TOT) was held in collaboration with MTIB and was funded by the Food and Agriculture Organisation (FAO).

The workshop focused mainly on facilitating Malaysian Customs officer knowledge on the analysis and operating procedures to combat cross border timber crimes. It is estimated that timber crimes, including corporate crimes and illegal logging account for USD51-152 billion (Nellemann, C., 2016). The scale of illegality varies from country to country, and is dependent on several factors which include the quality of forest policy, legal framework, institutional capacity and capability, good governance, etc.

The negative impacts of illegal logging and illegal timber trade of this valuable commodity can create serious problems:

- Illegal logging and illegal timber trade and organised crime - organised crime syndicates are largely responsible for illegal logging in many countries;
- Government revenue losses – global estimates indicate that organised crime groups launder USD30-100 billion worth of illegal timber annually (Nellemann, C., 2012);

- Poverty – governments, deprived of revenue due to illegal logging, have fewer resources to invest in social and public policies;
- Unfair competition – illegal logging and illegal trade can distort the market and reduce the profitability of legal goods;
- Unplanned, uncontrolled and unsustainable forest management; forest destruction – competition with other forest land use including conversion for agriculture, infrastructure development, mining, etc. cause forest degradation and deforestation;
- Corruption and bribery – criminal networks use corruption and bribery to facilitate the illegal movement of timber;
- Conflict – the proceeds of illegal logging may be used to support and fund conflict (INTERPOL, 2016).

One main area of concern is cross-border timber trade, especially where illegal timber could enter the supply chain and subsequently mixed with legal timber sourced domestically and from overseas. The role of customs officials is crucial in ensuring that only legal timber is imported, exported and transits. At present, there are a few mechanisms that combats illegal timber trade at an international level. The most widespread and effective is the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), a treaty that aims to ensure that international trade in specimens of wild animals and plants does not threaten their survival.



Group photo during visit to Grand Bank Yachts located in Pasir Gudang, Johor.

THE 3RD WORLD BAMBOO WORKSHOP 2019 – BREAKING THE CHALLENGES OF BAMBOO FOR A BETTER FUTURE

news

India is blessed with the abundance of natural growth of bamboo which has made it as an integral resource in the daily lives of its people. India has 15.69 million hectares of bamboo forest area, making it as the second largest after China. It is reported that the north-eastern region of India, including Manipur has around 66% of India's bamboo stock, thus making it as "Green Gold" bamboo region in India.

Seeing this potential, World Bamboo Organisation (WBO) in collaboration with the Government of Manipur, India has organised The Third World Bamboo Workshop 2019 in Imphal, Manipur from 4 to 8 February.

This international annual event was organised with the main objective to create a platform for technology transfer, exchanging of thoughts, experience and skills between world's best minds such as scientists, bamboo products specialists, architects, engineers and bamboo activists to have a better understanding on the properties of the multifaceted plant bamboo and its usage for application. This workshop was attended by over 30 countries with approximately 700 participants, consisting of policy makers, corporate business representatives, researchers, architects, designers, farmers, artisans, foresters, growers and students.

This workshop was a key part of WBO's effort to provide a platform for technology transfer, exchanging of thoughts, experience and skills between world's best minds such as scientists, bamboo products specialists, architects, engineers and bamboo activists to have a better understanding on the properties of bamboo and its usage for application.

The workshop was launched by Mr. Shri N. Biren Singh, Chief Minister of Manipur, India. He stated that this workshop aimed on promoting of the use and application



Participants of World Bamboo Workshop posing for the camera.



World Bamboo Workshop launched by Mr. Shri N. Biren Singh, Chief Minister of Manipur, India.

of bamboo of a particular region of the world. This was achieved by making efforts to bring in all scientific, technical and knowledge available around the world.

There were 23 papers presented by experts from various countries namely USA, Colombia, France, Thailand, Viet Nam, Brazil, Mexico, Australia, Japan, Peru, Philippine and Malaysia which consists of topics and experience with plantation, cultivation, bamboo processing, technology update and skill development. Malaysia was represented by Mr. Avery Chua, with the topic of "The emergence of building bamboo materials in the 21st century". He is from DassoUSA and also known as a bamboo ambassador appointed by WBO. Posters associated with bamboo research projects were also displayed to raise knowledge and technical awareness on the recent bamboo research projects done by various countries.

The workshop also held a hands-on activity session where the participants had an opportunity to join the Artisans team to build a bamboo pavilion. This session was led and supervised by five internationally known architects; Bamboo Architecture Company (Mexico), TIBA (Brazil and Mexico), Cave Urban (Australia), Mansaram Architects (India) and Strategy Innovative Consultancy Services (India).

MTIB was represented by Puan Norhazadawati Baharuddin from Fibre and Biocomposite Centre (FIDEC).



Plastering mud as organic cement on the bamboo pavilion.

Cont. from page 3



Forest officer demonstrating the application of UAV to support enforcement activities in Chile.

The EGILAT 15 appreciated the first presentations made by the APEC Secretariat. They had already received the national Timber Legality Guidance Template (TLGT) from members which was proposed in the previous meeting. The TLGT provide APEC member economies with guidance on compiling the appropriate information for business and government.

Chile presented the outcome of the Workshop on increasing the knowledge on technical matters related to preventing and combating illegal Logging and associated trade. The workshop was held on 23 - 25 February back-to-back prior to the EGILAT 15 meeting. The workshop aims to showcase forest monitoring and supply chain traceability tools, including digital ones, developed and used by member economies and multilateral organisations to prevent and combat illegal logging and its associated trade (ILAT), as well as to monitor forest loss and degradation. Application of the tool were demonstrated during the field visit session. A final report with best practice document is expected to be finalised in July and delivered to EGILAT 16.

The EGILAT 15 most appreciated the proposal to have cross-fora collaboration with other APEC

fora in EGILAT 16. It is in line with the objective to share experience, knowledge and challenges on implementation of tools for combating and preventing illegal logging activities and associate trade sharing information. Indonesia, Chile, Peru, Australia and Japan gave presentations on recent developments in their domestic work to combat illegal logging and promote the trade of legal wood products. At the international level, the representatives from INTERPOL, Forest Trends, ITTO, World Resources Institute, APFNet and CERTFOR Chile shared the work by their organisations on combatting illegal logging and associated trade.

The meeting was represented by more than 30 participants and was successfully chaired by Dr. Putera Parthama. Malaysia was represented by Encik Mad Zaidi Mohd Karli from Ministry of Primary Industries (Head of Delegation); representatives from Ministry of Water, Land and Natural Resources; Forestry Department Sarawak; Sarawak Timber Association and Malaysian Timber Council. MTIB was represented by Tuan Hj. Zulkepli Abd Rani, Director of Licensing and Inspectorate. All Malaysian delegates attended both the workshop and the EGILAT meeting. 

Cont. from page 15

The workshop was participated by customs officers from Peninsular Malaysia. They had learnt on the various problems and issues related to the nation's forestry and timber trade sector which had impacted the environment's resources, revenues and livelihood. Existing standard operating procedures, processes, risk profiling and assessments may need to be revised based on the concerns raised during the workshop.

The workshop also provided training for these officers to become instructors themselves and later disseminate illegal trade information to other customs officers. This is important as customs officers are the front-line authority, which manages the import and export of timber at entry and exit points throughout various ports in Malaysia.

The main topics presented during the workshop were as follows:

- International Timber Trade Scenario and Malaysia Outline;
- Introduction to 'Guideline for Verifying Timber Legality for Customs';
- Tropical Timber Species Identification;
- Procedure of Licensing (Export and Import Timber);

- Introduction Customs Harmonise Code and Products Classification;
- Risk Profiling and Enforcement Issues;
- Timber Legality and International Regulations; and
- International Trade in Endangered Species Act 2008 (Act 686).

Brainstorming and discussion sessions on issues related to timber trade were also conducted at the end of the workshop session. An evaluation of each presentation was conducted to assess the level of understanding and information delivery and whether it met the objectives of the workshop.

On the last day of the workshop, the participants visited the Grand Bank Yachts located in Pasir Gudang, Johor. Established in 1957 as American Marine, Grand Banks Yachts has over 60 years of history pioneering and designing many of the most recognisable styles in the recreational motor yacht industry. The company builds beautiful iconic recreational motor yachts with renowned craftsmanship and detail while incorporating timber in their decorations.

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Malaysian Timber Industry Board

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BRAZIL: ITS FURNITURE EXPORT OUTLOOK

Economy

Brazil is located in Eastern South America, bordering the Atlantic Ocean and has a total area of 8.5 million sq km. Brazil, one of the emerging economic powerhouses is the largest and most populous country in South America with a population of 208.8 million (July 2018 estimate). With its vast natural resources and a large labour pool estimated at 100.77 million of which 10 % is occupied in agriculture, 19% in the industry sector and 71% in the service sector.

According to the Latin Focus Consensus Forecast, the Brazil's economy expected to grow 2.4% in 2019. For 2020, the panel of analysts sees GDP will rising to 2.5%. GDP per capita was USD16,199 in 2018 (estimate) and urban unemployment is at the 11.7% (November 2018).

The Economy of Brazil is the world's eighth largest economy by nominal GDP and eighth largest by purchasing power parity. The Brazilian economy is characterised by a mixed economy that relies on import substitution to achieve economic growth. Brazil has an estimated USD21.8 trillion worth of natural resources which includes vast amounts of gold, uranium and iron. The country has vast natural resources and timber is one of them.



Forestry

Half of Brazil is covered with forests, including the world's largest rain forest, the Amazon. The Brazilian government created the Brazilian Forest Service to manage the Amazon forest resources in a sustainable manner. Brazil is currently ranked second in world forest area coverage after the Russian Federation. Rainforests cover almost 60% of the entire area of Brazil at 477, 698, 000 hectares, which is equivalent to 1,844,394 square miles or just under 3 million sq km comprising native and planted forests.

Native forests in Brazil are under both private and public ownership. Private forests are the major source of tropical wood production, distributed mainly in the Northern (Amazon) region of the country. The states of Amazonas, Pará and Mato Grosso are the top resource base for wood products. Of the planted forests, 65% are made up of Eucalyptus, and the

remaining 35% are Pine plantations. The majority of the planted forests were established in the late 1960s. The Law 5,106/66, created incentives for forest plantations. The South and Southeast regions of the country are the main sources of planted forests. The Brazilian Forest Certification scheme, recognised by the Programme for the Endorsement of Forest Certification Schemes and regulated by the Brazilian Standards Institute and the Forest Stewardship Council scheme are the two certifying schemes used.

Overview of the Furniture Sector

The Brazilian furniture industry is very fragmented and has two main characteristics; a high number of small companies and highly labour intensive. Santa Catarina, Rio Grande do Sul, São Paulo and Parana

are states with many furniture factories ranging from micro, small, medium and few large sized enterprises. In the CSIL database of world furniture markets Brazil ranks 32nd as a furniture exporter with a USD5,638 million exports and 39th as a furniture importer.

Furniture products were one of the main sources of income for retail chains and department stores in Brazil. In 2018, Brazil consumption in the furniture sector is USD5,558 million, according to the Centre For Industrial Studies (CSIL). With increased income available to Brazilian households, a huge part of the money was spent in housing improvement, including furniture and other household products.. Moreover

50% of the Brazilian population are urbanites and accounts for 30% of the total country consumption. Many leading furniture manufacturers are targeting this fastest growing segment of the population by launching specific furniture lines. Credit facilities are an added marketing tool to lure this segment.

Timber Production

According to the FAO 2017 forest statistics, Brazil produced around 24.6 million m³ of logs. Apart from that the country produces 8.6 million m³ of sawntimber, followed by 4.5 million m³ of fibreboard, 2.7 million m³ of plywood and 3.1 million m³ of particleboard.

Brazil : Production of Timber , 2013-2017

(Value: '000 m³)

PRODUCT	2013	2014	2015	2016	2017
Logs	29,064	27,006	24,401	24,648	24,648
Sawntimber	9,370	9,230	8,800	8,600	8,600
Fibreboard	4,153	4,433	4,398	4,241	4,534
Chipboard/Particleboard	3,381	3,195	2,700	2,960	3,138
Plywood	2,365	2,200	2,473	2,700	2,700

Source: FAOstat

Import of Timber and Timber Product

The Brazil's import of timber and timber products in 2018 worth USD1.1 billion, an increase of 10% over the previous corresponding period. The country import mainly furniture, sawntimber, veneer,

fibreboard, BJC and plywood. Import of furniture , sawntimber and veneer totalled USD995.9 million, USD22.6 million and USD7.2 million respectively. Meanwhile, import of fibreboard totalled USD5.4 million followed by BJC with USD2.3 million and plywood with USD1.7 million.

Brazil : Import of Timber and Timber Product, 2014 – 2018

(Value: USD'000)

PRODUCT	2014	2015	2016	2017	2018
Sawntimber	26,315	30,186	34,851	27,681	22,573
Veneer	14,473	9,964	7,256	7,264	7,152
Fibreboard	30,035	10,607	4,491	5,102	5,357
BJC	9,892	4,274	2,571	2,805	2,302
Plywood	3,060	2,573	1,646	1,441	1,681
Particleboard	1,338	484	560	600	588
Furniture	1,220,045	1,036,822	871,352	897,215	995,890
Others	63,929	57,008	46,601	51,509	60,499
TOTAL	1,369,087	1,151,918	969,328	993,617	1,096,042

Source: UNStatistic

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EMPOWERMENT OF HUMAN CAPITAL DEVELOPMENT FOR THE TIMBER INDUSTRY AT WISDEC 2



New building for training centre known as WISDEC 2

Introduction

The timber industry is one of the most important and significant industry in Malaysia, in terms of its contribution to the nation's socio-economic development. In 2018, the industry contributed an export value of RM22.3 billion.

The wooden furniture industry is an important sub-sector of the timber industry and it contributed an export value of RM7.8 billion in 2018. Currently, Malaysian furniture is being exported to more than 160 countries around the world. Malaysia ranks amongst the top 10 furniture exporters in the world. Among the countries that are the main markets of Malaysian furniture are the United States, Japan, Australia and Singapore.

There are over 3,500 companies operating in the timber industry, which are involved in the manufacturing of wood products such as sawn timber, plywood and furniture. This industry provides employment to about 240,000 people which represent nearly 3.5% of the country's work force.

Human Capital Development

One of the key success factors in ensuring the competitiveness and sustainability of the timber industry is the transition to a knowledge-driven economy. It is imperative that the timber industry embraces innovation, develop new ideas, create new products, employ new processes, and deliver new services. In this respect, human capital development is a determinant for the industry to succeed. Human capital development needs to be reinforced in order to acquire a sufficient supply of local manpower as well as skilled workers at all levels of operations.

In order to expedite the development of human capital in the industry, MTIB established the Wood Industry Skills Development Centre (WISDEC) in 1995 in Banting, Selangor and 2005 in Kota Kinabalu, Sabah. WISDEC was established with the following objectives:

- To provide an industry-oriented skills training
- To produce adequate skilled manpower for the wood-based industry
- To expedite technology transfer through technical training
- To provide technical advisory services in furniture manufacturing
- To assist in design and product development



Computer lab for design product in 2D and 3D visual.



Woodworking machinery with full system of integrated automatic dust collection.



Metal machine for cutting and shaping metal element for making modern furniture.

Human capital development is one of the strategic thrusts in NATIP. In addition, MTIB was appointed as Industry Lead Body (ILB) by Department of Skills Development, Ministry of Human Resources in 2012 for the development of human capital in the timber industry. MTIB thus collaborates with various agencies, the industry as well as all stakeholders to enhance efforts in strengthening human capital development in the timber industry.

Wood Industry Skills Development Centre – WISDEC 2

In October 2018, MTIB launched a new training building facility called WISDEC 2 in Olak Lempit Banting, Selangor. The WISDEC 2 facility consists of a classroom, a design room, a meeting room, an office, a resource centre, a library, a workshop, a finishing room and a multifunction room.

The workshop facility has been equipped with various type of machines and equipment which not only focus on timber or wooden products, but also cover other kinds of materials such as metal, plastic, upholstery, acrylic and composites. The workshop contains the latest technology and sophisticated machinery such as the Laser Cutting Machine which can enhance the value of furniture products through innovative product designs and processes.

WISDEC provides short term training programmes for the industry and long term training programmes for youths. The short term training programmes, are made up of two broad categories, namely client-driven and technology-driven courses. Client-driven courses driven are dedicated to meet the current needs of the industry and targeted towards those who are already employed in the industry. On the other hand, the technology-driven courses are training of new and cutting-edge technologies which



Upholstery equipment for adding fabric, leather and pvc element in furniture making.

the industry needs to be aware of to keep abreast with global innovation to improve competitiveness.

WISDEC is also involved in assisting the industry in product development, furniture design development and provision of technical advisory services. To date, WISDEC has successfully trained more than 15,000 trainees and participants.

Conclusion

In future, the industry needs more trained workforce and skilled workers. Globalisation, competition and technological advancement have intensified the demand for more highly skilled workers in the industry. Having an adequate number of skilled local workers could enhance productivity in the industry.

For more information, please contact :

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OIL PALM PLYWOOD – FUTURE WOOD-BASED MATERIAL FOR FURNITURE AND CONSTRUCTION



*Encik Tan Tiam Aik
Managing Director of
Profina Plywood Sdn. Bhd.*



Production of OPT plywood.

The making of oil palm-based plywood began in 1998. Oil palm plywood comprises the adhered layering of oil palm trunk (OPT) veneer. As the OPT is a residual material from Malaysian oil palm plantations, it is easily obtained. OPT is renewable, sustainable and a green biomass resource.

In view of that, MTIB has led a team to develop the standard for Oil Palm Plywood under ISO and the Malaysian Standard. The standard ISO2426-4 Plywood Classification by surface appearance Part 4-Palm Plywood has been approved and published by ISO TC 89-Wood-based panel while MS 2629 Elaeis plywood-Specification has been published by Standard Malaysia.

In addition, MTIB, in partnership with the Malaysian Panel-Products Manufacturer's Association (MPMA), Malaysian Palm Oil Board (MPOB), Forest Research Institute Malaysia (FRIM) and Universiti Putra Malaysia (UPM) has implemented the Palm Plywood Project to promote the usage of OPT in the plywood industry. Oil palm-based plywood is in fact, currently being exported to various countries and continents including Japan, USA, Australia, Europe, the Middle East, Indonesia and Thailand. One of the leading companies involved in the palm-oil industry is Profina Plywood Sdn. Bhd.

BACKGROUND

Profina Plywood Sdn. Bhd. located at Kluang, Johor was incorporated in 2016 by Encik Tan Tiam Aik and is now a highly reputable company in the nation's OPT product related industries. Profina Plywood employs 100 local and foreign workers to help fulfil their monthly orders which hail from both the domestic and international markets. The production lines use up to 1,600 m³ of OPT as raw material for plywood manufacturing every month.

Profina Plywood Sdn. Bhd, with a production line capacity of up to 12,000 m³ of plywood each year and a team of over 10-year oil palm biomass experience expertise, is going into the manufacturing of a full range of oil palm related products using oil palm biomass. The company plans to expand to a full capacity of 30,000 m³ of plywood products per annum.

PRODUCT

Profina Plywood produces oil palm-based plywood with the OPT as core material and tropical forest wood veneer as the face and back. The plywood is used in construction, furniture, and packaging industries. It is the preferred choice in many regions due to its unique grain and environment-friendly



*Production of
OPT plywood*

*Oil Palm Trunk
(OPT)*

characteristics. The plywood comes in various thickness from 4.5 mm to 25 mm. The standard size is 4' by 8' but it can also be custom-made according to customer request.

The two types of plywood produced in this company are the BB/CC grade plywood and the utility grade plywood. The BB/CC grade is the most popular choice for many applications. BB grade plywood has very little knots of less than 1/4 inch, a slight discoloration, no decay, matched colours, no blister and no wrinkle. In addition, the split and wormholes are skillfully mended. The utility grade plywood is used where the appearance of the plywood is not important. This is mainly for use in interior

applications such as the back of furniture; exterior applications such as building materials; and packing materials such as packing boxes. The OPT plywood can be used as furniture components, partitions, wooden pallets, packing materials and construction material. 🏠

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E-mail : profinaplywood@gmail.com/ pmsbnick@hotmail.com

The Brazil's export of timber and timber products in 2018 an increase of 4% to USD100.6 million from USD96.9 million in the previous corresponding period. The country export mainly sawntimber and veneer. Export of sawntimber totalled USD22.6

million whilst veneer totalled USD7.2 million over the previous corresponding period. Meanwhile, export of fibreboard totalled USD5.4 million followed by BJC at USD2.3 million and plywood at USD1.7 million.

Brazil : Export of Timber and Timber Product, 2014 - 2018

(Value: USD'000)

PRODUCT	2014	2015	2016	2017	2018
Plywood	467,760	482,206	478,097	620,581	774,768
Sawntimber	425,332	455,628	537,188	665,281	771,564
Mouldings	518,261	482,384	450,564	482,138	495,375
BJC	262,390	274,353	288,540	320,575	356,210
Fibreboard	135,863	444,233	196,868	212,418	222,534
Particleboard	34,667	172,435	81,077	113,957	129,756
Logs	24,650	43,044	40,780	50,073	62,813
Veneer	34,852	33,209	26,422	31,368	40,450
Furniture	894,397	697,797	677,504	714,780	770,926
Others	205,381	155,146	114,316	121,750	147,271
TOTAL	3,003,553	2,828,714	2,891,356	3,332,921	3,771,667

Source: UNStatistic

Malaysia's Export of Timber and Timber Products to Brazil

In 2018, export of Malaysian timber and timber products to Brazil registered an increase of 13%

to RM3.7 billion from RM3.3 billion in 2017. Major product exported to Brazil in 2018 were plywood totalled RM774.8 million.

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

(Value: RM)

PRODUCT	2014	2015	2016	2017	2018
Sawntimber	0	130,479	0	0	0
Wooden Furniture	1,586,607	2,556,575	626,157	1,411,147	1,653,712
Rattan Furniture	124,022	0	0	0	0
Other Products	285,547	444,233	0	0	0
TOTAL	1,996,176	3,131,287	626,157	1,411,147	1,653,712

Source: DOSM/MTIB

Malaysia's Import of Timber and Timber Products from Brazil

In 2018, import of Malaysian timber and timber products from the Brazil registered an increase of 38% to RM258.6 million from RM187.5million in 2017.

Major product imported is veneer with a total value of RM100.2 million followed by sawntimber at RM21.1 million, mouldings at RM5.5 million and wooden furniture at RM0.3 million.



NATIONAL CERTIFICATION SCHEME FOR PLYWOOD

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

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

We committed:

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



Further enquiries or information kindly contact:

Product Certification Unit
Director-General Office
Malaysian Timber Industry Board
Level 13-17, Menara PGRM, No.8, Jalan Pudu Ulu, Cheras
P.O Box 10887, 50728 Kuala Lumpur
Tel: 603-9282 2235
Fax: 603-92003769/ 92846214
website: www.mtib.gov.my



MS ISO/IEC 17065:2012
PC 03042012 CB 06

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

(Value: RM)

PRODUCT	2014	2015	2016	2017	2018
Veneer	1,003,300	14,969,617	29,916,152	44,627,361	100,204,337
Sawntimber	4,034,816	6,741,811	7,686,420	17,857,144	21,132,829
Mouldings	5,153,705	5,608,047	6,756,815	10,763,620	5,545,504
Wooden Furniture	409,397	495,410	151,804	115,375	318,310
Fibreboard	0	73,547	77,488	751,744	138,619
BJC	0	0	0	0	9,992
Logs	0	0	86,537	0	0
Plywood	0	55,019	1,024,489	0	0
Chipboard/Particleboard	18,831	0	0	1,314,734	0
Other Products	32,348,639	65,604,249	78,051,754	112,396,040	131,228,024
TOTAL BRAZIL	42,968,688	93,547,700	123,751,459	187,493,282	258,577,615

Source: DOSM/MTIB

Import Tariff

The Brazil's import duty on timber and timber products ranges from 2 – 18%. Details are as follows:

HS Code	Product	Duty (%)
4401	Fuel Wood	2
4402	Wood Charcoal	2
4403	Logs	2
4404	Hoop Wood	2
4405	Wood Wool and Wood Flour	2
4406	Sleepers	4
4407	Sawntimber	6
4408	Veneer	7 - 10
4409	Mouldings	10
4410	Chipboard/Particleboard	10 - 14

4411	Fibreboard	10 - 14
4412	Plywood	10
4413	Densified Wood	10
4414	Wooden Frame	10
4415	Packing Cases	10
4416	Casks, Barrels, Vats and Tubs	2 - 10
4417	Tool Bodies and Handle	10
4418	Builders Joinery and Carpentry	14
4419	Tableware and Kitchenware	14
4420	Wood Marquetry	14
4421	Other Articles of Wood	14
9401,9402, 9403	Wooden Furniture	16 - 18

Source: WTO

Potential

Brazil Home sales stood at R\$138.2 billion in 2017 and are projected to grow at 4.2% CAGR during 2017-2022. The sector produced weak growth in 2015-2016 due to a weak economy and high inflation. Although not a significant market for Malaysian furniture exports, Brazil can still be looked upon as one with the potential to increase our exports. In terms of niche products such as designed furniture. Brazil is the leading furniture producer and the largest furniture market in the area. Furniture production

is still linked to satisfying domestic demand, but furniture exports are growing.

According to the Furniture Industry Association of Rio Grande do Sul (Movergs) the furniture sector is still experiencing ups and downs in response to a variety of negative factors that have impacted the domestic economy. But despite the recent downturn in production it is important to note that sales for the year are higher than last year and the prospects are brighter for 2019.

TIMBER VERIFICATION SERVICES

Timber has always been a preferred material in homes and other buildings as it creates warmth and coziness, and also highlighting elegance. While it is widely used in developed countries, Malaysian consumers tend to avoid timber based on perceived quality and maintenance problems.

Defects such as splitting, delamination, decay and insect attacks can be easily avoided if the right quality and correct specification of timber is selected and used from the outset.

The Malaysian Timber Industry Board (MTIB) offers timber verification services that can assist you to ensure the timber you choose is of the right quality and correct specification for its intended usage and application. The services include timber grading, identification of species, determination of moisture content, determination of preservatives and other services.

You can be rest assured that your products meet quality standards and hence extend the lifespan with minimal maintenance cost if it is verified to specification.



Services

1. Timber Grading
2. Identification of Species
3. Determination of Moisture Content
4. Determination of Preservative

For more information and enquiries:



MTIB

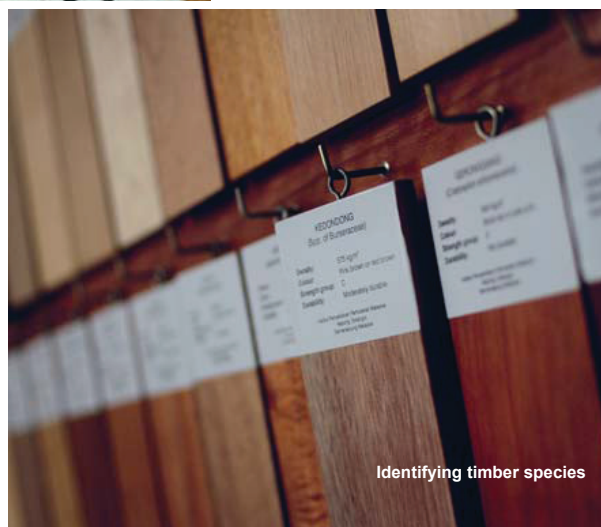
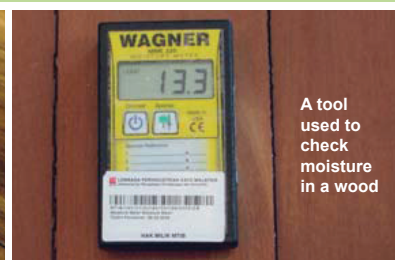
Malaysian Timber Industry Board

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A strong economy, boom in the civil construction industry and subsequent increase in demand for furniture and home appliances have changed the face of Brazil's retail market. Rises in purchasing power and living standards have inspired unanimous smiles for consumers and retailers. In a competitive and fast-moving industry, the leaders are facing forward and fitting in with the challenges of growth and development.

According to the Statista Statistics Portal forecast, the revenue in the Brazil's Furniture and Appliances segment amounts to USD2,059 million in 2019 with expected to show an annual growth rate (CAGR 2019-2023) of 2.8%, resulting in a market volume of USD2,299 million by 2023. The market's largest segment is Furniture & Homeware with a market volume of USD 1,138 million in 2019. Malaysian

timber and furniture manufacturers should enhance their marketing and promotion effort in order to penetrate the market in particularly niche product. Malaysian furniture manufacturers and exporters should explore opportunities to supply furniture with unique and aesthetic design to cater for the increasing growth of furniture sector in Brazil.

References:

- CIA Factsheet
- World Furniture International Market Review, December 2017
- Brazil Furniture Outlook
- www.iafpalliance.com / www.fordaqfurniture.com / www.fao.org.com MTI
- Brazil Analysis: Brazil Research & Forecasts/www.businessmonitor.com/brazil
- www.statista.com/outlook/furniture-appliances/brazil
- Department of Statistics Malaysia (DOSM)
- MTIB 

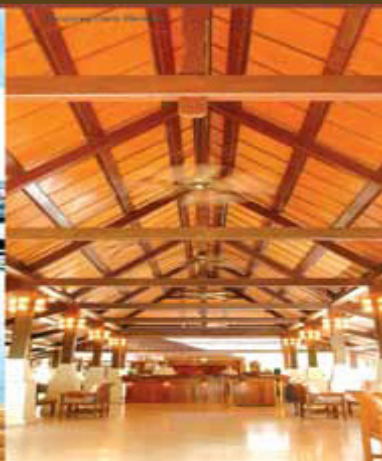
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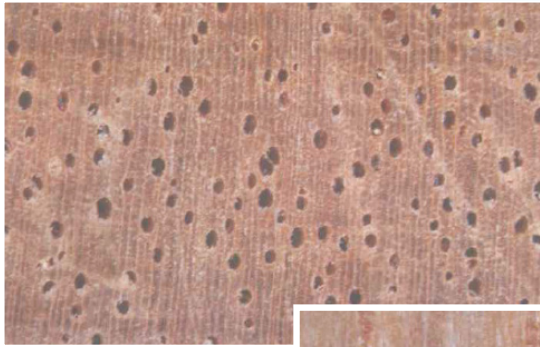
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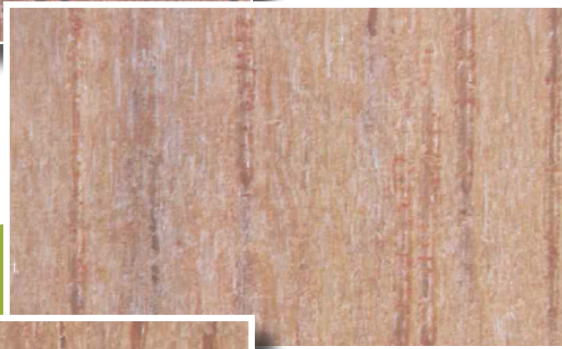
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From which publications have you received our information?



Cross section



Radial section



Tangential section



BANGKAL - SUITABLE FOR FLOORING

INTRODUCTION

Bangkal is the Standard Malaysian Name, which is of Sabah origin, for the timber of *Nauclea* spp., *Neonauclea* spp. and *Ochreinauclea* spp. (*Rubiaceae*). Vernacular names applied to this timber include Bangkal (Sabah) with various epithets, Jengkai (Sarawak), Lenggaung (Sarawak), Mangkal (Peninsular Malaysia) and Mengkal (Peninsular Malaysia). Major species include *Nauclea officinalis*, *Neonauclea pallida* and *Ochreinauclea maingayi*. The sapwood is lighter in colour and merges gradually into the heartwood, which is characterised by a bright yellow or orange hue.

Vernacular name	Bangkal
Scientific name	<i>Nauclea</i> spp.
Family	<i>Rubiaceae</i>
Air-dry wood density	335-980 kg/m ³

Also known as Anggerit, Atap tun, Bengkal, Bengkal Udang, Gempol, Gonoebeli, Leharun, Lobani poete and Pedumba (Indonesia); Cheese wood and Yellow hardwood (Papua New Guinea); and Bangkal, Hambabalud, Kalamansanai, Lisak, Ludek, Malauisak, Southern bangkal, Tikim and Uisak (Philippines).

Growth rings	Occasionally present
Vessels	Diffuse-porous, fine to small size, exclusively solitary, multiples of two to three rarely, deposits yellowish brown present
Tyloses	Absent
Wood Parenchyma	Apotracheal diffuse and diffuse-in-aggregate, paratracheal scanty
Rays	Fine, only visible with hand lens, uniseriate and multiseriate, non-storied, oblique pattern of pores arrangement
Ripple Marks	Absent
Inter cellular Canals	Absent

Density

The timber is soft to moderately hard with a density of 335-980 kg/m³ air dry.

Natural Durability

The timber is reputed to be moderately durable.

Texture

Texture is moderately fine to slightly coarse, with interlocked grain. The sapwood is lighter in colour and merges gradually into the heartwood, which is characterised by a bright yellow or orange hue.

Strength Properties

The timber falls into Strength Group C (Burgess, 1958).

Machining Properties

It is reported that the timber works easily and finishes well.

Air Drying

The timber is reputed to dry well with slight checking and warping.

Shrinkage

Shrinkage is rather high, with radial shrinkage averages 1.3% and tangential shrinkage averages 3.2%.

Uses

The rather rare occurrence of the trees precludes any extensive exploitation of the timber. The timber is suitable for plywood, flooring, furniture, ornamental items and pallets.

References:

- Burgess, H. J. (1958). *Strength Grouping of Malaysian Timbers*. Malayan Forest Service Trade Leaflet No.25. The Malaysian Timber Industry Board and Forest Research Institute Malaysia, Kuala Lumpur. 15 pp.
- Wong, T. M. (1982). *A Dictionary of Malaysian Timbers*. Revised by Lim, S. C. & Chung, R. C. K. Malayan Forest Record No. 30. Forest Research Institute Malaysia, Kuala Lumpur. 201 pp.



Resak Vatica spp.

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Jelutong Dyera spp.

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► Courtesy visit by officials from Lembaga Hasil Dalam Negeri (LHDN), Cheras Branch to MTIB, Kuala Lumpur on 8 February 2019.

YBhg. Dato' Dr. Tan Yew Chong, Secretary-General, Ministry of Primary Industries (seated, centre) and his officilas from the Ministry visiting MTIB, Kuala Lumpur on 15 February 2019
► On his right is Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General (Management and Operation).



A course on Training System My Mesyuarat 2.0 organised by MTIB from 26 to 27 February 2019 at MTIB, Kuala Lumpur.



MTIB organised a workshop for its personnel entitled Job Description (JD) on 20-22 February 2019 at MTIB, Kuala Lumpur.



Tuan Hj. Mahpar Atan, MTIB Director of Industry Development (front row-second from left), Encik Nabil Fikri Leemon of MTIB (on his right), two lecturers from UiTM Shah Alam (first and second from right) posing with representatives from Eugen Decker Company, Morbach, Germany. The photo was taken during an official trip to Germany from 17 to 25 February 2019.



Puan Hj. Noor Laila Mohamed Halip, MTIB Deputy Director-General (Development and Commercial) posing with 2018/2019 committee members of PUSPANITA MTIB during the 29th AGM, held on 26 February 2019 at MTIB, Kuala Lumpur.