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**FORGING A LEANER
PARTNERSHIP
FOR THE TIMBER INDUSTRY**

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Cover :
MoU Signing Ceremony between MTIB and MPC during the MTIB Lean CREANOVA Programme held in Bangi, Selangor. More details on pages 3 and 15.

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FORGING A LEANER PARTNERSHIP FOR THE TIMBER INDUSTRY

news



MoU Signing Ceremony between MTIB and MPC.

On 24 April, MTIB organised the MTIB Lean CREANOVA Programme in Bangi, Selangor. This programme served as a platform for 11 timber companies that had joined the MTIB Lean Management Programme 2018 to share their respective journeys towards having a leaner, more productive factory. The Lean CREANOVA served as a competition of sorts for all participants where the top three would be awarded cash prizes, as a form of incentives for their efforts in preparing and giving their presentation to the audience.



Attendees during the event.

In her officiating speech, Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General had indicated the importance of having a higher productivity rate amongst the timber industry in order to prepare itself for the Industry 4.0 Revolution which has the potential of propelling this nation towards higher income and more profitability. She welcomed and acknowledged all participants commitments in completing the programme. This was made evident by the total of savings recorded of RM25 million per year, which was the highest since the introduction of the programme in 2014. The success was widely credited to the support of all companies' upper management and a sense of responsibility to complete the programme, in accordance to MTIB's satisfaction.

She also thanked the MTIB appointed consultant, Lean Management Academy Sdn. Bhd., for their tremendous efforts in guiding each company into completing this programme. She also invited other timber companies to continue support for a higher productivity by joining the programme themselves and transform the timber industry, one factory at a time.



INDONESIA

Fall in Plantation Log Production

Plantation roundwood production in the first two months of 2019 fell 21% compared to production in the same period in 2018 according to Purwadi Soeprihanto, Executive Director of Indonesian Forest Concessionaire Association (APHI). In 2018, roundwood production was 3.91 million m³ per month.

Purwadi said the decline in log production in early 2019 reflected weaker demand for raw materials. Millers have said the on-going US-China trade conflict is affecting the performance of the main finished product exporters for whom plantation logs are the raw material. Based on the V-Legal data from the Ministry of Environment and Forestry, in the first quarter of this year export of processed wood products totalled USD2.82 billion down 18% year-on-year.

Purwadi forecast that this year roundwood production from industrial timber plantation concessions (HTI) will increase 10% compared to last year's production of 40.13 million m³ while production from natural forests will be about the same as in 2018. In related news, the Ministry of Environment and Forestry (KLHK) has announced it is not planning to issue new permits for industrial timber plantation concessions (HTI) this year. Hilman Nugraha, Director General of Sustainable Production Forest Management in the KLHK, said the current HTI permits covering 11.43 million hectares is sufficient to meet the industrial needs.

ITTO, 15-31 April



VIET NAM

Forestry Exports Gain Highest Growth

According to the Viet Nam Administration of Forestry under the Ministry of Industry and Trade, forest products exports were estimated at USD922 million in March, increasing forestry export turnover of the first quarter 2019 to roughly USD2.4 billion, up 18% over the

same period last year, the highest level in the past five years.

This was also the highest growth in export turnover of commodities with turnover above USD1 billion of Viet Nam. Of the total forestry export turnover, trade surplus was estimated at USD1.82 billion, up 19% over the same period last year. The US, Japan, the EU, China and South Korea remained main export markets of forest products, accounting for around 87% of total forestry exports.

Because of unexpected potential of Vietnamese wood products, the Prime Minister has issued directions on some tasks and solutions for rapid and sustainable development of wood and forest product processing industry for export. The directions also set plans to achieve an export target of USD11 billion for wood and forest products this year, USD12-USD13 billion in 2020 and USD18-USD20 billion in 2025.

Source: Saigon Giai Phong Online, 18 April

Forestry's Strong Show In Exports For 2019

Viet Nam's forestry industry showed a strong increase in export value in the first four months of the year, according to the Viet Nam Forestry Administration. Forestry exports were estimated to have hit USD3.3 billion in the period, a year-on-year increase of 17.8%, including USD875 million in April 2019. Key markets for Vietnamese forestry products included the US, Japan, the EU, China and the Republic of Korea, accounting for 87% of the exports.

Viet Nam imported USD790 million of forestry products in the first four months, up about 15.1% year-on-year, including USD210 million in April 2019. About 60% of imported timber and furniture came from China, the US, Cambodia, Thailand, Malaysia, Chile, Germany, New Zealand and France.

AAN, Vietnam News, 30 April



INDIA

Slow Demand, Payment Recovery Keep Plywood Trade Sentiment Low

The housing demand and real estate sector continued slowdown is impacting the volume demand in wood panel segment confirms ground reports gathered by the Ply Reporter from different parts of the country. There are reports that retailers' sales reported a 55-

60% lesser transaction compared to November-December span. The demand for plywood products are weak especially in premium price segment although mid-priced plywood is selling comparatively better.

The demand cycle in North, East and Western region is too slow whereas Southern states are still generating orders for plywood products. In door category, North and Western India are better performing. The Payment recovery cycle is reported to have extended up to 120 days following banking tightness and other liquidity.

The drop-in sales volume and payment is being linked with election schedule and government stability factor by the market people. Equally March closing hence maintaining lesser inventory, advance tax deposits and GST revenue payments are also said to be top reasons by the retailers. The Ply Reporter estimate that despite of demand scarcity and liquidity crunch, plywood market size is reaching to 30,000 crores of which unorganised and mid-segment players have around 85.0% of market share.

The present trade sentiments show tremendous dullness not only because of volumes but mainly because of drop in margins at every level. Among manufacturers, distributors, retail counters everyone is feeling the margin pressure and is now openly accepting it. For year 2019-2020 a lot of expectation from election in terms of majority for a stable government though building material industry & trade front.

plyreporter.com 25 April

Fibre Cement Boards Being Used In Houseboats Making

The boat making industry which uses pure high quality marine grade plywood is now also trying fibre cement materials as replacement. Recent reports from Kerala found that Houseboat makers are now using fibre Cement boards instead of plywood in certain areas. A Houseboats owner says, "Initially, we were apprehensive of the use of cement boards in houseboats, but it has proved to be successful and now, there are many boats in Kerala using fibre cement boards."

Another boats owner says that most of boat makers use plywood but the quality of plywood is being deteriorated and they are compelled to look for options. The genuine water proof material is not available or if it is from a reliable brand then its prices are too high hence they are bound to look for substitute materials. "The Plywood is getting costly day by day, whereas fibre cement boards are economical than plywood, and its fire retardant and water-resistant properties as well", says a houseboats owner based at Alleppey, Kerala.

It is noted that houseboats are very important tourism business in Alleppy/Alapuzza area in Kerala, where more than 1500 big, medium and small houseboats are in operation. More than 200 small and big companies are engaged in Houseboats building, which use huge quantity of plywood for repair, renovation and new boats making.

plyreporter.com 22 April



CHINA

Sawnwood Imports Decreased by 2% in 2018

According to China Customs, 2018 sawnwood imports totalled 36.74 million m³ valued at USD10.13 billion, a year-on-year decline of -2% in volume and a slight increase 1% in value. The average price for imported sawnwood was USD216 per m³, up 2% from 2017. Both sawn softwood and sawn hardwood imports declined in 2018.

Of total sawnwood imports, sawn softwood imports fell 1% to 24.88 million m³, accounting for 68% of the national total. The average price for imported sawn softwood was USD201 per m³, up 3% year-on-year.

Sawn hardwood imports fell 4% to 11.86 million m³ because China's sawn hardwood imports from the top sources, Thailand and USA, fell 4% and 8% respectively. The average price for imported sawn hardwoods was USD433 per m³, up 3% year-on-year.

Of total sawn hardwood imports, tropical sawnwood imports were 7.19 million m³ valued at USD2.678 billion, down 2% in volume, 3% in value, and accounted for about 20% of the national total. The average price for imported tropical sawnwood was USD372 per m³, a year-on-year decrease of 1%.

panelsfurnitureasia.com, 24 April



JAPAN

Wood Panel Review 2018

Total supply of wood panels (plywood and wooden board) in 2018 was 9,144,495 m³, 0.2% more than 2017. In this, domestic panels were 5,064,623 m³, 0.6% less. Imported panels were 4,079,872 m³, 1.3% more. Share of domestic and import was 55.4% vs 44.6%. Domestic supply of wooden board decreased by 37,031 m³ while that of import increased by 33,565 m³. Decrease of domestic supply was mainly particleboard and MDF.

New housing starts in 2018 were 942,370 units, 2.3% less than 2017 with wood-based units of 539,394 units, 1.1% less. Problems wood panel supply faced in 2018 were manpower shortage and logistics such as lack of long haul trucks.

For plywood, one new mill started in April by Nisshin so total supply should have increased but total production of domestic plywood increased only by 0.2%. Reasons are tightening of labour standard law and shortage of young workers, particularly in local regions. To secure young workers, working rules are changing to reduce overtime works. Plywood mills had been running over the weekend and late hours when orders are heavy.

ITTO, 15-31 April



GERMANY

Announces DIN EN 16516 as New Wood-Based Material Formaldehyde Emission Test Standard

Beginning from 1 January 2020, Germany will require all products made from wood-based materials to comply with its new test standard for formaldehyde emission DIN EN 16516.

According to Appendix 1 of Germanys Chemikalien-Verbotsverordnung (Chemicals Prohibition Ordinance) formaldehyde emission is restricted to no more than

0.1 ml/m³ (ppm) in Coated and uncoated wood-based materials chipboards, blockboards, veneer boards and fiberboards and Furniture made from these materials

The decision to make DIN EN 16516 the new test method for formaldehyde emission was announced in November 2018 by the Bundesministerium für Umwelt, Naturschutz und nukleare Sicherheit (Federal Ministry for the Environment, Nature Conservation and Nuclear Safety). The statement also states that the existing method, DIN EN 717-1 can be used in parallel but with double the concentration value.

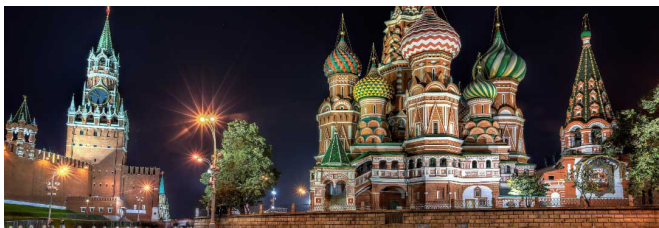
These two methods, will be the only permissible test methods for formaldehyde emission measurements in a chamber after 1 January 2020. Until this date, the follow methods remain valid.

- Bundesgesundheitsblatt 34, 10 (1991), pages 488-499 as a test method for wood-based materials and products manufactured from wood-based materials.
- DIN EN 717-1 Wood-based panels: Determination of formaldehyde release Part 1: Formaldehyde emission by the chamber method as a reference method for emission measurements in a chamber for all wood-based materials.
- EN ISO 12460-3 Wood-based panels: Determination of formaldehyde release Part 3: Gas analysis method as a derived method for raw plywood boards and coated boards.
- EN ISO 12460-5 Wood-based panels: Determination of formaldehyde release Part 5: Extraction method (called the perforator method) as a derived method for raw chipboards and raw fibreboards.

Germany has updated its reference method following research by the Federal Environmental Agency and the Federal Institute for Materials Research (BAM), which showed that measurements for formaldehyde emissions from wood-based materials should be adapted to more realistic conditions.

Stakeholders are now advised to check their products comply with the latest formaldehyde emission requirements in Germany.

virtual-strategy.com, 9 April



RUSSIA

Log and Lumber Exports on a Par

In 2018, Russia continued to reduce the exports of logs and increase the exports of lumber, according to Lesprom Network. The export volume of these products almost equalised at 19.03 million m³ (-2.1%) and 18.7 million m³ (+14.9%) respectively, according to the report on the Russian forest-based industry.

In 2018, the Russian government continued to implement policy to reduce the exports of raw wood and stimulate internal consumption of timber industry products. According to the report, the main events of 2018 in the Russian forest based industry were: the adoption of the strategy of forestry development of the Russian Federation until 2030; establishment of a new department of forest and consumer goods in the Ministry of Industry and Trade; the appointment of a new head of the Ministry of Natural Resources; raising the entry barrier to priority investment projects; new state initiatives to strengthen control over exporters.

Production of pellets in Russia in 2018 increased by 4.9% to 1,410 thousand tonnes, which is a new record and marks the the sixth year of increasing production. At the end of 2018, the total OSB production capacity in Russia reached about 2 million m³. Last year, 1.2 million m³ of OSB panels were produced and 1.3 million m³ consumed.

TTJ online, 4 April



AUSTRALIA

New Jarrah Ready For Architectural Use

Jarrah will be the timber of choice in premium architectural applications with the launch of a new branding strategy for this much-loved timber species. New Jarrah has been developed by the Forest Industries Federation of Western Australia (FIFWA) and the Forest Products Commission (FPC) to reposition jarrah as a high-quality, premium and desirable product.

FIFWA Acting Chief Executive Officer Matt Granger said New Jarrah is all about reigniting the love for this beautiful, high-quality wood. It's called New Jarrah because it has a different appearance to the timber many of us grew up with.

The wood is sustainably sourced from regrowth jarrah forests which provides a lighter and subtler colour than traditional jarrah. The Forest Industries Federation of Western Australia launched the branding at a timber industry conference in Perth which linked internationally-recognised design and building professionals at the forefront of timber construction.

The State government has committed to invest AUD 50,000 to assist in promoting New Jarrah over the next two years. "New Jarrah is a strong, unique and renewable resource, and choosing New Jarrah will support the West Australian timber industry, local jobs and sustainable forest management," Mr Granger said.

panelsfurnitureasia.com, 23 April



NEW ZEALAND

Forestry Revenue is Forecast to Reach NZ\$6.8 Billion

The New Zealand Ministry for Primary Industries has published its report Situation and Outlook for Primary Industries (March 2019). Within the report, it states that forestry revenue is forecast to reach NZ\$6.8 billion for the year ending June 2019, an increase of 7.0% from 2018, based on strong growth in log export volumes.

According to the report much of this growth has come from increased Chinese demand for New Zealand logs, supporting both robust prices and near-record export volumes. Demand is expected to remain steady over the next year, with an expected increase in Chinese residential construction despite a weakening Chinese economy.

Sawn timber exports have increased since 2014, driven by a recovery in the US market and ongoing growth in markets such as Indonesia and Malaysia.

Source: Timberbiz, 30 April



Sri Lanka: Port of Colombo to Get 14 New Terminal Tractors

Source: Daily Mirror - Sri Lanka

The Port of Colombo in Sri Lanka will see 14 terminal tractors added to its existing fleet of approximately 100 such tractors, while a Malaysia-based supplier has been chosen from a procurement process carried out by the Ministry of Ports and Shipping of Sri Lanka. The Sri Lanka Ports Authority (SLPA) is to fork out LKR190 million (EUR967,442.60 /USD 1.12 million) for the new equipment to be bought shortly for the busiest port in Sri Lanka.

and timber. It has recorded a strong start to 2019, handling 1.5 times as much steel and three times as much timber in comparison to the same month of 2018. The port largely attributes this to customers stockpiling materials in preparation for Brexit. However, it states that this buoyant start to 2019 could now be offset by a quieter few months.

Argentina: TecPlata to Begin Operations in March 2019

Source: Clarin

Filipino firm ICTSI will begin operations in TecPlata, a new containers terminal in La Plata port, in March 2019. The firm recently signed a three-year deal with Log-In that will guarantee regular containers from Brazil every fortnight. TecPlata had a cost of over USD 450 million (EUR390.14 million). It can handle 450,000 twenty-foot equivalent units (TEUs).

United Kingdom: Brexit Boosts Activity at Warrenpoint Port

Source : BBC News

Warrenpoint Port handled 12% of Northern Ireland's seaborne trade in 2018 including steel, cement

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change Mar 2019/ Feb 2019
	m ³	% Change Mar 2019/ Feb 2019	m ³	% Change Mar 2019/ Feb 2019	m ³	% Change Mar 2019/ Feb 2019	m ³	% Change Mar 2019/ Feb 2019	m ³	% Change Mar 2019/ Feb 2019		
Sawntimber	76,671	50	16,283	245	1,297	10	791	179	9,448	59	104,492	65
MDF	30,963	13	354	-35	7,183	-7	3,237	30	20,791	20	62,527	12
Mouldings	12,787	38	130	-7	2,152	38	745	102	1,217	90	17,031	42
Plywood	3,816	10	428	100	0	0	461	36	15,390	133	20,095	93
Veneer	285	252	378	100	0	0	67	6	2,596	51	3,326	79
Particleboard	24,779	36	202	-12	2,584	4	3,954	4	3,308	-19	34,826	21
TOTAL	149,300	36	17,775	215	13,216	2	9,255	26	52,750	45	242,296	41



Spain: Catalan Government Ports to get EUR107 million in Investment

Source: Expansión - Spain

There will be some EUR107 million (USD123.42 million) invested in the Catalan government's ports by 2022. The bulk of the investment, EUR 76 million, will be used for private initiatives and will focus on the Vilanova, Sant Carles, Deltebre and Arenys facilities. The regional government will invest almost EUR31 million via Ports de la Generalitat, the public company that manages the facilities. There are 26 ports altogether that will receive the investments between 2019 and 2022.

Brazil: Paranagua Port to Handle 66% More Cargo by 2030

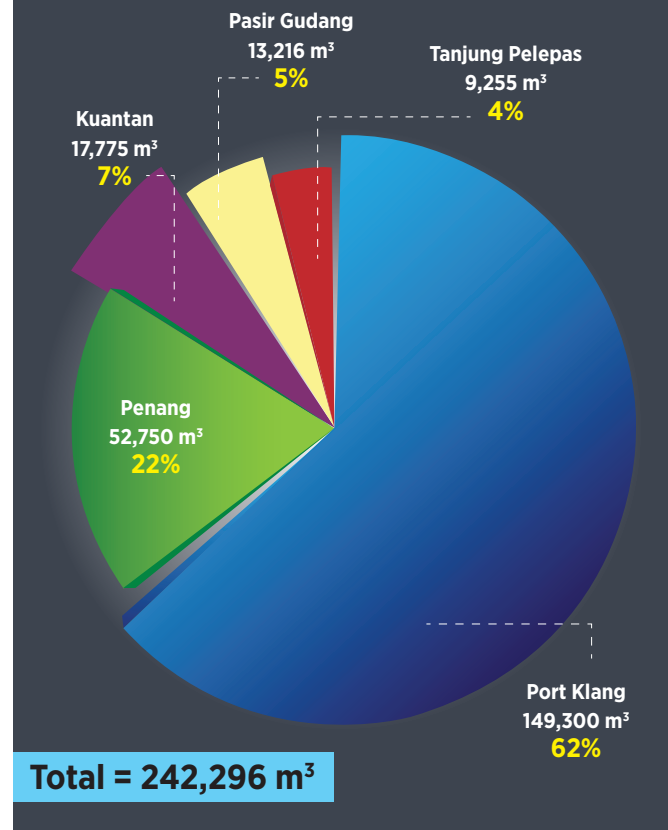
Source : Frota & Cia

The Paranagua port in the Brazilian state of Parana is expected to see its handling volume increase from the 53 million tonnes recorded in 2018 to 80 million tonnes by 2030, up 66%. The increase will come from a number of new projects being installed at the port, including the west export corridor, which is due to see work concluded in 2019, with the expansion of the solid bulk docking bay to increase its capacity from 2 million tonnes to 6.5 million tonnes.

Luiz Teixeira da Silva Junior, Director of Operations for the port, notes that the cargo flow system

implemented at the port has been well received, and vital for its increased efficiency, allowing for the elimination of queues around the complex. The Paranagua port handles some 70,000 tonnes per day for exports, with this volume expected to be maintained in 2019. 

Timber Shipment through Ports in Peninsular Malaysia, March 2019





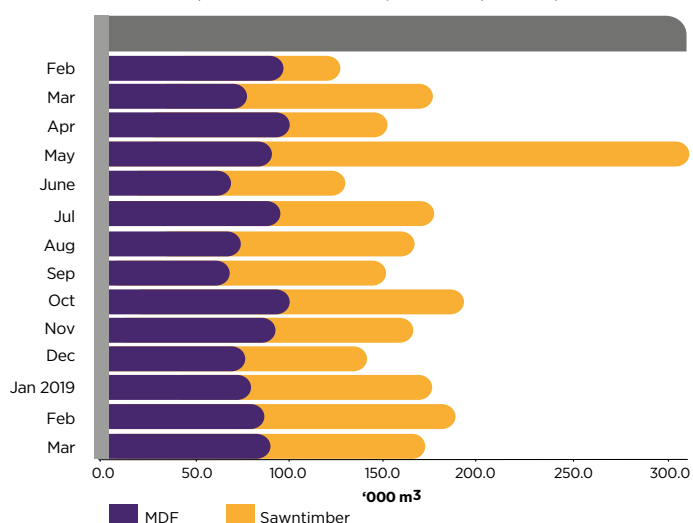


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Malaysia : Export of Sawntimber and MDF (Mac 2018-Mac 2019/Volume ('000m³))



Total export of Malaysian timber and timber products in March 2019 increased 37% to RM1.9 billion from the previous month. Meanwhile, cumulative export for the first quarter of 2019 increased marginally to RM5.34 billion against RM5.33 billion over the previous corresponding period.

SAWNTIMBER

Export of sawntimber in March 2019 increased 81% in volume and 73% in value to 173,576 m³ with a value of RM 326.9 million as compared to the previous month. Cumulative export for the first three months of 2019 decreased 9% in volume and 6% in value to 446,122 m³ totalling RM857.8 million over the previous corresponding period.

Export of sawntimber to the EU for the month increased 59% to 11,138 m³ from 7,011 m³ in the previous month. Export to the Netherlands improved 27% to 4,281 m³ followed by the UK at 67% to 1,435 m³, France at 68% to 855 m³ and Germany at 164% to 1,880 m³. Similarly, export to Belgium improved 81% to 1,404 m³ from 775 m³ in the previous month.

Total exports to West Asia increased 109% to 28,005 m³ from 13,379 m³ recorded in the previous month contributed by increasing demand from major market in the region. Export of sawntimber to Yemen increased 8% to 6,056 m³. Meanwhile, export to the UAE increased 150% to 9,500 m³ followed by Oman 341% to 2,037 m³, Saudi Arabia 436% to 4,682 m³ and Qatar 243% to 2,413 m³.

Buying from ASEAN increased 109% to 58,724 m³ from 28,052 m³ registered in the previous month. Export of sawntimber to Thailand, major buyer of sawntimber from Malaysia increased 74% to 29,625 m³ from 17,036 m³ in the previous month. Likewise, the Philippines increased purchases by 214% to 17,298 m³ from 5,514 m³ previously recorded. Export to Singapore and Viet Nam also recorded an increase of 138% to 9,084 m³ and 57% to 2,130 m³ respectively.

Shipments to East Asia showed growth by 50% to 36,891 m³. Export to China increased 29% to 19,580 m³. Similarly, export to Taiwan and Japan improved 71% and 64% to 8,136 m³ and 5,054 m³ respectively.

Elsewhere, exports to the US increased 83% to 2,254 m³ whilst intake by Australia increased 112% to 815 m³. Demand from South Africa also increased 155% to 5,161 m³ from 2,027 m³ in the previous month.

The average FOB price of sawntimber decreased 5% to RM1,883 per m³ from RM1,976 per m³ in the previous month. Price of Dark Red Meranti increased 1% to RM3,566 per m³ from RM3,525 per m³ in the previous month. Keruing was traded at RM2,459 per m³, a decrease of 51% from RM5,020 per m³ in the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in March 2019 both have increased in volume and value by 14% and 24% to 88,173 m³ totalled RM105.9 million compared to the previous month. Meanwhile, cumulative export for January to March 2019 showed an increase in volume by 2% to 244,556 m³ and in value by 7% worth RM289.5 million over the previous corresponding period.

Exports to East Asia registered an increase of 88% to 18,499 m³ from 9,857 m³ in the previous month. Japan as the largest buyer in the region has increased its intake by 112% to 16,250 m³, followed by China including Hong Kong 96% to 1,233 m³. Meanwhile, export to Taiwan and South Korea have decreased by 9% to 874 m³ and 76% to 142 m³, respectively.

In ASEAN, total export increased by 2% to 15,524 m³ from 15,181 m³ in the previous month. Exports to the Philippines have increased by 35% to 2,739 m³ followed by Singapore to 144 m³ from only 5 m³ in the previous month. Meanwhile, exports to Indonesia and Viet Nam have decreased by 10% to 3,804 m³ and 1% to 8,469 m³ respectively.

Similarly export to South Asia countries recorded an increase of 33% to 14,014 m³ from 10,517 m³ in the previous month. India as the largest buyer in the region has increased its intake by 89% to 6,966 m³ followed by Sri Lanka 136% to 2,421 m³ and Bangladesh 340% to 1,127 m³. However, Pakistan has reduced its intake by 37% to 3,500 m³.

Exports to West Asia region decreased by 16% to 23,708 m³ from 28,116 m³ in the previous month. Export to the UAE has increased by 13% to 14,411 m³ followed by Oman 91% to 4,168 m³, Bahrain 87% to 901 m³, Qatar 468% to 727 m³ and Jordan 116% to 679 m³. In contrast, exports to Kuwait and Saudi Arabia have decreased by 49% to 1,749 m³ and 64% to 1,052 m³ respectively. Meanwhile,

Iran, Lebanon and Syria did not make any purchases for this month.

Elsewhere, exports to the US, Australia and South Africa have increased by 46% to 2,773 m³, 30% to 2,378 m³ and 49% to 1,451 m³ respectively. However, export to the UK has reduced by 3% to 125 m³.

The FOB price of MDF has increased to RM1,201 per m³ from RM1,104 per m³, an increase by 9% from the previous month.

PLYWOOD

Export of plywood in March 2019 both have increased in volume and value by 21% and 22% to 185,962 m³ totalled RM332.8 million compared to the previous month. Meanwhile, cumulative export for January to March 2019 showed a decrease in volume and value by 4% to 526,476 m³ worth RM1.0 billion over the previous corresponding period.

EU countries have increased their intake of plywood by 62% to 6,999 m³. The UK as the main buyer from the EU has increased its intake by 36% to 5,382 m³. Belgium, Denmark and Italy have resumed its intake to 832 m³, 293 m³ and 38 m³ respectively. Germany and the Netherlands also have increased its buying by 8% to 43 m³ and 195% to 124 m³ respectively. However, Ireland and France did not make any purchases this month.

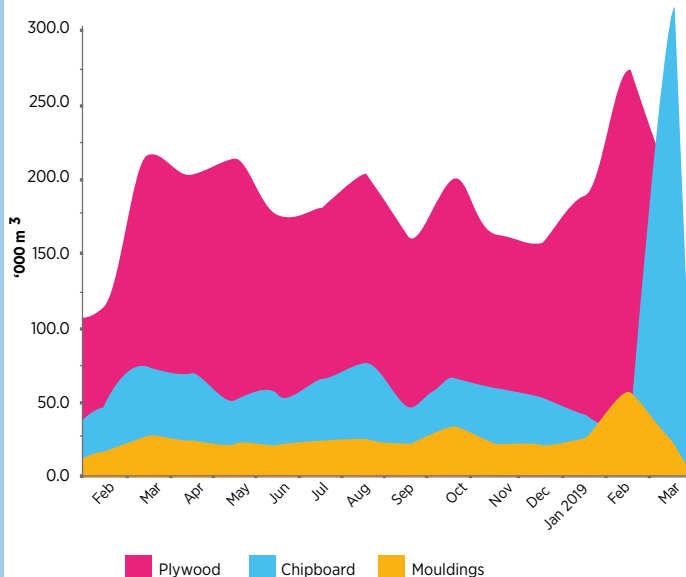
Exports to ASEAN and East Asia region recorded a decrease of 4% to 116,868 m³ compared to previous month. In East Asia region, Japan as the main importer of Malaysian plywood reduced its intake by 15% to 82,338 m³ followed by South Korea 27% to 10,384 m³. Contrarily, Taiwan, China and Hong Kong have increased its import by 113% to 10,167 m³, 250% to 1,134 m³ and 70% to 1,489 m³ respectively. Meanwhile, Malaysia's plywood trade with its ASEAN partners generally showed mixed trend this month. Exports to Thailand, Singapore and Brunei Darussalam have increased by 183% to 6,419 m³, 243% to 2,861 m³ and 119% to 1,017 m³ respectively. However, export to the Philippines has decreased by 63% to 716 m³. On the other hand, Indonesia does not make any purchase this month.

Exports to West Asian countries recorded an increase of 11% to 18,466 m³ as compared to the previous month. Yemen as the biggest buyer of Malaysian plywood in the region has decreased its import by 18% to 11,756 m³. Similarly, with Qatar, the country has reduced its intake by 61% to 82 m³. Contrarily, exports to Bahrain, Saudi Arabia and the UAE have increased by 100% to 150 m³, 116% to 986 m³ and 18% to 978 m³ respectively. Meanwhile, Kuwait does not make any purchases this month.

Export of plywood to the Americas region increased by 435% to 37,917 m³ as compared to the previous month. Main buyer in the Americas region, the US has increased

Malaysia : Export of Plywood, Chipboard and Mouldings

(Mac 2018-Mac 2019/Volume ('000m³)



its intake of plywood by 536% to 35,448 m³, followed by Mexico 62% to 2,387 m³ and Canada 116% to 82 m³. Moving to Oceania region, Australia recorded an increase in its intake of plywood by 16% to 2,835 m³, meanwhile export to New Zealand has decreased by 2% to 41 m³.

Exports to African continent increased by 777% to 1,035 m³ for this month. Export to South Africa and Mauritius have increased by 832% to 354 m³ and 8% to 86 m³. On the other hand, Algeria and Turkey did not make any purchases this month.

The FOB price of plywood has increased by 1% to RM1,790 per m³ from RM1,768 per m³ in the previous month.

MOULDINGS

Exports of mouldings for the month increased by 48% in volume and 50% in value to 20,257 m³ and RM81.8 million respectively. However, cumulative exports for the period of January to March 2019 decreased by 7% in volume and increased by 5% in value to 56,647 m³ and RM225.2 million respectively as compared to the previous corresponding period in 2018.

Exports to the EU for the month recorded at 7,148 m³, an increase of 274% compared to the previous month. Belgium, Germany, the Netherlands and UK increased their purchases by 120%, 33%, 13% and 7% to 846 m³, 567 m³, 4,070 m³ and 487 m³ respectively. Meanwhile, Italy did not make any purchases.

Exports to ASEAN region increased as Singapore, Indonesia and Viet Nam increased its purchases by 46%, 31% and 3% to 993 m³, 47 m³ and 762 m³ compared to the previous month.

MARCH 2019

LOGS

The logging activities during the month under review remained unchanged with most mills reported that they have adequated logs supply.

Log prices for the species of Chengal and Balau stood firm at RM4,545 per tonne and RM3,200 per tonne respectively. Prices for Merbau increased slightly by 1.6% to RM3,250 per tonne over the previous month. The prices of Keruing and Kempas continued to be traded at RM1,400 per tonne and RM1,900 per tonne respectively. Similarly, the prices for Dark Red Meranti and Red Meranti remained at RM2,080 per tonne and RM1,800 per tonne respectively. On the other hand, logs prices for Mixed Heavy Hardwood and Mixed Light Hardwood remained at RM1,000 per tonne and RM930 per tonne respectively.

PLYWOOD

The supply of plywood to the domestic market remained adequate for the month under review. Plywood of 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.

INTRA-MALAYSIA TRADE * - MARCH 2019

The shipments of logs from Sabah to Peninsular Malaysia for the month charted in volume at 23 m³ worth at RM69,000. Trade of sawntimber increased by 17% in volume from 474 m³ to 553 m³ recorded last month worth at RM1.1 million. Meanwhile, trade

SAWNTIMBER

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

The sawntimber prices of Chengal and Balau maintained at RM7,062 per m³ and RM3,390 per m³ respectively. Meanwhile, the prices for Merbau and Keruing increased slightly by 0.3% and 2.5% to RM4,661 per m³ and RM1,303 per m³ over previous month. However, the price of Mersawa decreased by 1.9% to RM1,836 per m³. On the other hand, sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood continued to chart at RM1,024 per m³ and RM975 per m³ for this month.

MEDIUM DENSITY FIBREBOARD (MDF)

Domestic supply of MDF remained stable as prices continued to chart at last month's level. MDF of 4 mm, 6 mm, 9 mm and 12 mm of thicknesses were sold at RM13.00, RM16.24, RM21.96 and RM28.64 per piece respectively.

of plywood decreased by 33% in volume to 5,304 m³ from 7,881 m³ recorded last month worth at RM10.5 million.

Trade of sawntimber from Sarawak to Peninsular Malaysia decreased in volume to 969 m³ from 1,478 m³ recorded last month with the worth at RM2 million. Similarly, trade of plywood decreased by 44% in volume to 4,031 m³ worth at RM5 million. Trade of veneer increased slightly by 9% in volume to 7,130 m³ worth at RM6.8 million.

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

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

SPECIES	LOGS/tonne	SAWNTIMBER/m ³			
	18" UP	GMS	STRIPS	SCANTLINGS/m ³	
HEAVY HARDWOOD					
Chengal	4,545	7,062	5,720		7,768
Balau	3,200	3,390	3,178		2,743
Red Balau	2,200	3,178	2,754		3,390
Merbau	3,250	4,661	3,849		3,955
Mixed Heavy Hardwood	1,000	1,024	812		1,028
MEDIUM HARDWOOD					
Keruing	1,400	1,303	1,215		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	2,048	1,766		2,189
Yellow Meranti	1,200	1,568	1,236		1,271
White Meranti	1,480	2,472	1,412		2,260
Mersawa	1,700	1,836	1,695		2,048
Nyato	1,300	1,518	1,201		1,271
Sepetir	1,350	1,695	1,003		1,695
Jelutong	1,100	1,780	1,215		1,730
Mixed Light Hardwood	930	975	742		978
MALAYSIAN RUBBERWOOD					
<i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m ³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	170	1,100	1,178	1,335	1,580
PLYWOOD 4' X 8'					
(RM per piece)	4 mm	6 mm	9 mm		12 mm
	14.60	22.00	38.00		48.00
MDF 4' X 8'					
(RM per piece)	4 mm	6 mm	9 mm		12 mm
	13.00	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 - MARCH 2019

From	Product	Feb 2019		Mar 2019		% Change in Value Mar 2019/Feb 2019	% Change in Volume Mar 2019/Feb 2019
		Vol (m ³)	Val (RM' 000)	Vol (m ³)	Val (RM' 000)		
SABAH	Logs	0	0	23	69	100	100
	Sawntimber	474	859	553	1,107	17	29
	Plywood	7,881	16,844	5,304	10,491	-33	-38
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,478	2,749	696	2,302	-34	-26
	Plywood	7,161	9,977	4,031	4,982	-44	-50
	Veneer	6,520	9,579	7,130	6,755	9	-29

Source :- Department Of Statistic, Malaysia

Cont. from page 11

Meanwhile, Taiwan, China, Japan and South Korea increased their intake by 179%, 97%, 36% and 30% to 198 m³, 402 m³, 1,616 m³ and 1,487 m³ respectively. However, Hong Kong decreased their intake by 0.4% to 232 m³ compared to the previous month.

Elsewhere, export to the US and Australia decreased by 116% and 35% to 3,522 m³ and 2,346 m³ respectively. However, Canada decreased its intakes by 63% to 26 m³ compared 71 m³ in the previous month.

FOB unit value increased 2% to RM4,038 per m³ compared to the previous month.

VENEER

Export of veneer for March 2019 increased by 211% in volume and 129% in value to 14,111 m³ at RM19.0 million as compared to the previous month. Exports to Taiwan, China and South Korea have increased by 3887%, 272% and 124% to 3,284 m³, 2,662 m³ and 2,664 m³ respectively. Similarly, India and the Philippines also have increased their intake by 274% and 111% to 288 m³ and 1,423 m³ respectively. Contrarily, Australia decreased their intake by 68% to 87 m³.

The FOB price of veneer for March 2019 is at RM1,344 per m³, a decrease of 26% from RM1,821 per m³ in the previous month.

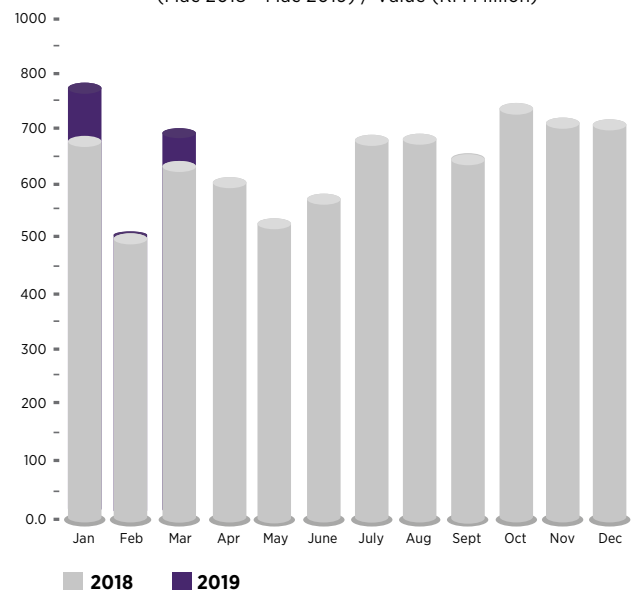
BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from January to March 2019 decreased 16% to RM233.5 million as compared to RM276.4 million in the corresponding period last year. Export to the EU decreased 23% to RM75.4 million. Export to the Netherlands and Germany increased by 21% and 7% to RM8.0 million and RM6.0 million respectively. Meanwhile, export to Italy, Denmark, France, the UK and Belgium decreased by 51%, 40%, 32%, 29%, and 28% to RM1.3 million, RM6.2 million, RM7.1 million, RM30.7 million and RM10.1 million compared to the previous corresponding period. Sweden resumed its purchases meanwhile Turkey did not make any purchases.

In Asia, exports to South Korea, Saudi Arabia and Pakistan increased by 181%, 86% and 2% to RM539.8 thousand, RM719.0 thousand and RM690.2 thousand respectively. However, exports to Viet Nam, Thailand, Taiwan and Singapore decrease by 60%, 28%, 17% and 17% to RM5.2 million, RM4.5 million, RM2.3 million and RM16.5 million respectively. Similarly, exports to the UAE, Japan and India also decreased by 6%, 4% and 1% to RM2.0 million, RM15.4 million and RM9.4 million respectively.

Exports to Mauritius, South Africa and the US increased by 178%, 34% and 4% to RM194.5 thousand, RM5.2 million and RM30.0 million respectively. Meanwhile, exports to Australia decreased by 9% to RM50.9 million. However, Reunion Island did not make any purchases.

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



FURNITURE

Export of wooden and rattan furniture for the period of January to March 2019 increased 8% to RM1.98 billion from RM1.8 billion in the previous corresponding period.

Imports of wooden furniture by the US increased 17% to RM804.2 million from RM690.2 million in 2018. Demand from Canada also increased 29% to RM74.7 million whilst export to Australia declined 12% to RM118.9 million. In Europe, shipment to the UK increased 23% to RM123.2 million followed by Belgium 9% to RM10.8 million, Poland 56% to RM12.2 million and Sweden 19% to RM8.9 million. Meanwhile, export to France and Spain decreased 4% and 2% to RM13.9 million and RM4.8 million respectively.

In East Asia, China reduced consumption by 15% to RM42.3 million from RM49.6 million in 2018. Export to South Korea also declined 11% to RM21.9 million whilst Japan increased 8% to RM158.7 million from RM146.8 million in 2018. Export to India declined 12% to RM40.3 million from RM45.6 million in the previous corresponding period.

In ASEAN region, export to Singapore decreased 2% to RM104.9 million whilst shipment to the Philippines improved 5% to RM48.9 million compared to the previous corresponding period. Export to West Asia saw growth as the UAE increased intake by 20% to RM36.3 million followed by Saudi Arabia with 65% to RM48.5 million and Kuwait 2% to RM14.9 million.

Rattan furniture shipments for the period of January to March 2019 decreased 78% to RM406.4 thousand from RM1.8 million in the previous corresponding period. Export registered only for Japan with RM65.6 thousand followed by Singapore with RM13.8 thousand and Australia RM223.4 thousand.



The winners and participants posing at the end of the programme.

Afterwards, each company had given a 15 minute presentation that highlight all activities and kaizens (process improvement measures) that had been implemented at their factory during their six month stint of the programme. They also laid out all future *kaizens* to be implemented in the near future, as an indication that they will still continuously practices Lean Management, with or without the involvement of MTIB or its appointed consultant.

All presentations were judged based on their chosen projects and the methods or techniques that were used and how effective it was to solve their problems. Other criteria included were how Lean Management impacted their operational cost and whether any follow ups were to be implemented. The panel of judges, which was headed by Encik Rosmi Abdullah, the Director of Central Regional Office of Malaysian Productivity Corporation (MPC) consisted of Encik Mohd Faizol Abd. Rahman from MPC, as well as two members from MTIB; Encik Mohd Amin Kadir, Deputy Director of Strategic Planning and Cik Shahidatul Hilni Binti Halim, Accountant Officer.

After hearing and judging all companies' presentation, Encik Rosmi remarked to the audience that he felt proud that Lean management had stroke a chord with the timber industry, as enthusiastically shown by the presenters. The achievements shown such as reduction in operational cost, better utilisation of work floor space and workers and elimination of waste were indications that the industry was moving in tandem with government's efforts towards becoming a more developed nation. He expressed his hope that these efforts will continue as Lean was always about striving for perfection.

It was announced later that the top spot was given to Soon Her Sing Industries (M) Sdn. Bhd., a

wooden furniture manufacturer from Muar, Johor. The company had walked away with a cash prize of RM1,500 and a trophy. The company had managed to effectively implement Lean Management in certain areas of the company such as labour management and process flows. Second spot was given to LY Furniture Sdn. Bhd. from Batu Pahat, Johor who received cash of RM1,000 and a trophy. The company manufactured wooden furniture as well. Third place was given to Besgrade Plywood Sdn. Bhd., a plywood manufacturer from Alor Setar, Kedah, who received cash prize of RM500 and a trophy.

Also held during the programme was the signing of a Memorandum of Understanding (MoU) between MTIB and MPC. The MoU comprised cooperation between the two government agencies in regards to the improvement of timber industry's productivity whether it is through programmes such as Lean Management or transfer of knowledge between their officers. Representing MPC during the signing ceremony was Dato' Abd. Latif Hj. Abu Seman, Deputy Director-General and Dr. Rahmat Hj. Md. Smail, Director of Central Region Office. Witnessing the signing ceremony was Puan Habibah Ahmad, Deputy Under Secretary, Ministry of Primary Industries. MTIB was represented by Puan Hjh. Norchahaya Hashim and Cik Hjh. Robiyah Hj. Husin, Director of Strategic Planning.

Overall, the MTIB Lean CREANOVA programme was well received by the audiences, as it showcased the positive impacts of Lean Management to the timber industry. The audiences were able to learn how each company implement Lean in their factory, and the methods that were used to achieve impressive results. The programme was attended by over 100 participants, ranging from both private and government sectors of the Malaysian timber industry.

TECHNICAL VISIT ON INDUSTRIAL REVOLUTION 4.0 IN TAIWAN



Group photo with Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General (centre) at Ta Ya Kitchen Utensil Factory, Taichung City.



Semi finished products at Kason Wood Industry, Taichung City.

As part of MTIB's initiatives to enhance the knowledge of Bumiputera furniture entrepreneurs on Industrial Revolution 4.0 (IR 4.0), MTIB in collaboration with Biesse Malaysia Sdn. Bhd. organised a technical visit to Taiwan from 15 to 18 April. Twenty delegates from 11 companies participated in the visit.

During the four-day visit, the delegation visited four wood-based companies that applied IR 4.0 technology in the New Taipei City and Taichung City. On 16 April, the delegation visited Yong Jun and Hanz Kitchen, a medium-sized factory located in New Taipei City. The delegate had the opportunity to witness the application of Virtual Reality (VR) Goggle that allows customer to interact and connect with the designer in creating ideal concepts for custom-made furniture through application on software via internet.

The highlight of the visit was on 17 April, where the delegates visited Ta Ya Kitchen Utensil in Taichung City, the biggest kitchen cabinet manufacturer in Taiwan. The participants were briefed on the full process of furniture production starting from material preparation to the packaging of the finished products. The application of IR 4.0 in furniture production helped the factory to increase its usage of machineries up to 70% over manpower leading to increase in productivity and quality. The factory produces high quality kitchen cabinet, wardrobes, living rooms and other built-in furniture for domestic and export markets. The group also visited the company's six stories showrooms, which displayed a wide range of high-end kitchen cabinets, luxuries wardrobes and living room furniture.

Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General also offered Mr. Chang Kuang Nan, President of Ta Ya Kitchen Utensil to invest in Muar Furniture Park which is located in Muar, Johor, in order to expand the company's business and strengthen Malaysia's economy especially in furniture industry.

The group was later taken to Kason Wood Industry, where they had the opportunity to observe the making of solid furniture. Amongst the companies visited, Kason Wood Industry was the only solid furniture manufacturer visited by the participants. The quality of the furniture produced by this factory differs according to the machineries and equipment used to produce furniture as well as the design of the products. Throughout the visit, the Bumiputera entrepreneurs gained better understanding on the IR 4.0 technology and the importance of management concepts in the furniture industry in Taiwan.

Puan Hj. Norchahaya Hashim, Deputy Director-General of MTIB (Mission Leader) and Encik Reza Faidzal Md Daud representing MTIB while the Ministry of Primary Industries was represented by Puan Habibah Ahmad, Deputy Under Secretary.



Delegates being briefed on Virtual Reality (VR) Goggle at Yong Jun, New Taipei City.

EXPO PERKAYUAN TERENGGANU MAJU 2019



MoU Signing Ceremony between MTIB and TTITC. Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General representing MTIB (left) and Tuan Hj. Muhyidin Ab. Rashid, TTITC Chairman representing TTITC.

Exchanging the MoU documents between MTIB and TTITC and witnessed by YB Tuan Hj. Satiful Bahri Mamat, Chairman of the Syariah Implementation Committee, Education and Higher Education.

Expo Perkayuan Terengganu Maju 2019 (EPTM 2019) which took place from 22 to 26 April at the Terengganu Timber Industry Training Centre (TTITC), Kuala Berang, Terengganu was held in conjunction for the first time with the Graduation Ceremony of TTITC trainers. This ceremony was to celebrate TTITC graduates in various fields offered by the training centre. Various activities involving students and local communities were also held to enliven the three-day programme such as wood product related courses, seminars and exhibitions. A Memorandum of Understanding (MoU) were also signed between MTIB and TTITC during the programme.

Technical Course on Epoxy Sealer

During the expo, MTIB organised Technical Course on Epoxy Sealer. This course aimed to assist and train skilled workers in product manufacturing to use a new technology called Epoxy Sealer. The course was also to enhance the workers' skills and knowledge in the field of industry and technology involving recycled timber. This provide exposure and options to wood industry players on product innovation. The course included theoretical and practical learning. These include introduction

to materials and tools, understand and produce patterns/patents, producing product, manufacturing processes and self-training. The course was attended by 20 participants comprising students, lecturers, workshop supervisors and entrepreneurs.

Memorandum of Understanding (MoU) between MTIB and TTITC

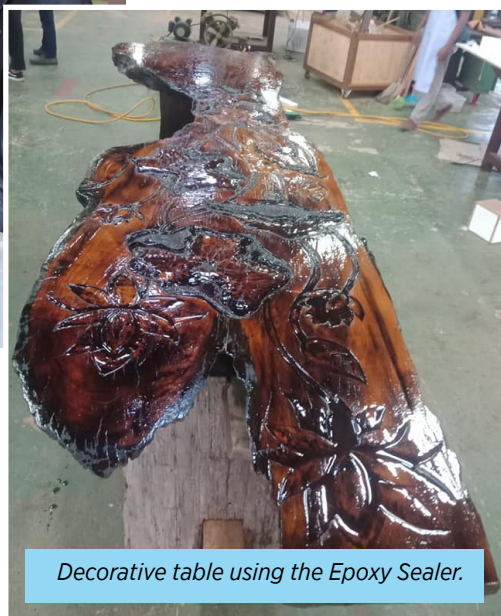
MTIB and TTITC had also signed an MoU on 25 April. The MoU comprised :

- co-operation between the two organisations in developing human resource programmes
- technical training for both parties
- provide opportunities and disclosures about the latest machinery and technology
- coordinate conference symposium, workshop, seminars and training programmes, carry out promotions and activities in promoting the use of timber
- developing timber industry involving Bumiputera entrepreneurs and activities in developing the aspects of timber product design in Malaysia.

MTIB was represented by Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General, and TTITC was represented by Tuan Hj. Muhyidin Bin Ab Rashid, Chairman of TTITC.



YB Tuan Hj. Satiful Bahri Mamat, Chairman of the Syariah Implementation Committee, Education and Higher Education being briefed on Epoxy Sealer Technical Course



Decorative table using the Epoxy Sealer.

Seminar on the Use of Timber in the Construction Industry

MTIB organised a seminar in promoting timber as a building material in Malaysia including engineered timber product on 26 April. The seminar promoted the usage of timber in the local construction industry as alternative building materials such as engineered timber products (ETP) and bamboo. The talk was delivered by Tuan Hj. Mahpar Atan, MTIB Director of Industry Development. Forty participants had joined this seminar session comprising lecturers and students from TTITC as well as representatives of government agencies.

Timber Product Exhibition

MTIB also exhibited timber products, which included furniture designs from the TANGGAM programmes

throughout the expo. The visitors were briefed on various services provided by MTIB such as "Timber Verification Services" and MTIB Assistance Programmes.

The expo were well received by the public and it is expected that it will provide industrial exposure to the role that MTIB can play in developing the local timber industry.

Malaysian Wood
Standing on Excellence



Multiple Uses, Variable Styles

Incomparable Malaysian Wood. Choice for those with exclusive preference. Pushing the Frontier of imagination and creativity. Our Heritage. Our Pride.



ASEAN TECHNICAL EXCHANGE MEETING ON PROPOSED REGIONAL MECHANISM FOR MRA FOR LEGALITY OF TIMBER



Attendees posing for the camera.



Partial attendees at the event.

An ASEAN Technical Exchange Meeting on Proposed Regional Mechanism for a Mutual Recognition Arrangement for Legality of Timber was held on 22-23 April in Selangor, Malaysia. The meeting was attended by delegates from seven countries namely Indonesia, Thailand, Viet Nam, Myanmar, Cambodia, Brunei and Malaysia. Representatives from ASEAN Secretariat were also in attendance. The opening remarks was given by Mr. Thomas Colona, China and Regional Asia Expert of EFI, followed by Mr. Dian Sukmajaya, ASEAN Secretariat and finally by Encik Mohd Kheiruddin Mohd Rani, MTIB Director of Trade Development representing Host Country (Malaysia).

The objectives of this Technical Exchange Meeting were:

- Enhance understanding through sharing experience on developing MRA from other sectors referring to the ASEAN Framework Agreement on Mutual Recognition Arrangements (MRA 1988) and Guidelines on Accreditation and Conformity Assessment;
- Discuss the requirements for MRA development and clearly identify the steps/processes on setting standards and procedures to be followed and how to move the process forward;
- Discuss a stepwise approach and timeline on ASEAN regional mutual recognition arrangement for AMS on timber legality.

On the first day, presentation consists of an overview on “Study on the Feasibility of a Regional Mechanism for Mutual Recognition of Legality of Timber” was given by Asia Regional FLEGT Associate, followed by the reporting on each country’s progress in implementing the ASEAN C&I (2009). Encik

Hussalmizzar Hussain, Director Strategic Planning Division Standards Malaysia (EFI Consultant) gave a presentation on ASEAN Framework Agreement on Mutual Arrangements and Guidelines for MRA Development regarding principles, steps, processes on setting standards, procedures to be followed and how to move the process forward.

On the second day, a plenary discussion was led by EFI consultant. Among the topics discussed were EFI requirements for MRA and its preparations by the forestry and timber sector. This is followed by a group session that discussed on the stepwise approach and a timeline on the ASEAN Regional Mutual Recognition arrangement for ASEAN Members States on Timber Legality. The timeline for the recognition is expected to take five years with the following steps:

- Establishing taskforce;
- Conducting gaps analysis;
- Obtaining the approval;
- Provision of MRA documents;
- Getting AMAF/ASOF approval; and
- Implementation and monitoring of MRA.

The meeting delegation had the opportunity to visit the Forest Research Institute Malaysia (FRIM) located in Kepong, Selangor. Malaysian delegate is accompanied by senior officials from Ministry of Water, Land and Nature Resource, Ministry of Primary Industries, Forestry Department Peninsular Malaysia, Malaysian Timber Council, Malaysia Timber Certification Council, Sarawak Timber Industry Development Corporation and MTIB was represented by Puan Emie Syarina Norizan from Licensing and Inspectorate. 

15th AWG-CITES AND WE



Malaysian delegates attending AWG-CITES and WE.

Malaysia hosted the 15th ASEAN Working Group on the Convention on International Trade in Endangered Species on Wild Fauna and Flora and Wildlife Enforcement (AWG-CITES AND WE) on 2-4 April in Sandakan, Sabah. This meeting aimed to strengthen the cooperation within ASEAN countries on the issue of CITES implementation and activities concerning illegal trade of wildlife in the ASEAN region.

Dato' Wan Mazlan Wan Mahmood, the Secretary Division of the Ministry of Water, Land and Natural Resources (KATS) was elected as the Chairman of the Meeting. In his opening speech, he acknowledged and appreciated the contribution of Lao PDR for being the host of the 14th AWG-CITES AND WE on 20 - 22 March 2018 in Luangphrabhang, Lao PDR. Delegates from all ASEAN countries as well as Malaysia CITES Scientific Authority, CITES Management Authority and enforcement agencies attended the meetings.

The ASEAN Secretariat informed on the status of the roadmap for ASEAN Community (2016-2025), recent ASEAN Senior Officials on Forestry (ASOF), Senior Officials on Forestry-ASEAN Ministers on Agriculture and Forestry SOM-AMAF, ASEAN Ministers on Agriculture and Forestry (AMAF) and other ASEAN Meeting related to forestry. Thailand gives an updates related to combatting wildlife and timber trafficking. The working group on Illicit Trafficking of Wildlife and Timber lead by Thailand inform their programme for 2016 - 2018 in combating wildlife and timber trafficking. A suggestion from the 14th AWG-CITES AND WE were to provide guidance for verifying legal acquisition of CITES wildlife specimens through DNA.

The CITES Secretariat updated and highlighted the issues on the upcoming 18th Meeting of CITES Conference of Parties (COP18) scheduled to be held

from 23 May - 3 June in Colombo, Sri Lanka. The meeting was informed of 107 working agendas and 57 proposals to amend the appendices in COP18.

Each ASEAN States presented their country reports and activities. Malaysia's Head of Delegation, Dato' Abdul Kadir Abu Hashim, Director-General of Department of Wildlife and National Park Peninsular Malaysia presented Malaysia's country report. Some illegal trafficking cases were highlighted and Malaysia proposed a way forward on the strengthening cooperation between inter-agency, focussing on international cooperation and building national capacities in the report among the ASEAN countries.

The Plan of Action (POA) for the ASEAN Cooperation on CITES and Wildlife Enforcement for 2016-2020 consists of strategic thrust, activities, responsibility, timeline and key performance indicators that need to be fulfilled. The POA strategic thrust are Enhancing Sustainable Forest Management; Enhancing Trade Facilitation, Economic Integration and Market Access; Institutional Strengthening and Human Resources Development; and Strengthening ASEAN's Joint Approaches on Regional and International Issues Affecting the Forestry Sector.



Delegates attending AWG-CITES and WE in Sandakan, Sabah.

The ASEAN Guidelines for Detecting and Preventing Wildlife Trafficking will be developed. Indonesia gave an update on the development of concept note on ASEAN Wildlife Forensic Information Sharing System Protocol to identify confiscated specimens, sample analysis, database development and data sharing. An outline on the Directory of Wildlife Enforcement in ASEAN were drafted and discussed in the meeting.

Field visits to Sepilok Orangutan Rehabilitation Centre and Bornean Sun Bear Conservation Centre were organised at the end of the meetings. The next 16th AWG-CITES AND WE are scheduled to be held in April 2020 in Nay Pyi Taw, Myanmar.

MTIB was represented by Encik Md Yusoff Ismail from Licensing and Inspectorate and Puan Rahilah Yusof from Trade Development.

NEW LABELLING REQUIREMENTS FOR COMPOSITE WOOD PRODUCTS

Introduction

On 12 December 2016, a final rule to implement the Formaldehyde Standards for Composite Wood Products Act, which added Title VI to the Toxic Substances Control Act ("TSCA") was published in the Federal Register. The purpose of TSCA Title VI is to reduce exposure to formaldehyde emissions from certain wood products produced domestically or imported into the United States. The EPA worked with the California Air Resources Board ("CARB") to help ensure the final national rule was consistent with California's already existing requirements, including labelling requirements, for similar composite wood products, i.e. hardwood plywood, particleboard, and medium density fibreboard.

Labelling of Composite Wood Products: First Stage

Included in TSCA Title VI were new labelling requirements for fabricators of finished goods that contain composite wood products. These labelling requirements have a two-stage implementation. First, beginning on 1 June 2018, composite wood products sold, supplied, offered for sale, manufactured, or imported in the United States are required to be labelled as CARB ATCM Phase II or TSCA Title VI compliant. The practical impact of this first stage was minimal, in that products only needed to be labelled consistent with already existing California CARB labelling requirements in order to comply with TSCA Title VI.

Labelling of Composite Wood Products: Second Stage

On 22 March, 2019, the second stage came into effect. Beginning on this date, composite wood products must be labelled as TSCA Title VI compliant, and just having a label indicating California CARB II compliance will no longer be sufficient.

In order to be compliant with the new TSCA Title VI labelling requirements, fabricators of finished goods that contain composite wood products must label every finished good they produce, or every box or bundle containing finished goods.

Finished goods that comply with TSCA Title VI and are labelled as TSCA Title VI compliant will be accepted as being compliant with California CARB's standards, because the TSCA Title VI and CARB standards are identical. However, CARB recommends labelling panels and finished goods offered for sale in California as being compliant with both sets of regulations, because retailers and consumers are familiar with the CARB Phase II label already.

For a label to be both California CARB II and Federal TSCA Title VI Compliant as of 22 March 2019, it is recommended that both the finished good and/or its box is labelled as follows:

- The label may be applied as a stamp, tag, or sticker;
- The label must include, in legible English text:
 - Fabricator's name;
 - The date the finished good was produced (in month/year format);
 - A statement that the finished goods are TSCA Title VI compliant, i.e. "TSCA Title VI Compliant" or similar;
 - A marking to denote that the finished goods are CARB Phase II Compliant, i.e. "California 93120 Phase 2 Compliant for Formaldehyde" or similar;

Added Information: How to Label

If the entire composite wood product used in the finished good was made with no-added formaldehyde-based resins, or ultra-low-emitting formaldehyde resins it shall be labelled as such, e.g. "Produced with all NAF-based products" or "Produced with all ULEF-based products."

The regulations specify the minimum information required for a label, but do not specify the format, colour, size, or font for the label. These choices are left to the fabricator of finished goods to allow flexibility to meet the needs of individual companies. The required information may be on a separate label or incorporated into other existing labels. Individual companies may include any additional information they deem necessary. The label should be in a location that is easily accessible.

Importers, distributors, and retailers must leave intact labels on finished goods, including component parts sold separately to end users. However, they do not have any additional labelling requirements, if they have not modified the finished goods.

Conclusion

Malaysian companies who use composite wood products must take note and abide by the new ruling to ensure their exports to the US remain undisrupted. For more information on Title VI compliance go to: <https://www.epa.gov/formaldehyde/frequent-questions-consumers-about-formaldehyde-standards-composite-wood-products-act>

For further information and enquiries, please contact MATRADE New York at newyork@matrade.gov.my

Note : Article was contributed by MATRADE.

Borneo Forestry Cooperative: Improving Prospects and Value of Plantation Forestry in Malaysia

2019 marks the ninth year since the Borneo Forestry Cooperative (BFC) was formed. The objective of the BFC is to improve the productivity and profitability of tree plantations in Borneo, and indirectly in the tropical regions of south east Asia. This is being undertaken by advancing tree improvement programs based on the sharing of germplasm and information between member organisations. Fundamental to this objective is upgrading the research capabilities of member companies via support from specialists, and stimulation through regular contact with fellow researchers. The BFC's philosophy is essentially that by sharing information everyone benefits as enshrined by the quote "cooperation and collaboration are the keys to innovation".

The Cooperative was formed in 2010 between two founder members Sabah Softwoods Berhad and Asian Forestry Company (Sabah). Since then, two other companies from Sabah, Sabah Forest Industries and Acacia Forest Industries, have joined. The strength of the BFC lies in establishing complex trials across a number of companies which allows accurate analysis across a wide range of environmental conditions. There are also obvious advantages in sharing costs and research inputs. The BFC is registered in Malaysia as the BFC Research & Development Sdn. Bhd. and is run by an Executive Committee consisting of one senior manager from each member company and the chairman David Boden of Boden & Associates. The objective of the company is not to accumulate profits but to reinvest funds received from joining fees and sales of seed etc. into the development of the R&D capacity of the Cooperative.

The annual programme for member companies includes establishing a few set trials, assessment of existing trials, and maintaining trial data in the BFC database so that information can be analysed collectively. The BFC, through its contacts with government officials and various seminars, is increasingly becoming a voice for the tree plantation industry in Malaysia whose aim is to use good science to drive productive tree plantations and viable Cooperative members.

Tree Improvement Programmes

The BFC has active research streams in a number of important tropical hardwood species, namely *Acacia mangium*, *Eucalyptus pellita* (Red mahogany) and *Falcataria moluccana* (Albizia) as well as a small number of alternative species. Research trials have also included a number of native species.

A. mangium and tropical Eucalypt species from Australia, PNG and Indonesia are fast-growing and have established themselves as the dominant tropical plantation species for both paper pulp and solid wood world-wide. *A. mangium* was initially the focus species of the BFC but the increasing devastation caused by the *Ceratocystis* pathogen (**Figure 1**) resulted in the change to *E. pellita* in 2012, leaving the main thrust of ongoing *A. mangium* research to screen for disease resistance. Commercially available *Ceratocystis*-resistant clones are anticipated in the next four years.

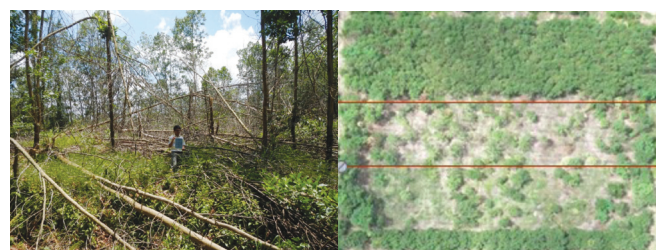


Figure 1. Dramatic collapse of *A. mangium* due to severe *Ceratocystis* damage in Sabah (left) aerial view of *Ceratocystis* screening trial at Sabah Softwoods showing the few (10%) of individuals which have survived inoculation of the pathogen (right).

The advantages of *E. pellita* include good growth rates and form and excellent wood properties that make it well-suited to high value ply and Engineered Wood Products. To date the BFC's *E. pellita* programme has tested hundreds of family seedlots and has developed seed orchards to produce genetically improved seed for the tree plantation industry. A clonal programme commenced in 2015 with a hybrid programme commencing in 2016, crossing *E. pellita* with other tropical eucalypts to achieve faster growth and superior qualities.



Figure 2. Excellent form and growth of *E. pellita* 18 month (left) and Seed Production Area in Sabah (right).

Albizia (*Falcataria moluccana*) is also a species of interest to the BFC. New genetic resources for continuation of the improvement programme is

difficult to access but early work by Sabah Softwoods has provided them with advanced seed orchards to provide seed for the next generation of *Albizia* plantations. With seed availability as a serious constraint, the BFC's major focus currently is the work on deployment options, including the use of tissue culture technologies.

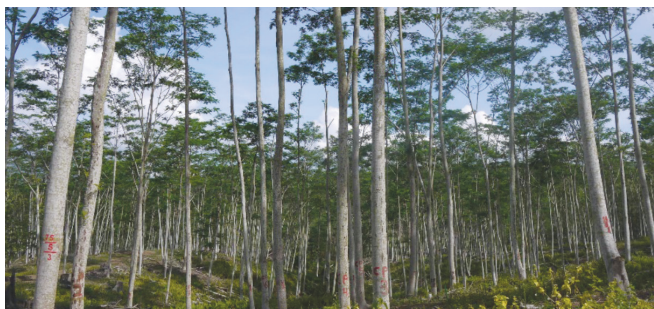


Figure 3. Excellent growth of *Albizia* (*F. moluccana*) in the 2nd generation Seedling Seed Orchards at six years at Sabah Softwoods.

Downstream Outcomes

The BFC has an active Wood Quality programme that not only assesses the quality of trees in the existing plantations but is also focussed on bringing trees of superior wood quality into their Tree Improvement Programme. The Cooperative is committed to producing high quality timber as the basis for a profitable and sustainable tree plantation industry.



Figure 4. The BFC *E. pellita* wood quality programme showing measurement of Acoustic Velocity in at four-year-old tree (1), veneer sheet with good qualities for both appearance and industrial ply (2) and detailed assessment of sawn boards (3).

People

The cooperative engages several specialists from within Southeast Asia and overseas to ensure that the research undertaken by the Cooperative employs the best methods currently available worldwide. The

specialists cover such programs as genetics, pest & disease, wood quality, growth & yield, bio-technology (including tissue culture), harvesting & transport, silviculture and nursery & deployment.

Critical to its future, the BFC actively supports the advancement of the local research staff as part of a long-term program to underpin R&D in the region. This includes academic advancement at universities in Malaysia and overseas. To date a MSc degree (Pathology) has been completed from the Univ. of Pretoria and a PhD is underway at University Sunshine Coast (Queensland, Australia). Six candidates from BFC member companies are currently enrolled with Universiti Putra Malaysia/INTROP for post graduate studies.



Figure 5. BFC staff academic advancement programme: BFC research staff enrolled at post graduate degrees at UPM.

Collaboration with Universities and Government Agencies

In March, 2019, the BFC signed an MoU with Sabah Forestry Department at the Heart of Borneo Conference (March, 2019) that lays the platform for potential collaborative research in partnerships with Forest Management Units (FMU). A MoU with Universiti Putra Malaysia/INTROP was signed in December 2018 that provides exciting prospects for project development by combining research know-how with access to improved genetic resources. These two recent signings add to the existing MoU between the Cooperative and Sarawak Forestry Corporation.



Figure 6. The BFC now has MoU's with the Forestry Faculty at Universiti Putra Malaysia, Sabah Forestry Department and Sarawak Forestry Corporation.

Sharing and Building Knowledge

The Cooperative holds regular workshops, field days, seminars and meetings which allows local research staff

FRANCE: TIMBER AND FURNITURE INDUSTRY



Overview

France, officially the French Republic is a country whose territory consists of metropolitan France in Western Europe and several overseas regions and territories. The metropolitan area of France extends from the Mediterranean Sea to the English Channel and the North Sea and from the Rhine to the Atlantic Ocean. It is bordered by Belgium, Luxembourg and Germany to the northeast, Switzerland and Italy to the east, and Andorra and Spain to the south. The overseas territories include French Guiana in South America and several islands in the Atlantic, Pacific and Indian oceans. The country's 18 integral regions (five of which are situated overseas) span a combined area of 549,970 square kilometres and a total population of 67.3 million. France, a sovereign state, is a unitary semi-presidential republic with its capital in Paris, the country's largest city and main cultural and commercial centre. Other major urban areas include Lyon, Marseille, Toulouse, Bordeaux, Lille and Nice.

Quick Facts:

Capital	Paris
Population	67,348,000
Official Languages	French
GDP Per Capita	USD47,113
Currency	Euro (€) (EUR)

Economy

In 2018, France is the world's 6th largest economy by nominal figures and the 10th largest economy by Purchasing Power Parity (PPP). It has the third largest economy in the European Union after Germany and United Kingdom. France's tourism industry is a major component of the economy, as France is the most visited destination in the world.

France's economic freedom score is 63.8, making its economy the 71st freest in 2019 Index. Its overall score has decreased by 0.1 point, with a sharp drop in the score for judicial effectiveness exceeding improvements in fiscal health and government integrity. The main policy challenges in France are to boost economic; lower high unemployment (especially among youth); increase competitiveness; improve public finances and mitigate foreign investors' negative views of the labour market.

The combined value of exports and imports is equal

to 62.9% of GDP. The average applied tariff rate is 2%. France implements a number of EU-directed non tariff trade barriers including technical and product-specific regulations, subsidies and quotas. Investment in some sectors is restricted. The banking sector is mostly in private hands, but the state still owns several important institutions.

Forest Resources

France's forest is one of the richest and most extensive in Europe. It covers some 16 million hectares, almost one third of the country. France offers a variety of climates, topographies, soils, histories and its forest offers a variety of species. These numerous factors, variously combined, result in a wide variety of woodlands that reflect the country's diversity.

Currently, wood standing volume in the forest accumulated to 2 billion m³ with 128 different species. French forest covers increase by 88 million m³ every year and made up of seven main species;

three of these are broadleaf, namely Oak, Beech and Chestnut; and four are types of conifer: Maritime Pine, Scots Pine, Spruce and Fir. Foresters ensure these trees are maintained alongside the main species they cultivate in order to preserve biodiversity and thus to ensure the woodland's sustainability. Broadleaf represent 2/3 of the total forested areas, conifers 1/3. In the lowlands and hills of the north of France, broadleaf account for 70% of the total forest area. In the south, while in the mountains, conifers dominate.

Timber Production

According to the FAO latest forest statistics on France, the country produced large quantity of sawntimber around 6.60 million m³ in 2017. Apart from sawntimber production, France also produces 3.01 million m³ of particleboard, 2.59 million m³ of logs, 1.09 million m³ of fibreboard, 255 thousand m³ of plywood and 121 thousand m³ of veneer. Details of production are as per **Table 1**:

Table 1

France: Production of Timber Products, 2013 - 2017					
(Volume : m ³)					
PRODUCT	2013	2014	2015	2016	2017
Sawntimber	6,544,080	6,358,090	6,223,459	6,405,932	6,604,000
Particleboard	3,703,000	3,777,000	3,279,000	3,237,000	3,005,000
Logs	2,685,288	2,704,361	2,596,209	2,594,000	2,588,000
Fibreboard	916,000	790,000	967,000	1,062,000	1,089,000
Plywood	255,000	245,000	245,800	250,000	255,000
Veneer	73,497	92,541	121,000	121,000	121,000
Total	14,176,865	13,966,992	13,432,468	13,669,932	13,662,000

Source: FAOstat

Import of Timber and Timber Products

Referring to **Table 2**, according to the latest UN Comtrade statistics, France imports of timber and timber products increased 10% to USD9.27 billion in 2018. Furniture was the main product imported valued at USD4.61 billion followed by sawntimber (USD999.8

million), Builders Joinery and Carpentry (BJC) at USD599.7 million and fibreboard (USD456.9 million).

Referring to **Table 3**, Malaysia's ranked 25th as France import partner for timber and timber products (Chapter 44) with 0.7% of total market share of France's import. In terms of furniture import, Malaysia ranked 22nd constitute 0.5% of France furniture market. (Refer **Table 4**)

Table 2

France: Import of Timber and Timber Products, 2014 - 2018					
(Value: USD'000)					
PRODUCT	2014	2015	2016	2017	2018
Wooden Furniture	4,175,020	3,735,799	3,879,142	4,222,359	4,607,160
Sawntimber	1,004,764	817,364	833,348	894,154	999,816
Builders Joinery and Carpentry	576,143	491,561	497,161	543,655	599,667
Fibreboard	459,359	361,353	379,684	418,678	456,871
Plywood	346,621	306,134	334,632	390,368	427,735
Other Articles of Wood	364,215	322,821	337,524	369,232	403,646
Particleboard	313,074	260,245	279,436	306,016	304,089
Packing Cases	268,725	207,734	228,284	260,778	295,046
Mouldings	311,962	261,846	232,441	248,807	274,344
Fuel Wood	147,707	123,369	145,138	155,301	201,064
Logs	169,150	130,472	131,017	137,580	147,761
Veneer	113,615	106,684	122,488	126,382	131,357
Wood Marquetry	74,451	65,212	76,650	94,873	105,220

Tableware and Kitchenware	59,786	54,330	55,167	58,870	71,509
Wood Charcoal	56,047	53,930	52,082	54,996	64,447
Casks, Barrels and Vats	30,038	30,161	38,630	40,645	45,826
Wooden Frames	33,841	30,024	29,165	28,883	32,095
Hoopwood	32,095	30,182	30,591	30,603	29,860
Densified Wood	19,996	21,352	18,440	20,581	28,191
Tool Bodies, Tool Handles	22,358	19,136	19,337	21,575	25,718
Sleepers	16,770	16,806	19,385	11,574	19,246
Wood Wool	4,975	4,154	3,863	4,096	3,775
Total	8,600,712	7,450,669	7,743,605	8,440,006	9,274,443

Source: ITC Statistics

Table 3

France: Major Import Partner for Timber and Timber Products (Chapter 44), 2014-2018

(Value: USD'000)

Rank	Destination	2014	2015	2016	2017	2018
	World	4,425,692	3,71,4869	3,864,462	4,217,647	4667,283
1	Germany	841,775	691,214	719,634	793,641	874,497
2	Belgium	554,538	469,477	496,975	544,739	625,978
3	Poland	335,927	241,864	262,971	304,140	357,772
4	China	295,076	259,041	258,860	270,302	301,376
5	Spain	264,248	210,636	215,223	262,636	270,511
25	Malaysia	31,261	26,973	25,130	28,279	31,673

Source: ITC Statistics

Table 4

France: Major Import Partner for Furniture, 2014 – 2018

(Value: USD'000)

Rank	Destination	2014	2015	2016	2017	2018
	World	7,610,910	7,171,689	7,315,032	7,658,249	8,043,050
1	China	1,483,863	1,417,091	1,419,399	1,480,267	1,545,411
2	Italy	1,224,914	1,133,480	1,147,682	1,224,485	1,301,066
3	Poland	588,218	574,563	594,503	638,032	674,607
4	Portugal	329,126	319,263	327,682	344,358	328,300
5	Germany	1,165,693	1,070,681	1,108,674	1,196,455	1,265,120
22	Malaysia	44,243	42,753	40,521	40,268	40,687

Source: ITC Statistics

Export of Timber and Timber Products

France's exports of timber and timber products were valued at USD4.4 billion in 2018. Furniture was the main product exported, valued at USD1.36 billion followed by Cask, barrels and vats valued at

USD509.5 million, particleboard at USD416.7 million and sawntimber valued at USD416.0 million. Refer **Table 5** for further details. Major export market for France (Chapter 44) were China, Canada and Germany, whilst major market for furniture were China, Germany and Italy.

Table 5

France: Export of Timber and Timber Products, 2014 -2018					
(Value: USD'000)					
PRODUCT	2014	2015	2016	2017	2018
Wooden Furniture	1,304,670	1,169,674	1,230,713	1,290,188	1,361,594
Casks, Barrels and Vats	463,594	403,445	405,823	486,621	509,519
Particleboard	528,902	430,582	410,851	379,251	416,676
Sawntimber	345,394	334,169	359,031	391,193	416,018
Logs	372,680	319,214	293,866	341,880	383,714
Fibreboard	339,245	312,871	317,844	328,561	343,986
Plywood	178,079	176,872	170,143	178,810	193,181
Fuel Wood	118,853	119,482	111,352	123,551	141,775
Packing Cases	141,362	108,681	110,473	115,272	132,015
Builders joinery and carpentry	117,003	101,365	108,847	111,186	112,509
Others	309,832	282,888	323,403	336,015	375,284
Total	4,219,614	3,759,243	3,842,346	4,082,528	4,386,271

Source: ITC Statistics

Malaysia's Export of Timber and Timber Products to France

In 2018, Malaysia's exports of timber and timber products to France increased 6% to RM168.2 million over the previous year. France ranked 23rd with

0.8% market share. Wooden furniture was the main product exported with a total value of RM64.0 million, followed by builders joinery and carpentry (BJC) at RM36.7 million and sawntimber at RM34.5 million. Refer **Table 6** for further details.

Table 6

Malaysia: Export of Timber and Timber Products to France, 2014 -2018					
(Value: RM)					
PRODUCT	2014	2015	2016	2017	2018
Wooden Furniture	58,291,702	72,941,590	62,931,168	63,734,608	64,034,624
Builders Joinery and Carpentry	21,757,131	18,711,680	19,811,490	29,119,110	36,710,476
Sawntimber	31,623,127	27,490,648	28,253,689	25,178,650	34,496,233
Mouldings	18,578,777	17,250,782	27,227,721	35,020,480	30,827,864
Plywood	4,638,069	4,492,986	4,134,930	3,483,999	643,468
Fibreboard	51,439	6,402	62,348	99,091	114,599
Rattan Furniture	182,605	344,621	5,834,007	136,419	0
Wooden Frame	0	0	19,812	0	0
Other Products	344,133	711,020	1,183,152	1,639,910	1,406,003
TOTAL	135,466,983	141,949,729	149,458,317	158,412,267	168,233,267

Source: DOSM/MTIB

Malaysia's Import of Timber and Timber Products from France

In 2018, Malaysia's imports of timber and timber products from France decreased 1% to RM36.5

million over the previous year. Sawntimber was the main product imported with a total value of RM28.7 million. Refer **Table 7** for further details.

Table 7

Malaysia: Import of Timber & Timber Products from France, 2014 - 2018

(Value: RM)					
PRODUCT	2014	2015	2016	2017	2018
Sawntimber	14,591,873	15,287,802	21,506,937	27,062,982	28,663,111
Veneer	667,283	3,215,733	2,681,367	7,095,141	3,922,774
Wooden Furniture	799,470	873,623	1,092,536	676,164	1,767,265
Chipboard/Particleboard	1,881,261	2,861,216	1,186,317	968,748	1,279,546
Builders Joinery and Carpentry	0	0	26,786	257,032	413,180
Fibreboard	3,850,007	0	1,578,525	188,958	70,759
Rattan Furniture	202,523	368,103	274,709	62,531	62,284
Plywood	0	0	0	0	14,979
Wooden Frame	0	28,996	8,488	34,824	0
Other Products	277,944	594,778	339,455	558,211	300,647
TOTAL	22,270,361	23,230,251	28,695,120	36,904,591	36,494,545

Source: DOSM and MTIB

Import Tariffs

France's import duty on timber and timber products ranges from 0 – 10%. Details are as follows:

HS Code	Product	Duty (%)
4401	Fuel Wood	0
4402	Wood Charcoal	0
4403	Logs	0
4404	Hoop Wood	0
4405	Wood Wool & Wood Flour	0
4406	Sleepers	0
4407	Sawntimber	0-2.5
4408	Veneer	0-6
4409	Mouldings	0
4410	Chipboard/Particleboard	7
4411	Fibreboard	7
4412	Plywood	6-10
4413	Densified Wood	0
4414	Wooden Frame	0-2.5
4415	Packing Cases	3-4
4416	Casks, Barrels, Vats & Tubs	0
4417	Tool Bodies & Handle	0
4418	Builders Joinery & Carpentry	0-3
4419	Tableware & Kitchenware	0
4420	Wood Marquetry	0-4
4421	Other Articles of Wood	0-4
9403	Wooden Furniture	0-5.6

Source: WTO

Prospects

In 2018, France maintained its position as one of the largest furniture players at a world level with furniture production valued at USD7.7 billion, accounted for 2% market share of the world furniture production. Centre for Industrial Studies (CSIL) ranks the country as the seventh largest furniture producers in the world and the third in Europe after Italy and Germany. Main trading partners of France in terms of furniture export were China with 32% market shares followed by Italy and Germany both with 11% market shares.

France also is the most popular tourist destination in the world and was visited by 86 million foreign tourist each year. The total contribution of travel and tourism represents 9.7% of GDP and supports 2.9 million jobs (10.9% of employment) in the country. France are third leading countries in hotel construction in Europe after Germany and United Kingdom with the construction of 144 hotels and 17,003 rooms. Furthermore, Paris is the second city after London with 45 hotels and 6,947 rooms under constructions.

These positive trends of tourism infrastructure and construction activities plus the young population offer great opportunities for Malaysian exporters to penetrate France's building materials market and take full advantage to further promote Malaysian timber and timber products especially value-added

products such as furniture, mouldings, MDF and BJC, in addition to only promoting building materials namely plywood and sawntimber. Malaysian timber exporters also need to take this chance and make their presence felt to enhance networking with France's timber and furniture importers while at the same time undertake market research on current France importers' market preferences and taste.

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- Food and Agriculture Organisation (FAO Country Report)
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Furniture manufactured in France.

Cont. from page 23

to interact with people engaged in the tree plantation industry in Southeast Asia, and wider afield. An AGM is held in midyear when both strategic and technical matters are presented.



Figure 7. BFC field days Acacia Forest Industries plantations (left) showing flowering at a *E. pellita* seed orchard (right).



Figure 8. MTIB and BFC officials at BFC field day.

Five-year Vision

The vision of the BFC over the next five years includes;

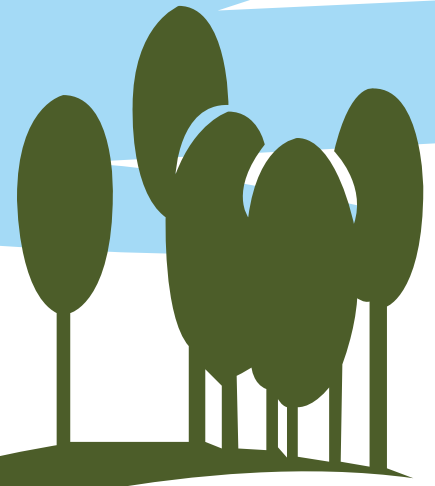
- developing a range of eucalypt hybrids of high productivity for both solid timber and pulp markets,
- the re-introduction of Ceratocystis resistant Acacia mangium and its hybrids,
- deployment protocols to allow for wide scale planting of high yielding *Albizia* clones,
- the development of site-specific thinning and pruning regimes to optimise the potential of genetically improved germplasm, and
- to initiate downstream processing to optimise the value of our timber products and the overall profitability of our members.

Note : This article was contributed by Borneo Forestry Cooperative.



Figure 8. Attendees at the BFC AGM held in Tawau, Sabah in July 2018.

SENUMPUL - SUITABLE FOR STAIRCASE



INTRODUCTION

The Standard Malaysian Name as well as the ASEAN Standard Name for the timber of *Hydnocarpus* spp. (*Flacourtiaceae*). Vernacular names applied include karpus (Sabah) with various epithets and setumpul (Peninsular Malaysia). Major species include *H. borneensis*, *H. castanea*, *H. filipes*, *S. kunstleri* and *H. woodii*. Also known as Krabau (Cambodia); Pinanak (Indonesia); Kalaw (Myanmar); Krabau (Thailand); and Chum bau (Viet Nam).

General Characteristic

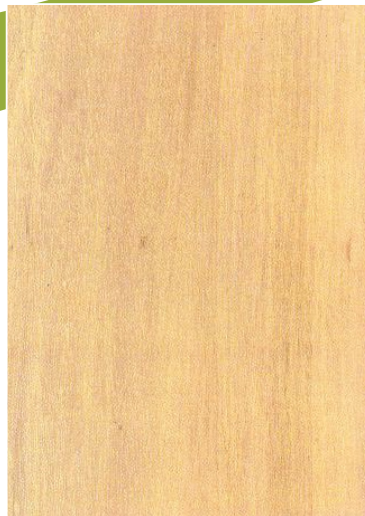
Sapwood: Not differentiated from the heartwood.

Heartwood: Pale yellow to yellow brown.

Texture: Fine to moderately fine and even; grain straight interlocked, sometimes deeply interlocked.

Weight (Air-dry): Wood moderately hard, moderately heavy, ranging from 36-62 lb/cu.ft. with an average of 49 lb/cu ft.

Durability: Only moderately durable under exposed condition.



Wood colour and texture.



Hydnocarpus woodii tree.



Hydnocarpus woodii leaf

Structure

Growth rings not distant even when present, demarcated by layers of denser fibres. Vessel numerous, very small to small, mostly small; in radial groups of two to four, rarely more; perforation plates scalariform but difficult to spot with a lens; tyloses absent; light coloured deposits sometimes present. Wood Parenchyma scarce or absent; if present in diffuse patches. Rays are very fine to moderately fine, just visible to the naked eyes; not conspicuous on radial surface. Ripple marks absent. Intercellular canals absent.

Density

The timber is moderately hard to hard and moderately heavy with a density of 690-930 kg/m³ air dry. The timber is classified under Medium Hardwood in Malaysia.

Natural Durability

The timber is moderately durable but susceptible to termite attacks.

Texture

Texture is fine and even, with straight or deeply interlocked grain.

Machining Properties

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

Air Drying

It is reputed to season well without serious defects.

Uses

The timber is suitable as a general utility timber. If obtained in sufficient quantities, it may be suitable for furniture manufacture, flooring, staircase (apron lining, baluster, balustrade, carriage, riser and stringer), mouldings, pencil, panelling and partitioning.

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Jelutong Dyers spp.

Malaysian Wood
Standing on Excellence

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



▶ MTIB coordinated the participation of furniture manufacturers in Homedec Expo held on 12-15 April 2019 in Penang.



▶ MTIB organised a roadshow on Timber Legality Assurance System (TLAS) Audit Compliance on 17 April 2019 in Port Dickson, Negeri Sembilan.



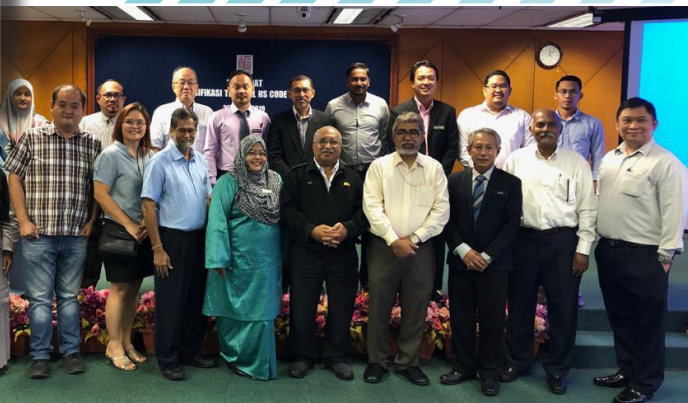
▶ VIPs posing with MTIB personnel who received Excellent Service Awards for 2018 in conjunction with the Ministry of Primary Industries' Monthly Assembly held in Cheras, Kuala Lumpur on 23 April 2019.



▶ A course on Wood Identification organised by MTIB specially for personnel of Tenaga Nasional Berhad (TNB). It was held on 22-25 April 2019 at WISDEC Selangor in Banting.



▶ MTIB organised a course on Updating of SOP for Debt Collection held from 24 to 26 April 2019 in Cheras, Kuala Lumpur.



▶ Attendees during a briefing on Product Specification under HS Code 4412. It was held on 29 April 2019 at MTIB, Kuala Lumpur.