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EXPLORING GOOD MANUFACTURING PRACTICES (GMP)

5S IN CHINA

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SPEARHEADING THE GREEN MOVEMENT

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MTIB

MALAYSIAN TIMBER INDUSTRY BOARD

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EXPLORING GOOD MANUFACTURING PRACTICES (GMP) – 5S IN CHINA

news

Delegation at Nanxing Machinery Co. Ltd.

The Malaysian timber industry is often labelled as a 3D (Dirty, Dangerous and Difficult) industry by the locals. This has made it difficult for local timber based products manufacturers such as those producing furniture, plywood and mouldings to attract local workers. MTIB has organised numerous programmes to improve the working standards of the local timber industry; one of such programme is the Good Manufacturing Practices (GMP) – 5S. This programme is meant to improve the working standards and create safer and more conducive work environments in the timber industry.

China was chosen for this trip as the country is the world's top exporter for furniture products (USD48.9 billion in 2017). The second top exporter, which belongs to Germany, only managed to record USD10.7 billion in the same year. Therefore, this is an excellent opportunity to learn on how the Chinese managed to become a huge powerhouse when it comes to furniture manufacturing and exporting.

The trip was held from 8 to 13 January and the delegation comprised 24 delegates from 13 timber-based companies. Among the programme's objectives were to learn the techniques being used by China in practising GMP – 5S in their factories to prepare the delegates for automation processes which can increase efficiencies and learn first hand on the technical execution of best practices amongst the China's furniture industries.

The delegation paid a courtesy visit to MATRADE's office in Guangzhou and was welcomed by one of its representatives Puan Zaimah Osman. Joining her was Mr. Tan Ting Wa, who is with the Malaysian Timber Council (MTC), Guangzhou Branch. They explained to the delegates about the primary functions of MATRADE and MTC in Guangzhou, China and how they can help the delegates to expand their market into China.

The delegation also paid a visit to the office of Guangzhou Furniture Association (GFA) and was greeted by its Chairman, Mr. Liang Naxin and its Secretatry General , Mrs. Chen Yun. During a meeting between the GFA and the delegates, Puan Hjh. Noor Laila Mohamed Halip, MTIB Deputy Director-General (Development and Commercial) explained on the current status of the Malaysian

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AUSTRIA

World's Tallest Timber Building Progressing as Scheduled

Construction of the world's tallest timber building is coming along as scheduled. When completed, the 'HoHo Tower' in Vienna, Austria, will be 84-metre, 24-storey high and 76% made of wood. It will house a hotel, apartments, a restaurant, a wellness centre and offices. HoHo Vienna comprises five structures ranging from six to 24 floors.

The shell construction of the basement extending under the entire development and the underground car park has been completed. The solid concrete core is now being built and timber installation is in full swing. Assembly work is scheduled to take one and a half weeks per floor. The solid timber walls are indistinguishable from the outside, since a moisture barrier protects each of the individual elements from weathering. These elements are pre-fabricated in the factory, reducing the amount of work at the construction site. It also means that work can continue in bad weather. The HoHo Wien system, which is kept deliberately simple, is assembled by stacking up four prefabricated, serial building elements: supports, joist, ceiling panels and facade elements.

Ms. Caroline Palfy, Managing Director of the real estate developer Cetus Baudevelopment, said in an interview, "The preparations and construction with wood are a tricky business, since ready solutions are not forthcoming in all areas. It's all about developing new things and using them – and that's what makes this project so exciting. On the sustainability of the wood used in this project, Austria's forest resources are well-maintained and there is ample wood for the construction industry".

Austria's forests produce an annual 30 million m^3 of timber, of which 26 million m^3 are logged. The remaining 4 million m^3 remain in the forest. In other words, at least 1 m^3 of wood is replaced every second. In the case of HoHo Vienna, it takes only one hour and 17 minutes to replace all the wood used for the entire project.

panelsfurnitureasia.com, 23 January

CHINA

Wood Products Trade in Guangdong Province

According to Guangdong Entry-Exit Inspection and Quarantine Bureau, between January and November 2017 logs import into Guangdong Province rose 11% to 34.67 million m^3. Sawnwood imports were 8.51 million m^3, up 21% over the same period in 2016.

On the other hand, MDF imports dropped 13% to 72,500 m^3. Particleboard imports in Guangdong Province amounted to 194,700 m^3, a year on year increase of 41%, accounting for 21% of the national total. Many furniture manufacturers in Guangdong province imported high quality particleboard to produce furniture.

Plywood imports into Guangdong Province fell 14% to 65,8000 m^3, accounting for 38% of the national total. The value of Guangdong wooden furniture imports surged 95% to USD166 million between January and November reflecting increased disposable incomes and rising living standards of residents in China.

Fordaq, 31 January

EUROPEAN UNION

Imports of Tropical Logs Fall from All Major Supply Countries

The EU trade in tropical logs followed a similar downward path. Imports for the period of January to September 2017 totalled just 90,400 m^3, a decrease of 28% than corresponding period in 2016. Import from Congo and Cameroon reduced by 29% and 31% to 22,700 m^3 and 18,500 m^3, respectively. Meanwhile, imports from Democratic Republic of the Congo and Central African Republic reduced by 50% and 44% to 13,500 m^3 and 9,800 m^3, respectively.

EU imports of tropical veneer declined 7% to 238,400 m^3, mainly due to a 10% fall in imports from

Gabon to 119,000 m³. There was also a 14% fall in imports from Cote d'Ivoire to 51,100 m³, and a 7% fall in imports from Cameroon to 22,700 m³. However, imports increased from smaller suppliers such as Congo, Equatorial Guinea and Ghana by 7%, 17% and 6% to 14,400 m³, 8,800 m³ and 7,300 m³, respectively. Most of the decline in EU imports of tropical veneer was concentrated in the two largest EU markets which are France and Italy. On the other hand, tropical veneer imports increased in Spain, Greece and Romania during the nine-month period.

EU imports of mouldings/decking were more stable than from other tropical products, falling only 5% to 121,000 m³. Imports from Indonesia, Brazil and Malaysia have declined by 4%, 3% and 30% to 54,300 m³, 43,100 m³ and 6,900 m³, respectively. There was a 17% gain in imports of mouldings/decking from Peru, totalled 4,400 m³.

Tropical glulam, mainly laminated window scantlings and kitchen, was one of the few tropical wood products to record an increase in EU trade in the first nine months of 2017, with imports rising 9% to 43,800 metre tonne. Imports from Malaysia increased 31% to 19,800 metre tonne but declined 2% from Indonesia to 16,500 metre tonne and 1% from Viet Nam to 4,600 metre tonne.

Fordaq, 16 January

GERMANY

Another Dip in Raw Particleboard Production

Germany raw particleboard manufacturing (commodity tariff number 1621 13 131) slipped a little in the third quarter of last year after already declining in the second quarter of 2017. Preliminary figures from the German Federal Statistical Office show that total output was down 0.8% at 1,001 million m³. Echoing what happened in the second quarter, production of particleboard destined for sale saw a bigger decline of 1.7% to 704,509 m³. In both instances, output was much lower than in the first two quarters.

Melamine-faced particleboard (1621 13 133) production climbed 4.0% to 610,759 m³ in the third quarter. This figure was in-between the levels recorded in the first (646,634 m³) and second (607,757 m³) quarters. Laminate element (1621 13 132) manufacturing was up 5.5% at 87,992 m³. Looking at the first three quarters combined, Germany raw particleboard production was 0.6% higher than the same stretch in 2016 owing to growth in the first quarter on the whole and in output of particleboard destined for sale. Melamine-faced particleboard manufacturing was 4.1% higher, as it had been after six months. Laminate element output dipped 0.7%.

Euwid 30 January

JAPAN

Timber Exports Near 40-Year High on Chinese Demand

Export values of Japanese timber products in 2017 likely hit highs not seen in four decades, with industrial demand in economically growing China providing an outlet for producers hit by a shrinking domestic housing market.

Full-year figures will likely reach 32 billion Yen (USD288 million), up more than 30% from 2016, even if the December count stays flat year-on-year at 2.4 billion Yen. Exports for January-November jumped 37% from the previous year to 29.2 billion Yen, according to the Japan Wood-Products Export Association. The total of 23.8 billion Yen recorded in 2016 was already beaten by the end of September.

The 2017 export total would equal roughly one-tenth of Japan's wood production by value of last year. Logs comprised the greatest proportion at 42% of exported products, with sawntimber making up 17%.

Export prices have also risen. Including freight fees, Sugi Cedar bound for China fetches about USD30 to USD35 per m³ up about USD10 from the price summer.

China was the biggest recipient by value, taking in about 40%. Demand thrived for logs, especially sugi. The wood apparently went into products like planks and pallets for transporting industrial goods, as well as packing crates for items including electrical appliances. This growth comes as "Japanese timber is relatively inexpensive at a time when prices worldwide are spiking", says a source at a sawmill operator in northeastern Japan. Products from the country are cheaper by several percent than those from New Zealand, a fierce competitor in areas such as crating materials.

Japanese timber prices have held fairly steady amid a stable balance of supply and demand. But prices of wood from North America or the Southern Pacific, for example, have been on the rise, due to expanding demand in the U.S. and strengthening environmental regulations.

JST/ 23 January

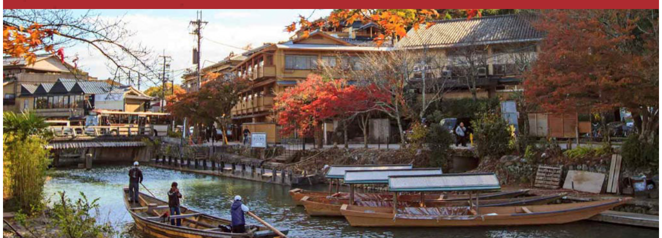
JAPAN

China's New Construction Rules to Allow Use of Japanese Timber

With China opening itself up to Japanese construction styles, players in Japan are looking to boost exports by tapping the strong demand for housing among China's growing and increasingly wealthier population. China has updated its building codes so that traditional Japanese wood-frame construction can be used for houses. It will also allow the use of Sugi Cedar, Hinoki Cypress and Karamatsu Larch; three types of wood that are commonly grown in Japan as beams, pillars and other structural components in housing, starting in August.

The Japan Wood-Products Export Association has been lobbying for the change since 2010. The group has actively promoted Japanese timber throughout Asia, building a model house in the Chinese city of Dongguan in July, as well as a showroom in Taipei in December. "What's most important is consumption of plywood and other materials, not log exports," said Atushiro Inoue, Head of the Japan Plywood Manufacturers' Association. The success of Japan's exporters depends on whether they can provide processed, high-value products that meet overseas demand.

Nikkei Asian Review, 23 January



JAPAN

Anticipating Reduced Supply of Softwood Timber

The Japanese Forest Agency is anticipating a supply of approximately 1.37 million m^3 of European softwood timber in the first half of 2018, which would equate to a reduction of roughly 5% against the same period of last year.

Figures published in the Japan Lumber Journal show that the supply of timber from Europe in the first six months of last year had amounted to 1.45 million m^3. The estimates given for 2017 to date project a supply of European softwood timber totalling roughly 2.86 million m^3, almost 4.5% more than in 2016.

Euwid, 29 January

INDIA

NCCF Launches 'Forest Management Certification Standard'

Non-government organisation Network for Certification & Conservation of Forests (NCCF) in India has announced to have officially launched the country's own 'Forest Management Certification Standard', which has been developed through collaborations with various forest-based stakeholders including the Ministry of Commerce & Industry; Ministry of Agriculture & Farmers Welfare; Ministry of Environment, Forest & Climate Change and Export Promotion Council for Handicrafts (EPCH), among others. The forest certification, which is country-specific and internationally benchmarked, has been launched simultaneously with the government's new National Certification Scheme for Sustainable Forest Management that aims to cultivate responsible utilisation of natural resources and trade of forest products.

Hindu Business Line (The), 15 January

MYANMAR

Government Orders Cut in Teak Production, Bans Private Timber Operations

The government has ordered timber production be reduced by 40% in the 2017-18 fiscal year, while banning private timber operations altogether, according to the Naypyitaw Forestry Department.

The department will oversee the production of only 15,000 tonnes of Teak and 350,000 tonnes of hardwood from forests across the country.

According to the department, the state-owned Myanmar Timber Enterprise has a quota to cut down 19,200 Teak trees and 592,330 timber trees annually, but this fiscal year it will harvest only 10,620 Teak trees and 193,412 other timber trees.

Moreover, the government has placed a ban on private logging in order to control the loss of forest cover, said U Aung Chein, Director of the Forestry Department. "We no longer grant permits to private loggers. Only Myanmar Timber Enterprise is producing timber and Teak now," he said.

The government has imposed a 10-year ban on the logging of Teak and timber covering the entire Bago Mountain Range, the major source of Myanmar's world-famous strain of Teak, from 2017 to 2027.

At present, forest covers 29.31% of the Bago Mountain Range, according to the Bago Region Forestry Department.Besides reining in timber production, over 350,000 acres of forest will be established from 2017 to 2027, in order to compensate for deforestation, according to the Forestry Department.The afforestation project includes establishing government-owned and privately owned forests, community forests, as well as conservation initiatives.

U Tin Aye, Secretary of the Myanmar Forest Association, also mentioned the importance of conserving existing forests."While afforesting, the government should also engage in conservation. It should have specific plans to prevent illegal logging," he said.

According to a 2015 survey by the Food and Agriculture Organisation (FAO), Myanmar had experienced the third-worst deforestation in the world in recent years, with the country losing at least 1.34 million acres of forest from 2010-2015. In April 2013, the U Thein Sein government banned the export of raw timber in order to limit deforestation.

The export value of timber and forestry products averaged over USD500 million annually before the 2013 ban on raw timber production. Still in the 2013-14 fiscal year, the export value reached nearly USD1 billion, according to the Ministry of Commerce.

In the following fiscal year, the export value dropped to only USD93 million, while in the 2015-16 fiscal year it was USD212.9 million in, and in the 2016-17 fiscal year USD247 million. According to the Ministry of Natural Resources and Environmental Conservation, forests still cover 47% of the country.

The Irrawaddy, 29 January

VIET NAM

Ministries to Study US Tax Reform

Ministry of Industry and Trade to co-ordinate with relevant Ministries and sectors to monitor policy responses of countries around the world as the United States implements the new tax reform law, assessing the impacts on Viet Nam to help it respond appropriately and in a timely manner.

According to the PM's economic advisory group, the US new tax reform package cut top corporate income rates to 21% from 35%. At the same time, it will tax foreign investment receipts transferred back to the country at the rate of 10.5%. With this tariff, the US has become the world's lowest taxing country. The advisory group of the Prime Minister said that the US tax policy in the immediate time may not affect Viet Nam much, but in the long term it will impact the country.

Viet Nam News, 31 January

Malaysia: Customs to Suspend Licences of Agents Caught Smuggling Beginning 2018

Source: The Edge, 28 December

In accordance with the Malaysia's Customs Demerit Point System to prevent smuggling through ports, the Royal Malaysian Customs Department will suspend or cancel the licences of 20 forwarding agents across Malaysia beginning January 2018. According to Director-General Datuk Seri Subromaniam Tholasy, investigations are underway to identify the forwarding and shipping agents involved. He also stated that those caught with having collected 40 penalty points will be subjected to having their licenses suspended or cancelled.

China: COSCO Shipping Holdings Ranks First in Container Handling

Source: China Daily, 1 December

As revealed by international shipping consultancy Alphaliner, China-based COSCO Shipping Holdings Co has been ranked first by handling 5.49 million twenty-foot equivalent units (TEUs) between July and September 2017, surpassing Denmark-based Maersk Line's 5.26 million TEUs. The figure marked an annual increment of 23% for the Chinese container shipping and terminal operation arm of China COSCO Shipping Corp. The ranking was viewed by a shipbuilding professor at Shanghai Maritime University as an effort by China to boost its shipping industry.

China/India: Shanghai - Kattupali Cargo Sea Route to be Opened on 23 January 2018

Source: Taipei Times, 27 December

A China-India freight sea route will be opened beginning 23 January 2018 in Shanghai, operated by five firms: Singapore-based X-Press Feeders Group, China-based China Cosco Shipping Corp, Hong Kong-based Orient Overseas Container Line and Japan-based Interasia Lines Ltd. Operating under the code route CI3, the cargo service will stop at Ningbo, Hong Kong, Shekou, Singapore, Malaysia's Port Klang and eventually reach its final stop in India's Kattupali. The firms will offer the cargo service one time per week using five vessels with a length of 4,250 TEUs and each trip will take 35 days to reach the final stop. Taiwan-based shipping firm Wan Hai Lines Ltd. has expressed its interest to join the collaboration by providing two vessels for the service.

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, December 2017

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m^3	% Change Dec 2017/ Nov 2017
	m^3	% Change Dec 2017/ Nov 2017	m^3	% Change Dec 2017/ Nov 2017	m^3	% Change Dec 2017/ Nov 2017	m^3	% Change Dec 2017/ Nov 2017	m^3	% Change Dec 2017/ Nov 2017		
Sawntimber	79,581	0	9,186	-44	1,376	26	379	-42	13,195	8	103,717	-6
MDF	23,218	-17	257	14	7,002	46	5,452	-4	11,821	8	47,750	-4
Mouldings	11,418	6	193	-14	1,645	4	901	8	1,274	-7	15,431	4
Plywood	6,354	-18	0	-100	19	-47	162	189	11,186	10	17,721	-4
Veneer	538	-21	0	0	0	0	109	808	2,425	25	3,072	17
Particleboard	39,295	15	643	141	4,322	-7	3,739	8	2,703	-37	50,702	8
TOTAL	**160,404**	**-1**	**10,279**	**-42**	**14,364**	**18**	**10,742**	**0**	**42,604**	**4**	**238,393**	**-2**

Source : MTIB

Latvia: Freeport of Riga Largest Port by Cargo Turnover in Jan-Sept 2017

Source: Statistics Latvia, 1 December

Latvia's largest port in terms of cargo turnover in the first nine months of 2017 was the Freeport of Riga. The volume of cargo transported to and from the port totalled 25.5 million tonnes in the first nine months of 2017, which was down 5.1% from 26.9 million tonnes in the same period of 2016. The Freeport of Ventspils came in second with 16.2 million tonnes, which was up 15.5% from 14.0 million tonnes a year earlier. The Port of Liepaja's cargo turnover was 4.8 million tonnes, which was up 22.8% from 3.9 million tonnes. Latvia's minor ports handled 1.2 million tonnes of cargo in nine months, which was up 9.1% from 1.1 million tonnes a year earlier.

Germany: Hamburg Süd to Remain Independent Brand under Maersk

Source: Frankfurter Allgemeine Zeitung, 2 December

The German shipping and logistics firm Hamburg Süd has announced that it will remain an independent brand next to the Maersk brand after its takeover by the Danish shipping company Maersk Line. The integration of Hamburg Süd should be complete by the second half of 2018. Arnt Vespermann, the CEO of Hamburg Süd, said that under the new umbrella of Maersk, Hamburg Süd will be able to strengthen its position worldwide. The takeover deal has now been concluded, following the approval of cartel authorities. With the acquisition of Hamburg Süd, Maersk now has more than 770 ships on the world's trading routes and a fleet capacity of 4.15 billion TEUs. Its combined global market share has risen to 19%. Maersk said that Hamburg Süd is central to its strategy of connecting and simplifying its customer service chains.

Sri Lanka: 6 Million TEUs Handled by Port of Colombo in 2017

Source: The Island, 22 December

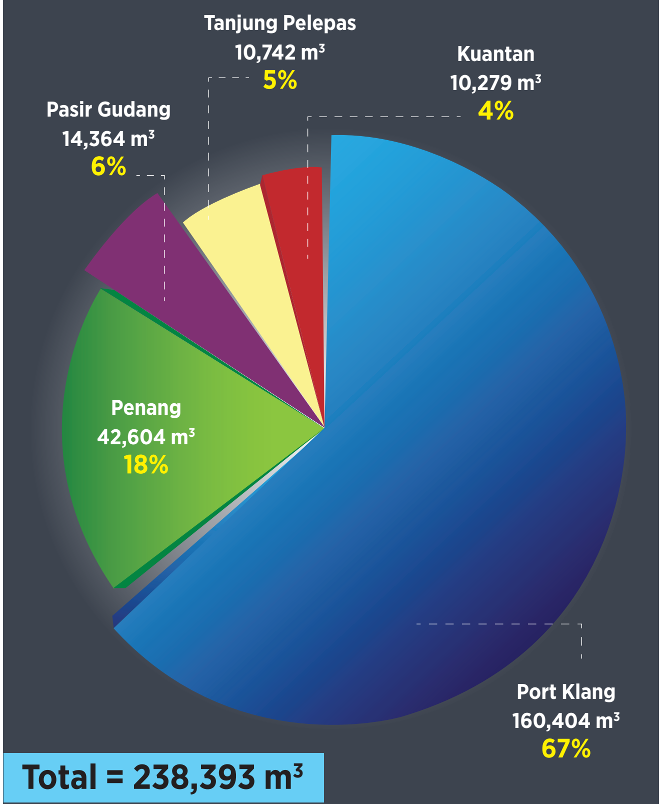
On 22 December 2017, the Port of Colombo handled its 6 million TEUS, marking a new milestone for the port. As the regulator, landlord and port operator, Sri Lanka Ports Authority (SLPA) has showed its ability to attract more Main Lines and Feeder Services to the port in 2017. The Port of Colombo achieved the new record through public private collaboration.

Uruguay: TEUs Handling Increased by 7.6% at Montevideo Port During 2017

Source: El Observado, 29 December

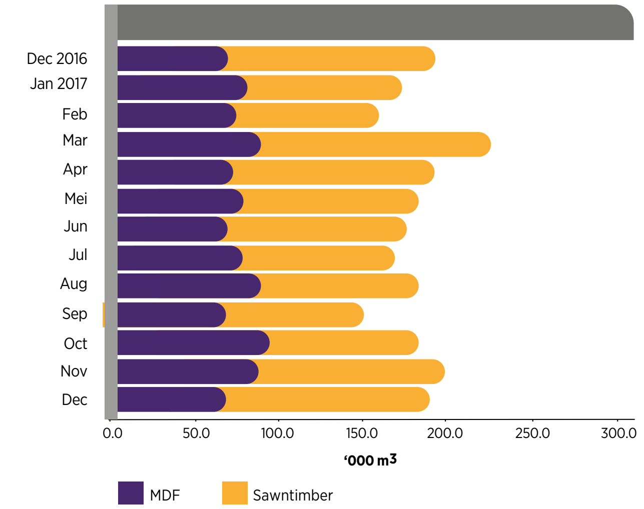
According to Uruguay's port authority (ANP), a total of 939,697 TEUs were handled at Montevideo port in 2017, which represented an increase of 7.6% compared to 873,341 units posted in 2016. Meanwhile, overall cargo handling stood at 14.70 million tonnes of goods in 2017, indicating a year-on-year growth of 15.7%. ANP has forecasted that handling figures will continue improving in 2018, when new cranes are expected to be acquired to reinforce loading and unloading operations at the public docks, managed by Montecon. At present, only Terminal Cuenca del Plata (TCP), operates gantry cranes at its private terminal after investing USD200 million (EUR167.39 million) to renew its concession at the port. ANP also stated that the conclusion of the dredging works at Puntas de Sayago port and the completion of the Capurro fishing terminal were other projects planned for 2018.

Timber Shipment through Ports in Peninsular Malaysia, December 2017



Source : MTIB

Malaysia : Export of Sawntimber and MDF
(Dec 2016-Dec 2017/Volume ('000m³)



Total export of timber and timber products in December decreased 13% in value to RM1.85 billion over the previous month. However, cumulative export for the period of January to December increased 5% to RM23.22 billion compared to the corresponding period in 2016.

SAWNTIMBER

Export of sawntimber in December 2017 decreased 6% in volume and 3% in value to 187,139 m^3 with a value of RM345.5 million as compared to the previous month. Cumulative export for the period of January to December 2017 increased 11% in volume and 15% in value to 2.2 million m^3 totalling RM3.9 billion over the previous corresponding period.

Export of sawntimber to the EU for the month improved 44% to 11,617 m^3 from 8,055 m^3 in the previous month due to increased purchases made by major countries in the region. Export to the Netherlands increased 26% to 5,066 m^3 followed by the UK at 113% to 2,089 m3 and Germany at 61% to 1,165 m^3. Similarly, France and Italy improved purchases by 37% to 951 m^3 and 149% to 972 m^3 respectively. However, export to Greece declined by 2% to 238 m^3 from the previous month.

Total exports to West Asia decreased 33% to 25,889 m^3 from 38,695 m^3 recorded in the previous month. Export to Yemen declined 53% to 9,022 m^3 followed by Oman with 10% to 2,814 m^3 and Saudi Arabia with 9% to 1,944 m^3. Likewise, export to Qatar and Bahrain reduced 48% to 1,127 m^3 and 46% to 883 m^3 respectively. On the other hand, the UAE increased purchases by 7% to 7,725 m^3 from 7,206 m^3 in the previous month.

Buying from ASEAN increased 4% to 66,454 m^3 from 64,076 m^3 registered in the previous month. Export of sawntimber to Thailand, a major buyer of sawntimber from Malaysia decreased 7% to 28,474 m^3 from 30,654 m^3 in the previous month. In the meanwhile, export to the Philippines and Singapore increased 20% to 29,476 m^3 and 3% to 6,615 m^3 respectively.

Shipments to East Asia decreased 6% to 42,508 m^3 from 45,065 m^3 in the previous month. Similarly, export to China declined 11% to 25,559 m^3 followed by South Korea at 52% to 1,555 m^3. However, export to Japan and Taiwan increased 17% to 5,260 m^3 and 18% to 9,465 m^3 respectively.

Elsewhere, exports to the US decreased 53% to 1,045 m^3 whilst intake by Australia also decreased 49% to 355 m^3. On the other hand, demand from South Africa increased 85% to 3,604 m^3 from 1,947 m^3 in the previous month.

The average FOB price of sawntimber increased 3% to RM1,846 per m^3 from RM 1,793 per m^3 in the previous month. Price of Dark Red Meranti (DRM) increased 11% to RM2,615 per m^3 from RM2,351 per m^3 in the previous month. Similarly, price of DRM to the Netherlands decreased 34% to RM2,212 per m^3 from RM3,334 per m^3 in the previous month. Keruing was traded at RM2,022 per m^3, a decrease of 3% from RM2,075 per m^3 in the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for December 2017 decreased 19% in volume and 21% in value compared to previous month. Exports totalled 68,489 m^3 and valued at RM85.3 million.

Exports to East Asia decreased by 44% to 9,209 m^3 from 16,355 m^3 in the previous month. Export to Taiwan registered positive growth of 8% to 538 m^3. On the other hand, exports to China including Hong Kong, Japan and South Korea recorded negative growth by 6% to 260 m^3, 46% to 8,113 m^3 and 53% to 298 m^3 respectively.

Exports to West Asia also recorded negative growth of 11% to 25,040 m^3 from 28,231 m^3 in the previous month. Similarly, exports to Oman, Bahrain, Qatar and Syria decreased by 20% to 2,137 m^3, 23% to 1,307 m^3, 47% to 611 m^3 and 96% to 358 m^3 respectively. However, exports to Saudi Arabia, Lebanon, the UAE, Jordan and Kuwait increased by 13% to 2,367 m^3, 65% to 177 m^3, 83% to 13,687 m^3, 239% to 342 m^3 and 278% to 3,846 m^3 respectively. In addition, Iran resumes its intake by 208 m^3.

Elsewhere, exports to South Asia increased by 18% to 15,649 m^3. Similarly, export to India, Pakistan and Bangladesh increased by 22% to 5,638 m^3, 34% to 7,895 m^3 and 37% to 809 m^3 respectively. However, export to Sri Lanka decreased by 39% to 1,307 m^3.

Furthermore, exports to the US, Australia, UK and South Africa increased by 8% to 1,189 m^3, 17% to 2,802 m^3, 175% to 355 m^3 and 894% to 358 m^3 respectively. Moreover, Mauritius resumes its intake by 85 m^3.

In ASEAN, total exports to the region decreased by 38% to 10,891 m^3 from 17,553 m^3 in the previous month. Export to the Philippines, Viet Nam, Singapore and Indonesia all decreased by 13% to 1,736 m³, 14% to 6,113 m³, 34% to 114 m³ and 56% to 2,782 m³ respectively.

The FOB price of MDF decreased 3% to RM1,246 per m³ from RM1,278 per m³, in the previous month.

PLYWOOD

Exports of plywood in December 2017 decreased by 24% in volume to 179,759 m³ and 21% in value at RM350.4 million as compared to the previous month.

Total export to the EU decreased by 21% to 6,435 m³. The UK has decreased their intake of plywood by 10% to 5,790 m³. Similarly, exports to the Netherlands and Belgium have decreased by 30% and 83% to 289 m³ and 82 m³, respectively. On the other hand, exports to Italy and France have increased by 107% and 100% to 87 m³ and 76 m³ respectively. Meanwhile, Germany, Ireland and Denmark did not make any purchases for this month.

Exports to ASEAN and East Asia region decreased by 17% with 139,016 m³ compared to the previous month. Export to Japan decreased slightly to 97,430 m³ from 97,412 m³ in the previous month followed by Hong Kong with a 4% increase to 2,462 m³ compared to the previous month. In contrast, South Korea, Taiwan and China decreased their import by 43%, 40% and 48% to 19,490 m³; 9,523 m³ and 1,635 m³ respectively.

Meanwhile, Malaysia's plywood trade with its ASEAN partners showed mixed growth this month. Exports to Thailand and Singapore showed a negative growth by 50% and 16% to 3,721 m³ and 2,505 m³ respectively. Similarly, the Philippines and Brunei Darussalam have reduced their intake by 19% and 26% to 995 m³ and 654 m³ respectively. Indonesia did not make any purchase for this month.

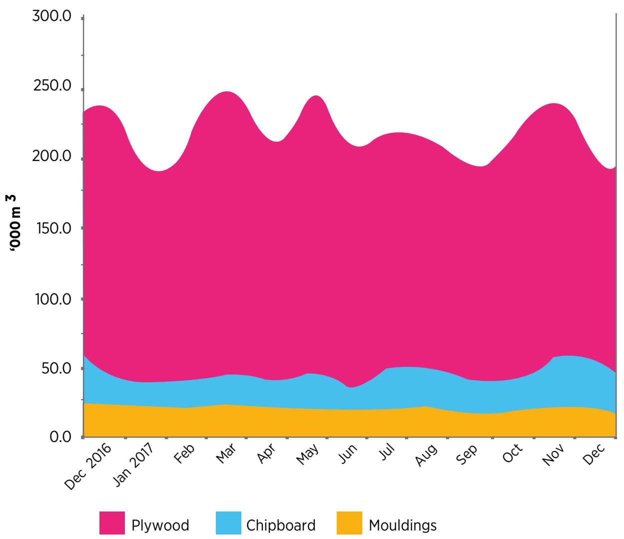
Overall exports to West Asia declined by 81% to 7,712 m³ as compared to the previous month. Exports to Yemen and Saudi Arabia decreased by 90% and 22% to 2,549 m³ and 1,602 m³ respectively. Similarly, exports to the UAE and Kuwait decreased by 57% and 68% to 1,189 m³ and 193 m³ respectively. In contrast, Qatar increased intake of plywood purchase by 1% to 259 m³.

Export of plywood to the Americas region increased by 67% to 20,818 m³. Exports to the US and Canada have increased by 141% and 189% to 16,914 m³ and 338 m³ respectively. In contrast, Mexico has decreased imports by 33% to 3,566 m³. Exports to Australia has increased by 3% to 2,817 m³ while New Zealand maintained its intake at 42 m³.

Exports to African continent increased by 274% to 792 m³ for this month. South Africa increased their plywood intake to 706 m³ from only 43 m³ in the previous month. Algeria, Mauritius and Turkey did not make any purchases for this month.

The FOB price of plywood increased by 4% to RM1,949 per m³ from RM1,883 per m³ in the previous month.

Malaysia : Export of Plywood, Chipboard and Mouldings
(Dec 2016-Dec 2017/Volume ('000m³)



MOULDINGS

Exports of mouldings for the month decreased 1% and 3% in volume and value to 19,797 m³ and RM70.8 million respectively. Cumulative exports for the period of January to December 2017 increased in volume and value by 0.3% and 4% to 237,690 m³ and RM849.1 million respectively as compared to the previous corresponding period in 2016.

Exports to the EU for the month recorded at 7,954 m³, a decrease of 19% compared to the previous month. The Netherlands, UK and Belgium decreased their purchases by 21%, 187% and 19% to, 4,724 m³, 801 m³ and 692 m³ respectively. Germany also reduced purchases by 8% to 920 m³ while Italy resumed purchases for this month.

Exports to ASEAN region increased as Singapore's intake of mouldings increased by 20% to 1,287 m³ compared to the previous month. However, Viet Nam decreased by 65% to 109 m³ compared to the previous month. On the other hand, Indonesia did not make any purchases.

Meanwhile, exports to Taiwan increased by 103% to 65 m³ compared to the previous month. However, exports to China, South Korea, Hong Kong and Japan decreased by 35%, 35%, 10% and 9% to 451 m³, 1,101 m³, 231 m³ and 2,087 m³ respectively.

Elsewhere, the US increased intake by 20% to 2,536 m³ compared to the previous month. However, Canada and Australia decreased intake by 72% and 21% to 26 m³ and 2,516 m³ respectively.

FOB unit value decreased by 1% to RM3,575 per m³ from RM3,627 per m³ in the previous month.

DECEMBER 2017

LOGS

The supply of logs was reported to be limited due to the rainy season coupled with some areas being flooded.

Log prices for the species of Chengal, Balau and Red Balau stood firm at RM4,500 per tonne, RM3,000 per tonne and RM2,200 per tonne respectively. Prices of Merbau grew by 33% to RM3,150 per tonne compared to previous month. The prices of Kempas and Kapur continued to be traded at RM1,750 per ton and RM1,700 per tonne respectively. Prices of Red Meranti and Yellow Meranti increased by 1.1% and 9.1% to RM1,770 per tonne and RM1,200 per tonne respectively. On the other hand, logs prices for Mixed Heavy Hardwood increased by 3.3% to RM971 per tonne compared to the previous month whilst Mixed Light Hardwood prices charted at RM827 per tonne.

SAWNTIMBER

The average sawntimber prices for most species in the domestic market continued to remain firm while for some species recorded significant changes in their prices.

The sawntimber prices of Chengal, Balau and Red Balau maintained at RM6,850 per m^3, RM3,178 per m^3 and RM2,895 per m^3 respectively. Prices of Kempas and Kapur were traded at RM2,331 per m^3 and RM1,746 per m^3 respectively. Prices of Red Meranti and Yellow Meranti sustained at RM1,992 per m^3 and RM1,342 per m^3 respectively. Meanwhile, prices of Mersawa increased by 6.5% to RM1,730 per m^3. On the other hand, sawntimber price of Mixed Heavy Hardwood increased slightly by 0.1% to RM965 per m^3 whilst Mixed Light Hardwood charted at RM1,024 per m^3.

PLYWOOD

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

MEDIUM DENSITY FIBREBOARD (MDF)

The industry reported that the supply of MDF to the domestic market continued to be sufficient whilst the prices were quoted as per last month's level. MDF of 4 mm, 6 mm, 9 mm and 12 mm thicknesses were sold at RM13.50, RM18.05, RM24.65 and RM32.20 per piece respectively.

INTRA-MALAYSIA TRADE - DECEMBER 2017

From	Product	NOV 2017		DEC 2017		% Change In Volume Dec 2017 / Nov 2017	% Change In Value Dec 2017 / Nov 2017
		Volume (m^3)	Value (RM '000)	Volume (m^3)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	143	276	146	262	2	-5
	Plywood	8,857	17,492	8,234	15,811	-7	-10
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	802	1,114	866	1,398	8	25
	Plywood	5,441	7,923	5,530	8,955	2	13
	Veneer	4,999	7,892	5,108	7,751	2	-2

Source : Department of Statistics, Malaysia

INTRA-MALAYSIA TRADE *

- DECEMBER 2017

The shipments of sawntimber from Sabah to Peninsular Malaysia increased by 2% in volume to 146 m^3 valued at RM262,000. Conversely, shipments of plywood dropped by 7% to 8,234 m^3 valued at RM15.8 million.

Movement of sawntimber from Sarawak to Peninsular Malaysia increased significantly by 8% in volume to 866 m^3 value of RM1.4 million. Similarly, trade of plywood increased by 2% in volume at 5,530 m^3 worth at RM9 million. Shipments of veneer also rose by 2% in volume to 5,108 m^3 worth at RM7.8 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in December 2017.

** Source: MTIB and Department of Statistics, Malaysia*

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA DECEMBER 2017 (VALUE IN RM)

SPECIES	LOGS/tonne	SAWNTIMBER/m^3		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	4,500	6,850	5,297	7,415
Balau	3,000	3,178	2,684	2,743
Red Balau	2,200	2,895	2,542	3,178
Merbau	3,150	4,500	3,178	3,955
Mixed Heavy Hardwood	971	965	706	1,008
MEDIUM HARDWOOD				
Keruing	1,200	968	1,059	2,203
Kempas	1,750	2,331	2,239	2,331
Kapur	1,700	1,746	1,412	1,746
Mengkulang	1,250	2,119	996	2,119
Tualang	1,400	2,472	2,331	2,493
LIGHT HARDWOOD				
Dark Red Meranti	2,100	2,207	1,695	1,947
Red Meranti	1,770	1,992	1,801	2,119
Yellow Meranti	1,200	1,342	1,236	1,342
White Meranti	1,480	2,472	1,412	2,260
Mersawa	1,550	1,730	1,589	1,907
Nyatoh	1,300	1,518	1,059	777
Sepetir	1,270	1,624	918	1,624
Jelutong	1,100	1,780	1,215	1,730
Mixed Light Hardwood	827	1,024	876	918

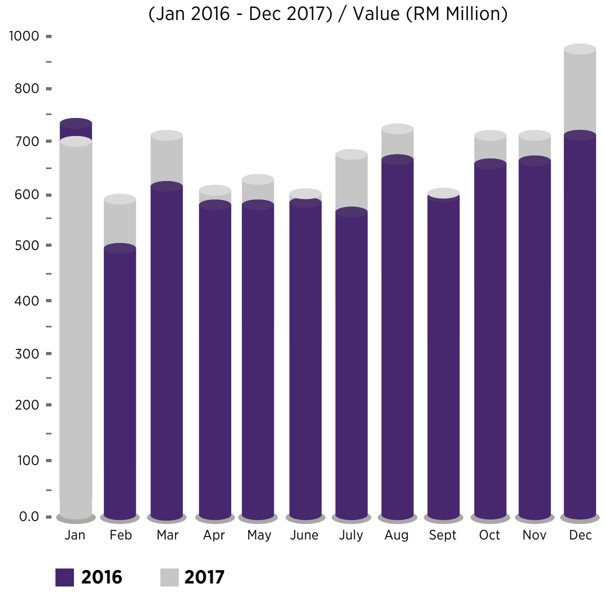
	LOGS/tonne	SAWNTIMBER/m^3			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
MALAYSIAN RUBBERWOOD *Heavea brasiliensis*	180	890	1,359	1,518	1,766

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**
	13.50	18.05	24.65	32.20

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

*** Prices are only indicative**

Malaysia : Export of Wooden Furniture
(Jan 2016 - Dec 2017) / Value (RM Million)



Source : Department of Statistics, Malaysia

VENEER

Exports of veneer for December 2017 decreased by 39% in volume and 33% in value to 14,954 m^3 at RM25.4 million as compared to the previous month. Exports to China increased by 26% to 2,804 m^3. On the contrary, exports to Taiwan and South Korea decreased by 65% and 38% to 4,096 m^3 and 4,930 m^3 respectively. Similarly, exports to the Philippines and India declined by 37% and 9% to 802 m^3 and 617 m^3 respectively. Australia and Singapore also decreased their intake of plywood by 80% and 36% to 51 m^3 and 14 m^3 respectively. Meanwhile, Italy, Canada, Chile and Viet Nam did not make any purchases this month.

The FOB price of veneer for December 2017 is at RM1,670 per m^3, an increase of 8% from RM1,540 per m^3 on the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports for the period of January to December 2017 decreased 2% to RM1.19 billion as compared to RM1.22 million in the corresponding period last year. Export to the EU increased 5% to RM349.1 million.

Export to the Netherlands, France, Turkey and Belgium, increased by 125%, 47%, 30% and 14% to RM12.8million, RM29.1million, RM9.0million and RM55.3million respectively. Similarly export to Denmark, Germany and Italy increased by 11%, 10% and 3% to RM22.4 million, RM31.6 million and RM6.4 million respectively. However, export to the UK and Sweden decreased by 12% and 9% to RM158.2 million and RM5.9 million compared to the previous corresponding period.

In Asia, exports to the UAE, Viet Nam, Japan and Taiwan grew 31%, 7%, 2% and 1% to RM7.9 million, RM44.7 million, RM79.9 million and RM16.1 million respectively. However, exports to Pakistan, South Korea, Saudi Arabia, India, Singapore and Thailand decreased by 43/%, 28%, 21%, 19%, 18% and 1% to RM30.6 million, RM2.0 million, RM2.7 million, RM55.2 million, RM121.3 million and RM33.3 million respectively. However, Qatar did not make any purchases. Exports to Australia increased slightly by 1% to RM205.1 million from RM204.8 million in the previous corresponding period. Meanwhile, South Africa and Reunion Island increased their purchases by 9% and 5% to RM19.0 million and RM1.6 million respectively. The US increased its intake by 2% to RM108.7 million from RM106.9 million in the previous corresponding period.

FURNITURE

Exports of wooden and rattan furniture for the period under review in 2017 rose 6% compared to the corresponding period of 2016. Total shipment recorded was RM8.1 billion against RM7.6 billion in 2016.

Imports of wooden furniture by the US increased 15% from RM2.6 billion to RM3.1 billion. Canada saw a modest increase of 6% to RM278.2 million.

In East Asia, wooden furniture exports to China and Taiwan increased by 65%, and 15% to RM200.7 million and RM60.9 million respectively. Meanwhile, Japan reduced its consumption by 5% to RM659.8 million. Similarly, shipments to ASEAN region such as Singapore decreased by 4% to RM450.1million. However, the Philippines increased its intake by 17% to RM183.4million.

Exports to West Asia declined as the UAE and Saudi Arabia reduced their intake by 12% and 11% to RM174.7 million and RM140.9 million respectively. However, Kuwait and Qatar increased their wooden furniture consumption by 10% and 23% to RM47.5 million and RM15.6 million respectively. In addition, shipment to India recorded an increase of 30% to RM204.8 million.

In Europe, both the UK and France improved their intake both by 1% to RM433.7 million and RM63.7 million respectively. However, Sweden and Spain reduced their intake by 7% and 11% to RM29.9 million and RM22.2 million respectively. Australia also reduced intake by 5% to RM588.6 million while South Africa improved intake by 28% to RM64.5 million.

Rattan furniture shipments in December 2017 recorded a negative growth with a decreased of 61% from RM42.0 million to RM16.5 million.

Exports to Singapore decreased by 74% to RM1.8 million from RM7.0 million in the previous month. Similarly, shipments to Australia decreased by 36% to RM2.9 million, followed by the UK with 78% to RM617 thousand, and Cote D Ivore with 50% to RM213 thousand. However, Poland increased its intake by 28% to RM302 thousand.

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timber industry and reiterated the nature of the visit, which was to learn and gain insight on the China furniture industry first hand.

A representative from Guangzhou Furniture Association (second from right) presenting a sourvenir to Puan Hjh. Noor Laila Mohamed Halip, MTIB Deputy Director-General (Development and Commercial).

Mr. Liang explained that the China furniture industry has experienced rapid growth in the past 20 years. This was mainly due to strong support from their government; prior to 2007, the Chinese government offered land at a low cost to timber product entrepreneurs. This was to spur the development for this particular. He also added the industry has always maintained their own Original Design Manufacturer (ODM) and Original Equipment Manufacturer (OEM) for the products.

Later, the delegates were brought to Nanxing Machinery Co., Ltd., a furniture machinery manufacturer in China. They were greeted by Mr. Patton Tsui, Deputy Director of International Sales and Mr. Allen Tan, Director of International Sales. According to them, the company was established in May 1996, and it manufactures machines such as the CNC, boring machines, computer panel saws, sliding table saws, single and double sided edge banding machines and multi boring machines. The company has two factories which are located in Houjie and Shatia, both in the Guangdong province. The company exports to over 40 countries, which includes the US, Russia and Malaysia. According to Mr. Patton Tsui, the company's machineries are sold at a cheaper price by around 10–15% compared to their European competitors, at the similar quality. The machineries are able to last for up to six to seven years.

The following day, the delegates were brought to the manufacturing plant of Victory Industrial Co., Ltd, which is a manufacturer of office furnitures. The company, which is owned by the Chairman of GFA, was established in 1990. The company has branches in Beijing, Shanghai, Guangzhou, Shenzhen, Hong Kong and Canada. Among it's well known clients include BMW, Bentley, Porsche, Huawei, AliBaba and China Construction Bank. The delegates were taken on a tour of the factory by Mr. William Wang , Chief Operating Officer and Mr. Colin Chen, Director of Oversea Operation & Management.

Every item has its own place.

The company has about 1,200 employees with a total area of 100,000 square metres. The delegates were impressed by the factory's level of cleanliness and organisation clearly indicating their commitment to practising GMP-5S. Every equipment and section were labelled and in plain sight. There were also safety corners available throughout factory that function as a reminder to its worker on the importance of safety at the workplace as any injuries can delay production. The company also owned its own testing facility to ensure their products adhere to existing guidelines and are safe for usage. The tour ended with a walkabout of the showroom which houses some of their best products.

The following day, the delegates paid a visit to Panyu Yonghua Furniture Co., Ltd which is a manufacturer of furniture products made from Mahogany. The company was established in 1986 and the factory was 100,000 square metres. The company's biggest strength lies within its exquisitely

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and intricately designed Mahogany furnitures. For this reason, the company owns a large pool of highly-skilled workers.

The company was also certified quality control systems - ISO14001 and ISO9001, and has received numerous awards such as Famous Brand Product of Guangdong Province, Famous Trademark of Guangdong Province, and Famous Trademark of China.

The delegates then went to Snimay Furniture Co., Ltd. The company was established in 2003 and only started with 20 workers. Now, the factory currently employs around 2,000 workers, with 700 of them involved in production. The company prides itself of its capability to produce highly customisable cabinets for its customers. The company owes its positive development to its founder's emphasis on the development of IT. This can be seen in the successful development of the company's unique bar code system. The barcode contains information about a product such as its dimensions, size and amount of holes needed and thickness.

The company explained that once a customer has confirmed an order, the final design is sent to the company's robust IT department. This is where the design is divided into individual pieces and tracked by using bar codes. The codes include instructions for the machines in the production line to follow. This effectively reduces the dependency on manual human labour and thus results in faster production and lower reject rates. Factory workers are no longer needed to be highly skilled and are only responsible to ensure the machines run smoothly and transfer items from one machine to the next. They are also involve in packaging and eventual installment of the products at the desired location. This company clearly showcases positive benefits of automation and mechanisation.

> **The company states that it exports 70% of its products, mainly to Europe while the remaining is for local market**
>
> Hong Kong Royal Furniture Group Co.,Ltd

The next day, the delegation paid a visit to Hong Kong Royal Furniture Group Co., Ltd which is one of the biggest furniture manufacturers and traders in China. The company was established in 1997 and has a workforce of around 3,800 people. The company has numerous product lines, all catering to varied customer demands and as well as budget. The company employs about 140 designers which includes three Malaysians to ensure it is always one step ahead of its competitors. According to them, customer needs and wants are constantly changing and it is important for the company to keep up with this to ensure sustainability in the market. The company states that it exports 70% of its products, mainly to Europe while the remaining is for local market. One of the company's great achievements was being chosen as the sole provider of furniture products for the Universiade Shenzhen 2011 sporting event in

At Snimay Furniture Co. Ltd.

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FURNITURE DESIGN TALK

news

YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General delivering his speech.

On 9 January a furniture design talk (FURNITURETALK@MUAR) event was organised by MTIB with support from the Muar Furniture Association (MFA). The event, entitled "Enhancing Design: The Practical Adaptation of Design in Furniture Industry", aimed to raise awareness of design concepts and processes in furniture production.

The event was held at Sekolah Rendah Kebangsaan (C) Pei Yang in Muar, Johor Darul Takzim with more than 200 attendees, including people from design schools, the furniture industry and Government agencies. Students came from Kota Bharu, Tampin, Johor Bahru, Batu Pahat and Pekan to listen to talks given by international and local designers and gain a better understanding of the industry.

Also present was Encik Koh Chon Chai, President of MFA. In his welcoming remarks, Encik Koh expressed his appreciation of MTIB's efforts to collaborate with the Muar furniture industry with programmes that provide more exposure towards design-based furniture production in Muar. He was also very excited about having the local industry adapt to the original design production-based furniture export. He was confident that Muar would benefit tremendously with MTIB's continued efforts to assist and develop the local furniture industry. Incidentally, Encik Koh is the owner of Genting Kekal Sdn. Bhd., a furniture manufacturing company in Muar, Johor. Genting Kekal Sdn. Bhd. will be participating as one of the three teaching factories in the Business and Technology Management Faculty in Pagoh, Johor for the Universiti Tun Hussein Onn (UTHM).

Also in attendance was Professor Dr. Abdul Talib Bon of the Business and Technology Management Faculty, UTHM, Batu Pahat, Johor. UTHM is currently offering the Undergraduate Studies in Bachelor of Technology Management (Furniture Design and Manufacturing) with Honours programme. Professor Dr. Abdul Talib also expressed his appreciation of MTIB's efforts to promote design-based production in the furniture industry especially in Muar, Johor. He also invited MTIB and MFA to be part of UTHM's panel of advisors especially in raising awareness of the importance of design in enhancing the Malaysian furniture output.

Before the speakers took the floor, YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General officiated the event with his speech. YBhg. Dato' Dr. Jalaluddin highlighted the importance of evolving from Original Equipment Manufacturer (OEM) based production to a more innovative and creative Original Design Manufacturer (ODM) based production especially in the Muar furniture industry. He also expressed his confidence in the ability of the local manufacturers to evolve into an Own Brand Manufacturing (OBM) based production once ODM has taken precedence.

Mr. Manolo Bossi from Italy spoke about "The Nature of Designs – Understanding the Process". He shared his experience as one who has made designing a career. He explained that like any other careers, a

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designer must understand the processes involved, as in this case, designing furniture. Of course, there is no one exact way to express a design methodology, but Mr. Bossi showed a few examples of how a design process can be both simple and creative.

YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (third from left), Encik Koh Chon Chai, President of MFA (second from left) posing with speakers.

Mr. Bossi is a self-taught designer. After a short course in industrial design at Domus Academy in Milan, he started working at the age of 28, and designed his first ceramic and interior decoration products for Bosa and Progetti. Since 2001, he has worked as a freelance designer for different companies within the homeware, appliances, bathroom and lighting sectors for the Italian company FLOS. His products have been featured in many international design magazines.

Mr. Peter Kitely from Australia continued the event with his talk, "Making Designs Work – The Practical Design". Mr. Kitely spoke of the adaptation of design in many industries as part of the creative thinking process. He said that it was also part of the Research and Development Department in many companies especially in furniture manufacturing. He then explained how to be more practical in designing any product, especially if it is to be considered as a professional career option.

Mr. Kitely trained as an industrial designer. In 1983 he established "Direction Design" in the UK, a multi-disciplinary design partnership providing consultancy services focusing on design for manufacturers across a broad range of product areas and industry groups. 'Peter Kitely Design' was established in 1986, providing design and development services to the local manufacturing industries, architectural and interior design practices and government departments.

The third speaker, Cik Vivian Lam Shi Wei spoke about "Branding by Design – The Search for Local Identity". Cik Vivian is the co-owner of MUKK which is an online furniture company based in Kuala Lumpur. She is very passionate about branding and she spoke of how design and brands can be advantageous to making your product more known and marketable. Branding is part of a design exercise and she shared many examples on how a product can be branded as our national identity.

Cik Vivian received a Bachelor's Degree in Industrial Design (Hons) from Universiti Sultan Zainal Abidin Terengganu, Malaysia. Among her awards and achievements were the Gold Medal Asian Youth Innovation Awards & Expo in 2014, 3rd prize in the National University Challenge in 2013, a top finalist in Mobili Milan Malaysia 2015 and MIFF Furniture Design Competitions 2015. She has also had her designs exhibited in the 2016 Malaysian International Furniture Fair. Cik Vivian is an industrial designer who believes that design can change the world and she is working towards the change that she wants to see.

"Branding by Design – The Search for Local Identity"

Cik Vivian Lam Shi Wei

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The final speaker, Cik Sim Chia Yi delivered her talk entitled, “Communicating through Design – Product Marketing and Promotion”. Cik Sim is the other owner of MUKK and she spoke of the importance of self-confidence as a designer especially in the furniture industry. She claims that she usually shy away from public speaking but she later discovered that being a designer requires one to be more assertive and more marketable. She spoke of marketing and promotion as tools to get your name around and to understand the market better.

Cik Sim is a multi-award winning industrial designer from Malaysia. She possesses a BA (Hons) in Product Design Futures and is currently doing her Masters in Applied Ergonomics & Human Factors from University of Nottingham. Even from a very young age, Ms. Sim has always been passionate about art and she loves learning about how things work. Indirectly this has shaped her approach towards designing. Cik Sim believes in designing wisely and sincerely as evident in her experimenting with diverse innovative materials to ensure that sustainability and responsible design ethos are prerequisites in her projects.

Attendees during the event.

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Timber **News**

China.

The last visit was conducted at Yakeboluo Co., Ltd, which is a cabinet manufacturer. Established in 1994, the the commpany specialises in the designing, producing, selling & marketing and installing of cabinets and cupboards. The company has also received numerous awards such as China Top 100 Cabinet Brand and Guangdong Real Estate Pillar Brand. In addition, Yakeboluo Co., Ltd, also worked together with the Chinese government in establishing a design standard for residential kitchen cabinet. The company also complies with ISO 9001:2008 International Quality Management System Certification. The company owes its success to its close relationship with China’s top housing developers and its ability to produce its products without delay.

Overall, the delegates were enthusiastic in learning how their China counterpart achieved their success in the furniture industry. Each of the factories visited had their own individual strengths that were properly harnessed to produce great, high quality furniture products. Panyu Yonghua for example, was known for its design and intricate details, while Snimay embraces automation and mechanisation.

The programme was headed by Puan Hjh. Noor Laila Mohamed Halip, MTIB Deputy Director-General (Development and Commercial). The delegation also included Encik Shamsul Azman Bin Abdul Aziz from Strategic Planning.

ONE-TECH : SPEARHEADING THE GREEN MOVEMENT

COMPANY BACKGROUND

Encik Harith Ridzuan
Director of OTSB

One-Tech (M) Sdn. Bhd. (OTSB) was founded in 1993 by husband and wife, Encik Ridzuan Ismail and Puan Huda Ikhwan who started the company as a small furniture manufacturer that supplied wooden furniture to government schools and offices. In the span of 20 years, the company has evolved into a highly-skilled interior fit-out company, producing high-end customised woodwork to public, corporate, and retail sectors.

OTSB is run by a team of second-generation family members, led by the eldest son, Encik Harith Ridzuan. In recent years, the company has transformed its direction towards becoming a globally recognised sustainable manufacturer.

> ***"Harith Green Carpenter also known as "HGC", which specialises in the upcycling of construction and manufacturing waste to be used in interior settings such as tables, stools, wall panels, and decor items"***

OTSB's Sustainable Restructuring

To tackle current environmental challenges, OTSB recognises the need to produce sustainable products and has spearheaded Malaysia's green interior solutions since 2013 by specialising in green furniture manufacturing, interior fit-out and decor items. In keeping with its sustainable processes, the company has established three key principles that it believes are vital in its efforts to become a world-class green lifestyle solutions provider:

- Design (Function and form)
- Durability (Use of heavy-duty material)
- Sustainability (Eco materials and processes)

In 2017 alone, the company reduced its material wastage from 30% to less than 5% and gathered disposed waste (e.g. pallets) from other factories and construction sites, allowing other parties to save cost in such disposal activities. Currently, OTSB has worked with more than 50 tonnes of waste; cost of disposal ranging from RM250 to RM500 per tonne.

The company has also adopted LEAN management throughout its organisation in order to reduce further waste and maximise efficiency. It was recognised as a Top 10 LEAN SME company in Malaysia by the Malaysia Productivity Corporation (MPC) in 2017. In the same year, OTSB was awarded for its excellent business performance by MTIB in recognition of its sustainable practices.

OTSB's green initiative continues to evolve with the introduction of the company's green teaching factory and "Green Hammer" initiatives, through which the company engages with industry-related players as well as commercial and grass-root audience to highlight the importance of green design and living. The company has also received significant media exposure for its sustainable products and manufacturing processes, having been featured on television, radio, magazines, and online news platforms, with an estimated reach of more than 3.5 million readers and viewers.

OTSB's Sustainable Brands

In 2013, Encik Harith Ridzuan, Director of OTSB, established the company's first sustainable brand "Harith Green Carpenter" also known as "HGC", which specialises in the upcycling of construction and manufacturing waste to be used in interior settings such as tables, stools, wall panels, and decor items. Harith became one of the pioneering individuals in the local market to develop quality industrial interiors for new cafes and restaurants using reclaimed materials and he received significant online and offline media coverage for this trending movement. Details of his work can be viewed at www.harithgreencarpenter.com.

Harith Green Carpenter (HGC) Products

In the same year, the company founded "JORD", a brand that specialises in green-minimalist furniture designs made exclusively from Malaysian-produced bamboo planks, finished off with non-toxic glue and water-based coating to accentuate its eco-friendly features. In an effort to provide users with eco-friendly alternatives for furniture and deco items, JORD promotes bamboo as a sturdy, sustainable raw material that aims to ultimately reduce manufacturers' dependency on timber. More info at **www.jordecointeriors.com**.

JORD bamboo flooring

In 2015, the company founded "Dapo", its sustainable kitchenware and tableware brand made from PEFC-certified wood and finished with an organic food-grade coating making it suitable for serving edibles. Products available under the brand are designed to complement the kitchen and dining spaces including wooden chopping boards, wooden serving trays, serviettes, coasters, ceramics, and decor items. (**www.dapoware.com**).

OTSB also co-launched “Meubelism” (founded in 2016) and “Nokta” (founded in 2017), two designer furniture brands founded in collaboration with its local partners aimed at developing high quality furniture with local and international designers from Malaysia, Italy and Japan. More info at **www.meubelism.com www.noktafurniture.com**.

Dapo products

NOKTA products

OTSB’s
Teaching Factory & Community Building

OTSB is committed to developing highly-skilled woodworkers, designers, and engineers alike that are exposed to sustainable manufacturing and designing processes. The company has trained more than 130 students and welcomed more than 600 students and adults to its factory to learn about green carpentry.

MTIB working visit to OTSB

Engagements with more than 500 students through its “Green Hammer” initiative, which focuses on educational talks and discussions about sustainable living, has also been done. Moreover, the company is also involved in developing new modules for Universiti Technology Malaysia students. OTSB has also become a strategic partner to MTIB in assisting to get participants from the German-Malaysian Institute for the SuperBumi programme (Young Entrepreneur for Export Vendor Scheme).

OTSB also played a pivotal role in developing Malaysia’s first tiny home project called the “GreenMan Tiny Home”, an international movement which promotes green living in a small space. Together with “GreenMan” Matthias Gelber, the project aimed to demonstrate one’s ability to live with zero carbon, zero waste, and zero energy in the form of a tiny home that could fit the size of a parking space. The GreenMan Tiny Home was deemed a success and dubbed the “greenest tiny home in the world”. More info at **www.greenmantinyhome.com**

Sustainable Industry Standards

OTSB was involved in developing the National Bamboo Guidelines together with related government agencies to regulate Malaysia's standards for the industrial usage of bamboo as a construction material and commercialise bamboo as a suitable eco raw material. The guidelines also help to ensure that local bamboo trees are processed with strict standards, high-tech machineries and precise processing methods.

Moving Forward

OTSB is dedicated to enhancing networking and interaction, having created an interest group among local industry players and consumers on the need to adopt a more sustainable living and manufacturing standards in Malaysia in order to compete amongst global players. The company has begun to collaborate with its European and the US partners to bring forth more Malaysian-made sustainable products to the western region of the world, with hopes to increase European customers' confidence and improve their perception of Malaysian-derived products that are made from sustainable resources and processes.

OTSB hopes that more local manufacturers will acclimatise greener materials and manufacturing processes. With more sustainable products in the market, the company is confident that consumers and manufacturers alike will, in the long term, consume and produce products that are ultimately better for users and the environment.

Company Details

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CUSTOMS (PROHIBITION OF IMPORTS) ORDER 2017

IMPORTATION OF WOOD PRODUCTS IN PENINSULAR MALAYSIA

FEATURE

MTIB is authorised by the Royal Malaysian Customs (RMC) to issue import licences for logs (including poles), baulks (sawntimber measuring 60 square inches in cross-sectional area and above), mangroves piles, plywood including similar laminated wood and sawntimber under the Customs Act 1967, Second Schedule, Part I, Item 2, Customs (Prohibition of Imports) Order 2017 P.U.(A) 103 gazetted on 31 March 2017 and enforced on 1 April 2017.

This procedure is in line with the gazettement of the Malaysian Timber Industry Board (Incorporation) Act 1973 [Act 105] and it took effect on 15 March 2012.

Effective from 1 June 2017, based on the implementation of Customs (Prohibition of Import) Order 2017, MTIB will issue import licences on three customs codes for timber and timber products. The list of timber and timber products requiring import licences are as follows:

REGISTRATION

All companies are require to register with MTIB before becoming eligible to import wood products as mentioned above. The purpose of registration is as follows:

- To ensure that timber importer adheres to the Board's policy
- To gather information on importation of timber and timber products
- To administer and assist the wood-based industry for further development.

To register, the importer can download the importation form from MTIB's website **www.mtib.gov.my** and submit the complete form with the required attachments to the MTIB Head Quarters in Kuala Lumpur.

No	Types of Timber Products	Customs Code
1.	Logs; wood in the rough, whether or not stripped of its bark or merely roughed down; wood roughly squared or half-squared but not further manufactured; and baulks	44.03
2.	Poles and piles of Bakau (Rhizophora spp)	4403.99.90 00
3.	Sawntimber	44.07
4.	Plywood, veneered panel and similar laminated wood	44.12

The list of timber and timber products requiring import licences

IMPORT LEGALITY

The implementation of the timber import legality regulations under the Timber Legality Assurance System (TLAS) has been enforced since 1 July 2017. The application of import licences for logs, baulks, sawntimber, plywood, veneered panels and similar laminated wood (Customs Code of 4403, 4407 and 4412) from MTIB shall be enclosed with legality documents (evidence) from the producing countries.

All importation related to such products shall find it


Logs; Wood in the Rough, Whether or Not Stripped of its Bark or Merely Roughed Sawn (HS CODE 4403)


Sawntimber thickness exceeding 6mm (HS Code 4407)


Baulks known as sawntimber measuring 60 square inches in cross-sectional area and above (HS Code 4403)

compulsory to submit: CITES Permit/Certificate (if related to CITES scheduled species of timber), and Copy of the Certificate of Origin, Packing List, Bill of Lading, Invoice including any one of the legality documents from the exporting country as follows:

- FLEGT licence; or
- Certificate issued by a recognised timber certification body; or
- Certificate of Voluntary Legality Scheme; or
- Any legality document issued by recognised Agency / Corporation / Association; or
- Self-declaration documents by the exporter with endorsement by the authorities of the exporting country; or
- Copy of the Customs Export Declaration from the exporting country

Terms and conditions of importation are based on existing regulations, and the documents are additional requirements for import legality. As a pre-emptive measure, all importers of other timber products are also advised to obtain legality evidence from respective producing countries, particularly for products which will undergo further processing and re-exported to European Union countries.

IMPORT UNDER CITES

CITES works by subjecting international trade of selected species to certain control. All imports, of species covered by the Convention has to be authorised through a licensing system. MTIB has been appointed as Management Authority (MA) to issue import permits for timber and timber products by the Lead Management Authority, Ministry of Natural Resources Environment (NRE). All imports, exports and re-exports of CITES-listed timber species will require the prior issuance of appropriate permits and licences and these processes are managed by MTIB's Department of Licensing and Inspectorate.

The species covered by CITES are listed in three Appendices, according to the degree of protection they need.

Appendix I – This appendix represents species that are in the most danger and are considered to be threatened with extinction, and are consequently the most restricted in international trade.

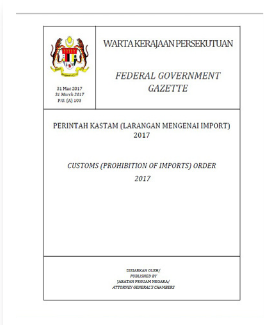
Appendix II – This appendix contains species that are at risk in the wild, but not necessarily threatened with extinction. Species in this appendix are closely regulated, but are typically not as restricted as Appendix I.

Appendix III – This appendix contains species that a certain country (called a "party" within CITES), has voluntarily requested to be regulated in order to help preserve the species in question. Appendix III species regulation is only applicable for the specific party that has requested its inclusion, and is therefore much less restrictive than Appendix I or II.


Plywood consisting of three or more sheets (HS Code 4412)

CITES Import Permit Procedure

- Receives CITES export permit or Re-export certificate from exporting country.
- Verifies with CITES MA of exporting country
- Upon confirmation, MTIB issues CITES-Import Permit
- Inspection of CITES-listed species allowed for import


WARTA KERAJAAN PERSEKUTUAN
FEDERAL GOVERNMENT GAZETTE
PERINTAH KASTAM (LARANGAN MENGENAI IMPORT) 2017
CUSTOMS (PROHIBITION OF IMPORTS) ORDER 2017

Customs (Prohibition of Imports) Order 2017.

ROMANIA

TIMBER AND FURNITURE INDUSTRY OUTLOOK

Romania is a country located in the South Eastern Europe. The national capital is Bucharest. The Romanian landscape is approximately one-third mountainous and one-third forested, with the remainder made up of hills and plains. The climate is temperate and marked by four distinct seasons. Romania enjoys a considerable wealth of natural resources: fertile land for agriculture; pastures for livestock; forests that provide hard and soft woods; petroleum reserves; metals, including gold and silver in the Apuseni Mountains; numerous rivers that supply hydroelectricity; and a Black Sea coastline that is the site of both ports and resorts.

Economy

Economic growth in Romania accelerated in 2017, with real GDP estimated to have grown by 6.7% (year-on-year) – a post-crisis high. The main driver of growth was private consumption, supported by indirect tax cuts and wage hikes both in the public and the private sectors. After contracting in 2016, total investment started to grow again in 2017. Its pace of recovery, however, remained subdued as public investment fell sharply for the second consecutive year. The boom in private consumption has led to an increase in imports. As a consequence, net exports have acted as a drag on real GDP growth, despite relatively strong export growth.

The International Monetary Fund (IMF) has revised Romania's GDP growth to 4.5% in 2018 and 4.0% in 2019. The growth of private consumption is expected to be more tempered in 2018, as inflation weighs more heavily on real disposable incomes and wage growth slows down. Nevertheless, private consumption is expected to continue acting as the main growth driver over the forecast horizon. Investment is forecast to strengthen on the back of a pick-up in the implementation of projects financed by EU funds.

Forest Resources

The total forestry area in Romania covers 6.55 million hectares, about 27.5% of the country's total territory. In terms of geographical distribution about 60% of Romania's forests are located in the mountains, about 34% in hilly areas, with the remaining forests in plains. By species, coniferous trees Spruce, Fir, Pine) represent about 26%, Beech (31%), Oak (16%), other hardwoods (20%) and other softwood (7%).

In terms of age, a fifth of the area belongs to the age class of 21-40 years, followed by 61-80 years (19%) and 41-60 years (18%). Overall about 60% of the forestry area fall into the age classes of between 21-80 years. Young forests, aged 0-20 years account for 11% of the total forest area. Meanwhile, in terms of ownership, almost half (48.8%) of the forestry area belongs to the Romanian state, around 33.8% belongs to private entities and 17.4% is managed by municipalities.

Timber Production

According to the FAO 2016 forest statistics, Romania produced around 4.4 million m^3 of logs. Apart from logs production, the country also produced 4.1 million m^3 of sawntimber followed by particleboard with 3.3 million m^3 and fibreboard with 814 thousand m^3.

Romania : Production of Timber Products, 2012-2016					
(Volume: m³)					
Product	2012	2013	2014	2015	2016
Logs	4,842,301	4,326,147	5,025,712	4,438,417	4,386,855
Sawntimber	3,400,000	3,739,300	3,704,000	4,599,709	4,100,000
Veneer	148,000	132,000	110,030	108,727	180,000
Plywood	472,000	665,000	622,946	316,171	331,113
Particleboard	1,908,000	2,384,000	2,450,000	3,393,302	3,261,102
Fibreboard	507,000	611,000	583,000	784,000	813,688

Source: FAO

Import of Timber and Timber Product

Romania's import of timber and timber products in 2016 worth USD1.0 billion, an increase of 20% over the previous corresponding period. Romania import mainly furniture, fibreboard, logs, BJC and sawntimber. Import of furniture and fibreboard totalled USD335.8 million and USD148.9 million respectively. Meanwhile, import of logs totalled USD121.0 million followed by BJC with USD93.3 million and sawntimber with USD83.4 million.

Romania: Import of Timber and Timber Product, 2012 -2016					
(Value: USD' 000)					
Product	2012	2013	2014	2015	2016
Furniture	240,657	252,402	283,525	277,350	335,839
Sawntimber	27,539	33,159	38,555	43,652	83,351
Fibreboard	120,029	125,753	135,934	127,518	148,858
Particleboard	47,276	39,430	42,478	39,713	57,715
Plywood	27,957	31,324	38,114	34,981	36,592
BJC	60,181	69,027	79,288	82,923	93,290
Logs	56,078	59,690	86,527	114,169	121,044
Mouldings	16,237	14,948	15,769	14,019	14,150
Veneer	32,682	32,515	34,845	34,214	29,713
Others	63,302	79,247	74,812	64,830	82,386
Total	**691,938**	**737,495**	**829,847**	**833,369**	**1,002,938**

Source: International Trade Centre

Export of Timber and Timber Product

Romania's export of timber and timber products in 2016 decreased 5% to USD2.4 billion over the previous corresponding period. Romania export mainly furniture, sawntimber, particleboard, BJC and fibreboard. Export of furniture and sawntimber totalled USD669.6 million and USD535.8 million respectively. Meanwhile, export of particleboard totalled USD422.3 million followed by BJC at USD193.9 million and fibreboard at USD113.0 million.

The structure of Romanian furniture import is dominated by finished furniture such as living or dining room, bedroom or office furnishings.

Romania: Export of Timber and Timber Products, 2012 - 2016					
(Value: USD' 000)					
Product	2012	2013	2014	2015	2016
Furniture	731,049	723,903	671,615	619,450	669,589
Sawntimber	854,455	940,534	918,827	697,556	535,751
BJC	81,590	97,108	143,862	145,696	193,881
Fibreboard	146,917	148,178	145,938	130,078	113,049
Mouldings	26,620	24,988	29,092	20,709	20,342
Logs	41,662	62,865	49,375	24,311	12,063
Veneer	84,811	91,542	106,152	96,634	95,472
Plywood	73,444	91,080	96,403	87,604	81,670
Particleboard	375,338	542,459	530,198	426,468	422,343
Others	321,714	395,169	388,108	300,778	273,597
Total	**2,737,600**	**3,117,826**	**3,079,570**	**2,549,284**	**2,417,757**

Source: International Trade Centre

Malaysia's Import of Timber and Timber Products from Romania

In 2017, import of Malaysian timber and timber products from Romania registered a decrease of 15% to RM5.9 million from RM6.9 million in 2016. Major product imported from Romania were wooden furniture with a total value of RM2.9 million followed by particleboard at RM751 thousand, fibreboard at RM682 thousand and sawntimber at RM576 thousand.

Malaysia : Import of Timber and Timber Products from Romania, 2013-2017					
(Value: RM)					
Product	2013	2014	2015	2016	2017
Sawntimber	892,738	652,874	241,088	205,500	576,848
Plywood	0	0	159,226	0	76,077
Veneer	150,045	378,427	94,186	0	0
Particleboard/Chipboard	1,372,461	1,267,278	1,898,425	2,044,376	751,473
Fibreboard	280,654	420,825	591,219	746,830	682,341
Wooden Furniture	884,743	1,522,304	3,429,311	3,196,634	2,899,753
Rattan Furniture	38,472	62,846	135,252	60,011	0
BJC	33,131	92879	431,033	70,940	124,650
Others	237,992	288,700	569,516	654,046	817,618
Total	**3,890,236**	**4,686,133**	**7,549,256**	**6,978,337**	**5,928,760**

Source: DOSM/MTIB

Malaysia's Export of Timber and Timber Products to Romania

In 2017, export of Malaysian timber and timber products to Romania registered an increase of 25% to RM6.6 million from RM5.3 million in 2016. Major product exported to Romania was wooden furniture totalled RM6.5 million followed by mouldings with RM79 thousand.

Malaysia : Export of Timber and Timber Products to Romania, 2013-2017

(Value: RM)

Product	2013	2014	2015	2016	2017
Sawntimber	40,610	0	0	0	0
Mouldings	201,333	0	217,462	161,088	79,240
Wooden Furniture	2,821,219	1,650,742	3,750,417	5,126,236	6,520,159
BJC	66,538	296,894	0	0	0
Others	0	0	0	0	26,432
Total	**3,129,700**	**1,947,636**	**3,967,879**	**5,287,324**	**6,625,831**

Source: DOSM/MTIB

Import Tariff

Romania'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 and Wood Flour	0
4406	Sleepers	0
4407	Sawntimber	0 - 2.5
4408	Veneer	0 - 6
4409	Mouldings	0
4410	Particleboard	7
4411	Fibreboard	7
4412	Plywood	6 – 10
4413	Densified Wood	0
4414	Wooden Frames	0 - 2.5
4415	Packing Cases	3 - 4
4416	Cask, Barrels, Vats and Tubs	0
4417	Tools Bodies and Handle	0
4418	BJC	0 - 3
4419	Tableware and Kitchenware	0
4420	Wood Marquetry	0 - 4
4421	Other Articles of Wood	0 - 4
9104-9403	Wooden Furniture	0 - 5.6

Source: WTO

Timber Market Outlook

The timber industry is very important to Romania's rural economy and the sector is viewed to have opportunities to compete in the global market place. Raw material availability (including varieties of wood appreciated in the international market especially Europe and the US), the still labour costs and geographical proximity to Western customers are the keys to its potential development.

Romania has a trade surplus in wood and articles of wood with the world in terms of both value and volume. During 2013-2015 wood imports grew steadily and the changes in domestic legislation adopted in 2015 as well as the pressure exerted by Green organisations on wood processors concerning origin of sawnwood resulted in an import surge in 2016 compared to the previous year. The major wood supplier is Ukraine due to proximity and forest resources availability, followed by Poland, Germany and China. Meanwhile, in terms of wood exports, Romania exported to more than 120 countries however wood exports have been on a downward trend from their peak in 2013.

In 2016, the furniture production reached an estimated USD2.65 billion, representing approximately 7% growth as compared to the previous year. The domestic furniture market surged by 12% and reached nearly USD1 billion. Imports covered more than half of the domestic consumption. Romanian furniture is strongly export oriented with roughly 85% of furniture production going for foreign market. High-value furniture items are exported to mainly to the EU. In terms of furniture marketing channels, there are three major categories of stores which sell furniture namely specialised stores (bedroom, living and bathroom furniture), stores offering much larger portfolio of items while the third category is taken by retail and do-it-yourself chains.

The furniture market is influence by the dynamics of the construction sector. In 2016, construction market fell by 4.8% compared to the previous year, when it surged by 10%. According to the Eastern European Construction Forecasting Association forecast, the construction market is set to recover by 5.2% in 2017. The driving forces for this growth will be positive developments in the residential and non-residential segments.

Based on the Romanian timber market outlook, Malaysian timber and furniture manufacturers should enhance their marketing and promotion effort in order to penetrate the market.

Wood colour and texture

CHEMPAKA

SUITABLE FOR INTERIOR FINISHING

INTRODUCTION

Chempaka is the Standard Malaysian Name as well as the ASEAN Standard Name for the timber of the family *Magnoliacae*. Magnolia Champaca known in English as champak, is a large evergreen tree in the *Magnoliacae* family. It was previously classified as *Michelia champaca*. It is known for its fragrant flowers, and its timber used in woodworking. In its native range Chempaka grows to 50 m tall. Its trunk can be up to 1.9 m in diameter.

Family

Magnoliaceae

Common Names

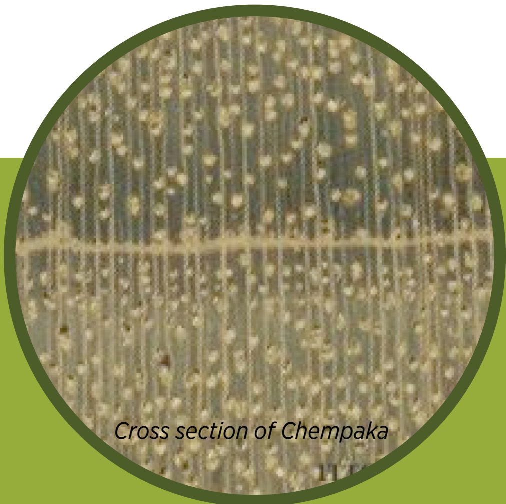
Orange chempaka, Su (Viet Nam); Champaka (Philippines); Sagah, Safan, Mawk-sam-lung (Myanmar); Cempaka, Capaka, Cempaka Kuning (Indonesia); Champa khao, Champa, Champa pa (Thailand); Champaka, Chempaka, Chempaka merah (Malaysia); and Cham pa (Lao PDR).

Scientific Name Synonyms

Other scientific names for Chempaka are *Talauma villosa fo. celebica Miq., Sampacca velutina Kuntze, Sampacca suaveolens (Pers.) Kuntze, Michelia champaca var. pubinervia (Blume) Miq, Michelia blumei Steud., Magnolia membranacea P. Parm.* and *Magnolia champaca Baillon ex Pierre.*

General Characteristic

It has no taste or odour. The sapwood is white to light yellow and is moderately distinct from the heartwood, which is light brown with a green tinge. The texture varies from fine to moderately fine. This wood is frequently low in luster. The timber is reported to work easily and produces a smooth finish. It seasons fairly slowly, without any serious defects except for some insect attacks.



Cross section of Chempaka

Wood Identification

The wood diffuses porous. Occasionally the tangential diameter of vessel lumina is 100 micras or less. Vessels per mm^2 five to 20. Occasionally vessels per mm^2 are more than 20. Intervessel pits are scalariform. Vessel-ray pits are reticulate and/or foraminate. Multiple perforation plate are Axial parenchyma in marginal or in seemingly marginal bands. There are five to eight cells per parenchyma strand. Axial parenchyma is in narrow bands on lines up to three cells wide. Axial parenchyma bands are more than three cells wide: four to 10 rays per mm (medium). Oil and/or mucilage cells are associated with the axial and/or ray parenchyma. Body ray cells procumbent with one row of upright and/or square marginal cells. Fibres are very thin walled and with distinctly bordered pits.


Chempaka flower

Natural Durability

The wood is rated as a non-durable to moderately durable wood. The heartwood is resistant against termites and the sapwood is resistance to Lyctus attack.

Density

The timber is moderately soft and light to moderately heavy with density of 300–705 kg/m³.

Air Drying

Shrinkage is fairly low, with radial shrinkage averaging 1.2% and tangential shrinkage averaging 1.4%. Boards of 13 mm take approximately two months to air dry, while 38 mm boards take four months. The movement of seasoned timber is classified under type III. The timber is reputed to be moderately durable.

Wood Mechanical Properties

Type of strength	Bending strength (MOR) 12% mc	Stiffness (MOE) 12% mc	Compression parallel to fibre 12% mc	Shear strength radial 12% mc	Janka hardness (side) 12% mc
Unit (kgf/cm²)	688	91812	420	85	356

Note : *MOR - Modulus of Rupture MOE - Modulus of Elasticity*

Wood Physical Properties

Basic density or specific gravity (o.d. weight/vol. Green)	Air-dry density (weight and volume at 12% mc)	Total shrinkage tangential (saturated to 0% mc)	Total shrinkage radial (saturated to 0% mc)	Recommended dry kiln schedule	Dimensional stability ratio (total tangential shrinkage %/total radial shrinkage %)
0.49 g/cm³	0.54 g/cm³	5.2 %	3.2 %	Jp-18	1.6%

Workability of Chempaka

Sawing	Sawmilling of this species is reportedly easy
Rotary Veneer Cutting	The timber peels and slices well
Sliced Veneer	The timber peels and slices well
Machining	Machining of this species is reported to be easy
Turning	30
Nailing	It is easy to nail
Gluing	It has a good behavior in gluing
Finishing	It takes a good finish
Substitute Species	It could possible substitute American white-wood (*Liriodendron tulipifera*)


Chempaka wood


Chempaka wood side table


Chempaka tree

Uses

The timber is suitable for interior finishing, paneling and partitioning, furniture making, flooring, construction, cabinetry and wooden pallets.

The flowers are used to be floated in bowls of water to scent the room, as a fragrant decoration for bridal beds, and for garlands. Chempaka however has a strong perfume and is not that commonly or plentifully used. The tree was traditionally used to make fragrant hair and massage oils.

Chempaka perfume


Chempaka essential oil

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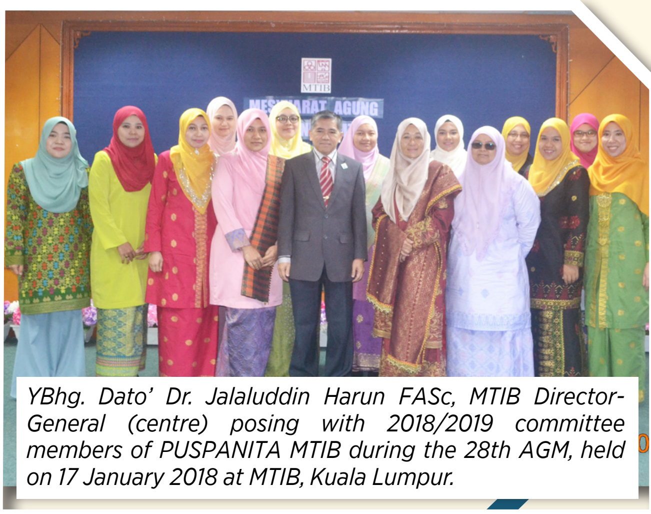
YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (fourth from right) and MTIB officials visiting Impressive Transforms Sdn. Bhd., Bukit Rambai, Melaka.



YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General (centre) posing with 2018/2019 committee members of PUSPANITA MTIB during the 28th AGM, held on 17 January 2018 at MTIB, Kuala Lumpur.

MTIB officials posing with Auditors from SIRIM QAS International Sdn. Bhd. during auditing of ISMS ISO/IEC 27001: 2013 (Stage 2) on 22-23 January 2018 at MTIB, Kuala Lumpur.

YBhg. Datuk Fadilah Baharin, Director-General of Department of Standards Malaysia (second from right) and her officials on a courtesy visit to MTIB, Kuala Lumpur on 15 January 2018.

MPIC's courtesy visit to Rumah Melaka in Bukit Katil, Melaka on 29 January 2018 led by YBrs. Encik Toisin Gantor, Deputy Secretary-General of MPIC (Strategic Planning and Management; fourth from left). On his right is YBhg. Dato' Dr. Jalaluddin Harun FASc, MTIB Director-General.