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**MoU SIGNING CEREMONY
BETWEEN MTIB AND FRIM
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Cover : MoU Signing Ceremony between MTIB and FRIM. Please read pages 3 and 15 for more details.

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MoU SIGNING CEREMONY BETWEEN MTIB AND FRIM

news



MoU Signing Ceremony between MTIB and FRIM. Puan Hjh. Norchahaya Hashim MTIB Deputy Director-General representing MTIB and Dato' Dr. Abd. Latif Mohmod, FRIM Director-General representing FRIM.

As an initiative to revitalise the cooperation between MTIB and Forest Research Institute Malaysia (FRIM), a Memorandum of Understanding (MoU) was signed by these two organisations on 29 March. This is to further enhance collaboration in research, development and commercialisation programmes of the timber industry. At the event held at MTIB, Kuala Lumpur, Puan Hjh. Norchahaya Hashim, Deputy Director-General represented MTIB while FRIM was represented by its Director-General, Dato' Dr. Abd Latif Mohmod in signing the MoU.

MTIB is a statutory body under the present Ministry of Primary Industries, is responsible for initiating development of the various sectors of the timber industry and providing technical, marketing and other forms of assistance to ensure the industry's continued growth within a rapidly industrialising Malaysian economy.

FRIM is one of the leading institutions in tropical forestry research in the world. Founded in 1929, the former Forest Research Institute became a full-fledged statutory body, governed by the Malaysian Forestry Research and Development Board (MFRDB)



Group photo after MoU Signing Ceremony.



INDONESIA

Eliminating Illegal Logging in Maluku and Papua

Director General of Law Enforcement in the Ministry of Environment and Forestry (KLHK), Rasio Ridho Sani, has said the ministry is strongly committed to eliminate illegal logging that continues in Indonesia. He particularly mentioned that efforts are underway to eliminate illegal logging activities in Maluku and Papua taking advantage of high-tech monitoring and committed human resource capacity.

The Indonesian President has reminded his administration that the government has a clear policy on land use in forest areas that calls for providing legal protection for communities that depend on using land in forest areas. The President urged ministers to speed up data collection, inventories and verification of land use in forest areas. He emphasised that a simple, easy to understand, system to record and protect land use in forest areas is required.

www.globalwood.org, 15 March



MYANMAR

Cooperative Efforts to Eliminate Illegal Logging

In early March, a workshop approved by the Republic of the Union of Myanmar Ministry of Foreign Affairs and supported by the Natural Resources Division of the US Department of Justice was held in Myanmar aimed at strengthening government efforts on combating illegal timber harvesting and subsequent trade in illegal products.

It is understood that representatives from the US Department of Homeland Security, Immigration and Customs Enforcement, the US Fish and Wildlife Service, INTERPOL and the UN Office of Drugs and Crime participated along with representatives from domestic law enforcement agencies such as the

Forest Department, Myanmar Police Force, Custom Department and Attorney Generals Department as well as NGOs, CSOs and academics.

A representative from the Myanmar Forest Certification Committee explained the latest developments in establishing and operating the Myanmar Timber Legality Assurance System. According to participants the impression gained was that the US administration is debating the possibility of creating a mechanism similar to the EU timber regulation to complement the Lacey Act since the basis of the EUTR and Lacey Act is different.

Efforts by the government to eliminate illegal logging continue. Between October 2018 and January 2019, about 5,112 tonnes of illegal timber (including 2,842 tonnes of Teak) was seized.

www.fordaq.com, 18 March



VIET NAM

Orders for Wooden Products Exports Soar

Orders for furniture exports have risen strongly so far this year as demand has risen, according to Huynh Quang Thanh, Chairman and CEO of Binh D'o'ng-based Hiep Long Fine Furniture Company.

The company exports to many markets, with the EU, Japan, South Korea, North America and Argentina being its key markets. The export situation is better than last year by export contracts going up by 30% over last year.

The US-China trade war has prompted US buyers to seek new suppliers, while existing US buyers have increased their purchase volume, resulting in a surge in orders from the US market, he said.

Huynh Van Hunh, Permanent Deputy Chairman of the Handicrafts and Wood Industry Association of HCM City (HAWA) said, international buyers have shifted their orders with exporters from other countries, especially China, to orders with Vietnamese firms since when Viet Nam signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

However, the woodworking industry has not benefited much in terms of tariff duties from Comprehensive and Progressive Agreement for Trans-Pacific Partnership

(CPTPP) and other free trade agreements because Vietnamese furniture products are mainly exported to the US and EU markets, and import tariffs to these markets were already very low and even at zero. While free trade agreements have indeed spurred interest from buyers who are thinking about Viet Nam for the first time.

The woodworking industry enjoyed good growth last year, with exports of wood and forestry products reaching USD9.4 billion, up 16.8% from the previous year. With the current growth rate, it will not be difficult for the industry to fulfill the export target of USD11 billion set for 2019.

However, a surge in export orders is not only an opportunity but also a challenge for wood processing firms, requiring them to improve their capacity to fulfill orders.

vietnamnews.vn, 12 March



CHINA

First Plywood Mill in Liberia

According to the Liberian media, China is about to establish its first plywood mill in the country. The plywood mill will be built by Shangyou Wood Industry Development Co. Ltd., one of China's Rubberwood furniture manufacturers.

The plywood mill will go into operation by 2020. Speaking to the press in Liberia a company official said it will be hard to find enough good quality Rubberwood for milling in Liberia but that the company is optimistic on prospects.

www.globalwood.org, 4 March



EUROPEAN UNION

Direct Imports of Plywood from the Tropics Down

The EU imported 327,200 Metrics Tonnes (MT) of tropical plywood in 2018, 2% more than in 2017. Import

value increased 2% to €290.9 million in 2018.

Direct EU imports of plywood from tropical countries decreased 5% to 192,100 MT in 2018. While imports from Indonesia increased 6% to 93,400 MT, imports from Malaysia fell 16% to 51,800 MT, imports from Gabon were down 22% at 13,300 MT, and imports from Brazil fell 17% to 9,300 MT.

Although still only minor suppliers, during 2018 there was a significant 133% increase in EU imports of plywood from Viet Nam, to 11,900 MT, and a 22% increase from Paraguay to 4,900 MT.

The EU imported 121,900 MT of plywood faced with tropical hardwood from China in 2018, ending the year 15% up on the previous year following a surge in the last quarter.

Imports from China earlier in 2018 were disrupted to some extent by tough new national environmental controls which forced Chinese mills to interrupt production to upgrade or replace emission and waste treatment technology.

The EU also imported 13,100 MT of plywood faced with tropical hardwood from other non-tropical countries in 2018, 3% more than in 2017. Much of the gain was due to a 115% increase in imports from Russia, to 5,000 MT. The UK imported 163,100 MT of tropical plywood in 2018, 5% more than the previous year. The UK is the main EU destination for tropical hardwood faced plywood from China and was also importing larger volumes of Indonesian plywood in 2018. Last year, tropical plywood imports also increased in the Netherlands (+6% to 33,100 MT) and Denmark (+7% to 3,500 MT).

However, these gains were partly offset by falling tropical plywood imports in Belgium (-6% to 49,000 MT), Germany (-1% to 26,300 MT), France (-7% to 19,300 MT), and Italy (-2% to 17,900 MT).

www.globalwood.org, 27 March



ITALY

Production of Woodworking Machinery Grows

The production value of woodworking machinery in Italy increased by 9.5% to EUR2.487 billion in 2018 (2017: EUR2.27 billion). This is reported by the Italian

association of woodworking machinery manufacturers (ACIMALL) according to preliminary figures. In 2017, the production value had grown by 11.6%.

Exports grew by 6.5% to EUR1.694 billion, imports by 27.9% to EUR239 million, and the trade balance increased by 3.8% to EUR1.455 billion. The industry has consolidated, ACIMALL said. Supported by state subsidies, investments in production technology and Industry 4.0 were possible.

Although the Italian market remained buoyant, up 17.9% on the fourth quarter of 2017, foreign trade collapsed, closing at 13.6%. This resulted in an overall minus of 3.2% in the fourth quarter of 2018. This development is attributed to growing international political uncertainties such as the impending Brexit and trade tensions between the US and China. As a result, international investors tend to be cautious.

Regarding the future, Italian machinery manufacturers expect some difficulties from the state side, such as the elimination of support for Industrie 4.0 initiatives as well as the reduction of tax concessions on investments in research and development and the removal of the so-called super-amortisation mechanism. In exports, the developments in Brexit and the US-Chinese trade dispute remain to be seen.

For the Italian domestic market, the machine manufacturers are rather negative mood: Only 6% believe in further market growth, 63% expect stability and 31% shrinkage of the market. In exports it looks a little better: 19% of the respondents are optimistic, 63% expect a stable market and 18% expect a decline in exports.

www.globalwood.org, 11 March



GERMANY

Production and Consumption of Wood Pellets in Germany

Wood pellets are suitable for Germany. The largest Central European wood stock in the forests and the highest sawmill density offers a large amount of wood shavings and wood chips for the pellets, which are produced during sawing as so-called sawtooth wood. On this basis, 2.415 million tonnes of wood pellets were produced here in 2018. Compared to the previous year (2.25 million tonnes), this represents an increase

of 7.3%. Ten years ago, the value was just under 1.5 million tonnes. The pellets produced in Germany are almost completely certified according to the EN plus certification system, with 98% being in the premium class EN plus A1. Two-thirds of the pellets consumed in Germany are now also being used by EN pluscertified fuel trade.

The wood pellets are used nationwide from the pellet stove over the heating in one- and two-family house, larger housing, commercial and municipal buildings, to process heat generation, for example in food production or pharmaceutical industry. Consumption in 2018 nationwide amounted to 2.1 million tonnes. Just under a quarter of German pellet production (22.4%) is filled into sacks and used for pellet stoves in Germany or neighboring countries.

As a country with the highest sawmills density in Europe and the associated accumulation of residual timber, Germany is also an international leader in pellet production. Almost 8% of the world's pressed wood pellets are produced here, which is the leading position in Europe. For the current year Deutscher Energie Pellet Verband/ German Energy Pellet Association (DEPV) expects a moderate rise in pellet production to 2.5 million tonnes.

www.fordaq.com, 1 March



BRAZIL

Furniture Exports Rise

Brazil's furniture exports (wooden and all others) in January 2019 increased 10.3% compared to January 2018. The total value is USD42.8 million versus USD38.8 million in 2018; out of the 16 exporting states, nine states presented export level fall.

The top five exporting States are located in the South and Southeast regions of Brazil. The State of Santa Catarina continues to lead, with exports coming in at USD16.8 million, up 17% year-on-year, followed by the State of Rio Grande do Sul with January 2019 exports at USD0.9 million, a drop of 2.5% year-on-year.

The third ranked exporting State was Paraná with USD6.6 million (a 17% increase). Sao Paulo State is in fourth place with USD5.1 million, an increase of 7.6% compared to January 2018. Fifth placed is the state of Minas Gerais which posted the highest growth in its exports, an increase of 57% compared to January 2018.

www.globalwood.org, 6 March



GHANA

Legal Supplies for Domestic Market to be Tackled

The Timber Industry Development Division (TIDD) of the Forestry Commission (FC) and the Food Agriculture Organisation (FAO) have signed a Memorandum of Understanding (MoU) to support the Ghana's Forest Law Enforcement Governance and Trade (FLEGT) implementation specifically for the domestic timber trade.

FAO has made available funds to support a project 'Enhancing Stakeholder interest in the Domestic timber trade network (DOTTNET) process to meet domestic demand in Ghana'. The DOTTNET was adopted by the FC as part of an initiative to bring all stakeholders in the domestic timber supply chain together to promote a legal timber trade platform ensuring the traceability of timber sources.

www.globalwood.org, 15 March



GLOBAL

Lumber Trade on a Downward Trend in 2018

In 2018, global trade of lumber fell for the first time in five years, with total trade down 7% year-over-year. The four largest importing countries, the US (-18%), China (-5%), the United Kingdom (-13%) and Japan (-6%) all imported less in 2018 than in the previous year. Much of the decline was the result of weaker economic prospects and reduced housing starts.

Lumber Markets – North America

US lumber prices have gone through a historical roller-coaster ride over the past 12 months. Random Lengths' composite index for southern Yellow Pine was at USD420 per m³ in January 2018, peaked at USD554 per cm³ in June and fell to USD372 per m³ in January 2019.

In 2018 softwood lumber exports from Canada were down 5% from 2017, with the biggest decline being in shipments to China. A three-year high of 80% of total exports were destined for the US market in the 3rd quarter of 2018 despite efforts by Canada's lumber industry to diversify its export shipments. China's share has fallen from 13% in 2017 to 12% in 2018. The average export price from Canada declined by 28% this fall.

Lumber Markets – Northern Europe

Sawmills in the Nordic countries had a very good second half of 2018 with lumber prices in the local currencies reaching their highest levels since 2007. Because of the weakening Euro and the Swedish Krona, prices in US dollar terms fell to their lowest levels in almost a year, with average prices in November for Finland and Sweden being USD240 per m³ and USD260 per m³, respectively.

Export volumes for the first 11 months of 2018 were down 6.3% for Finland and 3.6% for Sweden as compared to the same period in 2017. The biggest declines were in shipments to China, Japan and the MENA region.

Lumber Markets – China

Lumber imports to China fell for two consecutive quarters to reach 5.9 million m³ in the 4th quarter of 2018. This matches the pattern from previous years of declining import volumes in the third and fourth quarters of the year. Total imports for 2018 were down 2.3% from 2017 but still the second highest volume on record.

Continued uncertainty about the future of the Chinese economy, decade-low GDP growth in the 4th quarter of 2018, and reduced investments in housing and construction have all been factors that have led to slowing demand for lumber in late 2018. Import volumes in January 2019 were up by almost 20% from January 2018, but it is still too early to say if that is just a short-term jump.

Russia's share of total imports to China has moved up from 55% in the 4th quarter of 2017 to 63% in the 4th quarter of 2018 as the sawmilling sectors in Siberia and the Far East continue to expand and deliver competitively priced lumber. Shipments from Finland and Sweden have fallen sharply in the past year, from a total of 624,000 m³ in the 4th quarter of 2017 to only 335,000 m³ in the 4th quarter of 2018, the lowest volume in three years.

www.globalwood.org, 19 March



Malaysia: RM20 million Spent by Hubline on New Tugboats and Barges

Source: Star (The) - Malaysia

Shipping firm Hubline of Malaysia has purchased two new tugboats and barges for RM20 million (EUR4.18 million/USD4.82 million). These new vessels have storage capacity ranging from 10,000 to 12,000 tonnes and will arrive in mid-2019, disclosed Managing Director and CEO Dennis Ling Li Kuang. Currently, Hubline has 23 tugboats and barges with a storage capacity of between 8,000 and 10,000 tonnes.

Malaysia: Result and Capital Spending Revealed by Sime Darby

Source : New Straits Times

Revenue of Malaysian conglomerate Sime Darby expanded by 7.7% from a year ago to RM18.30 billion (EUR3.83 billion/USD4.41 billion) in its six months ended 31 December 2018. Its net profit enlarged by 69.4% to RM542 million. The group's industrial equipment unit had the best performance with its

core profit before interest and tax increased by 53% year on year to RM348 million. Also, the group has revealed a first interim dividend worth RM0.02 a share.

Russia: Terminals of Novorossiysk Commercial Sea Port (NCSP) Handle 140.2 Million Tonnes of Cargoes in 2018

Source: PortNews

The freight turnover of Novorossiysk Commercial Sea Port (NCSP) shrank to 140.2 million tonnes in 2018, down by 2.3% year-on-year. The volume of dry bulk cargoes amounted to 17.58 million tonnes (+2.3%), including 12.815 million tonnes of grain (+14.3%), 2.47 million tonnes of iron ore raw materials (-10.1%), 1.44 million tonnes of coal (-27.6%), 582,000 tonnes of chemicals (-19.4%), and 271,000 tonnes of raw sugar (-45.8%).

The handling volume of general cargoes stood at 14.965 million tonnes (+8.1%), that includes 13.47 million tonnes of ferrous metals and cast iron (+13%), 1 million tonnes of non-ferrous metals (-17.7%),

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change Feb 2019/ Jan 2019
	m ³	% Change Feb 2019/ Jan 2019	m ³	% Change Feb 2019/ Jan 2019	m ³	% Change Feb 2019/ Jan 2019	m ³	% Change Feb 2019/ Jan 2019	m ³	% Change Feb 2019/ Jan 2019		
Sawntimber	51,189	7	4,726	-65	1,176	17	284	-55	5,927	61	63,300	-6
MDF	27,439	72	547	6	7,727	265	2,494	50	17,383	-16	55,589	38
Mouldings	9,247	14	140	-9	1,562	27	368	-29	639	7	11,955	13
Plywood	3,476	57	0	-100	0	0	339	108	6,592	15	10,407	25
Veneer	81	-58	0	-100	0	-100	63	425	1,718	-24	1,861	-28
Particleboard	18,185	89	230	0	2,487	-10	3,805	21	4,062	188	28,768	68
TOTAL	109,615	30	5,642	-62	12,951	80	7,353	20	36,319	6	171,881	17



309,000 tonnes of timber cargoes (-25.1%), and 184,000 tonnes of perishable goods (-36.8%). The container traffic grew by 4.1% up to 620,000 twenty-foot equivalent units (TEUs).

China: Average China Export Containerised Freight Index Rises by 0.8%

Source : China Daily (in English)

The Shanghai Shipping Exchange revealed data showing that in January 2019, the average China Export Containerised Freight Index went up by 0.8% monthly to 856.43 points amid increasing shipping demand before the Spring Festival. In 2018, the index stood at 817.8 points. For sub-index for the South American route, it grew by 8.2% in January 2019, while that of Persian Gulf and the Red Sea route increased by 18.6%. European route's index posted a 7.6% hike.

Finland: Traffic in Port of Hanko up 86% in January 2019

Source : Press Release Port of Hanko

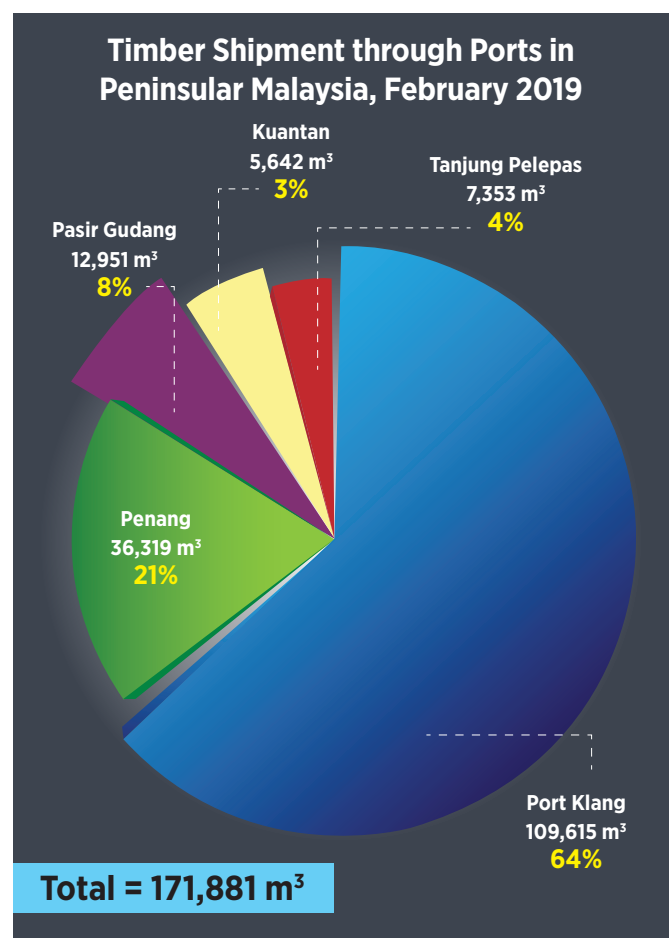
Traffic at the Port of Hanko in Finland exceeded 670,000 tonnes in January 2019, up to 86% from January 2018. Year-on-year growth was seen in both exports and imports.

Australia: Qube Holdings Lifts December 2018 Half Profit by 36% to AUD61.50 Million

Source : Australian Financial Review (The)

In the half-year period to December 2018, Australia-based Qube Holdings recorded AUD61.50 million

(EUR37.61 million/USD43.38 million) in interim net profit, a year-on-year growth of 36% as container volumes jumped 4.4%. Of the recorded first-half profits, around AUD15 million came from the logistics firm's 50% interest in Patrick stevedores. The company's infrastructure and property division lifted underlying earnings by 10.4% to AUD52.10 million, while its logistics, ports and bulk division saw underlying earnings increasing by 5.3% to AUD82.10 million during the period under review.





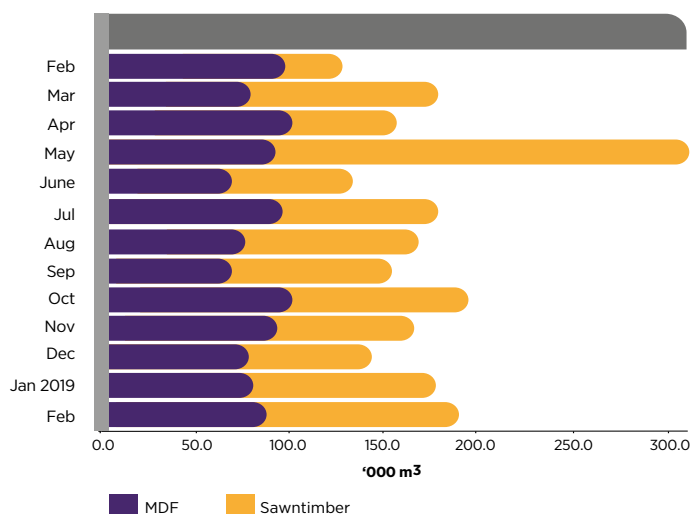


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Malaysia : Export of Sawntimber and MDF (Feb 2018-Feb 2019/Volume ('000m³)



Total export of Malaysian timber and timber products in February 2019 decreased 34% to RM1.4 billion from the previous month. Meanwhile, cumulative export for the period of January to February increased 2% to RM3.5 billion against RM3.4 billion over the previous corresponding period.

SAWNTIMBER

Export of sawntimber in February 2019 decreased 46% in volume and 45% in value to 95,873 m³ with a value of RM189.5 million as compared to the previous month. Cumulative export for the first two months of 2019 decreased 12% in volume and 8% in value to 272,546 m³ totaling RM530.9 million over the previous corresponding period.

Export of sawntimber to the EU for the month decreased 20% to 7,011 m³ from 8,805 m³ in the previous month as a result of declining demand from major countries in the region. Export to the Netherlands and UK declined 18% and 39% to 3,365 m³ and 860 m³ respectively from the previous month. Similarly, export to Belgium decreased 6% to 775 m³ followed by Germany with 23% to 712 m³ and France with 30% to 510 m³.

Total exports to West Asia decreased 37% to 13,379 m³ from 21,248 m³ recorded in the previous month. Similarly, export to the UAE decreased 47% to 3,798 m³ followed by Oman 90% to 462 m³, Bahrain 17% to 873 m³, Saudi Arabia 26% to 874 m³ and Qatar 23% to 703 m³. On the other hand, only Yemen improved purchase of sawntimber by 24% to 5,592 m³.

Buying from ASEAN also declined by 64% to 28,052 m³ from 77,701 m³ registered in the previous month. Export of sawntimber to Thailand, major buyer of sawntimber from Malaysia decreased 43% to 17,036 m³ from 29,897 m³ in the previous month. Similarly, export to the Philippines declined 85% to 5,514 m³ followed by Singapore with 55% to 3,824 m³.

In the meanwhile, shipments to East Asia decreased 2% to 24,534 m³ from 24,946 m³ recorded in the previous

month. Export to South Korea decreased 70% to 1,036 m³ followed by Taiwan 33% to 4,766 m³ and Japan 24% to 3,084 m³. However, export of sawntimber to China recorded a growth of 58% to 15,200 m³ from 9,616 m³ in the previous month.

Elsewhere, exports to the US decreased 36% to 1,231 m³ followed by Australia with 51% to 384 m³. Meanwhile, demand from South Africa decreased 63% to 2,027 m³ from 5,416 m³ in the previous month.

The average FOB price of sawntimber increased 2% to RM1,976 per m³ from RM1,932 per m³ in the previous month. Meanwhile, price of Dark Red Meranti to the Netherlands decreased 2% to RM3,525 per m³ from RM3,607 per m³ in the previous month. Keruing was traded at RM5,020 per m³, an increase of 111% from RM2,382 per m³ in the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in February 2019 both have decreased in volume and value by 1% and 12% to 77,679 m³ totalled RM85.8 million compared to the previous month. Meanwhile, cumulative export for January to February 2019 showed a decrease in volume by 4% to 156,383 m³ but an increase in value by 2% worth RM183.6 million over the previous corresponding period.

Exports to East Asia registered a decrease of 39% to 9,857 m³ from 16,189 m³ in the previous month. Japan as the largest buyer in the region has reduced its intake by 49% to 7,680 m³. Meanwhile, export to Taiwan has increased by 245% to 955 m³ followed by China including Hong Kong 19% to 628 m³ and South Korea 90% to 580 m³.

In ASEAN, total export increased by 24% to 15,181 m³ from 12,232 m³ in the previous month. Exports to Viet Nam and Indonesia have increased by 53% to 8,586 m³ and 6% to 4,229 m³ respectively. Meanwhile, exports to the Philippines and Singapore decreased by 2% to 2,035 m³ and 91% to 5 m³ respectively.

Exports to West Asia region increased by 19% to 28,116 m³ from 23,731 m³ in the previous month. Export to the UAE has increased by 11% to 12,751 m³ followed by Kuwait 96% to 3,457 m³, Saudi Arabia 61% to 2,910 m³ and Oman 4% to 2,185 m³. In contrast, exports to Bahrain, Jordan and Lebanon have decreased by 60% to 482 m³, 73% to 315 m³ and 74% to 310 m³ respectively. Similarly, exports to Syria and Qatar have reduced by 12% to 881 m³ and 94% to 128 m³ respectively. Meanwhile, Iran does not make any purchases for this month.

Similarly export to South Asia countries recorded a decrease of 19% to 10,517 m³ from 13,003 m³ in the previous month. Pakistan as the largest buyer in the region has increased its intake by 17% to 5,531 m³. However, export to India has reduced by 43% to 3,678 m³ followed by Sri Lanka 14% to 1,027 m³ and Bangladesh 57% to 256 m³.

Elsewhere, exports to the US, Australia and UK have decreased by 20% to 1,906 m³, 50% to 1,824 m³ and 65% to 129 m³ respectively. However, export to South Africa has increased by 64% to 974 m³ and Mauritius resumed its intake to 296 m³.

The FOB price of MDF also decreased to RM1,104 per m³ from RM1,242 per m³, a decrease of 11% from the previous month.

PLYWOOD

Export of plywood in February 2019 both have decreased in volume and value by 17% and 33% to 154,245 m³ totalled RM272.6 million compared to the previous month. Meanwhile, cumulative export for January to February 2019 showed an increase in volume and value by 2% and 6% to 340,514 m³ worth RM680 million over the previous corresponding period.

The EU countries have increased their intake of plywood by 33% to 4,309 m³. UK as the main buyer from the EU has increased its intake by 86% to 3,964 m³. Germany has resumed its intake to 40 m³. However, Ireland and the Netherlands have reduced its intake by 57% to 263 m³ and 50% to 42 m³ respectively. Belgium, Denmark, France and Italy didn't make any purchases this month.

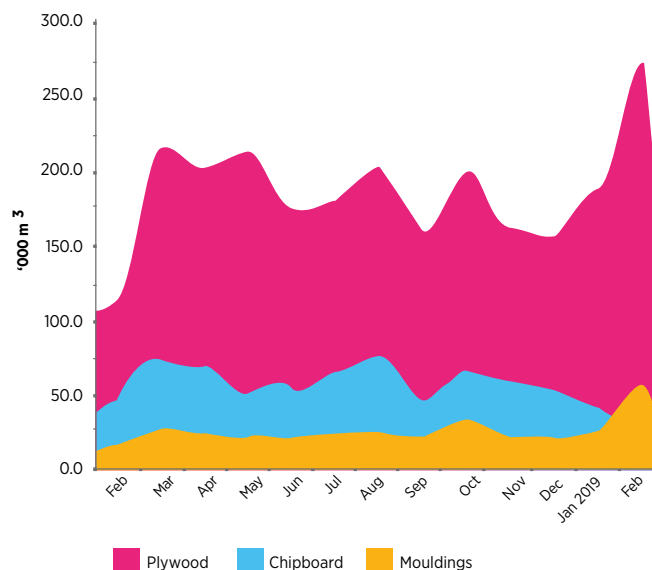
Exports to ASEAN and East Asia region recorded a decrease of 15% to 122,168 m³ compared to previous month. In East Asia region, Japan as the main importer of Malaysian plywood reduced its intake by 13% to 96,260 m³, followed by South Korea 9% to 14,165 m³ and Taiwan 21% to 4,775 m³. Similarly, both Hong Kong and China have decreased its import by 43% to 876 m³ and 26% to 324 m³ respectively. Meanwhile, Malaysia's plywood trade with its ASEAN partners generally showed negative trend this month. Exports to Thailand, Brunei Darussalam and Singapore have decreased by 35% to 2,265 m³, 34% to 465 m³ and 53% to 834 m³ respectively. However, export to the Philippines has increased by 22% to 1,908 m³. Meanwhile, Indonesia does not make any purchase this month.

Exports to West Asian countries recorded a decrease of 9% to 16,609 m³ as compared to the previous month. Exports to Yemen and Saudi Arabia have increased by 18% to 14,409 m³ and 272% to 457 m³ respectively. Qatar has resumed its intake to 208 m³. In contrast, export to the UAE has reduced by 72% to 830 m³. Meanwhile, Kuwait and Bahrain did not make any purchase this month.

Export of plywood to the Americas region decreased by 56% to 7,082 m³ as compared to the previous month. Main buyer in the Americas region, the US has reduced its intake of plywood by 57% to 5,572 m³, followed by Mexico 52% to 1,472 m³. Moving to Oceania region, Australia recorded a decrease in its intake of plywood by 14% to 2,440 m³ followed by New Zealand 2% to 42 m³.

Malaysia : Export of Plywood, Chipboard and Mouldings

(Feb 2018-Feb 2019/Volume ('000m³)



Exports to African continent decreased by 84% to 118 m³ for this month. Export to South Africa decreased by 64% to 38 m³ meanwhile export to Mauritius increased by 43% to 80 m³. On the other hand, Algeria and Turkey didn't make any purchase this month.

The FOB price of plywood has decreased by 19% to RM1,768 per m³ from RM2,187 per m³ in the previous month.

MOULDINGS

Exports of mouldings for the month decreased by 40% in volume and 39% in value to 13,708 m³ and RM54.5 million respectively. However, cumulative exports for the period of January to February 2019 decreased by 1% in volume and increased by 13% in value to 36,390 m³ and RM143.4 million respectively as compared to the previous corresponding period in 2018.

Exports to the EU for the month recorded at 5,410 m³, an increase of 51% compared to the previous month. Germany, the UK, Belgium and Netherlands decreased their purchases by 48%, 48%, 47% and 29% to 425 m³, 456 m³, 384 m³ and 3,603 m³ respectively. Meanwhile, Italy did not make any purchases.

Exports to ASEAN region decreased as Singapore and Viet Nam decreased its purchases by 48% and 3% to 682 m³ and 742 m³ compared to the previous month. Meanwhile, Indonesia resumed its intakes.

Meanwhile, Japan, South Korea and Hong Kong increased their intake by 38%, 22% and 5% to 1,191 m³, 1,148 m³ and 233 m³ respectively. However, Taiwan increased their intake by 45% to 71 m³ compared to the previous month. Meanwhile, China resumed its intakes.

FEBRUARY 2019

Price of logs continued to stable and the supply remained available in the market.

LOGS

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 RM3,200 per tonne over the previous month. Meanwhile, 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 increased slightly by 5.3% and 1.1% respectively to RM1,000 per tonne and RM930 per tonne over the previous month.

SAWNTIMBER

The average sawntimber prices reported remaining firm with no significant changes in prices.

The sawntimber prices of Chengal and Red Balau increased slightly by 0.5% and 1.1% to RM7,062 per m³ and RM3,178 per m³ over the previous month. Meanwhile, the prices for Keruing drop by 2.7% to RM1,271 per m³ whilst Kempas continued to chart at RM2,592 per m³. The prices of Red Meranti drop by 1.7% to RM2,048 per m³ and Yellow Meranti increased by 1.8% to RM1,568 per m³. On the other hand, sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood increased slightly by 4.3% and 2.2% to RM1,024 per m³ and RM975 per m³ respectively.

PLYWOOD

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

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.

INTRA-MALAYSIA TRADE * - FEBRUARY 2019

The shipments of sawntimber from Sabah to Peninsular Malaysia increased by 7% in volume to 474 m³ worth at RM859,000. Similarly, trade of plywood rose sharply by 136% in volume to 7,881 m³

from 3,338 m³ recorded last month worth at RM16.8 million.

Trade of sawntimber from Sarawak to Peninsular Malaysia increased tremendously by 662% in volume to 1,478 m³ from 194 m³ recorded last month worth at RM2.7 million. Similarly, trade of plywood increased by 63% in volume to 7,161 m³ worth at RM10.0 million. Trade of veneer increased slightly by 1% in volume to 6,520 m³ worth at RM9.6 million.

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

* Source: MTIB and Department of Statistics, Malaysia

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA, FEBRUARY 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	3,200	4,647	3,814		3,955
Mixed Heavy Hardwood	1,000	1,024	812		1,028
MEDIUM HARDWOOD					
Keruing	1,400	1,271	1,229		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	1,871	1,695		2,048
Nyato	1,300	1,518	1,130		1,186
Sepetir	1,350	1,695	1,003		1,695
Jelutong	1,100	1,780	1,215		1,730
Mixed Light Hardwood	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 - FEBRUARY 2019

From	Product	Jan 2019		Feb 2019		% Change in Value Feb 2019/Jan 2019	% Change in Volume Feb 2019/Jan 2019
		Vol (m ³)	Val (RM' 000)	Vol (m ³)	Val (RM' 000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	442	835	474	859	7	3
	Plywood	3,338	7,006	7,881	16,844	136	140
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	194	504	1,478	2,749	662	445
	Plywood	4,394	5,678	7,161	9,977	63	76
	Veneer	6,482	9,507	6,520	9,579	1	1

Source :- Department Of Statistic, Malaysia

Cont. from page 11

Elsewhere, export to the US, Canada and Australia decreased by 52%, 42% and 37% to 1,631 m³, 71 m³ and 1,744 m³ respectively. FOB unit value increased 1% to RM3,972 per m³ compared to the previous month.

VENEER

Export of veneer for February 2019 decreased by 66% in volume and 64% in value to 4,544 m³ at RM8.3 million as compared to the previous month. Exports to Taiwan and South Korea have decreased by 82% to 675 m³ and 71% to 1,189 m³ respectively. Similarly, the Philippines and China also have decreased their intake by 50% and 68% to 674 m³ and 715 m³ respectively. Contrarily, Singapore and Australia have increased their intake of veneer by 500% and 104% to 6 m³ and 275 m³ respectively. Meanwhile, Canada, Chile and Viet Nam did not make any purchases this month.

The FOB price of veneer for February 2019 is at RM1,821 per m³, an increase of 5% from RM1,730 per m³ on the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

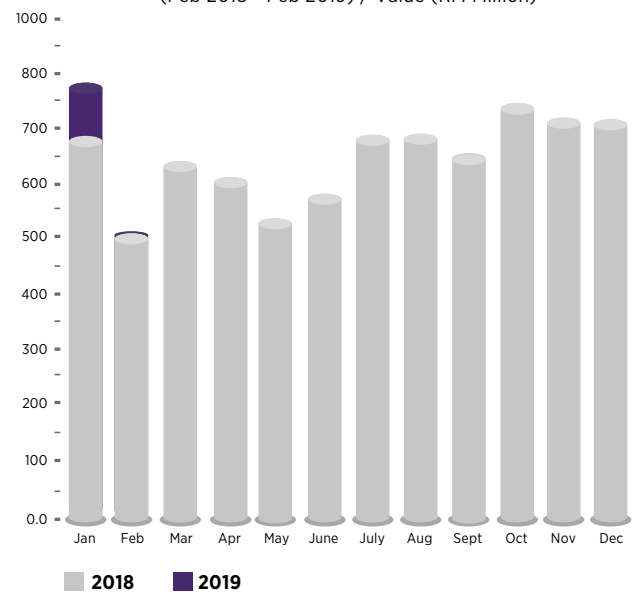
Total BJC cumulative exports for the period of January to February 2019 decreased 15% to RM149.9 million as compared to RM175.4 million in the corresponding period last year. Export to the EU decreased 18% to RM50.6 million. Export to Germany and the Netherlands increased by 17% and 10% to RM4.4 million and RM5.5 million respectively. Meanwhile, export to Belgium, the UK, France and Denmark decreased by 30%, 26%, 22%, and 5% to RM6.0 million, RM21.0 million, RM5.8 million and RM4.1 million compared to the previous year.

In Asia, exports to Pakistan, Saudi Arabia and India increased by 49%, 35% and 14% to RM526.0 thousand, RM314.0 thousand and RM6.4 million respectively. Meanwhile, exports to Viet Nam, the UAE, Thailand, Singapore, Taiwan and Japan decreased by 55%, 45%, 41%, 21%, 20% and 8% to RM4.0 million, RM849.2 thousand, RM2.6 million, RM10.2 million, RM1.3 million and RM9.6 million respectively. South Korea resumed its purchases meanwhile Qatar and Bahrain did not make any purchases.

Exports to South Africa increased by 39% to RM2.9 million compared to the previous corresponding period. Meanwhile, exports to the US and Australia decreased by 10% and 8% to RM17.6 million and RM31.9 million respectively. Mauritius resumed its purchases meanwhile Reunion Island did not make any purchases.

FEBRUARY 2019

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



FURNITURE

Export of wooden and rattan furniture for the period of January to February 2019 increased 8% to RM1.3 billion from RM1.2 billion in the previous corresponding period.

Imports of wooden furniture by the US expanded 18% to RM527.0 million from RM447.6 million in 2018. Demand from Canada and Australia also increased to 24% and 3% to RM47.2 million and RM86.4 million respectively. In Europe, shipment to the UK increased 23% to RM81.7 million followed by France 6% to RM9.9 million and Belgium 7% to RM6.6 million.

In East Asia, China reduced consumption by 27% to RM21.8 million from RM30.0 million in 2018. Export to South Korea also declined slightly to RM14.3 million whilst Japan increased marginally to RM104.2 million from RM103.1 million in 2018. Export to India declined 17% to RM26.5 million from RM31.8 million in the previous corresponding period.

In ASEAN region, export to Singapore decreased 6% to RM68.3 million whilst shipment to the Philippines improved 15% to RM31.9 million compared to the previous corresponding period. Export to West Asia saw growth as the UAE increased intake by 10% to RM22.8 million followed by Saudi Arabia with 53% to RM28.0 million and Bahrain 31% to RM2.5 million.

Rattan furniture shipments for the period of January to February 2019 decreased 76% to RM400 thousand from RM1.7 million in the previous corresponding period. Export registered only for Japan with RM65.6 thousand followed by Singapore with RM7.4 thousand and Australia RM223.4 thousand.

Cont. from page 3



Puan Hj Norchahaya Hashim, MTIB Deputy Director-General (left) presenting a memento to Dato' Dr. Abd. Latif Mohmod, Director-General of FRIM.



Dato' Dr. Abd. Latif Mohmod (left) presenting a souvenir to Puan Hj Norchahaya Hashim.

under the Ministry of Primary Industries in 1985. FRIM and MTIB have been working very closely since under the same Ministry. Since 2003, FRIM was placed under the purview of the Ministry of Natural Resources and Environment (NRE) and is now known as the Ministry of Water, Land and Natural Resources (KATS).

The Deputy Director-General of MTIB hoped that the MoU will commit both MTIB and FRIM to work together more closely towards strengthening the development of the Malaysian timber industry. She believed that this collaboration will produce significant activities that benefit both parties to

achieve fruitful results in the future. This will also helped in not only reducing duplication of R&D in the timber industry, but strengthen existing ones in transforming its findings for commercial applications and enhancing global competitiveness.

The MoU were witnessed by Tuan Hj. Mahpar Atan, MTIB Director of Industry Development and Dr. Wan Asma Ibrahim, Head of FRIM Biomass Technology Programme. Several MTIB Board members were in attendance as well, which included Datuk Wira Sheikh Othman Sheikh Abdul Rahman, Chairman of Malaysian Panel-Products Manufacturers' Association (MPMA); Dato' Chung King Tong, Honorary Secretary-General of Malaysian Wood Industries Association (MWIA); Dr. Clarence Tan, Director of Malaysian Wood Moulding and Joinery Council (MWMJC) and representatives from both agencies.

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.



Malaysian Timber Industry Board

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MIFF 2019 CELEBRATING 25 YEARS OF GLOBAL FURNITURE TRADE



VIPs at MTIB booth.

The Malaysian International Furniture Fair (MIFF) is back for its 25th edition bringing one of the largest platform for exceptional business and networking opportunities in Southeast Asia. This year's MIFF was held from 8 to 11 March at the Malaysia International Trade and Exhibition Centre (MITEC) and Putra World Trade Centre (PWTC), Kuala Lumpur. This fair had attracted more than 600 furniture manufacturers and exporters from 14 countries and regions (including Malaysia, China, Indonesia, Japan, Korea, New Zealand, Portugal, Sri Lanka, Taiwan, Thailand, Turkey, USA, Viet Nam and Romania) to showcase their product and designs.

MIFF 2019 was officiated by YB Puan Teresa Kok, Minister of Primary Industries. In her remarks, YB Puan Teresa said that the furniture industry in Malaysia is well-developed and contributes significantly to the nation's economy. In 2018 out of the RM9.83 billion generated through exports of furniture products, wooden furniture contributed RM7.79 billion.

As such, the Government will continue to facilitate the industry's growth and development to ensure it prospers and perform better. One of the measures undertaken to support the timber industry particularly furniture was to ensure its supply of sustainable raw material. The Government temporarily restricted the export of Rubberwood sawntimber since 1 July 2017. This is to ensure the availability of raw materials as well as stabilising Rubberwood price for the domestic market.

Besides that, the Government has established the Forest Plantation Development Sdn. Bhd. (FPDSB),



YB Puan Teresa Kok, Minister of Primary Industries (right) receiving a souvenir from YB Tuan Wong Tack, MTIB Chairman.

a wholly owned subsidiary under MTIB in 2006 to ensure sustainable supply of raw materials through commercial forest plantation. To date, a total of 119,000 hectares have been planted in stages and the first harvest will commence in 2021.

The Minister added that for the continued success of the furniture industry, Malaysian furniture manufacturers should strive on producing high value-added products through better designs, functionality and green inventions. This should be supported by the adoption of smart manufacturing to raise quality, cut production time and replace low skilled jobs.

MIFF continued to be a good platform for Malaysian companies to showcase their products to visitors and potential buyers. MTIB's participation in MIFF 2019 was to promote Malaysian furniture products that have the potential to expand their exports markets as well as promoting MTIB services.



Visitors at MTIB booth.

ENHANCING BUMIPUTERA FURNITURE SME'S IN MIFF AND EFE 2019



Business negotiation during the fair.

In its effort to support the potential Bumiputera furniture SMEs in venturing into the export market, MTIB coordinated the participation of Bumiputera furniture SMEs in both MIFF 2019 and EFE 2019. This is in line with the National Timber Industry Policy (NATIP) agendas which is to develop Bumiputera entrepreneurs. Bumiputera furniture SMEs must not miss both fairs which are the best platform for local producers in the country to exhibit their furniture in their mission to explore and penetrate the export market.

In MIFF 2019, MTIB coordinated the participation of two Bumiputera furniture SMEs. The companies were Puncak Bumi Utama Sdn. Bhd., and Excelfurn Sdn. Bhd. On the other hand, Meranti Furniture Sdn. Bhd., Flytred Resources Sdn. Bhd. and Nokta whose products were specifically designed and developed for the exhibition were coordinated to participate in EFE 2019.

All exhibitors performed very well and received encouraging feedback and numerous enquiries on their exhibits. In MIFF 2019, Puncak Bumi Utama Sdn. Bhd. received confirmed sales worth RM860,000 and sales under negotiation worth RM238,000. Whereas Excelfurn Sdn. Bhd. received confirmed sales worth USD127,000.



Dining set manufactured by Meranti Furniture Sdn. Bhd. The company was crowned Champion under the Dining Room Furniture Set Category during EFE 2019.

However, in EFE 2019, Meranti Furniture Sdn. Bhd. was crowned Champion under the Dining Room Furniture Set category for its dining set. On top of that, Meranti Furniture Sdn. Bhd. received sales under negotiation worth USD300,000, whilst, Flytred Resources Sdn. Bhd. received confirmed sales worth RM100,000 and negotiated sales as well as enquiries worth RM200,000. Nokta received negotiated sales and enquiries worth RM1 million.

Trade visitors mainly from East Asia, Middle East and Europe visited the Bumiputera booths.



Products by Flytred Resources Sdn. Bhd. displayed at EFE 2019.

TANGGAM'S LABEL GAIN RECOGNITION IN MIFF 2019



Habitue by Encik Bo Qiang won a Gold Award under the Office Furniture Category in the MIFF Furniture Excellent Award held in conjunction with MIFF 2019.

TANGGAM® is an initiative introduced by MTIB to select, promote and market outstanding designs and its designers as well as furniture products at an international level. TANGGAM is an essential platform to create a portfolio of new exciting designs that have an international market appeal which can be manufactured by Malaysian furniture manufacturers. At present, 16 young designers have listed under TANGGAM® label who are actively involved in the programme.

The main objective of TANGGAM® Label is to promote the design and branding of Malaysian furniture towards catalysing the transition of this sector from *Original Equipment Manufacturer (OEM)* to *Original Design Manufacturer (ODM)*, and eventually *Own Brand Manufacturing (OBM)*.

In 2019, TANGGAM participated in the Malaysian International Furniture Fair (MIFF) 2019 held from 8 to 11 March at the Malaysia International Trade and Exhibition Centre (MITEC), Kuala Lumpur. Since 2013, TANGGAM® had participated in various local and international exhibitions in order to promote and market their design and services to the furniture industry such as at MIFF; Export Furniture Exhibition (EFE); Milan Salone Sattelite; International Furniture Fair Singapore (IFFS); Home Design and Interior Exhibition (HOMEDEC); and International Architecture, Interior Design and Building Exhibition (ARCHIDEX).

The MIFF Furniture Excellent Award was held in conjunction with MIFF 2019 and it recognise product innovation and quality as well as encourages designers to conceptualise furniture designs that are original, aesthetic, creative and visionary. With a distinguished panel of international and local judges, the bar is set high and industry achievement were closely assessed. Two TANGGAM designers under TANGGAM® Label namely Encik Sujak Hasbollah

and Encik Bo Qiang have shown tremendous achievement by winning two awards; Platinum and Gold (Office Furniture Category) respectively.

Apart from the exhibition, TANGGAM® Label has also gained tremendous attention from local and international retailers as well as buyers mostly from India, Australia, China, Japan, USA, UAE, Philippines and other Asian countries for its new design collection, LINEA series. LINEA series consisted of a collection of home main furnitures such as two seaters sofa, one arm chair, side table, centre shelving, low shelving, cabinet, TV console and study table and chair. The overwhelming responses on LINEA series had spread-out towards local retailers who insist on displaying this unit in their showroom. In near future, TANGGAM will expand this collection to fill-up the massive bedroom set demand. The respective TANGGAM designer is currently in the mid of discussion with all potential buyers.

Moving forward, TANGGAM will enhance its role to position designers as a forefront in designing and promoting local identity and believes that TANGGAM's designers have a strong cultural background and vast experiences. TANGGAM believes firmly that with its strong cultural roots, TANGGAM is able to produce designs that has wider market acceptance and thus would be a benchmark for ODM and OBM at the international market.



Laborra by Encik Sujak Hasbollah won a Platinum Award under the Office Furniture Category in the MIFF Furniture Excellent Award 2019.



TANGGAM booth in MIFF 2019.

EXPORT FURNITURE EXHIBITION 2019

The Export Furniture Exhibition (EFE) 2019 unveiled its biggest ever show in 15 years with design and innovation as the highlights of the four-day event which took place from 9 to 12 March at the Kuala Lumpur Convention Centre. The event served as a platform for furniture manufacturers to meet buyers and decision makers especially from foreign markets where leading industry players in the furniture industry were able to networking and build partnerships. EFE 2019 featured more than 350 exhibitors, consisted of a diverse portfolio of quality manufacturers that offered a comprehensive range of furniture and furnishings products.

YB Datuk Seri Shamsul Iskandar Md Akin, Deputy Minister of Primary Industries, graced the opening ceremony on behalf of YB Puan Teresa Kok, Minister of Primary Industries on 9 March. In his opening remarks, YB Datuk Seri Shamsul highlighted that the Malaysian furniture industry had undergone transformational changes over the years and has become a vibrant industry that contributes significantly to the Malaysia economy. In 2018, the total export value for furniture products reached RM9.83 billion, out of which wooden furniture contributed RM7.79 billion. Recognising the importance of the wood and furniture industry to Malaysia's economy, the Government will continue to facilitate its growth and development.

He added that as envisaged in the National Timber Industry Policy (NATIP), ensuring sufficient supply of raw material is one of the important thrusts that is given priority. In this regard, the Government has temporarily restricted the export of Rubberwood since 1 July 2017. This measure is vital to ensure the sustainable supply of raw materials for the furniture industry, as the growth of the sector is attributed to the availability of its raw materials. Currently,



YB Datuk Seri Shamsul Iskandar Md. Akin, Deputy Minister of Primary Industries officiating EFE 2019 on behalf of Minister of Primary Industries.

80% of the nation's wooden furniture is made from Rubberwood.

He emphasised that MTIB has made the initiative to ensure the sustainability of raw material supply for the timber industry by implementing the forest plantation programme since 2007. A number of species have been planted across Malaysia and would be available for harvest as early as the year 2021. In addition, the Government through MTIB has introduced the Malaysia Timber Legality Assurance System (MyTLAS) to establish that Malaysian timber and furniture products are produced in accordance to structured legality system along the value chain. As of December 2018, a total of 66,604 MyTLAS export permits has been issued since it was introduced in 2013.

Realising that EFE 2019 provided an avenue for SME entrepreneurs to explore export markets and to meet new buyers as well as to gain market information and exposures, MTIB had coordinated the participation of nine furniture companies in EFE 2019 namely Rizunads Creative Production, Azzahrawi Enterprise, Impressive Transforms Sdn. Bhd., Ezyhomes Ipoh Sdn. Bhd., Perfect Homecare Industries Sdn. Bhd., KBNET, Jian Gian Industries Sdn. Bhd., Timber Art Design Sdn. Bhd. and MZH Bina Enterprise. These companies exhibited various home and furnishing products such as garden furniture set, bedroom set, living furniture, TV console and decorative products. MTIB also exhibited timber product samples and publications to promote MTIB services.



VIPs at MTIB booth.



Group photo at one of the booths during EFE 2019.



Visitors at MTIB booth.

PDP SHOWCASE AT EFE 2019



Puan Hj. Norchahaya Hashim, MTIB Deputy Director-General (second from left) presenting a souvenir to YB Datuk Seri Shamsul Iskandar Md. Akin, Deputy Minister of Primary Industries.

During the Export Furniture Exhibition (EFE) 2019 which was held at the Kuala Lumpur Convention Centre (KLCC), Kuala Lumpur from 9 until 12 March, MTIB organised the 4th Professional Designers Programme (PDP) Showcase featuring the best prototypes and products from the beginning of the PDP programme in 2015 until the most recent 3rd edition in 2018. A total of 30 products were on display at the PDP Showcase.

This year's showcase was themed "PDP Collection" with an array of prototypes and products from manufacturers and TANGGAMakers. The manufacturers were able to improve on their previous prototypes or product versions and were able to promote their products to the buyers during the showcase. More products were able to be promoted to buyers this year with the opportunity to propose a line of products or an expansion of the exhibited products. As participants of PDP, the Malaysian furniture manufacturers were excited to see the development of design-based production line in the Malaysian furniture factories. The manufacturers are expressing for more initiatives from MTIB in encouraging design-based programmes to benefit the industry.

Additionally, the TANGGAMakers, which were a group of furniture makers groomed by MTIB, were able to promote and learn from this showcase where their products also received attention from buyers and importers. This was an opportunity for the TANGGAMakers to learn and explore the possibility

of producing furniture commercially. During the PDP Showcase, TANGGAMakers were able to interact and get feedback from visitors and buyers. With these feedbacks, the TANGGAMakers will be able to improve on the production of their furniture and products.

PDP Showcase had always been anchored at EFE since the 1st PDP Showcase in EFE 2016 and with this year's 4th PDP Showcase, MTIB was encouraging an air of evolution during this year's showcase at EFE2019. The PDP Collection was about promoting a new direction in PDP with a more emphasis on designers and their ability to be both innovators and entrepreneurs. At this showcase, all designers were able to promote and market their products directly to buyers and importers. The feedback from designers and buyers were very encouraging. This showcase will definitely become the next blueprint for the 4th edition of the programme which will focus more on designers being more involved in the production, marketing and sales of products.

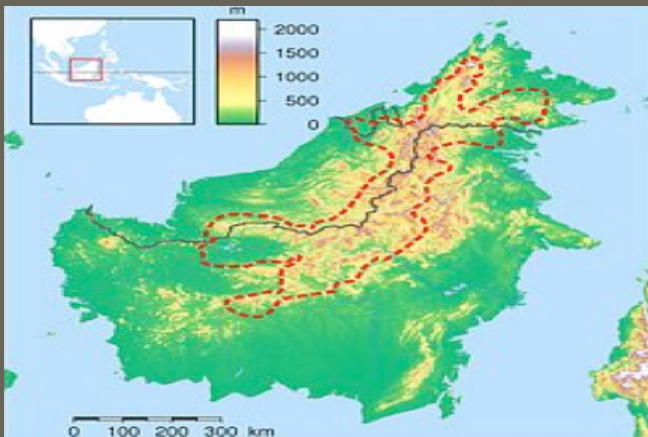
PDP is set to grow from this showcase due to positive responses received from visitors and feedbacks given by buyers and importers. Attentions were given by local and international media as well. PDP has played an important role in promoting Original Design Manufacturer (ODM)/Own Brand Manufacturing (OBM) and the design industry in, at least, the furniture manufacturing front. With PDP's 4th edition to be launched by mid-2019, MTIB is optimistic that the PDP Showcase next year will be more definitive to the furniture and design industry of Malaysia.



An array of prototypes and products from manufacturers and TANGGAMakers.

10th INTERNATIONAL CONFERENCE ON HEART OF BORNEO 2019

The Declaration on the Heart of Borneo Initiative is a unique government-led and NGO-supported programme that was initiated by a joint declaration by the governments of Brunei, Indonesia and Malaysia in 2007. Its aim is to protect a 220,000 km² forested region on Borneo island that is known as Asia's last great rainforest. The region provides habitat to 10 endemic species of primate, more than 350 birds, 150 reptiles and amphibians and 10,000 plants. From 2007 to 2010 a total of 123 new species have been recorded in the region.



Map of the Heart of Borneo area.

This year, the conference which was held in Kota Kinabalu, Sabah on 21- 22 March aimed to look beyond its traditional boundaries, i.e borders, forests and sectors to further excel conservation in the State and Heart of Borneo landscape.

With this year's theme of "Transcending Boundaries for A New Conservation Era", the conference also aimed to realigning the roles of research in support of science-based conservation, consolidating conservation and management of the forest through statewide jurisdictional approach, empowering community participation, mainstreaming and instituting conservation into other sectors, and further coupling these sectors to strengthen conservation finance through payment for ecosystem services.

YBhg Datuk Mashor Jaini, Sabah Chief Conservator of Forest in his welcoming remarks said that since the first conference held in 2009, various issues were discussed and tackled over the years.



MTIB representatives with Chief Conservator of Forest Sabah.

He added that numerous efforts to improve the biodiversity conservation had been undertaken, which included the expansion of totally protected areas, intensification of forest rehabilitation activities and strengthening the implementation of sustainable forest management. In the past, timber from natural forests contribute more than 50% of the state revenue every year, however declining due to shortage of timber production from natural forest.

YAB Datuk Seri Panglima Mohd Shafie Apdal, Chief Minister of Sabah who officiated the conference, stated that the State government will ensure that logging activities in the state are done in accordance with regulation to avoid further damage to forest, water catchment areas and wildlife habitats. He added that, the log export ban from Sabah will ensure timber supply for wood-based industries to promote value-added downstream activities in the State and hence creation of job opportunities for the locals.

The conference was hosted by the State Government and the Sabah Forestry Department and a total of 700 participants of different backgrounds, representing various agencies, both local and international attended the discussion on conservation efforts in Sabah. There were four concurrent sessions in two days conference namely, Jurisdictional & Landscape Management, Science-Based Conservation & Community Outreach, Institutionalisation of Conservation Finance & Payment for Ecosystem Services and lastly Postgraduate Sharing Platform. In conjunction with the conference, Sabah state also organised International Day of Forests 2019 held at the Kawang Forest Reserve officiated by the Sabah Chief Minister.

In addition, there was also a mini exhibition in conjunction with the conference participated by local agencies and associations. MTIB was represented by Cik Hj Robiyah Husin and Encik Mohd Hilmi Shamsuri.

SCMGROUP ASIA SDN. BHD.:

READY FOR A NEW INDUSTRIAL REVOLUTION



SCM Asia

SCM's woodworking machinery business started on 1952 in Italy when Giuseppe Gemmani and Lanfranco Aureli worked together to produce machines such as surface planners, disk saws and thickness planners. This allowed them to conquer all markets worldwide to consequently become the main producer of woodworking machines.

The wood manufacturing industry is important to Malaysia's economy as a growth driver and cannot be separated from technology. SCM Asia in Kuala Lumpur is the South-East Asia hub with specialists in solid wood, panel and surface treatments. The team is committed to providing both services and technology in the wood-based industry for the entire APAC region. The company is led by Mr. Nico Sassolini. The Managing Director of SCM Group Asia and for South East Asia markets is Mr. Giovanni Casadei.

Introduction

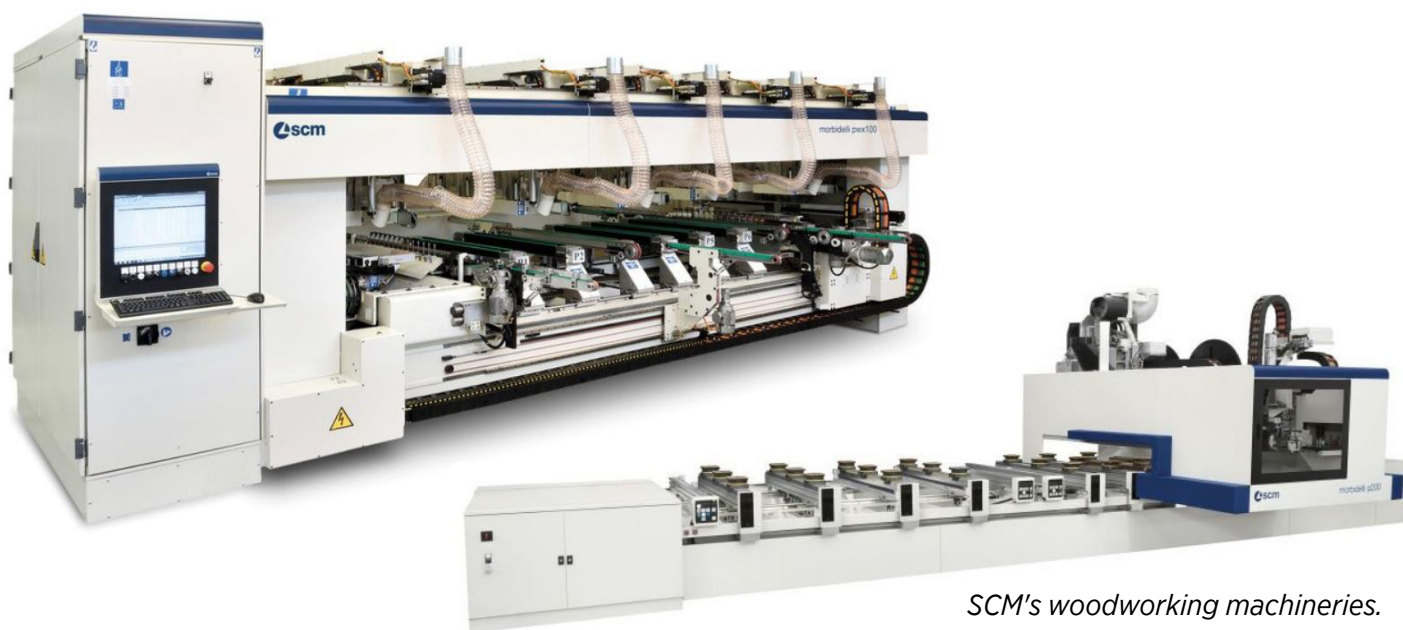
The world has experienced three industrial revolutions based on technological achievements. The first industrial revolution involved the movement of industry activity from traditional farming to manufacturing or factory production powered by water and steam. The second began with the introduction of steel in the era of World War 1 when factories were first powered by electricity for mass production.

The third industrial revolution reflected to the transformation of mechanical, analogue, and electronic to digital technology while the fourth industrial revolution moved towards digitalisation through cyber-physical systems. The term Industry 4.0 originated in Germany. It focuses on information management and enhancement of the competitiveness of German manufacturing industry (Heiner et al., 2014; Schroeder 2016).

The Digitalisation System

Today most machines are equipped with a large number of sensors due to the demand for easy and responsive production systems in wood machinery which triggers the continuing research and development efforts to design and integrate software and tools that streamlines and optimises the daily work of the industry.

The Maestro Digital System (**Figure 1**) is a set of digital products and services that further expands SCM's woodworking knowledge-rich DNA by means of integration with SCM technologies. The system includes Maestro explore, Maestro smartech, Master connect, Maestro eye-M and Maestro suite. The concept of the system - "Work Simple. Work Digital" - reflects the best solutions in order to considerably simplify company work and stay connected to SCM suppliers by receiving information and updates despite the distance between parties. This proves that the systems comply with the smart factory and Industry 4.0 concepts.



SCM's woodworking machineries.



Figure 1 : Maestro Digital System

The Way Forward

About 4,085 registered timber companies are operating in Malaysia in 2017. The industry is characterised from small to large-scale manufacturing players using basic to modern machinery tools, respectively. This system could be promoted to the industry due to its design which renders each phase of the production process easier. Consequently, the promotion of the system could increase the Original Design Manufacturer (ODM) and Own Brand Manufacturing (OBM) who produces Malaysian-made products.

According to Mr. Winson T.H.Tieng, (Figure 2) instead of selling machines, SCM Group is planning to expand their market by supplying Malaysian higher-skilled workers to SCM customers. SCM Group will provide the comprehensive training that will

increase skill levels. The workers will be well-trained on advanced technology and heavy machinery which acquire them to be more “engineer” than “technician”. The training will include a software that links machine to machinery controlled by operator which can gradually reduce the employment of foreign workers.



Figure 2: Mr. Winson T.H.Tieng,
Sales Director of SCMGroup Asia

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PHILIPPINES - CONSTRUCTION INDUSTRY SEEN SUSTAINING GROWTH



Overview

The Philippines officially the Republic of the Philippines is a sovereign island in Southeast Asia situated in the western Pacific Ocean. It consists of about 7,641 islands that are categorised broadly under three main geographical divisions from north to south: Luzon, Visayas and Mindanao. The capital city of the Philippines is Manila and the most populous city is Quezon City, both part of Metro Manila. The Philippines has an area of approximately 300,000 square kilometers and a population of more than 100 million with faster growth than any other East Asian country. It is the seventh-most populated country in Asia and the 12th most populated country in the world. The Philippines is one of the most dynamic economies in the East Asia region, with sound economic fundamentals and a globally recognised competitive workforce. Growth in the Philippines has been on average above 5% in the past decade, significantly higher than in previous decades.

Economy

The economy has been relatively resilient to global economic shocks due to less exposure to troubled international securities, lower dependence on exports, relatively resilient domestic consumption, large remittances from about 10 million overseas Filipino workers and migrants, and a rapidly expanding services industry. During 2017, the current account balance fell into the negative range, the first time since the 2008 global financial crisis, in part due to an ambitious new infrastructure spending program announced this year. However, international reserves remain at comfortable levels and the banking system is stable.

Economic growth has accelerated, averaging over 6% per year from 2011 to 2017, compared with 4.5% previous years and competitiveness rankings have improved. Although 2017 saw a new record year for net foreign direct investment inflows, FDI to the Philippines has continued to lag regional peers, in part because the Philippine constitution and other laws limit foreign investment and restrict foreign ownership in important activities/sectors - such as land ownership and public utilities.

The election of President Rodrigo DUTERTE in 2016, who has pledged to make inclusive growth and poverty reduction his top priority. DUTERTE believes that illegal drug use, crime and corruption are key barriers to economic development. The administration wants to reduce the poverty rate to 17% and graduate the economy to upper-middle income status by the end of President DUTERTE's term in 2022. Key themes under the government's Ten-Point Socioeconomic Agenda include continuity of macroeconomic policy, tax reform, higher investments in infrastructure and human capital development, and improving competitiveness and the overall ease of doing business. The administration sees infrastructure shortcomings as a key barrier to sustained economic growth and has pledged to spend USD165 billion on infrastructures by 2022.

Although the final outcome has yet to be seen, the current administration is shepherding legislation for a comprehensive tax reform programme to raise revenues for its ambitious infrastructure spending plan and to promote a more equitable and efficient tax system. However, the need to finance rehabilitation and reconstruction efforts in the southern region of Mindanao following the 2017 Marawi City siege may compete with other spending on infrastructure.

Forest Resources

The forest area of the Philippines is estimated to have declined from 12 million hectares in 1960 to a current level of about 5.7 million hectares (which includes less than one million hectares of virgin forest largely confined to very steep and inaccessible areas). The official figure of forest area is about 33% of the land area.

Timber harvests have reduced from 6.4 million m³ in 1980 to 0.8 million m³ in 1995. The reduction has been the result of a number of factors including a Government ban on the export of logs in 1986, a ban on the export of timber in 1989, and a Forestry Master Plan introduced in 1991 banning the harvest of virgin forests. This level of harvest looks set to continue in the foreseeable future. However, this

harvest level is inadequate to support domestic demand and the country has moved from being at least self-sufficient to being a net importer of logs and lumber.

Meanwhile, total of 1.4 million hectares of plantation forest has been established with the Master Plan aiming to have additional plantations of about three million hectares by 2015, although this goal may be difficult to achieve.

Timber Production

According to the latest FAO forest statistics on Philippines, the country produced around 1.04 million m³ of major timber products in 2017. Details of production are as follows:

Philippines: Production of Timber and Timber Products, 2013-2017

(Volume : m ³)					
PRODUCT	2013	2014	2015	2016	2017
Logs	641,000	631,000	443,000	440,000	465,000
Sawntimber	700,000	700,000	322,000	424,000	359,000
Veneer	60,000	45,000	59,000	59,000	42,000
Plywood	219,000	184,000	146,000	152,000	175,000
TOTAL	1,620,000	1,560,000	970,000	1,075,000	1,041,000

Source: FAOstat

Timber Industry

Timber and the various products derived from Industrial tree plantations (ITPs) materials are among the important export earners of the country. ITPs development is regarded as the most practical solution to conserve the country's remaining natural forest. Three decades ago, ITPs became popular in Philippine forestry. Several private companies engaged in wood processing in Mindanao and started to develop large-scale plantations of fast-growing tree species.

Industrial plantations are established to produce a high volume of wood in a short period of time. These are actively managed for the commercial production of forest products. Individual blocks are usually even-aged and often consist of just one or two exotic or indigenous species. Industrial plantations are usually large-scale wherein wood production is generally higher compared to natural forests.

The future of the timber industries depends largely on the success of ITPs. In the Philippines, the timber industry is quite vibrant in Mindanao, especially the Caraga Region, which is dubbed the "Timber Corridor" of the country. Caraga is considered the leading producer of timber in the country.

Philippines' Export of Timber and Timber Products

Philippines' export of timber and timber products in 2017 decreased 47% to USD1.6 billion over the previous corresponding period. Philippines export mainly BJC, wooden furniture and sawntimber totalled USD1.2 billion, USD186.3 million and USD95.8 million respectively. Philippines export BJC and sawntimber were mainly for Japan amounting USD1.1 billion and USD69.2 million respectively. Meanwhile, wooden furniture is mainly exported to the US which amounted USD61.6 million.

Philippines : Export of Timber and Timber Products, 2013-2017

(Value: USD'000)

PRODUCT	2013	2014	2015	2016	2017
Builders' Joinery and Carpentry	3,032,326	2,925,319	2,750,234	2,785,686	1,153,698
Wooden Furniture	175,341	244,345	176,962	134,058	186,263
Sawntimber	58,098	51,447	28,713	24,284	95,810
Plywood	2,502	1,819	831	418	54,502
Wood Charcoal	51,586	37,888	67,846	21,754	23,388
Other Articles of Wood	25,521	5,043	10,445	12,977	17,046
Tableware and Kitchenware	10,063	11,996	13,401	14,893	14,893
Fibreboard	24,515	6,917	614	174	11,758
Wood Marquetry	13,733	15,322	13,701	9,603	10,290
Wooden Frames	991	1,185	790	792	8,177
Mouldings	961	9,826	9,493	698	7,815
Tool Bodies and Tool Handles	6	14	34	0	6,335
Particleboard	226	120	0	55	3,178
Packing Cases	2,558	5,939	1,871	570	2,801
Veneer	2,947	3,269	808	242	556
Fuel Wood	170	217	339	356	496
Casks, Barrels and Vats	38	225	227	366	197
Densified Wood	14	3	0	0	121
Logs	2,617	1,165	294	0	9
Hoopwood	398	286	594	485	0
Wood Wool	0	0	0	26	0
Sleepers	0	17,973	7,074	1,646	0
TOTAL	3,404,611	3,340,318	3,084,271	3,009,083	1,597,333

Source: UNStatistic

Philippines' Import of Timber and Timber Products

According to the latest UN Comtrade statistics, Philippines' import of timber and timber products in 2017 increased 15% to USD881.3 million over the previous corresponding period. Philippines

imported mainly wooden furniture, plywood and BJC totalled USD242.8 million (an increase of 2%), USD237.0 million (an increase of 13%) and USD227.2 million (an increase of 161%) respectively. The major import sources for Philippines' import of timber and timber products is China, followed by Canada and Japan. Malaysia ranked fourth.

Philippines : Import of Timber and Timber Products, 2013 - 2017

(Value: USD'000)

PRODUCT	2013	2014	2015	2016	2017
Wooden Furniture	120,807	177,676	171,864	237,021	242,805
Plywood	108,079	167,108	150,089	209,237	236,927
Builders' Joinery and Carpentry	17,198	24,567	57,559	87,124	227,161
Sawntimber	123,120	108,932	80,894	119,660	59,341
Fibreboard	29,399	30,194	30,666	34,491	39,565
Particleboard	24,907	23,047	19,077	25,037	29,363
Logs	22,315	11,855	17,839	26,873	11,629

Articles of Wood	4,193	7,728	6,791	6,296	8,989
Mouldings	7,724	4,802	4,963	10,074	8,912
Fuel Wood	625	838	4,370	2,188	6,631
Casks, Barrels and Vats	187	1,013	1,366	2,351	3,196
Densified Wood	601	728	533	924	2,343
Tableware and Kitchenware	2,429	1,323	2,379	1,743	1,760
Wood Marquetry	490	712	1,332	1,027	1,325
Wooden Frames	1,042	1,149	1,511	798	683
Wood Wool, Wood Flour	613	301	406	400	403
Tool Bodies, Handles	43	83	82	117	126
Wood Charcoal	173	30	41	94	76
Sleepers	9	0	0	104	71
Hoopwood	73	384	105	379	23
TOTAL	464,027	562,470	551,867	765,938	881,329

Source: UNStatistic

Malaysia's Export of Timber and Timber Products to Philippines

Philippines has always been a significant timber trade partner for Malaysia. Philippines ranked ninth with 3.5% of Malaysia's total export market share. In 2018,

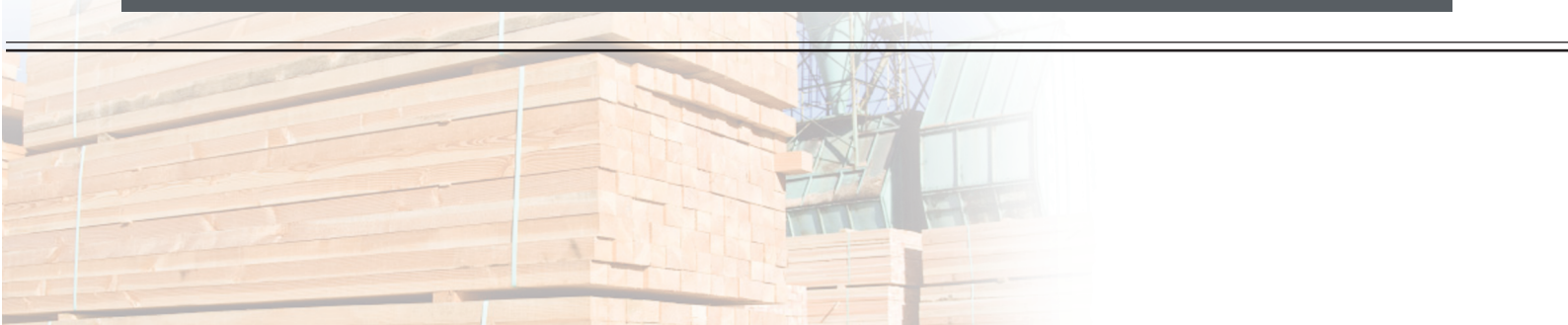
export of Malaysian timber and timber products to Philippines registered an increase of 8% to RM788.1 million from RM733.3 million in 2017. Sawntimber was the main product exported with a total value of RM417.5 million, followed by wooden furniture at RM207.1 million and fibreboard at RM55.7 million.

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

(Value: RM)

PRODUCT	2014	2015	2016	2017	2018
Sawntimber	79,142,031	245,304,296	325,771,665	380,399,407	417,500,443
Wooden Furniture	100,203,509	119,006,762	157,249,869	183,381,025	207,082,176
Plywood	218,105,232	143,698,479	99,644,987	49,563,626	32,956,374
Chipboard/Particleboard	29,402,819	30,652,561	29,243,669	35,007,027	41,662,933
Fibreboard	29,478,527	25,890,808	28,990,271	31,853,614	55,704,675
Logs	17,793,694	24,950,353	21,454,804	22,671,116	6,666,967
BJC	7,173,536	10,593,651	9,555,141	13,381,255	8,766,511
Veneer	4,873,893	2,229,870	4,460,307	12,995,305	15,453,434
Mouldings	1,437,639	1,697,868	440,609	2,390,705	1,023,126
Wooden Frame	382,102	212,339	625,541	448,605	731,699
Rattan Furniture	2,273,652	1,932,548	1,462,456	316,393	26,436
Others	480,987	767,605	612,540	911,210	500,166
TOTAL	490,747,621	606,937,140	679,511,859	733,319,288	788,074,940

Source: MTIB and DOSM



Malaysia's Import of Timber and Timber Products from Philippines

In 2018, import of Malaysian timber and timber products from Philippines show an increase of 91% to RM14.2 million from RM7.4 million in 2017.

Philippines ranked 30th with 0.3% of Malaysia's total import market share. Rattan furniture was the main product imported with a total value of RM11.4 million followed by wooden furniture at RM1.5 million.

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

(Value: USD'000)

PRODUCT	2014	2015	2016	2017	2018
Rattan Furniture	0	0	0	4,483,604	11,430,362
Wooden Furniture	0	0	0	2,323,398	1,506,470
Sawntimber	179,305	216,742	231,533	0	0
Logs	45,825	55,675	44,674	0	0
Particleboard	41,697	39,325	36,353	0	0
Fibreboard	26,951	22,298	24,281	0	0
Plywood	113,198	66,670	47,451	0	0
Mouldings	574	421	165	0	0
Other Products	3,521	2,559	3,308	610,411	1,249,109
TOTAL	411,071	403,690	387,765	7,417,413	14,185,941

Source: MTIB and DOSM

Import Tariffs

The Philippines's MFN import duty on timber and timber products ranges from 0 - 15%. Details are as follows:

Product	ATIGA (%)	MFN Tariff (%)
Logs	0	0
Hoop Wool	0	3
Sawntimber	0	1-7
Veneer	0	3-7
Mouldings	0	5
Chipboard/Particleboard	0	15
Fibreboard	0	15
Plywood	0	15
Wooden Frame	0	10
BJC	0	5
Wooden Furniture	0	10-15
Prefabricated buildings	0	10

Source: WTO/ASEAN

Prospects

On the back of a massive on-going plan by the Philippines government to upgrade and modernise the country's infrastructure, the construction industry is in for a boom. As Metro Manila continues on its growth track toward becoming a megalopolis, ambitious efforts are being rolled out to decentralise the country's business from the urban complex and divert them to Special Economic Zones around it. The undertaking includes the expansion of roads, ports, and train lines, as well as the cooperation of the big name real estate players to construct residential and commercial districts outside the metro, all of which requires a substantial chunk of investment.

Steady incline in the construction industry has contributed to a steadier source of livelihood for all levels of society and a steady supply and demand for the materials needed in the industry has also opened up new venues for budding entrepreneurs as well. Foreign players are also expected to profit from the greater investments and project opportunities provided by the government's "Build, Build, Build" project.

The construction industry is forecast to sustain its strength underpinned by the growth of the economy and the push for infrastructure. The “Build, Build, Build” programme is anchored on the belief that through heavy investment on the country’s infrastructure, a sustained, robust and all-inclusive socio economic development can be achieved. The program is composed of 75 flagship project including six airports, nine railways, three bus rapid transits, 32 roads and bridges, and four seaports that will help bring down the costs of production, improve rural incomes, encourage countryside investments, make the movement of goods and people more efficient, and create more jobs.

With the government’s aggressive pursuit of infrastructure development through the ‘Build, Build, Build’ programme as well as the private sector’s drive to produce globally competitive products, there are plenty of opportunities for both local and international suppliers to grow their business. The spurt in construction activities is backed by continued urbanisation, implementation of economic development plans, and promotion of tourism in Malaysia. Several Malaysian companies have excellent track record in the development and maintenance of infrastructure projects, such as roads, airports and power generation. Malaysian investor and operator Alloy MTD has been involved in the rehabilitation, construction, expansion and maintenance of the South Luzon Expressway. There are Malaysian companies also seeking more opportunities abroad for their continued growth and expansion and have been participating in bidding for several Public-Private Partnership (PPP) projects.

Malaysia, which has always been an important trading partner with Philippines in timber, is also facing strong competition from Japan and US. Therefore, in order to sustain and improve trade as well as market share in Philippines, Malaysian exporters need to be competitive in terms of price and quality together with effective marketing and promotion strategies.

Malaysian manufacturers also need to enhance their presence in the Philippines market through participation in major timber, furniture and construction exhibition to create demand for Malaysian value-added timber products in the market. Through those activities, Malaysian timber exporters

would be able to further develop their networking with Philippines’ timber importers while at the same time undertake market research on upcoming major construction project in the country. Therefore, it is envisage that with the above opportunities, timber trade for both countries especially in terms of export and import activities and investments in timber and timber products will be increased in the coming years.



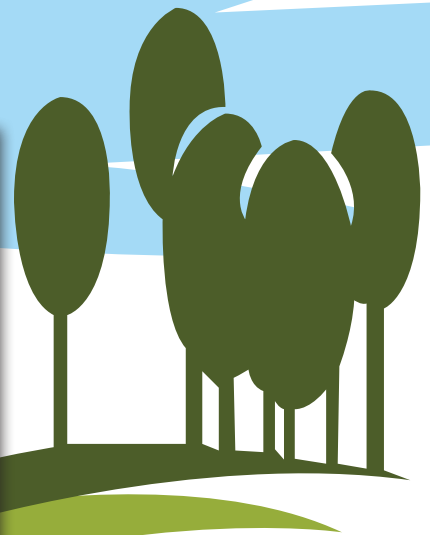
Philippines bamboo furniture.



Philippines house made from bamboo.

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Leaves of Medang Kemangi.

INTRODUCTION

The Standard Malaysia name for the lightweight is Medang Kemangi and it come from *Lauraceae* family. The scientific name of this species is *Cinnamomum porrectum*.

Also known as Bolly silkwood, Bollywood, Brownwalnut, Pepperwood, Rose maple, Silver sycamore and Yellow walnut (Australia); Medang (Brunei); Malo-malo (Fiji); Bonsum, Cinnamon, Kalasum and Nelthare (India).

MEDANG KEMANGI – SUITABLE FOR CABINET MAKING



General Characteristic

The sapwood ranges from a light straw-colour to light yellow-green and is not distinct in some species but moderately sharply defined from the heartwood in other species. The heartwood is variable in colour, the majority being light olive-brown to dark green-brown, while some *Cryptocarya* spp. and *Phoebe* spp. are light red-brown and some *Cinnamomum* spp. are pink to light red. *Beilschmiedia* spp. are yellow-white in colour and *Actinodaphne* spp. are light yellow-green to dark olive-green.

Density

The timber is a Light Hardwood with a density of $350-880 \text{ kgm}^{-3}$ air dry.

Natural Durability

The timber is on the whole non-durable, being subject to fungal attacks. Some species are immune to termite attacks.

Preservative Treatment

The heartwood is difficult to treat while the sapwood absorbs preservatives readily.

Texture

Texture is moderately fine and even with straight or slightly to moderately interlocked grain.

Strength Properties

The timber falls into Strength Group C (Engku, 1988b) or SG 6 (MS 544:Part 2:2001).

Machining Properties

It is easy to slightly difficult to resaw and is easy to moderately easy to cross-cut. The timber is easy to plane and the surface produced is smooth to moderately smooth.

Nailing Property

The nailing property is rated as excellent.

Air Drying

The seasoning characteristics of some species are summarised below:

Species	Shrinkage (%) (Green to air dry)		Remarks
	Radial	Tangential	
<i>Alseodaphne insignis</i>	1.6	3.2	Fairly high shrinkage.
<i>Cinnamomum porrectum</i>	1.1	2.2	Average shrinkage.
<i>Dehaasia nigrescens</i>	0.9	2.5	Average shrinkage.
<i>Litsea firma</i>	2	3.9	High shrinkage.
<i>L. costalis</i>	1.2	2.7	Fairly high shrinkage.

Shrinkage

The shrinkage of some species is summarised below:

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<i>Litsea firma</i>	2	3.9	High shrinkage.
<i>L. costalis</i>	1.2	2.7	Fairly high shrinkage.

Uses

The timber is suitable for decorative works, interior finishing, panelling, mouldings, furniture, joinery, cabinet making, staircase (angle blocks, rough brackets, apron lining, newel and sprandrel framing), ship and boat building (general planking), ornamental items, pencil, tool handles (impact) and plywood, while the heavier species are suitable for medium construction under cover.

Reference

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▶ Engagement Session with Malaysian Timber Industry in conjunction with 8th Forestry and Timber Technical Working Group held on 19 March 2019 at MTIB, Kuala Lumpur. Speakers were from Department of Agriculture and Water Resources Australia.

▶ Two MTIB officers attended a Strategic Workshop on the National Timber Industry Census held in Kuching, Sarawak on 22 March 2019. The workshop was organised by UKM Pakarunding Sdn. Bhd.



▶ A courtesy visit to MTIB Johor led by Puan Hj. Nurchahaya Hashim, MTIB Deputy Director-General (seated, centre) accompanied by several MTIB officials from Kuala Lumpur. The event took place on 31 March 2019.



▶ Workshop on Regulatory Impact Analysis for Technical Regulation on Formaldehyde Emission Limit organised by MTIB. It was held on 19-21 March 2019 in Kuala Lumpur.



MTIB officials and members of Muar Furniture Association (MFA) posing at MFA's office in Muar, Johor on 1 April 2019.



MTIB participated in Ecobuild Southeast Asia from 19 to 21 March 2019 at the Malaysia International Trade and Exhibition Centre, Kuala Lumpur.