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MTIB

MASKAYU

LEAN CREANOVA 2016
SHARING BEST LEAN PRACTICES

WOOD & LIFESTYLE
FAIR 2017



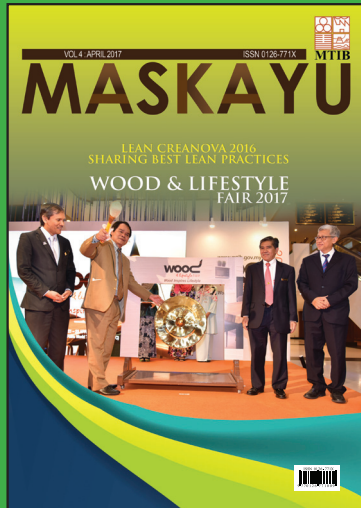
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Cover : YB Tuan Anyi Ngau, MTIB Chairman officiated the Wood & Lifestyle Fair 2017 at PWTC, Kuala Lumpur. Details on pages 3 and 7.

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WOOD & LIFESTYLE FAIR 2017



YB Tuan Anyi Ngau, MTIB Chairman (third from right) having a light moment with the award recipients.

The Wood & Lifestyle Fair was first held at Putra World Trade Centre (PWTC), Kuala Lumpur in May 2016. The success of the event led to the decision by MTIB as an organiser to hold similar events in the future. This led to the Wood & Lifestyle Fair 2017.

The Wood & Lifestyle Fair 2017, organised by MTIB was primarily aimed at promoting Bumiputera Small and Medium-sized Enterprises (SMEs) of timber and timber products. The fair showcased timber products ranging from home and office furniture to flooring and mouldings as well as ID services and contract manufacturing of timber products by 37 SMEs. Wood & Lifestyle Fair was held from 21 to 23 April at PWTC, Kuala Lumpur.

In line with one of MTIB's objectives, that is to facilitate and strengthen the development of SMEs, the three-day event was an initiative, dedicated to SMEs, with the following three-pronged objectives :

- Promoting products and services by Bumiputera entrepreneurs in the timber industry to domestic consumers;
- Increasing the market share of products and services of Bumiputera entrepreneurs in the timber industry; and
- Raising consumer awareness on the benefits of wood, and its aesthetic and inherent properties and value compared to other materials.

In addition, the Fair was also an avenue for SMEs to showcase their products and provide an inroad to access retail outlets and participate in premium contracts with Government-Linked Companies (GLCs), the corporate sector and residential developments.

YB Tuan Anyi Ngau, MTIB Chairman officiated the Wood & Lifestyle Fair on 21 April. The opening speech of YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities was read by YB Tuan Anyi Ngau. In conjunction with the opening ceremony, a presentation of Business Excellence Awards to five Bumiputera SMEs was also held :

- i. Business Performance Excellence Award
 - Puncak Bumi Utama Sdn. Bhd.
 - Meranti Furniture Sdn. Bhd.
 - One Tech Sdn. Bhd.
- ii. Highest Sales Wood & Lifestyle Fair 2016 Award at Kuala Lumpur
 - Fly Tred Resources Sdn. Bhd.
- iii. Highest Sales Wood & Lifestyle Fair 2016 Award at state level
 - Nasir Interior Decoration Sdn. Bhd.

In addition to the awards, also held was the exchange of the MoU between Universiti Tun Hussein Onn Malaysia (UTHM) and three industry participants of its teaching factory programme namely Puncak Bumi Utama Sdn. Bhd., Homestead Sdn. Bhd. and



Posing at Impressive Transforms Sdn. Bhd.'s booth.



CHINA Sawnwood Imports Up

Data from China's Customs showed there was substantial growth in sawnwood imports in 2016. China's 2016 sawnwood imports totalled 32.15 million m³ valued at USD8.14 billion, a year-on-year increase of 21% in volume and 8% in value.

The average price for imported sawnwood in 2016 was USD253 per m³, down 10% on 2015. Sawn softwood imports rose 22% to 17.82 million m³, accounting for 55% of the national total. The average price for imported sawn softwood in 2016 was USD176 per m³, down 10% year-on-year.

Sawn hardwood imports grew 20% to 14.33 million m³. The average price for imported sawn hardwoods in 2016 was USD349 per m³, down 10% year-on-year.

The total of sawn hardwood imports from tropical countries were 5.74 million m³ valued at USD2.118 billion, up 20% in volume and 3% in value and accounted for 18% of the national total. The average price for sawnwood imported from tropical countries was USD369 per m³, a year-on-year decline of 15%.

Fordaq.com, 27 April

JAPAN Kitchens' Furniture Imports Down

Japan's imports of wooden kitchen furniture decreased 11.5% in January 2017. However, compared to a month earlier imports rose slightly. Despite the year-on-year fall in the value of wooden kitchen furniture there has been a steady increase in the value of imports since September 2016.

In January 2017, the top suppliers were Viet Nam (42%), the Philippines (26%) and China (15%) and if shipments from Indonesia are included then almost 70% of imports for the month are accounted for. The big winners in January 2017 were China and Viet Nam followed by Indonesia and the Philippines both of which saw an increase in shipments of around 7%.

Fordaq.com, 11 April

INDONESIA Certified Timber Exports Up

Certified timber exports from Indonesia have gone up nearly 10% from 2015 to 2016, according to the Indonesian Forest Concessions Holders. The volume of certified wood products shipped reached 17.46 million tonnes in 2016. Robust trade activity is attributed to Indonesia's FLEGT-VPA license secured last year. The country is the first in the world to be able to ship domestic timber without subjecting to stringent checks required by the European Union Timber Regulation (EUTR).

In an interview with the Jakarta Globe, APHI Executive Director, export volume will grow in the next few years. Indonesia shipped its first FLEGT-VPA licensed timber to London and Antwerp in December last year. The national sustainable forest management certification was launched in 2010. It saw an 89% rise in number of forestry participants, and 65% increase in number of industrial wood processing participants by 2012.

Earning the FLEGT-VPA and the SVLK licenses has helped Indonesia clamp down on illegal logging, corruption and poor forest governance, according to the Ministry of Environment and Forestry. The Ministry's Direct-General for sustainable forest management, Ida Bagus Putera, said Indonesia should make full use of the certification and licenses to give itself a head start in the EU market.

Elsewhere, Cambodia, Viet Nam and Lao PDR are also negotiating FLEGT licenses with the EU. The EU ranks fourth, accounting for 11% of Indonesia's timber exports. China is the number one market, followed by Japan and the USA..

Fordaq.com, 4 April

INDONESIA SVLK Increases the Competitiveness of Indonesian Furniture

In sharp contrast to the statements from the Furniture and Craft Association, the Director of Processing and Marketing in the Ministry of Environment and Forests said, the national timber legality verification system (SVLK) is a tool to increase the competitiveness of Indonesian furniture and craft in the EU market.

He further said that the SVLK which serves as the basis for demonstrating Indonesian furniture and handicraft producers are meeting the demands of the international market for verified legal and sustainable wood products.

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Based on the data from the ministry's SVLK information systems, the export value of furniture and craft products with V-legal (SVLK certified) documents increased from USD635 million in 2015 to USD916 million in 2016. However, analysts point out that it is difficult to determine how much of this increment is because of the SVLK and how much is the result of an improved global economic outlook.

Fordaq.com, 5 April

THAILAND Main Tropical Supplier for China

The total of Chinese sawnwood imported from tropical countries were 5.74 million m³ valued at USD2.118 billion, up 20% in volume and 3% in value, and accounted for 18% of the national total. The average price for sawnwood imported from tropical countries was USD369 per m³, with a year-on-year decline of 15%.

Five tropical countries supplied just over 90% of China's 'tropical' sawnwood requirements in 2016 namely, Thailand (62%), Philippines (5%), Gabon (5%), Indonesia (5%), Malaysia (5%). Sawnwood imports from Thailand, Cambodia and Peru rose 36%, 24% and 12% year-on-year respectively but year-on-year imports from Lao PDR, Ecuador, Cameroon fell 36%, 30% and 28% respectively.

Fordaq.com, 27 April

VIET NAM Wooden Furniture Manufacturers See Great Opportunities in 2017

A report by the Viet Nam Administration of Forestry (VAF) showed that Viet Nam exported USD7.3 billion worth of timber, non-timber forestry and wooden furniture products in 2016. This included USD5.12 billion worth of wooden furniture exports, an increase of 7.1% compared with the year before. This was the first time that export turnover witnessed the one-digit growth rate. However, the achievement was still encouraging in the context of the decrease in Europe's imports and China's lower woodchip consumption (just equal to 61 % of 2015).

According to the Handicraft and Wood Industry Association (HAWA) of HCMC, Viet Nam's export markets may expand this year thanks to free trade agreements and higher demand from the US and Japan. The US is an important market for Viet Nam as it is both an input material supplier and consumer. Viet Nam exports USD2 billion worth of wooden products to the US each year.

Exports to the US have been increasing steadily after the Viet Nam-US Trade Agreement took effect under which tariffs have been cut sharply

from 50% to very low rates, and to 0% on some products. Meanwhile, Chinese wooden exports to the US are undergoing an anti-dumping investigation. As a result, Chinese export turnover to the USD30 billion market has decreased considerably, especially in interior products.

HAWA believes that Viet Nam is capable of becoming the world's wooden furniture production base as Vietnamese products are sold in 120 countries and territories and most products are made of wood from legal sources. Having realised the great opportunities, Vietnamese enterprises now are making bigger investments in design and in new equipment.

english.vietnamnet, 5 April

EUROPEAN UNION Tropical Wood Imports Increasingly Shipped Through Belgium

EU tropical sawn hardwood imports during 2016 showed an increase in concentration of trade through Belgium. This trend is much more indicative of changes in distribution channels for tropical wood within the EU than of variations in regional demand.

For reasons probably associated with differences in transit times or local costs, EU tropical wood importers currently prefer the Belgian port of Antwerp over the Dutch and French ports. The wood entering by way of Belgium is distributed throughout North Western Europe.

The focus on Belgium is also linked to the rising dependence on tropical sawn wood from Central Africa where kiln drying facilities are limited. Much of the African wood shipped into Belgium arrives green and will be kiln dried there, or in Netherlands or northern France, before being distributed into other parts of Europe.

Fordaq.com, 7 April

GERMANY Housing Approvals Up

In December 2016, a total of 35,580 approvals were granted for dwelling units in new and existing residential and non-residential buildings in Germany. This represents an increase of 10.2%. According to the Federal Statistical Office, approvals for dwelling units in new residential buildings increased by 12.1% from the comparative month of the preceding year to 30,658 units. Of this figure, 17,916 dwellings in multi-family houses were approved, corresponding to a rise of 20.5%.

The number of approved dwellings in semi-detached houses was 8.0% above the previous year's figure

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at 1,916 units. At 8,093, the number of approved detached houses was 6.4% short of the preceding year's figure. Approvals for dwellings in residential homes increased by one third from the comparative month of the preceding year to 2,733 units. In the context of building measures relating to existing buildings, 4,219 applications for work on housing were approved, which corresponds to a 4.0% decline.

With regard to the entire period of 2016, 316,836 dwellings in new residential buildings were approved, which represents an increase of 19.9%. Approvals for dwelling units in semi-detached and multi-family houses rose by 13.3% to 22,848 and 26.7% to 173,465 respectively. The number of approved detached houses, at 95,551, remained virtually the same by comparison with the previous year.

euwid-wood-products.com, 11 April

RUSSIA Plywood Export Value Up

In January to February 2017, Russian plywood exports increased both in volume and value terms, indicated by the statistics published by the Russian Federal Customs Office. According to the latest data, Russian export volume came up to 375,000 m³. That is 3.84% more than in the respective period of the previous year. The total value of the Russian plywood exported in January-February 2017 came up to USD153.6 million and grew by 12.36% year-on-year.

In January to February 2017, Russia exported 343,500 m³ of plywood to the non-CIS (Commonwealth of Independent States) countries. The value of the exported plywood came up to USD142.7 million. Exports to CIS came up to 31,500 m³ in volume terms and USD10.9 in value terms.

Fordaq.com, 28 April

UNITED STATES Drop in the US Balsa Imports

US imports of all sawn hardwood fell 24% in February from the previous month. 53,345 m³ of sawn hardwood worth USD31 million were imported in February. The steepest drop was in imports of several temperate species, but tropical imports also declined.

The volume and value of tropical sawnwood imports fell by almost one third in February. A total of 16,107 m³ was imported, valued at USD15.5 million. Despite the decline, year-to-date tropical imports were 27% higher than in February 2016.

The largest drop was in imports of Balsa sawnwood

from Ecuador. Imports fell 43% to 5,088 m³ in February. Sapelli and Ipe imports were also down from the previous month but remained at relatively high levels (2,446 m³ and 1,953 m³ respectively).

Imports from Cameroon declined to 1,910 m³ in February due to lower volumes of Sapelli (1,334 m³ and Acajou d'Afrique (408 m³). Ghana on the other hand increased shipments of both species to the US in February.

Malaysia also increased exports to the US in February from the previous month, but year-to-date volumes remained below February 2016. Malaysia shipped 779 m³ of Keruing and 269 m³ of Red Meranti to the US market in February.

Italy supplied over 1,000 m³ of tropical sawnwood to the US market in both January and February.

fordaq.com, 27 April

GABON A Potential Source of Veneer and Plywood for Indian Industries

Gabon is well known for its timber resources and the recently completed Special Economic Zone (SEZ) has been promoted in Indian newspapers and invitations have been extended to Indian wood based industries to take advantage of the opportunities offered by the zone.

The Gabon SEZ is a public-private partnership between Olam International, the Republic of Gabon and the African Finance Corporation. Log supplies will be guaranteed for manufacturers set up in the zone. Gabon can also supply a wide range of timbers with Okoume being the most popular for veneer and plywood production.

Apart from Okoume, Gabon's reserves of exploitable timber are said to extend to 25-35 million m³ of Ozigo, 20- 30 million m³ of Ilomba, 15-20 million m³ of Azobe, 10-20 million m³ of Padouk and large stocks of Mahogany, Kevazingo, Ebony, Dibetou, Movingui and Zebrano.

The advertisements in India for SEZ state companies locating to the zone will enjoy tax benefits and advantageous recruitment conditions.

India has been trying to supplement domestic timber resources through imports from South East Asian countries and some companies have invested in production capacity in Asia to meet domestic requirements of veneers and plywood. But now, because the Gabon SEZ is seen as offering an attractive alternative, some Indian manufacturers have production facilities in Gabon.

fordaq.com, 24 April

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Ain Furnishing Sdn. Bhd.

The Woodnifestyle Online Mall was also launched at the fair. The online mall is a portal which markets wood-based products manufactured by Bumiputera companies and sold online. The portal targets consumers who prefer to shop without leaving their homes as it also saves time.

The Fair targeted specifiers such as architects, building professionals, consultants, contractors and interior designers, property developers, government agencies, GLCs, the corporate sector and the general public. Whilst the bulk of The Fair showcased timber products, tips on interior design, live demonstrations of wood carving and Timber

Verification Services (TVS) were also held during the event.

Some of the SMEs were first timers and for these new exhibitors, their participation was mainly to gain knowledge and exposure with respect to marketing furniture in the domestic market. On the whole, exhibitors received encouraging sales and numerous enquiries were made on their products.

MTIB has also held similar Wood & Lifestyle Fairs throughout the country: Kelantan, Kedah, Kuala Lumpur and Pahang. The participating companies at these Fairs recorded sales which amounted to RM7.72 million. 

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Timber World In Brief

SOUTH AFRICA **Weak Wood Demand All Round**

Demand for Meranti, especially for window and door frames, has been undermined by price competition from locally produced aluminium alternatives. Furthermore, local aluminium product manufacturers can offer quicker deliveries which are an advantage in a situation where end-users are buying to only satisfy current projects.

Analysts reported that the market for domestic Pine is also weak and this has driven some Cape mills to extend marketing into the Johannesburg area, an indication that their nearby markets are not strong. At the moment Pine prices are steady but if demand weakens further price discounting will follow. This situation is mirrored in the panel market where plywood prices have fallen sharply.

On the other hand, demand for American hardwoods is holding up said the analysts as these hardwoods are mainly for bespoke production but eventually there is likely to be resistance against the higher rand prices due to the exchange rate.

fordaqa.com, 24 April

GLOBAL **Softwood Exports Rising**

Global softwood lumber trade increased by 12% year-over-year to reach a new record-high of 121 million ft² in 2016, according to Wood Resources International. Since the global financial recession in 2009, there has been a steady climb in international

trade of lumber, with shipments for the past seven years increasing as much as 66%. Even though it was no surprise that China has been a major driver for the dramatic rise in lumber shipments worldwide the past seven years, it is interesting to note that the US has actually increased softwood lumber imports more than China.

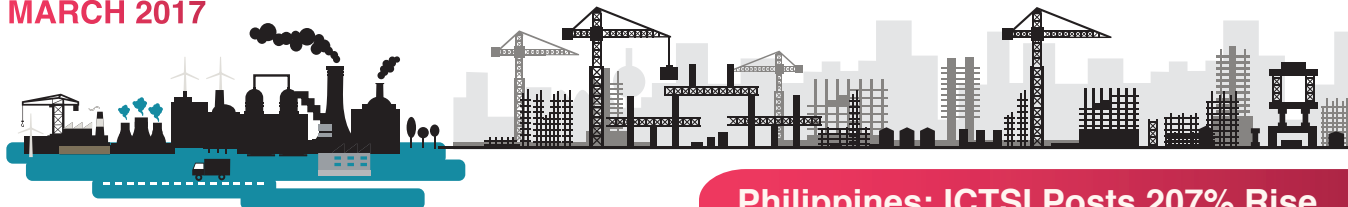
Lumber exports from British Columbia reached their highest levels since 2006 in 2016. Lumber shipments from the province to the US were up 25%, while exports to Asia fell about 8%. Lumber prices in the Nordic countries were at historically low levels during most of 2015 and 2016.

During the first 10 months of 2016, Finland increased lumber exports by 10%, on pace for a record year. It is interesting to note that the three biggest export markets for Finnish sawmills are all outside Europe: Egypt, Japan and China. China imported record high volumes of softwood lumber in 2016, with import volumes in the fourth quarter up about 20% compared to the year earlier. Japanese softwood lumber imports in 2016 were the highest they have been in three years as total wood demand in the country picked up 3.6% from 2015.

There has been a slow but steady shift in the sourcing of lumber away from North America to Europe and Eastern Russia for the past few years. From 2015 to 2016, the North American market share fell from 39% to 35%, while the market share of lumber from Russia and the Nordic countries increased from 39% to 42% year-over-year. Exports of Russian lumber jumped 10% in 2016, contributing to a 26% increase over the last three years. More than half of the wood was shipped to China.

www.building-products.com, 1 April 

MARCH 2017



Malaysia: Revenue of MMC Corp at RM 4.63 Billion in 2016

The Revenue of Malaysia-based MMC Corp declined by 8.49% from RM5.06 billion (EUR1.08 billion/USD1.14 billion) a year earlier to RM 4.63 billion in 2016 because of the deconsolidation of its unit Malakoff. Pretax profit of the port, logistics, construction and power production firm increased from RM494.50 million to RM672.70 million. Net profit decreased by 67.07% from RM1.67 billion to RM549.66 million. Also, its revenue rose from RM958.49 million a year before to RM1.85 billion in the fourth quarter of 2016. Net profit increased by 51.93% from RM176.01 million to RM267.41 million.

Source: The SUNDAILY, 1 March

Malaysia: RM700 Million Capital Spending Set by Boustead for 2018

Boustead Holdings (Boustead) of Malaysia plans to set a capital spending of RM700 million (EUR146.39 million/USD158.17 million) for its operations in 2017, disclosed CEO Tan Sri Lodin Wok Kamaruddin. The allocation will go to expansion of BHPetrol filling stations and ongoing property projects, among others. In the meantime, Boustead is reviewing refinancing options for two bonds due within the next 12 months, with the value of these bonds reaching RM1.20 billion. Boustead is a diversified firm with presence in fuel retail, shipping, construction material, rubber, palm oil, financial services and property development markets.

Source: New Straits Times, 31 March

Philippines: ICTSI Posts 207% Rise in Net Income in 2017

The Philippines-listed port operator International Container Terminal Services (ICTSI) recorded an annual growth of 7% in revenues from port operations from USD1.05 billion (EUR984.70 million) to USD1.13 billion in 2016. This was followed by a 12% rise in consolidated handling volume from 7.78 million twenty-foot equivalent units (TEUs) to 8.69 million TEUs, and a massive 207% jump in attributable net income from USD 58.50 million to over USD180 million on a year-on-year basis. ICTSI further stated its recurring net income would rise 18% from USD172.80 million to USD203.40 million in the year under review, if non-recurring items were excluded.

Source: BusinessWorld, 13 March

Portugal: Yildirim's Terminal Contentores Leixoes (TCL) Secures Expansion and Concession at Leixoes Port

Turkish group Yildirim has secured agreement from the Portuguese government to take on the estimated EUR43.40 million (USD46.32 million) investment required to expand the container terminal at Leixoes port and extend the concession there by another five years. The deal was made with the Turkish firm's subsidiary TCL. The government wants to see port competitiveness improved and is expecting an increase in freight handling capacity which will allow a 200% increase in container movements from the port to the continent.

The investment in the port needs to be made in a maximum of 42 months. The investment includes

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m ³	% Change Mar 2017/ Feb 2017
	m ³	% Change Mar 2017/ Feb 2017	m ³	% Change Mar 2017/ Feb 2017	m ³	% Change Mar 2017/ Feb 2017	m ³	% Change Mar 2017/ Feb 2017	m ³	% Change Mar 2017/ Feb 2017		
Sawntimber	71,021	28	17,474	113	1,096	-8	507	-6	17,784	41	107,882	39
MDF	26,748	14	643	100	6,916	48	5,719	-1	20,586	7	60,612	14
Mouldings	12,036	3	223	-17	2,111	24	484	23	2,273	37	17,127	9
Plywood	8,669	17	93	-39	0	-100	254	147	10,161	31	19,177	24
Veneer	1,306	7	0	0	52	333	104	-32	1,621	216	4,083	85
Particleboard	37,777	11	769	130	59	-86	0	0	3,732	53	42,337	14
TOTAL	157,557	18	19,202	114	10,234	28	7,068	2	57,157	29	251,218	25

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expansion work (EUR15.9 million) and acquisition of equipment (EUR27.5 million), which will increase the terminal's capacity to 620,000 TEUs a year from the current 490,000 TEUs. Additionally, TCL has agreed to apply a 20% discount on maximum tariffs in order to make the service at the terminal more competitive.

Source : Jornal de Negocios, 13 March

Spain: Cargo Volumes at Ports Up 7% in January 2017

According to figures released by Spain's ports regulator Puertos del Estado, in January 2017 cargo volumes at the country's 28 industrial ports grew by 7% to 41.3 million tonnes compared to January 2016. Not counting transit cargo, volumes increased by 5.8% to 30.5 million tonnes. General cargo accounted for 46% of the total after a 9.3% growth, bulk liquids for 35% after a 6.3% growth and bulk solids for 19%, after growing by 2.9%.

The most active ports included Algeciras (8.3 million tonnes), Valencia (5.9 million tonnes) and Barcelona (3.6 million tonnes). Moreover, container cargo volumes increased by 10.2% to 14 million tonnes and 1.2 million twenty-foot equivalent units (TEUs). Additionally, abroad trading including imports and exports amounted to 21.1 million tonnes, down by 3.7%. Exports increased by 7.5% to 6.7 million tonnes but imports dropped by 8.2% to 14.4 million tonnes.

Source: Alimarket, 20 March

Sweden: Port of Halland the Largest Wood Products Exporter

The Port of Halland (Hallands Hamnar) reports that it exported about 980,000 m³ of sawnwood in 2016, an increase by about 60% from the estimated 600,000 m³ exported in 2011. This marks the Port as the largest of its kind in Sweden with regard to forestry products. So far in 2017, the trend seems to continue, as exports for the first two months of the year indicate a 12% increase compared to 2016. Port CEO Björn Alvengrip states that continuous investments from the Port's customers have ensured a strong market position for forestry, which in turn has made the Port an increasingly important logistics player for the industry.

Source: Nordisk Industri, 20 March

Singapore: PSA International's Net Profit in 2016 Drops to SGD1.17 Billion

For the year ended 31 December 2016, Singaporean port operator PSA International registered a year-on-year drop of 7.5% in net profit to SGD1.17 billion

(EUR776.22 million/USD834.46 million), partially because of further depreciation. In the reporting year, the company's handling increased year-on-year by 5.5% to 67.63 million TEUs, mostly on an increase of through put at terminals out of Singapore. The company's revenue in the same period increased year-on-year by 3% to SGD3.68 billion, buoyed by a rise in volume of containers handled. The company's terminals outside Singapore contributed a total through put of 37.04 million TEUs, increasing year-on-year by 10.6%, while its flagship Singapore terminals accounted for 30.59 million TEUs in 2016.

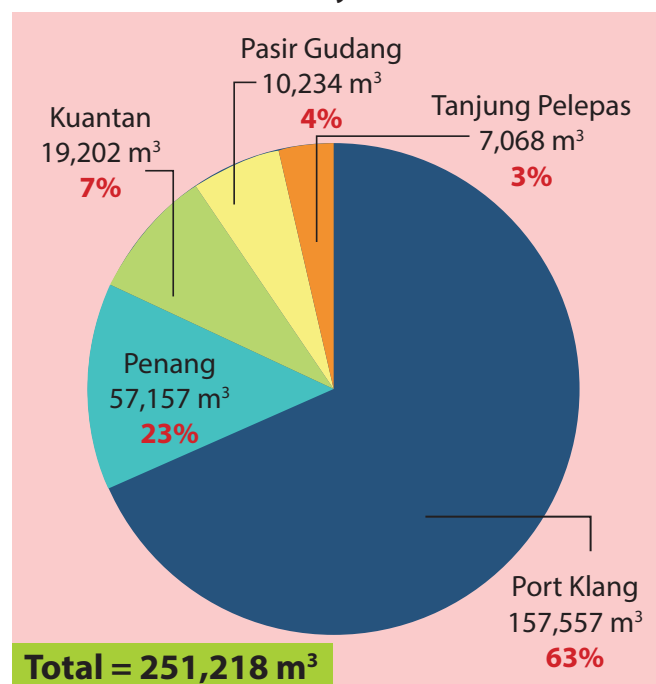
Source: Business Times - Singapore, 24 March

Brazil: Santos Port Movement Up 7.3% in February 2017, CODESP

According to data from Codesp, the port authority for the Santos port in the Brazilian state of Sao Paulo, the port saw record movement of 9.6 million tonnes in February 2017, up 7.3% in comparison with February 2016. Accumulated port movement in the first two months of 2017 was also a record 17.04 million tonnes up 1.1% from the same period in 2016. Exports from the port in February 2017 totalled 6.85 million tonnes, up 2.5% from February 2016 whilst imports were up 21.1% in the same comparison, driven by a 266.5% increase in fertiliser imports. Container movement at the port stood at 278,277 TEUs in February 2017, up 7.7% from February 2016. In the two month period, container movement totalled 558,250 TEUs, up 5.8% in the year-on-year comparison. The port also recorded a 2.5% drop in the number of ships docking in February 2017 compared to February 2016.

Source: Logweb, 30 March

Timber Shipment through Ports in Peninsular Malaysia, March 2017



MARCH 2017

Total exports of Malaysia timber and timber products in March 2017 increased 29% valued at RM2.23 billion over the previous month. Similarly, cumulative export for the period of January to March increased by 5% in value to RM5.90 billion against the same corresponding period in 2016.

SAWNTIMBER

Export of sawntimber in March 2017 increased 44% in volume and 36% in value to 229,450 m³ with a value of RM386.5 million as compared to the previous month. Cumulative export for the first quarter of 2017 increased 22% in volume and 21% in value to 560,326 m³ totalling RM973.1 million over the previous corresponding period.

Export of sawntimber to the EU for the month increased 25% to 13,539 m³ from 10,864 m³ in the previous month. Export to the Netherlands improved 10% to 5,790 m³ followed by Belgium at 109% to 1,639 m³, France at 134% to 1,026 m³ and Germany at 68% to 1,525 m³. However, export to the UK declined 12% to 1,960 m³ from 2,218 m³ in the previous month.

Total exports to West Asia improved 63% to 35,141 m³ from 21,504 m³ recorded in the previous month as a result of increasing demand from major market in the region. Export of sawntimber to Yemen increased 84% to 13,563 m³, followed by the UAE with 56% to 8,450 m³, Oman with 177% to 7,055 m³, Saudi Arabia with 52% to 2,057 m³ and Qatar with 48% to 820 m³. On the other hand, demand from Bahrain and Kuwait declined 32% to 813 m³ and 47% to 407 m³ respectively.

Buying from ASEAN increased 17% to 76,564 m³ from 65,575 m³ registered in the previous month. Export of sawntimber to Thailand, major buyer of sawntimber from Malaysia increased 49% to 43,933 m³ from 29,484 m³ in the previous month. Likewise, export to Singapore and Viet Nam improved 59% and 24% to 8,281 m³ and 1,515 m³ respectively. However, export to the Philippines recorded a decline of 23% to 22,754 m³ from 29,498 m³ in the previous month.

Shipments to East Asia showed positive growth by 74% to 64,904 m³ due to increasing purchases made by China with a total of 44,015 m³ from 25,568 m³ recorded in the previous month. Export to Taiwan and Japan also increased by 87% and 28% to 10,553 m³ and 5,343 m³ respectively.

Elsewhere, intake by Australia increased 28% to 1,030 m³ and demand from South Africa increased

49% to 6,236 m³ from 4,180 m³. However, exports to the US decreased by 55% to 453 m³ in the previous month.

The average FOB price of sawntimber declined 5% to RM1,684 per m³ from RM1,775 per m³ in the previous month. Price of Dark Red Meranti increased 1% to RM2,803 per m³ from RM2,784 per m³ in the previous month. Keruing was traded at RM1,661 per m³, a decrease of 6% from RM1,774 per m³ in the previous month.

PLYWOOD

Export of plywood in March increased by 178% in volume and 21% in value to 568,952 m³ valued at RM443.2 million as compared to the previous month.

Total exports to the EU increased by 4% to 10,008 m³. Similarly, exports to the Netherlands and the UK increased by 12% and 44% to 1,061 m³ and 7,998 m³ respectively whilst Germany resumed its intake. However, Belgium, Ireland and Italy reduced their intake by 59%, 74% and 55% to 395 m³, 343 m³ and 39 m³ respectively whilst Denmark and France did not make any purchases.

Exports to ASEAN region increased as Singapore and Thailand intake of plywood increased by 35% and 29% to 3,788 m³ and 6,485 m³ respectively. Contrariwise, Brunei and the Philippines reduced their intake by 37% and 52% to 484 m³ and 2,013 m³ respectively whilst Indonesia did not make any purchases. In East Asia, Japan, South Korea, Taiwan, Hong Kong and China improved their intake by 16%, 17%, 15%, 73% and 34% to 107,573 m³, 36,517 m³, 18,653 m³, 4,586 m³ and 3,707 m³ respectively.

Overall exports to West Asia increased heftily by 178% as compared to the previous month. Similarly, shipments to Yemen, the UAE, Saudi Arabia, Qatar and Kuwait increased by 320%, 14%, 19%, 67%, 110% to 18,121 m³, 4,846 m³, 2,524 m³, 428 m³ and 412 m³ respectively. However, Bahrain reduced its intake by 16% to 357 m³.

Elsewhere, exports of plywood to the US sharply increased by 24 folds to 326,691 m³. In the meantime, Australia and South Africa increased their intake by 115% and 90% to 5,636 m³ and 529 m³ respectively whilst Canada and Turkey resumed their intake. However, Mexico and New Zealand reduced their intake by 43% and 1% to 2,531 m³ and 170 m³ respectively whilst Algeria and Mauritius did not make any purchases.

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MARCH 2017

The FOB price of plywood decreased by 130% to RM779 per m³ from RM1,790 per m³ in the previous month.

VENEER

Export of veneer for March 2017 increased by 56% in volume and 46% in value to 24,727 m³ at RM35.1 million as compared to the previous month. Similarly, exports to the Philippines, Singapore, Taiwan, China, India and Australia improved by 207%, 67 folds, 157%, 78%, 57% and 201% to 1,710 m³, 201 m³, 8,884 m³, 6,066 m³, 399 m³ and 229 m³ respectively whilst Viet Nam maintained its intake at 37 m³ and Italy resumed its intake. Inversely, South Korea reduced its intake by 6% to 6,496 m³ whilst Canada did not make any purchases.

The FOB price of veneer decreased to RM1,419 per m³ from RM1,520 per m³, a decrease of 7% from the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for March 2017 increased 15% both in volume and in value compared to previous month. Export totaled 86,485 m³ and valued at RM103.8 million.

Exports to East Asia registered an increased of 12% to 15,883 m³ from 14,227 m³ in the previous month. Similarly, exports to Taiwan, Japan, China including Hong Kong and South Korea recorded positive growth of 4% to 591 m³, 9% to 13,891 m³, 27% to 132 m³ and 56% to 1,269 m³ respectively.

Exports to West Asia also recorded positive growth of 11% to 35,242 m³ from 31,761 m³ in the previous month. Similarly, export to Jordan, Oman, Kuwait, Saudi Arabia and UAE increased by 565% to 1,071 m³, 130% to 1,221 m³, 76% to 6,613 m³, 63% to 9,275 m³ and 8% to 11,926 m³ respectively. However, export to Lebanon, Iran, Qatar and Bahrain decreased by 15% to 160 m³, 28% to 3,616 m³, 44% to 728 m³ and 55% to 547 m³ whilst Syria did not make any purchases.

Exports to South Asia decreased by 10% to 11,037 m³. Similarly, export to Pakistan, Bangladesh and Sri Lanka decreased by 20% to 4,785 m³, 40% to 701 m³ and 94% to 214 m³ respectively. Contrariwise, export to India increased by 207% to 5,334 m³.

Elsewhere, exports to the UK, Australia, the US and South Africa increased by 3% to 335 m³, 115% to 5,395 m³, 127% to 2,564 m³ and 333% to 662 m³ respectively. On the other hand, Mauritius did not make any purchases.

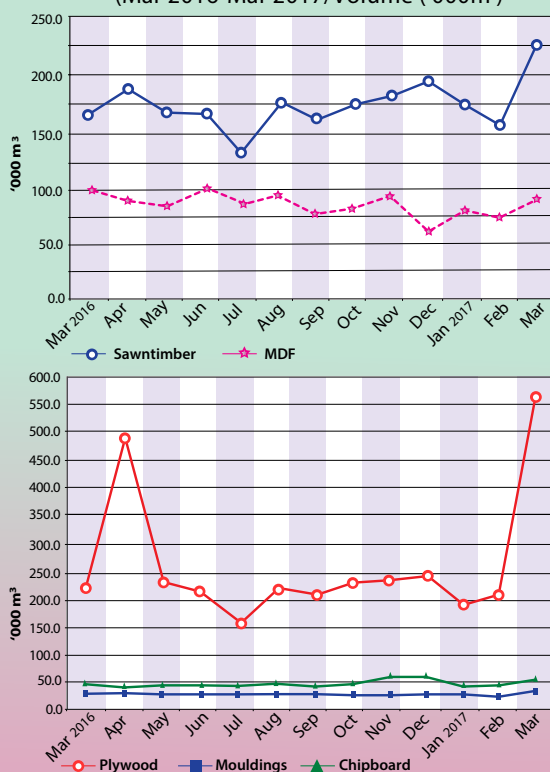
In ASEAN, total exports to ASEAN region increased by 11% to 12,920 m³ from 11,635 m³ in the previous month. Export to Indonesia, Viet Nam and the Philippines increased by 1% to 2,389 m³, 6% to 7,571 m³ and 50% to 2,816 m³ respectively. However, export to Singapore decreased by 49% to 98 m³.

The FOB price of MDF increased to RM1,200 per m³ from RM1,199 per m³, an increase of 0.1% from the previous month.

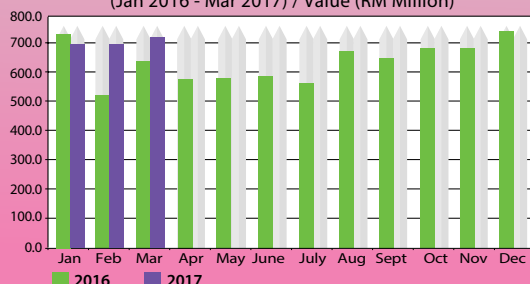
MOULDINGS

Export of mouldings for the month increased by 52% in volume and 37% in value to 25,195 m³ and RM84.1 million respectively. Likewise, cumulative exports for the period of January to March increased by 7% in volume and 1% in value to 61,607 m³ and RM211.3 million respectively as compared to the previous corresponding period in 2016.

Malaysia : Export of Major Timber Products
(Mar 2016-Mar 2017/Volume ('000m³)



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



Source : Department of Statistics, Malaysia

MARCH 2017



LOGS

The supply of logs was reported to be adequate with log inventories being sufficient for current usage. Domestic prices for most of the log species fluctuated from the previous month due to sluggish demand from the local market.

Log prices for the species of Chengal and Balau stood firm at RM4,000 per tonne and RM3,000 per tonne respectively. Price of Red Balau dropped by 2.1% to RM2,300 per tonne whilst Merbau increased slightly by 1.9% to RM2,700 per tonne over the previous month. Meanwhile, the price for Keruing increased by 13.3% to RM1,530 per tonne. However, the price for Kempas fell slightly by 1.1% to RM1,720 per tonne compared to the previous month. Prices of Dark Red Meranti and Red Meranti charted at RM1,900 per tonne and RM1,750 per tonne respectively. On the other hand, logs prices for Mixed Heavy Hardwood dropped by 3.8% to RM950 per tonne whilst prices of Mixed Light Hardwood remained at RM1,200 per tonne.

SAWNTIMBER

The average sawntimber prices for the month stood firm although some species recorded significant changes in their prices.

The sawntimber prices of Chengal and Balau maintained at RM6,921 per m³ and RM3,178 per m³ respectively. Meanwhile, the price of Red Balau fell by 2.4% to RM2,895 per m³ over the previous month. Similarly, prices for Kapur dropped

significantly by 19.9% to RM1,801 per m³. On the other hand, sawntimber prices of Mixed Heavy Hardwood dropped by 10.2% to RM713 per m³, whilst Mixed Light Hardwood continued to chart at RM1,201 per m³ for this month.

PLYWOOD

The supply of plywood to the domestic market remained adequate for the month under review. Plywood of 4mm, 6mm, 9mm and 12mm of thicknesses continued to be traded at RM14.60, RM22.00, RM34.50 and RM42.00 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 4mm, 6mm, 9mm and 12mm of thicknesses were sold at RM12.10, RM16.55, RM22.15 and RM28.80 per piece respectively.

INTRA-MALAYSIA TRADE * - MARCH 2017

The shipments of sawntimber from Sabah to Peninsular Malaysia increased by 65% to 213 m³, valued at RM456,000. Similarly, shipments of plywood rose by 6% in volume from 10,077 m³ to 10,669 m³ valued at RM18 million.

Exports of sawntimber from Sarawak to Peninsular Malaysia increased tremendously by 150% in volume to 1,117 m³ from 446 m³ as recorded last month, worth at RM1.2 million. Export of plywood

INTRA-MALAYSIA TRADE – MARCH 2017

From	Products	FEB 2017		MAR 2017		% Change in Volume Mar 2017 / Feb 2017	% Change in Value Mar 2017 / Feb 2017
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	129	342	213	456	65	33
	Plywood	10,077	17,132	10,669	18,035	6	5
	Veneer	0	0	0	0	-0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	446	370	1,117	1,243	150	236
	Plywood	7,064	9,444	7,726	10,846	9	15
	Veneer	4,063	5,864	7,465	9,387	84	60

Source : Department of Statistics, Malaysia

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MARCH 2017

grew by 9% in volume and 15% in value to 7,726 m³ and RM10.8 million. Likewise, export of veneer increased by double digits or 84% to 7,465 m³ valued at RM9.4 million.

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

* Source: MTIB and Department of Statistics, Malaysia

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

SPECIES	LOGS/tonne	SAWNTIMBER/m³			
	18" UP	GMS	STRIPS		SCANTLINGS
HEAVY HARDWOOD					
Chengal	4,000	6,921	7,274		7,768
Balau	3,000	3,178	3,249		3,531
Red Balau	2,300	2,895	3,001		3,213
Merbau	2,700	3,849	3,884		3,955
Mixed Heavy Hardwood	950	713	847		1,031
MEDIUM HARDWOOD					
Keruing	1,530	1,215	1,766		2,203
Kempas	1,720	2,239	2,260		2,331
Kapur	1,700	1,801	2,260		2,472
Mengkulang	1,100	1,483	1,554		1,624
Tualang	1,400	2,472	2,542		2,585
LIGHT HARDWOOD					
Dark Red Meranti	1,900	2,013	2,154		2,707
Red Meranti	1,750	1,977	2,013		2,083
Yellow Meranti	1,200	1,342	1,448		1,554
White Meranti	1,070	2,119	2,189		2,260
Mersawa	1,480	1,554	1,624		1,660
Nyato	900	777	812		847
Sepetir	1,100	1,283	1,335		1,469
Jelutong	1,140	1,497	1,589		1,730
Mixed Light Hardwood	1,200	1,201	1,236		1,271
MALAYSIAN RUBBERWOOD <i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m³			
	200	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		876	1,210	1,340	1,410
PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm		12mm
	14.60	22.00	34.50		42.00
MDF 4' X 8' (RM per piece)	4mm	6mm	9mm		12mm
	12.10	16.55	22.15		28.80

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

* Prices are only indicative

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Exports to the EU for the month recorded at 9,176 m³, an increase of 46% compared to the previous month. Belgium, Germany, Netherlands and the UK increased their purchased by 185%, 86%, 28% and 13% to 933 m³, 1,795 m³, 4,312 m³ and 504 m³ respectively. However, Italy did not make any purchases.

Exports to ASEAN region increased as Singapore, Viet Nam and Indonesia intake of mouldings increased by 116%, 70% and 171% to 1,689 m³, 158 m³ and 103 m³ respectively compared to the previous month.

Meanwhile, exports to Japan, South Korea, Hong Kong and China increased its intake by 45%, 22%, 175% and 19% to 2,112 m³, 1,618 m³, 344 m³ and 916 m³ respectively compared to the previous month. However, exports to Taiwan decreased by 60% to 71 m³. Elsewhere, export to Australia, the US and Canada increased by 91%, 27% and 25% to 5,050 m³, 2,024 m³ and 119 m³ respectively.

FOB unit value decreased to RM3,337 per m³, a decreased of 10% compared to the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from January to March increased 9% to RM319.0 million as compared to RM292.1 million in the corresponding period last year. Export to the EU increased 15% to RM76.9 million. Similarly, export to Belgium, France, Denmark, Sweden, Germany, Italy, the Netherlands and Turkey increased by 26%, 63%, 19%, 66%, 6%, 83% 136% and 6% to RM10.8 million, RM6.6 million, RM6.7 million, RM2.7 million, RM6.7 million, RM2.2 million, RM2.2 million and RM1.0 million respectively compared to the previous year.

In Asia, exports to Pakistan, Viet Nam, Taiwan, Saudi Arabia, the UAE and South Korea grew 18%, 13%, 13%, 19%, 210% and 57% to RM16.3 million, RM8.1 million, RM4.6 million, RM1.5 million, RM2.7 million and RM1.0 million respectively, whilst Bahrain resume its intake. However, exports to Japan, India and Thailand decreased by 1%, 8% and 35% valued at RM18.5 million, RM15.2 million and RM8.1 million respectively. Moreover, Qatar did not make any purchases.

Export to Australia and the US increased by 20% to RM60.8 million and 12% to RM27.6 million respectively compared to the previous year. Meanwhile, South Africa reduced its purchases by 4% to RM3.7 million.

FURNITURE

Export of wooden and rattan furniture for the first quarter of 2017 increased 6% compared to the corresponding period in 2016. Total shipments recorded RM2.0 billion against RM1.9 billion in 2016.

Purchase of wooden furniture from Malaysia for the period January to March 2017 increased 6% from RM1.9 billion to RM2.0 billion compared to the same period in 2016. Imports of wooden furniture by the US expanded 14% from RM669.5 million to RM762.7 million. Similarly, exports to Australia and Canada also improved by 1% to RM153.3 million and 11% to RM66.9 million respectively.

In East Asia, wooden furniture exports to China, South Korea and Taiwan increased by 54%, 2% and 23% to RM35.6 million, RM32.2 million and RM11.3 million respectively. However, Japan reduced its consumption by 0.4% to RM183.8 million. Exports to ASEAN region increased as the Philippines intake of wooden furniture increased by 16% to RM32.8 million respectively. However, Singapore reduced its consumption slightly by 1% to RM107.9 million.

Export of wooden furniture to West Asia declined as the UAE and Saudi Arabia reduced their intake by 29% and 39% to RM41.9 million and RM28.8 million respectively. However, Iraq increased their wooden furniture consumption by 5% to RM1.7 million.

In Europe, shipments to the UK, France and Poland picked up 7%, 10% and 42% to RM124.9 million, RM15.4 million and RM10.1 million respectively. However, Belgium, Sweden and Spain reduced their intake by 14%, 45% and 24% to RM10.4 million, RM5.4million and RM3.9 million respectively. Meanwhile, South Africa and India improved their intake by 39% and 32% to RM13.6 million and RM34.1 million respectively.

Shipments of rattan furniture in the first quarter of 2017 reduced by 22% to RM12.6 million from RM16.3 million in the corresponding period in 2016. India remains as the top importer as its intake increased by five folds to RM3.8 million in 2017. Thailand increased its consumption by 32% to RM67 thousand and shipments to Singapore improved by 46% to RM2.5 million.

The US however had recorded a reduction of 96% to RM16 thousand as compared to the previous year. The UK also cut back on its consumption by 78%, spiraling downwards from RM1.8 million in 2016 to RM389 thousand in 2017.

LEAN CREANOVA 2016 – SHARING BEST LEAN PRACTICES



The participants enthusiastically shared their lean journey with the audience.

MTIB has been conducting the Lean Management Programme since 2014 to improve work process flow particularly in manufacturing operations such as floor lay-outs, logistics management, and maintenance in order to increase the operation efficiency of a timber – based company. This is MTIB's initiative, to contribute to Malaysia's journey towards becoming a developed nation, by focusing efforts to increase the nation's productivity rate. Forty-one timber-based companies joined this programme in 2014 – 2016 which resulted in savings of over RM30.0 million per year. The savings included labour/overtime, number of workers, work space and maintenance. In 2016, 13 new companies joined this programme and have since achieved remarkable results.

Therefore, as a platform for those companies to share their best practices knowledge and results from practicing Lean management, MTIB organised its inaugural event, "MTIB Lean Creanova 2016 Programme" in Bangi, Selangor on 13 April. The programme was also a competition and the top three presentations were awarded cash prizes.

In his officiating speech, YBhg. Dato' Dr. Jalaluddin Harun, MTIB Director-General expressed his appreciation shown by participants throughout the Lean Management programme. This was shown by the combined total of savings of more than RM13 million per year, the highest since the programme was implemented back in 2014. He noted that this would not be possible without the management's dedication, commitment and sense of responsibility. He also thanked MTIB's appointed consultant,

Encik Muhar Murad from Muhar & Associates, for his tremendous efforts in guiding each company into completing this programme.

The programme proceeded with a brief introduction of the concept of Lean Management to the audience by Encik Muhar. He explained that the Lean Management is basically a method to eliminate waste and according to him, there are eight types of wastes: defects, overproduction, waiting, non-utilise talents, transportation, inventory excess, motion and excess processing. Each company then gave their

15-minute presentation that highlighted all activities and kaizens (process improvement measures) that had been implemented at their factory during the six- month programme. They also laid out all future kaizens to be implemented, as an indication of their commitment to practising Lean Management.

All presentations were judged based on the chosen projects, the methods or techniques used and how effective they were at solving the problems. Other criteria included were how Lean Management impacted their operational cost and whether any follow ups were to be implemented. The panel of judges consisted of Puan Hj. Noor Laila Mohamed Halip, MTIB Director of Strategic Planning and Encik Rosmi Abdullah, Senior Manager of Enterprise Innovation Department from the Malaysian Productivity Corporation (MPC).

After hearing and judging the presentations, Encik Rosmi noted that he was glad that Lean Management had struck a chord with the timber



YBhg. Dato' Dr. Jalaluddin Harun, MTIB Director-General was impressed by the level of commitment shown by participants of the Lean Management Programme.

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Posing with the top three winners of MTIB Lean Creanova 2016.



Attendees at the event.

industry. The achievements such as reduction in operational cost, better utilisation of work floor space and workers and elimination of waste were indications that the industry was moving in tandem with the government's efforts towards becoming a

more developed nation. He expressed his hope that these efforts would continue as Lean was always about striving for perfection.

The top spot was given to C.K. Ban Soon Lee Sdn. Bhd., a bedroom furniture manufacturer from Nibong Tebal, Pulau Pinang. The company had managed to effectively implemented Lean Management in certain areas of the company such as labour management and process flows. The company recorded a staggering saving cost of close to RM1 million. The second spot was given to Welley Timber Industries Sdn. Bhd. from Sungei Bakap, Pulau Pinang. The company manufactured marine plywood, commercial plywood, staircase, ceiling boards, floorings and skirtings. The company recorded savings of close to RM1.3 million per year. Chen Feng Enterprise from Muar, Johor won third place having effectively revamped their factory layout, to the point of reducing operation time from two days into roughly half a day. This resulted in the savings of roughly RM1 million per year.

Overall, the "MTIB Lean Creanova 2016" programme was well received by the audience, as it showcased the impact of Lean Management to the timber industry. The audience were able to learn how each company implemented Lean in their factories, and the methods that were used to achieve impressive results. The programme was attended by over 100 participants, ranging from both private and government sectors of the Malaysian timber industry.

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SEMINAR ON SUSTAINABLE FUTURE THROUGH ENGINEERED TIMBER CONSTRUCTION



Speakers and participants of the seminar held in Kota Kinabalu, Sabah.

As part of its role to promote the use of timber in construction, MTIB and Universiti Teknologi MARA (UiTM) organised two seminars on Sustainable Future through Engineered Timber Construction, the first being on 25 April in Kota Kinabalu, Sabah and the second on 28 April at UiTM, Jengka, Pahang. The seminar was held with the aim of introducing the latest timber engineering technology and Euro Code 5 (Design of timber structures) a standard in the international timber industry to the participants.

Dr. Simon Aicher, Chief Academic Director of Department of Timber Construction, Materials Testing Institute (MPA), University of Stuttgart, Germany was one of the speakers. Dr. Aicher's presentation comprised the types of engineered timber products and their reference standard; for example, glued solid timber and glued laminated timber (glulam) refer to the standard BS EN 14080:2013 Timber structures, while in Malaysia they refer to MS 758 Glued Laminated Timber- Performance Requirements and Minimum Production Requirements. He also talked about various types of structural engineered solid timber products such as cross laminated timber (CLT), finger-jointed structural timber, block glued glulam and cross laminated timber with large finger joints.

Dr. Aicher is a Certified Technical Assessor for European Organisation for Technical Assessment (EOTA) for timber products in Europe. He presented the manufacturing process for each engineered timber product comprising of requirements of adhesives, type of testing, quality control and marking system. He also explained the requirements

and procedures of certification for timber products in Europe in order to comply to the CE (European Conformity) Marking certification system. All timber products must be assessed to meet the criteria of high safety, health, and environmental protection requirements in order for them to obtain the CE Mark. He also showed some projects which used timber as a structural component, such as The Scottish Parliament and Hamar Olympic Hall in Norway.

Ir. Major (Rtd) Haji Ahmad Mazlan, one of the foremost bamboo experts in the country, spoke on Potential of Bamboo as an Alternative Material for Construction Industry. With his background as a practising structural engineer, some of his works are Masjid Buluh Kuala Kangsar, the Bamboo Resort in Taiping and Bamboo Clock Tower in Pengkalan Hulu. He talked on the best bamboo species in the world, preservation of bamboo and the advantages of bamboo as a construction material compared to other materials. He also spoke about the basic design approach for bamboo structures and showed some projects which use bamboo as a main structural component such as Howe Truss Bridge in Columbia and Timarai Bamboo Beach Resort in Costa Rica.

Eighty-nine participants attended the seminar in Kota Kinabalu and 178 participants joined the second session in UiTM, Jengka, Pahang. The participants comprised representatives from the timber industry from Kumpulan Pengurusan Kayu-Kayan Terengganu; representatives of government agencies from Works Department (JKR) and District Forest Office; developers; engineers; architects;

WORKSHOP ON OIL PALM WOOD FOR NEW PRODUCTS

The Malaysian Panel-Products Manufacturers Association (MPMA) together with Malaysian Timber council organised a workshop on 19 April in Kuala Lumpur. The main aim of the workshop was to inform the timber industry on the work carried out by PalmwoodNet on the processing of oil palm wood. About 80 participants attended this session.

Palmwoodnet is a German consortium of five companies headed by Prof. Dr. Arno Fruehwald and are working together to increase the sustainable use of oil palm wood for high value-added engineered wood products. These companies are Jowat SE, Leitz GmbH & Co KG, Minda Industrieanlagen GmbH, Möhringer Anlagenbau GmbH and Palmwood R+D. This project is sponsored by the German Federal Ministry for Economic Cooperation and Development (BMZ) and German Investment and Development Company, DEG. The local parties involved in this project include MTIB, Malaysian Palm Oil Board, Forest Research Institute Malaysia (FRIM), MPMA and Universiti Putra Malaysia.

A total of 12 papers were presented during the one-day workshop. YBhg. Dato' Dr. Jalaluddin Harun, MTIB Director-General and Dr. Loh Yueh Feng of

FIDEC highlighted the opportunities and challenges in processing the oil palm. Among the challenges faced by current oil palm trunk processors include plantation supply, palm inherent quality problem, the processing technology and marketing issues. Dr. Gan Kee Seng of FRIM highlighted the research and development work carried by FRIM since 1980s' on the palm material. Based on the recent industrial study, Prof. Dr. Fruehwald recommended that the palm wood be protected against fungi attack as soon as it is felled due to its high content of starch. He also stated that talks were underway to work with the local kiln manufacturers to design a kiln chamber specifically to dry palm wood.

Meanwhile Dr. Hartmut Henneken, the Director of the Jowat Research Services said that his company, a leading global supplier of adhesives was looking to enhance the property of oil palm for wider application with proper gluing technology. Prof. Dr. Dieter Fink who has worked with the oil palm wood samples concluded that palm material is suitable to be made into blockboards, cross laminated timber (CLT), multi-layer solid wood panels, sandwich/light-weight panels and glulam. 

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Timber News

students from Universiti Teknologi MARA (UiTM), Universiti Malaysia Sabah (UMS), Universiti Tun Hussein Onn Malaysia (UTHM), Universiti Malaysia Pahang (UMP); and representatives from Akzonobel and Petronas. 



Attendees at UiTM Jengka, Pahang.



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WORKSHOP ON LEAN MANUFACTURING FOR BUMIPUTERA SMES

MTIB organised a workshop on Lean Manufacturing for Bumiputera SMEs on 17 – 19 April. The workshop was conducted at the premise of ABM Two Sdn. Bhd. in Alor Setar, Kedah and consultants from Muhar & Associates Sdn. Bhd. conducted the three-day programme. The objective of the workshop was to enhance knowledge on proper management of the production process and improving time quality. By doing so the company can eliminate wastage through continued improvement in productivity, quality and lead time.

Encik Muhar Murad from Muhar & Associates Sdn. Bhd. stated that Lean refers to a collection of principles and methods that focus on the identification and elimination of non-value added activities in a production process. Lean Manufacturing highlights eight types of waste and they are known as D.O.W.N.T.I.M.E.:

- Defects (efforts caused by rework, scrap and incorrect information)
- Over-production (production that is more than needed or done before it is needed)
- Waiting (wasted time waiting for the next step in a process)
- Non-utilised talent (underutilising talents, skills and knowledge)

- Transportation (unnecessary movements of products and materials)
- Inventory (excess products and materials not being processed)
- Motion (unnecessary people movements)
- Extra-processing (doing more work or producing higher quality than is required by the customer)

The participants were also taught about Value Stream Mapping (VSM). Value streaming is the process of identifying the value adding activities and all of the non-value adding activities (pure waste and incidental waste) required with the aim to provide good quality products to customers. The participants had to do value streaming mapping for a kitchen cabinet. Each participant had to identify the process flow starting from the cutting process to packaging. By understanding the mapping process they had identified the kaizen activity for improvement. At the end of the workshop, the participants gained knowledge and skills in managing and improving the control process in the production area. This will improve the factory production cost.



Explanation by Encik Muhar Murad from Muhar & Associates Sdn. Bhd. during Lean 5s Workshop.



Group activity for Kaizen improvement.

ECOBUILD SOUTHEAST ASIA 2017 – “TOWARDS ENHANCING QUALITY AND SAFETY IN CONSTRUCTION”



Visitors at MTIB booth.

Ecobuild Southeast Asia 2017 is a leading construction event for Southeast Asia specifiers in the built environment and energy market. It attracted over 10,000 industry professionals, from senior level decision makers, architects and developers to local government and major infrastructure clients. This fifth edition of Ecobuild Southeast Asia were held successfully at the Kuala Lumpur Convention Centre (KLCC) from 12 to 14 April. Organised by UBM, the largest trade show organiser in Asia and hosted by Construction Industry Development Board (CIDB) Malaysia.

This year's event marked the fourth year of partnership between Ecobuild Southeast Asia and the International Construction Week (ICW), positioning the event as the region's leading event for sustainable design, construction and energy and the built environment. This year's theme, "Towards Enhancing Quality and Safety in Construction", fits perfectly with one of the pillars of the Malaysia Construction Industry Transformation Plan (CITP) for 2020.

Ecobuild Southeast Asia 2017 was officiated by YB Dato' Sri Haji Fadillah Bin Haji Yusof, Minister of Works at KLCC. In his opening remarks, YB Dato' Sri Haji Fadillah highlighted the Construction

Industry Transformation Programme (CITP) initiatives to improve the quality and safety of the construction industry. He further added that, under the strategic thrust of improving quality, safety, and professionalism of the industry, CITP has set in place an overall target of reducing 50% of worksite fatalities and injuries by 2020 and the goals are based on the 2015 baseline fatality rate of 10.94 per 100,000 workers. It also reflects the importance of improving quality and safety in construction to keeping up with industry growth.

Ecobuild Southeast Asia 2017 provided a strategic platform that connected industry professionals



Visitors at ZFH Industries Sdn. Bhd.

ADVANCE COURSE ON OPERATION OF THE EDGE BANDER AUTO MACHINE

MTIB organised an Advance Course on Operation of the Edge Bander Auto Machine for Bumiputera SMEs on 28 February – 2 March. The course was conducted at Bidin Jasin Sdn. Bhd. in Kangar, Perlis. The main objective of the course was to enhance technical knowledge and increase the manufacturing skills of the operators handling the machine.

Basically the content of the training module was to get the participants to familiarise themselves with the utilisation of the machine and the proper practices in producing quality bander products during the edging process. A technical expert from Biesse Asia Sdn. Bhd. conducted the three-day programme which was attended by 15 participants

from 12 companies that have acquired the edge bander machines.

The edge bander expert started with the theoretical aspects of the machinery, followed by hands-on training. He highlighted the important aspects of safety awareness, proper maintenance and troubleshooting. At the same time, he also elaborated on proper Standard Manufacturing Practices to produce good products, from pre-milling, gluing, end trimming, top and bottom trimming, corner rounding, scraping to buffing.

At the end of the programme, the participants produced kitchen cabinet components with various veneer material and particleboard. 



Puan Hj. Noor Laila Mohamed Halip, MTIB Director of Strategic Planning (left) was briefed by Encik Zaharin Bidin, CEO of Bidin Jasin Sdn. Bhd. (centre) on the material after edging process.



The course conducted by a technical staff from Biesse Asia Sdn. Bhd.

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Timber News

to network, learn and discover new products and innovative solutions in the construction industry. Malaysia companies took the opportunity to showcase their products during the event. MTIB's participation in Ecobuild Southeast Asia 2017 was mainly to promote biocomposite products as well as other construction materials such as doors, decking and flooring. Timber Deck Sdn. Bhd., MM Doors Sdn. Bhd., Advanced Building Concept Sdn. Bhd., ZFH Industries, KPC Manufacturing, Prima Laguna Sdn. Bhd. and Door Master Industries Sdn. Bhd. joined MTIB in the exhibition. A number of enquiries on products displayed were also reported. MTIB also exhibited its publications for sale while taking the opportunity to explain and promote its services. 



Doors manufactured by Door Master Industries Sdn. Bhd.



Shaping the Timber Industry of Malaysia

One Man's Waste, Another Man's Wealth

To many of us, rice husks, coconut trunks, oil palm fronds and empty fruit bunches are nothing but a pile of residue. But did you know that they can be turned into furniture and building materials?

For many years now, the demand for wood far exceeds the supply. The biggest challenge has always been fulfilling demand without sacrificing our beautiful forests. Little did we know, the things we often regard as junk could actually be a solution to this problem. Possessing excellent mechanical and physical properties, wood made from agricultural by-products is not only durable, but also highly customisable in terms of weight, structure and density.

We at MTIB are committed in finding solutions to make both you and Mother Nature happy. With MTIB, your wastes are not wasted.


Standing on Excellence

MTIB is committed towards enhancing the sustainable growth of the Malaysian timber industry through various initiatives and innovations.

For more information, contact:

Malaysian Timber Industry Board (MTIB)

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URL: www.mtib.gov.my facebook.com/Malaysian-Timber-Industry-Board



SEMINAR ON GOOD AGRICULTURAL PRACTICE IN KARAS PLANTATION



Participants attending the seminar.

Agarwood or gaharu produces a unique aroma that brings a sense of tranquility, healing and spiritual cleansing in many traditions of the world. In modern times, it is used as an ingredient in therapeutic medicines and perfumeries. The source of this precious wood comes from members of *Aquilaria* (Karas) and *Gyrinops*, two important genera in the plant family *Thymelaeaceae*. The Convention on International Trade of Endangered Species of Wild Flora and Fauna (CITES) has listed Gaharu-producing species; *Aquilaria* under Appendix II of CITES due to the threat posed by trade to the survivability of the species. These resources are under threat because of the unsustainable production of agarwood – common methods include direct harvesting and indiscriminate felling of trees from natural forests. To lift the pressure on natural resources and to meet market demands, domestication efforts are currently ongoing. Selected species are being planted in mass plantations. In many sourcing countries, agarwood is moving from a simple forest-dependent livelihood source for the local people, into an industrial scale operation. In the coming years, agarwood source will shift from wild forests to plantations.

The establishment of the Karas plantation is an economic approach to overcome the problem of depleting resources from natural forests. Current statistics show that there are 1,500 hectares of Karas plantations in Malaysia with almost 1.5 million

planted trees. However, compared to neighbouring countries such as Thailand, Viet Nam, Cambodia and Indonesia, Malaysia is still lacking in terms of Karas plantation establishment and Gaharu production. Trade of Agarwood in Malaysia is also subjected to annual quota and currently only 150,000 kg is allowed for export. The value of exports of gaharu products in 2016 amounted to RM15.16million, up 15% from the previous year. Of this amount, RM10.3 million was from the export of Agarwood products such as woodchips/woodblocks while RM3.74 million was from the export of Agarwood Essential Oil and RM1.12million was from Agarwood pieces.

In an effort to further develop the Karas and gaharu industry in Malaysia, MTIB recently organised a seminar on Good Agricultural Practice (GAP) in Karas Plantation. The course was held at MTIB, Kuala Lumpur on 26-27 April. The two-day seminar was organised by MTIB to provide information on Karas Plantation Establishment, Policies on Karas Plantations and the Agarwood Trade, Best Silvicultural Practices, Karas Nursery Establishment and Pest and Disease Management in GAP. It was also a platform for government agencies and the private sector to exchange information and experiences about the Karas and gaharu industry in Malaysia.

The seminar was officiated by Tuan Hj. Kamaruzaman Othman, MTIB Director of Forest Plantation. In his opening speech, he emphasised on the importance

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of developing the Karas and Agarwood industry further to be an important income generator for the country. Agarwood products have long been used for aromatherapy, perfume and soap among others, for people in Asia and the Middle East. Since 2005, this industry has seen a significant growth with the increasing number of Karas plantations in Malaysia. Tuan Hj. Kamaruzaman also stressed the importance of the Karas plantation as a sustainable source of gaharu in the future.

A field visit was organised on the second day of the seminar where the participants visited the Karas plantation owned by Gaharu Technologies Sdn. Bhd. located at Simpang Pulai, Perak. The plantation was awarded the First Organic Karas Plantation under the Good Farm Practice Scheme Malaysia (SALM).

The company which was established in 2007 has a total plantation area of 75 hectares with almost 200,000 trees of *Aquilaria sinensis*. With a well-maintained Karas plantation, the company will be able to attract more tourists from all over Malaysia as well as from abroad.

A total of 50 participants comprising individuals and representatives from both the government and private sectors attended the two-day seminar where seven papers were presented namely Policy on Karas Industry by Forestry Department, Introduction of Karas Tree, Karas Nursery Establishment, Karas Plantation Establishment, Soil Suitability for Karas Tree, Pest and Disease Management, Policy and CITES Implementation by MTIB. 



A group photo at Gaharu Technologies Sdn. Bhd., Simpang Pulai, Perak.



Jelutong Dymis 1200



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BELGIUM - MAJOR IMPORTER AND DISTRIBUTOR OF TIMBER PRODUCTS TO EUROPE



Kingdom of Belgium, is a sovereign state in Western Europe bordered by France, the Netherlands, Germany, Luxembourg, and the North Sea. It is a small, densely populated country which covers an area of 30,528 square kilometres (11,787 square miles) and has a population of about 11 million people. Straddling the cultural boundary between Germanic and Latin Europe, Belgium is home to two main linguistic groups: the Dutch-speaking, mostly Flemish community, which constitutes about 59% of the population, and the French-speaking, mostly Walloon population, which comprises 41% of all Belgians.

Economy

Belgium has a well-developed free market economy, based on both industrial and service sectors. It is heavily dependent on international trade and most of its economic sectors are geared toward exporting products. The nation's exports are equivalent to almost two-thirds of its GNP. On a per capita basis, Belgium exports twice as much as Germany and five times as much as Japan. In 1999, the nation ranked number 11 among the world's top exporters. In spite of its small size, Belgium's economy has consistently placed among the top 20 economies of the world and remains strong.

The kingdom's exports have given it an account surplus that is the sixth largest among the highly developed economies of the world. Belgium's economic strength is based on its geographic position at the crossroads of Western Europe, its highly skilled and educated workforce, and its participation in the EU. During its industrial period, Belgium developed a highly efficient and capable transportation infrastructure.

Economy in the country registered a growth of 1.2% in 2016 and it is expected to strengthen by 1.5% in 2017 and further 1.7% in 2018, on the back of an improved labour market and favourable investment climate.



Forest Resources

Belgian forests covered 693,100 hectares or 22.6% of national territory. The majority of these forests (78.6%) are in the Walloon Region. Deciduous and coniferous species covered 51% and 49% respectively of the area. Belgium has the second highest net annual growth increment of the countries of the European Union (after Germany). Most common trees are Beech and Oak, but considerable plantings of conifers have been made in recent years. Belgium serves as a large transshipment centre for temperate hardwood logs, softwood lumber, and softwood plywood. Large quantities of timber for the woodworking industry are typically imported from the Democratic Republic of the Congo.

Timber Production

According to the FAO 2015 forest statistics, Belgium produced quantity of logs around 2.3 million m³. Apart from logs production, the country produces 1.8 million m³ of sawntimber and particleboard followed by 309 thousand m³ of fibreboard.

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Belgium: Production of Timber Products, 2011-2015(Volume: m³)

Product	2011	2012	2013	2014	2015
Logs	1,961,831	1,961,831	2,300,000	2,250,000	2,250,000
Sawntimber	1,368,503	1,368,503	1,745,000	1,805,000	1,820,000
Veneer	34,060	34,060	34,060	34,060	34,060
Plywood	24,131	24,131	24,130	24,130	24,130
Particle board	1,809,804	1,809,804	1,809,800	1,809,800	1,809,800
Fibreboard	309,296	309,296	309,300	309,300	309,300

Source: FAO

Import of Timber and Timber Product

Belgium is a major importer and distributor of forest products. The port of Antwerp and its location near major markets in Europe such as France and Germany has made it as strategic centre for trade. The port of Antwerp handles forest products not only destined for Belgium but serves as an arrival and transshipment point for other European markets as well.

Belgium's import of timber and timber products in 2016 worth USD4.1 billion, an increase of 3% over the previous corresponding period. Belgium import mainly furniture, sawntimber, BJC and fibreboard. Import of furniture and sawntimber totalled USD1.3 billion and USD759 million. In the meanwhile, import of BJC totalled USD279.2 million followed by fibreboard with USD261.1 million and fuel wood with USD258 million.

Belgium: Import of Timber and Timber Products, 2012 -2016

(Value: USD' 000)

Product	2012	2013	2014	2015	2016
Furniture	1,497,801	1,849,437	1,575,639	1,218,640	1,274,421
Sawntimber	773,724	811,491	851,281	730,150	759,335
BJC	305,283	311,034	318,902	274,198	279,205
Fibreboard	287,742	301,918	311,728	265,845	261,057
Fuel Wood	341,551	302,312	270,245	267,385	257,951
Logs	240,863	295,021	297,122	221,262	230,631
Packing Cases	198,233	228,302	245,753	224,427	229,827
Plywood	246,535	275,579	280,931	236,752	227,253
Particleboard	142,380	161,377	151,628	116,649	138,473
Other Articles of Wood	130,244	130,224	129,059	109,755	111,741
Others	308,504	320,465	324,230	280,214	301,620
TOTAL	4,472,860	4,987,160	4,756,518	3,945,277	4,071,514

Source: International Trade Centre





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Export of Timber and Timber Products

Belgium's export of timber and timber products in 2016 decreased 3% to USD3.3 billion over the previous corresponding period. Belgium export mainly furniture, sawntimber, fibreboard and

particleboard. Export of furniture and sawntimber totalled USD736.3 million and USD565.9 million. In addition, export of fibreboard totalled USD565.8 million followed by particleboard at USD285.9 million.

Belgium : Export of Timber and Timber Products, 2012 - 2016

(Value: USD' 000)

Product	2012	2013	2014	2015	2016
Furniture	873,149	900,851	838,470	734,841	736,311
Sawntimber	532,919	576,794	563,597	525,522	565,879
Fibreboard	575,521	604,835	675,716	555,063	565,783
Particleboard	395,351	425,625	344,560	309,031	285,851
Plywood	196,264	220,390	226,999	200,938	205,114
BJC	177,644	166,887	160,845	171,990	202,746
Logs	157,157	222,239	239,990	218,899	186,293
Packing Cases	170,810	183,390	189,262	171,221	173,923
Fuel Wood	72,037	137,643	97,199	86,539	103,811
Mouldings	74,560	74,135	68,543	54,905	59,433
Others	220,393	233,712	229,309	207,910	239,967
TOTAL	3,445,805	3,746,501	3,634,490	3,236,859	3,325,111

Source: International Trade Centre

Malaysia's Export of Timber and Timber Products to Belgium

In 2016, export of Malaysian timber and timber products to Belgium registered a slight increase of 2% to RM179.5 million from RM176.1 million in 2015. Belgium ranked 23rd with 0.81% of Malaysia's total market share. Amongst timber products, sawntimber constituted the largest portion. In 2016, sawntimber made up of 28% of Malaysia's total

exports of timber and timber products in terms of value to Belgium. Dark Red Meranti and Merbau were the most important species exported to Belgium from Malaysia. The main end-use of these species is for the manufacturing of joineries.

Other products exported were Builders' Joinery and Carpentry (BJC) with a total value of RM48.7 million followed by wooden furniture with RM42.2 million and mouldings with RM28.6 million.

Malaysia: Export of Timber and Timber Products to Belgium, 2012-2016

(Value: RM)

Product	2012	2013	2014	2015	2016	% Change
						2016/2015
Sawntimber	63,126,641	53,114,884	47,644,996	40,711,349	49,397,538	21.3
Plywood	11,409,831	8,644,868	10,115,981	10,371,262	8,979,117	-13.4
Mouldings	30,972,238	26,971,108	25,550,777	25,700,879	28,610,482	11.3
Wooden Frame	541,855	473,310	810,177	608,024	607,776	0.0
BJC	48,163,375	49,308,373	53,905,439	51,661,639	48,710,798	-5.7
Wooden Furniture	39,689,061	35,908,466	41,009,617	46,378,392	42,246,967	-8.9
Rattan Furniture	726,512	418,301	245,631	295,607	40,734	-86.2
Others	583,001	511,753	178,526	404,669	884,114	118.5
TOTAL	195,212,514	175,351,063	179,461,144	176,131,821	179,477,526	1.9

Source: DOSM/MTIB

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Import Tariff

Belgium'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

Challenges, Opportunities and Prospects

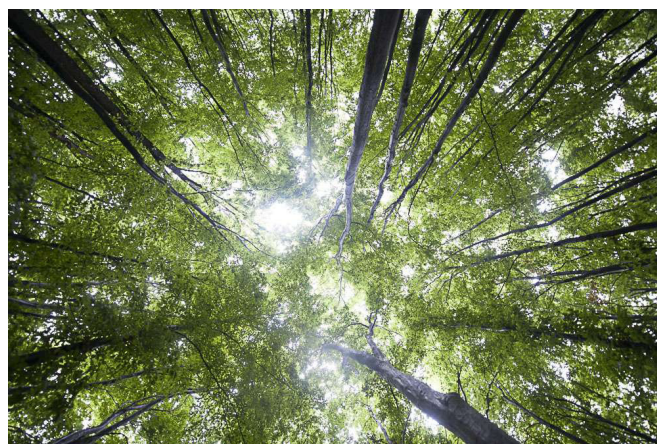
Antwerp is the second port in Europe and the sixth in the world for international maritime traffic. In 2008, the port handled almost 190 million tonnes of maritime goods traffic. A good 16,000 sea-going ships and another 61,000 river-vessels call in at Antwerp annually. Antwerp is the market leader for steel, project cargo, fruit and forestry products as well as an important Roll-on/Roll-off (Ro-Ro) port. Majority of hardwood imports from South-East Asia arrive by ship in containers. It provides better handling of wood, faster and safe traffic, thus gives greater returns for the extra cost incurred compared with conventional load.

The most notable trend in EU tropical sawn hardwood imports during 2016 was increasing concentration of trade through Belgium. This trend is much more indicative of changes in distribution channels for tropical wood within the EU than of variations in regional demand. For reasons probably associated with differences in transit times or local costs, EU tropical wood importers currently prefer the Belgian port of Antwerp over the Dutch and French ports. The wood entering by way of Belgium is being distributed throughout North Western Europe. The focus on Belgium is also linked to the rising dependence on tropical sawnwood from Central Africa where kiln drying facilities are limited. Much of the African wood shipped into Belgium arrives green and will be kiln dried there, or in Netherlands or northern France, before being distributed into other parts of Europe.

Due to those upcoming trends, Malaysian exporters need to aggressively promote Malaysia's value-added timber products in the EU markets especially to Belgium in order to maintain and expand its market share. Malaysia's willingness to adapt to the Belgian taste and living conditions and also readiness to work with the local construction industry is very



Antwerp is the second port in Europe and the sixth in the world for international maritime traffic.



Belgian forests covered 693,100 hectares or 22.6% of national territory.

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crucial in securing the market. Finished products such as flooring planks, doors, wall panelling and stairways should be designed and manufactured according to the specifications and requirements of the market and appeal to the Belgian preferences.

In addition, demand for certified timber such as PEFC and MTCS is a challenge for Malaysian suppliers. The Malaysian timber industry need to step up their efforts to convince buyers and consumers in Belgium about the legality and reliability of certified timber products from Malaysia to gain greater access into the Belgium and the EU markets. 

References:

MTIB's Statistics

International Trade Centre

www.fordaq.com

Forest Trends Information Brief

Belgian Economic Outlook

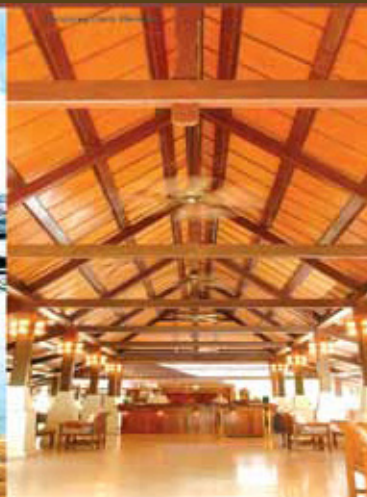
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From which publications have you received our information?

SENTANG – SUITABLE FOR HIGH-CLASS JOINERY PRODUCTS



Sentang tree

Sentang is the standard Malaysian name for timber from the *Azadirachta excelsa* spp. of family *Meliaceae*. There is only one species has been recorded in Malaysia. Other vernacular names include Limpaga (Sabah) and Ranggu (Sabah and Sarawak).

General Characteristics

The sapwood is light to straw-coloured or pale red and is distinct from the heartwood, which is reddish brown. Texture is slightly coarse and uneven due to a tendency towards a ring-porous structure. Sentang timber is moderately hard and moderately heavy with the density of 560-770 kg/m³ air dry.

General Structure of Wood

Growth rings present, demarcated by a zone of concentrated parenchyma bands, usually contain numerous small vessels or the appearance of a feature which look like ring porous. Vessels, small to medium, few to moderately solitary and radial multiples of two to three, with tendency to arrange in oblique direction. Tyloses absent, gum-like



Wood colour and texture

deposits present. Wood parenchyma of apotracheal in the form of terminal bands and paratracheal parenchyma as narrow vasicentric layer to vessels. Rays are moderately fine, visible to the naked eye on cross section and not conspicuous on the radial surface. Intercellular canals of traumatic type may be present, filled with dark-gum like substances. The timber does not contain intercellular canals and is free from ripple marks.

Durability

The timber is non-durable when exposed to the weather. This timber can be treated easily with preservatives. When used internally and under cover, Sentang is expected to last a considerable period of time.

Working Properties

The timber is easy to work and takes good finish. The boring properties are rated as good, planing and shaping as moderately good. The timber also peels well without pre-treatment and the veneer dries well without serious degrade. For plantation-grown timber in which harvesting is carried out at very young age, wooliness of the surface is expected

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and therefore, extra effort in planing and sanding is required.

Mechanical Properties

Sentang is reported to be moderately strong and has been classified probably under strength group (SG) 5 or 6 which made the timber unsuitable for structural application. Strength properties of Sentang which has been tested are as follows:

Mechanical Properties of Sentang

Test Condition	Modulus of Elasticity (MPa)	Modulus of Rupture (MPa)	Compression Parallel to Grain (MPa)	Shear Parallel to Grain (MPa)
Air-dry	9,525	77.96	40.46	15.17

Note: MPa – Mega Pascal



Sentang crown tree

Seasoning Properties

The timber seasons fairly rapidly, with slight twisting and end checking as the main source of degrade. Boards of 13 mm take approximately two months to air-dry, while 38 mm boards take four months.

Shrinkage

Shrinkage is very low with both radial and tangential shrinkage averaging 0.5 %.

Gluing Properties

Sentang wood could be glued rather satisfactorily. Flat-sawn materials appeared to exhibit a stronger glue line than the quarter-sawn materials.

Uses

Sentang is suitable for high-class joinery works, furniture manufacture, interior finishing for shops, houses and boat, panelling, portioning, sliced veneers and plywood, particleboards, medium density fibreboard, flooring, carving, fancy articles and turneries. It can also be used for piano cases, matches, decorative engraving, cigar boxes. In Papua New Guinea, the wood has been used for the production of louvered door and canoes.

Reference:

- Timber Technology Buletin, FRIM

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YB Datuk Seri Mah Siew Keong, Minister of Plantation Industries and Commodities and invited guests posing with MTIB personnel who received Excellent Service Awards for 2016 on 6 April 2017 in Kuala Lumpur.



A group photo of officials from MTIB, TESCO and Universiti Malaysia Kelantan (UMK) after completing the 10,000 Karas tree planting ceremony at UMK Campus, Jeli, Kelantan on 11 April 2017.



YBhg. Dato' Dr. Jalaluddin Harun, MTIB Director-General (left) being interviewed by the host of Selamat Pagi Malaysia programme, TV1, aired live on 15 April 2017. The topic discussed was on the Wood & Lifestyle Fair 2017.



Tuan Hj. Mahpar Atan, MTIB Director of Industry Development (standing centre) on behalf of MTIB contributing furniture to Masjid Al-Israq, Telipok, Sabah. The furniture was made by participants under MTIB short course on Installer for Build-in Cabinet which was held from 17 to 28 April 2017 at WISDEC Sabah in Kota Kinabalu.



Encik Azhar Sulaiman, Head of Strategy and Marketing, Palmabrand Exclusive Sdn. Bhd. giving a talk on Wood Application in Interior Design Works during the Wood & Lifestyle Fair 2017 on 21 April 2017 at PWTC, Kuala Lumpur.



MTIB participating in Homedec Exhibition held from 21 to 23 April 2017 in Kota Kinabalu, Sabah.