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MASKAYU



TRADE AND MARKET STUDY
MISSION TO THE PHILIPPINES

INDUSTRY BRIEFING ON TPPA
AND PROMOTIONAL INCENTIVES

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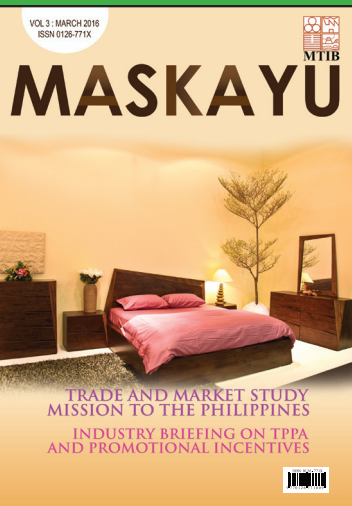


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Cover : Elk-Desa Furniture won a Platinum Award (Judges' Commendation Award) under the Furniture Excellence category (for product innovation and quality) in MIFF 2016.

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TRADE AND MARKET STUDY MISSION TO THE PHILIPPINES

In 2015, the Philippines imported Malaysian builders joinery and carpentry (BJC), mouldings and furniture products worth RM10.59 million, RM1.70 million and RM120.94 million, an increase of 48%, 18% and 18% respectively as compared to the corresponding period in 2014. In line with the National Timber Industry Policy (NATIP) export target of RM53 billion by 2020, MTIB organised a trade and market study mission to the Philippines from 9 to 13 March.

The Philippines is seen as a major growing market potential for Malaysian BJC and mouldings products and currently ranks as the 11th largest market for Malaysian timber after Japan, the US, India, Singapore, Australia, South Korea, Taiwan, China, the UK and Thailand. In 2015, export of Malaysian timber and timber products to the Philippines amounted to RM606.94 million. Products exported were sawntimber, plywood, wooden furniture, chipboard/particleboard, medium density fibreboard, logs and BJC.

The mission programme involved a roundtable discussion with the Philippines Wood Producers Association (PWPA) and its members that import BJC and mouldings. In addition, individual business matching and networking sessions, as well as factories and handicraft showroom visits were conducted during the mission.

The roundtable discussion was held on 10 March to seek possible joint-ventures relating to the manufacturing and marketing of timber BJC and mouldings products and strengthening of exports of timber BJC and mouldings products to the Philippines. The roundtable discussion was well attended by 25 participants comprising of the Philippines' timber importers, agents and

merchants, manufacturers and end users of timber and timber products. The delegation also had the opportunity to exchange information on Malaysia's and the Philippines' timber trade, potential trade and business opportunities between both countries including the current status of Philippines' timber industry development, export, import and production (existing and future/potential), and trade collaborations particularly during the business matching sessions.

During the discussion, PWPA highlighted that currently the construction industry in Philippines was booming and the country's Housing and Land Use Regulatory Board targets 1 million housing units in 2016. There was also an announcement regarding more than 300 condominium projects in Metro Manila. Timber-based construction materials such as cross-laminated timber, doors, floorings and windows are highly demanded by the Philippines construction and building industry. Among the top construction companies in Philippines are Arthaland Corp., Ayala Land Inc. and Century Properties Group Inc.

The Malaysian delegates were brought to visit four factories located at Valenzuela City, Quezon City and Bulacan. The factories were Banson Lumber Corporation, Pacific Timber Export Corporation, Extensive Wood Processing Corporation and Soon Chiong Trading Corporation.

The delegates also went to Balikbayan Handicrafts located in Makati City. It has been in business for the past 40 years and has a display area of about 2,300 sqm. The store carried an amazing variety and assortment of handicrafts – from hand-carved 18-ft wooden statues, 12-ft long one-piece wood dining table, picture frames to tiny shell keychains and



Business Matching session at PATECO.



Roundtable discussion between Malaysian delegates and Philippines Wood Producers Association (PWPA).



AUSTRALIA

HIA Estimates Home Building Activity to Decline

According to the Housing Industry Association (HIA), the activity of new housing construction in Australia will slowly decrease in the latter part of 2016 and will decline significantly in 2017. It will bottom out at around 160,100 new dwellings in the 2017/2018 fiscal year. The forecast came after Australia began work on a record high of 220,000 new dwellings in 2015. For 2016, HIA expects softness in home building activity for the Northern Territory, Tasmania, Western Australia, and South Australia and while Queensland, Victoria and New South Wales are set to record strong home building activity. In terms of renovation, HIA estimates growth to be 2.8% in 2015/2016 as opposed to only a 0.9% growth in the prior-year period. However, the growth in renovations will slow down to 1.7% in 2016/2017.

ABC News - Australia, 16 March

BOSNIA

Furniture Exports with 350% Surplus

Vice President of the Foreign Trade Chamber of Bosnia and Herzegovina, Ahmet Egrlic, has stated that the country is ahead of regional countries in the furniture exports segment, mainly due to its tradition, resources and available knowledge. He said that the data shows that the country has a 350% trade surplus, and that annual exports continue to grow. However, he assessed that the country must develop its business environment in order to improve production. Financial details of exports have not been disclosed.

klix.ba, 17 March

BRAZIL

Domestic Furniture Retail Sector Contracts in 2015

The Institute IEMI-Inteligência de Mercado recently released data on the performance of the domestic furniture market in 2015. This shows there was an almost 12% fall in the value of retail sales compared to 2014.

An indicator for Industry Employment and Productivity produced by IEMI showed that employment in the furniture industry dropped

by around 4% in December alone and in 2015, productivity fell.

Brazilian furniture exports in 2015 were worth USD601.6 million, a 12.7% drop compared to 2014. Imports totalled at USD734.6 million in 2015, down 12.4% year on year.

TTM Report, 11-15 March

EUROPEAN UNION

Substantial EU Trade Surplus in Wooden Furniture

EU countries imported wood furniture worth EUR5.78 billion from outside the EU in 2015, 13% more than in 2014 and 16% more than in 2009, when the financial crisis had reached its climax.

At the same time, EU exports of wood furniture rose to EUR8.73 billion in 2015, up only 3.5% from 2014 but 51% more than in 2009.

As such, EU exports of wood furniture are now around 51% higher than imports. Back in 2009, import and export values were more closely aligned: exports were worth EUR5.77 billion, 16% more than imports, which stood at EUR4.97 billion.

EUWID, 23 March

CAMBODIA

Ministry of Economy and Finance's Predicts Economy to Grow

In 2016 and 2017, Cambodia's economy is predicted to grow by 7.1% and 6.9%, respectively, as revealed by the Ministry of Economy and Finance's Secretary of State, Vongsey Vissoth. The local production and garment industries will be the main drivers of economic growth. In 2015, Cambodia's economy grew by about 7%. The inflation rate in Cambodia is predicted to rise by 3.3% and 1.9% in 2017 and 2016 respectively.

AKP - Agency Kampuchea Press, 23 March

CANADA

Canadian Imports of Tropical Sawnwood Up

Canadian imports of tropical sawnwood were worth USD1.78 million in January, up one third from December. January imports were the highest since November 2014. The largest month-over-month growth was in imports of Mahogany and Balsa.

Sapelli remained the leading import at USD487,174, up 12% from December. Mahogany imports

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were worth USD62,693 in December, but at such relatively small volumes imports vary considerably month-over-month.

Imports from Canada's largest supplier Cameroon increased 70% month-over-month to USD735,985. Imports from Ecuador also grew due to higher balsa imports. Indonesia's shipments to Canada tripled from December to USD138,924.

Source: ITTO/Fordaq, 31 March

CHINA

17 of 34 Batches of Children's Furniture Failed Safety Standards

In China, the Shanghai Industrial and Commercial Administrative Bureau found that 17 batches of children's furniture from a total of 34 batches investigated, failed to meet safety standards. The products came from 18 shops and four online stores, encompassing Homevalue, Red Star Macalline, JD.com, jia.com, yhd.com and Tmall.

Almost 80% of kids' furniture sold by online merchants did not pass the tests. Teapoys (a small three-legged table or stand) sold by Shanghai Shimao Furniture Co. Ltd. and wooden chairs of Nanfangzhongyi Furniture Store were found to have excessive level of formaldehyde, with the latter containing 400% above permitted level. China Huaxia Housing and Furnishing Exposition were ordered to halt trade as some participants were involved in false advertising on the materials used in their products.

Infocast Financial Newswire (In English), 14 March

CZECH REPUBLIC

Furniture Production Up

According to the Association of Czech Furniture Producers (ACN), furniture production increased by 8.9% year-on-year to a record CZK43.55 billion (EUR1.61 billion/USD1.80 billion) in 2015. Domestic consumption of furniture also grew, by 7.8% year-on-year to CZK34.67 billion, with export accounting for 45.4% of all domestic consumption. Export of Czech furniture grew by 14.9% to CZK24.63 billion with Germany as the biggest export market with 23%, while import also grew by 15.8% to CZK15.75 billion with Poland as the largest importer at 27.2%, followed by Germany at 17.9% and increasingly China, at 17.4%. ACN says that the high share of net export at 20.4% of all revenues could possibly pose a risk for Czech furniture producers. Furniture parts, medical furniture, seats and metal furniture were

the most exported products, while cheap furniture for retail chains was the most imported product in 2015.

Financni noviny, 17 March

GERMANY

Saxony State Plans to Feel and Sell More Trees

The state forestry service of Saxony, Germany, wants to cut down and sell more trees in future. Thomas Schmidt, Saxony's Agriculture Minister, wants to recruit more staff in order to cater for the increased work. In 2015 around 1.1 million m³ of wood was felled in the state forests and sold. The head of the state forestry service Hubert Brown predicts that the volume could be increased by 200,000 m³ to 300,000 m³ in future.

Die Welt, 23 March

ITALY

Turnover of Wood and Furniture Sectors Increased

According to new data for the sector that was released by Federlegno Arredo, that also included the performance of wood trading companies which had not previously been taken into account, Italy's wood and furniture sector's turnover rose 2.6% year-on-year in 2015 to EUR40.70 billion (USD45.40 billion). In particular, the furniture sector's turnover rose 3.5% to EUR24.9 billion, with exports growing by 5.8% to EUR12.4 billion and domestic sales rising 1% to EUR11.6 billion. At the same time, the turnover of the construction wood sector reached EUR13 billion, over EUR7.5 billion of which were generated in Italy. The wood and furniture sectors currently features 81,500 businesses in Italy and employs a total of 326,500 workers.

IL Sole 24 Ore, 18 March

PHILIPPINES

Average Inflation Forecasts for 2016 and 2017 Lowered

On 23 March 2016, the Philippines Central Bank's deputy governor Diwa Guinigundo revealed that the average inflation forecasts for 2016 and 2017 had been lowered. The average inflation estimation in 2016 was lowered from 2.2% to 2.1%, and in 2017 from 3.2% to 3.1%. The forecasts were lowered due to declined transport fare and postponed power rate adjustments in March 2016 and lowered price pressures in February 2016.

Manila Bulletin, 23 March

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RUSSIA

Wood Processing Complex to Be Built in Zabaykalsky Region

GR Forest Industry plans to set up a wood processing complex in Krasnokamensk, the Zabaykalsky region (Siberia). The initial design capacity will be 100,000 m³ of products, then it will grow to 200,000 m³. Investments are estimated at more than RUB760 million (EUR9.86 million/USD11.11 million) and the staff will consist of 250 employees. The plan is to produce planed boards, furniture panels and mouldings, as well as to start production of wood-coal briquettes from waste products in the nearest future.

Lesprom, 21 March

THAILAND

The Main Source of Tropical Sawnwood

Tropical sawnwood imports in 2015 totalled 4.77 million m³, accounting for 18% of the national total, valued at USD2.1 billion reflecting a 15% rise in volume but a 6% decline in value.

The average price for imported tropical sawnwood was USD432 per m³, a year on year decline of 19%. Just 10 countries supplied just over 96% of China's tropical sawnwood requirements in 2015 namely, Thailand (64%), Gabon (7.2%), Philippines (6.6%), Indonesia (5.3%), Malaysia (5.2%), Cameroon (2.6%), Lao PDR (2.2%), Ecuador (1.2%), Peru (1.1%) and Congo Rep. (1.1%).

ITTO TTTM, 1-15 March

TURKEY

New Regulations for Border Trade Will Create New Business Opportunities

Turkey's Economy Ministry has announced new regulations for border trade. The upper limit for imports through border trade was increased by 50% to USD150 million (EUR133.11 million) per country. Traders involving in border operations will need to have resided in the licensed towns for at least a year, rather than the current duration of two years. Each trader will have an imports allowance of USD75,000 per month, rather than the current USD50,000. A number of new towns were also licensed for border trade with the new regulations.

Türkiye Gazetesi, 21 March

UNITED KINGDOM

Reports Reveals Increase in Value of Forestry Market

The Spotlight on the UK Forestry Market 2016 report shows that over the past five years the UK forestry market has risen in value by more than 200%. In 2015, forestry investments totalled more than GBP130 million (EUR167.65 million/USD187.01 million). The area of forestry transactions increased approximately 30% during the year, rising to almost 21,000 hectares. This compares to just over 16,000 hectares in the previous year. However, this increase can largely be attributed to several significant off-market portfolio sales. The average value lifted by 13.5% to GBP8,615 per hectare during the year. Prices varied across the country, with the highest values seen in South Scotland, followed by England and Wales.

Farming UK, 15 March

UNITED STATES

84 Lumber Expanding in Western States

84 Lumber, the nation's leading privately held building materials and 84 Lumber services supplier, announced today that it will establish a new office in Phoenix, Arizona and plans to open at least a dozen new stores and manufacturing facilities in the Western United States within the next 18 months.

Serving as the company's Western headquarters, the new office in Phoenix will give both existing and new stores in the region greater access to 84 Lumber services and support. Mark Mollico, a 30-year veteran of 84 Lumber, will relocate to Phoenix to open the new office and lead a team of associates in store operations and development.

84 Lumber's expansion plans will nearly double its footprint in the west, where the company already operates 19 stores across Arizona, California, Colorado, Nevada, New Mexico, and Texas.

"We are taking the steps needed to seize the growth opportunities we've identified in the Western markets," said Frank Cicero, Chief Operating Officer of 84 Lumber. "By establishing an Arizona headquarters, we are putting the right people and systems in place to successfully execute our aggressive expansion plans over the next two years."

Founded in 1956, 84 Lumber started as a "cash and carry" lumber yard in rural Eighty Four, Pennsylvania, 20 miles south of Pittsburgh, where the company

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knick-knacks. Products were made from wood, shell, fibre, paper, bamboo, vines, resin, leaves, metal, clay, and other indigenous materials. Items were either traditional, innovative or novel.

Delegates also took the opportunity to visit the Philippines International Furniture Show (PIFS) and found that the furniture produced by the Philippines were of high standards with exclusive unique designs for the niche market. The furniture was priced at a minimum of USD800 up to USD5,000 per piece. Malaysian designers and exporters are encouraged to visit and participate in future shows. At the show, apart from the local designers, there were quite a number of foreign-based designers that also exhibited their masterpieces namely Rausch Classic GMBH, Outdoor Solutions and Azcor.

With regard to market prospects for Malaysian furniture, there is a huge potential and prospects for office furniture and other household items in the Philippines' market since the Filipinos are focusing on producing high value-added furniture rather than mass produced furniture. In addition, a strategic vision has been set for the Philippines'

furniture industry; by the year 2030, it aspires to be the global design or hub centre for high quality designed furniture taking full advantage of the available and ample furniture design communities in the Philippines. It also aspires to produce furniture with sustainable materials at a competitive price.

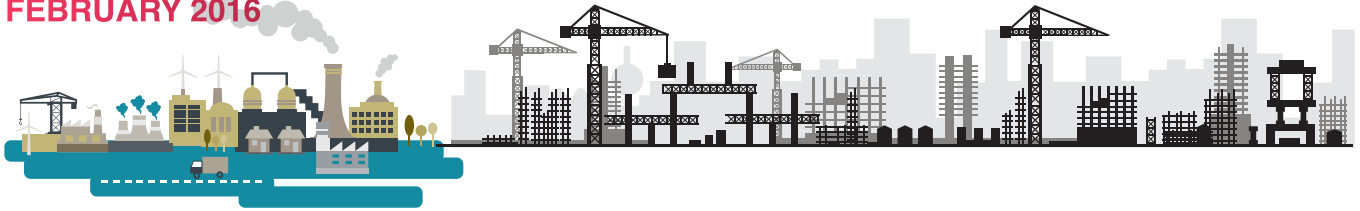
The mission, led by Cik Hjh. Robiyah Hj. Husin, MTIB Senior Deputy Director of Trade Development comprised seven members of the Malaysian timber industry - the Association of Malaysia Bumiputera Timber and Furniture Entrepreneurs, Sarawak Timber Association, Premier Woodprofile Sdn. Bhd., Celcure Chemicals (M) Sdn. Bhd., KWILA Sdn. Bhd., Dominant Enterprise Berhad and EDU World Services Sdn. Bhd.

MTIB was represented by Cik Hjh. Robiyah Hj. Husin, Encik Abdul Rafa Tan and Encik Mohd Afthar Amir. 



Presenting a souvenir after the discussion with the PIFS organiser - Global Link MP Events International Inc.

FEBRUARY 2016



Malaysia: Higher Revenue, Lower Profit Posted by Westports in 2015

Malaysia-based Westports Holdings (Westports) registered a 7.6% year-on-year increase in its revenue from RM1.56 billion (EUR346.81million, USD375.63 million) to RM1.68 billion in 2015, while its net profit dropped 1.4% from RM512.20 million to RM504.86 million due to higher tax expenses. The revenue and net profit reported by the port operator in October-December 2015 alone reached RM477 million (up 24%) and RM132.54 million (down 5.2%), respectively. Westports processed 9.05 million (up from 8.37 million) twenty-foot equivalent unit (TEU) of cargo containers in 2015 including 2.34 million TEUs (up 7%) in October-December 2015 alone, with the 12-month figure comprising 2.49 million TEUs of gateway containers and 6.56 million TEUs of transshipment containers.

Source : The Sundaily, 4 February

Malaysia: Sapangar Bay Container Port to be Transformed

In Malaysia's Sabah state, the Sapangar Bay Container Port will be transformed into a transshipment hub under the National Blue Ocean Strategy. The port's stacking zone will be enlarged to 60 ha from 15 ha and the berth length will be expanded to 1.2 km from 500 m under the first phase of the transformation project. The handling capacity of the port will surge to 1.25 million TEUs from 500,000 TEUs. Also, the Federal Government will assign a budget of RM800million (EUR171.24million, USD192.77 million) for the expansion of the port.

Source : New Straits Times, 16 February

Malaysia: SBCEP Expansion Scheme Managed by Sabah Ports

The government of Malaysia has appointed Suria Capital Holdings' unit Sabah Ports to manage the Sapangar Bay Container Port (SBCEP) expansion project. The first phase of the expansion project will begin in early 2017 and will be completed by 2019.

The Federal Government will provide RM800 million (EUR171.24 million, USD192.77 million) under the 11th Malaysia Plan (11MP). The expansion project will utilise RM372 million of the allocation. Sabah Ports will spend RM365 million for the expansion in 2017 and another RM7 million in 2016.

Source : The Star, Malaysia, 18 February

Germany: North German Economy Hopes for More Investment in Port Connections

Germany's latest transport plan is to be presented before Easter 2016. The north German economy is hoping for better connections for German sea ports and believes that without these, it will not be able to cope with the anticipated increase in shipping volume. According to a study by IHK Nord, shipping volume is to rise to 290 million tonnes by 2030 and have a combined value of around EUR863 billion (USD963.13 billion). The President of the Hamburg Chamber of Commerce Fritz Horst Melsheimer believes that investments in sea ports and their connections are a national task and must keep pace with the predicted development of shipping volumes.

Source : Die Welt, 8 February

Sweden: Port of Gävle Reports Record-high Freight Volumes in 2015

The Port of Gävle in Sweden has posted its freight figures for 2015, which show that freight volumes set a new record with a 25% increase to 5.9 million tonnes from 4.7 million tonnes posted a year earlier. Fredrik Svanbom, CEO of the Port of Gävle, states that 2015 saw record-large volumes of petroleum products, where the Port currently stores 525,000 m³ of products waiting to be shipped. Furthermore, while the Port has seen a decreased number of visiting ships in 2015, Svanbom believes that it is a non-issue as long as the volumes keep increasing.

Source : Svensk Sjöfartstidning, 3 February

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Argentina: TPR Targets to Handle 350,000 TEUs Per Year

Port terminal operator Terminal Puerto Rosario (TPR), in Santa Fe, has announced the implementation of a development master plan to reach a handling capacity of 350,000 20-foot containers (TEUs) and 25 million tonnes of bulk cargo per year. Gustavo Nardelli, president of TPR, explained that this intention would involve the expansion of solid and liquid goods storage capacity, as well as the installation of a car park to enable automotive exports from the terminal. At present, TPR transports 2.70 million tonnes of bulk goods and 35,000 TEUs per year, generating 1,000 jobs.

Source : Punto Biz, 11 February

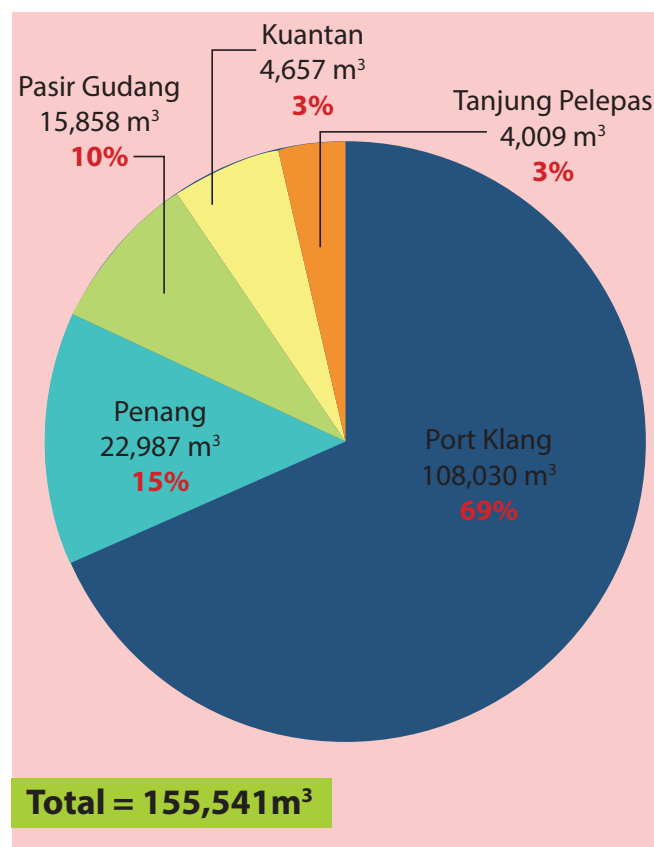
Brazil: Port Movement Reaches Record 1.01 Billion Tonnes in 2015

According to data from WebPortos, the new platform operated by the Brazilian Ports Secretary launched on 16 February 2016, Brazilian ports saw record cargo movement of 1.01 billion tonnes in 2015, up 3.9% in comparison with movement in 2014. Growth is expected to continue in 2016, according to Ports Secretary Helder Barbalho, who also noted that work will continue on the new platform, with further information to be added to ensure the transparency of the sector. The platform shows that 62.75% of cargo movement through ports in 2015 was solid bulk, whilst 22.37% was liquid bulk, and 9.87% was container movement.

The system also shows that 64.58% of all foreign trade through ports in 2015 was through private use terminals.

Source : Investimentos e Noticias, 16 February

Timber Shipment through Malaysia's Port, February 2016



Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, February 2016

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports m³	% Change Feb 2016/ Jan 2016
	m³	% Change Feb 2016/ Jan 2016	m³	% Change Feb 2016/ Jan 2016	m³	% Change Feb 2016/ Jan 2016	m³	% Change Feb 2016/ Jan 2016	m³	% Change Feb 2016/ Jan 2016		
Sawntimber	35,607	-32	4,159	-8	1,575	-31	240	-28	5,186	81	46,767	-25
MDF	24,085	-9	0	0	12,198	-9	3,431	-9	9,410	-47	49,124	-20
Mouldings	9,764	-22	157	-64	1,980	1	231	-36	1,385	-12	13,517	-20
Plywood	6,197	-13	0	0	18	-79	46	-26	4,332	-54	10,593	-36
Veneer	348	5	0	-100	12	-8	0	0	649	82	1,009	41
Particleboard	32,028	104	341	-42	75	-28	61	-59	2,025	-13	34,456	83
TOTAL	108,030	-6	4,657	-16	15,858	-11	4,009	-14	22,987	-33	155,541	-12

FEBRUARY 2016

Total export of Malaysian timber and timber products in February 2016 decreased 22% valued at RM1.6 billion over the previous month. Furthermore, cumulative export for the period of January to February increased 12% valued at RM3.64 billion over the corresponding period.

SAWNTIMBER

Export of sawntimber in February 2016 decreased 18% in volume and 20% in value to 130,368 m³ with a value of RM227.1 million as compared to the previous month. Cumulative export for the first two months of 2016 decreased 5% in volume however increased 20% in value to 290,098 m³ totalling RM509.9 million over the previous corresponding period.

Export of sawntimber to the EU for the month decreased 25% to 10,080 m³ from 13,424 m³ in the previous month due to declining import from major countries in the region. Export to the UK and Netherlands decreased 31% and 33% to 1,448 m³ and 4,065 m³ respectively from the previous month. Similarly, export to Germany reduced 42% to 940 m³, followed by Belgium by 53% to 827 m³. On the other hand, export to France improved 4% to 1,160 m³ from 1,116 m³ in the previous month.

Total exports to West Asia increased 16% to 21,325 m³ from 18,424 m³ recorded in the previous month as a result of improving demand from major markets in the region. Export of sawntimber to the UAE and Yemen increased 11% to 5,383 m³ and 81% to 7,485 m³ respectively. Similarly, export to Oman and Qatar improved 19% and 49% to 4,199 m³ and 1,303 m³ respectively. However, purchases from Kuwait and Saudi Arabia decreased by 58% to 317 m³ and 62% to 869 m³ respectively.

Buying from ASEAN decreased 18% to 55,463 m³ from 67,232 m³ registered in the previous month. Export of sawntimber to Thailand, a major buyer of sawntimber from Malaysia decreased 39% to 23,483 m³ followed by Singapore by 46% to 5,883 m³. However, export to the Philippines improved 48% to 25,201 m³ from 16,988 m³ in the previous month.

Shipments to East Asia declined 14% to 24,343 m³ with export to Taiwan and Japan reduced 22% and 53% to 6,174 m³ and 3,147 m³ respectively. Purchases made by South Korea declined 47% to 2,646 m³ from 5,009 m³ in the previous month. However, export of sawntimber to China increased 45% to 12,209 m³ from 8,447 m³ in the previous month.

Elsewhere, exports to the US decreased 51% to 825 m³ whilst intake by Australia declined 41% to 955 m³. Demand from South Africa also decreased 39% to 3,493 m³ from 5,733 m³ in the previous month.

The average FOB price of sawntimber declined 2% to RM1,742 per m³ from RM1,770 per m³ in the previous month. Price of Dark Red Meranti (DRM) decreased 26% to RM2,168 per m³ from RM2,909 per m³ in the previous month. Price of DRM to the Netherlands also decreased 19% to RM3,044 per m³ from RM3,757 per m³ in the previous month. Keruing was traded at RM1,691 per m³, a decreased of 2% from RM 1,718 per m³ in the previous month.

PLYWOOD

Total export of plywood in February decreased 7% in volume and 8% in value to 185,997 m³ valued at RM352.96 million as compared to the previous month.

Total exports to the EU decreased by 42% to 6,072 m³. Likewise, shipments to Belgium, France, the Netherlands and UK decreased by 76%, 70%, 41% and 32% to 172 m³, 76 m³, 630 m³ and 5,194 m³ respectively whilst Denmark, Germany, Ireland and Italy did not make any purchases.

Exports to ASEAN region increased as Brunei, Singapore and Philippines intake of plywood increased by 24%, 5% and 16% to 608 m³, 2,342 m³ and 5,188 m³ respectively. However, Thailand reduced its intake by 52% to 2,523 m³ whilst Indonesia did not make any purchases. In East Asia, exports to China, Hong Kong, Japan and Taiwan increased by 124%, 25%, 4% and 4% to 2,411 m³, 3,392 m³, 84,232 m³ and 15,783 m³ respectively. However, South Korea reduced its intake by 38% to 18,691 m³.

Overall, exports to West Asia decreased by 7% as compared to the previous month. Similarly, shipments to the UAE, Kuwait, Qatar and Yemen decreased by 38%, 35%, 84% and 28% to 3,551 m³, 592 m³, 131 m³ and 9,488 m³ respectively. However, Bahrain and Saudi Arabia increased their intake by 591% and 132% to 1,541 m³ and 1,952 m³ respectively.

Elsewhere, exports of plywood to South Africa and Mexico increased by 40% and 13% to 487 m³ and 5,744 m³ respectively whilst Mauritius and New Zealand resumed their intake. However, the US, Canada, Australia and the UK reduced their intake

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FEBRUARY 2016

by 7%, 68%, 40% and 32% to 8,127 m³, 203 m³, 3,160 m³ and 5,194 m³ whilst Norway and Turkey did not make any purchases.

The FOB price of plywood decreased by 0.3% to RM1,898 per m³ from RM1,903 per m³ in the previous month.

VENEER

Exports of veneer for February 2016 showed a decrease of 8% in volume and 13% in value to 15,695 m³ at RM25.38 million as compared to the previous month. Exports to China, Taiwan, India and Australia increased by 137%, 3%, 8% and 38% to 632 m³, 7,025 m³, 265 m³ and 350 m³ respectively whilst Canada resumed its intake. Meanwhile, Singapore and South Korea reduced their intake by 94% and 20% to 6 m³ and 6,552 m³ respectively, whilst Italy, Chile, Philippines and Viet Nam did not make any purchases.

The FOB price of veneer decreased to RM1,617 per m³ from RM1,714 per m³, a decrease of 6 % from the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Malaysia's exports of MDF for February 2016 showed an increase of 0.4% in volume and a decrease of 8% in value from the previous month. Export totalled 84,269 m³ valued at RM99.08 million.

Exports to East Asia registered a decrease of 20% to 13,681 m³ from 17,006 m³ in the previous month. Export to Taiwan increased 90% to 1,192 m³ compared to the previous month. However China including Hong Kong decreased by 65% to 200 m³ and Japan decreased by 24% to 12,032 m³ whilst, South Korea resumed its intake.

Meanwhile, exports to West Asia also recorded a positive growth with an increase of 2% in volume to 34,231 m³ from 33,635 m³ in the previous month. Export to Bahrain recorded an increase of 81% to 150 m³ followed by Jordan at 3% to 279 m³, Saudi Arabia at 12% to 6,290 m³, Qatar at 14% to 1,432 m³ and Lebanon at 209% to 1,089 m³. On the other hand, Kuwait, the UAE and Oman import dropped by 8% to 3,339 m³, 9% to 14,925 m³ and 12% to 1,786 m³ respectively from the previous month. Meanwhile, Syria resumed its intake and Iran did not make any purchases.

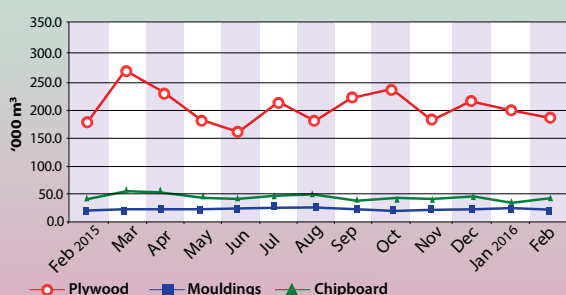
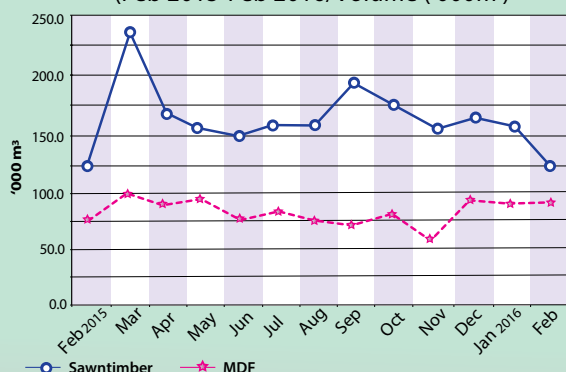
MOULDINGS

Exports of mouldings for the month decreased by 22% and 25% in both volume and value to 16,227 m³ and RM57.4 million respectively. Similarly, cumulative exports for the period of February 2016 decreased by 14% in volume and an increase of 13% in value to 37,039 m³ and RM133.6 million respectively as compared to the previous corresponding period in 2015.

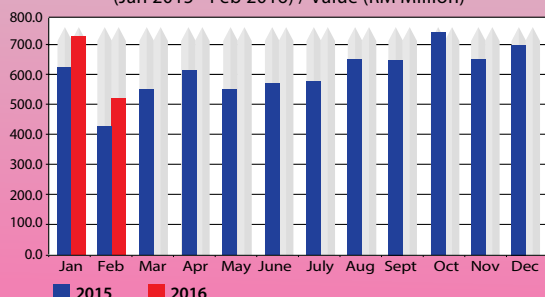
Exports to the EU for the month recorded at 6,227 m³, a decrease of 22% compared to the previous month. Meanwhile, shipment to Belgium increased by 200% to 762 m³. However, Germany, the Netherlands and UK decreased by 28%, 27% and 51% to 858 m³, 2,969 m³ and 442 m³ respectively whilst, Italy resumed its intake.

Exports to ASEAN region increased as Viet Nam intake of mouldings increased by 101% to 213 m³. However, Singapore reduced its intake by 54% to 534 m³ whilst, Indonesia resumed its intake.

Malaysia : Export of Major Timber Products
(Feb 2015-Feb 2016/Volume ('000m³))



Malaysia : Export of Wooden Furniture
(Jan 2015 - Feb 2016) / Value (RM Million)



Source : Department of Statistics, Malaysia

FEBRUARY 2016



LOGS

Logging activities remain subdued for the month under review while prices were hovering at the same level as the previous month until the Chinese New Year celebration took place in early February, following which log production expected to resume to normal.

Prices of Chengal, Balau and Merbau were traded at RM4,000 per tonne, RM3,000 per tonne and RM2,650 per tonne respectively. For Red Balau its price declined by 5.7% to RM 2,500 per tonne as compared to last month. Logs of Keruing and Kempas were reported to chart at RM1,650 per tonne and RM1,550 per tonne respectively. Prices for Dark Red Meranti, Red Meranti and Nyatoh were all stably traded at RM1,900 per tonne, RM 1,850 per tonne and RM900 per tonne respectively. However, prices of Mixed Heavy Hardwood fell 5.3% to RM900 per tonne, whilst the prices of Mixed Light Hardwood stood firm at RM1,200 per tonne.

SAWNTIMBER

The sawmilling sector continued to be active although a bit slow as the industry took a break for the Chinese Lunar New Year celebration. The average domestic sawntimber prices for most of the species showed not much different compared to last month.

Prices for sawntimber of Chengal, Balau and Merbau were traded at RM6,638 per m³, RM3,178 per m³ and RM3,778 per m³ respectively. Prices of Keruing

and Kempas, similarly, be sold at RM1,766 per m³ and RM2,013 per m³ respectively. Prices for Dark Red Meranti, Red Meranti and Nyatoh remained at RM2,013 per m³, RM 1,907 per m³ and RM918 per m³ respectively. Meanwhile, price of Yellow Meranti dropped by 6.5% to RM1,342 per m³ compared to last month. Mixed Heavy Hardwood and Mixed Light Hardwood continued to chart at RM777 per m³ and RM1,201 per m³ respectively.

PLYWOOD

Industry reported that the supply of plywood to the domestic market remained sufficient of which production of plywood for most sizes continued as per the previous month. Plywood of 4mm, 6mm and 9mm of thicknesses were sold at RM14.60, RM22.00 and RM34.50 and RM41.50 per piece respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

Industry reported that the supply of MDF to the domestic market continued to sufficient whilst the prices were quoted similarly as per the last month's level. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM12.10, RM15.80, RM21.70 and RM28.10 per piece respectively.

INTRA-MALAYSIA TRADE * - FEBRUARY 2016

Shipments of sawntimber from Sabah to Peninsular Malaysia decreased significantly by 74% to 197 m³ valued at RM706 million whilst plywood shipments dropped 4% from 8,909 m³ to 8,530 m³ valued at RM16.4 million.

INTRA-MALAYSIA TRADE – FEBRUARY 2016

From	Products	JANUARY 2016		FEBRUARY 2016		% Change in Volume Feb 2016 / Jan 2016	% Change in Value Feb 2016 / Jan 2016
		Volume (m ³)	Value (RM '000)	Volume (m ³)	Value (RM '000)		
SABAH	Logs	0	0	0	0	0	0
	Sawntimber	771	2,151	197	706	-74	-67
	Plywood	8,909	16,674	8,530	16,375	-4	-2
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,052	1,060	107	534	-90	-50
	Plywood	5,436	73,681	4,966	66,861	-9	-9
	Veneer	7,221	10,036	7,158	9,610	-1	-4

Source : Department of Statistics, Malaysia

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FEBRUARY 2016

Meanwhile, shipments of sawntimber from Sarawak declined sharply by 90% to 107 m³ valued at RM534 million. Likewise, plywood shipment also reported to drop 9% from 5,436 m³ to 4966 m³ valued at RM66.9 million while exports of veneer fell slightly from 7,221 m³ to 7,158 m³ which valued at RM9.6 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in February 2016.

* Source: Department of Statistics, Malaysia 

***AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA
FEBRUARY 2016 (VALUE IN RM)**

SPECIES	LOGS/tonne	SAWNTIMBER/m ³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	4,000	6,638	7,062	8,828	
Balau	3,000	3,178	3,249	3,531	
Red Balau	2,500	2,966	3,037	3,178	
Merbau	2,650	3,778	3,143	3,319	
Mixed Heavy Hardwood	900	777	777	812	
MEDIUM HARDWOOD					
Keruing	1,650	1,766	1,836	2,203	
Kempas	1,550	2,013	1,907	2,010	
Kapur	1,700	1,836	1,907	2,331	
Mengkulang	1,350	1,412	1,448	1,575	
Tualang	1,340	2,472	2,331	2,013	
LIGHT HARDWOOD					
Dark Red Meranti	1,900	2,013	2,119	2,860	
Red Meranti	1,850	1,907	1,907	1,977	
Yellow Meranti	1,150	1,342	1,165	1,201	
White Meranti	1,040	2,119	2,189	2,260	
Mersawa	1,500	1,554	1,624	1,660	
Nyato	900	918	1,201	1,236	
Sepetir	850	1,130	1,448	1,469	
Jelutong	1,100	1,589	1,271	1,780	
Mixed Light Hardwood	1,200	1,201	1,222	1,236	
MALAYSIAN RUBBERWOOD <i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m ³			
	140	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		989	1,050	1,150	1,280
PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm	
	14.60	22.00	34.50	41.50	
MDF 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm	
	12.10	15.80	21.70	28.10	

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

* Prices are only indicative

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Timber World In Brief

continues to maintain its national headquarters. Today, the company operates more than 250 stores, component manufacturing plants, custom door shops, custom millwork shops, and engineered wood product (EWP) centers in 30 states, representing the top 130 markets in the country.

84 Lumber also offers professional residential and commercial contractors turn-key installed services for a variety of products including framing, insulation, siding, windows, roofing, decking, and drywalling. 

LBM, 31 March

Cont. from page 11

Meanwhile, exports to South Korea and Hong Kong increased by 8% and 48% to 1,506 m³ and 185 m³ compared to the previous month. However, Japan, Taiwan and China decreased by 29%, 11% and 30% to 1,516 m³, 48 m³ and 350 m³ respectively.

Elsewhere, export to Australia and the US decreased by 35% and 5% to 2,059 m³ and 2,589 m³ respectively. Meanwhile export to Canada increased by 149% to 107 m³ compared to the previous month.

FOB unit value for February is at RM3,537 per m³ a decrease of 3% compared to the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative exports from February 2016 increased 29% to RM190.8 million as compared to RM148.5 million in the corresponding period last year. Export to the EU increased 8% to RM47.5 million. Export to the UK, Denmark, Sweden and Germany increased by 19%, 77%, 176% and 352% to RM29 million, RM2.6 million, RM1.4 million and RM4.2 million respectively. However, export to Belgium, France and Italy decreased by 52%, 35% and 3% to RM4.8 million, RM2.6 million and RM624,000 compared to the previous year. Meanwhile, Turkey and Netherlands resumed their intakes.

In Asia, exports to Viet Nam, Taiwan and South Korea decreased 22%, 3%, and 3% valued at RM4.3 million, RM2.8 million and RM479 thousand respectively. However, exports to Singapore, Japan, India, Pakistan, Thailand, Saudi Arabia and the UAE grew 48%, 7%, 17%, 35%, 78%, 66% and 18% to RM22.3 million, RM12.4 million, RM10 million, RM10.1 million, RM8.9 million, RM1.1 million and RM533 thousand respectively. Meanwhile, Qatar resumed its intake and Bahrain did not make any purchases.

Exports to Australia increased by 55% to RM33.8 million compared to the previous year. However, South Africa decreased 14% to RM2.4 million. Likewise, the US increased its intake by 48% to RM16.6 million from RM11.2 million in the previous corresponding period. Meanwhile, Mauritius did not make any purchases.

FURNITURE

Exports of wooden and rattan furniture for the cumulative period from February 2016 increased 18% compared to the corresponding period last year. Total shipments recorded at RM1.26 billion against RM1.07 billion in 2015. Purchase of wooden furniture from Malaysia for the January to February

2016 duration increased 17% from RM1.06 billion to RM1.25 billion compared to the same period in 2015.

Imports of wooden furniture by the US increased 36% from RM332.35 million to RM451.14 million. Likewise, Japan increased its consumption by 22% from RM113.99 million to RM138.74 million. Shipments to Australia increased by 12% to RM100.40 million while exports to the UK jumped 34% from RM58.24 million to RM78.23 million. Similarly, demand from Singapore and Canada increased by 16% and 5% to reach RM66.28 million from RM56.92 million and RM39.75 million from RM38.03 million respectively. Demand from India also recorded an increase of 13% from RM17.88 million to RM20.17 million.

In the Middle East market, demand from Saudi Arabia recorded an increase of 19% to RM27.82 million. However, imports from the UAE dropped 10% to RM36.56 million. In Asia, demand by South Korea increased by 8% to reach RM20.82 million. Likewise, the Philippines also increased imports by 36% from RM12.40 million in 2015 to RM16.84 million in 2016.

Meanwhile, exports of rattan furniture increased tremendously by 213% to RM11.55 million in 2016 from RM3.69 million in 2015. France is the top importer with an intake of RM4.75 million, recorded an increase of 3,433%. Demand from Singapore also increased by 291% to RM1.60 million from RM0.41 million in 2015. Similarly, imports by Australia grew at 304% to RM1.55 million. Imports by the UK increased by 19% to RM1.08 million and imports by the US also increased by 98% to RM0.42 million.

Shipments to Asia, China, Thailand and Viet Nam increased by 241%, 25% and 70% to RM0.17 million, RM0.11 million and RM0.45 million respectively. Meanwhile, shipment to Papua New Guinea increased by 98% to RM0.42 million compared to the previous month.

10 11

MIFF 2016



MTIB booth.

The MIFF has been ranked amongst the top 10 worldwide and has spearheaded the furniture trade scene for many years. Held annually in March, exhibitors and buyers from all over the world converge on this global stage. Since its inception in 1995, MIFF has helped both exhibitors and visitors in creating business and networking opportunities. The 12th MIFF was held at the Putra World Trade Centre (PWTC) and MATRADE Exhibition and Convention Centre (MECC), Kuala Lumpur on 1-5 March. Show organiser, UBM Malaysia, recorded visitors from 130 countries and regions and a steady turnout from neighboring ASEAN countries, underlining the international reach and popularity of MIFF as a global sourcing centre and gateway to Southeast Asia.

The five-day event features 500 exhibiting companies from 15 countries and regions, grossing 80,000 square metres at PWTC and MECC. Officiated by YB Datuk Amar Douglas Uggah Embas, Minister of Plantation Industries and Commodities Malaysia, MIFF 2016 marked the first furniture trade fair of the sourcing season in Asia. In his opening remarks, he urged the furniture industry to work with the relevant agencies under the Ministry and other related agencies such as MATRADE and SME Corp to step up export strategies and look for growth opportunities within and outside traditional markets. Emerging markets, in particular, the ASEAN region and Asia Pacific countries are markets that have high growth potential. MIFF 2016 achieved record sales of USD908 million and drew more overseas buyers including a strong number of first timers.

MIFF continued to be a good platform for Malaysian companies to showcase their products to visitors and potential buyers. MTIB's participation in MIFF 2016 was mainly to promote Malaysian furniture products that have potential to expand their export markets. Meanwhile, BSSB Sdn. Bhd. which produced bedroom furniture also joint MTIB pavilion in the fair. MTIB also displayed products under the programme TANGGAM by MTIB, a programme aimed at promoting young Malaysian furniture designers and their products. with the aim to promote Malaysian young furniture designers and their designed products. A number of enquiries on products displayed and other Malaysian timber products were reported. MTIB also exhibited its publications for sale while taking the opportunity to explain and promote services such as the Timber Verification Service.



YB Datuk Amar Douglas Uggah Embas, Minister of Plantation Industries and Commodities (second from left) was welcomed by Puan Noorazimah Sarkom, MTIB Deputy Director of Trade Development to MTIB booth.



YB Datuk Amar Douglas Uggah Embas viewing one of the products under the TANGGAM by MTIB programme.

INDUSTRY BRIEFING ON TPPA AND PROMOTIONAL INCENTIVES



Dr. Jalaluddin Harun, MTIB Director-General delivering his welcoming remarks.

An industry briefing entitled "Implementation and Benefits of Trans-Pacific Partnership Agreement (TPPA) and Incentives for Timber Entrepreneurs to Explore the Global Market" was organised by MTIB on 23 March in Kuala Lumpur.

The briefing was held to keep the industry abreast of the latest developments on the implementation and benefits of TPPA and the various incentives provided by the government for Malaysian timber exporters and entrepreneurs to promote and market their products internationally. Dr. Jalaluddin Harun, Director-General of MTIB in his welcoming remarks welcomed all speakers and participants to the briefing and urged the participants to take the opportunity to enhance and update their knowledge on the TPPA. He also hoped that all participants would take the opportunity to consult with the speakers and use the event as a platform to pose any question or doubt especially regarding TPPA and the government's promotional and marketing incentives under the coordination of MATRADE. Dr. Jalaluddin Harun also highlighted that Malaysia's exports of timber and timber products in 2015 were valued at RM22.14 billion, recording an increase of 6.5% compared to the corresponding period of 2014. Major destinations were Japan (RM4.02 billion), USA (RM3.07 billion) and India (RM1.89 billion).

During the briefing, five papers were presented by speakers from MPIC and MATRADE. The first speaker, Encik Simon David, from the Ministry of Plantation Industries and Commodities (MPIC), deliberated on the topic "Tariff Reduction under TPPA and Market Access Opportunities for Timber

Industry". In his presentation, he stated that TPPA was the new millennium free trade agreement of the 21st century, comprising 12 countries in the Asia Pacific, the United States, Australia, Brunei, Chile, Japan, Canada, Mexico, New Zealand, Peru, Singapore, Viet Nam and Malaysia. TPPA was signed by all the countries involved on 4 February 2016 in Auckland, New Zealand, and will be ratified by the TPPA member countries in 2018. He added that, in 2015, the TPPA countries only accounted for 46.4% of export market share of the total exports of Malaysia's timber worth RM22.14 billion. Japan accounted for 20% of the market, the US 12%, Singapore 5%, Australia 4%, Viet Nam 2% and Canada 1%. Meanwhile, other TPPA markets namely, Mexico, New Zealand, Brunei and Peru were still small exports market for Malaysia.

He further highlighted on the tariff reduction and elimination offers by TPPA parties. Malaysia offers 1,906 commodity products tariff lines to TPPA member countries. Out of them, 92% are subject to the Entry Into Force (EIF) modality while only 7.8% are subject to the phase out approach of between three to 16 years period which means by the end of 16 years, all of Malaysia's import duties for commodity products including timber will be zeroed. The US, Brunei, Chile and Singapore will zeroise their tariff reduction immediately after ratification while other TPPA countries members namely Canada, Peru, Mexico, Australia, New Zealand and Viet Nam will offer elimination between 65% - 99% upon EIF and elimination by stages between three to 16 years at 0.71% - 34.83%. Japan offers 83.27% upon EIF and will offer tariff elimination by stages between three to 16 years.

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The second speaker, Puan Yuslinawati Mohd Yusof from MATRADE, presented three papers: Market Development Grant (MDG), Going Export Programme (GO-EX) and Mid-Tier Programme. For her first paper, Puan Yuslinawati stated that the objective for the Market Development Grant is to assist SMEs, trade and industry associations, chambers of commerce and professional bodies in undertaking promotional export activities. The maximum grant ceiling is RM200,000 per company. The Going Export Programme (Go-EX), which is a new initiative by MATRADE is also to assist SMEs in accelerating their export growth. The programme provides a reimbursable grant up to RM50,000 for companies to undertake market immersions and registration of certification for standards requirements in foreign countries.

The Mid-Tier Companies Development Programme (MTCs), on the other hand, is a programme involving facilities to obtain networking with business partners and distributors, access to funding with potential international and local investors, links to new technology and technology partners to accelerate innovation, growth and development, and access to global market intelligence, customised tools and global solutions. To enjoy these facilities, MTCs in Malaysia must meet the requirements of having average annual revenues of RM50-500 million (manufacturing) or RM20-500 million (services) and the company must be at least 60% Malaysian owned.

The third speaker, Puan Asnor Vidya Nor Azmi of MATRADE shared information on eTrade facilities which involves export marketing through online platforms. She noted that MATRADE has an option for Malaysian exporters who are interested to do business online where they can export their products through its eTrade Programme. The eTrade Programme is a one-off financial assistance to qualified SMEs: RM2,500 or 50% of the listing fee, whichever is lower, in the form of e-Vouchers or reimbursements. eTrade members can also enjoy training and online assistance provided by MATRADE. Some of the leading international e-marketplaces that MATRADE has chosen for Malaysian exporters are Alibaba.com, tradeindia.com, ebay and amazon.

During the Q&A session which was moderated by Encik Mohd Kheiruddin Mohd Rani, MTIB Director of Trade Development, participants posed numerous queries related to the implementation and benefits of TPPA which included among others labour laws, labour measures and its adjustments and reform requirements under TPPA. The topic was further deliberated by Encik K. Kesavan, Principal Assistant Secretary, Ministry of Human Resources Malaysia.

The briefing was attended by over 120 participants comprising representatives of the Malaysian timber industry and associations, officials from related government departments, agencies, and councils as well as representatives from the USA Embassy in Kuala Lumpur.



Q&A session.



Attendees at the briefing.

EXPORT FURNITURE EXHIBITION 2016



VIPs at the official opening.

Export Furniture Exhibition was presented by the Malaysian Furniture Council and organised by EFE Expo Sdn. Bhd. EFE has built a solid reputation for its robust B2B trading atmosphere, providing irresistible value for a wide range of high quality furniture to suit dining rooms, bedrooms, living rooms, offices, children's rooms, sofas and the occasional outdoor furniture, as well as furniture fittings and hardware. EFE offers a platform for manufacturers to meet buyers and decision-makers especially from foreign markets for exclusive networking opportunities and to build partnerships with leading industry players.

Breaking away from the traditional show dates held during the beginning of March, EFE 2016 changed its show dates to 5-8 March. With the new dates, EFE 2016 took place at the forefront of the commencement of the Asian Furniture Fairs and attracted more buyers and visitors to the show as it was evenly spaced with the ASEAN Furniture shows, not overlapping each other. The four-day show spread over 20,000 square metres that ran for four days at the Kuala Lumpur Convention Centre.

Secretary-General of Ministry of Plantation Industries and Commodities (MPIC) on behalf of YB Datuk Amar Douglas Uggah Embas, Minister of MPIC officially opened the show. In his opening speech, he stated that the furniture industry needed to continuously innovate to retain its competitiveness and explore new ways of doing business and offer quality and market oriented products. He further added that, furniture manufacturers should continue to produce market oriented products and raise international confidence in Malaysian

products. He noted that the government would continue to facilitate the development of the furniture industry, including promoting greater integration of design and automation in the manufacture of furniture products.

EFE 2016 attracted the participation of 257 exhibitors, both local and international and almost 10,000 local and international visitors, with total export sales reported at USD703 million.

MTIB coordinated the participation of three furniture companies, in EFE 2016 namely: Kwila Berhad, Temoan Abo and Telawi Makmur (M) Sdn. Bhd. The products displayed included a garden furniture set, a wood bench, office furniture, living furniture, a tv cabinet, a children's playground and also decorative products. A number of immediate as well as negotiated sales on products displayed were also reported.



Products displayed during the exhibition.

TRAINING SESSION FOR CHAIRS AND CONVENORS

A training workshop on Chairs and Convenors was held on 9-11 March in Tokyo City, Japan. The training was conducted by Staffan Söderberg and Sophie Clivio from ISO. The training was hosted by the Japanese Industrial Standards Committee (JISC). The objectives of the workshop were to provide the participants with training in specific areas that would assist them in carrying out their duties as Chairs or Convenors in ISO committees as well as working groups. It was also to enhance their understanding in meeting the expectations as an ISO Chair and Convenor as well as to build up consensus during ISO deliberations as per requirements in the relevant ISO/IEC directives.

In addition, the participants were also guided on how to manage meetings and handle participating stakeholders during the meetings and at the same time to continue to be, and develop as, a good Chair or Convenor. A total of 25 persons attended the workshop which comprised participants mainly from Japan (22), Cambodia (1) and Malaysia (2). At present Malaysia has been appointed as a Convenor and Secretariat for WG4 (Test Methods) in ISO/TC 218 : Timber as well as ISO/TC 89: Wood-based Panels: SC3.

The itinerary of the workshop is as below:-

Day 1

Session 1: Expectations of you

- Expectation of a good and effective Chair and Convenor
- The ISO/IEC Directives, Part 1 and ISO Supplement
- Technical regulations and their implications
- ISO IT Tools and applications

Session 2: Finding Consensus

- The meaning of consensus

Day 2

Session 3: Managing and leading your meeting

- Roles of Chair, Convenor and Secretary

Session 4: Handling your participating stakeholders

- Monitoring participants' attitudes and behavior

Day 3

Session 5: Functions of you as a good Chair/Convenor

Besides attending the workshop, the Malaysian delegates also visited the Japanese Plywood Inspection Corporation (JPIC) in Saitama, around 20 km North-west of Tokyo. The purpose of the visit was to discuss with JPIC about the tests carried out in compliance with formaldehyde emission levels that are currently being practiced. The delegates were welcomed by Mr. Shinji Ogata from JPIC Headquarters in Tokyo and Mr. Watanabe from JPIC Soka City Branch in Saitama. JPIC was established in 1949 and was formerly known as Japan Plywood Inspection Association for plywood inspection. In 2006, it changed its name to Japanese Plywood Inspection Corporation and became the new authority on plywood, flooring, laminated wood, laminated veneer lumber. JPIC is under the Minister Agriculture, Forestry and Fisheries, Japan.

The laboratory was equipped with several testing facilities such as the bending and compression testing machines, the bending and compression shear test, vacuum as well as pressurised steaming equipment. JPIC's roles is to train factory staff on items such as preparation of materials after every production and test. JPIC also carries out auditing and verifying exercises, and awards certificates to companies involved in the certification for plywood and other products. The awareness on formaldehyde emission started in 1970s. Between 1975-1980s, the government included the limits on formaldehyde emission in their standards. In the Building Standards Law (2003), Japan has stipulated all volatile organic compounds' (VOCs) minimum limit including formaldehyde emissions. JPIC inspects plywood, LVL and laminated timber floorings to ensure the industries are in compliance with the permitted formaldehyde emission level. Malaysia was represented by Puan Syafinaz Abd Rashad from Industry Development, MTIB and Prof. Dr. Paridah Md Tahir from UPM.



Technical visit to Japanese Plywood Inspection Corporation.



Malaysian delegates posing with representatives from Japan and Cambodia.

WOOD PLASTIC COMPOSITES CONFERENCE 2016



An overview paper of wood plastic composite industry in Malaysia delivered by Dr. Yeoh Beng Hoong of MTIB.



At MTIB booth

The market for wood plastic composites (WPC) is developing rapidly in Europe, helped by a series of product and process developments as well as improved marketing programmes and yet usage is still only a fraction of the size of its potential.

AMI's Wood Plastic Composites 2016 Conference drew on the most successful experiences in Europe and the US to bring focus on the latest developments in the industry. An array of papers addressed the key opportunities and issues facing participants in the WPC industry today: process and materials developments, new product developments such as aesthetics and durability, new applications and best marketing practices. The purpose of the conference was to provide opportunities to learn from the experience of others, help stimulate new ideas and facilitate a vision of what the future could bring. The conference was held on 7-9 March in Vienna, Austria. Seventeen speakers were invited to deliver talks and a factory demonstration (latest wood plastics composite processing line) was held at battenfeld-cincinnati Austria GmbH.

The conference comprised three sessions as given below:

Session 1 – Market Insight

Session 2 – Materials Developments

Session 3 – Process Technology

The speakers spoke on the whole spectrum of WPC products including the market view in each continent, new developments in the WPC industry, new products, new technologies, new processes, new applications and the new standards requirement of WPC domestic and abroad.

A keynote paper entitled "The European Market for WPC" was presented by Mr. Jon Nash from AMI

Consulting, United Kingdom. He noted that 75% of natural wood fibres from sustainable forestry and 25% of high quality polymers and additives shall be the basis of composition. However, so far there is no any worldwide-recognised method for the certification.

Dr. Michael Schiller from HMS Concept, Austria also talked about recognised methods to endorse the definition of sustainability and also to detect the supply of ingredients that comply with sustainable raw material in composition especially where wood flour is concerned; whether the wood flour is from any "Forest Stewardship Council" (FSC) certified supply. In addition, 10 FSC principles were brought up to the attention for compliance.

A paper entitled "Application of Wood Plastic Composite in Construction and Other Products in Malaysia" was presented by Dr. Yeoh Beng Hoong from MTIB. Dr. Yeoh gave a brief overview of the WPC industry in Malaysia focusing on the available materials for the expansion of the industry, the marketing growth of WPC in Malaysia, market perception, challenges as well as responsibilities of the authorities to ensure the industry continues to grow.

From the conference, it was clear that overall, the WPC Industry in Europe is getting bigger in terms of production size and established manufacturers are expanding from their original market towards the global market. The biggest volume of WPC products is mainly for deckings, followed by windows and doors. It was observed that the European WPC industry expansion was linked to the housing construction industry. Also, the most effective channel in Europe for big quantities is through chain shops such as Home Depot and Lowes.

WTO ON TECHNICAL BARRIERS TO TRADE – WHAT WE NEED TO KNOW

BACKGROUND OF WTO TBT

The World Trade Organisation (WTO) Agreement on Technical Barriers to Trade (the “TBT Agreement”) entered into force on 1 January 1995 as one of the WTO agreements under Annex 1A of the Agreement Establishing the World Trade Organisation.

After years of negotiation, at the end of the Tokyo Round in 1979, the 32 General Agreement on Tariffs and Trade (GATT) Contracting Parties signed the pluri-lateral Agreement on Technical Barriers to Trade (TBT). The Standards Code, as the Agreement was called, laid down the rules for preparation, adoption and application of technical regulations, standards and conformity assessment procedures. The new TBT Agreement, has strengthened and clarified the provisions of the Tokyo Round Standards Code. The TBT Agreement, negotiated during the Uruguay Round is an integral part of the WTO Agreement.

The TBT Agreement is binding on all members of the WTO. It shares many of its fundamental principles with other WTO agreements – non-discrimination, promoting predictability of access to markets, and technical assistance and special and differential treatment for developing countries in the implementation of the Agreement. However, the TBT Agreement also includes features specific to the preparation and application of regulatory measures that affect trade in goods: it strongly encourages the use of international standards, and it emphasises the need to avoid unnecessary barriers to trade. Moreover, it contains detailed provisions to clarify the entire process of preparing, adopting and applying TBT measures (the regulatory life-cycle). These provisions – together with guidance developed by members in a step-by-step fashion over the years – have enabled the TBT Agreement to become a unique multilateral instrument for addressing trade-related regulatory measures.

The TBT Agreement is part of a broader category of WTO agreements dealing with non-tariff measures (NTMs). NTMs, which include technical regulations, standards and conformity assessment procedures, provide the WTO with a number of challenges. On the one hand, governments rely on NTMs to achieve public policy goals, including the protection of human health and the environment – the fact that trade is affected is a normal and legitimate consequence of such regulation. On the other hand, NTMs may be used to shield domestic

producers from foreign competitors, or they may be unnecessarily trade restrictive. In addition, NTMs are often technically complex, less transparent and more difficult to quantify than tariffs.

The TBT Agreement was carefully designed with these challenges in mind. Its disciplines help WTO members distinguish between “legitimate” and protectionist motivations for TBT measures. As such, the Agreement is an important tool to improve coherence and mutual supportiveness between open trade, on the one hand, and the internal policies that countries use to achieve public policy objectives, on the other. In short, the disciplines of the TBT Agreement are intended to help governments achieve a balance between upholding legitimate regulatory policy objectives and respecting the key disciplines of multilateral trade under WTO rules, including avoiding the creation of unnecessary obstacles to international trade.

THREE CATEGORIES OF TBT MEASURES

The TBT Agreement distinguishes between three categories of measures: technical regulations, standards, and conformity assessment procedures. The precise definition of these measures is contained in the TBT Agreement.

Technical Regulations and Standards in the TBT Agreement

Technical regulations and standards set out specific characteristics of a product — such as its size, shape, design, functions and performance, or the way it is labelled or packaged before it is put on sale. In certain cases, the way a product is produced can affect these characteristics, and it may then prove more appropriate to draft technical regulations and standards in terms of a product’s process and production methods rather than its characteristics per se. The TBT Agreement makes allowance for both approaches in the way it defines technical regulations and standards.

Difference Between a Technical Regulation and a Standard

The difference between a standard and a technical regulation lies in compliance. While conformity with standards is voluntary, technical regulations are by nature mandatory. They have different implications for international trade. If an imported product does

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not fulfil the requirements of a technical regulation, it will not be allowed to be put on sale. In case of standards, non-complying imported products will be allowed on the market, but then their market share may be affected if consumers prefer products that meet local standards such as quality or colour standards for textiles and clothing.

Conformity Assessment Procedures

Conformity assessment procedures are technical procedures — such as testing, verification, inspection and certification — which confirm that products fulfil the requirements laid down in regulations and standards. Generally, exporters bear the cost, if any, of these procedures. Non-transparent and discriminatory conformity assessment procedures can become effective protectionist tools.

OBJECTIVES OF WTO TBT

Protection of Human Safety or Health

The largest number of technical regulations and standards are adopted to aim at protecting human safety or health. Numerous examples can be given. National regulations that require that motor vehicles be equipped with seat belts to minimise injury in the event of road accidents, or that sockets be manufactured in a way to protect users from electric shocks, fall under the first category. A common example of regulations whose objective is the protection of human health is the labelling of cigarettes to indicate that they are harmful to health.

Protection of Animal and Plant Life or Health

Regulations that protect animal and plant life or health are very common. They include regulations intended to ensure that animal or plant species endangered by water, air and soil pollution do not become extinct. Some countries, for example require that endangered species of fish reach a certain length before they can be caught.

Protection of the Environment

Increased environmental concerns among consumers, due to rising levels of air, water and soil pollution, have led many governments to adopt regulations aimed at protecting the environment. Regulations of this type cover for example, the recycling of paper and plastic products, and levels of motor vehicle emissions.

Prevention of Deceptive Practices

Most of these regulations aim to protect consumers through information, mainly in the form of labelling requirements. Other regulations include classification and definition, packaging requirements, and measurements (size, weight etc.), so as to avoid deceptive practices.

TRANSPARENCY

Transparency is a cornerstone of the TBT Agreement. Transparency in the context of the TBT Agreement consists of three core elements:

- Provisions on the notification of draft technical regulations and conformity assessment procedures, as well as the “one-time” notification of each member’s organisational “set-up” for the implementation of the Agreement
- Establishment of enquiry points and a notification authority
- Publication requirements for technical regulations, conformity assessment procedures and standards

These three elements have been further developed by the decisions and recommendations by the existence of the TBT Committee.

NOTIFICATION

The notification provisions in the TBT Agreement, along with the relevant TBT Committee decisions and recommendations, form the backbone of the Agreement’s disciplines on transparency. Notifications reveal how members intend to regulate to achieve specific policy objectives and what might be the trade implications of their regulations. Receiving information about new regulations or standards at an early stage, before they are finalised and adopted, gives trading partners an opportunity to provide comments either bilaterally or in the TBT Committee, and to receive feedback from the industry.

If a member takes regulatory action, the comments can assist in improving the quality of its draft regulation and avoid potential trade problems. Early notification also helps producers and exporters adapt to the changing requirements.

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Essentially, governments are required to “notify” other members, through the WTO Secretariat, of proposed measures that may have a significant effect on other members’ trade and are not based on relevant international standards. This notification requirement must take place at an early, appropriate stage, when amendments can still be introduced and comments taken into account. Information about new requirements is essential to producers and exporters – it enables the industry to transmit its concerns and comments to its government who may then raise the matter bilaterally with trading partners. Indeed, trading partners have an obligation to take these comments into account. If concerns cannot be resolved through the bilateral informal process, members can raise them as specific trade concerns (STCs) in the TBT Committee.

Once a measure has been notified, the recommended 60-day comment period begins, during which members can request copies of the draft measure and make written comments on the measure to the notifying member. The comment period is significant because the notifying member should discuss comments received and take both these and the results of any discussion into account in the final measure.

What is the TBT Committee and Who Sits on It?

The TBT Committee is composed of representatives from each member of the WTO. It meets usually three times a year for the purpose of affording Members the opportunity of consulting on any matters relating to the operation of this Agreement or the furtherance of its objectives. The Committee has come to fulfil two main functions:

- to serve as a forum where delegations may discuss specific trade concerns about particular laws, regulations or procedures that affect their trade, and
- to provide an opportunity for members to discuss how to strengthen the implementation of the TBT Agreement, primarily by exchanging experiences on generic, cross-cutting themes, including technical assistance, transparency, standards, conformity assessment and good regulatory practices.

References :

- *The WTO Agreements Series -Technical Barriers to Trade*
- www.wto.org

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Timber News



Delegates visited Battenfeld-Cincinnati to view the latest processing line.

AMI's Wood Plastics Composites Conference successfully gathered participants from over 30 countries and six continents. The conference provided a broad-based forum for companies processing, fabricating or selling timber or plastics products that are looking to explore or expand their businesses and to identify new opportunities. Participants gained a broad understanding of the status of the market and the momentum and focus of development. Four local companies namely Perceptive Profile Sdn. Bhd., KPC Manufacturing (M) Sdn. Bhd., ZFH Industries Sdn. Bhd. and Timberdeck Sdn. Bhd. attended the conference under the MTIB banner.





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BRUNEI DARUSSALAM: STRENGTHENING INFRASTRUCTURE BACKBONE

Overview

Brunei Darussalam is situated on the north-west coast of the island of Borneo with a coastline of about 130 km. The country is endowed with extensive forests. Even though the proportion of forest cover of the country is large, the forest resource available for the development of timber industry is limited, as the actual area of the country is exceedingly small.

Brunei Darussalam has a tropical climate with high humidity and rainfall. The average daily temperature is about 28°C and the annual rainfall ranges from 2,790 mm in lowland areas to more than 3,810 mm in many parts of the interior, particularly from November to March.

Economically, Brunei Darussalam is still heavily dependent on the production of crude oil and natural gas. The country is known to be the third largest oil producer in Southeast Asia with a production of 163,000 barrels per day. It is also the fourth largest producer of liquefied natural gas in the world. Apart from crude oil and natural gas revenues, rents, royalties, taxes and investment dividends also support the country's economy.

Economy

Brunei has a small economy that depends on revenue from natural resource extraction but encompasses a mixture of foreign and domestic entrepreneurship, government regulation, welfare measures, and village tradition. Crude oil and natural gas production account for 60% of Gross Domestic Product (GDP) and more than 90% of exports. Its per capita GDP is among the highest in Asia and substantial income from overseas investment supplements income from domestic production. For Brunei citizens the government provides for all medical services and education through the university level. The government of Brunei has been emphasising through policy and resource investments its strong desire to diversify its economy both within the oil and gas sector and to new sectors.

According to the Department of Economic Planning and Development Board (JPKE), Brunei's economy continued to decline year-on-year, this time by 2.3% in 2014, owing to a slowdown in the oil and gas



sector. This is a further decline from the 1.8% year-on-year contraction recorded in 2013. The JPKE said the oil and gas sector, which accounts for more than half of the Sultanate's GDP, fell by 3.7% in 2014.

By expenditure approach, the JPKE attributed the GDP's decline to a 34% decrease in gross capital formation, imports of goods and services by 19.7% and domestic consumption by 3%. Brunei's exports rose by 4.3% in 2014, while government spending increased by 2.9%.

In the fourth quarter of 2014 alone, Brunei's GDP grew by 0.2% on year. The 2.7% growth in the non-oil and gas sector offset the 1.6% decline in the oil and gas industry. The gains in the agriculture and services sectors supported the non-oil and gas sector in the fourth quarter. Agriculture, forestry and fishery sectors rose by 3.1% thanks to a 25.7% rise in the production of vegetables and fruits as well as an 8.6% growth in forestry production.

Brunei's GDP at current prices in the fourth quarter of 2014 was estimated at USD5.245 billion compared to the USD5.209 billion in the previous quarter. JPKE said the fourth quarter national income accounts is the first quarterly report to be released that used 2010 as the base year in calculating the country's gross domestic product.

The economy benefited from high global energy prices in the early 2000s, with little inflation. It slowed in 2007 (with a growth rate of 0.2%) and in the strongly adverse climate of the world economic downturn, shrank in 2008 (-1.9%) and 2009 (-1.8%) before returning to steady growth in 2010-2014, when energy prices were buoyant, before they declined sharply in 2014.

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Forest Resources

Because of Brunei's mostly urban population and the wealth deriving from oil and gas, forest use has been limited. Currently about 80% of Brunei's total land is covered by forests, nearly 60% of it virgin. The government is committed to preserving the important environmental, biotechnological and other economic and social functions of its forests and hopes to develop their potential as a tourist attraction. Consequently, logging, limited to 100,000 m³ annually, is confined to meeting local needs only, and timber extraction for export is strictly prohibited.

Brunei's forests are classified into two types, gazetted forest reserves, which cover an area of about 235,520 hectare, or approximately 40% of the total land area and state-land forests. The management of the forest reserves is under the jurisdiction of the Forestry Department, one of the arms of the Ministry of Industry and Primary Resources. Most of the forest reserves are made up of primary forest, which is divided into six categories, namely mangrove, freshwater swamp, peat swamp, Kerangas or tropical heath, mixed dipterocarp and montane. The rest are mixtures, such as plantation and secondary forests.

The forests are managed on an optimal, sustainable and ecologically sound basis. The main economic forestry objectives are attaining long-term self-sufficiency in timber production and the supply of other essential forest products, promoting downstream processing for high value-added products, tapping forest biodiversity for industrial biotechnology, boosting ecotourism and developing a competitive forestry niche in the international market. All of these are geared toward maximising the contribution of the forestry sector in the government's national economic diversification programme.

But more importantly, the forests are managed for their inherent protection and conservation values. These include the protection of the natural life-support systems, maintenance of environmental amenities, promotion of scientific endeavours and nature education, and perpetuation of the national patrimony.



Currently about 80% of Brunei's total land is covered by forests, nearly 60% of it virgin.

Timber Industry in Brunei

Although Brunei Darussalam is small, it is unique in the region in that about 75% of its area remains under forest cover, a majority of which is still in pristine condition. The situation in Brunei Darussalam is special because the wealth generated from its petroleum reserves has limited the need to exploit other forms of resources, such as palm oil plantations. As the need for land and income increases in countries around Brunei, pristine rainforests are disappearing rapidly, making Brunei Darussalam more special every day. But even in Brunei, today's pressures of development and logging are threatening this unique situation. Only 17% of Brunei is formally Protected Area (National Park or Protection/Conservation forest). Brunei has the opportunity to extend the protected areas and save large stretches of forest from future logging. Without further protection, all but this 17% of Brunei could be logged by the year 2045.

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Timber Production in Brunei

According to the latest FAO forest statistics on wood in 2014. Details of production are as follows: Brunei, the country produced around 169,000 m³ of

Brunei : Production of Timber Products, 2010-2014

(Volume : m³)

Product	2010	2011	2012	2013	2014
Industrial Wood	107,300	107,300	107,300	107,300	107,300
Fuel Wood	11,679	11,672	11,666	11,666	11,657
Sawnwood	50,900	50,900	50,900	50,900	50,900
Total	169,879	169,872	169,866	169,866	169,857

Source: FAOstat

Brunei's Export of Timber and Timber Products

Brunei's export of timber and timber products in 2014 increased 25% to USD3.84 thousand over the previous corresponding period. Malaysia is the major export market for timber and timber products in Brunei followed by Korea and China. Brunei exports mainly mouldings and plywood. Export of mouldings and plywood totalled USD1.52 million and USD931 thousand respectively. Brunei exported mouldings, mainly to Korea, to the amount of USD1.37 million which, exports of plywood, mainly to Malaysia, amounted to USD904 thousand compared to the previous years.

Brunei's Import of Timber and Timber Products

According to the latest UN Comtrade statistics, Brunei's import of timber and timber products for year 2014 decreased 30% to USD34 thousand over the previous corresponding period. Brunei imported mainly furniture and parts, plywood, and builders joinery and carpentry (BJC). Imports of furniture and parts, plywood and BJC totalled at USD21 thousand, USD6.9 thousand and USD3.4 thousand, a decrease of 14% 14% and 38% respectively. Malaysia was a major import source for Brunei's timber and timber products. Meanwhile, China ranked second as an import source for Brunei's timber and timber products.

Brunei : Export of Timber Products, 2011-2014

(Value : USD '000)

Code	Product	2011	2012	2013	2014
4401	Fuel wood	0	2	16	0
4402	Wood charcoal	0	0	0	5
4403	Logs	0	38	0	0
4407	Sawntimber	124	11	0	10
4408	Veneer	20	1	0	3
4409	Mouldings	746	932	1,041	1,527
4410	Particleboard	0	0	0	0
4411	Fibreboard	8	102	12	1
4412	Plywood	236	31	19	931
4413	Densified wood	0	0	0	0
4414	Wooden Frames	4	4	1	0
4415	Packaging Materials	18	6	18	6
4417	Tools, Tool and Handles	2	1	0	0
4418	Builders Joinery and Carpentry	371	218	189	649
4419	Tableware and Kitchenware	0	0	0	0
4420	Wood Marquetry	13	1	24	15
4421	Articles of Wood	30	12	25	3
9403	Wooden Furniture	159	299	1,736	691
Total		1,731	1,658	3,081	3,841

Source: UN Comtrade

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Brunei : Import of Timber Products, 2011-2014

(Value : USD'000)

Code	Product	2011	2012	2013	2014
4401	Fuel Wood	11	13	26	27
4402	Wood Charcoal	417	392	563	439
4403	Logs	15	0	47	18
4404	Hoopwood	0	0	2	0
4405	Wood Wool	0	0	0	0
4406	Sleeper	0	20	1	0
4407	Sawntimber	169	423	247	183
4408	Veneer	87	71	12	53
4409	Mouldings	264	254	111	260
4410	Particleboard	550	263	403	210
4411	Fibreboard	497	385	528	575
4412	Plywood	5,941	6,172	7,970	6,890
4413	Densified Wood	31	6	9	7
4414	Wooden Frames	465	279	361	347
4415	Packaging Cases	193	151	133	177
4416	Casks, Barrels, Vats, Tubs	0	0	42	1
4417	Tools Bodies and Handles	47	47	53	37
4418	Builders Joinery and Carpentry	4,772	3,685	3,937	3,403
4419	Tableware and Kitchenware	83	64	93	69
4420	Wood Marquetry	144	183	240	140
4421	Articles of Wood	641	591	855	786
9403	Furniture and Parts	21,560	40,969	34,530	21,377
Total		35,887	53,968	50,163	34,999

Source: UN Comtrade



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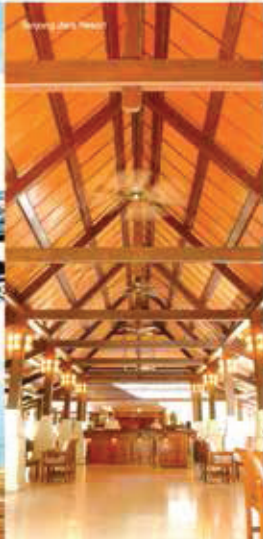
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Malaysia's Export of Timber and Timber Products to Brunei

Brunei has always been a significant timber trade partner with Malaysia. Brunei ranked 37th in Malaysia's export market for timber and timber products with 0.2% of Malaysia's total market share. In 2015, export of Malaysian timber and timber products to the Brunei registered a decrease of 54% to RM1.6 million from RM3.6 million in 2014. Builders Joinery and Carpentry (BJC) was the main product exported with a total value of RM1.2 million, followed by rattan furniture at RM149 thousand and wooden furniture at RM125 thousand.

Malaysia's Import of Timber and Timber Products from Brunei

In 2015, import of Malaysian timber and timber products from Brunei show an increase of 48% to RM217 thousand from RM146 thousand in 2014. Brunei ranked 67th in Malaysia's import market for timber and timber products with 0.1% of Malaysia's total market share. Veneer was the main product imported with a total value of RM107 thousand, followed by wooden furniture at RM54 thousand.

Malaysia: Export of Timber Products to Brunei, 2010-2015

(Value: RM)

PRODUCT	2010	2011	2012	2013	2014	2015
Wooden Furniture	20,192,377	21,440,868	25,221,589	21,593,327	24,836,956	25,911,084
Plywood	293,484	8,307,863	14,142,125	13,693,497	13,671,959	14,121,198
Builders Joinery and Carpentry	7,238,768	7,621,806	7,949,582	9,936,806	10,128,543	5,572,695
Rattan Furniture	129,900	205,977	439,532	828,036	877,339	1,300,566
Fibreboard	3,346,555	1,436,860	1,281,936	2,091,701	1,863,406	1,134,062
Other Products	2,029,689	1,733,648	2,753,103	1,263,927	2,779,895	804,463
Wooden Frame	41,712	7,600	82,936	617,878	1,101,932	719,893
Chipboard/Particleboard	511,996	1,220,517	666,626	636,946	466,611	554,142
Sawntimber	96,586	9,447	175,984	239,507	156,683	172,050
Mouldings	40,054	23,566	71,779	19,920	0	39,106
Veneer	0	0	0	0	0	4,831
Total	33,921,121	42,008,152	52,785,192	50,921,545	55,883,324	50,334,090

Source: DOS/MTIB

Malaysia: Import of Timber Products to Brunei, 2011-2015

(Value: RM)

PRODUCT	2011	2012	2013	2014	2015
Veneer	0	0	0	0	106,576
Wooden Furniture	31,002	30,687	63,180	0	54,373
Sawntimber	75,735	0	0	128,369	51,070
Rattan Furniture	0	0	0	0	5,831
Builders Joinery and Carpentry	0	2,704	0	0	0
Other Products	0	0	162,881	18,409	0
Total	106,737	33,391	226,061	146,778	217,850

Source: DOS/MTIB

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Import Tariffs

The Brunei's import duty on timber and timber products ranges from 0 – 5%. Details are as follows:

Product	ASEAN Tariff (%)	MFN Tariff (%)
Fuel Wood	0	0-5
Wood Charcoal	0	0
Logs	0	5
Hoop Wood	0	5
Wood Wool and Wood Flour	0	5
Sleepers	0	5
Sawntimber	0	5
Veneer	0	5
Mouldings	0	5
Chipboard/Particleboard	0	0
Fibreboard	0	5
Plywood	0	5
Densified Wood	0	0
Wooden Frame	0	0
Packing Cases	0	0-5
Casks, Barrels, Vats and Tubs	0	0
Tool Bodies and Handle	0	0-5
Builders Joinery and Carpentry	0	0
Tableware and Kitchenware	0	0
Wood Marquetry	0	0-5
Other Articles of Wood	0	0-5
Wooden Furniture	0	0-5

Prospects

Greater investment and an increased pace in new project launches should see Brunei Darussalam's transport and logistics reinforced over the next few years, building on recent improvements to the Sultanate's infrastructure.

A series of reports earlier this decade identified deficiencies in Brunei's transport and logistics infrastructure chain, which were seen as holding back economic development and diversification. In addition, the World Economic Forum (WEF) ranked Brunei 57th out of 144 countries for the standard of its ports, 61st in terms of the competitiveness of its air services infrastructure in its "Global Competitiveness Report 2012-13".

It also noted that the inadequate supply of infrastructure was a major inhibiting factor in conducting business in the country. But a steady stream of new projects is targeting some of the identified weaknesses, as well as building on existing strengths, boosting connectivity within the Sultanate and across the broader region. The



Dining set



Brunei modern furniture.

increased flow through the project pipeline was reflected in the WEF's 2013-2014 report, which found a significant improvement in two out of the three key sectors.

The government had laid out some of its infrastructure goals under the "Brunei 2035" vision, a long-term development plan aimed at diversifying the country's economy with a focus on public-private sector partnerships in the infrastructure sector.

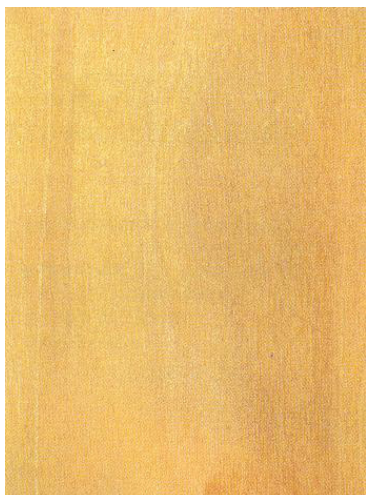
Another infrastructure project being rolled out is an expansion of the Muara Port facility. The increased wharf size will allow for larger container ships to berth and boost the port's cargo handling capacity. There is also a focus on improved road connectivity between logistic hubs, including the 2.7 km bridge to link the Pulau Muara Besar port and manufacturing centre with the mainland. Temburong Bridge and associated roadworks will connect the Temburong district directly with the rest of the country.

Another mega bridge project, which has already started on construction and will be the first of the bridges due to be completed in 2016, is the 607-metre Sungai Brunei Bridge which will connect Jalan Residency in Bandar with Kg Sungai Kebun in Lumapas as well as help reduce transit time between regions.

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DEDALI – SUITABLE FOR INTERIOR FINISHING



Wood colour and texture



Trunk of Dedali

Introduction

Dedali is the Standard Malaysian Name as well as the ASEAN Standard name for the timber of Strombosia javanica. (family of Olacaceae). Vernacular names applied include Bayam Badak, Bayan, Dedali Badak, Petaling Gajah, Kamap (Peninsular Malaysia) and Belian Landak (Sarawak). This is a monotypic timber.

In some parts of the Asian timber world, it is also known as Entelung, Kayu Kacang and Wuwusu (Indonesia) and Banata (Myanmar),

Description of the Tree

It is a medium tree at 40m tall, 100cm in diameter. The bole is straight, often with knobs.

Natural Habitat

Strombosia spp is found scattered in primary evergreen lowland rain forests from sea level up to 800m of altitude. It occurs mainly in lowland forests of Peninsular Malaysia. Not enough information is available to apply the criterion.

Anatomic Descriptions of Wood

The sapwood is lighter in colour than the heartwood and is moderately sharply defined from the heartwood, which is pale yellow with an olive brown tinge, darkening to light orange-brown.

The grain is straight or interlocked.

The vessels are numerous, very small and not distinct with a hand lens, solitary and in radial groups of two to more than six, usually open and without tyloses or deposits; perforation plates are scalariform but

not visible with a hand lens. Tangential diameter of vessels are lumina 100 micras or less (very small).

Wood parenchyma is abundant and apotracheal, consisting of diffuse strands and narrow incomplete layers bridging rays.

Rays are very fine, not visible to the naked eye. Body ray cells procumbent. Fibres are very thick walled with simple to minutely bordered pits.

Density

The timber is soft to moderately hard and moderately heavy. It is classified under Light Hardwood with a density of 580-720 kg/m³ air dry.

Natural Durability

The timber is moderately durable when exposed to the weather or in contact with the ground.

Texture

The texture is fine and even with straight or interlocked grain.

Machining Properties

It is easy to resaw and cross-cut. Planing is easy and the planed surface produced is smooth on the tangential side and slightly rough due to grain pick-up on the radial side.

Strength Properties

The timber falls into Strength Group B (Burgess, 1958) or SG 4 (MS 544: Part 2:2001).

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Table 1 : Machining Properties of Dedali

Static Bending	Green	Air Dry
Modulus of Elasticity (MOE)	10,700 N/mm ²	11, 100 N/mm ²
Modulus of Rupture (MOR)	57 N/mm ²	78 N/mm ²
Compression Strength		
Perpendicular to Grain		3.40 N/mm ²
Parallel to Grain	30.10 N/mm ²	39.70 N/mm ²
Shear Strength		8.40 N/mm ²

Drying Properties

The timber is very slow and difficult to perform. Defects are frequent with risks of checks with a moderate amount of cupping, twisting, end-checking and surface-checking as the main sources of degrade.

Kiln Schedules are proposed as a reference by comparison with well-known species taking into account the general technological behaviour of this species.

The timber is very prone to insect attack during drying. Boards of 13 mm thick take seven months to air dry, while 38 mm thick boards take 12 months.

Shrinkage

Shrinkage is high, with radial shrinkage averaging at 1.4% and tangential shrinkage averaging at 3.5%.

Working Properties

Planing : Easy
Finish : Smooth
Nailing : Good

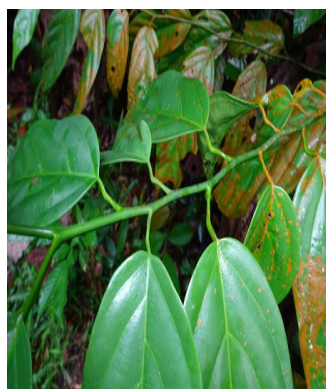
Uses

The timber is suitable for general utility purposes, medium construction under cover, posts, beams, joists, rafters, railway sleepers, packing boxes and crates, joinery, cabinet-making, veneer and plywood,

The timber is also suitable as an interior finishing, panelling, mouldings, partitioning, staircase (angle blocks, rough brackets, apron lining and balustrades), as pallets for both expendable and permanent types (light duty) and furniture.



Flower of Dedali



Leaf of Dedali



Fruit of Dedali

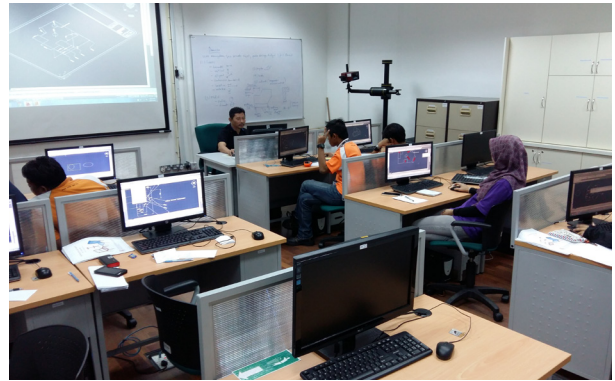
In other parts of the world, it has been successfully used in the manufacture of bent works like badminton rackets.

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- www.mtc.com.my/woodwizard - Dedali



The MTIB booth at the International Furniture Fair, Singapore, held on 8 - 13 March 2016. One of the TANGGAM by MTIB designers explains the prototype displayed at the booth.



A course on Auto CAD (Basic) organised by MTIB from 28 to 31 March 2016 at WISDEC Selangor.



A course on Procedure in Preparation of Innovation and Creative Project (Projek KIK) held on 15-17 March 2016 at MTIB, Kuala Lumpur.



YB Anyi Ngau, Chairman of MTIB during his visit to WISDEC, Selangor on 28 March 2016.